

A study on the role of Communication in Business Management

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Abstract - Effective communication plays a crucial role in the success of business management. This study delves into the significance of communication within the realm of business management, exploring its impact on various aspects such as leadership, team dynamics, organizational culture, and decision-making processes. Through a comprehensive review of existing literature and analysis of real-world case studies, this study aims to elucidate the intricate interplay between communication and business management. The findings underscore the importance of clear, transparent, and efficient communication channels in fostering a productive work environment, enhancing employee engagement, and achieving organizational objectives. Additionally, the study highlights the emergence of digital communication platforms and their implications for modern business management practices. By recognizing communication as a cornerstone of effective leadership and managerial process, this study offers valuable insights for businesses striving to optimize their management strategies in an increasingly dynamic and interconnected global landscape.

Keywords: Communication, Role, Business Management

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1. INTRODUCTION

In today's world, an individual's social traits are becoming more significant. The variety of identities and roles that people perform in the settings in which they live or work shape their social qualities. This suggests that every individual within a social group is a part of a larger web of connections, and that the critical link bridging these links is communication. A company is an organisational entity made up of persons that operates within the larger community in a certain way and with a specific division of labour. It is an economic organisation focused on making profits. Good communication is essential for building trusting relationships with clients and acting as a liaison between employees. "Peter Drucker, the famous management guru, pointed out that communication takes up most of a manager's time and energy and that managing communication is one of the basic responsibilities of managers and is a fundamental component and element of management behaviour." (Zhili, 2009) It shows that excellent communication is not only necessary to improve team cohesion and corporate combat effectiveness, but it is also a basic need for managers in the business sector.

Communication is the exchange of certain ideas and information between two or more information subjects. Interacting with one another via communication is a common and popular method for people to engage, but not all types of communication may successfully reflect the objectives of both parties, have a positive

effect, and ultimately achieve the intended purpose. When both parties receive and react to information with a high degree of accuracy, a productive and peaceful communication process results (Xiaomei, 2013). We call this kind of communication effective. Effective communication is distinguished by three qualities: exact communication methods, timely information feedback, accurate information transfer, and harmonious communication results. Whether sent via a face-to-face channel or another one, precise information transmission avoids information distortion brought on by external circumstances in the communication process or during transmission, allowing the information subject to maintain a high degree of comprehension of the original meaning of the information. Real-time feedback avoids decision-making lags and external influences, which may lead to misconceptions and poor communication between communicators. Rather, it makes sure that subjects exchange information quickly. A communicator must choose an acceptable communication style based on knowledge about the recipient's cultural background and cognitive ability in order to achieve the desired communication effect. We call this precise communication. When there is good communication, everyone concerned comes to a mutually beneficial arrangement.

1.1 Communication Management

However, cultivating a good rapport with the management might help you become a more

considerate, diligent, and goal-oriented person. As a result, communication management is essential. To ensure efficient communication, it is necessary to develop a communication strategy that includes some essential elements, such as focused, organised, and accurate communication. The communication strategy aids in the preservation and dissemination of the communication process, claim Can et al. It arranges the routes via which information travels, the people from whom it originates, the recipients of it, and the frequency of each of these events. The frequency is determined by the management's expectations, but we must remember that workers' commitment and engagement are maintained by open channels of communication. The employee and manager's communication strategy outlines frequent meetings, information gathering techniques, and required updates and evaluations throughout time. Establishing communication channels is essential for efficient communication since they allow for problem-solving, progress reporting, and project discussion (Figure 1).



Figure 1: Business communication in Key elements

The aforementioned characteristics define corporate communications as a means of disseminating data or information about businesses to a variety of business stakeholders, including employees, suppliers, corporate customers, and consumers, with the ultimate objective of attaining efficient company management. Additionally, it demands a constant flow of feedback and information, which is seen as a crucial and significant component of business operations. Due to differing levels of hierarchy and the involvement of several people, business communication is essential to many management tasks, including organising, directing, planning, coordinating, and managing.

1.2 Communication And Contexts In Intercultural Relations

It is crucial for global corporations like Ibis, West Africa, to employ intercultural communication to demonstrate their capacity to work with people from different cultural backgrounds, particularly in light of current events. Ibis made English its working language, although dealing with locals and foreigners is a well-known challenge. In addition to English, the

residents speak their own languages. The languages that a person who adheres to that culture speaks reveal its ideals. Thus, it is evident that the organisation prioritises certain cultures over others when it designates English as the primary language used inside the organisation. Furthermore, when local workers speak to "strangers" in their own tongue, they sometimes need to translate for them. This is another example of misrepresentation and misunderstanding that finally results in miscommunication.

