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I. Zholmagambetova<sup>1</sup>,  Sh.Turmakhanbetova<sup>2</sup> 

<sup>1,2</sup> L.N.Gumilyov Eurasian National University  
Nur-Sultan City, 010000, Republic of Kazakhstan  
e-mail: indira\_07.kz@mail.ru

## THE IMPACT OF COMMUNICATIONS ON EFFECTIVE OPERATION OF AN ORGANIZATION

**Abstract.** At the present stage, it is known that the importance of information and communication in all spheres of human activity is constantly growing, which is associated with changes in socio-economic nature, the emergence of new achievements in the field of technologies and technologies, the results of scientific research. The article is devoted to the study of the importance of communication and the influence of communication processes on the activities of the organization. Communication occupies an important place in the life of an organization and has a great impact on individuals and groups. Communication is the transfer of information from one person to another, one of the ways a person transmits ideas, thoughts, feelings and values to other people. Today, communications play an important role in all major types of management activities. In the implementation of managerial actions, communication is a connecting process in the organization's management system. Communication is important not only for the enterprise in the market, but also for the future of the people working at this enterprise, for the global well-being of the whole country. The role of communicative interaction in the functioning and development of modern organizations puts in the first place the problem of managing communications both within the organization and between the organization and its environment for optimally favorable communication processes in the organization. In practice, effective communication is the main prerequisite for the successful achievement of the goals facing the organization.

**Key words:** communication, communication network, communication process, vertical communication, horizontal communication, diagonal communication, organizational structure, performance level.

**Introduction.** Communication is one of the most important factors in company management. Communication is an interaction of people while performing work-related duties, an exchange of ideas, thoughts, feelings and information. A group of people is not able to work in a well-organized way without communication. Thus, the information exchange is essential in any organization. Organizations are meant to be the systems for information processing. Communication processes with involvement of managerial personnel are vitally important links between managers and their subordinates, between the company and the external environment. It is necessary to coordinate joint activities of employees so that any organization can reach the goals set while running its operations. A good system of information reception, transfer and processing is required. Effective system of communication is needed to make sure control tools are synchronized and the results meet the expectations.

**Research methods and materials.** Communication has a great influence on effectiveness of company management and its performance. It is clear, that in case people do not get information, they are not able to work together, articulate goals and reach them. Methodological foundation of research are solutions represented by modelling, identification of organizational problems. Comparison method of international and national practice has been reviewed in order to improve communication within the organization.

**Discussion and conclusions.** Communication has a huge impact on the effectiveness of management and its overall operations. Effective communication has a fundamental importance for success in management. Firstly, solving numerous managerial tasks is built on immediate interaction of people (of subordinates to manager, who report to each other) in the context of various events. Secondly,

interpersonal communication could be the best way for discussion and solution of issues characterized by uncertainty and communication failure.

The purpose of the work is to review the essence of a communication process, its effectiveness issues, possibilities for improving communication structures.

Communication in company management represents a level of management, a link between managerial services and company heads, which is delivered through various methods of information transfer.

Communication is important for companies due to the following reasons:

- employees spend a lot of time communicating;
- communication is necessary for effective;
- communication is needed to strengthen the power of a leader and expression of their will;
- well-established communications foster effectiveness of management.

