

SECOND INTERNATIONAL SCIENTIFIC CONFERENCE ON  
ECONOMICS AND MANAGEMENT

**EMAN 2018**

March 22, 2018

Ljubljana, Slovenia

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# CONFERENCE PROCEEDINGS



***SECOND INTERNATIONAL SCIENTIFIC CONFERENCE  
EMAN 2018***

***Economics & Management:  
How to Cope With Disrupted Times  
CONFERENCE PROCEEDINGS***

***Ljubljana, Slovenia  
March 22, 2018***

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## PRACTICING PROPER BUSINESS COMMUNICATION TO ACHIEVE HIGHER COMPANY PERFORMANCE

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**Abstract:** *In these modern conditions of business, those companies that are able to create a competitive advantage are successful, thereby raising their image. Proper and realistic communication in the company is one of the main factors behind this. Communication skills are true promoters of good organizational relationships in the company and roadmaps to increase the company's economic performance in the environment. On the other hand, the basic factors for developing the right and real communication are successful managers who know that the preference for good business communication means improved mutual relations and improved mutual cooperation in the organization, and raising the company's reputation and its relationship with stakeholders and new business relationships with new companies.*

**Key words:** *business, communications, employees, manager, vision, achievement, goal.*

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### INTRODUCTION

Proper business communication is an important aspect of the business persistence of any company. It is a foundation and a starting point, essential for achieving higher company efficiency. The overall modern literature in the field of management, human resources management and the organizational behavior are particularly focused on the importance and the improvement of the effective business communication as one of the manners through which the achievement of competitive advantage and the increase of the company's success is assured.

Good business communication helps to create a successful business environment, good organizational culture and good interpersonal relationships, where there is mutual respect and motivation of the employees in order to achieve the organizational goals. But it cannot be disregarded the fact that in every organization there are conflicting situations, some of them constructive that can contribute to positive changes in the organization, but also some of them destructive that can impair the work of the company, if they are not overcome or resolved through good business communication skills.

In the modern global economy, when only a few companies operate only within the country in which they are located, as opposed to the multitude of companies that decide to function internationally, we should not miss the attention of the interpersonal and the intercultural relationship. For the success of a company that has decided to extend its activities beyond the boundaries of the country where it was originally established, its good abilities for intercultural communication are essential. In the modern world of global technological changes, the need for the company to build effective electronic communication skills is required in order to achieve greater cooperation among its employees, but also to deepen the contact that it has with its

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clients and associates. With all that should be emphasized that proper business communication can greatly contribute for achieving higher performance of the company.

## **FUNCTIONS AND GOALS OF THE BUSINESS COMMUNICATION IN THE ORGANIZATION**

Proper business communication is one of the essential factors for the execution and fulfillment of all essential processes in the organization. Regarding to this, the proper business communication in the company provides a good mutual understanding, maintenance and development of positive mutual relations in the company, good organizational behavior and building and developing positive relationships between the company and its associates, investors, customers and all stakeholders associated with the company. There are not companies that can survive in the business world if there are no proper business relationships with the partners i.e. the customers.<sup>188</sup>

In this regard, the development of proper business relationships depends mostly on the proper and open communication.<sup>189</sup>

Business communication is the most important phenomenon in the organizational persistence and through the realization of the multilayer spectrum of its functions and goals, it influences the flow and the fulfillment of all organizational activities and goals.

## **BUSINESS PERFORMANCES AND COMMUNICATION SKILLS**

The influence of the organizational communication on the business success of the company, depends on the achievement of its functions and goals. The main feature of the successful companies is their ability in communication processes, as their members have the necessary information at the right time; unlike the unsuccessful companies, where the poor performance is often due to a communication problem in the organization.<sup>190</sup>

Proper business communication is necessary for the proper running of all processes in the company. Properly used communication skills facilitate the collaboration among people, increase the motivation of the workforce and this contributes to increasing the economic achievements of the organization. There is effective communication when communicators understand each other and encourage themselves for mutual or individual action, while encouraging new and specific ways to facilitate organizational goals more easily and quickly.<sup>191</sup>

