Leadership Communication

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Communication between employees, with business partners, customers and the external public is crucial for the effective flow of information and successful collaboration within and outside an organisation. How we communicate with the external environment of the organisation is primarily a reflection of what is happening within the organisation, and leadership is key to good communication and collaboration. It is leaders who help to minimise the challenges an organisation faces by example and adopting the right approach. In doing so, it is crucial that they know themselves, how they react in various situations, the leadership style they have and that they know their employees. There are several ways to identify and align employee preferences and expectations, one of which is by conducting regular annual interviews. When an organisation has employees from different generations, it is essential that managers and all employees are also aware of the values and behaviours of each generation to gain a competitive advantage.

1 Introduction

To operate effectively, an organization needs a leader or a group of leaders who direct the entire operation of the organization, define its mission, adopt strategy, dictate the company vision and follow the set goals. There must be just enough leaders, so that they are able to direct the employees and not too many, so that the goals of the organization are not too broad (Wrench & Punyanunt-Carter, 2012).

For successful employee orientation, one of the key tools is effective communication. Many leaders do not sufficiently consider the consequences of poor communication in the decision-making process, thereby negatively affecting organizational effectiveness. Researchers believe that satisfactory and effective communication can contribute to organizational productivity and success, as well as customer orientation (Tkalac Verčič et al., 2021). They also find that with good communication, an organization can more easily introduce changes and a positive organizational climate (Meirinhos et al., 2022).

One of the misconceptions is that we communicate primarily with words (Mumel, 2012). The truth is that words have little weight in communication. If we look at the communication process as a whole, the share of word perception is present in 8% of communication. More important than the words themselves is the way or tone with which these words are said, which stands for 38 % of the communication process. Body language carries the greatest weight, constituting more than half of the entire process (55 %). This means that when talking to another person, our focus will be mainly on their gestures (e.g. we observe whether they are consistent with the words themselves). We pay attention to facial expressions, and from the volume and tone of voice we will quickly understand whether we are participating in a relaxed conversation or a serious situation where a problem is being solved. However, we will catch a smaller share of the words spoken.

2 Business communication

Business communication is the process of exchanging information, ideas, thoughts and messages within and outside an organization to achieve various business goals. Effective business communication is crucial for the success of any organization, as it ensures that everyone in the organization strives for the same goals, improves

cooperation and helps in making well-considered decisions. In this process, people use various ways of communicating, which do not only refer to spoken or written words (Figure 1). As already mentioned, non-verbal communication accounts for 55 % of the effect within the entire communication process. This includes gestures, facial expressions, gaze, body posture, space, time, smell, touch, etc. (Možina et al., 2011).
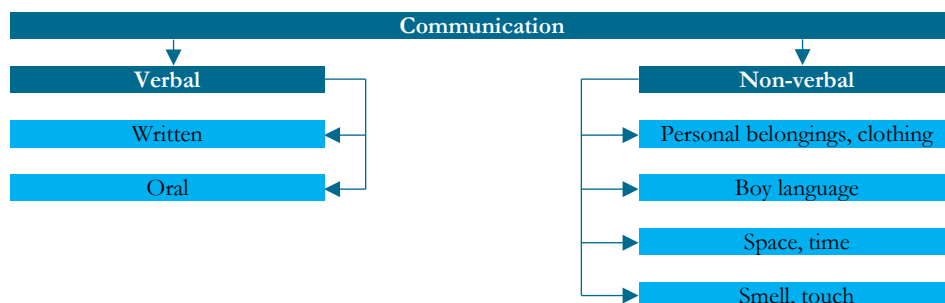

Figure 1: Ways of communication
Source: (Možina et al., 2011).

2.1   Communication process

The communication process may seem very simple in theory, but it requires awareness and practice. It occurs when source A wants to convey information to person B. The communication process (Figure 2) consists of seven components: communication source/sender, encoding, message, communication channel, decoding, receiver, feedback and communication noise.

