HRM: DEVELOPING ORGANIZATIONAL COMMUNICATION CULTURE IN TRANSITIONAL ECONOMIES

Dr. Faruk Ahmeti
Professor, FAMA University, Kosovo

Abstract

All countries in South Eastern Europe (SEE), in particular countries emerged from ex-Yugoslavia, are going through the transition process for many years. Switching from one economy to another, from closed and centralized to open and free market economy, has forced many companies to change their working and operating culture, especially the communication culture within human resource management (HRM). Hence, the entire economy has started to learn new rules of the global market, new working culture, and they needed to understand, launch and to execute them, especially undeveloped countries such as Kosovo. Having this in mind, not only the organizations needed to change, but the most important was that individuals within those countries needed to change their working and communication culture. According to the conception of staff management, human resource management (HRM) needs well-organized, competent, and efficient use of human resources, which in Kosovo were on hand. In order to ensure this, various activities focused towards the area of HRM. Some of the major activities that were undertaken, and still needs to be improved are recruitment of employees who possess new skills (such as language, education, etc.), development of skills missing within the market and which are crucial to survive in the new open market, strengthening of relations and creating a new one, mutual inspiring, developing new communication culture within the organization, implementation of contemporary working processes and developing systems that can be used by individuals or groups to face the new requirements emerged bay new economic developments.

Keywords: Communication culture, company, customers, employees, human resource management, Kosovo

Introduction

As Kosovo's economy was and still is one of the undeveloped economies in Europe, the majority (if not all) companies and organizations

had to be transforming their attitudes after the new open economic system was in place. There were three major requirements that were seen as crucial, which needed to be achieved and to occur in order to succeed in a new open market. Firstly, to become more competitive toward incoming and existing competition in the market, and secondly, the internal process of privatization of socially owned enterprises (SOE). And what was and still is the most crucial change that needs to happen, is that individuals had to familiarize themselves to a new, rather different reality economic environment, compared to the former socialist state where the state was the warrant and planner for every economic action. As the major changes are encompassed by different crises, such as economic, politic and social crisis, also the transition to the market economy in Kosovo is facing them. Since 1999, after the war, Kosovo was facing a permanent change, starting the introduction of the Euro (€) in year 2002 as its currency (Hamidi, 2010), and allowing different foreign companies to enter the market. This was seen as the first measure taken by Kosovo's government for limiting and neutralizing the destructive tendencies in the new emerging economy.

Employees are the implementers of any change in every organization. Therefore, as first, the employees have to adapt to the new situation, in order to be able to response to new needs emerged. Therefore, human resources need special treatment, and foremost, it needs further developed (Marchington&Wilkinso, 2005, p. 187). As the transition is happening, so do the organizations change and adapt to the new environment. Many countries have passed this phase in the past, such as former Soviet Union republics. It is more than evident the importance of those cases and the knowledge that was developed. As the central economies are slimming down, a new stabile work force is needed to avoid any social or economic instability (Chin & Guan, 1996).

The prevailing assessment of human resources management has focused on a set of reinforcing strategies relating to critical features of employee recruitment, performance management and employ relation (Warner, 2013). Though, contemporary literature highlightsthe fact that there is much more needed to be done, rather than only to concentrate on the lover part of employees. It is of significant importance that a broader view that covers the entire organizations, such as "people" management, which includes leadership behavior and employee relationship, needs to change prior to the implementation of changes in the lower part of the organization (Warner, 2013, p. 71).

In this context, personnel management and human resource management are seen as the transitional tool for any transitional economy, striving to overcome barriers that have emerged during the transition phase (Dibrell, Englis, &Kedia, 2008). Both, personnel management and human

resources management "refer to the one and the same function of the management and that is managing the people at work" (Bronwynne, 2007, p. 99). Even if human resources management deals with many fields of employees, the main focus still remains in developing the employees, revealing and understanding their strength and weaknesses and engaging them in diverse occupations in order to gain the maximum productivity which that can be obtained. This is achievable only through, training, development, and employee engagements in all planning processes, which is also part of human resources management. On the other side, employeemanagement is primarily concerned more focused on developing and creating better employee- employer relationship (Henderson, 2011).

As personnel management deals more with the development of employees and their performance, HRM deals with all issues related to personnel development, recruitment, job description, and what is also important is that HRM tends to establish working conditions suitable for showing the capabilities of each of the employees. Creating good working atmosphere, offering security, providing new knowledge to all employees, enables companies to reach their goals more easily, rather than creating "professional individuals". Every change and each employee development plan is created by HRM by taking into consideration corporate culture and philosophy, which approximates the employee's goals and those that the company has already set. The company, by developing proper and sustainable development programs, it strengthens the employee loyalty and increases the responsibility with respect to their organization (Marchington&Wilkinso, 2005).

