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Preliminary communication

ANALYSIS AND INFLUENCE OF EDUCATION AND TALENT OF MANAGERS ON BUSINESS COMMUNICATION IN COMPANIES

Dino Baricevic¹
Irijana Rajkovic

Abstract

The development of modern economies is based on the development of companies. Business communication in them is very interesting for research, especially which variables affect it. In order for a company to achieve a competitive advantage over other companies in the environment and achieve good internal business communication, it must have: an educated manager who has certain knowledge and skills, who knows and understands how to manage their talents and how to motivate their employees. Employee communication in companies is like a liquid that cannot be lived without. Communication determines the direction in which our personal and business life moves. Without communication, man hardly exists. In the modern digital world of the 21st century, the one who owns information is the monopolist of knowledge and management.

Key words: manager education, manager talents, business communication.

JEL classification: I20; M10

INTRODUCTION

Who will be illiterate in the 21st century? It will certainly not be those who cannot read and write, but rather those who will not know how to learn, apply and learn something new. The question arises: What is the role of manager education in the 21st century? We can answer it only if we know the answer to the question: Is a manager born or is he created by learning? If we believe that a manager is born, then no education is necessary, and if we believe that management can be learned, then education is certainly necessary. Education plays a key role in creating managers.

1. EDUCATION OF MANAGERS

In the education of managers, a significant role in the era of globalization is played by business changes that have resulted from technical and technological development and the development of science. Just as education is important for the country, the education of managers is important for business. Education is considered the greatest value and

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measure of success, which is the basis of economic position and social status, i.e. the power of a society and the key to the progress of every individual.

Social and technical-technological changes must also be accompanied by changes in the education of managers. "Now it is important not only to learn as a process, but also a process of how to: learn something, be creative, communicative... It creates a new dimension of learning. continuous learning even after graduation." "Influences that affect changes in the economy mainly affect both education and educational institutions". Only an educated manager can achieve a successful business career in modern societies and in all industries. The highest paid professions are well-educated managers in all sectors of society from medicine to military industry.

Education is a constant process of continuous learning from birth to death. That's why the education of administrators must start from kindergarten and continue throughout life. Every child has an equal chance to develop at birth, but not all have the opportunity to be educated, especially when they grow into men and throughout their lives. Children can quickly and easily accept new knowledge, skills, behaviors from adults. "Informal life should be implemented in the formal life of man. Informal education must be included in formal education. Various schools of education have long appeared in the world, such as the West German school of "learning a trade on the spot", the Japanese school of "training for a specific vocation" or American "call school" schools.

Three years ago, it was predicted that by the end of 2020, the number of Chinese with higher education would be equal to the total American population aged 25 to 64. Brazil, for example, will have more highly educated people than Germany, and Turkey more than Spain. Little Indonesia will have more than three times as many highly educated people as France (Figure 1). By the end of this year, 4 out of 10 new graduates worldwide will be from China and India.

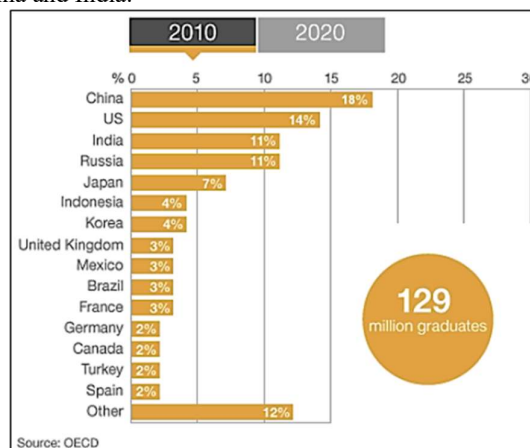


Figure 1. Forecasts of the world's academic population aged 25 to 34 for 2010²
Source: <https://www.bbc.com/news/business-18646423> (18.02.2023.)

Research by the Organization for Economic Co-operation and Development (OECD) points to major changes in the "education map of the world" -- as more young newly

² <https://www.bbc.com/news/business-18646423> Downloaded: (18.02.2020.)

educated people will come from universities in emerging countries in Asia, and significantly less from universities in the United States and the West Europe. Forecasts of global talent pools for the year 2020 (Figure 2), newly educated graduates in China will make up about 29% of the world's total academic population between the ages of 25 and 34. The most drastic reduction in the number of highly educated young people behind India will be in the United States by 11%, writes the BBC.