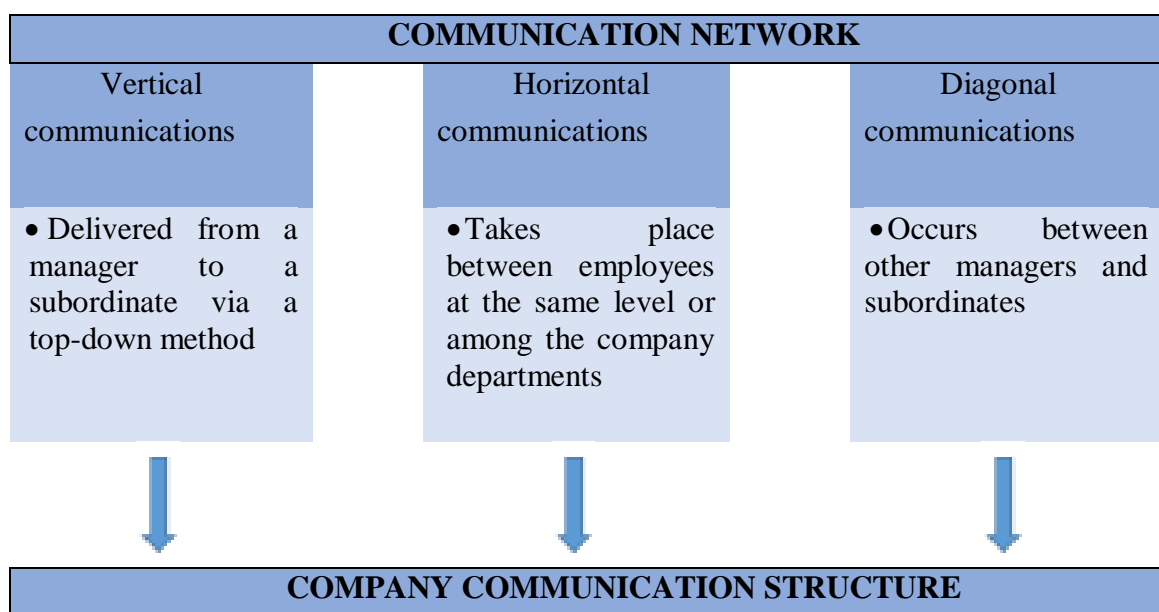


Figure 1. Company communication structure [1]

Understanding of the communication network concept is of paramount importance while studying communication. Communication network includes flow of messages and signals between two or more people. It connects participants of the communication process in a certain way through stream of information.

Communication network consists of vertical, horizontal and diagonal connections. Interconnection of these networks form a communication structure of the organization.

As any other organization structure, communication structure represents a variety of relationships between the organization constituents. They are determined by their specific functions, element composition and configuration [2].

Major functions of communication structures:

- provision of immediate management of the organization with the required business and specialized information, for example, calculation of various options or other solutions; the data is presented in the form of proposals, recommendations and suggestions.

- collection and analysis of the needed information and provision of non-stop performance of technical communication devices and data processing;
- planning of work for various departments of the organization, producing the work schedules, determining planned indicators, development of the standards;
- to provide the organization with welfare and materials;
- to resolve social problems relevant for the organization.

It is important to keep in mind organizational factors that have an impact on communication in order to improve organizational management. They are: position, management style, differentiation of labor and informal communication.

**Job title.** Communication in a formal organization depends on a position of the person. Overall, communication is mainly vertical- i.e., top-down. It is also necessary to be aware of three aspects of communication streams: descending, ascending and horizontal information streams. Those three streams take place simultaneously or at a different time within many companies [3].

Apart from using formal channels of communication, employees of the company satisfy their needs through getting consultations and support during collaborative activities. Consultations among people at the same level often have significant consequences for the company whereas regular contacts for a piece of advice with each other boost confidence in their decisions. Experience shows that full dependence on managers in terms of getting information and recommendations is limited and it can be avoided in many cases. In an existing organization, top manager's instructions are filtered, and then they are accepted. Filtration is made sure through the past experience, motivation, perception and other individual factors.

**Management style.** A leader has an immediate impact on direction and flow of communication depending on their position. As there is a huge possibility for noise to emerge while transferring messages, the manager can set the rules for relaying messages in a certain direction and sequence. Experience has demonstrated that organizations striving for that so that no employee can control individual communication reach success in that area to encourage managers to engage all the employees into the communication stream. It is not allowed to underestimate the importance of interaction between a manager and subordinates [4].

There a need for "down-top" communication and consulting personnel increases as the company grows, services and products get more sophisticated; technological state and the environmental conditions; number of organizational structural divisions go up due to geographical dispersion of customers.

**Differentiation of labor.** Labor differentiation enables communication between the employees within the organization. It occurs due to a few reasons: employees understand their jobs better, they have shared objectives, distance between the workplaces gets shorter over labor differentiation.

Informal communication networks exist in nearly all of the organizations that fosters effective functioning of a formal structure for relaying instructions. Often, this type for information distribution is very efficient and these information streams don't follow a particular order.

Misinterpretation of information due to barriers in data exchange within the organization is the most common problem. Data corruption is one of the issues of the organizational communication that suggests changing the gist of the message. Such misinterpretation of information can be driven by numerous reasons such as deliberate misinterpretation of data might happen when a manager disagrees with information.

