



COMMUNICATION BUSINESS PROCESSES OF INDUSTRIAL ENTERPRISES IN THE CONDITIONS OF GLOBALISATION

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ABSTRACT

The main aspects of communication business processes of industrial enterprises in the conditions of globalisation are considered in the article. It is proposed to highlight customer orientation as a criterion of communication business processes. The main communication business processes of industrial enterprises according to the specified criterion, are allocated.

The method of estimation of communication business processes of industrial enterprises according to the criterion of customer orientation is offered. At the experimental stage of the study, a qualitative method of in-depth interviews with representatives of industrial enterprises was used. According to the results of the analysis is established that customer orientation at industrial enterprises of Ukraine is

mainly declarative. In addition, for the most part, there are unregulated communication business processes. The result is a low level of business activity, the difficulty of regulating the influence of market mechanisms.

Key words: Communication Business Processes, Customer Orientation, Globalisation, Industrial Enterprises

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1. INTRODUCTION

Industrial enterprises experience many difficulties and problems of development, which in general causes its extremely low growth. In 2018, the index of industrial production in Ukraine amounted to 95.3%, in 2019 – 91.7%; 2020 – 95.3% (Index of industrial production).

The main problems of Ukrainian industrial enterprises are related to the imperfection of organisational communications, their immaturity and imbalance. This is a consequence of low innovation activity of enterprises, low level of profitability of production and insufficiently qualified staff. Traced in the dynamics of reducing the share of organisations engaged in technological, organisational and marketing innovations. Thus, during the period 2005-2018 in Ukraine, the number of industrial enterprises engaged in innovation decreased by 1.54 times (from 1193 in 2005 to 777 in 2018). Given the deficit of own funds and foreign investment for industrial enterprises, it is essential to identify and use the reserves of product, marketing and organisational innovations. Growing competition, the network nature of the economy in the context of globalisation, shortening the life cycle of product and technological innovations – lead to closer cooperation at all levels of communication. The concept of communication business processes of a modern industrial enterprise needs significant improvement.

Communication underwent substantial transformations in innovation processes. It is not enough to consider them as a system of internal formal vertical and horizontal channels. After all, the real processes of penetration, emergence and discussion of innovations can be fully considered only within the communication network, which is studied not only in terms of internal but also external links.

2. OBJECTIVES OF THE STUDY

In the framework of this study, the following problematic issues are identified:

- to identify the features of communication business processes of industrial enterprises and their transformation in the context of globalisation;
- to allocate customer orientation by the criterion of communication business processes of a modern industrial enterprise.

3. THEORETICAL SECTION.

3.1. Business Communications: Essence, Forms, Principles

In a modern interpretation, communication is a socially conditioned process of transmission and perception of information in the conditions of interpersonal and mass communication through channels with the help of various means of communication (Basov N., Wühr D., 2012). In the context of globalisation of the economy, the network nature of society and the

evolution of enterprise theory, the importance of the communication system is growing (Prokopenko O., 2020). The environmental approach in social theories of the enterprise reveals various aspects of the impact of communications on the functioning (operational level) and development (strategic level) of enterprise management (Hellweg A.S., Phillips S.L., 1982). According to business theory, the importance of communication skills of the entrepreneur is growing. Contract theory identifies communication problems as one of the reasons for the incompleteness of the contract, due to the quality of the communication system and savings in transaction costs for negotiations. The main provisions of the behavioural theory are management communications in the process of discussing decisions, especially in large enterprises. The cognitive theory identifies the internal communication network as a critical mechanism of cognitive activity of the enterprise. In the information theory of the enterprise, communications are recognised as the most crucial element of influence on the release of production on the use of an information resource (Fayard D., 2012). The essence of the communication system is based on the experience of modelling organisational communications. Table 1 presents the types, forms and means of business communication in management.

