

Research Article

A Study on Business Communication Challenge of Small and Medium-Sized Enterprises (SMEs) in Bangladesh

Vidushi Gaur

Student, ICFAI Business School, Bengaluru, Karnataka, India.

I N F O

E-mail Id:

vidhigaur32@gmail.com

How to cite this article:

Gaur V. A Study on Business Communication Challenge of Small and Medium-Sized Enterprises (SMEs) in Bangladesh. *J Adv Res Qual Control Mgmt* 2022; 7(1): 1-6.

Date of Submission: 2022-02-10

Date of Acceptance: 2022-03-12

A B S T R A C T

The share of small and medium-sized firms (SMEs) in the value added to manufacturing is thought to be substantially larger and this share is thought to account for between 45 and 50 percent of the total value added produced by the manufacturing industries sector. These sectors not only provide the country's economy the much-needed zest and energy, but they also serve as essential sources for the introduction of new businesses and the cultivation of new skills in business ownership. In Bangladesh, efforts to alleviate poverty via the use of various action programs and approaches are being made in a methodical and ongoing fashion. The purpose of this paper is to examine the main communication issues that small firms in Bangladesh face and, using this paper, to provide the reader either a helpful solution or piece of advice.

Present paper analyzes every facet of small businesses in order to provide the reader with as much communication as possible about the genuine business of the challenges that face small businesses in Bangladesh when it comes to communicating with their customers.

Keywords: Small and Medium-Sized Enterprises (SMEs), Business Communication Challenge, Bangladesh

Introduction

Small Businesses play a dominantly crucial resource in the use of a large financial of Bangladesh, making up over 90% of industrial enterprises, providing employment to 4 out of 5 industrial personnel and contributing to over one-third of GDP. However, Small Businesses in our country are dealing with specific types of difficulties for obtaining institutional finance. In order to achieve the Millennium Development Goal of cutting global poverty in half by the year 2015, the government's Poverty Reduction Strategy has defined numerous fundamental requirements and features at both the macro and local levels (MDGs). More than 90% of the enterprises in Bangladesh's industrial

sector may be categorized as SMEs. Small enterprises are often heavily reliant on labor and less reliant on capital. The small and medium-sized firm (SME) presents a persona of advantage as both superior cost benefits and comparative charge benefits in nature (SME). The MDGs' goals and needs are being fulfilled using the resource of the SME insurance plan sketch design sketch methodologies, which have been developed for the benefit of the Government's overall performance throughout the resource.

Literature Review

This The SME sector is having a lot of trouble despite the fact that small and medium-sized businesses have the most cost-effective, obviously encouraged and ability to

create jobs and provide energy to industrial development. The government of Bangladesh is working to develop the small and medium-sized firm (SME) sector in the nation despite the fact that the price of enchantment is now falling short of expectations by using the overall effectiveness of excellent policy measures.

50.53 percent of small enterprises lack access to formal sources of supply of capital, according to Riaan (2001). Only 35.79% of businesses are small enterprises and only 35.79% of them have unfettered access to formal credit. The majority of them (13.68%) were in a state of joy, which precluded them from being given official credit. A small percentage of businesses utilize bank credit as a suggested resource and it often offers finance for exact deals and mega deals. The claim is also made that Bangladesh's small businesses face some of the biggest challenges to accessing financial resources. Small enterprises in Bangladesh often complain that they cannot get enough money for operating capital or investments.

According to Ahmed (2004), small enterprises in Bangladesh have struggled to produce high-quality goods and choices for both domestic and foreign markets due to a lack of a national top quality insurance plan format graph layout sketch, a lack of sufficient helpful support systems and a lack of trust in the top quality certification authority. In addition, he argues that one of the most important challenges small enterprises in Bangladesh still have is a lack of access to financing. Lack of funding for operations or investment is one of the most prevalent problems faced by Small and Medium-Sized Enterprises (SMEs) in Bangladesh.

Suleiman (2005) found that 50.53 percent of small enterprises lacked access to official sources of financing. Only 35.79% of businesses are small enterprises and only 35.79% of them have unfettered access to formal credit. 13.68% of individuals who took use of the benefit did not allow themselves to qualify for official credit. With the suggested resource of the use of means of small share of entrepreneurs, the bank financial economic monetary savings ranking is utilized and it provides financing of normally a great deal an awful lot far less than 20 shares of their whole expenditure. Even while precisely 50% of small businesses get personal private mortgages from financial institutions, the majority of small businesses (59.6%) go to financial institutions for funding to meet their working capital needs.

