

# 1. CURRENT MANAGEMENT ISSUES

## *THE PARTICULARITIES OF BUSINESS COMMUNICATION*

**MÁRTA MOHÁCSI college assistant professor**  
College of Nyíregyháza

### ABSTRACT

The network of units having a mutually dependent relationship with one another and where the intermediate connections are characterized by cooperation and competitiveness, is called an organization. Business communication is a complex process. It is mainly a social and human interaction performed within an economic environment. Business communication is part of the human communication, comprehended as the information and energy exchange process between the human society and the members of the community. The English language literature mainly uses the terms *corporate communication*, *business communication* and *managerial communication* referring to the communication process within companies. Systemizing the business communication can be executed from multiple angles. This essay has the purpose of presenting and supporting, within the frames of a new communication model, the relationship between institution, scene and agent in the business information exchange process.

### 1. The role of the social capital

The human capital is the resource of the human communication. Sociologists and anthropologists are involved for a long time in investigating the question of social networks. How do systems of social relations serve the fulfillment of different tasks? How do they provide order and give ground to social life? The concept of social capital appeared first in the 1980s in the work of the French sociologist Pierre Bourdieu, then later was connected with the professional activities of James Samuel Coleman and Robert David Putnam. In the early definitions of the term "social capital" it was formulated that humans obtain social capital by being members of interpersonal relation-networks (Loury 1977; Bourdieu 1983). According to Bourdieu those actual and potential resources are social capital that are based on belonging to a group and therefore can be mobilized through the members: "The extent of the social capital possessed by an individual is primarily depends on the extent of the network of connections he/she is de facto capable of mobilizing, and secondly on the extent of the (economic, cultural or symbolic) capital those individuals possess to whom he/she is connected" (Bourdieu 1997). Coleman considers the social capital not being a single entity, but the group of

those entities which have two common features: they are all aspects of some social structures, and all of them make the activities of those who act within these structures (either being individuals or corporate members) – easier (Coleman 1988: 14). The definition in Putnam’s first classical work is about the role of trust, norm and relations, which jointly allow the effective operation of society. In this case the social capital refers to those characteristic features of the social organization as trust, norms and networks, which increase social effectiveness through the activities coordinated by them (Putnam 1993).

The social capital is the collection of “mobilized” informal social norms and values, which facilitate the social collaboration between humans. The emphasis is on the two key words: collaboration and mobilization. We can only talk about social capital, that is, an available and expandable resource, if we create and mobilize the potential social norms in the given social context for the mutually beneficial cooperation (Fukuyama 1997).

## 2. Business communication as human communication

The concept of business communication is closely connected with the concept of interpersonal, organizational, public and mass communication. The functions of communication in the classical sense are the informational, motivational, emotional and controlling functions. These four basic functions, completed with the integrative function, serve the realization of business activities (Table, 1.).

**Table 1.: The functions of communication in corporate value creation**

The informational function allows	the recognition of aims and plans; the conveyance of tasks assessment; the familiarization with the company and its products
The motivational function allows	incentives; promotion marketing
The emotional function allows	the generation of desires, needs; forming attitudes building bonding
The controlling function allows	benchmarking controlling
The integrative function allows	the acceptance of the environment keeping the employees

*Source:* Own editing based on Burgulya 2010:88

The fourth, integrative function appears as a new function in the area of business communication. The aspects of the acceptance of the environment and the adaptation to the environment raise several questions. Which groups is the company connected with? Why with these particular groups? Is the connection one or two-sided? How frequent is this relation? How important is the relation? Which instruments are used for keeping this relation? How can companies and enterprises form new relations?

Conveying the expectations could be very important for the members of the organization. The exact formulation and communication of tasks is paramount for performance (Berde 2009). The aim of managerial communication is not only sending and receiving information, but it has a crucial role in influencing subordinates' behavior and in motivation. (Keczer 2013)

Beside the planning, organizing, human resource management, leading and controlling functions of business management appears the communication function. Performing the communication function in companies is the task of the experts of the communication management. The PR and communication experts perform their work by synchronizing all the necessary factors for realizing the company goals and strategy. Beyond the organizational communication, the internal and external communications of the company have a very strong emphasis.

The internal communication of a company comprises the formation, operation and maintenance of the interactive, mutual communication relations between the leadership of the enterprise and the employees, and their advocacy organizations. Informing employees is one of the basic activities of the leaders. The internal communication originates from the aims of the organization and it has to serve these purposes. The internal communication is the effective instrument of the leadership process. It is a very important element of the company's internal communication that the leaders expect and support the open and bilateral communication. The communication networks and channels, which provide the constant information flow, are also important. It is an indispensable principle that every member of the organization should possess the optimum communication skills.