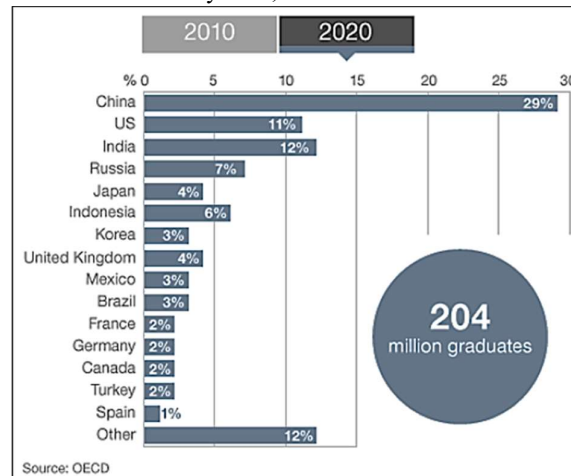


Figure 2. Forecasts of the world's academic population aged 25 to 34 for 2020³
Source: <https://www.bbc.com/news/business-18646423> (18.02.2023.)

Russia will also see a decline in the number of people in higher education, almost 50% compared to the beginning of the 20th century. Little Indonesia, according to OECD projections, will advance to the 5th place in the world in terms of the number of highly educated people. Higher education is a mirror of the economic results of the country, so that in the second half of the 20th century, universities dominated by wealth, influence and reputation, which have now drastically fallen in attendance.

The increase in the number of highly educated people in Asian countries claims that they want to be a serious competitor to the Western economies of highly educated people, staff and well-paid occupations. In Great Britain alone, the number of graduate students will increase to 4% this year. The OECD analysis implies that the tendency of the growth of educated personnel has a clear economic purpose, but the question also arises: Will there be enough work for highly educated people?

The Oxford Internet Institute has sketched several maps showing the distribution of knowledge. "Geography of World Knowledge." This map shows how certain countries use or create information in the Internet environment by showing: the level of Internet use, the number of accounts opened on different websites, where academic activities are concentrated, and the geographic focus of Wikipedia articles. On this map, it can be seen that Western educational and cultural dominance is still ongoing, and that Asian countries are increasing, especially the number of students and PhDs, where they are in

³ <https://www.bbc.com/news/business-18646423> preuzimanja: (18.2.2023.)

the lead. Although Western countries continue to exist in their dominant positions thanks to their control over institutions.

On this map (Figure 3), it can be seen that Europe is larger than Africa, but also that South America is losing in the battle for digital dominance, which is a cause for concern.

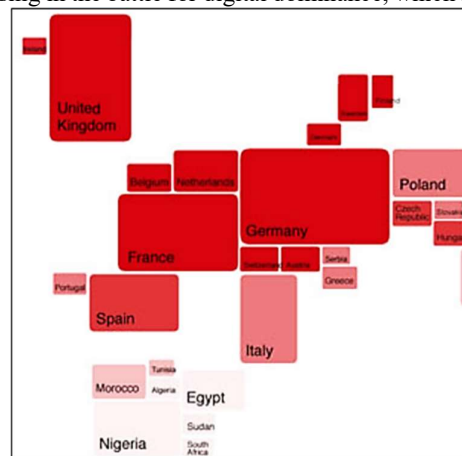


Figure 3. Oxford World Map of Internet Users⁴

Source: <https://www.siasat.pk/forums/threads/end-of-empire-for-western-universities.122897/> (18.02.2023.)

The most responsible manager is the manager for the success or failure of the company, but also whether he is educated or not. "Not everything that is old is bad, and in management there is nothing worse than adhering to old habits and prevailing rules, but also that everything new is good. Therefore, a manager must constantly carefully evaluate changes in all industries and education, in order to be successful in his work. " "Educational systems must be as efficient, effective and of high quality as possible". Incomplete and slow educational reform, as well as the lack of cooperation between higher education institutions and the economic sector, as well as global changes affect companies in general. "There are big differences in the deficit and surplus of occupations".