Problems related to information exchange due to data misinterpretation can also arise as a result of filtration. Organizations have to filter messages. Thus, messages are sent from one level only to another organizational level. Messages sent to the top can be misinterpreted because of incompliance at the organizational level. Status of top managers is high, as a result a trend exists to give the information that

is perceived positively. Barriers for the information exchange could be a result of communication channels overload.

Interlayer communications within the organization is relayed from one level to another within the frame of vertical communications. Data is transferred from the lowest to the highest level. Thus, current tasks, priorities change, precise instructions, suggested procedures and others are relayed to the subordinate levels of management.

Apart from vertical communications exchange between different departments (divisions), organizations need horizontal communications. An organization consists of numerous departments, as a result information exchange between departments is necessary for tasks and activities coordination. Owing to the fact that organizations represent a system of interrelated elements, the management has to provide for collaborative jobs of specialized departments and management and lead the organizations in the right direction [5].

Leader-subordinate and leader-working team communication, relationships between a manager and a subordinate are the most obvious constituent of relationships in an organization. Although, they serve as an example of a vertical information exchange reviewed above, we will look at this type of information exchange separately since the main part of communication activity of managers are the relationships between the managers and the subordinates.

Let us review the legal footwork for information flow. Confidentiality of agreement is detailed in a separate item of the Code of good practice. All the information within the company shall be protected in line with its importance and confidentiality. It is crucially important that employees under no circumstances use the confidential information obtained during the course of work within the company in their own interests or the interests of the third parties.

Relationships with clients, suppliers, shareholders and investors. Any company obeys the following principles such as integrity, respect to colleagues, and transparency when dealing with customers and suppliers.

Organizational communications are represented by a complex of communications based on relationships mediating the data about the organization itself, its mission and goals.

Apart from the need to play an important role in the company implementation, it is necessary to take into account the communication flow. Communication flow can be horizontal and vertical. Vertical direction, in turn, can be split into lower and upper.

Lower direction. Communication flow in a group or organization decreases from one level to another. It is used by team managers for informing about the procedures for setting tasks, job descriptions, highlighting issues that require attention and giving feedback on work progress. Besides, the more information the less likely it is to be distorted. The most typical example is the relationship between a manager and subordinates.

Upper direction. The more information in the company the lower the level is. It is used for giving feedback to the management by subordinates in order to relay the information about the performance and the current problems. It is served as a tool to make the management team aware of the employees' views.

Horizontal direction. When communication happens between the team members or working group at the same level, between managers or subordinates at the same level the process is called horizontal. This process saves us time and provides for collaboration. In certain cases, the communication has a formal and compulsory nature, and in others- spontaneous [6].

Communication is important for companies' success, managers spend from 50% to 90% of their time communicating, but the surveys show that 70% of managers believe that communication is the main barrier on the way of the organizations' efficiency.

Table 1. Efficiency level of communication types.

Communication type	Efficiency level	Efficiency characteristic
Horizontal communication	90 %	High level of information delivery and understanding between employees and divisions of the same level.
Vertical communication	20 – 25%	Only 20 – 25% of information sent by the management team is brought to employee's attention and understood by them.
Down-top communication	10%	This type of communication is absolutely inefficient. Only 10% of information is relayed to the management team.

Horizontal communication is known for its efficiency, information exchange process between employees and divisions at the same level happens quickly and effectively. Information exchange users can carry out their duties having 5% of the information available based on vertical communications. Down-top communications have a low level of efficiency, a bit over 10% of information is passed onto the management team from ordinary employees. It clearly shows that not all of the communication opportunities are utilized. The head of the company shall understand that there is a huge amount of information is available including data that doesn't impact the management process. Information exchange that has an influence on the management process is called effective communication. An effective manager is a person who is more efficient than the total communication stream, i.e. they can select the data useful for the management process [7].

Russian managers differentiated 10 principles for successful and effective communication.