Source of communication/sender: The person or other medium (e.g. a notice board) that initiates the communication process is known as the sender, source or messenger. In an organization, the sender will be the person who has the need or desire to send a message to others. The sender has information that he or she wants to communicate to another person in order to achieve a specific purpose. By sending a message, the sender is trying to achieve understanding and a change in the behavior of the recipient. (Aquinas, 2009)
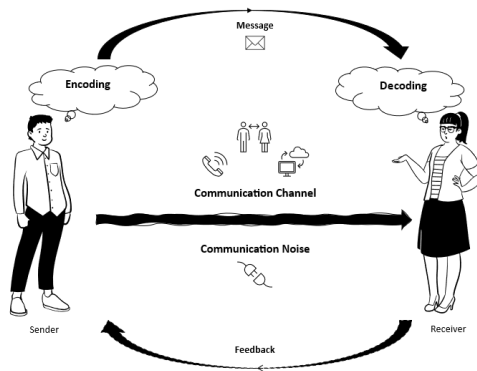
Figure 2: Communication process
Source: own.

Encoding: A process that occurs in the mind of the sender and refers to the conversion of ideas, thoughts, information, and messages into symbols or language that the receiver can understand. It is the first step in the communication process, where the sender selects appropriate symbols or words to express his message. (Mumel, 2012)

Message: The result of encoding can consist of verbal and non-verbal symbols. The message can be oral, written, symbolic or non-verbal, such as body gestures, silence, sighs, sounds, etc. or any other signals. (Mumel, 2012)

Communication channel: The means by which a message is conveyed to a recipient (visual, auditory, written, or a combination of all three). It represents the medium through which the message travels. Communication that uses the sender's voice as the communication channel is called oral communication. When the communication channel includes written language, the sender is using written communication. The sender's choice of communication channel communicates additional information beyond that contained in the message itself (e.g., documenting a poorly performed job in writing communicates that the manager took the problem seriously) (Aquinas, 2009).

Decoding: The process of transforming nerve impulses into thought or interpreting the sender's message in the receiver's mind. The receiver attempts to understand the sender's message as fully as possible. Effective communication

occurs only when the receiver understands the message in exactly the same way (or as close as possible) as the sender intended it (Mumel, 2012).

Receiver: The person to whom the message is addressed and who perceives the message through one or more senses (e.g., a customer's voice on the telephone or a thumbs-up sign from a manager). He or she attempts to understand it as fully as possible so that the communication goal is achieved. The degree to which the receiver decodes the message depends on his or her knowledge of the content, experience, mutual trust, and relationship with the sender. Most importantly, the receiver will perceive the message in a way that is consistent with previous experiences (Aquinas, 2009).

Feedback: Feedback is communication that occurs in a reverse direction. If the sender is attentive to the feedback and interprets it correctly, the feedback can help the sender determine whether the original communication was decoded correctly. If there is no feedback in the communication, we speak of one-way communication. Employees often do not give feedback to managers because they feel that their time is wasted. Feedback can be negative, so they feel uncomfortable if they misinterpret the message they receive and do not want their managers to notice (Aquinas, 2009).

Communication noise: Interference that occurs during the encoding and decoding of a message. Such interference can be ambient noise that prevents the recipient from hearing the sender's voice, a short circuit in the internet connection, for example, if we have a meeting via Zoom/MS Teams, etc., lack of knowledge of terminology (technical language), different interpretation of words, etc. (Guffey & Loewy, 2022).

2.1.1   Barriers and solutions in communication

Communication barriers can be divided into verbal and non-verbal, as shown in Table 1.

The first verbal barrier refers to the lack of information about the level of knowledge on the part of the sender and recipient relating to a given situation. For example, a manager wants to talk to a subordinate about the challenges of a certain project but

the subordinate has not yet received the project application documents and does not have a comprehensive understanding of the matter.

Table 1: Communication barriers

Verbal barriers	Nonverbal barriers
Lack of knowledge or vocabulary.	Inappropriate or conflicting signals.
Differences in interpretation.	Differences in perception.
Language differences.	Inappropriate emotions.
Inappropriate expression.	Distractions/interference.
Too abstract and ambiguous.	
Polarization.	

Source: (Newman, 2017)

Vocabulary refers to terminology that the other person may not necessarily be familiar with. If an employee is negotiating with a supplier from a different field, they should be careful not to use words that are too complex or too simple. Overly complex vocabulary can give a sense of superiority and increase the likelihood that the recipient will not understand what is being said, while overly simple vocabulary can indicate unprofessionalism.

