

Maryna S. Pashkevich (*National Mining University,
Dnipropetrovsk, Ukraine*)

Tetiana V. Tertychko (*National Mining University,
Dnipropetrovsk, Ukraine*)

CAREER PROMOTION AND TIME SPENT ON COMMUNICATION: COMPANY'S GAINS AND LOSSES

The paper argues for the presence of a correlation between the time spent on internal communications and the volume of management responsibilities. It is determined that this correlation changes its character under the influence of organizational hierarchy. The breakpoints in this correlation's change are determined.

Keywords: communication; management; enterprise; personnel.

Марина С. Пашкевич (*Національний гірничий університет,
м. Дніпропетровськ, Україна*)

Тетяна В. Тертичко (*Національний гірничий університет,
м. Дніпропетровськ, Україна*)

КАР'ЄРНЕ ПРОСУВАННЯ ТА ЧАС НА КОМУНІКАЦІЇ: ЩО ВТРАЧАЄ ТА ВИГРАЄ ПІДПРИЄМСТВО

У статті аргументовано існування залежності між часом, витраченим на комунікації на підприємстві, та обсягом керівних повноважень. Встановлено, що ця залежність змінює свій характер під впливом фактору організаційної структури. Визначено точки зміни характеру залежності.

Ключові слова: комунікації; менеджмент; підприємство; персонал.

Форм. 1. Рис. 1. Літ. 10.

Марина С. Пашкевич (*Национальный горный университет,
г. Днепропетровск, Украина*)

Татьяна В. Тертычко (*Национальный горный университет,
г. Днепропетровск, Украина*)

КАРЬЕРНОЕ ПРОДВИЖЕНИЕ И ВРЕМЯ НА КОММУНИКАЦИИ: ЧТО ТЕРЯЕТ И ВЫИГРЫВАЕТ ПРЕДПРИЯТИЕ

В статье аргументировано существование зависимости между временем, затраченным на коммуникации на предприятии, и объемом руководящих полномочий. Установлено, что эта зависимость меняет свой характер под влиянием фактора организационной структуры. Определены точки изменения характера зависимости.

Ключевые слова: коммуникации; менеджмент; предприятие; персонал.

Introduction. The purpose of operation of any commercial enterprise is the achievement of maximal economic profit with minimal costs taking into account the entry of positive and negative externals. When achieving this goal a lot of various problems arise, and one of them is the optimization of internal system of the enterprise. In conditions of speeding of the information flows and their exponential growth it became obvious that organizational communication processes, that effect the economic decisions taken by managers need more and more attention. In its regard the negative effects from slowdown of information flows, their incompleteness and delays, presence of information noises, the excessive losses of work time spent on the receiving and processing the information on the enterprise that may be expressed in

monetary form and refer to the unproductive costs allow to state that the absence of reasonable management of the company communication processes may become a serious barrier on the way to its goal. Thus, the investigation of communication peculiarities within the company is an urgent problem.

Latest research and publications analysis. Various problems of communication at the enterprise of any size have been raised in the papers of a number of scientists. It is an especially important issue in the conditions of opportunistic behavior of economic entities and the availability of asymmetric information. Obtaining of information, the speed of its processing, and subsequent decision-making are the basic processes at the enterprise and the basis for the development of management decisions of any kind. Business meetings play an important role in this process.

Today organizational communication is characterized by such features as globalization, empowerment of corporations, and the enormous external pressure that companies face nowadays (Tourish and Hargie, 2004). There are several typical issues and problems discussed in the sphere of raising the effectiveness of internal communication processes including business meetings. First of all, it is the estimation of costs related to any kind of business meetings. In this regard some authors incline to the conclusion that such meetings are budget waste especially the offsite corporate meetings (Tate, Eisenstodt and Rosen, 2006). Another suggested way of measurement of the costs spent on meetings is to calculate them in working hours. Watching studies have revealed that managers spend over 60% of their working time in scheduled and unscheduled meetings with others (Schermerhorn, 1996).

