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## The Role of Leader Drivers in Limiting the Organizational Capacity for Innovation

Dragana Mitrić - Aćimović, Ivana Jošanov Vrgović, Jelena Đorđević Boljanović,  
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UNIVERSITY OF BELGRADE  
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# DRIVERS OF INDIVIDUAL AMBIDEXTERITY: LEADERSHIP, AUTONOMY AND PERSONALITY\*

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**Theoretical background.** Contemporary work environments are paradoxical, where organizations, managers, and employees are expected to combine opposing views and make “both/and” decisions (Lewis & Smith, 2022). Competing demands at work require employees to apply exploitative and explorative behavioral strategies, commonly called in the literature as individual ambidexterity (Schnellbacher et al., 2019). Employees are expected to work on tasks that are novel and require divergent thinking. At the same time, they need to perform tasks, which require convergent thinking (Good & Michel, 2013). Using both of these behavioral strategies is challenging as they require shifts between different mindsets and actions (Bledow et al., 2009).

**Purpose of study.** Existing research has not adequately addressed how organizational and individual factors together facilitate individual ambidexterity, despite the recent discoveries in the area of organizational factors (e.g. empowerment, transformational leadership, job enrichment) (Tarba et al., 2020), and individual characteristics (Mom et al., 2018) that help employees in the struggle to perform dual roles. Therefore, the purpose of our study is to investigate the role of leadership behavior (i.e. transformational leadership), job design (i.e. task autonomy) and personality characteristics (i.e. Big Five) as drivers of individual ambidexterity in different national contexts.

**Method.** A 2x2 between-subject vignette experiment was used. Overall, 200 master students with a business background from Austria and Slovenia participated in the experiment ( $M_{age}=22.32$ ,  $SD_{age}=2.59$ ). Four different vignette descriptions were randomly assigned to students, varying on whether task supervision was done either by a transformational or non-transformational leader/professor (description developed from Bass and Avolio (1994)) and on whether students had either high or low level of autonomy (description developed from Morgeson & Humphrey (2006)) when planning and organizing the event. After reading the vignettes students were asked to rate their exploration/exploitation tendency in approaching the tasks (scale adjusted to student setting from Mom, Bosch and Volberda (2009)). Additionally, personality characteristics were examined (Big Five Inventory scale adopted from Rammstedt and John (2007)) and Hofstede's five dimensions of cultural values at the individual level were measured (CVSCALE adopted from Yoo, Donthu and Lenartowicz (2011)). We developed the vignettes and pretested them on sample of 60 students, prior to the actual study.

**Findings.** Results show that the students' exploration tendency more strongly depends on leadership and task autonomy than their exploitation tendency. In fact, those who were supervised by a transformational leader and could complete the tasks in a highly autonomous manner, showed the strongest tendency to explore new ways for organizing the event. This was particularly true when they were highly open to new experiences and felt lower power distance. In essence, this outcome suggests that the combination of transformational leadership and high task autonomy fosters the individual tendency to be more explorative at work. This holds particularly true for highly open individuals and situations described by lower power distance. Further, the results show significant effect of task autonomy on ambidextrous behavior, meaning that task autonomy is necessary for individuals to exploit existing practices and explore new ways of solving problems when performing tasks. However, the effect of transformational leadership on individual ambidexterity was not confirmed.

**Theoretical contribution.** This study extends research on organizational paradoxes by addressing organizational, leadership and individual level drivers of individual ambidexterity (Tarba et al., 2020). Results show that autonomy is not only the antecedent of exploratory behavior, but is a necessary precondition also for individual ambidexterity, extending job design literature. Further, despite results confirming transformational leadership is supporting explorative behavior of individuals, results show it is not supporting subordinates to be ambidextrous, indicating other leadership approaches are necessary to balance conflicting task demands, thus contributing to current knowledge on limitations of transformational leadership (Jansen et al., 2008). Results also provide valuable new insights into personality characteristics and national culture dimensions as related to individual ambidexterity.

**Practical implications.** Our study offers implications for leaders, organizational design (OD), and HR managers. Mastering ambidextrous behavior is not easy for employees as it requires them to decide between conflicting approaches to performing task. Our study shows employees need autonomy to decide which behavior is more suited for the task at hand, shifting between exploration and exploitation. Leaders need to provide conditions enabling them to be use existing knowledge and expertise or push boundaries of what is known to find novel solutions, depending on what is needed to perform tasks. When designing jobs, OD and HR professionals could implement these findings into practices of designing jobs, HR policies and leadership development trainings, thus providing necessary support for individuals facing challenging and conflicting jobs of the future.

