

Contemporary Trends and Challenges to Enhance Managerial Effectiveness through Effective Organizational Communication

Received: 22.04.2025

Available online: 30.06.2026

Liridon Veliu^{*}, Mimoza Manxhari^{**},
Besnik Krasniqi^{***}, Hajdin Berisha^{****}

ABSTRACT

Managerial competences are crucial for organizational strategic development. The purpose of this paper is to investigate the relationship and impact of communication as managerial competence on managerial effectiveness. Through a self-administered questionnaire, the study collected data from 323 managers from 205 medium-sized and large enterprises in Kosovo. The results showed a positive impact of communication as managerial competence on managerial effectiveness. The study found that informal communication had a significant impact on organizational effectiveness, whereas formal communication showed no statistically significant results. These findings suggest that managers in Kosovo's dynamic business environment may benefit from emphasizing informal communication to improve decision-

making and team collaboration. Additionally, effective negotiation skills were found to enhance managerial effectiveness. However, the study's regional focus on Kosovo limits the generalizability of these findings to other cultural or economic contexts. Future research could explore testing the model in different countries and consider longitudinal studies to better understand how communication styles evolve over time.

Keywords: communication, managerial competence, managerial effectiveness.

JEL: D83; J53; L25; M10; O15

1. INTRODUCTION

Competencies of managers are crucial for a company's success, as they enable managers to develop and implement effective strategies (Critchley, 2010). Among these competencies, communication plays a central role, facilitating information exchange and decision-making within enterprises (Hellriegel et al., 2001, 2008, 2014). Managers reportedly spend at least 80% of

^{*} Faculty of Economics, University of Prishtina, Kosovo

^{**} Faculty of Economics, University of Tirana, Albania

^{***} Faculty of Economics, University of Prishtina, Kosovo

^{****} Faculty of International Business Management, Public International Business College Mitrovica, Kosovo, Corresponding author

Articles

their working hours communicating (Daft, 2003), highlighting the strategic importance of communication competence in enhancing workplace efficiency.

Effective communication fosters clarity, collaboration, and engagement among employees and stakeholders (Armstrong & Stephens, 2008). Communication competence includes various skills such as active listening, constructive feedback, persuasive presentation, and effective written communication. As organizations increasingly recognize the power of communication in driving performance (Erogluer, 2011 in Asamu, 2014), distinguishing between formal and informal communication has gained scholarly attention.

Formal communication follows structured organizational channels, ensuring the systematic flow of official information such as policies, goals, and procedures. These communications may occur between superiors and subordinates or among colleagues at the same level. They are typically documented and contribute to organizational coherence. In contrast, informal communication occurs spontaneously, fostering flexible, trust-based interactions that often enhance collaboration and problem-solving outside formal settings. While formal communication is necessary for structure and coordination, informal communication is often credited with fostering innovation, agility, and stronger interpersonal relationships (Fay, 2011; Qiao & Wang, 2008; Shirazi & Mortazavi, 2009).

The concept of managerial effectiveness has been widely debated, with scholars questioning what constitutes effectiveness and how to measure it (Bamel et al., 2011; Hamlin et al., 2011). Effective managers demonstrate higher productivity and a greater sense of responsibility (Abugre, 2014; Nwokah

& Ahiauzu, 2008). According to Nair and Yuvaraj (2000), a manager's ability to manage people significantly impacts managerial effectiveness. This study aims to investigate the relationship between communication as a managerial competence and managerial effectiveness, particularly examining whether informal communication is a stronger predictor of effectiveness than formal communication.

Research Gap

Despite extensive studies on communication and managerial effectiveness globally, limited research explores this relationship within transitioning economies such as Kosovo. Existing studies often focus on corporate environments in well-developed economies, making it necessary to investigate whether findings from other contexts apply to Kosovo's managerial environment.

Why Kosovo?

Kosovo represents an underexplored yet highly relevant context for studying managerial competencies due to several factors:

- A rapidly growing private sector: The shift from a centrally planned economy to a market-oriented system has positioned medium and large enterprises as key drivers of economic development (World Bank, 2022). Understanding managerial competencies in this evolving context is essential.
- A strong emphasis on informal communication: Unlike highly structured Western organizations, Kosovar businesses rely more on informal communication and interpersonal networks for decision-making and coordination. This raises questions about whether informal communication plays a more significant role in

Articles

managerial effectiveness than formal communication.

- SME-driven economy: The majority of Kosovo's enterprises are small and medium-sized businesses (SMEs), where managers often adopt flexible, informal communication approaches to enhance teamwork and efficiency. This study aims to determine whether these informal communication strategies contribute to higher managerial effectiveness in such enterprises.
- Leadership and workforce development challenges: Despite an increasing emphasis on modern management practices, Kosovo's organizations face skill gaps and structural inefficiencies (European Commission, 2020). Understanding how communication competencies influence managerial effectiveness can inform better leadership training and business development policies.
- Limited empirical studies on managerial competencies in Kosovo: While global studies on managerial competencies exist, there is insufficient research addressing the impact of communication styles on managerial effectiveness in Kosovo's transitioning economic landscape. This study fills that gap by empirically assessing how formal and informal communication contribute to managerial success in Kosovo's business sector.

Research objectives

This study aims to:

- Analyze the impact of communication as a managerial competence on managerial effectiveness in Kosovo.

- Assess whether informal communication is a stronger predictor of managerial effectiveness than formal communication.
- Examine industry-specific differences in how communication styles influence managerial success.

Managerial effectiveness will be measured using efficiency, timeliness, productivity, and other operational metrics (Bamel et al., 2011; Drucker, 2006). These dimensions were selected because they directly reflect the critical outcomes of managerial work in dynamic environments like Kosovo's, where performance is often evaluated based on results-driven approaches.

This study seeks to contribute to the understanding of communication's role in managerial effectiveness, providing insights that can support leadership development and organizational success in Kosovo.

