

**“LUCIAN BLAGA” UNIVERSITY OF SIBIU**  
**FACULTY OF ECONOMICS**

*Doctoral thesis abstract*

**CONTRIBUTIONS OF THE COMMUNICATION  
MANAGEMENT OF STOCK EXCHANGE  
ORGANISATIONS**

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**KEYWORDS:** management, communication, stock exchange organisations, performance, SIBEX, BSE

The stock exchange system must become an efficient market, dominated by fair rules, attractive and compatible with the European standards, become an influencing factor of economic and institutional tendencies and act in an environment of development and entrepreneurial initiative by providing services, mechanisms and rules to mobilize, attract and efficiently allot the financial resources, in a transparent and secure manner.

The functionality and performances of a company, regardless of the national context, largely depend on how managers manage to create modern and flexible management systems that integrate in their structure the multitude of intra and extra organisational variables.

Communication is one the human activities that each of us can recognize, but few can define.

The place of communication within the organization is to increase its reputation and credibility to attract objectives. In order to ensure growth and stability within the organization, each company transmits and receives messages using several lines of communication. For example, external communication aims to attract consumers/customers, internal communication concerns employees (with the purpose of stimulating them). As regards the stock exchange organisations, one of the objectives that are part of the communicative aspect is the reinforcement of stock's value and credibility before shareholders. Choosing a spokesman or setting up departments or specialised press or public relations offices is a good choice for a stock exchange organisation to maintain relations with the media, intermediaries, customers.

This thesis sets *to approach the managerial communication in terms of stock exchange organisations*. Moreover, the thesis *aims to emphasise the need for communication within an organisation*, regardless of its field of activity.

*The approach of the thesis* starts from a set of general targeted objectives, among which stand out: establishing a relationship between the elements of the communication management process and the results, means and objectives underlying this process within stock exchange organisations; identifying the stock exchange organisations in terms of communication management; monitoring the achievement of the mission of stock exchange institutions and also the strategic context in which they operate, elements that require an efficient strategic management, based on a well-structured and thorough internal strategy, oriented in accordance with the nationally and internationally undertaken stock exchange policies; establishing the procedures and the degree of making communication management efficient, as crucial element in all company's business activities since achieving the task of stock exchange organisations unconditionally involves all these aspects.

Therefore, trying to shape *a logical line of the thesis*, the approach of the thesis starts with the concepts of management and communication, which, by implementing the appropriate strategies and

by assuming and preventing the organisational risk, creates a favourable organisational climate that, in time, improves the organisation's image, and through the organisation's synergy, organisational performance is eventually achieved.

*The specific objectives* of the research in the field of communication management regarding the stock exchange derive from the general ones and they aim to define some indicators regarding the stock exchange that would help analyse the effectiveness of results. This approach will be achieved by first analysing the way they function, the transformation process that takes place inside those institutions, the products they offer to investors and intermediaries (brokers); identifying the appropriate organisational communication axis of the institution (as compared to the organisational chart of Bucharest Stock Exchange and Tokyo Stock Exchange).

The theme proposed for research "*Contributions regarding the communication management of stock exchange organisations*" is directly related to the permanent maintenance of communication relations between manager/managers and employees, between the existing departments, between the organisation and its external environment in order to achieve and maintain managerial performances within the organisation. An effective communication, followed by an efficient management provides safety to all field of activity, a premise which the research approach starts from.

The basic idea that started our choice of the theme was the lack of research until recently of the stock exchange organisations in terms of communication management, all studies, even the doctoral ones that have been found until recently referring only to the economical part of stock exchange organisations.

The theme *falls into the CNCSIS priority areas*, as it follows: **Area 9 – Socio-economic humanistic research**, **Research direction – 9.1 – New management, marketing and entrepreneurial development methods for organisational competitiveness**, **Research topic 9.1.1. Knowledge-based management and Research topic 9.1.5. Strategies for establishing and capitalising companies' competitive advantages**.

Nowadays, the managerial communication process within organisations requires a special attention, which, in its turn, requires the involvement of all members of the organisation, by observing and applying some fundamental principles underlying the communication process in the activities they carry out, both inside and outside the organisation they belong to.

