

## **BANK COMMUNICATION PROCESSES MANAGEMENT**

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This article deals with the problem of the peculiarities of modern banks communication processes management in the line of ensuring effective communication systems that must always improve according to the changes in business environment.

Key words: banks, communication, management, business, process.

В статті висвітлюються питання стосовно особливостей управління комунікаційними процесами в сучасних банківських установах, зокрема забезпечення ефективної системи комунікацій, яка повинна постійно вдосконалюватися відповідно до змін бізнес - середовища.

Ключові слова: банк, комунікації, управління, бізнес, процес.

**Problem definition.** Ukrainian banks face the problem of a constant informing population and interested organizations about their existence and services being rendered. In addition, banks have to care about making up positive public attitude to their activity that in turn would raise goods and services competitiveness and due to high rating ensure formation of favorable investment and tax functioning conditions.

### **Recent researches and publications analysis.**

The problem of ensuring banks communication process efficiency attracted both foreign and national scientists' attention. This problem was analysed in works of such foreign scientists as F. Kotler, S. Robbins, M. Koulter, M. Mescon, E.A. Utkin, V.T. Sevruk, G.L. Makarova etc. Some Ukrainian scientists such as A.T. Golovko, V.I. Grushko, M.P. Denisenko, O.A. Kyrychenko, L.F. Romanenko, I.V. Gylemko, A. Yatchienko and others also made their contribution in development of significant element of banking management - banking communications.

Analysis of foreign and national experience concerning banking communications development shows that further scientific researches should be conducted.

**Formulation of article's purpose.** To analyze the role and peculiarities of management in ensuring bank communication process efficiency, that would make it possible for a bank to draw as

much clients as possible, take the leading positions in the banking and financial market, clearly identify its social role in the community, strengthen the stereotype of mass perception of bank's positioning in the society, make up bank's positive image and work out measures of improving information exchange process.

**Presentation of main matter.** According to the data of the informational and analytic center "LIGA", that is the public version of questioning, in which 17 analysts of capital market took part and represented such companies and organizations as Altana Capital, Astrum Investment Management, Concorde Capital, Dragon Capital, ING Bank, PAREX AM, Gainsfort Research, "Art-Capital", KINTO, "Millenium Capital", "Reganta Investment", "Renaissance Capital Ukraina", "Socrat", TEKT, TASK, YAIB and "Phoenix Capital". Such banks as First Ukrainian International Bank (1), Raiffeisen Bank Aval (2), UkrSotsBank (3), Alfa Bank (4), VTB Bank (Ukraine) (5), became the leaders in the rating of efficiency of foreseen communication expenses, which demonstrates the correlation between reputation index and conventional value, that reflects approximate amount of money (UAH), that encouraged creation of proper information field by means of buying[1].

The results of conducted researches allow affirm that organization of feedback is an extremely important element of communication process to a substantial degree promoting a bank's positive image. The organization of feedback will ensure reception of communication message by a sender through corresponding channels, true information from receiver and clarification of adequacy of his reaction to this message.

Consequently, feedback allows the bank's top management to stay informed of decisions made by the "front office".

Respectively, organization elements will know about reaction of bank's top management to various actions of subdivisions.

Various barriers or so called "noises" hinder the efficiency of the communication process, transmission of information from sender to receiver and back.

Feedback is an integral part of communications system because it ensures constant exchange of information messages between different organizational levels of bank. Clear organization of feedback ensures constancy and continuity of communication system.

Developed system of collecting and processing information resources, for example, employees' proposals, will ensure simple receiving of valuable information by the highest echelons of bank management. Regular holding of the conferences and meetings will contribute to improvement of information exchange process, mutual understanding among employees of different organizational levels of bank.

Besides, an important role of various communication channels in the information exchange process is obvious. In addition to the widespread communication channels such as personal communication, correspondence, telephone conversation, computer communication means became popular in banks.

IBM and Microsoft communication products are widespread in the world financial organizations.