Differences in interpretation can occur when words have different meanings (e.g., »capacity« can be the ability of a company to perform a certain amount of work or the quantity that can be accepted). Another form of misinterpretation can also occur when two interlocutors are discussing a price or salary and it is obvious to one that the price is with VAT, while to the other it is without VAT or gross or net value. Misinterpretation can also occur if the sender and the recipient have different feelings, or positive or negative attitudes towards certain terms (e.g., working from home). Differences in interpretation also occur when the recipient wants to convey content that has already been conveyed and summarizes the essence, losing important details that are crucial for the next recipient to understand.

Language differences often occur when doing business in a foreign language. Misunderstandings occur when using a first language but are even more common when using a foreign language because, in addition to the language, we also have to take into account the other culture and the customs or values of people who may understand terms in a different way to us.

Communication problems can quickly arise, so it is important to avoid abstract and ambiguous use of language when conveying information of a more complex nature.

Defining people into two groups (e.g. poor and rich) means polarization in communication, which we try to avoid as much as possible so as not to put the recipients in an uncomfortable position (Newman, 2017).

In the case of non-verbal barriers, one is the use of signals that have different meanings in different environments/cultures (e.g. a circle with the thumb and forefinger in our country means that everything is fine, whereas in France this gesture has a negative meaning).

Differences in perception occur due to different perceptions of events based on emotions. An example could be a meeting where the manager announces some news but the employees' reaction is different to that expected.

Nowadays, a greater degree of expression of emotions is allowed in the business world but we must keep in mind that excessive anger, prejudices, stereotypes, etc. do not belong in communication.

Finally, nonverbal barriers include distractions such as ambient sounds, technology problems, and other noises that prevent the correct transmission of the sender's message to the recipient (Newman, 2017).

3   Leadership

Leadership is the ability to direct, influence, and inspire a group of individuals or a team to achieve a common goal or task. It involves creating a clear vision, making sound decisions, communicating effectively and motivating others to cooperate in realizing the company vision. Leadership can be found in a variety of contexts, such as: business, politics, education, sports, and various social organizations.

3.1   Transactional or transformational leader

Depending on the style of leadership, leaders can be classified into two groups. One group is termed transactional leaders and the other group transformational leaders. If we explain this using Maslow's pyramid of needs, a transactional leader pays attention to satisfying the three basic levels, while a transformational leader also strives to satisfy the highest two levels (Figure 3).
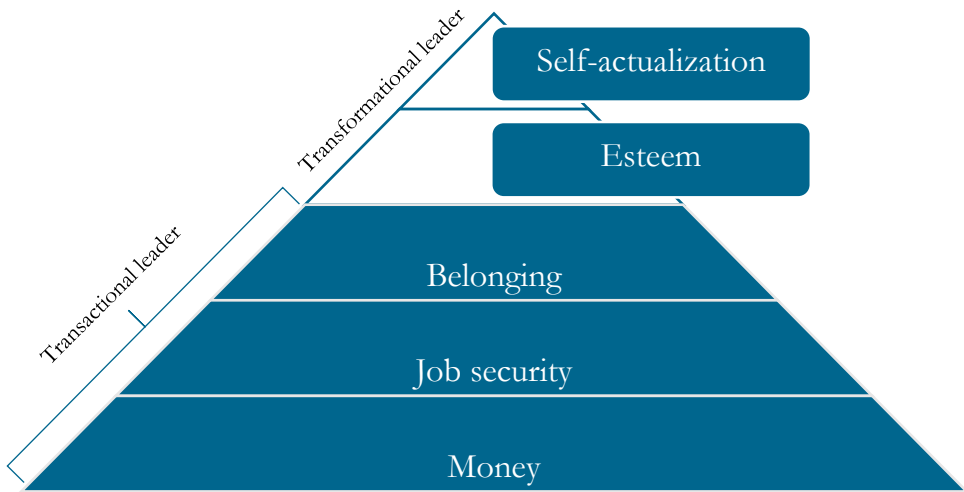

Figure 3: Maslow's pyramid of needs
Source: own.