2. LITERATURE REVIEW

2.1. The concept of competence

Competence is widely recognized as a set of knowledge, skills, and abilities necessary for high performance (Boyatzis, 1982; Stevens, 2013). Armstrong and Taylor (2015) further emphasize that competence defines the work tasks an individual must be capable of performing. However, there is little consensus on whether competence is primarily an individual trait or a learned behavior shaped by organizational culture and environmental factors. While some studies (Steward & Brown, 2009) define competence as an inherent trait, others (Ozcelik & Ferman, 2006) argue that competence is largely developed through experience and organizational learning.

This contradiction raises an important question: Are managerial competences innate,

Articles

or can they be cultivated through structured learning and organizational systems? Understanding this distinction is crucial, as it influences managerial training approaches and performance evaluation frameworks.

2.2. Managerial competences

From a managerial perspective, competences can be identified according to two main levels: organizational and managerial competences.

Organizational competences belong to the organization and are the processes and structures that tend to remain within the organization, even when managers leave (Cardy and Selvarajan, 2006). However, many researchers (i.e. Cardy, Selvarajan, 2006; Soderquist and Papalexandris, 2010) claim that there is a strong relation between managerial and organizational competences. This is mainly because organizations have noticed that the use of managers' knowledge is key to gaining sustainable competitive advantage (Ozcelik and Ferman, 2006).

According to Boyatzis (2008), managerial competences are the basic characteristics of a person that can be a motive, trait, skill, aspect of self-image or role or a set of knowledge that he or she uses.

While the classifications of managerial competences differ depending on the

researchers, some similarities have been identified by previous studies as presented in table 2.

The conceptualization of managerial competences has evolved, with Boyatzis (1982) pioneering the idea that they distinguish high-performing managers. Later, Lado and Wilson (1994) expanded this to include the ability to acquire, develop, and deploy organizational resources effectively. However, research differs on whether managerial competences are universal or context-dependent.

Universalist perspective: Hellriegel et al. (2017) and Königová et al. (2012) suggest that managerial competences such as communication, teamwork, strategic action, and decision-making apply broadly across industries and organizational structures.

Contextualist perspective: Cardy and Selvarajan (2006) and Soderquist & Papalexandris (2010) emphasize that managerial competences differ based on organizational culture, industry, and socio-economic conditions.

Given the unique socio-economic environment of Kosovo, this study investigates whether competence classifications from Western-based literature hold true in this regional context.

Table 1. Classifications of managerial competences

Authors	Year	Managerial competences
Lala	1986	Communication, competence, decision-making, humility and love, compassion, vision, teamwork, training, stamina, integrity, man-management, and courage.
Smart	1999	intelligence, analytical skills, strategic skills, judgment and decision-making, risk-taking, excellence, team player, communications, assertiveness, ambition, adaptability, creativity, vision, and balance in life.
Pandit	2001	commitment, persistence, risk-taking, curiosity, difference, values, learning, persuasiveness, focus, humility
Abraham et. al.	2001	leadership skills, customer focus, result orientation, problem solver, communication skills, and team leader
Bartkowiak	2003	operations management, financial management, information management, human resource management
Chełpa	2003	psychological characteristics, professional knowledge and skills
Kuc	2003	psychological characteristics, motivation, qualifications and intellectual skills, specific skills
Alrichs	2003	building relationships with others, building trust, building skills, building the company brand
Walkowiak	2004	professional, social
Caproni	2004	self-awareness, the ability to build group trust, the ability to communicate effectively, the ability to gain and maintain power and influence in an ethical manner, managing relationships with subordinates and colleagues, managing cultural diversity, building effective groups, career management
Kubik	2005	education, knowledge of foreign languages, interpersonal skills, conceptual skills, diagnostic and analytical skills, technical skills
Rao	2007	Job knowledge, hard work, effective communication skills, team skills, calmness
Ram Charan	2007	Ambition, appetite for learning, drive and tenacity, psychological openness, realism, self-confidence
Hopkins and Bilimoria	2008	self-confidence, achievement-orientation, inspirational leadership, change catalyst
Qiao and Wang	2008	team building, communication, coordination, execution, continual learning
Shirazi and Mortazavi	2009	responsiveness, proactiveness, effective communication, team building, negotiation, and decisiveness
Königová, Urbancová, Fejfar	2012	leadership experience, communication skills, flexibility, adaptability, presentation, reliability and responsibility, organizational skills, independence, self-confidence, dynamic personality with an active approach to problem solving, negotiation skills, analytical skills, stress management, ability to manage projects, loyalty, creativity, accuracy, systems thinking skills, ability to make decisions
Kearney et al.	2013	leadership, strategic thinking, problem solving, interpersonal skills
Hellriegel et. al.	2017	Communication, planning and administration, teamwork, strategic action, global awareness, and self-management

Source: (Königová, Urbancová, Fejfar, 2012; Kearney et al. 2013; Bhardwaj, 2016; Hellriegel et. al. 2017).

Table 2. Similarities of Managerial Competences among researchers

Managerial competences	Authors
Communication	Lala, 1986; Smart, 1998; Abraham et. al.2001; Rao, 2007; Qiao and Wang, 2009; Shirazi and Mortazavi, 2009; Königová, Urbancová, Fejfar, 2012; Hellriegel et. al. 2017
Decision-making	Lala, 1986; Smart, 1998
Vision	Lala, 1986; Smart, 1998
Group work	Lala, 1986; Abraham et. al. 2001; Hellriegel et. al.2017
Analytical skills	Smart, 1998; Königová, Urbancová, Fejfar, 2012
Risk-taking	Smart, 1998; Pandit, 2001
Perseverance	Smart, 1998; Pandit, 2001
Suitability	Smart, 1998; Königová, Urbancová, Fejfar, 2012
Creativity	Smart 1998; Königová, Urbancová, Fejfar, 2012
Solving problems	Abraham et. al. 2001; Kearney et al.2013
Self-confidence	Ram Charan, 2007; Hopkins and Bilimoria, 2008; Königová, Urbancová, Fejfar, 2012
Negotiate	Shirazi and Mortazavi, 2009; Königová, Urbancová, Fejfar, 2012
Leadership	Abraham et. al. 2001; Königová, Urbancová, Fejfar, 2012; Kearney et al.2013

Source: authors' compilation

2.3. Communication as a managerial competence

The existing literature extensively recognizes communication as a core managerial competence; however, inconsistencies emerge regarding the relative impact of formal and informal communication. While Hellriegel et al. (2017) emphasize the significance of formal communication in managerial effectiveness, studies by Fay (2011) and Fay & Kline (2012) indicate that informal communication may be more influential in decision-making and organizational cohesion. Research by Tenhiälä & Salvador (2014) and Tang & Thomas (2015) further suggests that while formal communication ensures information accuracy, its impact on managerial effectiveness is limited when rapid responses are required. These contradictions highlight the necessity of examining how different

communication styles affect managerial outcomes in varying contexts.