Second, the important factor influencing the effectiveness and productivity of business meetings as a part of internal communication processes in the company is their form. N. Fabian (2009) tends to the idea that in-person meetings are less effective than the virtual ones. The same idea is proved by the other examples. According to the experiment using two large groups orally contributing ideas and two large groups typing ideas on a computer network shows that a virtual communication environment can be used effectively in meetings with many participants (Lindblom, Aiken and Vanjani, 2009).

Another issue that has been investigated by a number of scientists is the value of communication process. For instance in the article (Fabian, 2009) discussing the effectiveness of large in-person meetings, such as conferences the number of check points that will help to assess the value of the meeting that is planned to be attended is suggested. In conclusion the author is leaning toward the virtual meetings instead of face-to-face. But the essence of this value remains unclear and difficult to measure. In our opinion such check-points as the presence of "crucial conversations" and "emotional connection" are subjective in nature refer to fuzzy logic. Thus, from the practical point of view, such value almost cannot be assessed, especially as a part of business process within the company.

Another view on the assessment of the effectiveness of corporate meetings is presented in the work by Kloppenborg and Petrick (1999). The suggested meeting process evaluation criteria are less subjective and more measurable. But still for instance such criterion as reached consensus can be applied to the companies with totally democratic style of management when the chair of the meeting wants to agree and accept all the points of view available. If the chair possesses the substantial

authority and exerts a certain pressure, the consensus can take nominal but not the true form. In this case each of the meeting members leaves the meeting keeping personal opinion to himself. Therefore, we suggest changing the criterion "reached consensus" on the actual degree of satisfaction by the meeting results of all the participants. In this case the sign of the effective meeting will be the balanced satisfaction of interests but not the asymmetric one.

Among Ukrainian researches the problems of organizational communication were in the centre of scientific interests of A. Bodnar (2011), L. Sager (2011), A. Lytnvinchuk (2010), A. Morozova (2010).

However, along with the substantial groundwork of the scientists related to the development of effective organizational communications, scarce attention is paid to the planning of company's costs for the implementation of communication processes that is very important from a practical point of view since it depicts the aspect of forecasting the profit or losses of the company.

The research object is the process of organization of the communications within the company.

The research goal. The goal of the research is to reason the theoretical perspectives regarding the existence and the character of the correlation between the level of management authority of the employees that is changing along with the employee promotion and the time spent on the internal and external communication.

The research methods are correlation analysis, approximation method, analysis and synthesis of scientific literature.

Key research findings. In previous studies made by various authors the idea was reasoned that one of the important components of communication processes in modern enterprises is face-to-face meetings that are characterized by the mandatory physical presence of participants of the communication process in a certain place. The most substantial item of expenses for holding in-person meeting is the costs associated with the working time fund of the employees participating in the meeting. Practical experience shows that employees who do not hold management positions or who are the low or middle managers naturally spend less time on meetings than the company executives. In this regard investigation of the dependence between the level of authority of managers of different levels and the amount of time spent on the communications in the form of in-person sessions and meetings is of immediate scientific interest.

Establishment of such kind of correlation and the analysis of communication costs on its basis according to the expenses category "wages" has practical significance for the company. First, the obtained results can be used during the annual planning of the working time fund and the calculation of the workload on the managers of all levels. Second, this dependence will determine and optimize the structure of work time in the whole company based on actual manager workload that consider the time spent on meetings and sessions as well as the time spent on accomplishment of the direct job functions that include decision-making, planning, organizing, monitoring etc.

Holding and participating in meetings as a rule is not defined as a tool for performing primary responsibilities of managers and their working hours are not structured. However, in reality the communication processes including in-person meetings take the significant portion of manager's time and, thus, the manager is forced to

process information and prepare draft decisions in overtime. Determination of work time structure of managers will foster the implementation of effective policy in staff redeployment and job functions distribution. Third, the analysis of work time spend on the in-person meetings may form the basis for the modernization of the organizational enterprise system and the introduction of new information technologies. In general, all these implementations will optimize and improve the efficiency of enterprise.