It is not easy to harmonize the goals of organization with all of its employees. Sometimes, vision and goals of employees are a bit different from those of the organization, even if the major goal of all is the organization prosperity (Regis, 2008). As the new economy is more market oriented and is more open to its operating environment, personnel management tends to implement a methodology in which market orientation begins and ends according to all indications that comes from the markets, where societies and employees can "see and listen" to market signals, they can recognize and classify tendencies, needs and requirements of customers, as what is most important in the entire process, dissatisfaction and complaints of customers will be taken into consideration. Therefore, the information is valuable only when it reaches responsible or management: hence, it must be communicated in the way that all parties will understand the meaning, importance, and the information that is intended to be sent (Miller, 2011). On the other hand, management must be ready and capable to listen to the information and demanded modifications and to understand them (Regis, 2008).

Goals and methods

As the goal of study is to enlighten the importance of internal organization communication, the survey utilized both qualitative and quantitative research method. It is not important to know the amount and the frequency of communication among parties within the organization, but what is more important is to determine the quality of that information transferred. As noted by Kushal and Ahuja (2010), communication is considered as "life blood" of an organization. Bisen (2009) further noted that not only the amount of "blood" matters, but the quality of that blood (information) is more important. Hence, determining the quality of communication, which is seen as an important element of economical and corporate reality, can contribute in developing new training and learning programs, not only for the lower level of employees but also for managerial level. This form of research will enable us to compare the findings with concepts on effective communication outlined in publications analyzed.

For these purposes, a sociological survey has been carried out focused on communication among seniors (higher management level) and subordinates in companies operating in Kosovo. Measuring the quality of communication is hard, especially amongst employees from different levels (Waes et.al., 1994). The transformation of economies from centralized to an open economy is complicated, and the last that ends is the way how the organization has and will communicate. It is hard to create new mindset within people that have functioned in the same way for many years, especially of those within higher management level (Dibrell et. al., 2008). The research was more focused on determining and basic methodological principles and new created culture of communication within organizations in Kosovo, which is going through a transitional process. The research form was created and developed according to the advices provided by literature and according to previous studies that were published from other similar cases, which reviled to be important and crucial in creating a framework helping the author to refrain from distortions and inaccuracies.

Organizational communication culture in transitional economies

Many countries in Europe, especially in the Balkan Peninsula, have gone through a change. As the pas of those countries, within this, also the working environment of organizations was closed and centralized. The difficulties arise when the privatization process enrolls. As the state-owned enterprises (SOEs) have been privatized, the entire working process has changed, in particular the communication process. Even if the employees were already familiar with the production process and technology within those privatized organizations, the lack of modern open communication was the major problem. Also, not only the existing staff has reviled that is having

difficulties in communicating, but even the new employees have had problems due to the lack of the proper communication culture (Okpara& Wynn, 2008).

New owners have reported that great portions of difficulties organizations face are related to the quality of employees and efficient communication within the employees, in particular between new engaged and the present staff coming from the previous system. Results have revealed (according to data gathered from a different organization), that nearly the half of the capacities of individuals. However, the results also have reviled that these capacities can be affected (either positively or negative) through motivation initiatives, directed development programs for individuals or groups, and through developing a more efficient communication process and system (Waes, et.al., 1994).

Human resources management impacts also the company's return on investment. As noted by Price (2011), if employees are engaged and participate directly in all processes and are well inform about the major (key) issues related to the company's goals, it can expect maximum return on investment pertaining to human resources (Price, 2011, p. 30).Not only low level employees have to learn and communicate, but also each level of management needs to develop their skills as they bear a great portion of obligation as their attitude toward employees reflects on their future satisfaction, and this at the end will be will be inherited to their performance level. Hence, succeeding in achieving company goals, management must offer opportunities to all its employees within the company as each of them creates values that are based on their personal decision that, at the end of any process, affects the ability of the company to fulfilment their objectives.

Several methods of co-operation among individual workers and groups within the company boost communication in a particular way. The most frequent forms of communication among individuals and groups within the organization are meetings, teamwork, quality teams, brainstorming, special seasons, etc., (Bohlander & Snell, 2006, p. 332). The major problem that has been reviewed in this research was the fact that the management, not to all circumstances, has difficulties to find the right form of communication to every occasion. Hence, one of the skills that management needs to possess,which relates to organizational communication culture, is the ability to choose the most suitable communication form, in order to promote development and commitment toward achieving their goals (Kasper & Mayerhofer, 2005).