Organisational communication should not be regarded separately from management, since it represents one of its major, fundamental components.

The lack of communication or the poor management of this process leads to the alteration of several components of the company's management and, on the other hand, the lack of certain abilities and of the organisation's culture regarding these components make the communication process invalid.

Communication barriers are numerous, diverse and of high complexity. But, these barriers must be known and analysed according to the specificity of each situation in part, if we want a rapid and less costly solution of critical situations, regardless of their nature.

The thesis is *divided* into four parts, consisting of 14 chapters. These have been established based on the consideration that, in order to study the communication management within stock exchange organisations, the identification of *the level of knowledge* in the field is required, as well as outlining the *functioning of stock exchange organisations* and their evolution and importance on the capital market (PART II), in order to analyse the *managerial strategies and the communication management within Sibiu Stock Exchange – SIBEX* (PART III). PART IV outlines *the selective research on the specificity of management and communication at SIBEX* which will come as a practical completion of theoretical aspects mentioned in the previous parts, then followed by a general synthesis of the main conclusions, opinions, recommendations and personal contributions in the last chapter of this part (Chapter 14).

The first part of this thesis, "*The current state of research in the field of communication management within stock exchange organisations*" consists of two chapters and it presents the general concepts specific to the organisational communication management in general and the communication management within the stock exchange organisations in particular. The main purpose of this part, and implicitly of the chapters that compose it, is to identify the research niche to deepen certain concepts.

Chapter 1 "*Aspects regarding theoretical conceptual elements of communication management within organisations*" provides an overview of the communication management, outlining their role and importance in the competitive development of stock exchange organisations. This chapter is the result of an incursion in the specialised national and international literature regarding the concepts of communication in organisational management for the identification of a correspondence in the stock exchange organisations in general and at Sibiu Stock Exchange – SIBEX, in particular. There are also outlined aspects related to the general factors that cause communication barriers, but also the methods and techniques of training and improvement of organisational communication.

Chapter 2 "*Aspects regarding the communication management in stock exchange organisations*" emphasises the evolution of managerial communication process in organisations and the characteristics of communication management of stock exchange organisations.

In this first part of the thesis, the following objectives are considered:

- Identifying the communication and the communication process as fundamental element to stimulate organisational performance;
- Outlining the classification elements of the types of communication with respondent in Sibiu Stock Exchange, as subject of the thesis;
- Identifying the perspectives regarding the usefulness of communication management in the context of and efficient organisational management;
- Determining the role and importance of communication and of the communication management in the use of theoretical components in the practical activity within the organisation in general and of the stock exchange organisation in particular;
- Identifying and establishing the methods and techniques of training and improvement of communication management within the organisation in general and in the stock exchange organisation in particular;
- Identifying the level of importance of communication management within the stock exchange organisation;
- Identifying the evolution of the communication process within the stock exchange organisation;
- Establishing the manager/managers' of Sibiu Stock Exchange level of interest regarding the necessity and approach of communication management;
- Highlighting research on communication management at the level of the organisation;
- Identifying the current and the future state of the communication management process applicable on the stock exchange markets, with the purpose of developing, creating and maintaining a reference image of the stock exchange and of making efficient the manager-employees, employees-employees, institution-intermediaries (brokers), institution-direct customers relationship, as well as the evolution of this process for the increase of efficiency and quality management; establishing a relation between the elements of communication management process and the results, means and objectives underlying this process within the stock exchange organisations;

The main purpose of this part, and implicitly of the chapters that compose it, is to identify the level of scientific knowledge and the need for thorough study of these concepts.