Through the proper use of the abilities and the skills for effective communication, the individual and the organizational productivity increases, while the opportunities for proper insight and anticipation of problems, deciding, coordinating work, controlling others, developing business relationships and promoting a product or service are simultaneously increasing. In addition, through proper communication, the reputation of the company increases, as its relationships with the clients, investors and associates improve, which certainly contributes to the increasing of the company's business success. In contrast, the poor communication can cause wasted time and effort, disrupted relationships in the organization and legal problems, but all of this may

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<sup>188</sup> Ferguson Career Skills Library, *Communication Skills*, Third Edition, (2009, New York), page 107

<sup>189</sup> Clutterbuck, D., and Hirst, S., *Talking Business: Making Communication Work*, (2002, Oxford), page 73

<sup>190</sup> Jones G. R., and George, J. M., *Understanding and Managing Organizational Behavior*, Fifth Edition, (2008, New Jersey), page 461

<sup>191</sup> Miceski, T., *Organizational behavior*, (2011), UGD, Faculty of Economy Shtip, page 25



have far greater consequences that can cost a lot the company<sup>192</sup> and thereby to reduce its economic success .

All this sets the ability for effective business communication on the same level with the other company resources. An individual with excellent communication skills is an asset for any organization<sup>193</sup>, and when the company endeavors for all of its employees to communicate effectively, it certainly has positive implications for its overall success.

## **POSSIBLE OBSTACLES IN COMMUNICATION**

Business communication as present in the daily existence of the company and as such, often passes through obstacles of a different nature. The obstacles can disturb the communication process itself to a greater or lesser extent and to limit the possibilities for achieving the goal of the communication. The most common obstacle in the communication at the workplace is the overload with information.<sup>194</sup>

Regardless of the fact that new channels are constantly appearing to facilitate communication, however, if they are used improperly, an unwanted effect occurs, or a disruption of the possibility for a quick and accurate feedback.

The communication process can be disturbed due to the lack of sufficient communication channels, but also having too many channels of communication can have the same effect.<sup>195</sup> Very common obstacles to effective communication are the distortion of the information and the filtering of the message, which implies incomplete and inaccurate information display.<sup>196</sup> Distortion of the message can occur in direct and indirect communication. Even in direct communication, the message may be misinterpreted as a result of lack of impartiality in hearing by the recipient of the message. If the recipient of the message is biased for any reason, a misinterpretation of the message occurs. Also, a closed or inadequate communication environment can lead to obstacles in the communication process, because the direct and authoritative management blocks the free and open exchange of information that is essential for effective communication.<sup>197</sup> The different perception and the differences in the language and in the culture of the communicators may be an additional obstacle in conducting the organizational communication. For an effective communication process, all participants in the communication must show respect and be aware of each other's differences.

Accordingly, in order to reduce the negative impact of the communication obstacles, it is necessary to create and maintain an organizational culture where the differences between the employees are respected and where the open and sincere communication is maintained, without the approval of gossip and with the proper use of technological tools and the numerous communication channels.

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<sup>192</sup> Locker, K. O., and Kienzler, D. S., Business and Administrative Communication, Eight Edition, (2008, New York), стр.10

<sup>193</sup> McLean, S., Business Communication for Success, (downloaded in May 2010 from [www.flatworldknowledge.com](http://www.flatworldknowledge.com))

<sup>194</sup> Miceski, T., Organizational behavior, (2011), UGD, Faculty of Economy Shtip, page 25

<sup>195</sup> Miceski, T., Organizational behavior, (2011), UGD, Faculty of Economy Shtip, page 25

<sup>196</sup> More at Jones, G. R., and George, J. M., Modern management, (2008, Skopje), page 657

<sup>197</sup> Miceski, T., Organizational behavior, (2011), UGD, Faculty of Economy Shtip, page 27

## EMPIRICAL RESEARCH

An empirical research has been made in order to complement the theoretical part of the research and for more complete awareness of the conditions of business communication. The survey interviewed 32 managers and 273 employees in randomly selected companies. The subject of the theoretical and empirical research are the skills for internal and external business communication, their importance and effectiveness in achieving organizational goals, as well as the ways in which they can be used and constantly promoted, developed and improved.