As the word transaction itself suggests, this is an exchange between employees and their manager. For a job well done, the employee receives a reward or salary, has a secure job, and belongs to a group. If the job is not done well, there is a punishment (non-membership in the group, job instability, dismissal).

Transformational leadership is about guiding and motivating employees through change, achieving higher goals such as relevance and self-fulfillment in the career field. A transformational leader encourages employees and wants them to grow together, contributing to greater efficiency and the success of the organization.

Leaders who advocate and use the transactional leadership style adhere to a defined work structure, including a clear chain of command. They operate on the assumption that the leader and subordinates make a deal. The leader has all the authority and the subordinates have all the responsibility. This leadership style is suitable for achieving short-term goals. Employees are motivated by rewards and punishments. Leaders operate on a day-to-day basis, without a bigger picture and long-term goals.

Transformational leaders are truly transformational when they raise awareness of what is right, good, important, and beautiful, and when they help meet subordinates' needs for achievement and self-actualization. Such leaders want to achieve progress in employees and transform the organization, taking it to a higher level. They have a long-term vision and goals that differ from past goals. They motivate employees with the idea of a better future and development (Kavita, 2015).

3.2   Leadership styles

Leadership style refers to the approach or method a leader uses to communicate with their employees (or organization) and how this influences their behavior. Different leaders may use different styles based on their personality, values, experience, and the needs of their employees. What the leadership style will be depends on the leader, the employees, and the work environment.

A study was conducted to determine which specific leadership behaviors bring about positive results. The study was based on a sample of 3,871 managers worldwide and identified six generally accepted leadership styles that stem from different components of emotional intelligence, specifically (Možina et al., 2002; Mullins, 2005):

- leadership by coercion (the leader demands immediate fulfillment of obligations),
- leadership by direction (the leader encourages people to realize the vision),
- leadership by connection (the leader establishes emotional bonds and harmony),
- democratic leadership (the leader achieves consensus through cooperation),
- leadership by dictation (the leader expects excellence and self-initiative),

– leadership by mentoring (the leader cares about the development of employees for the future).

3.3   Leader competencies

Leaders have greater responsibility than other employees and their work intersects with various areas in the company. With their behavior, they set an example for others and set the boundaries of bold and expected behavior in the organization. The main responsibilities of leaders are: knowing the factors that affect leadership, directing events and maintaining harmony between individuals, the group and the work environment (Možina et al., 2002).

Table 2 describes the key competencies that are necessary and common to employees in leadership positions in order to be effective in leadership.

Table 2: Leadership skills

People management skills	Empathy	Empathy is important for an objective perception of employees, their rights, emotions, and beliefs. With empathy, a leader recognizes the needs of subordinates.
	Objectivity	Objectivity is key to analytical decision-making and fair dealing.
	Communication skills	With good communication, a leader receives and conveys information better, gives clear instructions, and uses resources more efficiently.
	Knowledge transfer skills	The ability to transfer knowledge in a way that is comprehensible to the employee.
	Social skill	A leader gains the trust and loyalty of subordinates through empathy and a friendly approach, thereby providing them with support.
	Power sharing	The ability to share power, influence, and control with other employees. This helps employees develop a sense of belonging, increases motivation, and relieves the manager.
	Vision	A clear idea of how to achieve goals and how to communicate this to other employees.
	Consistency of values	Consistent values of the leader with those of subordinates and the values of the organization mean better synergy and easier overcoming of challenges.
Conceptual skills	Understanding of the organization's management	
	Knowledge of the competition	
	Knowledge of the organization's financial situation	
Technical skills	A manager must have a thorough understanding of the principles, procedures, and activities of the workplace. Technical skills include specialized knowledge, analytical skills, and the ability to use the tools and techniques of a particular profession.	

Personal skills	Intelligence	Intelligence is an essential trait of leaders.
	Emotional maturity	This means mature and rational decision-making that brings positive consequences in the future.
	Personal motivation	The internal desire to get the job done and goals achieved. It can be intrinsic motivation, which brings personal satisfaction, or extrinsic in the form of material rewards.
	Integrity	A commitment to ethical and moral conduct that brings trust and respect.
	Open-mindedness	Making and changing decisions based on the expediency of the situation and thus adapting to circumstances.
	Intuition	Having a sense of what will happen in the future and how best to respond to the predicted events.
	Self-awareness	Knowing your strengths and weaknesses and overcoming them in this way.