As noted by Waes et.al (1994), communication is not a purely inborn skill and ability; hence, it is essential to develop it and to create new knowledge, in particular organization learning culture, to be more efficient (Waes, et.al., 1994). The fact that knowledge needs to be learned and that it

is not same to all, is more than important to be realized by all employees, especially management. Therefore, satisfaction plays a crucial role in increasing employee's responsibility, which in return provides more committed employees. In order to achieve this, some requirements related to the working place and its surrounding must be fulfilled, as is highlighted by some respondents. The working position and surrounding must be adequate and challenging. Then, it must also be attractive of the employee, rather than a simply boring working position. And in order to keep that working place in that position, there must be a pleasant and efficient communication climate. The above requirements are long-term conditions that need to be applied from the very beginning, or after realizing their absence. Hence, if all employees receive what they need and require, in terms of training and development, they will be far more encouraged, satisfied, and motivated to perform their work in the best possible way (Belbin & Belbin, 1972).Furthermore, according to Belbin & Belbin (1972), employees not only are more effective on their performance, but they will stay with the company longer.

There is a broader sense that covers and deals with internal organizational communication and other related issues. Many authors have described numerous areas and approaches pertaining to organizational communication (Davis, 2008; Dawson, 2012; McCroskey& Daly, 1987; Miller, 2011). However, the majority of studies made on this field, analyzedthe communication process from a very narrow standpoint, which is more related to organizational internal actions and neglects the overall impact of communication within all companies' processes.

Communication based on individuals

Organization represents a goal that a group of people, with different background and knowledge, tries to achieve (McLean, 2005). However, individuals are the core of each group, and within this context, the focus on the individual's personality and striving to determine dissimilarities in communication based on specifics of each personality, are crucial for the success of each organization.As not all employees are the same, for instance, they differ in their cultural background; they create their unique personality; which on the other side requires different type or ways to communicate. The major goal of any communication is to inform or to influence the personality of the receiver of the message (Welch & Jackson, 2007). Communication tends to increase the employee's loyalty and commitment, whereas giving them the feeling to be respected and at the same time offering their best toward achieving theirs and organizational goals. The most important, if not the most important, part of this relation or communication is the manager's behavior and ability to communicate, deliver information, and impact or

influence the receivers (employees) behavior (Clear & Weideman, 2002). Additionally, managers use different methods and a number of techniques as tools to simplifying managers to apply their communication and control skills (Larkin, 1994).

Effective communication is based on qualities a successful manager ought to own (Sengaputa, 2011). In addition, according to Sengaputa (2011), there are a variety of personal attitudes that managers (or leaders) need to possess in order to achieve their goals; hence, influence employees and increasing their commitment. The author refers to as "relationship-based qualities" (p. 481), and are as following:

i.   **Need to be sensitive to the dynamics of interpersonal relationship** – good man\agers and leaders understand why some relations (communication processes) fail and why, on the other hand, some succeed.

ii. **Managers and leaders should possess excellent communication skills, in particularly speaking and listening** – not only saying, but also listening is seen as a remarkable skill. Researches have shown that the successful managers and leaders were excellent listeners; as they see that as a chance to improve internal processes.

iii. **Managers and leaders should be motivated** – it is hard that someone motivates its followers when he is not motivated. Managers are the major motivators in any organization or process. Therefore, as first the motivation should be present to them that are able (and have the power) to motivate others; hence, creating a friendly environment for all.

iv. **Need to give and receive feedback** – even if feedback is part of every job, the majority neglect the importance of feedback. There are many details that seem to be not of importance for some that possess that information; whereas, for others, regardless if followers or leaders, exactly that "small past" of information, can play a crucial role in achieving the goal.

With respect to the above said, Conrad & Poole (2011) suggest that one should understand the entire system, rather than only to focus on the system. Furthermore, author emphasis that the future is built from the past, and therefore, the history (in particular communication issues) is important for future communication. It is known that learning is crucial. Hence, every communication system can be seen as a "living" system, as it is carried by ever-changing individuals, and therefore, system must constantly learn and adopt. As in communication there are two sides (sender and receivers), according to Conrad & Poole (2011), "the whole is more than its parts", and even a small part missing can change the meaning of the information; with

this, the entire communication process can fail (Conrad & Poole, 2011, pp. 37-38).