PART II "*Functioning of stock exchange organisations*" consists of three chapters and it presents concepts regarding the functioning of stock exchange organisations. In this second part of the thesis, the following objectives are considered:

- Identifying the general aspects regarding the history and evolution of stock exchange organisations;



- Identifying and establishing the specificity of stock exchanges worldwide with respondent in the field of stock of stock exchanges in Romania;
- Identifying the communicational axis that corresponds to the organisational chart of Sibiu Stock Exchange institution, SIBEX;
- Establishing the level of achievement of the mission of stock exchange institutions and also the strategic context in which they operate, elements that require an efficient strategic management, based on a well-structured and thorough internal strategy, oriented in accordance with the nationally and internationally undertaken stock exchange policies;
- Identifying and determining the efficiency of communication management as a crucial element for the achievement of all activities of stock exchange organisations;
- Determining complex strategies (either for risk coverage, or for arbitration) that may take place between derivatives and the classical transactions with shares;
- Identifying the management of implementing the working procedures, identifying the risks and internal control methods for different departments within the stock exchange organisation, focusing on its communication department (SIBEX Public Relations Department);

Chapter 4 “*The stock exchange, barometer of the economic and financial activity. Aspects of its evolution*” deals with general facts related to stock exchanges, their classification, the history, evolution, specificity and role of stock exchanges worldwide but also the specificity of stock exchanges in Romania, the functions of stock exchange in economy and its systemic approach.

Chapter 5 “*The capital market in Romania*” outlines an overview of the capital market in Romania, starting from highlighting some specific aspects of the stock exchange, giving examples of the products of Bucharest Stock Exchange (BSE). On the other hand, there is also emphasised the emergence and development of Sibiu Stock Exchange, SIBEX, its available products but also the managed markets: the regulated derivatives market and the shares’ market (the regulated market and the alternative trading system), as managerial development.

Chapter 6 presents *the conclusions and recommendations regarding the functioning of stock exchange organisations*.

PART III “*Managerial strategies and communication management within Sibiu Stock Exchange*” consists of four chapters and presents the specific elements of stock exchange communication management as a result of an efficient management, the evolution of management at SIBEX, but also the strategies and role of management and communication in the establishment of competitive relations with BSE.

Moreover, the evolution of risk management at SIBEX from the perspective of improving communication and increasing the organisation's performances will be also outlined.

In this third part of the thesis, the following objectives are considered:

- Determining the specific managerial elements of stock exchange organisations;
- Establishing the management of the stock exchange organisation – Bucharest Stock Exchange (BSE);
- Emphasising the evolution of management within SIBEX, identifying the stages of the management process within SIBEX and outlining the boom of the stock exchange (2006-2010) at SIBEX;
- Identifying the achievement of the mission of the institutions in the stock exchange field, as well as the strategic context it operates in, based on a well-structured and thorough internal strategy, oriented in accordance with the nationally and internationally assumed stock exchange policies;
- Establishing the role of management in achieving the competitive relations between SIBEX and BSE;
- Determining managerial strategies for the establishment of competitive relations between SIBEX and Bucharest Stock Exchange;
- Emphasising the strategic analysis of the competitive environment and the merging attempt as a development strategy of a new market segment;
- Identifying the appropriate communicational axis of the organisational chart of SIBEX, identifying the managerial objectives within SIBEX and establishing the evolution of risk management.

Chapter 7 “*Specific elements of the stock exchange organisations management*” deals with specific elements for making the stock exchange organisations’ management and the management of Bucharest Stock Exchange more efficient.

Chapter 8 “*Evolution of management within SIBEX*” approaches the management of SIBEX, the stages of the management process, until the authorisation as market operator (1997-2006), the evolution of trading volumes as an effect of the efficient management (the boom of the stock exchange), the managerial evolutions and changes during 2009-2011, conclusions and recommendations on the communication management of stock exchange organisations.

Chapter 9 “*Defining the strategy and role of communication in the establishment of competitive relations between SIBEX and BSE*” analyses, on one hand, the strategy of the competitive environment

and the merging attempt and, on the other hand, the development strategies of the new market segments for SIBEX and BSE.

Chapter 10 “*Evolution of risk management at SIBEX*” from the perspective of communication improvement and organisational performance increase approaches the occurrence of risks within organisations, the components and factors of risk management but also the implementation of risk management techniques within the organisation. The identification of main risks in an institution involves the establishment of those risk categories that those who decide estimate to take place and of the events that may be caused if these occur. Undoubtedly, it represents a very important stage as ignoring or failing to identify a risk may have serious consequences for the organisation, which leads to managerial non-performance.