Communication competence refers to the effective transmission of information from one person to another (Ferreira, 2006). Managers must foster communication between themselves and a diverse workforce (Steyn & Steyn, 2006; Steyn, De Klerk & Steyn, 2006). A manager is considered an effective communicator if a message is accurately understood by the recipient (Kinicki & Williams, 2006; Manxhari, 2013). While previous research widely acknowledges communication's role in management, the relative importance of formal vs. informal communication remains debated.

Formal vs. Informal communication: A contradictory debate

Hellriegel et al. (2017) classify communication into formal (structured, documented) and informal (spontaneous,

Articles

flexible) modes, suggesting both are critical. Fay (2011) argues that informal communication is often more impactful in enhancing teamwork and decision-making, as it fosters stronger relationships, adaptability, and trust. In contrast, Lala (1986) and Smart (1999) highlight that formal communication ensures clarity, accountability, and structured decision-making. This inconsistency raises a key question: Which form of communication has a greater impact on managerial effectiveness?

Why might informal communication be more impactful?

Several studies suggest that informal communication has greater strategic value in dynamic work environments:

- Adaptive leadership: Managers who engage in informal discussions can quickly gather insights, leading to faster decision-making and crisis management (Qiao & Wang, 2008).
- Trust-building: Informal communication fosters employee engagement and collaboration, improving team productivity (Shirazi & Mortazavi, 2009).
- Flexibility & Innovation: Unlike rigid formal communication, informal exchanges encourage creative problem-solving (Königová et al., 2012).

Based on these insights, this study hypothesizes that informal communication is a stronger predictor of managerial effectiveness than formal communication. The findings will contribute to the existing literature by clarifying whether formal communication's structured nature is a barrier or an enabler in managerial contexts.

2.4. Dimensions of communication as managerial competence

According to Hellriegel *et al.* (2008, 2014, 2017), communication competence includes the following dimensions:

- a) Formal communication
- b) Informal communication; and
- c) Negotiation

Importance of communication in managerial competence

Communication is increasingly recognized as a strategic managerial competence, playing a crucial role in organizational effectiveness. Studies by Cejas Martinez *et al.* (2024), Watanabe *et al.* (2024), Korkmaz and Zorlu (2021), and Bucăta and Rizescu (2017) highlight its impact on leadership, collaboration, and adaptation to changing work environments.

Cejas Martinez *et al.* (2024) emphasize that communication is not merely a secondary function but a core strategic tool in managing change, fostering team collaboration, and

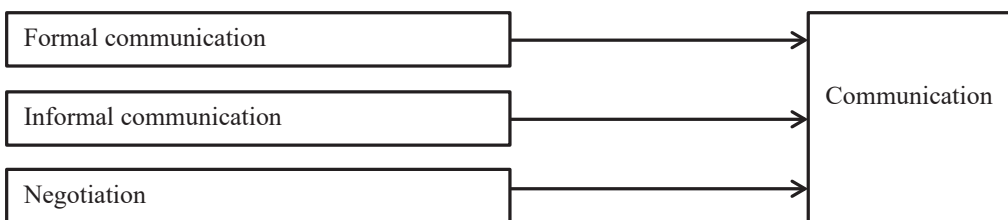


Figure 1. Dimensions of communication as a managerial competence (observed variables)

Source: Hellriegel *et al.* (2008, 2014, 2017)

Articles

strengthening stakeholder relationships. Similarly, Watanabe et al. (2024) examine how organizations have adapted informal communication in remote work environments, highlighting the role of digital tools in maintaining effective team cohesion. Their findings underscore the resilience of communication practices despite physical barriers.

Korkmaz and Zorlu (2021) explore the role of leadership in shaping organizational communication strategies, arguing that both formal and informal communication are essential for effective decision-making and collaboration. Leaders act as facilitators, ensuring the smooth flow of information and fostering an environment where both structured and spontaneous exchanges contribute to organizational effectiveness. Bucăta and Rizescu (2017) further reinforce the significance of managerial communication skills, demonstrating how clear and consistent communication enhances trust, motivation, and overall team performance.

Communication in remote and virtual teams

The shift towards remote work has introduced new challenges and opportunities for communication. Research by Cramton and Orvis (2020) and Leonardi and Treem (2019) explores the complexities of informal communication in virtual teams. They highlight the necessity of digital tools and managerial interventions to facilitate spontaneous interactions and sustain team cohesion. Marlow, Lacerenza, and Salas

(2018) propose strategies for enhancing informal communication in virtual settings, such as implementing virtual "watercooler" moments and utilizing collaborative platforms to maintain team engagement.

This body of research collectively highlights that while formal communication ensures clarity and accountability, informal communication plays a critical role in fostering trust, adaptability, and innovation. Given these insights, this study further examines how different communication styles influence managerial effectiveness in varying organizational contexts.

2.5. Managerial effectiveness

Managerial effectiveness refers to a manager's ability to achieve organizational goals efficiently (Buter, 2012; Certo & Certo, 2012; Hatten, 2012). Effective managers utilize resources strategically, adapting to complex situations and selecting appropriate approaches to accomplish work objectives (Rana et al., 2011; Yukl, 2010).

Perspectives on managerial effectiveness

Research presents two key perspectives on what drives managerial effectiveness:

The Traditional View: Drucker (2006) emphasizes structured managerial processes, including formal communication, planning, and documentation, as essential for effectiveness.