Forms of Business Communication:

Four categories of corporate communication exist, as shown in Figure 2 and explained below.

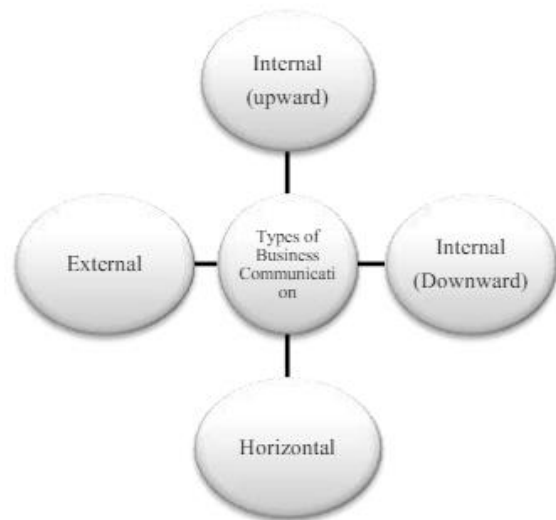


Figure 2: Various types of Business communication

Leadership and Communication:

Skilled leadership is fundamental to managing a company effectively, and communication is the main tool that leaders use to express their vision, motivate their staff to take action, and establish trust. Proficient leaders use several communication methods to express company goals, provide constructive criticism, and foster a feeling of mission among staff members. Facilitating candid communication and openness allows leaders to empower their staff, encourage creativity, and deal with obstacles quickly and skillfully.

Team Dynamics and Collaboration:

In an organisation, communication is essential to developing team relationships and cooperation. Coordination among team members is improved, workflow procedures are streamlined, and information exchange is made easier with clear and transparent communication channels. A culture of inclusiveness and respect is fostered by effective communication, which enables different teams to capitalise on their strengths as a group and accomplish shared objectives. Furthermore, cross-cultural communication abilities are crucial in today's

globalised workplace for promoting comprehension and cooperation between varied teams.

Decision-Making Processes:

Sound decision-making in corporate management depends on the availability of reliable information and efficient channels of communication. Managers use communication to get information, ask for opinions, and evaluate how actions could affect different stakeholders. Organisations may improve decision-making processes and reduce the risks of ambiguity or misunderstanding by creating a culture where ideas are openly shared and viewpoints are appreciated.

Organizational Culture and Communication:

Organisational culture is shaped via communication, which also affects workplace norms, beliefs, and behaviours. Open communication builds a culture of trust, stimulates creativity, and gives workers a feeling of community. On the other hand, ineffective communication techniques may cause confusion, disengagement, and organisational silos, which can lower morale and decrease production. Prioritising excellent communication helps organisations recruit and retain top personnel, which strengthens their competitive edge and creates a happy work environment.

In summary, it is impossible to overestimate the importance of communication in corporate management. An organization's ability to manage effectively, build cooperative team connections, and inform decision-making processes depends on its ability to communicate. Businesses can use communication's transformative power to drive innovation, foster resilience, and achieve sustainable growth in a constantly changing marketplace by making investments in a strong communication infrastructure, fostering an environment of open dialogue, and providing leaders and teams with the necessary training. Businesses must modify their communication strategy to take advantage of new technology and satisfy the changing demands of their stakeholders as the digital environment continues to change. Effective communication is ultimately a basic concept that supports organisational excellence and long-term success rather than merely a tool for corporate success.

1.3 Collaborations In The Insurance Domain

Working together is crucial in the insurance sector to increase market penetration, share risks, and capitalize on the unique qualities of each partner. Here are a few noteworthy partnerships:

ICICI Lombard and Bharti AXA:

2020 saw the announcement by ICICI Lombard General Insurance of a Rs 4,400 crore agreement to acquire Bharti AXA General Insurance. The purpose of this merger was to increase the size and

competitiveness of the resulting company in the general insurance market by expanding its product line and client base.

Max Bupa and HDFC ERGO:

A wide choice of health insurance options are available thanks to a partnership between Max Bupa Health Insurance and HDFC ERGO. Customers will have easier access to cutting-edge health insurance options thanks to this partnership, which combines Max Bupa's knowledge of health insurance with HDFC ERGO's distribution network.

