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MAŁGORZATA ŁĘGOWIK-MAŁOLEPSZA

Politechnika Częstochowska, Poland

ROBERT SAŁEK

Politechnika Częstochowska, Poland

DAGMARA BUBEL

Politechnika Częstochowska, Poland

NICOLETTA BASKIEWICZ

Politechnika Częstochowska, Poland

DISRUPTIONS OF THE FLOW OF INFORMATION IN BUSINESS MANAGEMENT

Abstract:

The aim of this article is to present the disruptions of the flow of information in business management. In the first part of the article the reasons of the disruptions of the flow of information are discussed. In the second part of the article the barriers to the flow of information are shown. Information has always been the bargaining power in the efforts of entrepreneurs to best meet the needs of the society. Proper information management is closely linked to the decision-making process in the enterprise. The article underlines the role of information in the whole process of business management and also shows how different disruptions can occur in the flow of the information process.

Keywords:

information, company management, decision-making process

JEL Classification: M21

Introduction

Information has always been the bargaining power in the efforts of entrepreneurs to meet best social needs. In the nineties of the 20th century there was initiated a strong social transformation associated with the universal access to information, the spread of computers in everyday life and the development of computer networks and the Internet. The development of modern technologies and industry could not be pursued without the access to information. Therefore, it is acknowledged that information and the flow of information has a decisive influence on the effectiveness of business management. However, the access to information is often difficult and, in the flow of information, there arise different problems and barriers. The research problem undertaken in the paper is the identification of disruptions and barriers to the flow of information in business management. In connection with the posed research problem, the aim of the paper has been to learn and assess the reasons for disruptions and barriers to the flow of information in business management based on the subject literature. In the first part of the paper, there are presented the reasons for disruptions of the flow of information in business management. In the second part of the paper, the attention is drawn to the barriers occurring in the flow of information in business management.

1. The reasons for disruptions of the flow of information in business management

The concept of information is a complex and multidimensional term, therefore, it is difficult to define unambiguously. In the subject literature, one may come across different definitions of the term of “information”, which are differently perceived and interpreted. Etymologically, the concept of “information” comes from “informatio” and it means ‘explanation’, ‘imagination’, ‘notification’. According to J. Stoner, “information is the result of ordering data or analyzing them in any significant way”. A. Skowronek-Mielczarek and Z. Leszczyński claim that “in business practice, the information can be the data which, after certain processing, gain sense, carry specific knowledge and allow for drawing conclusions”(Skowronek-Mielczarek, Leszczyński, 2007, p. 37).

The issues associated with information show both positive and negative aspects of using information and methods of its management. It is particularly important since, as the literature indicates, there are many considerations concerning the need, and often the necessity to apply specific methods of information management. Appropriate information (See more: Kulej-Dudek, Wiśniewska-Sałek, 2016, p. 159-169; Łęgowik – Świącik, 2015, p. 91-99) management is strictly connected with the decision-making process. J. Penc describes the relationship between information and decision-making in the following way: “the right decision amounts to at least 80% of information, 10% of inspiration (inventiveness) and 10% of managers’ intuition” (Penc, 1994, p. 83-84).

The right information (Grondys, 2014, p. 20-24) at the right place and time is necessary for effective business management. However, in business practice, there are often various disruptions of the flow of information in business management. A significant part of the problems associated with the flow and management of information refers to the time factor. T. Davenport and L. Prusak state that “managers can always spend money on the purchase of information and computers for its processing but truly scarce resource in any organization is the time that people have to spend using it” (Davenport, Prusak, 1997, p. 52).

Time is a limited resource which determines the process of obtaining and processing information. Depending on the available time the access to information may be easy or much more difficult (Leonidou, Adams-Florou, 1999, p. 24; Huggins, Johnston, 2010, p. 457–484).

The features of information are the source of many problems associated with the flow and management of information among which the following can be listed:

- the problem of understanding the essence of information – resulting from the absence of a recognized definition of information in the literature,
- the problem of assessing the value of information – there is no possibility to perform or make an objective assessment of the value of information,
- the problem of assessing the quality and usefulness of information – as in the case of the value of information, an objective assessment of the quality and usefulness of information is very difficult,
- the phenomenon of the multitude of information – the barrier to the efficiency of operations may be the phenomenon of information overload,
- the phenomenon of complexity of information systems – resulting from the relationship between the development of information management and the development of techniques and information and communication technologies (Kiełtyka, Jędrzejczyk, [in:] Borowiecki, Czekaj, 2010, p. 70).