The Contemporary Perspective: Rana et al. (2011) and Yukl (2010) argue that adaptability, informal communication, negotiation skills, and relationship-building are increasingly vital in dynamic work environments.

Research focus

This study examines whether structured managerial processes or informal leadership behaviors are stronger predictors of managerial effectiveness. Specifically, it aims to evaluate the role of informal communication in enhancing managerial success within the Kosovar context.

2.6. Parameters of managerial effectiveness

Analoui et al. (2010) identified eight parameters of managerial effectiveness including: managerial perception; skills and knowledge; organizational criteria; motivation; requirements and difficulties; choices and opportunities; inter-organizational relations; and the dominant philosophy of management.

Drucker (2006) identified eight factors of managerial effectiveness: identification of need; familiarity with organizational culture and climate; development of action plans; responsibility for decisions; effective communication; taking advantage of opportunities; productive meetings; and group work.

The University of California (2005) identifies five classifications of measurement dimensions for managerial effectiveness. These dimensions include efficiency; effectiveness; quality management; the time limit for performing the work; and productivity.

To represent managerial effectiveness, Leslie et al. (2002), consider five dimensions:

leadership; interpersonal relationships; initiative; success orientation; and judgment rate.

Bamel et al. (2011) identify the four dimensions of managerial effectiveness as: productivity; suitability; quality management; and flexibility. Abdul-Azeem and Fatima (2012) identified the dimensions of managerial effectiveness as: leadership; change management; creativity and innovation; relations with customers; efficiency; and effectiveness. Based on theoretical considerations, the dimensions of managerial effectiveness that are included in the current research in the context of Kosovar managers are adapted according to the authors Bamel et al. (2011); Abdul-Azeem and Fatima (2012); as well as according to the approach of the University of California (2005), more specifically: efficiency, effectiveness, quality management, timeliness of work and productivity.

2.7 Proposed research model

To provide an assessment related to managerial effectiveness, the set of variables of the communication dimension were examined such as: formal communication, informal communication and negotiation, which will measure communication. Communication as a managerial competence will be a cumulative variable that will help assess how it will affect managerial effectiveness.

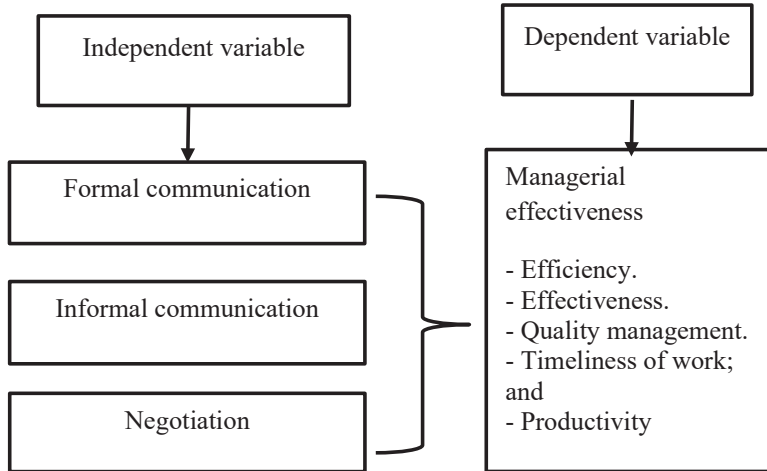


Figure 2. Conceptual scheme of the proposed model

Source: own research, adapted from the model of Hellriegel et al. (2008; 2014; 2017)

3. RESEARCH METHODOLOGY

Measuring managerial effectiveness

The study employs a Likert scale to assess managerial effectiveness, focusing on efficiency, timeliness, and productivity—key dimensions relevant to Kosovo’s evolving economy. Efficiency evaluates resource utilization, timeliness measures the ability to meet deadlines and adapt to changes, while productivity assesses managerial contributions to organizational output.

Data collection methodology

Initially, questionnaires were distributed via email, but due to a low response rate, the approach shifted to personal delivery. While this method improved response rates, it may have introduced sampling bias, as more engaged or available managers were likelier to participate. Additionally, direct interaction may have influenced responses, potentially skewing data toward certain managerial styles or organizational perspectives.

Organizational scope and differences

The study focuses on medium and large enterprises, recognizing potential differences in managerial structures and communication styles. Medium-sized firms often rely on informal communication, whereas large enterprises emphasize structured, formal channels. Analyzing these differences will provide insights into how organizational size affects the role of communication in managerial effectiveness.

Research design and sample

An explanatory research design is used to examine causal relationships between managerial competencies and effectiveness (Sue & Ritter, 2012). The study collected data from managers of medium and large enterprises listed in Kosovo’s Business Registration Agency. After an initial email distribution and reminder, a total of 410 questionnaires were personally delivered to managers at three organizational levels:

Table 3. Distribution of questionnaires in Medium-Sized and Large Enterprise

Type of enterprise	Number of enterprises selected for the sample	Number of questionnaires addressed to managers for each enterprise	Number of questionnaires distributed to managers
Medium-Sized Enterprises	174	2	348
Large Enterprises	31	2	62
Total	205	/	410