ICICI Lombard and Karur Vysya Bank:

Karur Vysya Bank and ICICI Lombard have a bancassurance cooperation. Through this partnership, ICICI Lombard is able to provide its insurance products throughout the bank's wide network, improving client accessibility.

Max Bupa and MobiKwik:

Leading digital financial services platform MobiKwik and Max Bupa teamed to provide MobiKwik's sizable user base with health insurance coverage. This partnership uses digital technologies to lower the cost and increase the accessibility of health insurance.

ICICI Lombard and Freecharge:

Freecharge is a digital payment platform that ICICI Lombard has partnered with to provide insurance options to its subscribers. Through this collaboration, customers' convenience will be increased when insurance products are included into digital payment platforms.

1.4 IMPORTANCE OF COLLABORATION IN INSURANCE

In the insurance business, partnerships are crucial for a number of reasons:

Market Expansion:

Through partnerships, insurance companies can more effectively enter new markets and reach a wider customer base.

Product Innovation:

Partnerships can result in the creation of fresh, cutting-edge insurance solutions that cater to clients' changing needs.

Risk Management:

Insurance companies can better manage and diversify their risk portfolios by partnering to share risks.

Operational Efficiency:

By utilizing the resources and strengths of each partner, collaborations can improve service delivery, lower costs, and streamline operations.

Customer Experience:

Partnerships and joint ventures frequently lead to more comprehensive insurance solutions and better customer service, which raises customer satisfaction levels all around.

In conclusion, successful business management requires both strategic alliances and effective communication. This is especially true in the insurance industry, where alliances can greatly improve customer service, innovation, and market presence.

2. REVIEW OF LITERATURE

According to S. W. Hussaini, effective communication is essential to an organization's modern-day growth and development. Both internal and external communication is always present in the business world, and effective communication is essential to an organization's success. The study looks at how effective communication affects business success. An organization's ability to build successful teams, cooperates with one another, and creates a positive work culture all depend on effective business communication. Communication affects every aspect of a business, and excellent communication is the foundation of every successful enterprise (S. W. Hussaini 2021).

Kalogiannidis, S. He states that one of the most important instruments for determining business growth and success is communication. To increase sales and foster growth, the majority of companies depend on effective communication with both their clients and staff. Insufficient or inadequate engagement usually leads to poor commercial results and bad organisational management. Determining the impact of business communications on an individual's performance was the aim of this review. Data from one hundred employees of several Greek financial organisations was used to conceptualise, categorise, and identify the upward, downward, and horizontal communication styles as well as their effects on employee behaviour. According to this research (S. Kalogiannidis 2020), effective communication has a major influence on employee performance in any firm organisation.

According to S. Babajani Mohammadi's research, society has developed into an essential component of global commerce nowadays. Studying this topic has become necessary in order to comprehend the cultural differences in intercultural communication. Social obstacles are difficult to ignore, yet culture is essentially invisible in the corporate environment, in contrast to its legal, political, and economic components. Culture barriers are difficult to ignore, despite the fact that they have steadily crossed borders and corporate barriers have been removed.

Consequently, one important facet of global commerce is sometimes disregarded. The cultural traits of our civilization and those of other civilizations should be taken into consideration for economic development and expansion both within and outside of national boundaries. The purpose of this research was to determine the impact of communication on the development of economic statistics (Takroosta, H., and M. A. Babajani Mohammadi, 2016).

According to M. Popescu, staff productivity, experience, and knowledge provide organisations a competitive edge throughout the current global economic downturn. However, in the knowledge-based economy, a lot of the problems faced by economic players are attributed to their communication style. Consequently, it is now essential to approach communication as a critical component to increase organisational competitiveness in the present global economic environment. By creating a communication culture where all members of the organisation are aware of the market, goods, or company, communication helps legal entities achieve high efficiency operations in a theoretical, scientific, and practical manner (M. Popescu 2013).

According to R. Olkkonen, the prevalent concepts of communication in the current marketing discourse could be characterised as "mass communicative" because of the prominence of conventional marketing communications research, including theories related to advertising and consumer marketing, as well as marketing in general. Furthermore, marketing research seems to be moving away from products and enterprises as the primary unit of study and towards people, organisations, and the social variables that tie participants together in ongoing interactions as different "relational methods" in marketing gain favour. Mass communication is hardly the nature of communication in these interactive relationship/network situations (R. Olkkonen, H. Tikkanen, and K. Alajoutsijärvi 2000).