For instance, IBM Lotus SameTime business product ensures well-coordinated corporate work of a bank, particularly: instant messaging with spelling check function; text formatting; file exchange and automatic virus checking; integrated management system of telephone communication, voice mail, audio-, video- and web conferences and instant messaging due to the close integration with Cisco company products; web conferencing with the function of participants' reconnection in case of disconnection.

IBM Lotus SameTime is used together with Microsoft Office (package) software applications.

Business product Microsoft Live Communication Server allows to determine the presence of users in the corporate network, create a message archive with administrators' and staff members' easy access to it, organize secure information exchange by means of antivirus protection.

Cisco company developed communication business products Cisco Unified Communications Systems acceptable for all levels of unified communications infrastructure which include:

- network infrastructure – solution for building convergent data transfer networks;
- communications management (Cisco Unified Communications Manager) – a complex communication system which includes telephone calls processing, video communication, mobility and presence control services;
- IP phones;
- software applications for unified communications;
- Cisco Unified Contact Center – to build distributed call centers;
- Cisco Unity Unified Messaging – solution for messages exchange which allows receiving voice messages, fax- and e-mail messages in one mail box;
- Cisco Unified Presence – informs users of one's business status;
- Cisco Personal Assistant – allows telephone network users to set one's own phone calls routing rules and use voice activation functions;
- Cisco VT (Video Telephony) Advantage – integrates voice and video transmission which considerably simplifies video conference organization;
- Cisco Unified Meeting Place – a solution for voice, video and online conferences that makes real-time joint work easier;

- Administrator's Tools – for Unified Communications Systems management;
- Unified Client - Cisco Unified Personal Communicator product intended for management of all means of communication using a single client.

Cisco Unified Communications System can be supplemented by particular components of Microsoft Unified Communications product.

Nortel developed Converged Office communication package and Multimedia Conferencing system jointly with Microsoft and it is being positioned in the communication products market.

Using the above mentioned communication products ensures unifying of call centers and optimizes contacts between bank's staff and its clients. It allows to quickly find necessary employees, ask for their expert opinion and organize online discussions.

Banks management should realize the absolute practicability of need for communication. Moreover, it's important to analyze in detail the issues of establishing efficient communication. Special attention should be paid to such aspects as: establishing the fact of readiness to effect communication; determining barriers to it; ensuring communication principles abidance; choosing optimal communication methods; cross communication feature.

As it was mentioned above, it's possible to achieve significant improvement of communication processes efficiency by means of elimination of communication barriers.

The main communication barriers in banks are:

1. Unclear formulation of messages.
2. Wrong translation of information.
3. Losses in the process of information transmission or storage.
4. Carelessness of information receivers.
5. Unclarified presuppositions in the process of messaging.
6. Lack of time to adapt to the message.
7. Distrust to the message's author.
8. Failure of message transmission.
9. Garbling of message sense.
10. Information overload.
11. Unsatisfactory organization structure of a bank.

Banks may find it useful to implement principles of organization of effective communication based on such important aspects of communication process as ensuring good quality of a message, proper conditions for receiving such message, support of continuity of organizational communication efforts aimed at achieving success.

Basic principles of efficient communications organization are:

1. Principle of clearness. In order that a message would have a real value it's necessary to make it clear by expressing it using plain language, transmitting the message using reliable channels so that the information being sent would be absolutely clear to the receiver.
2. Principle of aims interdependence. It is known that management messages concerning ensuring feedback between clients and bank most likely are the means of achieving the result than the final aim. But messages should be formed and delivered in such a way to contribute to achieving the aim as to setting up mutual agreement among bank employees in the process of their cooperation as well as between the bank and its clients which in its turn would result in achieving common aim of the organization development.
3. Principle of combining various forms of communication. To ensure strategic usage of information flows in a bank it's reasonable to pay attention to possibility for both management and staff to use various communication forms which can complement one another with positive characteristics, which, finally, would ensure efficiency of communication process.

The variety of communication forms will determine different approaches to their improvement and usage.

