

Overcoming Recession through Effective Business Communication Approaches (A Study in Indian Scenario)

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Abstract: *No business activity can be completed without effective business communication network. The stage of economic turmoil is the most important time for any organization to regroup its strategy. At this juncture, strong, transparent and constant internal and external communication networks play a vital role. The global meltdown is a blessing in disguise for the organizations to invigorate their business communication network. The present paper aims to study multifarious approaches of Business Communication applied by Indian Organizations to combat the turbulent period of recession in a successful manner.*

Keywords: *communication, recession, approach, organization, stakeholders, employees, network.*

Introduction

During downturn, it is very vital for any organization to communicate to the stakeholders proactively without failing to strengthen the relationships. Effective business communication is instrumental to narrow down the gap during downturn. Regular communication enables the manpower to perform in a healthy environment. The financial crisis has put-forth great challenges before enterprises. The need of the present era is that the organizations become visible and approachable to their employees and thereby provide equal opportunities to their employees and reduce inefficiencies. The organizations need to uphold their values & mission so that they are able to answer the stakeholders' questions and concerns quickly and honestly. The organizations that have effective communication approaches will rule the world of trade and business. It is observed that during recession, many companies' apply cost-cutting measures and offer layoffs to their employees. It results into an environment of fear and doubt. Therefore, the organizations are expected to form and work upon their communication approaches.

Review of Literature

Once George Bernard Shaw stated that the single biggest problem in communication is the illusion that it has taken place. Research (2000) indicates that employees trust leaders who are fair, as demonstrated by consistent, predictable, coherent and transparent actions on their part. Sparks et al (2001) revealed in their report that High demands and little control over outcomes often make employees feel stressed and cause them to interpret the situation as unfair. Wheatley (2002) highlighted that stress in the workplace often manifests as poor productivity because staff members become overly consumed with protecting their individual positions. Lowe (2002) observed that healthy employment relations are supported by four factors: trust, commitment, communication and fair decision-making. Craig Hartley-Kite et al (2009) narrate that there is a strong need for reassurance and honesty in formal communications about the impact change will have for the business, its customers and its employees. If internal communication cannot respond quickly and effectively to this it creates a communications vacuum and employees look elsewhere to feed their information needs. External communications and media are a starting point for them, but they also have a greater reliance on rumour, the grapevine and union communication. Watson Wyatt Report (2009) exhibits that the companies plan to communicate with workers about the impact of the downturn on the business, going forward. Aniko Czinege (2010) stated that in the period of global economic downturn, there is a great deal of uncertainty in the workplace. With many companies heading into survival mode, cost-cutting measures and layoffs have lead to a climate of fear and doubt. Job security has become a primary concern for employees in many industries. As the future becomes less predictable, a company's internal communication strategy is vital to its success in navigating a recession. Praxis Consulting Group (2010) found that companies are more likely to succeed when employees feel that their ideas and input are requested and valued. Employee involvement is repeatedly cited as a core characteristic of high

performing companies.

Organizations Response to Recession

Recently, the World Bank in its exclusive report revealed that India is expected to slow down to 8.4 percent this year from an estimated 9.5 percent in 2011. To meet the set growth target, the organizations have to empower their communication modalities. The overall success of any organization largely looms upon the effective utilization and integration of available communication networks and keeps on researching novel communication mode to face the unseen challenges and threats of the corporate world. To some extent, Indian business enterprises have emerged successful in tackling the manic of recession by developing their peculiar communication approaches. The competition is getting very tough and the whole world is looking towards India's role in this changing global scenario with great expectations. The maestros of management assert that slowdown is the apt time to enhance efforts in marketing with more emphasis on quality and to increase its market share. The keys to unlock the doors of success during recession rely upon Social networking, relevant conversations and healthy public relation.

Communication Approaches to Combat Recession

Strong, clear and regular internal and external communication networks play a significant role in tackling recession. The recession is the exact time for the organizations to regroup their communication approaches. Effective communication approaches maneuver the employees to become aware of organizations policies to handle downturn. One to one communication lessens the uncertainty and fear amidst the employees. It develops a healthy environment to reach the set objectives of the organization.

Some organizations also try to downsize their expenses by reducing their manpower but it may affect the elements of loyalty and honesty. At the same time, it may discourage the employees. They start thinking about job security and perceive threat. To prevent such a filthy and rumour driven environment, the best way for the organizations is to promote internal communication and control rumours mill. To manage the rumour mill, the organization should provide the information to its employees on regular basis otherwise it may become increase the level of resentment among employees. The next approach of an organization may be of involving its managers/supervisors in the decision making process. The organizations' approach should be full of honesty, integrity, transparency and equal opportunity. The management should come forward to exchange good ideas and success stories. To address these issues printed or in-house magazines and newsletters are the best available tools. Further, the organizations can promote two-way communication. Employees' questions, concerns, feedback and suggestions can be invited. It will certainly provide employees an outlet for their views, ideas and concerns.

The top management should show empathy towards staff's emotions and find out the reasons behind them. Staff meetings can be called on periodical basis which may involve opinion polls.

The communication approaches can be developed on the basis of following principles:

- Communication processes must be transparent and straight forward
- Communication must be effective at all the levels.
- Communication must be honest, open, and result oriented.
- Communication must be authentic, reliable and prompt.
- Communication must have essence of healthy coordination, co-operation, motivation, integration, innovation, collaboration

etc.

- Communication must convey timely feedback.
- Communication must include latest mass/multimedia communication systems as to save time, money and energy.
- Communication must develop good team spirits.
- Communication must develop a sense of better understanding, listening and empathy.

Communication Approaches in Recession: Indian Scenario

During downturn, it is very important for the organization to communicate to the stakeholders and public as well on a regular basis to strengthen the relationships and restore their faith . It is observed that during recession, a number of Indian organizations suffer heavy monetary loss and in order to over this, they started downsizing their manpower. Some of them withhold their fresh recruitment and delayed the promotion, incentives and other benefits to their employees. All these unfavorable business conditions have made the leading Indian organizations to work out for comprehensive communication approaches and sail through the period of downturn successfully. The Indian organizations can overcome this crisis by using both informal and formal mode of communication. The Chairman and Managing Director of Marico, Harish Marriwala (2009) reiterated that "during tough times, it is important to communicate widely and deeply." Marico due to its open channels of communication is very successful in sharing information about Marico and its business. This approach paves its path to manage rumours and restore stakeholder's faith. Samsung's President and CEO (South West Asia) sated that their aggressive advertisement campaign helped them to stay ahead during downturn, D. Shivkumar (2009), Vice president and managing Director of Nokia India remarks that there is a

great necessity to communicate openly, honestly and frequently with the customers at the time of recession. He highlighted that that Nokia organized a lot of meetings with them through E-mail, SMS and also face to face communication to ensure their active participation. The HCL Technology's organizes meetings with their employees to restore their confidence and trust. Wipro Ltd encourages its team members and employees to ask questions as to develop confidence.. Aditya Birla Group thinks that investors and employees like to be associated with the organizations that sustain organizational values and ethics at the critical time.

Conclusions

It is high time to develop effective communication approaches to meet the challenges of the global trade. The whole world will need some time to get recovered from the clutches of recession. The organizations should show develop positive attitude to renovate and integrate their existing communication approaches. Face-to-face communication and networking is of immense importance to promote the organization. Only by harnessing innovative communication approaches, the organizations can stay better connect with the internal –external business world in this turbulent time of recession.

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