The theoretical research is complemented and supported by the empirical research, which has the task of showing the real and practical situation in the daily and actual existence of the organizations. In fact, through survey questionnaires in several organizations in Macedonia, the real situations in which the business communication takes place in our companies are the subject of research. The basic and general hypothesis is based on the claim that the *proper business communication improves the organizational behavior and increases the economic achievements of the organization*. In order to obtain a more detailed picture, after the presentation of the answers from the survey questionnaires, a statistical processing has been made and the answers are shown, tabular, computational and graphical. The first question which was: *Are the employees of the company timely and clearly informed*, was intended to show the perception of timely and clear informing of the employees about situations in the organization as one of the main postulates of effective business communication. The results of the obtained answers to this question are shown in Table 1 and in Figure 1.

Table 1. Presentation of the answers of the managers and the employees to the question: *Are the employees of the company timely and clearly informed?*

Question	Answers				
	Managers			Employees	
		Values	%	Values	%
1.Are the employees of the company timely and clearly informed?	Yes	30	94	152	55
	No	0	0	43	16
	No answer	2	6	78	29
	Total	32	100	272	100
Calculated X <sup>2</sup> test is: 41,322					
C = 414					

The graphic display is as follows:

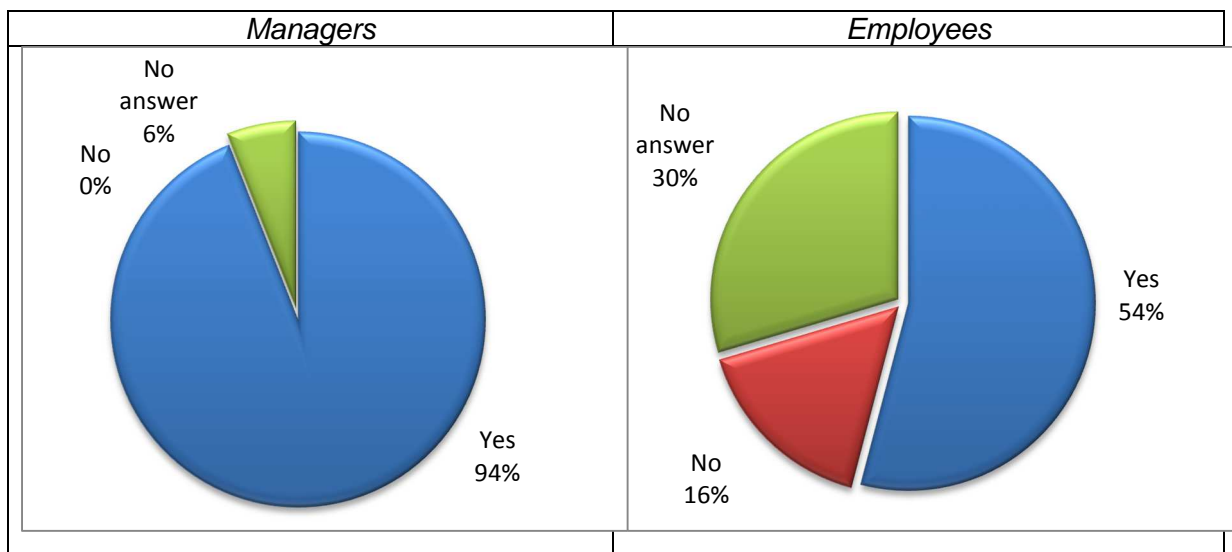


Figure 5.1. Graphic presentation of the answers of the managers and the employees on the question -Are the employees of the company timely and clearly informed?

From the graphic and the tabular display, it can be seen that the managers and the employees have different opinions that employees are timely informed about the situation in the organization. While 94% of the surveyed managers think that employees are timely informed about the situations in the organization, and 55% of the employees consider it so. Only 6% of the surveyed managers remained unanswered on this question, and with the employees 46% have answered with no or remained unanswered.