An important element of the company's external communication is its press presence, which effectiveness can be measured by the press monitoring method. Producing usable knowledge from the information overload that result from press monitoring requires great effort and it is not the right solution for many experts. Information resulting from analysis is beneficial and has a great role for the organization; they play an important part in forming the company's PR strategy and in preparing decisions (Móré 2008).

### **3. Business communication as organizational communication**

An organization is the network of mutually dependent units where the intermediate relations are characterized by cooperation and competition (Barlai-Kővágó 2004). The organizations are social formations created by people for jointly implementing a target, solving problems and fulfilling needs. Based on their goals, size, form and structure organizations are extremely varied: the family, a school, a political platform and a company can all be organizations (Burgulya-Somogyvári 2009). The deliberate connection with the public could have become part of the organizational policy because the actors of the economic sphere, the leaders of the organizations and the representatives of NGOs recognized that they are unable to validate

their interests without social consensus (Bíró-Nyárády 2004). Organizational communication is the information exchange process performed within and/or between the society's larger and smaller official groups and institutions. The role of organizational communication is the representation, familiarization and acceptance of business and institutional aims. The English language literature uses the terms *corporate communication*, *business communication* and *managerial communication* referring to the communication process within companies, whereas in German the terms *betriebliche Kommunikation*, *Unternehmenskommunikation* and *Managerkommunikation* are varied. The definition of *business communication*, originating from the USA, emphasizes that the transmission of messages is performed within a business environment (Hoffmeister-Mitev 2010).

The notion of organizational communication does not only cover the communication within and with business entities, but all social formations with the characteristic features of an organization (Burgulya 2010).

Business communication is the totality of members' communication activities of a business unit, aiming to contribute to the definition and achievement of tasks for the production of goods. Business communication is the summary of communication processes serving the company's goals that are realized between its internal and external units, and between the company members (Table, 2.).

**Table 2.: The system of business communication**

scene	internal, external
orientation	vertical, horizontal, diagonal
alternation of sender-receiver	one-way, two-way
regulation	formal, informal
handling the information	centralized, decentralized, decentralized-integrated
spheres	financial interest groups, market interest group, non-market interest group, colleagues

*Source:* Own editing based on Burgulya 2010:42

The external communication between the company and the target groups and persons around is the requirement for adapting to the environment. Owing to this, the enterprise is able to obtain information about the market, the competitors, the economic regulators and the legal frames of operation. It is also external communication when a company provides information about itself for the environment or when fulfills its duties concerning financial and statistical reporting.

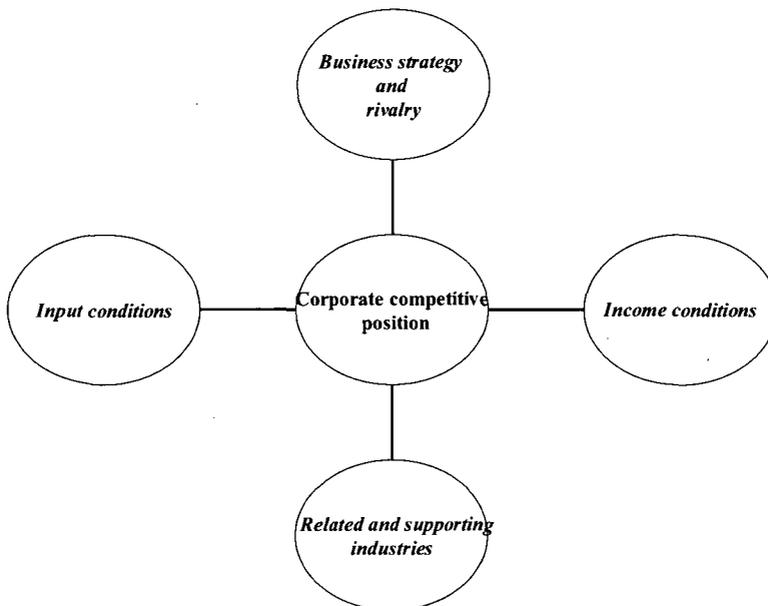
The internal communication facilitates ensuring the suitable operating conditions, the coordination of resources and the planning, managing, coordinating, controlling and assessing processes of the work carried out for reaching the common goal (Burgulya 2010).

#### 4. Corporate competitiveness, corporate value creation

According to OECD's formulation, competitiveness is the competitiveness of companies, industries, regions and supranational regions, the creation of a relatively high income and relatively high employment rate on a sustainable basis, while being permanently exposed to international competition (Hatzichronoglou 1996).

Competitiveness includes the ability of enhancing business efficiency as the basis for increasing profitability. The company competes on the resource market too; therefore its competitiveness is reflected in its ability of accessing inputs and the dynamics of this process. Strategy creation and its implementation capacity have become the basic features of competitive companies in the last two decades, as the essential condition and instrument for adapting to the dynamically changing environment. As a consequence, factors like the modernization of organizations, project management, change management, quality assurance or social responsibility have become value creating characteristics (Chikán 2006; Szentes 2005). (Figure, 1.).