The education system must create educated workers and managers who can work in a dynamic environment with a lot of flexibility and adaptability to the needs of modern business. "Learning and education must not stop with the acquisition of a certain: professional, academic or scientific title, it must continue and be carried out throughout life. The manager's outlook improves in the current job, if he is given a new opportunity to further education or education, because it could be the beginning of his new career."

⁴ <https://www.siasat.pk/forums/threads/end-of-empire-for-western-universities.122897/preuzeto>: (18.02.2023.)

2. TALENT MANAGEMENT

"There is no doubt that: attracting, developing and retaining talent has emerged as one of the most critical issues facing businesses worldwide." "Managers should have a talent for managing companies. It is a very complex set of interrelated human processes, which provide a simple foundation for a company. It refers to:

- the process of attracting highly qualified future workers,
- integration for new workers, and
- development and retention of workers already working in companies in order to fulfill current and future business goals of the company." (Uba, C. 2011)

Companies in the talent management strategy "engage employees, all managers at all levels in the company. Attracting and retaining profitable workers" is of strategic importance for the company. This creates "competition among companies and leads to the so-called "war for talent." Talent management is a concept.

The term "talent management" means different companies, different things, such as for one the management of highly skilled or "talented" workers, while for others it is the identification and release of workers who have talent in the company. The term talent management "emerged at the end of the last century. It includes achievements in human talent management as part of human resource management in companies." The term was "published for the first time" but was created "as a link between human resource development and organizational effectiveness" The problem with many companies is their management. This administration invests a lot of effort in attracting workers, but also that their companies do not spend enough time on retaining and developing talented workers.

Company managers should develop the skills of their direct subordinates as one of the constant needs. The division of tasks within the company should be open, that is, for the exchange of information with other departments. All this is for employees to gain knowledge about the general goals of the organization. Companies "focusing on developing talent management must integrate plans and processes to track and manage their employees and their talent," which⁵ include:

- where the workers come from,
- attracting workers,
- employment of those workers who are talented in qualified positions,
- monitoring, managing and defining employee salaries in relation to competing companies,
- development and training of newly employed workers,
- performance management of existing employees,
- preparation of programs and promotion of workers and
- employee advancement

Talent management must be supported by modern technology and technology, such as (Eng). New resource systems scrim HRIS) and (eng. Management of management systems scrim . HRMS). Companies or companies dealing with talent management

⁵ <http://businessworldng.com/web/articles/1739/1/Talent-Management-Strategy/Page1.html> preuzeto (18.09.2023.)

(Capital Management) are strategically well organized. Research suggests “that such companies can discover advantages at critical moments that relate to and affect them, namely: revenue, customer satisfaction, economy, productivity, quality, production cycle time or market capitalization”. The approach is not only hiring new talented workers, but also retaining existing talented employees.

Talent management should continuously involve:

- "performance management in the company,
- development and planning of employee leadership and
- identifying problems in talent recruitment. (Uba, C. 2011)

The two main areas of management talent are:

- employee performance measures and
- employee potential

The measure that determines the profitability of employees in the company is the continuous monitoring of the performance of all employees in it. However, talent management should also focus on the potential of all employees, i.e. their future performance in the company. This is also influenced by the proper development of skills and responsibilities of all employees in the company at all hierarchical levels.

Talent design is "a very important part of the overall talent management process" and refers to:

- reviewing the work, career and potential of all employees,
- possible risks of work of existing employees,
- identification of workers who inherit work tasks and the most talented employees in the company, and
- creation of action plans for the preparation of future employees and their role in the company itself.

Talent management is an integrated human resource management process that should ensure that companies have a continuous supply of highly productive workers in the right job at the right time. (Uba, C. 2011)

- plans for talent needs,
- attract the best talents,
- ensures talent productivity,
- retain the best existing talents and
- continuously monitors the needs and movement of talents within the jobs (positions) in the company where they create the greatest impact.

3. BUSINESS COMMUNICATION

Business communication is a way of exchanging or transferring information with a previously agreed and understandable composition of communication between someone who sends and someone who receives this information. Communication is at least what a person says. The way it is said is over 90% of what is established and accepted in a relationship between two people. Since the existence of mankind, there has been communication. The first was: facial expressions, appearance, then body language, various intonations, rhythm of voice, volume of speech, speed of speech and the sound of speech itself,... "The general concept of communication includes not only

communication between people, but also communication between animals (instinct, body language,...).(Tomih, Z. 2003).