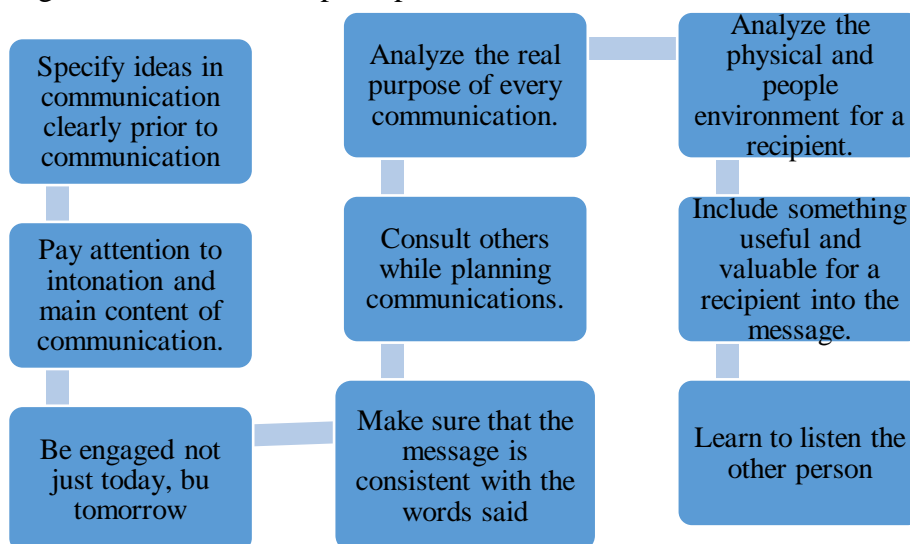


Figure 2. Effective communication principles [8]

The first principle of effective communication begins with defining the precise content of ideas on which the message is based and ends with training on how to listen the other person. Effective management can be achieved following the ten principles:

Modern stage of the society development is related to rebuilding the management system of companies. In this case, the role of a manager is going to be changed significantly. Communication skills are important for a manager of any level as one of their main goals is reaching results with the help of other people, and this can't be achieved without having an interaction with them.

The essence of the communication function of the manager and its fundamental task is to provide the sufficient information exchange within the company between its separate divisions and particular individuals as well as establishing efficient contacts with the external environment of the organization. In order to carry out the managerial function correctly, the manager should be able to build and maintain proper contacts with other people, i.e. possess communication competence. It includes a combination of acquired knowledge, skills, competencies making sure effective negotiations and productivity of communication process as well as set of inborn interpersonal skills and characteristics.

Communication competency is key for a leader since articulation and body language are built during giving a speech and acts as an instrument in managing people. Therefore, well-developed communication skills are professionally important for employees of all the companies. Communication competency allows to deliberately reach the desired results through communication with the people avoiding regular and irregular communication. It is achieved by a person through a synergy of their inborn communication capabilities with skills and capabilities while having interactions with the people [9].

Every element of a communication process is important for any type of a company manager. Overall, it is reported that four major functions of communication in a team or an organization are differentiated. They are: control, motivational, emotional and communication. Communications control the behavior of team members. A hierarchy and formal subordination that should be followed by the employees exist in organizations. Communication is a complex process, which consists of interrelated steps, each of them is necessary to ensure that our ideas are clear to another person. In case we are not attentive and don't think of what we do, each step can be nonsense.

Owing to the fact, that communication has an immediate impact on effective functioning of an organization, it is necessary to develop the information exchange process. Based on the results of the analysis mentioned above, a model for communication enhancement within the organization has been developed aimed at removing barriers on the way to communication and delivering effective communications within the company, forming effective companies.