After the calculations for the  $\chi^2$  test and the coefficient of contingency, the following values were obtained:

$$\chi^2_{0,05} = 41,322 \text{ (calculated)} > \chi^2_{0,05} = 5,991 \text{ (tabular value)}$$

$$C = 0,414 \text{ (calculated)}$$

The data for the calculated value of  $\chi^2_{0,05}$  shows that the received frequencies deviate from the expected frequencies, or that the answers of the employees and the managers do not correspond. The coefficient of contingency (C) shows the height (strength) of the relationship between the two groups of answers and it is  $C = 0,414$ , which indicates that the interdependent modality of the examined variables is moderate.

Accordingly, the main hypothesis is not fulfilled and the organization needs more timely and clearly to inform the employees about the situation that is happening.

The second question was: Do employees have confidence in the statements of the managers?

The results of the obtained answers to this question are shown tabular in table 2 and graphical in Figure 2.



Table 2. Presentation of the answers of the managers and the employees to the question: *Do employees have confidence in the statements of the managers?*

Questions	Answers				
	Managers			Employees	
		Values	%	Values	%
2. Do employees have confidence in the statements of the managers?	Yes	23	72	148	54
	No	2	6	45	17
	No answer	7	22	79	29
	Total	32	100	272	100
Calculated $X^2$ test is: 8,793					
C = 0,205					

The graphic display is as follows:

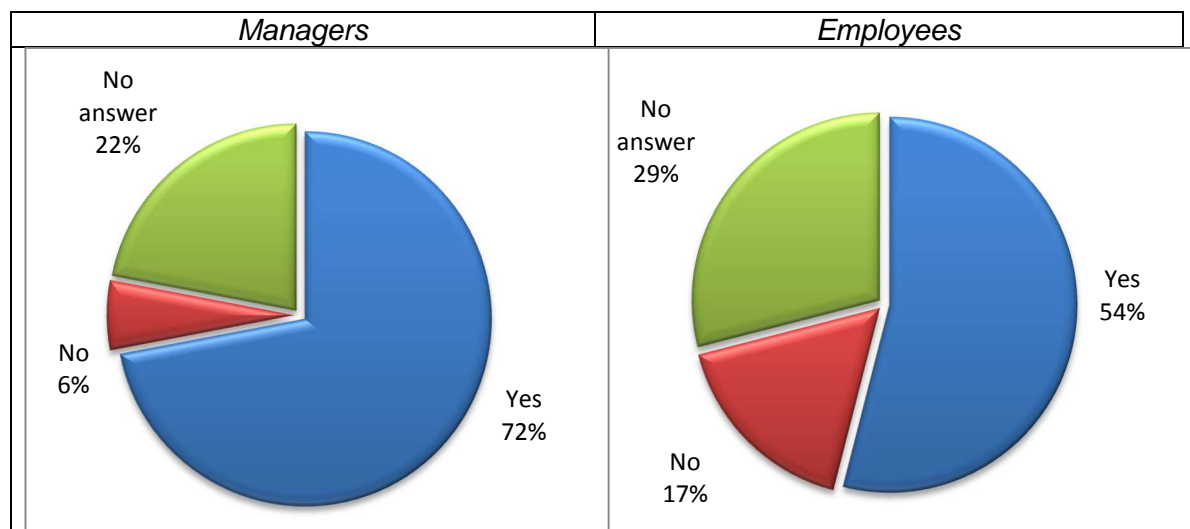


Figure 2. Graphic presentation of the answers of the managers and the employees on the question- Do employees have confidence in the statements of the managers?

From the graphic and the tabular display, it can be seen that managers and employees have different opinions that employees have confidence in the statements of the managers.

Of the surveyed managers, 72% think that the employees are timely informed about the situation in the organization, while 54% of the employees consider it so. Only 28% of the surveyed managers on this question answered with no and remained unanswered and with the employees 46% have answered with no or remained unanswered.

After the calculations for the  $x^2$  test and the coefficient of contingency, the following values were obtained:

$$x^2_{0,05} = 8,793 \text{ (calculated)} > x^2_{0,05} = 5,991 \text{ (tabular value)}$$

$$C = 0,205 \text{ (calculated)}$$

The data for the calculated value of  $x^2_{0,05}$  shows that the received frequencies deviate from the expected frequencies, or that the answers of the employees and the managers do not correspond. The coefficient of contingency (C) that is  $C = 0,205$  indicates that the interdependent modality of the examined variables is weak.