Table 1 Typology of business communications in management

Types	Forms	Means
Vertical	Written message	Documents
Horizontal	Oral message	Language
Formal	Video	Sign systems
Informal	Electronic	Electronic means of communication
Interpersonal	Emotional	Video, telecommunications
Emphatic	Nonverbal reaction	Elements of the physiological system of the human body
Intelligent	Cognitive process	Emotional intelligence

In this case, the communication system is considered as a holistic, structured, created for regular information exchange both within the enterprise and with relevant actors in its external environment. Communications become a simple structural framework of the organisation, which reflects the nature of interaction in the internal environment of the enterprise and its contacts with the external environment. Thus, the business communication environment of the enterprise is formed, within which dynamic organisational communications are formed and developed: internal and external organisational communications with ascending, descending and horizontal communication flows, information processes and systems, interpersonal communications in the organisation, with formed patterns of interaction. Management theory identifies the communication process as the exchange of information, which, in turn, forms the information flows of the enterprise, as a result of the communication business processes of the enterprise. The components of the communication business process are presented in Fig. 1.

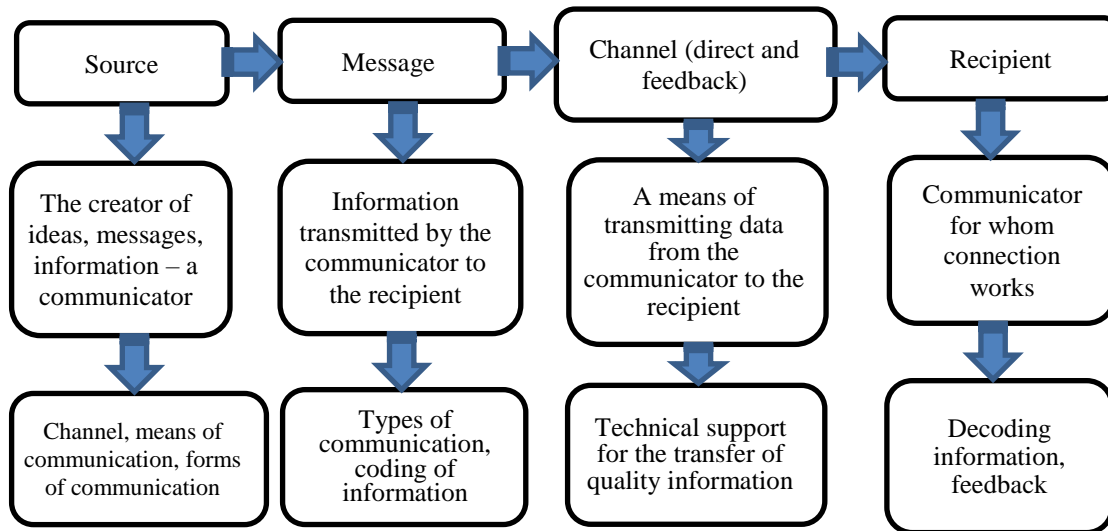


Figure 1 Structural elements of the communication business process

For the harmonious development of an industrial enterprise, it is essential to consider the combined effect of external and internal communications. This is caused by the following communication tasks: the formation of compliance with the external and internal image of the organisation; consideration in the communication network not only of internal organisational relations but also of relationships with actors of the external environment; understanding the main problems of innovation diffusion; timely implementation of regulatory changes in the enterprise. The system of communications exists at all levels of society – personal, group, family, corporate, urban, regional, national, global (transnational). The strategic approach to communications involves going beyond the standard set of concepts such as "target audiences", "messages" and "information products". Communication becomes strategic if it is part of the formation and implementation of power relations between the enterprise and its environment and is aimed at achieving long-term (strategic) goals of the organisation. Strategic communications are aimed at working with the external and internal environment of the enterprise. Representatives of the external environment: customers, partners, competitors. They are the subjects of communication and recipients of critical messages; through them, the company implements communicative transactions, achieves the goals of the company and the relationship of power. The model of business communications of an industrial enterprise is presented in Fig. 2.

All types of business communications (public relations, marketing, corporate social responsibility programs, intra-corporate communications) have specific goals. The tendency of differentiation of the kinds of the message is formed, there is a synthesis of communication channels and forms of message transfer, under the influence of processes of digitalisation of economic business communication processes.

3.2. Client Orientation as the Primary Approach in the Management of Communication Business Processes of Industrial Enterprises

The change in business philosophy for the modern enterprise is characterised by the transition to customer-based service (Saxe, Weitz, 1982; Roersen, Kraaijenbrink, Groen, 2013). Customer orientation is a set of actions aimed at obtaining the desired results and effects of the client. In this case, the company's actions must be commercially justified and aimed at achieving business results. The client must be satisfied not only "now", but also "after", only then he becomes a regular customer.