Source: authors compilation

Table 4. Operationalization of variables

Type of variables	Variables	Dimensions	References / Supporting literature	Method of measurement (Likert scale)
Independent variable	Communication	Formal communication	Tenhiälä & Salvador, (2014); Tang & Thomas, (2015); Chreim, (2002)	Ordinal measurement scales
		Informal communication	Fay, (2011); Fay & Kline, (2012); Glower, (2011); Hellriegel et al., (2005)	
		Negotiation	Ertel, (2000); Kellogg et al., (2002); Romano, (2002); Hellriegel et al., (2005); Thompson, (2005); De Pauw et al., (2010); Galinsky dhe Mußweiler, (2001); Park et al., (2013)	1 - low; 2 - below average; 3 - average; 4 - above average; 5 - high
Dependent variable	Managerial effectiveness	Efficiency; Effectiveness; Quality management; The time limit for performing the work; and Productivity	Bamel & Rastogi, (2015); Sharma, Rastogi & Garg, (2013); Talati & Sanghvi, (2012); Drucker, (2006); Stewart, (1991); Mott, (1971); Katz, (1974); Analoui, (2010); University of California (1994); Leslie et al. (2002); Bamel et al. (2011); Low, (2000); Zheng, (2010); Heilman & Kennedy – Philips, (2011)	Ordinal measurement scales 1 - low; 2 - below average; 3 - average; 4 - above average; 5 - high
Control variables	Gender	Female. Male	Harris & Leberman, (2012); Morosini, (2005); Ely et al., (2011); Vinnicombe & Singh, (2003); Eagly, (2007); Eagly & Carli, (2007); McKinsey & Company, (2016); Moreno-Colom, (2015)	Nominal measurement scales/(Dummy) 1 - Female; 2 – Male
	Managerial level	Top; Middle; and Lower management	Hellriegel et al., (2014; 2017); Lussier, (2003)	Nominal measurement scales/(Dummy) 1 - Strategic; 2 - Tactical; 3 - Operational

Source: authors' compilation

Articles

Top-level managers: Responsible for strategic decisions and long-term organizational goals.

Middle-level managers: Oversee tactical implementation and ensure progress toward objectives.

First-level managers: Handle daily operations and facilitate communication within teams.

3.1. Data processing

Following the data checking and cleaning process, out of 410 distributed questionnaires only 324 of them turned out to be valid for further analysis. The complete questionnaires were coded, to enable their statistical processing and the presentation of statistical analyses.

3.2. Study variables

Managerial effectiveness was set as the dependent variable, while communication (formal; informal; negotiation) as independent variables and gender and managerial levels were controlled variables.

3.3. Construction of the econometric model

The study used the regression model of "Order of Least Squares" which was built based on the variables presented in table 6. The model determines the nature of the relationship between the dependent and independent variables. The functional form of this method, according to *Ernst & Albers* (2017), is presented with the following formula:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_kX_k + \varepsilon$$

where:

Y - dependent variable

X_k - independent variables

β_k - the respective parameters for each variable

ε –error margin

Based on the collected data, the following linear model was used as proposed by Sarstedt & Mooi (2014), Ernst & Albers (2017):

$$Y = \beta_0 + \beta X + \varepsilon$$

where:

β₀ =constant term

Y = dependent variable

X = X₁, X₂, X₃...X_n, vector of independent (explanatory) variables

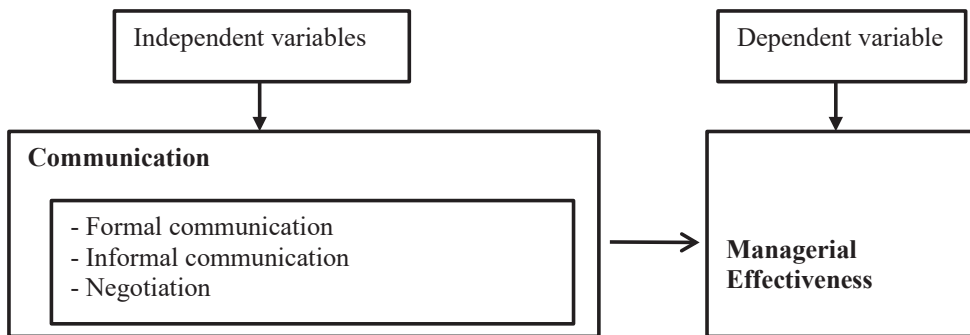


Figure 3. Conceptual framework of linear regression

Source: Authors' compilation

Articles

$\beta = \beta_1, \beta_2$, coefficients of independent (explanatory) variables

ε = error term

The simple linear regression models applied in the study are:

- for the managerial competence of communication:

$$EM = \beta_0 + \beta_1MCCOM + \varepsilon$$

where:

EM = Managerial Effectiveness (dependent variable)

β_0 = constant term.

β_1 = coefficient of communication as managerial competence

MCCOM = Communication

4. RESULTS AND DISCUSSION

4.1 Demographic information of respondents

The majority of respondents (66%) included in the study were male while the female counterparts comprised 34%. Overall, the respondents were well-educated; 47% held a master degree and 31% were university graduates. Forty-one percent held operational management positions, while 35% included top management representatives as presented in table 5.

TABLE 5. Respondents' demographic information

	Category	Nr. of Respondents	%
Gender	Female	109	33.6
	Male	214	66.4
	Total	323	100
Age	20 – 29	75	23.15
	30 – 39	123	38.27
	40 – 49	67	20.68
	50 – 59	47	14.51
	Over 60	11	3.40
	Total	323	100
Level of management	Top	113	34.9
	Middle	76	23.1
	Lower	134	41.4
	Total	323	100
Level of Education	Bachelor	100	30.9
	Masters	151	46.9
	MBA	7	2.2
	PhD	2	.6
	Other	63	19.4
	Total	323	100

Source: authors' analysis

4.2. Sectors of organizations

As presented in table 6, 13% of the managers included in the study were representatives of public organizations, 84.9% private institutions and 1.9% public-private partnerships.

4.3 Size of organizations

The size of organizations was measured based on the number of employees; 289 managers or 89.2% were from medium-sized enterprises, while 35 or 10.8% came from large enterprises.

4.4. Communication as managerial competence affects managerial effectiveness

To measure whether managerial effectiveness depends on communication as managerial competence, the linear regression method was used and the statistical model predicting managerial effectiveness from formal and informal communication was constructed as follows:

$$\text{Managerial effectiveness} = \beta_0 + \beta_1 * \text{Formal communication} + \beta_2 * \text{Informal communication} + \beta_3 * \text{Negotiation}$$

The results showed that communication as a managerial competence has significant correlation with managerial effectiveness ($R = 0.341$; $p = 0.001$). The results of the ANOVA test have also shown positive correlation between the two variables.

In order to predict the possible value for managerial effectiveness, the data are presented in table 10.