The described correlation is presented in such a way: horizontal axis of the graph reflects the level of management authority of the employee and indirectly reflects the employee's career promotion. The X-axis represents the portion of the unit fraction of the company employees – the subordinates of this manager. It is suggested to measure the level of manager's authority by the ratio of the number of subordinates of the given manager on all levels of organizational structure to the total number employees in the company. We assume that this ratio is increasing in direct proportion to the level of manager's authority. The Y-axis represents the time that manager spends on meetings in the form of unit fraction of the total working time.

Function and argument take the value in the interval $[0, 1]$. For example, the point with the coordinates $(1; 1)$ in the area of the given axes means that the employee holds the highest manager position in the company (CEO or the owner) and spends all his working time on communication in the form of face-to-face meetings. Thus, the time spent on meetings increases in direct proportion to the level of authority and the number of subordinates. This correlation is represented as a function graph in Figure 1. The curve is characterized by a different behavior on the following three intervals: from 0 to C_1 , from C_1 to C_2 , from C_2 to 1:

$$f(x) = \begin{cases} f_1(x), x \in [0; C_1] \\ f_2(x), x \in [C_1; C_2] \\ f_3(x), x \in [C_2; 1] \end{cases} \quad (1)$$

At the first interval characterizing the lower level of management expressed in the number of reporters, the management authority is growing faster than the time spent in meetings. Team leads, heads of small working groups and units are represented here. Along with the career promotion the number of subordinates increases but does not influence the existing span of control. So in this case the level of employee's authority is growing but it does not impact the amount of time spent on meetings. Thus, the correlation on this interval of the function features the lin-log type.

The second interval of the curve $[C_1; C_2]$ reflects another situation. The proportion of working time spent on meetings is growing faster than the level of management authority. On our opinion the reasons for such kind of dependence lie in the extensive and intensive factors. Extensive factor is provided by the number of units falling under the area of responsibility of the given manager. Not all companies keep the necessary spans of control as well as not all companies have proportional organizational hierarchy. Therefore at the level of middle management the movement from one position to another may be accompanied by the sharp growth of the areas of responsibility or departments covered by the manager. Intensive factor can be determined as the negative scale effect. The more complicated organizational hierarchy that falls under the manager's area of responsibility, the more difficult is to fulfill the effective management as a consequence of high inertness and low information conductivity of the

organizational unit that falls under the control. In addition, at this level of authority along with the internal communications in the form of face-to-face meetings the manager has to be involved in external communication. Therefore, in this case on the second interval the correlation is reflected by the power function.