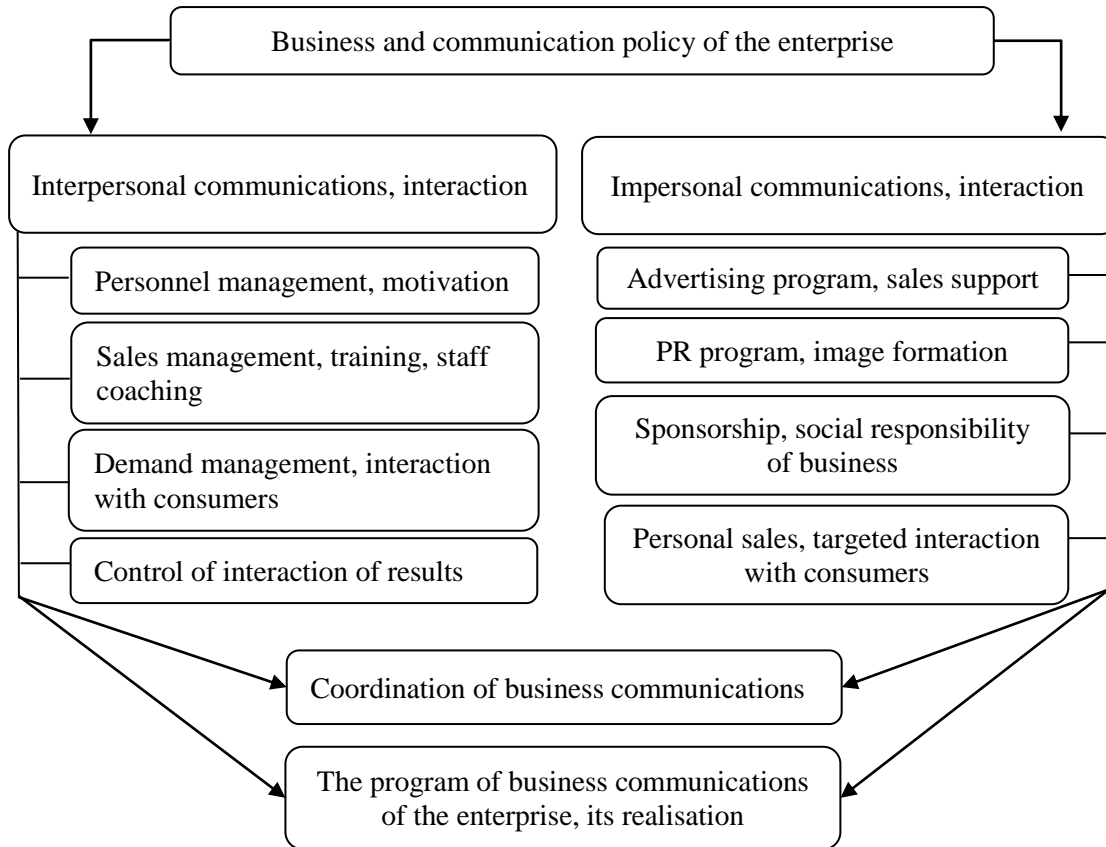


Figure 2 Model of business communications of an industrial enterprise

Thus, the function of customer orientation is the formation of customer loyalty to the company. Customer orientation should become part of the corporate culture of the enterprise. The main components of the customer-oriented culture of the enterprise are cooperation (both internally and externally), commitment to the values of the company and the organisation of communication business processes of the enterprise (Fig. 3).