The backbone of the industry, according to Rahman and Mahmood (2007), are the small enterprises that make up the bulk of the economy in international locations like Bangladesh. Small businesses face a variety of difficulties, including those caused by lengthy and expensive regulatory processes, a lack of finance, difficulties paying for raw materials, a lack of access to important business

information, limited technical skills and similar issues. If small businesses have the necessary domestic insurance plan format diagram sketch format, the encouraged beneficial really useful resource from the government and an eye closer to the trends that are occurring in global markets, they have the potential to build capes and reap the benefits of globalization.

Hasan and Islam (2008) found that banks often do now not one of a variety of issues that are close to SME funding. The intention behind the reduction lessen once more of this conservativeness is to account for increased operating costs, a lot a genuine deal a remarkable deal a lot less profits and the expensive deal that is linked with SME financing. Because of the relatively small size of the private loans, the operating costs are higher and more monitoring and oversight are required. The fact that small business owners often do not own immovable assets makes it very unlikely that they will be able to fulfill the criteria for collateral, which is the primary reason why there is a greater level of risk. With the pretext of needing collateral right now and moving as quickly as large banks and non-bank financial groupings, small enterprises find it difficult to finance financing.

According to a 2008 poll, the primary reasons why small enterprises are not now joining the manufacturing sector are financial constraints, the dire state of utilities, science and insurance policies. On the other hand, banks and other financial institutions typically favor large businesses as clients because of the lower costs associated with Loir transitions and the extended availability of collateral. This is due to the fact that large businesses are more likely to have substantial assets available to use as collateral. In addition, small enterprises do not qualify for the benefits offered by finance on both the local and international markets. In addition to this, he contends that one of the most significant challenges that small businesses in Bangladesh face is gaining access to necessary financial resources. One of the most common issues raised by Bangladesh's small enterprises is a shortage of capital, either in the form of investments or operating capital. In addition to this, he contends that one of the most fundamental challenges facing small businesses in Bangladesh is gaining access to appropriate sources of financing and that this is one of the most important concerns overall. One of the most common issues raised by almost all of Bangladesh's small enterprises is a deficiency of financial resources, either for operational or investment purposes. Suleiman (2005) found that official sources of supply of credit were unavailable to 50.53 percent of small enterprises. Exactly 35.79 percent of small enterprises have unrestricted access to formal credit. 13.68% of those whose credit standards were relaxed did not get the necessary access to formal credit. Small business owners that have the potential to succeed commonly

employ bank savings rankings and the cash that is given to them often amounts to much less than 20 percent of their whole expenses. Only around half of small businesses actually get mortgages from financial institutions, despite the fact that banks account for the bulk of small businesses' (59.6%) requests for working capital financing.

Rahman and Mahmood (2007) assert that it is widely documented that small and medium-sized enterprises (SMEs) serve as the foundation of the economy in nations like Bangladesh. Common barriers that small enterprises encounter include a lack of capital, trouble paying for raw materials, a lack of first-class access to pertinent business information, a lack of technological capabilities, problems caused by the use of capability-consuming and expensive bureaucratic procedures and insurance plan design graph plan graph diagram. Insurance plan diagram design format diagram Draft of an insurance plan diagram Layout of the insurance plan Insurance Plan Format Due to insurance rules and regulations, there are inefficiencies in the market.

Research Objective

To determine the current state of things in the Small and Medium Enterprise (SME) sector in Bangladesh. To shed attention on the opportunities for regional SME development in Bangladesh. To identify the communication challenges faced by the SME sector in Bangladesh and provide some suggestions on how these challenges might be handled. Based on the progression of our analysis, it would seem that for the sake of the economic allure of Bangladesh, small enterprises have the potential to play an important role.

Research Mythology

This study focuses specifically on the creation of the firm as well as the business process throughout the course of the business operations. It is titled "This Paper: Business Communication Challenge of Small Enterprises in Bangladesh." In addition to this, it demonstrates the small challenges that small business owners must overcome in order to secure a loan from a financial institution, choose a location for their business's headquarters, effectively communicate with customers regarding sales and purchases and successfully run their companies in order to generate a profit and create a sustainable foundation for their businesses in the long run.

In the course of this research, the researchers used certain data from the Bangladesh Bank report in order to substantiate the analysis of the work. This paper is based on secondary data and the researchers able to interview certain industrial persons in order to fully defend it.