Formal communication is ($\beta = .08$; $t = 1.739$; $p = 0.083$), which shows that it is not statistically significant, since the significance value is 0.083, which is greater than the determining criterion for acceptance < 0.005 .

Unlike informal communication ($\beta = .141$; $t = 2.773$; $p = 0.004$) and negotiation ($\beta = 0.502$; $t =$

10.469; $p = 0.000$), which showed statistically significant correlation with managerial effectiveness, formal communication ($\beta = .08$; $t = 1.739$; $p = 0.083$) does not significantly affect managerial effectiveness.

Therefore, based on the results, managers in such organizational settings should use both formal and informal communication in order to enhance their managerial effectiveness which ultimately may result in better organizational performance.

The study found that formal communication did not have a statistically significant impact on managerial effectiveness ($\beta = .085$, $p = .083$), which contrasts with expectations set by other studies, such as that of Hellriegel et al. (2017), which emphasizes formal communication. One possible explanation for this could be the highly informal organizational culture present in Kosovo's medium-sized enterprises, where personal relationships and informal communication methods may be more deeply ingrained. These types of organizations, often characterized by smaller teams and a flat structure, may find formal communication redundant. Managers in Kosovo might rely more on informal communication channels, which provide flexibility, faster responses, and foster trust, especially in decision-making processes.

Additionally, in transitioning economies like Kosovo, formal communication might be perceived as too rigid or bureaucratic, which can slow down decision-making processes, especially in situations that require quick, adaptive responses. As many of the enterprises in this study were medium-sized, the hierarchical gap is smaller, which might reduce the reliance on formal, structured communication, further explaining the insignificance of formal communication in this context.

Table 6. Type of organization and number of managers

Sector of organizations	Nr. of managers	Percentage
Public	42	13.0
Private	275	84.9
Public-Private	6	1.9
Other	1	.3
Total	324	100.0

Source: authors' analysis

Table 7. Size of the organization

Company size	Nr of managers	Percentage
Medium-sized enterprise	289	89.2
Large enterprise	35	10.8
Total	324	100.0

Source: authors' analysis

Table 8. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate					
					R ² Change	F Change	df1	df2	Sig. F Change
1	.584 ^a	.341	.335	.77692	.341	54.811	3	318	.001

a. Predictors: (Constant), Negotiation, Formal Communication, Informal Communication

Source: authors' analysis

Table 9. ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.253	3	33.084	54.811	.001 ^b
	Residual	191.947	318	.604		
	Total	291.201	321			

a. Dependent Variable: Managerial Effectiveness
b. Predictors: (Constants), Negotiation, Formal Communication, Informal Communication

Source: authors' analysis

Table 10. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	β		
1	(Constant)	1.411	.141		10.041	.001
	Formal communication	.072	.041	.085	1.739	.083
	Informal communication	.117	.042	.141	2.773	.004
	Negotiate	.395	.038	.502	10.469	.000

a. Dependent Variable: Managerial Effectiveness

Source: own research

Articles

These findings align with prior studies that show that in less hierarchical, more informal settings, formal communication is less critical compared to informal, interpersonal communication methods (Fay & Kline, 2012; Qiao & Wang, 2008).

Compare findings with those of similar studies. Unlike the findings of Hellriegel et al. (2017), which emphasize formal communication, this study indicates that informal communication plays a more significant role in enhancing managerial effectiveness.

The results of this study contrast with previous research like that of Hellriegel et al. (2017), which emphasizes formal communication as a critical managerial competence. In contrast, this study found that informal communication has a statistically significant impact on managerial effectiveness ($\beta = .141$, $p = 0.004$), suggesting that in Kosovo's medium-sized enterprises, informal channels play a much more critical role in managerial effectiveness.

Additionally, research by Fay (2011) and Qiao & Wang (2008) also highlights the importance of informal communication in enhancing team cohesion, quick decision-making, and problem-solving, which can explain why informal communication was more effective than formal communication in this study's context.

The papers by Watanabe et al. (2024), Cramton et al. (2020), Leonardi et al. (2019), and Marlow et al. (2018) contribute valuable insights into the evolving dynamics of informal communication, particularly in remote and virtual teams, and highlight the pivotal role of Information and Communication Technologies (ICTs) in facilitating effective communication. Each of these studies provides a unique perspective on how informal communication

has been managed, transformed, or supported in organizational settings, particularly in response to the increased reliance on remote work due to global events like the COVID-19 pandemic.

Given the findings of this study, which suggest that informal communication is a stronger predictor of managerial effectiveness than formal communication, the study has several practical implications for managers and organizations in Kosovo, and potentially in similar transitioning economies:

Training in Informal Communication: Managers in Kosovo's SMEs might benefit from training programs that enhance their ability to communicate informally, facilitating better relationship-building, team cohesion, and trust within their teams. This training could focus on active listening, feedback skills, and interpersonal communication, all of which are critical in informal settings.

Training in Negotiation Skills: Given that negotiation was also found to significantly impact managerial effectiveness ($\beta = 0.502$, $p = 0.000$), it is essential for managers to develop strong negotiation skills. Negotiation training could help managers navigate difficult situations and make decisions in a way that is more collaborative and consensus-driven, which is valuable in informal, fast-paced environments where collaboration is crucial.

Fostering informal communication channels: Organizations could focus on fostering informal communication channels such as team-building activities, regular informal meetings, and collaborative platforms, which encourage open dialogue among managers and employees. This would not only improve communication but also enhance managerial effectiveness by fostering a sense of belonging and engagement.

CONCLUSION

The aim of this study was to analyze the relationship between communication as a managerial competence and managerial effectiveness. Data were collected from 323 managers across 205 medium-sized and large enterprises in Kosovo, spanning both public and private sectors. Using an explanatory research design, the study sought to explore causal relationships between communication competences (formal, informal, and negotiation skills) and managerial effectiveness.

The findings indicated that informal communication has a significant impact on managerial effectiveness ($\beta = .141$, $p = 0.004$), while formal communication was found to be insignificant ($\beta = .085$, $p = 0.083$). Additionally, negotiation skills were shown to play a major role in enhancing managerial effectiveness ($\beta = 0.502$, $p = 0.000$), suggesting that managers who excel in informal communication and negotiation are more likely to drive positive organizational outcomes.