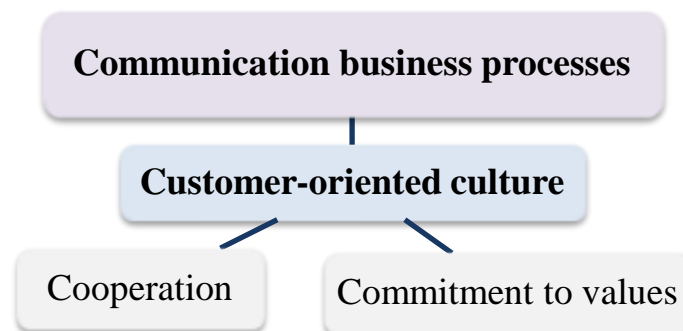


Figure 3 Structural elements of the customer-oriented culture of the enterprise

Concerning the company's employees, customer orientation is employee orientation, based on which values and motivational mechanisms are formed to attract and participate in the implementation of the main mission of the company, achieving its key goals. The main characteristics of customer orientation are values, behaviour, process, strategy (Rozhkov, Smirnova, Rebyazina, 2015).

The implementation of customer orientation requires the presence of appropriate communication business processes, which are presented in Fig. 4.

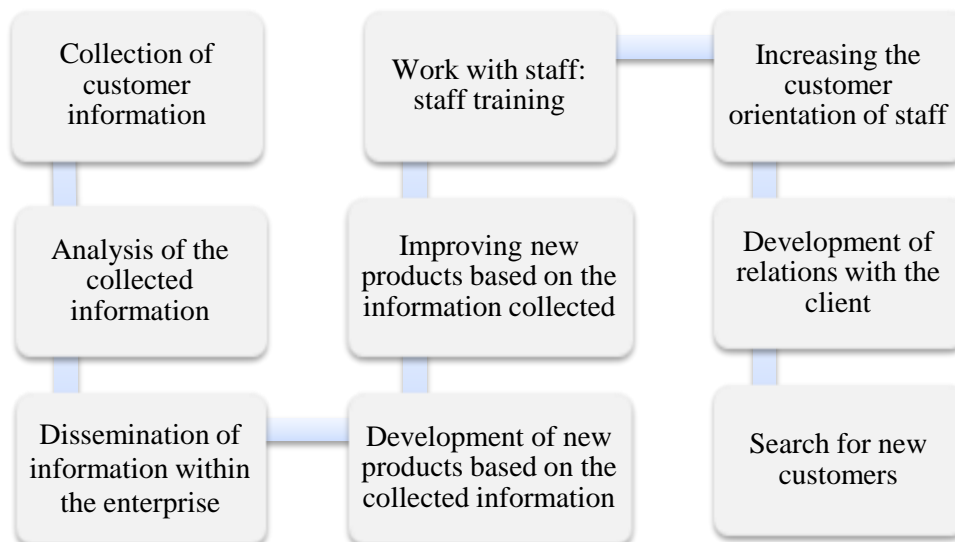


Figure 4 Communication business processes based on the customer-oriented culture of an industrial enterprise

Communication business processes of an industrial enterprise based on customer-oriented culture include the collection of information about existing and potential customers (Kohli, Jaworski, 1990), about their requests (customer feedback) – to work on a new innovator and improve existing (Narver, Slater, MacLachlan, 2004). Besides, employee orientation, as an element of customer orientation, includes working with staff, developing their professionalism (training) and customer orientation. Such communication business processes serve value-oriented enterprise management (Kohli, Jaworski, 1990). Customer orientation stands out as a value that goes down from top managers to employees of the company and is systematically practised in training and coaches. Key Performance Indicators (KPIs) of a company and its employees are built following its value system: loyalty, customer satisfaction. One of the components of working with the staff is the orientation of employees to customers. Communication business processes for the development of relationships with existing customers and the search for new ones are singled out. To do this – used collected and systematised (analysed) information (Ruekert, 1992). Dissemination of the collected data within the enterprise provides the centralised distribution of target information by levels (company departments, top managers). Thus, in the systematic formation and development of communication business processes of the enterprise, a database is formed – this is information that is a working tool in the processes of business communication of the enterprise.

4. METHODOLOGY

The methodological basis for identifying the impact of globalisation on the communication business processes of industrial enterprises should be forecasting the development of business communications of industrial enterprises. The methodological features of the corresponding model should be the customer orientation of the business model of the industrial enterprise. For a deeper understanding of the nature and relationship of communication business processes of industrial enterprises and their components at the empirical stage of the study used a qualitative method of in-depth interviews with representatives of industrial enterprises. Interviews were analysed using content analysis performed according to the method (Krippendorff, 2004). The main criterion for the adequacy of in-depth interviews is the frequency of answers. This criterion was met in a study of 65 interviews.