PART IV “*Selective research on the specificity of management and communication at the level of Sibiu Stock Exchange*” includes three researches based on a questionnaire, each part an aspect related to elements of communication management within the stock exchange organisation, in our case Sibiu Stock Exchange. Divided on four chapters, the first three chapters each examine a research, the last chapter showing a general summary of the main conclusions, opinions, recommendations and personal contributions.

Chapter 11 “*Selective research on the communication relationship between brokers and SIBEX*” outlines the effects of the measures implemented by SIBEX and the reaction of brokers at the implemented measures, as a result of an efficient communication process.

Chapter 12 “*Selective research oriented towards the potential customers of SIBEX*” shows the results on customers or potential SIBEX customers opinion on the products that can be traded or on how their expectations are reflected in the measures implemented by the stock exchange in online communication, as well as identifying the best communication solutions. Although the attraction of new customers is rather an activity that should be carried out by brokers and not the stock exchange, SIBEX also carries out activities to attract new customers in different ways that are based on communication techniques.

Chapter 13 “*Selective research on the internal communication at SIBEX*” aims to identify the reality within Sibiu Stock Exchange regarding the knowledge and usage of communication management in general and on internal communication management in particular, within this organisations. The information obtained from this research reveal the level of awareness and usage of all communication techniques. The role but also the importance of this research can be found in the discovery of shortcomings that occur at the level of the organisation and of the communicational models/patterns that fit the organisation, for providing viable solutions for the proper development of

the activity. In any organisation, communication is considered as an important element because there is a multitude of information that should be managed, and communication plays a significant part in achieving organisational performances.

Chapter 14 “*Overall summary of main conclusions, opinions, recommendations and personal contributions*” outlines the most appropriate and relevant conclusions of the entire research approach, personal conclusions, recommendations and future research directions applicable to communication management in stock exchange organisations.

As a first conclusion, the theme of the doctoral thesis approaches a topical subject, aiming to complete the existing theory until recently and, through the information obtained from the conducted studies, to demonstrate the importance of communication management within stock exchange organisations in general and of communication management in particular, by the studies conducted at SIBEX.

According to the mentioned objectives, the thesis aims to identify: the current and future state of the communication management process, applicable on the stock exchange markets, involved in the development, creation and maintenance of a reference image of the stock exchange and in making more efficient the institution-customer relationship; managerial behaviours, on different segments; increasing managerial efficiency and quality. At the level of doctoral theses, this topic is less encountered, the existing research focusing especially on the economic side of the stock exchange field.

The author’s concern for the study of communication, communication management from the contemporary perspective derives from the increasing need for communication, especially at the level of modern company, where this process should not miss, regardless of the age, social status or education of those involved. One of the conclusions reached after researching this vast area is that our society may undoubtedly be considered a communicational society. Among the causes, there are: the emergence of new communication and information technologies as well as the changes they cause within social interaction. The presentation of individual studies and research outlines the study of managerial communication, its evolution and defining elements through several works.

Under these circumstances, the approach of accomplishing homogenous and uniform materials to reflect the real issue of the topic is not that easy to be achieved. Since the specialised literature does not provide much information on the issue of organisational communication process within stock exchange institutions, we may state that *the approach accomplished through this doctoral thesis is a novelty*.

In any institution, the obligation and availability for communication of each employee is very important, aiming to reach high levels. Therefore, one can achieve the development of an activity under

the best conditions. In an organisation, there should be as many communication channels, specific to each department. An organisation is usually structured on different departments, and the communicational flow should meet at some point. This meeting point can usually be found in the communication department, which is at the same time collector but also distributor in the communication process.

Communication is and will remain an important and indispensable element for the mankind, for the establishment of inter-human relations and for making team work within organisations more efficient. Therefore, it is aimed that, through the promotion and implementation of an efficient communication management, managerial abilities, the efficiency of the management process and implicitly the performances of stock exchange organisations are increased, an essential condition to align to the western standards in the field.