Accordingly, the main hypothesis is not fulfilled and the organization requires managers properly to understand the employees and to try to attend training management.

The third question was: *Does the manager care about the promotion of business relations in the enterprise with the employees and outside with other enterprises?*

The results of the obtained answers to this question are shown tabular in table 3 and graphical in Figure 3.

Table 3. Presentation of the answers of the managers and the employees to the third question

Questions	Answers				
	Managers			Employees	
		Values	%	Values	%
3. Does the manager care about the promotion of business relations in the enterprise with the employees and outside with other enterprises?	Yes	31	97	157	58
	No	0	0	36	13
	No answer	1	3	79	29
	Total	32	100	272	100
Calculated $X^2$ test is: 43,938					
C = 0,424					

The graphic display is as follows:

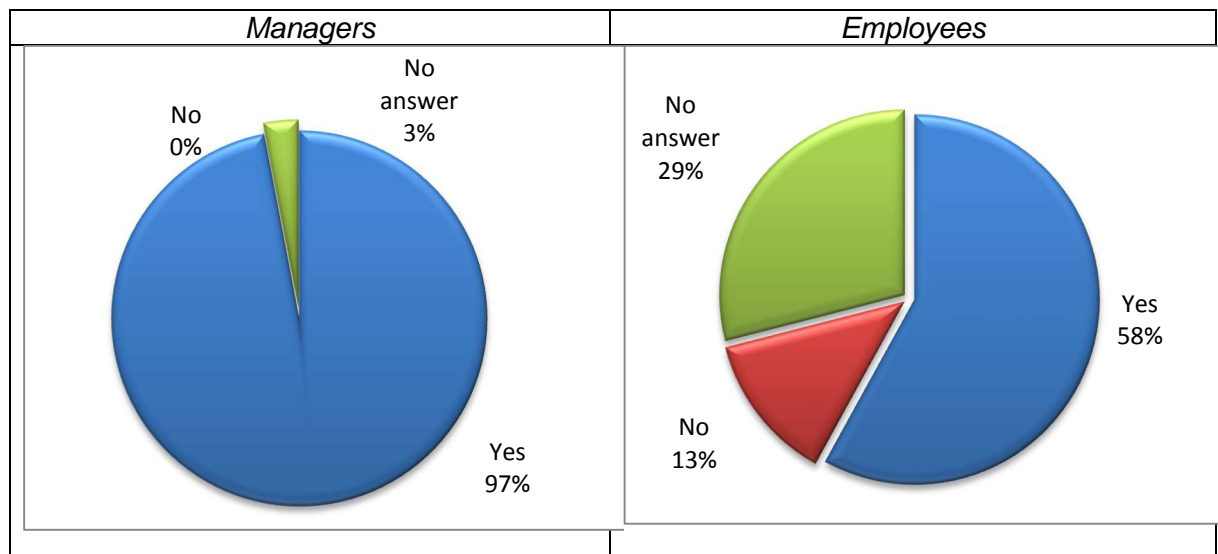


Figure 3. Graphic presentation of the answers of the managers and the employees on the question - Does the manager care about the promotion of business relations in the enterprise with the employees and outside with other enterprises?

Here also can be seen that managers and employees have different opinions whether the manager takes care of the promotion of business relations in the enterprise with employees and outside with other enterprises. Of the surveyed managers, 97% think that the employees are timely informed about the situation in the organization, while 58% of the employees consider it so. Only 3% of the surveyed managers on this question remained unanswered and with the employees 42% have answered with no or remained unanswered.

After the calculations for the  $x^2$  test and the coefficient of contingency, the following values were obtained:

$$x^2_{0,05} = 43,938 \text{ (calculated)} > x^2_{0,05} = 5,991 \text{ (tabular value)}$$
$$C = 0,424 \text{ (calculated)}$$

The data for the calculated value of  $x^2_{0,05}$  shows that the received frequencies deviate from the expected frequencies, or that the answers of the employees and the managers do not correspond. The coefficient of contingency (C) that is  $C = 0,424$  indicates that the interdependent modality of the examined variables is moderate.