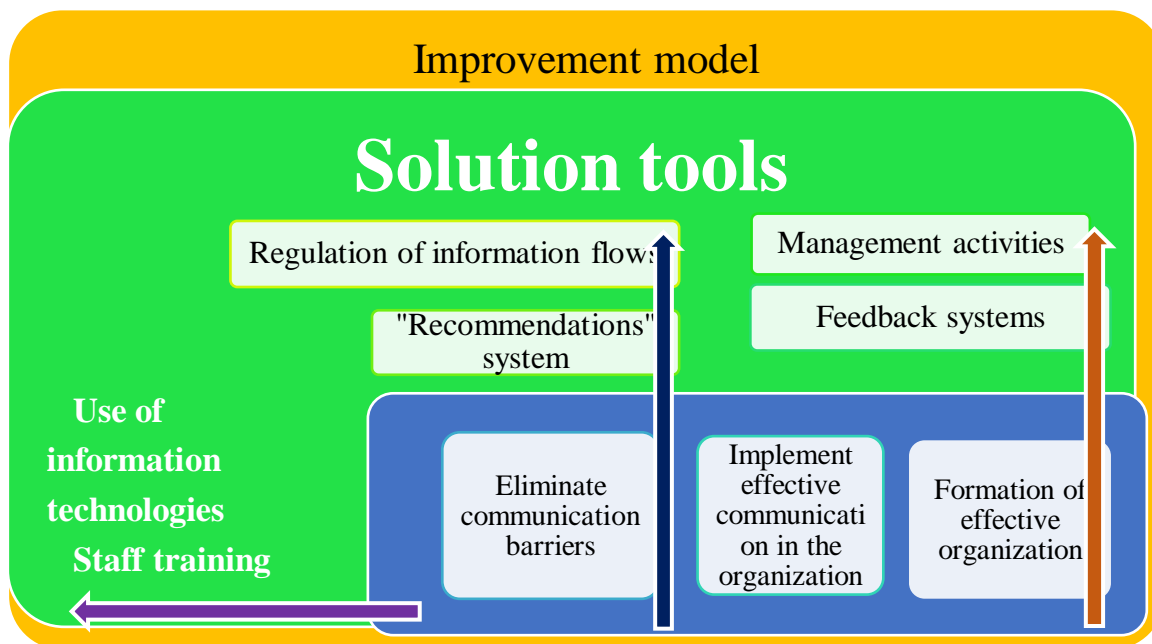


Figure 3. Model for communication improvement within the company

Model for communication improvement within the company includes information streams control, feedback and “recommendations” system and managerial activity. Due to the fact, information streams represent a foundation for communication process, it is important to control and develop them constantly. “Recommendations” system- since every person of the organization participates in the communication process, it is vital to pay attention to opinions, suggestions and recommendations of each member of the organization. Feedback is a necessary information exchange process in the organization to reach a specific goal. It is vital to act systematically in order to set appropriate feedback while delivering the communication process.

Creating innovative communication systems with the use of information technologies. Main stages for establishing innovative communications.

- Justification of factors and principles of innovative communication systems;
- Review of internal system communication features with respect to company goals;
- Highlight key features of the organization and the importance of communications.

Nowadays, it is essential to prioritise innovative communications over the information technologies rapid development.

The last element of the model for communication improvement within the company is personnel training. The main idea of the suggestion is shown in figure 4.

Professional training	Professional development	Re-training
<ul style="list-style-type: none"> <li>• Employees and specialists who have obtained educational documents (diploma, certificate) have primary, secondary and higher professional training.</li> <li>• Training period from 1 to 6 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Provided in professional courses, management schools, advanced training faculties and business institutes.</li> <li>• Training period from 1 day to 1 year.</li> </ul>	<ul style="list-style-type: none"> <li>• It is carried out in educational institutions when employees have mastered the second profession while clerks have obtained the second profession.</li> <li>• Training period from 2 months to 2 months.</li> </ul>

Figure 4. Description of personnel training suggestion

### Conclusion

It is of paramount importance to make sure that company activities are efficient. To achieve the goals information exchange is essential. Communication processes with the involvement of managerial personnel are vitally important connections between a manager and subordinates, between managers of the same level, between an organization and the external environment. It is required for a company to coordinate team activities of employees so that any organization could reach set goals while performing business activities. Good system of receipt, transfer and processing the information needs to be in place. A very well-developed system of communications that provides for synchronization and accuracy of comprehension of the given data is to be implemented so that control activities are efficient and meet the expectations. Upon the research results recommendations based on the theoretical knowledge have been made. A model for communications enhancement within the organization has been developed based international and national best practices. This article reviews the aspects of communication networks. The theoretical part of the article considers theoretical aspects of communication, communication types and functions. Communication networks, communication in the organization and their efficiency are analyzed.