5. EVALUATION AND ANALYSIS OF RESULTS

5.1. Transformation of the Nature of Communication Business Processes in the Context of Globalisation and Digitalisation

Under the influence of digitalisation, the Internet is formed fundamentally new corporate organisational structures due to the transformation of communication models and characteristics of all participants in the interaction. In today's digital information technology economy, any information has become more accessible and open. Conditions have been created for an equal exchange of information and participation in business processes of all actors. Fundamentally changing competition, which becomes open and eventually turns into collaboration. Globalisation of business and concentration of capital develops tendencies of unification of national models of corporations. The problems of industrial enterprises remain communications, and hence problems with the image.

Public Relations is a process of communication, based on the creation of the company's staff and interaction with its environment, building its place in the information and communication space, the formation of relations with society. There are several areas of corporate public relations: relations with partners and investors (Business Relations), relations with consumers (Customer Relations), relations with government agencies (Government Relations), relations with the media (Media Relations), etc.

Business Relationships are an effective two-way communication between an industrial enterprise, the investment community and other participants that influence or potentially influence the enterprise's activities in the market of goods/services or capital. Communications are aimed at identifying groups of participants interested in the implementation of investment projects, identifying their goals and forming mutually beneficial partnerships on the terms of contracts and reasonable cooperation.

Customer Relations, Customer Relations Management, is characterised by the introduction of a management system that involves the use of information technology for the organisation, automation and synchronisation of business processes in the field of public relations, marketing and advertising. Communications are aimed at finding, attracting and gaining new customers, as well as maintaining existing technology relationships.

Relations with government agencies (Government Relations) are aimed at forming and maintaining ties with the executive and legislative branches of government to explain the policy of the organisation and compromise decisions, to attract officials for expert support.

A modern industrial enterprise should plan all actions to manage its information field only based on communication strategy and the concept of Media Relations. The information field of an industrial enterprise is the totality of all its actions to inform the general public through the media at various levels in a certain period. The process of managing business communications of an industrial enterprise includes the following stages: the formation of its information flow; information flow segmentation; priority supply of the information (information partnership); optimisation of the form and style of presentation of materials (Downs C.W., Adrian A.D., 2004).

The business communication policy of the enterprise is focused on external and internal target audiences. The purpose of external PR is to form a solid business reputation of the enterprise, the constant presence of the organisation in the information space by creating informational drives that are relevant to target audiences. The goals of forming a system of relationships with its internal audience are the optimisation of corporate communications, the formation and development of organisational culture.

The strategic goal of interaction with the internal audience is to construct and maintain a positive corporate image of the enterprise as a tool of corporate identity. The internal audience

is a direct carrier and translator of information about the company, so the degree of its loyalty, commitment to the values of the company depends on its image and business reputation. Therefore, part of the business communication policy of the company is a program of human resources management (Human Resources), which is designed to strengthen the morale of employees and their commitment to the organisation.

The components of such a program are: personnel policy of the company; training and coaching of employees; targeted incentive programs. The element of the human resources management program is personnel policy in the following aspects: salary level, job responsibilities of the employee, career opportunities, bonuses and internal communications. The formation of a system of values, access to training of staff and coaches – is an essential component of the creation of value-oriented personnel management. Systematic regularly training provides staff with comprehensive knowledge necessary to present the company to potential buyers, becomes a motivation for the development and professional growth. The structure of the business communication strategy of the enterprise is presented in Fig. 5.