Discussion and Analysis

Small and Medium-sized businesses (SMEs) will continue

to be the most important source of stress for wages and employment in Bangladesh technological knowledge. It would indicate that entrepreneurship ownership has a prosperous future ahead of it. We are now living in the era of the entrepreneur, which is characterized by the promotion of entrepreneurial endeavors by a variety of organizations and communities including companies, academic institutions, entrepreneurship communities, societies and societies. The growth of small and medium-sized businesses in Bangladesh is the best option for raising the standard of living of the people who live in our nation. The few recommendations and the suggestions thereto are shown down below:

Improving Access to finance Resources for Small and Medium-Sized Businesses

On the other hand, access to institutional finance is very restricted for small and medium-sized businesses. Fewer than 30 percent of SMEs have been approved for loans from institutional lenders. Improving the proportion of small and medium-sized business owners who have admission to institutional finance by fifty percent might also be a target during the following five years.

Development of Small and Medium-Sized Businesses Infrastructure

Environment remarkable enchantment and the financing of small and medium-sized businesses both depend on the enchantment of the infrastructure. The absence of infrastructure (such as roads, fuel and power), the restricted entry to market possibilities, technology, information and enterprise statistics and communication are now the biggest obstacles preventing SMEs from becoming more popular. Additionally, entry to market opportunities, technology, information and enterprise statistics is restricted. Excellent infrastructure must be given as a major priority for the growth of SMEs.

Quality of Small and Medium-Sized Businesses Products

A decrease in the quality of goods is a significant setback to expansion for both the SME industrial agency and the SME region as a whole. One of the goals should be to take steps to ensure that SMEs' products have a very high aesthetic appeal and that they are standardized. The BSTI has the terrific to be improved in terms of monitoring the product of products intended both for the domestic market and for export.

Training Facilities for Small and Medium-Sized Enterprise Personnel and Entrepreneurship

The people of Bangladesh are quite terrific when it comes to analyzing industrial processes and replicating such processes. To make matters worse, the educational facilities

for SME workers and the enticement of entrepreneurially minded individuals in our nation are no longer enough. However, despite the fact that there are educational institutions such as the Training Institute of BSCIC that provide instruction, it is not being put to the best possible use. Educating institutes that are concerned with the growth of entrepreneurship are going to need to be structured in a way that allows for certain duties to be carried out.

Organizing trade fairs, Symposiums and Workshops on Small and Medium-Sized Enterprises on a Regular basis

Workshops and symposia on small and Medium-Sized Enterprises (SMEs) are conducted these days by means of the use of exceptional organizations and think tanks; nonetheless, these symposiums are held on an ad hoc foundation and aren't organized in any kind of systematic style. An outline of regularly holding things like seminars, workshops and regular fairs, among other things, is something that has to be worked on.

Establishing help Desks in Financial bodies and Business Promotion Organizations that have Internet access

To increase the attraction of SME financing generally and foster female entrepreneurs' appreciation, a Help Desk with computer and internet capabilities should be developed in all chambers of commerce and commercial enterprise as well as in financial exchange promotional organizations. This will make it possible for more women to launch their own businesses.

Towards the Establishment of a Standard Definition of SME

A set of definitions for SMEs that are uniform is preferred. Any and all organizations and businesses connected to SMEs must utilize this set of definitions as the only definition used with the resource. Properly, adequate definitions for micro and cottage enterprises are required.

Result

A regular flow of communication is one of the few resources that are required to keep a business operating properly and it is also one of the most important factors to consider. It is possible that companies, particularly smaller enterprises in Bangladesh, may find it small to overcome the barrier of ineffective communication. It is essential to possess strong verbal and written communication skills in order to run a successful small company in the current environment; in fact, having these skills is often required in order to be a company. Even though communication is one of the most important factors in the success of a business, most small and medium-sized businesses continue to struggle with communication challenges on a daily basis.

