

# Types of Business Communication

There are two types of business communication in an organization:

- Internal Communication
- External Communication

## 1. **Internal Communication**

Communication within an organization is called “**Internal Communication**”. It includes all communication within an organization. It may be informal, formal function, or department providing communication in various forms to employees.

Effective internal communication is a vital mean of addressing organizational concerns. Good communication may help to increase job satisfaction, safety, productivity, and profits and decrease grievances and turnover.

Under **Internal Business Communication types**, there come:

- **Upward Communication**

Upward communication is the flow of information from subordinates to superiors, or from employees to management. Without upward communication, management works in a vacuum, not knowing if the messages have been received properly, or if other problems exist in the organization. By definition, communication is a two-way affair. Yet for effective two-way organizational communication to occur, it must begin from the bottom.

Upward Communication is a mean for the staff to:

- Exchange information
- Offer ideas
- Express enthusiasm
- Achieve job satisfaction
- Provide feedback



## ■ **Downward Communication**

Information flowing from the top of the organizational management hierarchy and telling people in the organization what is important (mission) and what is valued (policies). Downward communication generally provides information – which allows a subordinate to do something. For example, instructions on how to complete a task. Downward communication comes after upward communications have been successfully established.

This type of communication is needed in an organization to:

- Transmit vital information
- Give instructions
- Encourage 2-way discussion
- Announce decisions
- Seek cooperation
- Provide motivation
- Boost morale
- Increase efficiency

## ■ **Horizontal/Literal communication**

Horizontal communication normally involves coordinating information, and allows people with the same or similar rank in an organization to cooperate or collaborate. Communication among employees at the same level is crucial for the accomplishment of the assigned work.

Horizontal Communication is essential for:

- Solving problems
- Accomplishing tasks
- Improving teamwork
- Building goodwill
- Boosting efficiency

## 2. **External Communication**

Communication with people outside the company is called “**external communication**”. Supervisors communicate with sources outside the organization, such as vendors and customers.

It leads to better:

- Sales volume
- Public credibility
- Operational efficiency
- Company profits

It should improve:

- Overall performance
- Public goodwill
- Corporate image

Ultimately, it helps to achieve:

- Organizational goals
- Customer satisfaction