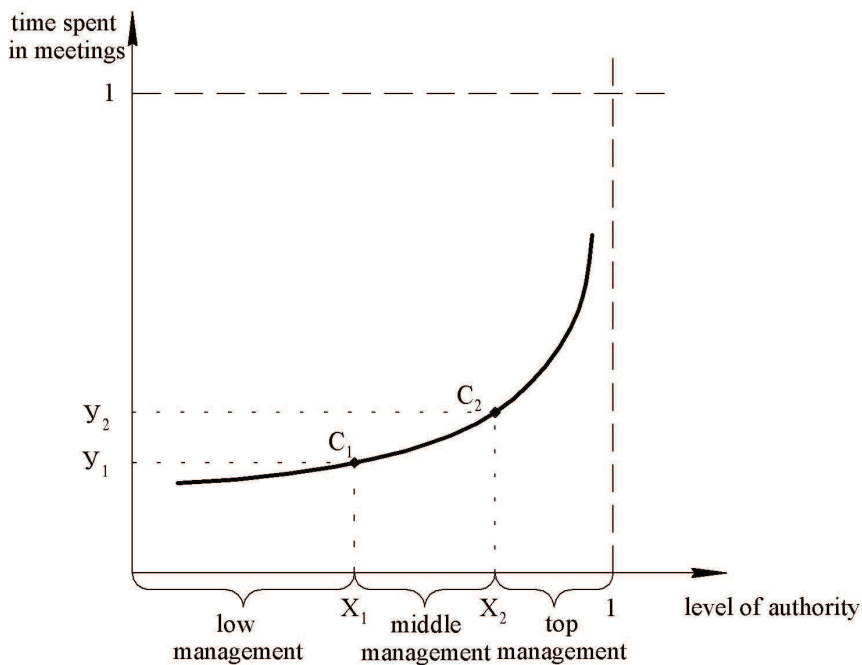


Figure 1. Correlation between the level of manager's authority and the amount of time spent on meetings, author's calculations

At the highest levels of organizational hierarchy (the third interval of the curve) the character of dependence is changing once again. Due to the adding of the substantial part of external communications and the extension of internal ones the correlation takes the exponential form.

Owing to the suggested dependence and the character of its behavior we face practical task of defining the points of transition between the described intervals (points C_1 and C_2). It will help to determine the point with what position a manager starts to spend more time on communication than on the other functions, on what positions it is necessary to have advanced communication skills and what scenarios of company development are possible in case of movements from one management level to another.

Points C_1 and C_2 may be determined for each company separately if the particular statistic data is available. On different enterprises depending on the types of organizational hierarchy and system C_1 and C_2 points will have different coordinates and the curve segments – different length. Moreover, the definition of C_1 and C_2 points will serve as a proof of the hypothesis made.

Conclusions and further research perspectives. The theoretical analysis revealed the fact that the time spent on the communication processes within the organization

depends on the level of management authority. This correlation is not linear and shows the different character depending on the organizational structure of the company. On the one hand, career promotion and extension of the responsibilities gives the company positive effects in the form of possibility of this employee to influence the company's development applying its knowledge and experience. But on the other hand, the growing amount of time required for communication in the same time reduces the time that could be used on education and acquiring additional qualification that in the future might brake the company development due to the shortage of information about the modern economic environment, newest social tendencies. The further research could be centered around proving the formulated hypothesis on the experimental basis, the development of economic and mathematical model to acquire the practical possibility of planning the costs on the communication of employees during their career promotion.

References:

- Боднар А.* Аналіз основних теоретичних підходів до оцінки якості організаційних комунікацій // Економічний аналіз.— 2011.— Вип. 9, Ч. 2. — С. 56–59.
- Литвинчук А.В.* Кількісні методи оцінки ефективності комунікацій підприємства // Вісник Донецького національного університету.— Серія: Економіка й право.— 2010.— №2. — С. 216–222.
- Морозова Н.А.* Управление коммуникациями в организации // Вестник ВГУ.— Серия: Экономика и управление.— 2010.— №2. — С. 173–181.
- Сагер Л.Ю.* Аналіз теоретичних основ внутрішніх комунікацій як необхідної умови ефективного управління підприємством // Маркетинг і менеджмент інновацій.— 2011.— №1. — С. 128–136.
- Fabian, N.* (2009). The Value of Meetings: In Today's World It Is All about Getting Something Back on Your Investment. *Journal of Environmental Health*, 71(6) // www.questia.com.
- Kloppenborg, T.J., Petrick, J.A.* (1999). Meeting Management and Group Character Development. *Journal of Managerial Issues*, 11(2): 166–179.
- Lindblom, T., Aiken, M., Vanjani, M.* (2009). Electronic Facilitation of Large Meetings. *Communications of the ПМА*, 9(3).
- Schermerhorn, J.R.* (1996). *Management and Organizational Behavior Essentials*. New York: John Wiley. 321 p.
- Tate, W., Eisenstodt, J., Rosen, C.* (2006). Managing Meetings: The Budget Line for Meetings Is Rife with Opportunities and Risks. *Journal of Accountancy*, April.
- Tourish, D., Hargie, O.* (eds.) (2004). *Key Issues in Organizational Communication*. London: Routledge.

Стаття надійшла до редакції 29.01.2013.