Challenges faced by SME

Fragmented communication The most significant issue is that there is either insufficient communication or, more often, communication that is fragmented. The communication at many firms in Bangladesh only goes in one direction, that is, it is directed toward the manager but does not make its way back to the employees. This happens very often. On the other side, employees have a propensity to socialize with those coworkers with whom they have a strong working relationship, rather than with everyone else in the company. On the other hand, if employees and suppliers do not communicate with one another in the appropriate manner, there may be a breakdown in communication. These might cause relatively small problems to snowball extremely fast, which can ultimately impede the workflow at the company. Micromanagement is another another obstacle that the company is sometimes forced to contend with. When a manager hovers over their employees, carefully watches and excessively controls their activities, as well as every element of their employment, this is what occurs. As a consequence of this, an atmosphere of mistrust and hostility is developed, which has a detrimental impact on the process of communication. A flood of new information and forms of communication Because there are various methods to communicate, starting with written communication and moving on to oral communication and face-to-face communication, it is possible that at times it may be taxing with an excessive amount of information.

Emails and instant messaging are text-based modes of communication that may be used effectively for some types of communication. However, while personal and professional messages can be separated, using these technological tools can occasionally overwhelm an employee. Other times, face-to-face communication is the most effective time of information transfer; nevertheless, a heavy dependence on oral communication results in a workflow that is less efficient and takes more time, as well as an inadequate use of technology. It happens often in small businesses in the United States when a silver line between oral, written and in-person communication is crossed, particularly by new employees. This is particularly true for businesses where misunderstanding like this is prevalent. The idea that employees and managers are continuously being barraged with information owing to the pervasiveness of contemporary technology is one of the most typical causes of unhappiness, according to the survey's results. For instance, the usage of smartphones enables constant communication between stakeholders like as employees, suppliers, consumers and others. The employees effectively have very little time for their own personal hobbies since it is hard to separate oneself from the chain of communication. Employees have a propensity to distance themselves from the corporate world when

deadlines are approaching. They often don't return calls, emails, messages or other kind of instantaneous or technological communication. Similar to this, there are countless cases when emails are not read and messages are delivered but not received on the other end because of the propensity to put up a wall. This might result in a working atmosphere that is unproductive and inefficient, which will impede the workflow of the company. Employees may, on sometimes, be unable to concentrate well, which results in their being unable of adequately comprehending the concepts or conclusions being discussed. I've heard a lot of complaints in which just one member of the team recalls the new processes that were implemented, but the other members of the team claim they were never given the same instruction.

Due to the time that there is sometimes a wall of secrecy between the various departments of the company, no one seems to be aware of the activities taking time in the other parts of the business. The office company has often expressed their unhappiness that nobody seems to know what their workers are up to; everyone is doing their assigned tasks without understanding how they relate to the company as a whole or to the other activities. There will obviously be times when there is a breakdown in communication between the staff employees of the many departments when a company is designed such that its numerous departments function independently of one another. The workers are divided and grouping work is being done in the office. However, unity among all of the people working in the office is quite vital to ensure the efficient running of the business. Small businesses in Bangladesh often struggle with ineffective communication, which contributes to another issue with the country's infrastructure: often, these businesses will have meetings that are not essential. There should be no ambiguity regarding the reason for holding a meeting; yet, there has been criticism leveled against the practice of calling pointless meetings, which wastes time rather than proving to be effective. A lack of awareness after the meeting After a meeting has been held, the workers do not seem to have a clear understanding of what was discussed or what was advised at the meeting, which is still another obstacle that must be overcome. These ties in with our previous point number four, which was a failure to listen, since such befuddlement may arise from a lack of concentration. As a result of the fact that Bangladesh is a nation with a small cultural company, workplaces in the country, regardless of their size, are home to a diverse population of people who come from a variety of castes and cultural backgrounds. However, employees often fail to accept and adjust to the cultural differences, which lead to the formation of a stereotype. As a consequence of this stereotype, there are instances of micro-aggression,

covert bullying, grouping and other forms of discrimination. This is another another significant obstacle that must be overcome by small enterprises.

Conclusion

Every single day, a multitude of challenges and hurdles of many kinds must be faced in order to ensure the smooth operation of a business, particularly a small one. In a similar vein, challenges in communication are one of the most significant hurdles that an organization must confront on a daily basis. In the present paper, the researchers have faced research on this same issue, which is the communication challenges that small business owners encounter when trying to operate their companies. In addition, researchers have offered some suggestions that may be used as potential solutions to the challenges that are present in small enterprises in terms of communication. If these communication challenges could be removed, then companies of this size would see unprecedented levels of growth and success due to an increase in their capacity for effective workflow and small output.

