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## PROJECT COMMUNICATION IN FUNCTIONS, PROCESS AND PROJECT-ORIENTED INDUSTIRAL COMPANIES

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### Abstract

The article is focused on the project communication management. Industrial enterprises, which use project management must constantly search the new ways for improving. One of the possibilities is the change of management from a functional oriented to the project-oriented or process-oriented. Process-oriented and project-oriented companies have better project communication management during the all project life cycle. Communication in the project is a very important factor. According to the arguments of several authors, one of the biggest problem is that threaten the success of the project is just the communication. In each project is an important pillar – and that is communication. Only on the base of communication can the project move forward and achieve the target.

### Key words

Project communication, project-oriented company, process-oriented company

### Introduction

Nowadays the projects have large dimensions. They need a lot of time and resources to implement. They use a lot of funds and it is unrealistic that each employee drove by itself. Therefore, project managers are responsible for projects. A good project manager must be able to organize resources, to plan and prepare procedures to define cost, schedule, team performance, but in particular must be able to communicate effectively.

What is the relationship between communication and project management? The answer to this question is not simple, because these two concepts are interrelated. Effective

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communication is one of the main elements of project management, and therefore it is necessary to be constantly engaged with communication (1).

### **Project communication management**

**Project management** is a set of principles, methods, and techniques that people use to effectively plan and control project work. It establishes a sound basis for effective planning, scheduling, resourcing, decision-making, controlling, and replanning. Project management principles and techniques help complete projects on schedule, within budget, and in full accordance with project specifications. At the same time, they help achieve the other goals of the organization, such as productivity, quality, and cost effectiveness. The objective of project management is to optimize project cost, time, and quality (2).

**Communication** in project management and in the project is very important point. The common management skill of effective communication is crucial to project access because project management involves formal and informal communication at different levels in the organization. Such communication includes all the activities and behavior by with information or ideas are transferred between the project manager and individuals working on the project. The project manager must give directions, hold meeting, and relay information and ideas to and from the project team members, superiors, clients, contractors, functional managers, other project managers and outsider personnel (3).

Communication is the basis of everything and is thus the key to effective project management. Even in biblical times, the importance of project communication was contained in the chronicle of the Tower of Babel, whereby it was reported that God caused a construction project to fail by interrupting communication through the creation of multiple languages. Without a common basis for communication, any project is bound to fail. Communication is the basis for project performance in any organization. Information is power, and those who have it will hold the key to project success (4).

The project manager's skills and abilities have a great impact to the project communication. For project communication is also important the orientation of company.

### **Project manager**

Project managers must have the ability to think logically and communicate effectively. Communication in project management takes three forms: verbal, nonverbal and written.

In a project environment, communication refers to the exchange of sharing of messages and information to convey meaning and knowledge between and among the project manager, internal stakeholders, and external stakeholders. The intent and the content of these messages are designed to meet various purposes, including:

- dissemination of records, status reports and other information about the project;
- information-sharing about decisions in order to gain acceptance and hence commitment to those decisions;
- management of project interfaces and systems integration.

A project manager uses communication more than any other element in the project management process to ensure that team members are working cohesively on project problems and opportunities [3].

### Functional, process and project-oriented companies

For project communication has in addition of project manager also great effect the company - orientation of company. There are some differences in the communication functions, processes and project-oriented companies.

- *Functional-oriented company* every employee has a clearly identified supervisor, each role follows its own goals and pursue, steep pyramid, clearly defined powers and responsibilities (5, 6).
- *Process-oriented company* teamwork is preferred, soft methods of management and flat organization (5, 6).
- *Project-oriented company* individuals are grouped into working teams for a limited time according the duration of the project, horizontal management is preferred, team cooperation and horizontal communication (5, 6). Project-oriented companies have specific strategies, specific organizational structures and specific cultures for managing projects, programs and project portfolios (7).

Characteristic criterions for functional, process and project-oriented companies are shown in table 1.

Table 1

# COMPARISON OF FUNCTIONAL, PROCESS AND PROJECT-ORIENTED COMPANIES (5, 6)

Criterion	FOC*	PrOC*	PjOC*
Interest centered on:	Activity	Result	Goal
Competence,	For operation	For process	For project
responsibility:			
Orientation:	To the consequences	To the causes	To the causes
Relationship with	Checking, instruction,	Coaching, soft	Coaching, soft
subordinates:	hard factors	factors	factors
Management:	Hierarchical	Lateral	Horizontal
Management	Individuals	Teams	Teams
controls:			
Organizational			
management	Steep pyramid	Horizontal (flat)	Horizontal (flat)
structure:			
Communication	Linearly vertical	Horizontal	Horizontal
	communication	communication	communication

\*FOC – functional oriented company, PrOP – process-oriented company, PjOC – project-oriented company

## The importance of project communication in functional, process and project-oriented companies in practice

On the base of theoretical knowledge can be concluded that there are differences in the management of project communication in functional oriented, process-oriented and project-oriented companies. Is this statement valid also for a practice?

### System of project communication management

For comparison of functional, process and project-oriented companies in the practice were selected four main areas that should be the part of all project communication management. In each area was defined the typical elements of project communication management (Figure 1).



Fig. 1 The main areas of project communication management (own processing by 8)

### Survey of project communication management

These areas and elements were examined using a survey of the current status of project communication management in industrial enterprises in Slovakia in 2012. The survey was participated in 85 small, medium and large industrial enterprises in Slovakia, which were functional-oriented, process-oriented and project-oriented. Percentage distribution of enterprises to functional, process and project-oriented is shown in figure 2.



### Fig. 2 Industrial enterprises in Slovak republic [own processing]

On the base of the survey can be concluded, that all companies inefficient use of the different areas (communication environment, communication channel, communication cognitive, communication system) to project communication management. As show the table 2, the enterprises are dealing with this areas very little or never.

Defined areas of project communication management are the most often dealing in the project-oriented companies, but there are relatively low percentages. This condition is caused because the project-oriented companies are the most aware of the need for a flexible response to changing conditions. Therefore is needed permanent communication. These companies have the best percentage, but they are dealing with defined areas only in a few cases. On the second place are process-oriented companies which achieve the similar percentage as the projected-oriented companies. Functional oriented companies have the lowest percentage.

PERCENTAGE OF COMPANIES ENGAGED IN THE PROJECT COMMUNICATION MANAGEMENT [own processing]

Table 2

Are you engaged in the project communication management in following areas?	Functional Oriented Company	Process-Oriented Company	Project-Oriented Company
Communication environment	17 %	30 %	24 %
Communication channel	22 %	27 %	28 %
Communication cognitive	9 %	5 %	10 %
Communication system	41 %	48 %	61 %

On the base of observed results, we can conclude, that an enterprises which wants to realize the successful projects with effective communications should be project-oriented or process-oriented.

Process-orientation and project-orientation are new organization strategies that enhance the competitiveness of companies and enable them to survive in their markets.

### Conclusion

Companies implement process-orientation and project-orientation as organizational strategies often independently, either concurrently or successively. The various methods that are used, the different roles and communication structures that exist and the distribution of responsibilities for implementation among several roles result in a high level of complexity within the company. Obviously, as a result of the above factors, there is a high risk that the implementation of process and project-orientation strategies will fail.

This risk of failure can be mitigated and the degree of complexity reduced by creating synergies between process and project-orientation. Methods, new roles and communication structures can be coordinated to prevent redundancies. Ideally, a company has to take an integrated approach to introducing process and project orientation, if it wants to do so efficiently (7).

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