Over time, communication takes on an increasingly complex structure and dimension. The transmission and exchange of information takes place through communication activities. In order to achieve communication, a request by the sender of the message intended for the receiver is required, regardless of whether the receiver must be present or not, or the conscious intention of the sender (sender) to communicate with the one who receives the message (Receiver) at the time of communication. Communication can occur over great distances in space and time. When the receiver understands the message sent by the sender, the communication process is complete. The key to quality, good and effective communication between communicators is feedback.

Communication is a two-way process, which implies understanding the received message, i.e. understanding what others have to say. Communication implies:

- active listening,
- understandable speech and
- respect between communicators.

The key word in *communication* is information (to open or confuse), and this is also the use of some information or so-called "communication skills". Information is someone who is not a person of information.

Real information can be made in companies, but it is also important to use it. Every piece of information has its price in the process of communication in the company. It can also have an economic impact on the company.

Information in a company depends on several important factors:

- Quality - the degree to which the information is reflected in the *real* (actual) state of affairs, about which it speaks. The quality of the information is higher, the higher the degree and vice versa. The higher the quality of the information, the higher the price. The most important thing is that the quality of the information is realistic.
- Importance - due to the amount of information in today's world, its significance should be determined. This is not an easy task, because they do not have the same importance of information for all employees, at the same hierarchical level.
- Timeliness - the right information is very important for any business, if it is received on time. The elapsed time from the moment the information is known to its use in practice should be as short as possible
- Availability — When making decisions in the company, different available information is used that is current, obtained from different sources or places. Quality information is far more inaccessible than lower quality information. The price of information plays a big role here.
- Quantity – the company needs as much information as possible, but not too much. For any business, the most important thing is strategic information, it is the information that is managed and decided upon."

There is a rule that when solving a certain business problem, 90% of the information is paid for with 10% of the price, and the remaining 10% of the necessary information with 90% of the price.

4. RESEARCH METHODOLOGY WITH A THEORETICAL MODEL

The problem in this research is that the empirical analysis in a certain area indicates the influence of the level: education and talent of managers, on business communications in companies. Operational determination of the research subject is based on the following factors:

- basic competitive factors of managers – education and talents, and
- in business communication

The determination of the time of the research subject refers to the period from January to March 2023. Spatial determination of the research subject includes company managers in the territory of the Republic of Serbia. The research is multidisciplinary, so that it belongs not only to one, but also to several sciences that deal with the above-mentioned issues in the social and humanities scientific fields.

The subject of this research is to prove the mutual influence of the defined variables based on the theoretical model of the system:

1. Can the level of education of managers influence the level of communication in companies?
2. Can the talent level of managers affect the level of communication in companies?

The subject of this paper is to determine the direct influences and relationships of independent variables and levels: education and talent on the dependent variable level of communication in SMEs based on derived theoretical models of the system (Figure 4).

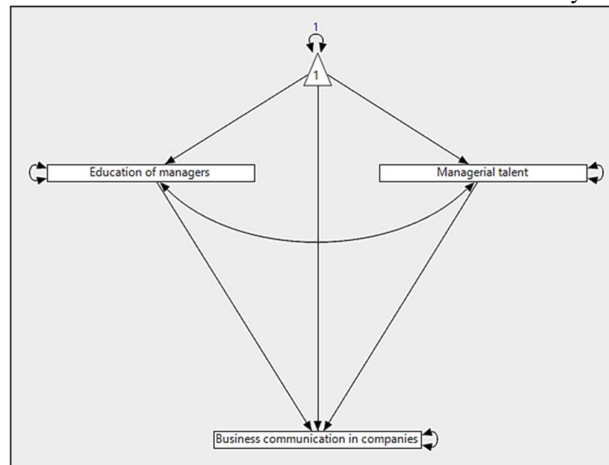


Figure 4. Theoretical research model

The main goal of the research is to determine whether: the education and talent of managers are key factors that influence business communication in companies, that is, to investigate and critically assess the level of basic competencies of managers that influence it in the territory of the Republic of Croatia. The practical goal of the research is to create several system models based on the obtained empirical research results, which

describe the proposed research questions, and which would contribute to a better concept of business communication in companies. The ultimate goal of the research is to complement the scientific knowledge about the achievements of theoretical thought and an attempt to appoint an educated, skilled and talented manager with the right motivation, as the initiator of business communication in companies. The scientific and social goal of this research is to create a professional work in which the impact will be defined: education and talent manager in the function of improving business communication in small and medium-sized enterprises. To improve the effectiveness and efficiency of communication in SMEs through the prism of the basic competencies of managers.