However, the study's findings should be interpreted in light of several limitations:

The regional focus on Kosovo may limit the generalizability of the findings to other countries with different economic or cultural contexts.

The sampling bias introduced by the shift from email distribution to personal delivery of questionnaires could have affected the representation of managerial styles or organizational perspectives.

The study's cross-sectional design means that causal relationships between communication styles and managerial effectiveness cannot be definitively established over time. A longitudinal design would be beneficial for understanding how these dynamics evolve.

Based on the findings, this study suggests the following concrete recommendations for organizations:

Communication training programs: Organizations should conduct specialized training programs focused on developing informal communication and negotiation skills. This can enhance managers' ability to foster trust, build stronger relationships with employees, and improve decision-making in dynamic environments.

Encourage informal communication: Managers should encourage the use of informal communication channels (e.g., face-to-face discussions, informal team meetings, or open-door policies) to promote collaboration, quick decision-making, and adaptability. These informal channels have been shown to improve managerial effectiveness and team performance in transitioning economies like Kosovo.

Negotiation skill development: Training in negotiation skills should be a priority for managers, as negotiation was shown to significantly influence managerial effectiveness. These skills enable managers to navigate complex situations, make strategic decisions, and lead effectively during organizational changes.

Future research could explore the following avenues to build on the findings of this study:

Testing the model in different cultural or organizational contexts: Since this study was conducted in Kosovo, it would be valuable to replicate the model in other cultural or organizational settings, especially in different types of economies (e.g., developed vs. developing) to determine the universality or context-specificity of the findings.

To further investigate the causal relationship between communication styles and managerial effectiveness, future studies

should consider a longitudinal design. This approach would allow for tracking changes over time and provide more robust insights into how communication influences managerial performance.

Given that the study focused on both medium and large enterprises, future research should consider a more detailed comparative analysis between these two types of organizations to assess whether the role of communication varies based on organizational size, structure, and complexity.

REFERENCES

- Abdul-Azeem, M., Fatima, S., 2012. Factors favoring managerial effectiveness: a study of select public & private sector organizations. *International Journal of Business Economics & Management Research*, 2(1), pp.1-27.
- Abugre, J.B. (2014). Managerial role in organizational CSR: Empirical lessons from Ghana. *Corporate Governance*, 14(2), 104–119.
- Abugre, J.B. (2014). Managerial role in organizational CSR: Empirical lessons from Ghana. *Corporate Governance*, 14(2), 104–119.
- Analoui, F., Ahmed, A. A. & Kakabadse, N., 2010. Parameters of managerial effectiveness: the case of senior managers in the Muscat Municipality, Oman. *Journal of Management Development*, 29(1), pp.56-78.
- Anand Bhardwaj (2016): Assessing team work competency of aspiring managers: a preliminary study, *International Journal of Advanced Research in Management and Social Sciences*, ISSN: 2278-6236
- Armstrong M and Taylor S (2015), *Armstrong's Handbook of Human Resource Management Practice*, London: Kogan Page
- Armstrong, M. – Stephens, T. (2008). *Management a Leadership*, Grada Publishing, ISBN 978-80-247-2177-4, Praha
- Asamu, F.F. (2014). The Impact of Communication on Workers' Performance in Selected Organisations in Lagos State, Nigeria. *IOSR Journal of Humanities And Social Science (IOSR-JHSS)* ISSN:2279-0837 www.iosrjournals.org
- Bamel, U. K., Rangnekar, S. & Rastogi, R., 2011. Managerial effectiveness in Indian organizations: reexamining an instrument in an Indian context. *Research and Practice in Human Resource Management*, 19(1), pp.69-78.
- Boyatzis, R. E. 1982. *The competent manager: A model for effective performance*. New York: John Wiley & Sons.
- Boyatzis, R.E. (2008), Competencies in the 21st century, *Journal of Management Development*, 27 (1), 5 – 12
- Bucăța, G., & Rizescu, A. M. (2017). "The Role of Communication in Enhancing Work Effectiveness of an Organization." *Land Forces Academy Review*, XXII(1), 85-90.
- Buter, S.G.H., 2012. Does culture explain managerial effectiveness: a qualitative study in Mexico whether culture is influencing differences in managerial effectiveness between Mexican managers and western expatriates. Master. University of Twente. Available at: <<http://essay.utwente.nl/61445>>