Source: (Aquinas, 2009; Možina et al., 2002)

In addition to the listed competencies, it is important that leaders do not forget about clarity in communication, avoiding demotivators, listening to their employees, being attentive to providing clear and constructive feedback, and knowing how to allocate tasks, possibly delegating them, and never becoming too busy to lead.

4   Annual interview

The purpose of regular annual interviews in organizations is primarily to align the wishes and expectations of employees with the expectations of the organization.

The regular annual interview takes place between a subordinate and a superior. It is held once a year (some companies also introduce semi-annual regular interviews). The exact date and time are agreed upon at least a few days before the interview itself, as both participants prepare for it in advance. The superior has a prepared form, which the subordinate fills out and sends to the superior for review so that the superior can read the form and think about it. The subordinate must also have enough time to think and fill out the form. The purpose of the previously agreed upon date is also to prepare the environment for the interview. The space in which the interview is conducted is in most cases the superior's office. Preparing the environment also means that the manager ensures the smooth running of the interview, which can last from 45 minutes to a maximum of 2 hours.

The form consists of three sections: a section that includes questions related to past work/achievements; a section related to the work that the subordinate is currently doing; the third section is intended for the employee's goals and expectations in the near and distant future. The form also includes questions related to work with other colleagues and with the manager, what are good practices and where there are opportunities for improvement. The regular annual interview is also an opportunity for the manager to give praise or constructive criticism to the employee.

4.1   Benefits of annual interviews

Conducting regular annual interviews can be extremely effective if those involved are prepared for them and are aware of the importance and benefits for all involved. In case of resistance from employees, they should be informed about the purpose of conducting them and the potential benefits. Conducting annual interviews can have a positive impact on employees, managers and the entire organization. Below are listed the key benefits for each group mentioned.

Positive gains for the organization (Mumel, 2012):

– general increase in employee satisfaction,
– obtaining and updating data in the HR department,
– coordinating the goals of employees and the organization,
– improving communication flows in the organization.

Positive gains for managers (Mumel, 2012):

– improved communication with subordinates,
– getting to know subordinates' personalities and adapting leadership style,
– identifying subordinates' motivational factors,
– a space to share the floor with subordinates in terms of their opinions, suggestions for improvements, potential challenges at work, etc.

Positive benefits for employees (Mumel, 2012):

– employees feel like they are an important part of the organization,

- showing their work in the broader context of the organization,
- obtaining information about what the organization expects of its employees,
- providing information about what their expectations are of the organization,
- feedback on the performance and achievement of their department's goals,
- receiving information about the organization's goals and development.

5 Communication between different generations

Workplaces are filled with employees of different ages, which means different perspectives, values, and habits. Each generation has been marked by formative events. Due to rapid technological development and the subsequent adaptation of our lifestyles, these differences between generations are now much greater than ever before. To facilitate the cooperation of all employees, it is important to be aware of these differences and find a way of communicating that is suitable for all generations.

5.1 Generations currently present in the labor market

There are currently up to four different generations present in the workplace. The oldest employees belong to the Baby Boom generation, and there are around 6 % of them in employment, according to research from 2020. They are followed by members of Generation X, who constitute 35 % or less of the workforce. The same percentage, or currently probably the most numerous generation on the labor market, is Generation Y or the so-called Millennials. According to Statistical Office findings, this generation stood at 35 % in 2020. The youngest generation entering the workplace is Generation Z, which accounts for around 24 % of the workforce and is currently increasing (*Employment Worldwide by 2020, by Generation*, 2025).

5.1.1 Baby boomer generation (born between 1946 and 1964)

The Baby Boom generation was characterized by growth after World War II. Some of the key events that shaped this generation include: the Cold War, the founding of the Socialist Federal Republic of Yugoslavia, the development of the first televisions, and the moon landing (1969) (Williford, 2023).

Members of this generation like direct communication on a professional level. They prefer to communicate in person or over the phone. Society attributes to them characteristics such as: competitiveness, resistance to change, workaholics, realists and challenged when using new technologies. Factors that motivate employees of this generation are being appreciated, rewarded with money and bonuses, and acquiring prestige and status symbols such as a title and a parking space (Berkup, 2014).