Apart from the features, the factor affecting the problems associated with the flow of information is undesirable features of information. S. Garczyński lists the features such as:

- fragmentation of information – consists in giving incomplete information, containing only a part of the real picture of the specific situation, process or entity. This is usually one-sided, biased and subjective information on the basis of which the recipient of information has a distorted image of the reality,
- generality of information – consists in transmitting too general information in which the content is not sufficiently detailed, such information does not bring anything concrete,
- redundancy of information – this feature consists in using too much information to describe the analyzed subject matter; consequently, it is difficult to find relevant

information among a large amount of information. In other words, redundancy of information consists in information overload which obscures the image of the examined area,

- ambiguity of information – consists in formulating information so that its recipient has some freedom of its interpretation; it can be interpreted differently, it does not constitute an unambiguous message,
- complexity of information – is a broad problem whose main essence consists in the fact that information is constructed in such a way that it prevents its full understanding (Stefanowicz, 2004, p. 109-110 [after:] Garczyński, 1984; Slyvotzky, Morrison, Andelman, 2000, p. 66).

The changing environment, technological progress and a constant battle for customers impose increasingly high requirements on entrepreneurs. Investments in the capital of information realized through the management of information of the enterprise undoubtedly constitute the competitive advantage (Galavan, Murray, Markides, 2008, s. 188).

Skillful identification of disruptions of the flow of information in business management allows to take good managerial decisions. In the paper, it has been indicated that the reasons for disruptions in the flow of information may result from the features of information and undesirable features of information. The identification of the reasons for disruptions of the flow of information in business management is followed by the presentation of the barriers to the flow of information in business management in the subsequent part of the paper.

2. Barriers to the flow of information in business management

In business practice, there are often different problems and barriers, associated with the flow and management of information, which consequently lead to decision-making based on incorrect, incomplete or inaccurate information. The first problems associated with managing information occur as early as at the stage of its collecting. Two entities participate in this process - the enterprise and the source of information, where each of these entities may create problems (Wanetal, 2011, p. 1335–1368). Barriers and difficulties in acquiring information, which is on the side of the enterprise, result from the lack of sufficient knowledge, competences or qualifications of employees responsible for acquiring information (See: Wilson, p. 119-161).

Among the most significant difficulties arising on the side of institutions being a part of a business environment and providing information, the following can be listed:

- “lack or incompleteness of information,
- burdensome procedures of the access to information,
- difficult interpersonal cooperation with the representatives of institutions,

- unwillingness to provide information by institutions,
- ineffective contact channels (inappropriate form of transmitting information),
- lack of centralization of information (one needs to inquire in a number of institutions rather than in one)” (Maik, Gołoś, Szczerbacz, 2010, p. 101).

The problems indicated above have been approached from the point of view of small and medium enterprises and their order indicates the significance of the problem (from the most to the least burdensome barriers). Another classification of the barriers associated with the access to the sources of information is presented by J. Oleński. These barriers are included in Table 1.

Table 1. Barriers associated with the access to the sources of information by J. Oleński

Type of barriers	The essence of the barrier
technical barriers	lack of technical possibilities to access the sources of information
legal barriers	associated with applicable laws, namely their restrictions (e.g. waiting for the necessary information for too long, which consequently results in outdated information)
organizational barriers	consist in the fact that, in the specific organization, there are not competent authorities to deal with acquiring, storing and analyzing information,
economic barriers	mainly refer to financial barriers, i.e. lack of funds necessary to gain the access to certain sources of information,
psychological barriers	arise when the sources of information are people and are associated with individual characteristics of these people such as lack of self-confidence or willingness to share one’s views and opinions or fear of ridicule,
meta-information barriers	concern the lack of information about the sources of information and the possibility of the access to information

Source: Oleński, 2000, p. 268.

After identifying the problems associated with acquiring information from different sources the attention should be drawn to difficulties in communicating with these sources – mainly public administration institutions. These problems may include:

- the way of formulating the message causing difficulties in its understanding – it mainly refers to using the legal or official language for communication between officials and applicants or referring to legislation, which brings about ambiguity and lack of understanding among applicants due to which they have to search for the ways of interpretation of the obtained information,
- inappropriate form of transmitting information – according to the representative

group of SME, information provided by public administration institutions in the form of mass leaflets, brochures or publications is ineffective and useless,