Articles

- Cardy, R. L., & Selvarajan, T. (2006). Competencies: Alternative frameworks for competitive advantage. *Business Horizons*, 49, 235-245.
- Casserley, T. and Critchley, B. (2010), "A new paradigm of leadership development", *Industrial and Commercial Training*, Vol. 42 No. 6, pp. 287-295. <https://doi.org/10.1108/00197851011070659>
- Cejas Martinez, M. F., Liccioni, E. J., Murillo Naranjo, M. E., & Mendoza Velazco, D. J. M. (2024). "Business Management: Communication as a Key Competence." *Economic Studies (Ikonomicneski Izsledvanija)*, 33(3), 160-180.
- Certo, S. C., Certo, S. T., 2012. *Modern management: concepts and skills*. 12th ed. Upper Saddle River, NJ: Prentice Hall.
- Cramton, C. D., & Orvis, K. L. (2020). "Overcoming barriers to informal communication in distributed teams." *Journal of Business and Psychology*, 35(2), 177-191.
- Daft, R.L. 2003. *Management*. Australia: Thomson South-Western.
- Drucker, P.F. (2006), *Classic Drucker: Essential Wisdom of Peter Drucker from the Pages of Harvard Business Review*, Harvard Business School, Boston, MA.
- Ernst, A. F., & Albers, C. J. (2017). Regression assumptions in clinical psychology research practice - a systematic review of common misconceptions. *PeerJ*, 5, [e3323]. <https://doi.org/10.7717/peerj.3323>
- Ferreira, G.M., 2006, 'Communication in the labour relationship', *Politeia* 25, 273–286.
- Hamlin, R. G., Ruiz, C. E. & Wang, J., 2011. Perceived managerial and leadership effectiveness within Mexican and British public sector hospitals: a cross-nation comparative analysis. *Human Resource Development Quarterly*, 22(4), pp.491-517.
- Hatten, T. S., 2012. *Small Business Management: Entrepreneurship and Beyond*. 5th ed. Mason, OH: South-Western Cengage Learning
- Hellriegel D, Jackson SE, Slocum J, Staude G, Amos T, Klopper HB, Louw L, Oosthuizen T. F. J., (2008): *Management*. 3rd South African Edition. Cape Town: Oxford University Press.
- Hellriegel, D., Jackson, S. E. & Slocum, J. W. (2005) *Management: a contemporary: a competency-based approach*, Mason, Thomson South-Western
- Hellriegel, D., Slocum, J., Jackson, S.E., Louw, L., Staude, G., Amos, T. (2014), *Management*, Oxford University Press Southern Africa (Pty) Ltd., Cape Town.
- Hellriegel, D., Slocum, J., Jackson, S.E., Louw, L., Staude, G., Amos, T. (2017), *Management*, Oxford University Press Southern Africa (Pty) Ltd., Cape Town.
- Kearney A., Harrington D., Kelliher F. (2013), Exploiting managerial capability for innovation in a micro-firm context, *European Journal of Training and Development*, Vol. 38 Iss 1/2 pp. 95-117
- Kinicki, A. & Williams, B.K., 2006, *Management – A practical introduction*, McGraw- Hill Companies, Inc., New York.
- Königová M., Urbancová H., Fejfar, J. (2012), Identification of Managerial Competencies in Knowledge-based Organizations, *Journal of Competitiveness* 4(1): 129-142
- Korkmaz, F., & Zorlu, K. (2021). "Organizational Communication as an Effective Communication Strategy in Organizations

Articles

- and the Role of the Leader." In H. Dincer & S. Yüksel (Eds.), *Management Strategies to Survive in a Competitive Environment* (pp. 123-137).
- Lado, A., & Wilson, M. (1994). Human resource systems and sustained competitive advantage: A competency based perspective. *Academy of Management Review*, 19(4), 708-709.
- Leonardi, P. M., & Treem, J. W. (2019). "Behavioral visibility: A new paradigm for organization studies in the age of digitization, digitalization, and datafication." *Organization Studies*, 40(12), 1709-1728.
- Leslie, J., Dalton, M., Ernst, C., & Deal, J., (2002). Success for the new global manager: How to work across distances, countries, and cultures. San Francisco: Jossey-Bass and Center for Creative Leadership. *European journal of work and organizational psychology*, 11 (4).
- Marlow, S. L., Lacerenza, C. N., & Salas, E. (2018). "Communication in virtual teams: A conceptual framework and research agenda." *Human Resource Management Review*, 28(4), 438-454.
- Mimoza Manxhari (2013): "Sjellja në Organizatë (Kuptimi dhe Menaxhimi i Aspektit Njerëzor të Organizates)", albPAPER, Tiranë
- Nair, S. K. & Yuvaraj, S. (2000), "Locus of Control and Managerial Effectiveness: A Study of Private Sector Managers", *Indian Journal of Industrial Relations*, 36(1): 41-52.
- Nwokah, G.N., & Ahiauzu, I.A. (2008). Managerial competencies and marketing effectiveness in corporate organizations in Nigeria. *Journal of Management Development*, 27(8), 858-878.
- Ozcelik, G., & Ferman, M. (2006). Competency Approach to Human Resources Management: Outcomes and Contributions in a Turkish Cultural Context. *Human Resource Development Review*, 5(1), 72-91.
- Rana, G., Garg, P., & Rastogi, R., 2011. Effect of Justice Perception on Managerial Effectiveness. *The IUP Journal of Organizational Behavior*, 10(2), pp.7-20.
- Richmond, V. P., McCroskey J. C., McCroskey L. L., (2005), *Organizational Communication for Survival: Making Work, Work*, Allyn and Bacon, Needham Heights MA
- Sarstedt, M., & Mooi, E. A. (2014). A concise guide to market research: The process, data, and methods using IBM SPSS statistics. Heidelberg: Springer.
- Soderquist, K. E., Papalexandris, A., Ioannou, G., & Prastacos, G. (2010). From task-based to competency - based A typology and process supporting a critical HRM transition. *Personnel Review*, 39(3), 325-346.
- Stevens, G.W. (2013). A critical review of the science and practice of competency modeling. *Human Resource Development Review*, 12(86), 86-107.
- Steward, G. L., & Brown, K.G. (2009). *Human Resources Management. Linking Strategy to Practice*. USA: John Wiley & Sons Inc.
- Steyn, E. & Steyn, T.F.J., 2006, 'Managerial competencies among first-line newsroom managers at small to medium-sized

Articles

mainstream media enterprises in South Africa', *SAJEMS* 9, 322–340.

Steyn, E., De Klerk, D. & Steyn, T.F.J., 2006, 'The global village in a local context. Implementing global awareness as a managerial competency within South Africa's multicultural mainstream media newsrooms', *Acta Commercii* 6(1), 114–132. <https://doi.org/10.4102/sajems.v9i3.1091>

Sue, V. M., & Ritter, L. A. (2012). *Conducting online surveys* (2nd ed.). Thousand Oaks, C.A.: SAGE Publications.

University of California, (2005): "Performance Measurement Approach," Oak Ridge

Associated Universities, www.orau.gov/pbm/documents/overview/uc.html.

Watanabe, C., Kuroda, S., & Okubo, T. (2024). "Transforming informal communication in the urgent shift to teleworking." *Frontiers in Communication*, 9, 1361426.

World Bank. (2022). *World Development Report 2022: Finance for an equitable recovery*. <https://www.worldbank.org/en/publication/wdr2022>

Yukl, G. (2010). *Leadership in organizations*. (7th edn.). Upper Saddle River, NJ: Pearson Education Inc.