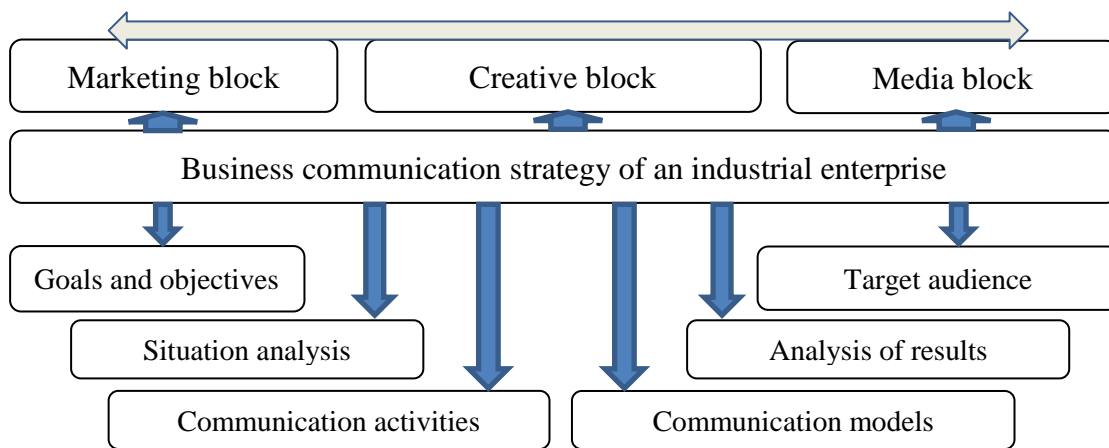


Figure 5 Components of the business communication strategy of the enterprise

The basis of the business communication strategy of the enterprise is the definition of goals, objectives, as well as the target audience, which will focus on organisational activities. The aims and objectives of the communication strategy should be spelt out for the three main blocks: marketing, creative and media.

The marketing block of business communication strategy includes the following tasks: bringing to the target audience the competitive advantages of a brand or company; formulation of competitive advantages (unique trade offer); highlighting the main differences from competitors; stimulating customer loyalty to the brand.

The creative block of business communication strategy solves the following tasks: the creation of a visual image of the company or brand, corporate style and design, including a brand book; development of communication messages for all stages of promotion and each communication channel; development of elements of emotional and rational components of the brand.

The media block of the business communication strategy includes the following tasks: assessment of potential opportunities and development of measures for the main stages of promotion; choice of communication channels (email, Viber, push, social networks, messengers, etc.).

The objectives of the communication strategy are specific business goals of the enterprise (expansion of the market, increase market share, etc.).

Digitisation of information and communication space has led to the integration of communications. Integrated marketing communications is a concept according to which the company carefully considers and coordinates the work of all communication channels – advertising in the media, personal sales, sales promotion, promotion, direct marketing, packaging, etc. – to form a market image of the company and its goods (Gertner D., Kotler Ph., 2005). The basis of the modern concept of integrated marketing communications is the idea of balance and coordination of various forms and methods of communication within the overall marketing strategy of the organisation's interaction with target audiences (customers, clients and business partners).

The main tools of business communication policy of the enterprise are specific organisational measures that meet the specific objectives of the enterprise at the appropriate stage of its development. In modern information and communication conditions, integrated communications are no longer purely marketing in nature, but are a reflection of the new social reality that characterises the latest technological opportunities.

5.2. Assessment of Customer Orientation of Communication Business Processes of Industrial Enterprises

Analytical evaluation of customer orientation of communication business processes of industrial enterprises was conducted based on interviews with managers of 65 companies. Heads of marketing, sales or top managers of industrial enterprises took part in the survey. The sample consisted of enterprises operating in Ukraine (Table 2).

Table 2 The nature of the location of industrial enterprises of the sample

Region (area) of Ukraine	Quantity, units	%
Dnipropetrovsk Oblast	7	10,7
Zaporizhia Oblast	6	9,2
Kyiv Oblast	12	18,5
Rivne Oblast	5	7,6
Odessa Oblast	7	10,7
Poltava Oblast	4	6,2
Sumy Oblast	5	7,6
Kharkiv Oblast	9	13,8
Kyiv city	10	15,4
Total sample	65	100

For the content analysis of communication business processes, interviews were conducted with sample participants, the frequency of repetition of customer orientation criteria was assessed (Table 3).

Content analysis of communication business processes showed a fairly high representative sample. The most frequently mentioned were communication business processes that describe the collection of information about customers (94.1%), analysis of the information collected (76.0%) and dissemination of information within the company (81.2%). The lowest percentage of mentions – for the business process to increase customer focus (39.2%). Industrial enterprises are quite active in finding new customers (77.1%), analyse the collected information (76.0%).