3. RESEARCH METHODOLOGY

A survey and descriptive research approach were used in the study. To get secondary data, a survey of the literature was also carried out. The test-retest procedure was used to determine the instrument's validity and reliability. Out of the 120 questionnaires sent, 100 were completed and returned in a useable manner, accounting for 69.2% of the total returns. The inquiry was adequately covered by the data gathered.

4. DATA PRESENTATION AND ANALYSIS

Correlation between effective communication and achievement of your organization strategic goal

Table 1 and figure 3 indicates a significant positive correlation between the degree of business success and good communication. The majority of responders—90%—attest to this assertion. A

negligible proportion of responders (7/7), however, disagree, and a pitiful 3 (3%), had no opinion on the matter.

Table 1: Relationship between Effective communication and achievement of organizational goal

Variables	Responses	(%)
Strong	90	90
Weak	7	7
Indifferent	3	3
Total	100	100

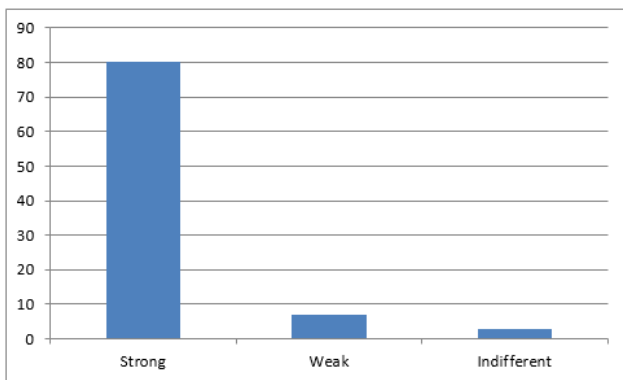


Figure 3: Relationship between Effective communication and achievement of organizational goal

A Pearson Correlation analysis was carried out after the results shown in Table 2 were further examined. A 0.94 coefficient was found. This suggests that the accomplishment of organisational goals and good communication are positively correlated. Given that $p < 0.05$, this association is significant.

Table 2 Correlation between Effective Communication and Achievement of Organisational Goal

	Effective Communication	Achievement of Organisational Goal
Effective Communication Pearson Correlation	1	.940**
Sig. (2-tailed)		.000
N	100	100
Achievement of Organisational Goal Pearson Correlation	.940**	1
Sig. (2-tailed)	.000	
N	90	90

Table 3 & Figure 4, which includes the affirmations of 69 respondents, or 69% of the sample population, makes it evident that the organisation mostly employed downward communication. Ten respondents mentioned horizontal patterns, whereas 21 respondents, or 21% of the sample, indicated the

employment of the upward approach. With a p-value of less than 0.05 and a Z-value of $3.868 > 1.96$ (95% confidence range), this result is noteworthy. This indicates that the downward pattern of communication flow is the most appropriate pattern of communication that organisations use.

Table 3: Communication flow pattern

Variables	Responses	(%)	Z-value	p-value
Downward	69	69	3.868	0.000
Upward	21	21		
Horizontal	10	10		
Total	90	100		

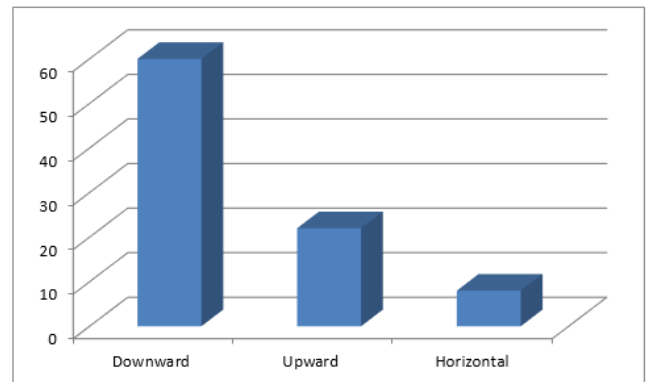


Figure 4: Communication flow pattern

CONCLUSION

In actuality, good communication is a crucial instrument for organisational strategy management. Ineffective and bad communication is undoubtedly the root cause of low productivity, absenteeism, customer attrition, low turnover, and conflict. In other words, good communication is both the essential component of every organisation and the pivot around which it revolves. It is a tool for changing behaviour, bringing about change, enhancing performance, and achieving goals and objectives. Thus, knowledge transfer from one person to another is seen as crucial for an organization's continuous development, survival, and existence, regardless of the organisation, its size, or its goal.

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