- illegibility of websites of institutions – it is revealed through difficulties associated with searching for necessary and useful information,
- waiting for information for too long – in some cases, it may amount to even two weeks, which frequently causes that the obtained information is outdated and therefore useless,
- difficulties in the access to a competent person – constitute problems with identifying the right person who possesses information which is searched for,
- complicated rules for granting, spending and accounting grants – obtaining subsidies from the EU funds is a complex and difficult process; except for many conditions which must be fulfilled, there is a large amount of documents to fill in; everything is formulated in the legal and official language, needs to be supported with legislation, moreover, it is time-consuming. Entrepreneurs often delegate these formalities to various specialists. However, it happens that all of this is too much for many entrepreneurs and they resign from subsidies which actually would be very useful to them,
- lack of specific information on the types of grants and the ways of applying for them – in spite of the common knowledge concerning the opportunity to use the EU funds, there are no studies containing e.g. summary statements of the available grants including the list of the conditions which must be fulfilled, necessary documents and the data of the institutions with the help of which the funds are granted,
- the attitude of the staff of public administration institutions – unfortunately, in the view of SMEs, among communication difficulties, there is also the attitude of officials, who hardly get involved in the problems of entrepreneurs, the information coming from them is often unclear or too formalized and the way of communication – inappropriate (Maik, Gołoś, Szczerbacz, 2010, p. 101).

M. Świgoń lists five typical barriers preventing the efficient flow of information in the enterprise. The level of the following barriers is determined by many factors and it can be different in each company. The order of the barriers is not random – the order indicates the frequency of the occurrence of the examined factor and difficulties in its neutralization. The barriers are the following:

1. Availability of information – the main and greatest barrier to the effective flow of information are difficulties in access to most needed and valuable information. At this level of the analysis of the barriers, there are also information delays associated with obtaining information at the time when it is no longer necessary or incompleteness in terms of the content.
2. Economy – the barrier associated with the financial sphere effectively limits the flow of information. The activity of consultancy or consulting companies is very

helpful but, at the same time, expensive. In spite of the fact that the quality of information coming from the companies specializing in the field of acquiring information is high, not each enterprise can afford the services of the companies of this type.

3. Communication – the problem in the flow of information may also be the transfer of information itself from the sender to the recipient going through various indirect links. At this stage, there are often distortions, which, in synergy with technical errors, prevent obtaining useful information.
4. Content – the barrier associated with the content of information consists in the fact that information becomes outdated or the possession of information itself is not enough for the practical use of its resource.
5. Psychology – the psychological barrier refers to human resources and their attitude to the process of the flow of information in the enterprise. They often lack the usual commitment and willingness to actively participate in the flow of information or the disruptions of this flow are caused deliberately (Świgoń, 2006, p. 77).

Among the barriers to effective information management in the enterprise L. Kiełtyka and W. Jędrzejczyk list:

- incompetence of employees,
- irregularities in the operation of the information system of the company,
- limited access to the sources of information,
- lack of sufficient funds (Kiełtyka, Jędrzejczyk, [in:] Borowiecki, Czekaj, 2010, p. 70).

The drawbacks of large enterprises, from the point of view of information management, are: vast bureaucracy, a large number of levels in the organizational structure and the necessity to implement IT systems requiring vast expenses. Consequently, the flow of information significantly slows down. While discussing the problems associated with the flow of information in the enterprise, the attention should be drawn to information barriers. An example of such a barrier is psychological distance, which is defined as “the concept defining a set of factors resulting from cultural and sociological differences that hinders conducting a business activity abroad” (Morawczyński, 2005, p. 90). Psychological distance is the result of uncertainty, lack of knowledge of the conditions and ways of conducting business abroad. It is due to cultural differences (e.g. differences in the language and customs) and business differences (legislation, trade practices or marketing techniques).

In business practice, there are many different barriers to the flow of information in business management. These barriers prevent the efficient flow of information in the enterprise. The discussed barriers to the flow of information in business management are unavoidable but the awareness of their existence allows for the thorough analysis

of the situations in which the flow of information may be disrupted.

Conclusions

Disruptions of the flow of information in business management are an important and up-to-date issue since, along with changes, disruptions in the access to information may always occur in the enterprise. However, the awareness of the existence of the sources of disruptions and barriers to the flow of information allows to avoid them. Both disruptions and barriers to the flow of information negatively affect the process of business management. With reference to the discussed research problem there have been identified the disruptions and barriers to the flow of information in business management. On the basis of the presented study of the subject literature, the objective of the paper has been accomplished by the cognition and assessment of the reasons for disruptions and barriers to the flow of information in business management. In the first part of the paper, there have been presented the reasons for disruptions of the flow of information in business management. In the following part of the paper, the attention has been drawn to the barriers to the flow of information in business management.

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