Thus, interpersonal communications require improvement of the communication process, particularly ensuring its efficiency using the ability to listen. In addition, it's necessary to follow finger-speech, pose and intonation not to send conflicting messages to the people around you. Using harmonious signs which don't include conflicting messages ensures clearness and better understanding of the words said. Successful using of empathy (attention to other people's feelings) can considerably reduce the possibility of wrong understanding in case of decoding a messages by a receiver. Empathy in the process of information exchange ensures the support of openness in course of conversation.

Improvement of organization communications must be done provided that information flows movement in the following directions is improved:

1. It's necessary to clearly determine the need in information. Bank's management should ensure its employees' complete understanding of how to use information and determine the correctness of direction of information requests.

2. Staff has to be informed of availability of organization information. Banks should have indexes, catalogues, telephone directories, navigators etc. as well as possibility to consult professionals to find out the state of database accumulation in the organization. Encouraging searching for information may be ensured by introducing new positions in the bank, specially to help those who are engaged in searching information resources especially those related to diagnostics of the bank's marketing environment as well as engaging experts to filter the necessary information.

3. Ensuring access and information processing. Users should search for information and get it with the help of the most convenient means.

In addition to the above mentioned forms of communication, Erste Bank Ukraine management uses extensively web-communications; in particular, they are planning to use video podcasts, etc. Moreover, the bank's management expects increasing of internal communications amount.

In 2009, direct communication with journalists, employees as well as with partners and clients were considered to be the most efficient way of spreading information about a bank. For example, bank experts began meeting regularly with mass media representatives even on an informal basis not so much for publications as for clarification of situation in the sphere of banking services, spreading information about the state of financial market etc. Experts consider such meetings with international journalists especially important because they help mass media explain to the international community the prospects of development of both Central, East Europe and Ukraine after stabilization of economic situation [2].

The majority of specialists in banking consider that direct communication with receivers of banking services ensures the possibility to inform the target audience about the main point of the rendered service as clearly and convincingly as possible, as well as in a way which is not standard, thus forming definite image of the bank, which makes it different from others. Currently a number of banks hold special arrangements such as: "Hunting for money" (UkrSibBank), "Spring mood" (UkrGazBank), "With advice through the crisis" contest (Prostobank Consulting), aiming at showing the bank's nearness to customers [3].

Vertical communications improvement is provided in the central branch of the country's whole bank structure – National Bank of Ukraine through the realization of the scale project of document flow automation with the participation of "Lan Service" company (Kyiv), which is going to introduce ECM - DIRECTUM system. Bank's Business-Processes should be clearly organized and easy-operated, and recorded information exchange should be done in on-line mode which completely excludes delay of documents movement and loss.

DIRECTUM Capture and Transformation Services will allow most effectively work with equipment that was installed in the bank long ago, but wasn't used to the full extent to record information from paper documents to the system. DIRECTUM Storage Services creates optimal conditions for convenient saving and fast access to documents of any size or content. Accordingly, operativeness of correspondence processing would be increased and administrative discipline and communication cooperation among all the structural subdivisions of National Bank of Ukraine system would be improved [4].

Analysis of the bank's services structure has shown the identity of Ukrainian banks in the customers' eyes – different banks render maximally similar services and promise to their customers

the same values: reliability, stability and high quality of service. Banks' marketing services should pay attention to the specificity of market positioning and propose something that would essentially distinguish them from their competitors. For this purpose bank marketing experts have to use new communication tools and forms. Nowadays, financial organizations use integrated communications along with traditional ones.

**Conclusions.** Consequently, the main arrangements aimed at improving communication processes in banks include:

- to ensure efficiency of the information flows management in bank, i.e. clearly realize the need in information of all management levels and organize information flows according to such needs;
- to use several connection channels at the same time in the course of transmitting messages, particularly: personal communication, correspondence, telephone conversation, computer means of communication, fax connection, tele- and satellite communications;
- to pay constant attention to the processes of information exchange (meetings with subordinates, discussing future changes, drawing reports on results of the control in time);
- to organize efficient feedback systems (inquiry of employees, system of employees' suggestions collection, staff turnover);
- to practice issue of newsletters;
- to ensure raising of managerial staff qualification;
- to use modern information technologies (video- and online conferences, etc.).

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