Generally viewed from the overall results of the questions from the survey questionnaires, it can be seen that the desired and real situations do not correspond to the intended basic hypothesis, which requires a thorough research to detect impact factors in order to ensure proper business communication for achieving higher performance of the company.

### **VIEWS FOR ENHANCING BUSINESS COMMUNICATION SKILLS TO IMPROVE THE PERFORMANCE OF THE ORGANIZATION**

Proper business communication works in the direction of improving the economic achievements of the organization mostly through the improvement of the interpersonal relationships and the mutual cooperation in the organization. Therefore, it can be concluded that the proper communication is responsibility of all members of the organization, especially of the manager. Effective business communication implies clarity, conciseness, timeliness, informativeness and ethical correctness in the external and internal communication processes in which the company is involved. With clearly defined goals and a well-made plan that will be consistently followed, the opportunities for misunderstandings are reduced, thus reducing the time required for handling the message, i.e. it accelerates and facilitates the process of achieving the goal of the communication process. Certainly, the detailed planning of the communication process is more possible when the message is transmitted in writing or through a business presentation or meeting, rather than in a direct verbal conversation. However, the constant consideration of the goals of the communication process and the thinking about the needs and attitudes of the recipients of the message greatly helps to achieve the goals of the communication process and by direct verbal conversation. With this, the need to pay attention to the fulfillment of the conditions for two-way communication is also being emphasized. Communication, as a process, means receiving and sending messages that are interpreted to achieve the goal of the communication process. No participant in any communication process is just a sender, nor is only a recipient of verbal or non-verbal messages, but simultaneously a recipient and a sender of messages. For communication to contribute to faster and more effective achievement of the organizational goals, more than necessary is active and focused listening and acting on what is heard, as well as discussing with others about the most important aspects of the heard. Positive communication in the organization implies effective use of the communication skills in the organization to provide a positive impact on the motivation of employees, improvement of marketing strategies and resolving conflict and crisis situations. Positive communication builds positive organizational culture, and the positive organizational culture influences the development of positive communication processes in the organization. In the modern business existence of the companies it is necessary to constantly maintain an organizational culture and design communication processes that contribute to the company's management with the constant and rapid changes in the narrow and wider environment. Communication in the organization should be used to design an organizational culture that will enable the company to profit from the constant changes in the modern global environment. The task of the manager in the company is to constantly monitor and improve the effectiveness of

the company. In achieving his primary responsibility in the company, the most important tool can be the right organizational culture, because the organizational norms, values and attitudes have a major impact on the company effectiveness. Therefore, by perceiving and analyzing the events and the relationships in the company, but also through the use of proper business communication, the manager can act in the direction of building an organizational culture that can be used to improve the relationships in the company, and thus as a means of improving the effectiveness of the company.

## CONCLUSION

Communication is an important part of the survival of any company. Proper communication offers many different ways to improve the economic achievements of the company. Today, the awareness of the positive direct and indirect impacts on company economic achievements is growing. Modern companies are constantly trying to achieve maximum results in their economic performance through all the tools at their disposal. Good communication in the company, as a reliable way for increased cooperation between the employees, as well as improved company relations with its clients, does not occur spontaneously, but is the result of constant analyzes and actions. Successful managers constantly analyze the communication processes, in which they participate, as well as their conduct and the conduct of the communicators, and they are constantly looking for ways to promote their business communication skills and ways to increase the effectiveness of their use. In successful companies, maintaining proper and effective communication is the initial and final phase of each organizational process. Proper communication brings improvement to the economic achievements of the company. Effective communication means improved relationships in the company, improved interaction with the collaborators and with the clients, better use of the resources and the technological tools, improved marketing activities, increased productivity, saving money, motivated employees, reducing misunderstandings and conflicts and their faster resolution, increased trust from the clients, collaborators and from the employees in the company, making the right decisions, achieving a more favorable position in negotiating and contracting and improving the quality through listening and interpreting the needs and the desires of the clients. Briefly speaking, the proper communication increases the competitive advantage of the company, making the company more accessible, more truthful and more open to its customers and more attractive for the existing and for the potential employees.

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