References

1. Ahmed K, Chowdhury TA. Performance Evaluation of SMEs of Bangladesh. *International Journal of Business Management* 2009; 4: 7.
2. Ahmed MU. Report of the PRSP-2 Thematic Study on Small and Medium Enterprise Development in Bangladesh. Final Report, 2008.
3. Bihar H, Uddin MJ. Financing Small and Medium Enterprises in Bangladesh. *Piroshky* 2007; 15(1).
4. Bangladesh Bank. A Note on the Contribution of Small and Medium Enterprises to GDP in Bangladesh. Policy Paper 0806, Policy Analysis Unit, Bangladesh Bank, 2008.
5. Bangladesh Bank. Institutional Lending and Financing Policy for SMEs in Bangladesh, Policy Note Series PN 0804, Policy Analysis Unit, Bangladesh Bank, 2007.
6. Bangladesh Bank. Access to Finance by means of Small and Medium Enterprises (SMEs). *Financial Sector Review* 2006; 2(1).
7. Bangladesh Bank. Prudential Regulations for Small Enterprises Financing, Bangladesh Bank, 1st Edition, 2004.
8. Business Telecom Solution, Top 5 Communication challenges for small business owners, 2004. Retrieved from <https://www.beacontele.com.com/top-5-communication-challenges-for-small-businessowners/>.
9. Bangladesh Bureau of Statistics. Report on Labor Force Survey, 2005-06, BBS, 2008.
10. Bangladesh Bureau of Statistics. Economic Census 2001 and 2003, National Report, Dhaka, 2007.
11. Economic Adviser's Wing, Finance Division, Ministry of Finance, Dhaka. *Bangladesh Economic Review* 2009.

12. Bangladesh Small and Cottage Industries Corporation, Various Publications.
13. Centre for Policy Dialogue. Emerging Issues in Bangladesh Economy. A Review of Bangladesh's Development 2005-06, The University Press Limited 2006.
14. Chowdhury N. SME Development in Bangladesh, Ministry of Industries, Dhaka, 2007.
15. Dana I, Irate I. International Entrepreneurship in resource-rich landlocked African countries. *Journal of International Entrepreneurship* 2017; 1-20. retrieved from <https://link.springer.com>.
16. Dhaka Chambers of Commerce and Industries. Access to Finance for SMEs: Problems and Remedies, 2004.
17. Dada VD, Agbada WA. Employee's Market orientation and Business performance n Negri: Analyses of small Business Enterprises in Lagos state. *International Journal of Marketing Studs* 2010; 2(2): 134-143. Retrieved from www.ccsenet.org/jms.
18. Du J, Banjo A. Promoting SME competitiveness: Lessons from Chan and Negri. *American Advanced Research and Management* 2015; 1(1): 1-12. Retrieved from <http://s3.amazonaws.com/academia.edu.documents>.
19. Duggan S. Entrepreneurship and small business: Strategic approach to alleviating poverty and corruption. *International Journal on Business Review* 2013; 3(1): 57-66. do:10.5176/2010-4804_3.1.287.
20. Duggan S. Catcall sues n managing small and medium enterprises: The Nigeran experience. *The international Journal of Business & Management* 2015; 39(9): 52-59. Retrieved from <http://search.proquest.com/openview>.
21. Ekpe UN, Bassey GE. An analysis of the economic consequences of infrastructural defect in a developing economy: The case of elect supply n Negri. *International Journal of SoCal Sciences* 2016; 10(1): 28-48. Retrieved from <http://socalscienceunuyo.com>
22. Ezeiza AE. Government of Bangladesh. Policy Strategies for Development of Small and Medium Enterprises (SME). *Journal of the Academy of Business and Ratal Management Research* 2007; 8(2): 54-62. from <http://jbrmr.com>
23. Farrington SM. Personality and job satisfaction: A small-business owner perspective. *Management Dynamics* 2012; 21(2): 2-15 Retrieved from <http://hdl.handle.net/10520/EJC124758>.
24. Matrix Network Sales Team. Top 5 Communication Challenges for Small Business owners, 2015. Retrieved from <https://www.mtrx.com/blog/top-5-communications-solution-for-smallbusiness-owners>
25. Rahman A. Aitu Sees Factoring as Ideal Financial Solution for SMEs, The Financial Express. *The Journal of Risk Finance* 2009; 9(4): 351-364. do: [HTTPS://do.org/10.1108/1526594](https://doi.org/10.1108/1526594)
26. Floe DO. The adoption of e-Commerce and small businesses: An empirical evidence from retail sector and Negria, 2014.