Conclusion

Research has revealed a decrease of communication within companies and organizations, especially of those that have transformed their ownership from socially owned enterprises (SOE) to private. The past culture of communication, which was known as a closed economy, which was traditional in post-communist countries has left deep scares within all organizations. The heritage of past culture to the new-open economy has its own difficulties. As noted by the researcher, there was a gap of knowledge, in particular within new transformed enterprises.

Communication within the organization is seen crucial for all organizations, as it prepares and leads all activities toward replying to customer needs and requests (in many cases even to a single customer). As described by Kaul (2000), business communication involves three major forms of communication a) vertical, b) horizontal, and c) diagonal (Kaul, 2000, p. 7). The vertical form of communication, or at least an effective communication culture, consist or implies two forms downward and the upward flow of communication.

Communication from high level to low level was the most common form in the past. However, due to the changes in the economy and the need for organizations to adapt to those changes, a new era of communication has started. The majority of organizations, part of this research, have claimed that the transformation from one way communication (mainly downward flow) to all other forms, including upwards and horizontal flow (Agarwal, 2010).

As reviled from the study, within companies,there is a lack of efficient communication in the vertical communication process, which negatively impacts the process and reduces the efficiency in sending and receiving required and needed information. The culture of communication is missing, at least the open form and constructive way of communication. The entire success of the organization depends on the quality of communication among its employees. The most evident concern that appears during the research was the fact that problems arises because missing information parts, pertaining to a specific issue. Mainly, the manager directly and frequentlyengaging in a certain task has first-hand information and knowledge about that task (Qian, et.al, 1999). There are many reasons that push managers to prevent others from getting all needed information related to a task, such as lack of communication culture, lack of trust, technical bugs, as well as human misunderstanding.

The research has revealed that downward vertical communication outweighs in these organizations, in specific in the areas of communication among the customers and suppliers or task assignment (see table 1 and 2). It is still the idea that downward vertical communication is the best way and form to stimulate employee commitment. However, it has also reviled, according to employee reaction, that this theory is not fully accepted and also not the best way to share information. The culture that is inherited by organizations after the privatization process still lacks on finding proper ways to convince managers to share information needed to achieve goals and that are related to a specific task. The sturdy also reviles and confirms that not only managers possess the ability to create opportunities and produce new ideas, but the majority of those ideas come from the lower level of employees. For instance, the best knowledge about a particular customer has the front-liner (sales person that is in direct contact with the customer), rather than the sales manager.

Tab. 1, Communication with customers

Communication with customers is carried by	Respondent's answers (in %)
High Level Management	12
Low Level Management (sales manager)	29
Sales personnel	42
Marketing Department	17

Tab. 2, Communication with suppliers

Communication with suppliers is carried by	Respondent's answers (in %)
Management	47
Sales Department	21
Accounting Department	32

The research has also reviled that not only companies that have and use vertical communication structurehave problems when communicating, but also enterprises with a horizontal structure are the most likely to experience difficulties among different departments, as there is no clear hierarchy of what should who, and when. This structure also bears difficulties that are related to the person or group that have, should, or is able to provide information, as every department has only the information that is important for their tasks (see table 3). This phenomenon, of not knowing who has the right information, or to who the information may be of importance, is shown in the table 3.

Tab. 3, Sharing information

Sharing information	Respondent's answers (in %)		
	Agree	*Not sure*	*Don't agree*
Employees know who they should communicate information	62	9	29
Employees know who possesses the right information	46	21	33
Employees are able to communicate with all levels, without boundaries	24	15	61
Employees are informed who needs what information for particular task	54	7	39
Employees (engaged in a particular task) are well informed and receive instructions from managers	43	12	45

The majority of respondents consider a communication process as effective if the majority (more than 50%) of employees has confirmed that they understand the information, and they have all instructions needed to perform a task. However, some respondents still think that if even a single employ, who is related to the task, does not understand clearly the information, the entire process can fail. The same respondents have also pointed that they don't have, ether courage or power, to communicate with their supervisors about a particular issue. This phenomenonis present now, and was present before Kosovo has become a country with an open economy. In other words, organizations that are led by managers with this with this kind of approach toward its adherents; it is a real threat to proficient communication for entire organization and in all direction.