### КОММУНИКАЦИЯНЫҢ ҰЙЫМНЫҢ ТИІМДІ ҚЫЗМЕТІНЕ ӘСЕРІ

**Аңдатпа.** Қазіргі кезеңде адам қызметінің барлық салаларында ақпарат пен коммуникацияның маңызы үнемі өсіп келе жатқаны белгілі, бұл әлеуметтік – экономикалық сипаттағы өзгерістерге, технология мен технология саласындағы жаңа жетістіктердің пайда болуына және ғылыми зерттеулердің нәтижелеріне байланысты. Мақала коммуникацияның маңыздылығын және байланыс процестерінің ұйым қызметіне әсерін зерттеуге арналған. Коммуникация ұйым өмірінде маңызды орын алады және жеке адамдар мен топтарға үлкен әсер етеді. Коммуникация - ақпаратты бір адамнан екінші адамға беру, адамның идеяларды, ойларды, сезімдер мен құндылықтарды басқа адамдарға жеткізуінің бір тәсілі. Бүгінгі таңда коммуникациялар басқарушылық қызметтің барлық негізгі түрлерінде маңызды рөл атқарады. Басқару әрекеттерін жүзеге асыру кезінде байланыс ұйымның басқару жүйесіндегі байланыстырушы процесс болып табылады. Байланыс тек нарықтағы кәсіпорын үшін ғана емес, сонымен бірге осы кәсіпорында жұмыс істейтін адамдардың болашағы үшін, бүкіл елдің жаһандық деңгейде әл-ауқаты үшін маңызды. Қазіргі заманғы ұйымдардың жұмыс істеуі мен дамуындағы коммуникативті өзара әрекеттестіктің рөлі ұйымдағы оңтайлы қолайлы байланыс процестерін жүргізу үшін ұйым ішінде де, ұйым мен оның ортасы арасындағы байланысты басқару мәселесін бірінші орынға қояды. Іс жүзінде тиімді коммуникациялар ұйым алдында тұрған мақсаттарға табысты қол жеткізудің негізгі қажетті шарты болып табылады.

**Негізгі сөздер:** коммуникация, коммуникациялық желі, коммуникация үрдісі, тік коммуникация, көлденең коммуникация, диагональды коммуникация, ұйым құрылымы, нәтижелілік деңгейі.



## ВЛИЯНИЕ КОММУНИКАЦИИ НА ЭФФЕКТИВНУЮ ДЕЯТЕЛЬНОСТЬ ОРГАНИЗАЦИИ

**Аннотация.** На современном этапе известно, что значение информации и коммуникации во всех сферах человеческой деятельности постоянно растет, что связано с изменениями социально – экономического характера, появлением новых достижений в области технологий и технологий, результатами научных исследований. Статья посвящена исследованию значимости коммуникации и влияния коммуникационных процессов на деятельность организации. Коммуникация занимает важное место в жизни организации и оказывает большое влияние на отдельных людей и группы. Коммуникация-передача информации от одного человека к другому, один из способов передачи человеком идей, мыслей, чувств и ценностей другим людям. Сегодня коммуникации играют важную роль во всех основных видах управленческой деятельности. При осуществлении управленческих действий связь является связующим процессом в системе управления организации. Связь важна не только для предприятия на рынке, но и для будущего людей, работающих на этом предприятии, для глобального благополучия всей страны. Роль коммуникативного взаимодействия в функционировании и развитии современных организаций ставит на первое место проблему управления связями как внутри организации, так и между организацией и ее средой для проведения оптимально благоприятных коммуникационных процессов в организации. На практике эффективные коммуникации являются основным необходимым условием успешного достижения целей, стоящих перед организацией.

**Ключевые слова:** коммуникация, коммуникационная сеть, коммуникационный процесс, вертикальная коммуникация, горизонтальная коммуникация, диагональная коммуникация, структура организации, уровень результативности.

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### Information about authors:

Indira Zholmagambetova, 2nd year master's student of the Department "management" of the Faculty of Economics. L.N. Gumilyov Eurasian National University, K. Satpayev, 2. 010000, Nur-Sultan, Republic of Kazakhstan, e-mail: [Indira\\_07.kz@mail.ru](mailto:Indira_07.kz@mail.ru), <https://orcid.org/0000-0001-5649-2137>

Shaken Turmakhanbetova, candidate of economics, associate professor of the Department "Management" of the Faculty of Economics. L. N. Gumilyov Eurasian National University, K. Satpayev, 2. 010000, Nur-Sultan, Republic of Kazakhstan, e-mail: [shakenss@mail.ru](mailto:shakenss@mail.ru), <https://orcid.org/0000-0003-4657-1696>