Table 3 Content analysis of communication business processes of industrial enterprises of the sample by the frequency of repetition of the criterion of customer orientation

Communication business processes	Quantity, un.	%
Collection of customer information – x_1	61	94,1
Analysis of the collected data – x_2	49	76,0
Dissemination of information within the company – x_3	53	81,2
Development of new products based on the collected data – x_4	35	54,3
Improving new products based on the collected data – x_5	37	57,1
Work with staff: staff training – x_6	29	44,6
Improving customer focus – x_7	25	39,2
Customer relationship development – x_8	40	61,3
Finding new customers – x_9	50	77,1
Total sample	65	100

To assess the correlation of communication business processes and customer orientation of an industrial enterprise is proposed to use the Spearman coefficient.

The Spearman coefficient takes into account the differences in deviations and is determined by the formula:

$$p = 1 - 6 \frac{\sum_{i=1}^n d_j^2}{n(n^2 - 1)}; \quad 1 \geq p \geq -1; \quad (1)$$

where p is the Spearman rank correlation coefficient; n is the number of ranks; d_j^2 – the difference between the ranks by a factor, otherwise $d_j = R_{xj}R_{yj}$.

The correlation coefficient takes values within ± 1 , that is $1 \geq \rho \geq -1$. The closer $\rho \rightarrow 1$, the higher the consistency between the test results. A negative amount of ρ indicates the opposite compatibility. Since the difference in scores can occur by chance, it is necessary to check the significance of the value of ρ with a certain level of probability $\rho \approx 0.95$ depending on the number of ranks n . The test is performed according to the corresponding table of critical values of Spearman's rank correlation coefficient. If the actual cost of ρ is higher than the critical $\rho_{0,95}(n)$, that is $\rho > \rho_{0,95}(n)$, is considered significant; otherwise, the relationship is random, or the significance of the relationship is not proven. Nonparametric Spearman correlation coefficients (ρ) are presented in Table 4.

Table 4 Correlation matrix of communication business processes of industrial enterprises of the sample according to the criterion of customer orientation

	X_1	X_2	X_3	X_4	X_5	X_6	X_7	X_8	X_9
X_1	1,000								
X_2	0,308	1,000							
X_3	0,427	0,356	1,000						
X_4	0,142	0,139	0,059	1,000					
X_5	0,179	0,288	0,079	0,464	1,000				
X_6	0,236	0,199	-0,034	0,084	0,153	1,000			
X_7	0,199	0,026	0,018	0,068	0,169	0,306	1,000		
X_8	0,316	0,084	0,014	0,052	0,185	0,099	0,164	1,000	
X_9	0,227	0,178	0,365	0,058	0,123	0,065	0,025	0,351	1,000

To recognise the relationship between communication business processes is essential to have a correlation coefficient that exceeds the threshold value of 0.40. Correlation analysis showed a link between business processes such as "Collection of customer information" and "Dissemination of information within the company" ($\rho = 0.427$), as well as between "Development of new products based on collected information" and "Improvement of new products based on the collected information" ($\rho = 0.464$). Correlations between other business processes are not significant; therefore, in the companies of the respondents, these business processes are not related.

The results of the analysis indicate that the communication business processes of industrial enterprises of Ukraine are not sufficiently regulated, especially concerning the criterion of customer orientation.

6. CONCLUSION

This study examines the main aspects of communication business processes of industrial enterprises in the context of globalisation. It is proposed to highlight customer orientation as a criterion of communication business processes. The main communication business processes of industrial enterprises according to the specified criterion, are allocated. A study of the transformation of communication business processes of industrial enterprises in the context of globalisation. For a deeper understanding of the nature and relationship of communication business processes of industrial enterprises and their components at the empirical stage of the study used a qualitative method of in-depth interviews with representatives of industrial enterprises. Interviews were analysed using content analysis. The main criterion for the adequacy of in-depth interviews is the frequency of answers. This criterion was met in a study of 65 interviews. According to the results of the analysis, it is established that customer orientation at industrial enterprises of Ukraine is mainly declarative. Besides, for the most part, there is an unregulated communication business process. The result is a low level of business activity, the difficulty of regulating the influence of market mechanisms.

Further research should clarify the nature and density of the relationship between the individual structural elements of integrated marketing communications based on customer orientation - to develop a business communication strategy of the enterprise.

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