As a conclusion, research has confirmed that well-organized and productive communication requires an appropriate and open-minded rather than a dominant management structure. Hence, the manager's personality, behavior, aptitude, skills, and above all management style are important and have significant impact on the satisfaction and performance of workforces. This is the best indicator that confirms that, not only the low level of employees have to learn and adopt, but the change needs to start from the top management, as they are policy makers and have the ability to change the entire organization. Hence, in order for employees to be able to effectively communicatewith each other and to increase the effectiveness and commitment, the company must create proper conditions and suitable environment, by systematic implementation of human resource management tools.

References:

Agarwal, M. (2010). Business Communication. India: Krishna Prakashan Media.

Belbin, E., & Belbin, R. (1972). Problems in Adult Retraining. London: Heinemann.

Bisen, V. (2009). Business Communication. New York: New Age International Pvt Ltd Publishers.

Bohlander, G., & Snell, S. (2006). Managing Human Resources. Hampshire: Cengage Learning.

Bronwynne, B. (2007). Fresh Perspectives: Managing People. Cape Town: Pearson.

Chin, A., & Guan, N. (1996). Economic Management and Transition Towards a Market Economy. Singapore: World Scientific.

Clear, A., & Weideman, L. (2002). Dynamics of Public Relations and Journalism: A Practical Guide for Media Studies. Lansdowne: Juta and Company Ltd.

Conrad, C., & Poole, M. (2011). Strategic Organizational Communication: In a Global Economy. West Sussex: John Wiley & Sons.

Davis, J. (2008). Interpersonal Communication Skills in the Workplace Edition (2nd edition ed.). USA: AMACOM Div American Mgmt Assn.

Dawson, R. (2012). Developing Knowledge-Based Client Relationships (2nd edition ed.). Burlington: Routledge.

Dibrell, C., Englis, P., & Kedia, B. (2008). Privatization and Economic Liberalisation:. In T. R. Economies, Transition Economies: 21st Century Issues and Challenges (pp. pp. 169-188). New York: Science Nova Publishers, Inc.

Hamidi, L. (2010). Euro: A Force for Stability in Kosovo. Retrieved Dec 2013, from BalkanInsight: http://www.balkaninsight.com/en/article/euro-a-force-for-stability-in-kosovo

Haskel, J. and Szymanski, S. (1994), ''Privatisation and the labour market: facts, theory and evidence'', in Bishop, M., Kay, J. and Mayer, C. (Eds), Privatisation and Economic Performance, Oxford University Press, Oxford.

Henderson, I. (2011). Human Resource Management for MBA Students (2nd edition ed.). UK: CIPD.

John O. Okpara, Pamela Wynn, (2008) "Human resource management practices in a transition economy: Challenges and prospects", Management Research News, Vol. 31 Iss: 1, pp.57 - 76

Kasper, H., & Mayerhofer, W. (2005). Personal Management. Prague: Linde, SRO.

Kaul, A. (2000). Effective Business Communication. New Delhi: PHI Learning Pvt. Ltd.

Kushal, S., & Ahuja, S. (2010). Business Communication. India: V. K. Enterprises.

Larkin, T. (1994). Communicating Change: Winning Employee Support for New Business Goals. McGraw Hill Professional.

Marchington, M., & Wilkinso, A. (2005). Human Resource Management at Work: People Management and Development (3rd edition ed.). London: Chartered Institute of Personnel & Development.

McCroskey, J., & Daly, J. (1987). Personality and interpersonal communication. Sage Publications.

McLean, G. (2005). Organization Development: Principles, Processes, Performance. San Francisco: Berrett-Koehler Publishers.

Miller, K. (2011). Organizational Communication: Approaches and Processes (6th edition ed.). Boston, MA: Cengage Learning.

Price, A. (2011). Human Resource Management in a Business Context (3rd Edition ed.). London: Cengage Learning EMEA.

Qian, Y., Roland, G., & Xu, C. (1999). Coordinating Reforms in Transition Economies. SEF-HKU, pp. 1-57.

Regis, R. (2008). Strategic Human Resource Management and Development. New Delhi, India: Excel Books.

Sengaputa, S. (2011). Business and Managerial Communication. New Delhi : PHI Learning Pvt. Ltd.

Waes, L., Woudstra, E., & Van den Hoven, P. (1994). Functional Communication Quality. Amsterdam: Rodopi.

Warner, M. (2013). Human Resourses Management with Chinese Characteristics: Facing the challenges of globalization. New York, USA: Routledge.

Welch, M., & Jackson, P. (2007). Rethinking internal communication: a stakeholder approach. Corporate Communications: An International Journal, Vol. 12(No. 2), pp. 177-198.