In accordance with theoretical research, defined methodology, as well as available empirical information, the following hypotheses are developed:

- H_0 : - The levels of education and talent of managers do not affect the level of business communication in companies
- H_{alt} : - The levels of education and talent of managers affect the level of business communication in companies.

5. EMPIRICAL RESEARCH

Descriptive statistics of respondents according to profile (gender, age and school education) are listed in (table 1). We can see that there were more male respondents 57.14%, from 31 to 45 years 42.86%, and primary/secondary school 57.94%, out of a total of 126 respondents.

Tabel 1. Descriptive statistics of respondents' profiles

Sex of the respondent	N	Column %
Men	72	57.14%
Women	54	42.86%
All	126	100.00%
Age of the respondent	N	Column %
from 18 to 30 years	12	9.52%
from 31 to 45 years	54	42.86%
from 46 to 60 years	38	30.16%
over 60 years	22	17.46%
All	126	100.00%
School level of the respondents	N	Column %
primary/secondary school	73	57.94%
higher school/faculty	53	42.06%
All	126	100.00%

(Figure 5) shows the values of the correlation coefficient for the set theoretical research model. The correlation between the independent variable Managerial talent and the dependent variable Business communication in companies is 0.9948, and between the independent variable Education of managers and the dependent variable Business communication in companies 0.9946. The smallest correlation coefficient is between the

independent variables Managerial talent and Education of managers and is 0.9929. All correlation coefficients are positive and very strong.

It can be concluded that the dependent variable Business communication in companies can be explained with 98.92% through the independent variable Education of managers and with 98.96% through the independent variable Managerial talent.

The assessment of statistical significance is given in (Table 2) and it amounts to $[F(2,123)= 8612.466, p<0,0001]$.

Tabel 2. ANOVA

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	2	139.32441	69.6622	8612.466
Error	123	0.99489	0.0081	Prob > F
C. Total	125	140.31930		<0.0001

Based on these data, the proposed alternative hypothesis can be confirmed

H_{alt} : - *The levels of education and talent of managers affect the level of business communication in companies.*

The multiple correlation coefficient when both independent variables Education of managers and Managerial talent act together on the dependent variable Business communication in companies is 0.9964, which means that 99.29% of the dependent variable Business communication in companies can be explained by the joint influence of the independent variables Education of managers and Managerial talent. The multiple correlation coefficient is very strong and positive. In terms of joint influence, the independent variable Managerial talent has a greater influence, amounting to 0.514294, and the independent variable Education of managers has a smaller influence, amounting to 0.483931.

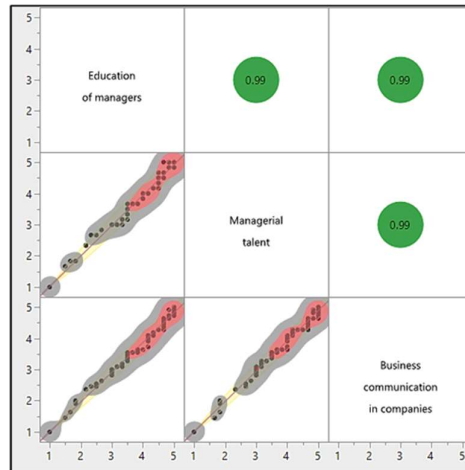


Figure 5. Correlation coefficients

In (Table 2) the size of the contribution of the variables is determined.

Tabel 2. Coefficients of variable contributions

Term	Estimate	Std Error	t Ratio	Prob> t	Std Beta
Intercept	0.026559	0.029755	0.89	0.3738	0
Education of managers	0.4646468	0.061199	7.59	<0.0001	0.483931
Managerial talent	0.5015895	0.062164	8.07	<0.0001	0.514294

Based on the data from the previous one (Table 2), multiple regression equations (formulas 1 and 2) can be formed, which read:

$$y = 0.026559 + 0.4646468 \cdot x_1 + 0.5015895 \cdot x_2$$

(1)

or

$$\begin{aligned} & \text{Business communication in companies} \\ &= 0.026559 + 0.4646468 \cdot \text{Education of managers} + \\ &+ 0.5015895 \cdot \text{Managerial talent} \end{aligned}$$

(2)

Non-standard sizes of the multiple regression equation model are given in (Figure 6).