**Figure 1.: The model of corporate competitiveness**



*Source:* based on Dinya-Domán 2004

Communication might be considered from several aspects to be part of the corporate value creation process. Zerfaß describes from four aspects the value creation abilities of business communication: it fosters the daily work and production; creates non-material capital, therefore ensures competitive advantage, profitability and liquidity, and obtains legitimacy for the company (Zerfaß 2007, Burgulya 2010).

Communication does not produce revenue on its own, but it is one of the crucially important value increasing factors. By its own inherent ability, it has an important role, together with other factors, in achieving a high level of product, service and sales return (Pfannenbergh 2005).

Corporate value creation is realized only in case the communication fulfills its basic business role in ensuring the operation of the company. The lack of communication means the lack of operation; deficient communication means deficient functioning.

## 5. Summary

Following Fukuyama's and Coleman's definitions: the ability that allows people to work together in groups and organizations for reaching common goals is called social and human capital. Business communication is the series of individual communication acts. The prerequisite of a functioning social capital, on both social and corporate level, is the developed communication competence of individuals. The organizational requirements of business communication; the planning, organizing, managing and assessing of the communication processes are the most vital parts in corporate value creation.

## BIBLIOGRAPHY

- Barlai Róbert – Kővágó György (2004): *Krizismenedzsment, kríziskommunikáció*. Századvég Kiadó, Budapest
- Berde Csaba (2009): *A vezetés funkcionális vizsgálatának módszertani kérdései*. Jubileumi Kiadvány a Miskolci Egyetem Gazdaságtudományi Kar Vezetéstudományi Intézet alapításának 50. évfordulójára. Miskolci Egyetem, Miskolc-Lilafüred, 2009. 30-37 p.
- Bíró Mária – Nyárády Gáborné (2004): *Közéleti kommunikáció*. Perfekt Zrt, Budapest
- Bourdieu, Pierre (1997, (1983): *Gazdasági tőke, kulturális tőke, társadalmi tőke*. In: *A társadalmi rétegződés komponensei*. Válogatott tanulmányok. Új Mandátum, Budapest: 156–177. p.
- Burgulya Ágnes – Somogyvári Márta (2009): *Kommunikáció az üzleti világban*. Akadémiai Kiadó, Budapest
- Burgulya Istvánné Vető Ágnes Ágota (2010): *Kommunikációmenedzsment a vállalati értékteremtésben*. Akadémiai Kiadó, Budapest
- Chikán Attila (2006): *A vállalati versenyképesség mérése*. Pénzügyi Szemle 1. 42-56 p.
- Coleman James Samuel (1988): *A társadalmi tőke az emberi tőke termelésében*. In.: Lengyel György, Szántó Zoltán: *Tőkefajták*. Aula Kiadó, Budapest 11-41 p.
- Dinya László – Domán Szilvia (2004): *Gazdasági hálózatok tanulmányozásának módszertani kérdései*. In.: Czagány László – Garai László: *A szociális identitás az információ és a piac*. SZTE Gazdaságtudományi Kar Közleményei. JATEPress, Szeged, 127-150 p.
- Fukuyama Francis (1997): *Bizalom. A társadalmi erények és a jólét megteremtése*. Európa Kiadó, Budapest

- Hatzichronoglou T. (1996): Globalisation and Competitiveness: Relevant Indicators. OECD Working Papers, OECD, Párizs, 1996/5.
- Hoffmeister Tóth Ágnes – Mitev Ariel Zoltán (2010): Üzleti kommunikáció és tárgyalástechnika. Akadémiai Kiadó, Budapest
- Keczer Gabriella (2013): Üzleti ismeretek szak- és felnőttképzőknek I., JGYPK Kiadó, Szeged.
- Loury, Glenn Cartman (1977): A dynamic theory of racial income differences. In: Women, Minorities and Employment Discrimination (ed. by P. A. Wallace and A. M. LaMond), Lexington
- Móré Mariann (2008): A tartalomelemzés szerepe a vezetéstudományban. In: Dienesné K. E. – Pakurár M. (szerk.): Hagyományok és új kihívások a menedzsmentben. Debreceni Campus Kft., Debrecen, 430-436 pp.
- Pfannenber J – Zerfaß A (2005): Wertschöpfung durch Kommunikation. Frankfurter Allgemeine Buch, Frankfurt am Main.
- Putnam, Robert David (1993): Making democracy work: civic tradition in Modern Italy. Princeton: Princeton University Press.
- Szentes Tamás (2005): Fejlődés, versenyképesség, globalizáció I. Akadémiai Kiadó, Bp.
- Zerfaß, Ansgar (2007): Unternehmenskommunikation und Kommunikationsmanagement. In: Handbuch Unternehmenskommunikation. Gabler, Wiesbaden, 21-71 p.