5.1.2 Generation X (born between 1965 and 1980)

Generation X in Slovenia was shaped by a period of political reforms, the introduction of democracy, Slovenia's independence (1991) and the transition from socialism to a market economy. The fall of the Berlin Wall (1989) and the collapse of the Soviet Union (1991) also took place on European soil.

They are concise and flexible in their communication. They prefer to communicate via telephone or email. They are highly motivated to work.

Research confirms that members of Generation X are less loyal, more self-oriented, expect promotion earlier than older generations, and work is not as important a value for them as it was for previous generations (Smola & Sutton, 2002).

At the beginning, it is necessary to thoroughly explain to them what their work entails, what the expectations are of them from management and to allow them do the work themselves. It is important for them to feel safe at work, receive feedback and have the opportunity to advance in their career. (Berkup, 2014)

5.1.3 Generation Y (born between 1981 and 1996)

Generation Y was shaped by Slovenia's accession to the EU, the economic recession (2008) and, above all, the growth of digital technology and social networks (e.g. IRC). On a global level, the generation was influenced by the terrorist attacks of September 11, 2001.

Their communication is informal and efficient. It takes place via text messages or e-mail.

Research shows that this generation values free time more than previous generations but they also work more (Meriac et al., 2010). Members of this generation like to be led and respect mentors but they like to do their work individually. Leadership in a commanding manner and excessive hierarchy demotivate them. If the job does not suit them, they have no problem changing the work environment (Berkup, 2014).

5.1.4   Generation Z (born between 1997 and 2012)

Generation Z is the first generation to not know a world without digital technology, and for them the virtual world is a greater reality. It is the generation that encourages a positive attitude towards the environment, and its members are most committed to mitigating climate change. The Covid-19 pandemic has also had a major impact on this generation.

They are direct in their communication and like to present things visually. They do this most often in person or via video call. Due to the fast pace of life, which has been aided by technological progress, members of Generation Z have a great need for things to happen quickly or instantly, similar to Generation Y. Due to the numerous stimuli they are exposed to, especially digital technology, their attention span is short. One of the positive features that modern Internet technology has brought to this generation is that they can be interested in more than one topic at the same time. Because their ability to be interested in more than one area is very high, they are said to have the highest level of synchronization of motor skills of hands, eyes and ears in the history of mankind (Berkup, 2014).

5.2   Challenges and advantages of generationally diverse teams

There are a number of advantages and challenges concerning generationally diverse teams, i.e. people of different age groups in the work environment.

Different generations in a work team can bring challenges such as (Appelbaum et al., 2022; Oleka-Onyewuchi, 2023):

- communication: differences in communication style can lead to misunderstandings and difficulties in mutual understanding,

–   conflict: different values, expectations and ways of working, which can lead to conflict and difficulties in cooperation if there is no appropriate leadership,

–   leadership: leaders must adapt their leadership style to different generations, as they have different ways of communicating that are closer to them, respond differently to feedback and have different motivators,

–   adaptation to change: members of younger generations often adapt to change more easily, while older generations may have more difficulty dealing with changes in the work environment, such as new technologies or processes.

On the other hand, there are many benefits to having a mixed-generation team. One of the most valuable is the diversity of perspectives. Each generation has grown up in different circumstances, technological environments, and with different social changes. This allows each individual to bring their unique experience and perspective to problem solving and decision-making within the team.

Another positive feature is greater creativity and the possibility of innovation. Different generations can contribute different ideas and strategies to innovation, and by combining them, the level of creativity and innovation in a team can be increased.

Learning and mentoring can be implemented through the collaboration of different generations. Older employees can share their knowledge and experience with younger employees, which enables the transfer of knowledge and skills between generations. Younger employees can bring new knowledge about the latest technologies and trends and teach them to older employees.

Generational teams can better understand the diverse needs of customers, as members of different generations have different backgrounds and experience, which can contribute to better product and service development (Appelbaum et al., 2022; Behie et al., 2023).

According to research and practical experience, effectively managing generationally diverse teams can bring great benefits but it also requires attention to the challenges that this diversity can bring.

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