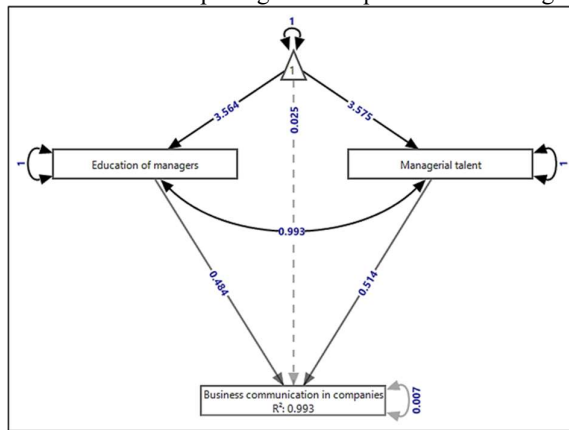


Figure 6. Standard model sizes

Non-standard sizes of the multiple regression equation model are given in (Figure 7).

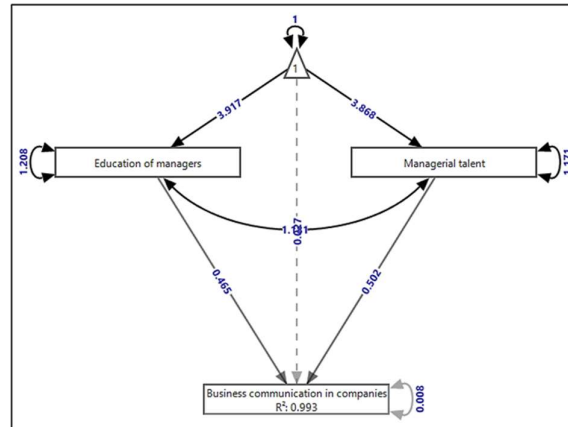


Figure 7. Non-standard model sizes

(Figure 8) shows the diagram of the multiple regression equation.

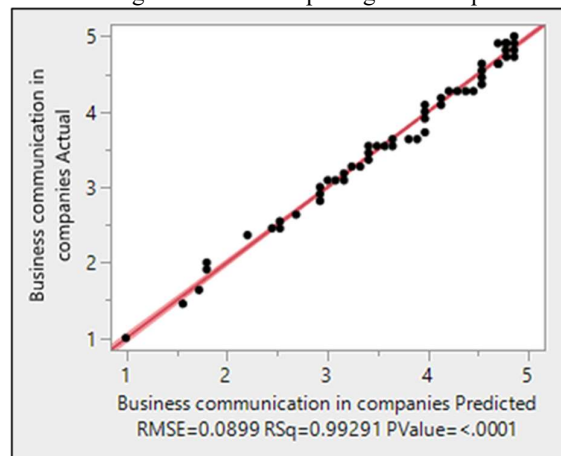


Figure 8. Multiple regression equation diagram

RESEARCH CONCLUSIONS

It has become a trend to reduce the workforce of all levels of education, even highly educated, due to poor quality market conditions caused first by the economic crisis, and now by COVID-19. Both of these things directly affect the efficiency and success of success of small and medium enterprises, especially in relation to the number of employees. The current situation in the world has serious consequences for the Croatian economy on its recovery and development.

Croatian companies are often led by managers who are not enough: educated, they do not have the right to know, they do not have modern skills. especially in the field of business communication. Businesses often get conflicted and jolted by their unstable market positions caused by the pandemic and economic crisis. The talent, knowledge, vision and wisdom of the company's managers are necessary for proper functioning.

Lack of motivation. The interest of the company should be the interest of the employee. Quality and good managers in companies should identify business opportunities and dangers in time, all in function of efficiency and effectiveness of employees, including mandatory motivation. As for the business communication of the planned research, it is easy to conclude that it is functional: education and talent of managers.

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