Among the most important and relevant **conclusions** of this research we can mention:

- This topic is less encountered in doctoral theses, the studies made mainly focusing on the economic side of the stock exchange field;
- The specialty literature does not provide much information on the issue of organisational communication process within stock exchange institutions, which might be considered as novelty for the doctoral thesis;
- Analysing the communication management based on the information identified in secondary sources, there has been demonstrated that this should be considered as the fundamental element with regard to the stimulation of organisational performances;
- All categories of organisations have communication needs, which also implies the improvement of communication efficiency, with connotations to organisational performance;
- In terms of internal communication, this is a specific thing for each company, according to the field of activity, size, type of management, organisational culture, general economic and social context;
- The role of communication in an organisation, according to the studies carried out by specialists show that the manager's ability to be a good communicator also plays an important part in the communicational process;
- Communication became very important in contemporary life and this thing will not change;
- There is a set of specialty works revealing the fact that the communication process is increasingly more studied, both in terms of its implementation at the level of the organisation, and in terms of the evolution, management, performances and contributions it has in the organisation's activities;

- The communication technique stands at the basis of each commercial activity and thus of all human activity;
- Most specialists in the science of management have categorised managerial communication as an indispensable component of the managerial process;
- Communication is situated on one of the highest rungs and it represents a major and fundamental constituent;
- Due to the technological, economic developments, the transformation of management favoured the birth of several specific forms that managerial communication has adopted in view of its evolution. Therefore, managerial communication is changing and is central to the organisation especially in the entire managerial activity and not only;
- Communication has become an important function associated to the functions of management;
- The objective regarding *the current but also future state of the communication management process, applicable on the stock exchange markets* was achieved, with a role in creating and consolidating the institution-customer relation by maintaining a reference image of the stock exchange;
- During its existence, SIBEX, like any other institution, has created its own management system;
- Effective communication is vital in any modern institution and reaching international standards is also an essential condition in terms of the institution's maintenance on the market;
- Any institution should understand how to meet customers' requirements and how to best transmit information and benefits;
- According to analyses in the field, it has been noticed that the study of the current stock exchange system is important due to the development of this vast economic field, both in our country, but more especially abroad;
- The objective of identifying the potential risks that might occur during the development of an institutional activity in general and at Sibiu Stock Exchange in particular, was solved by identifying the importance of risk, the main categories of risks and their characteristics through the management and proposal of viable solutions to get out of this situation. The risk is assumed as common business practice.

As personal contributions to this thesis, there are:

- The author's main contribution is the new approach of stock exchange organisations from the perspective of communication management, this approach not having been dealt with so far;

- The attempt to associate the concepts of management to elements of communication within stock exchange organisations but also the concepts of risk management and finding viable solutions within SIBEX;
- The proposal of several representative schemes or trees of problems identified after the analyses undertaken;
- Three distinct original researches with a common ground (SIBEX – Sibiu Stock Exchange) whose purposes were to determine the external and internal communication relation at Sibiu Stock Exchange, but also the techniques used by this institution for the maintenance and improvement of relations with the outside environment and even its promotion, by using several methods and techniques (PART IV).

At the end of this research, a series of recommendations can be made both to the managers of stock exchange institutions and to Sibiu Stock Exchange for the creation of the necessary context to increase and develop the activity through the communication management, with positive effects in the economic environment. The most significant recommendations are:

- Making managers aware of the necessity and usage of communication management techniques;
- Greater interest shown by managers in terms of promoting communication techniques;
- Increasing the level of education of managers and employees with regard to the usefulness of communication management to increase the organisation's performances;
- Building partnerships between SIBEX and the academic environment (universities) by creating partnerships that would aim: periodical trainings, common activities, implementation of projects;
- Implementation of relevant environmental analyses to develop long-term change strategies and policies, not only as a result of some urgent necessities;
- The need for regular review of long-term strategies and objectives to benefit from different environmental opportunities;
- Taking of courses for the Romanian managers and of specific computer programmes, with simulations of the business environment mode of operation on the activity of small and medium-sized enterprises.

The results obtained from the research presented in this doctoral thesis give rise to new research horizons in the field, crucial for the future being the conception of an experimental model of Implementation Guide of Communication Management within stock exchange organizations and the actual implementation of the guide at SIBEX.