**Keywords:** individual ambidexterity, transformational leadership, job autonomy, personality, national culture

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# PARADOXICAL LEADERSHIP BEHAVIOR AND TASK PERFORMANCE: THE MULTILEVEL MEDIATING ROLE OF JOB DESIGN

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**Theoretical background:** Successful leaders search for creative, both/and solutions that enable fast-paced, adaptable decision-making in organizations (Lewis and Smith, 2014). Likewise, leaders design jobs on an individual and team level, thus enabling higher or lower job performance. Job performance has been the most addressed outcome variable in paradoxical leadership behavior (Backhaus et al., 2022; Zhang et al., 2021). Employees who understand paradoxical leadership behavior can see conflicting and competing demands as intrinsic phenomena in organizations (Miron-Spektor et al., 2018) and can combine different demands so that the contradiction between them can increase job performance (Smith and Lewis, 2012). Paradoxical leaders enable their employees to observe how to deal with paradoxical situations constructively, and employees can work more confidently and purposefully by observing and modeling leaders behavior (Sparr et al., 2022). Paradoxical leadership is helpful for the employee because their paradoxical demands towards their leader are fulfilled, and therefore such employees and teams can better deal with paradoxes in their tasks. On the other hand, some authors investigated the relationship between paradoxical leadership behavior and job demands such as job complexity and role ambiguity (Backhaus et al., 2022; Geng et al., 2023) and job resources such as work autonomy (Fürstenberg et al., 2021). Literature shows that leaders influence job performance through their behavior by shaping their working conditions through job demands and resources. More precisely, job demands are negatively related to job performance (Abramis, 1994; Backhaus et al., 2022), while job resources are positively related to job performance (Javadian and Hosseini, 2020; Johari et al., 2018).

**Purpose od study:** By applying the paradox theory and job demands and resources (JD-R) theory, the paper aims to examine the intervening (mediating) effect of job design on the paradoxical leadership behavior and task performance. Since, in modern business conditions, managers take responsibility for making decisions and leading their organizations forward, it is important to determine how their behavior affects the job design to achieve a certain level of productivity because the success of the organization's business ultimately depends on it. The results offer an interesting theoretical and practical contribution.

**Method:** A time-lagged field survey was conducted on 512 employees from 37 Croatian organizations; of the 512 employees, 426 completed the full survey. First, employees retroactively self-report the nature of their jobs (job complexity, role ambiguity, job autonomy, and social support), reflecting on their experiences three months before the survey. Second, employees were retrospectively assessed for paradoxical leadership behavior exhibited by their immediate supervisors, considering events six months before the survey. Ultimately, the immediate supervisors evaluated the employees' task performance. MLMED macro for SPSS (Rockwood, 2024) was performed to test the cross-level mediation model.

**Findings:** A multilevel mediation analysis revealed that job design has an intervening (mediating) effect on paradoxical leadership behavior and task performance. Specifically, paradoxical leadership behavior (i.e., using the power of opposites) directly and indirectly affected task performance. Findings highlight the leader's responsibility to design congruent jobs to increase task performance.

**Theoretical contribution:** The research is important for adaptation and actively shaping changing work situations. By examining the mediating effect of job design, one can better understand how job demands and resources are related to job performance and how paradoxical leadership behavior is related to job design. The theoretical framework of the research is manifested in the paradox theory (Cunha and Putnam, 2019; Smith and Lewis, 2011) and the job demands-resources theory, JD-R (Bakker and Demerouti, 2007; Demerouti et al., 2001). Although these two theories seem incompatible initially, their integration offers a different perspective.

**Practical implications:** An important message for managers is that they must develop skills to manage paradoxical situations successfully. This includes recognizing contradictory demands, flexibility in adaptation and decision-making, and balancing competing goals. Also, managers should carefully design employees' jobs to minimize paradoxical expectations that can lead to conflict and maximize task performance.

**Keywords:** paradoxical leadership behavior, task performance, job design, job demands-resources, multilevel mediation

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# CROSS-LEVEL PERFORMANCE EFFECTS OF MULTILEVEL INTEGRATIVE AMBIDEXTERITY: A TWO-FIELD STUDY EVIDENCE

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**Theoretical background** – The ambidexterity–performance relationship has entered a mature research stage. Spotlighted three decades ago as a trade-off between exploration and exploitation (March, 1991), a continuous scholarly effort has mainly evidenced the positive (although to a large extent moderated by contextual factors) role of organizational ambidexterity (i.e., “the simultaneous pursuit of exploration and exploitation strategies,” cf. He & Wong, 2004) in enhancing firm performance (see Gibson & Birkinshaw, 2004; Junni et al., 2013). Recently, multilevel (e.g., Pertusa-Ortega et al., 2021) and other-level perspectives of ambidexterity—i.e., team/unit (Jansen et al., 2012) and individual (e.g., Rosing & Zacher, 2017)—emerged as a topic of inquiry. However, we still lack insights and must decode organizational ambidexterity to understand how to successfully cascade this paradoxical tension within an organization.

**Purpose of the study** – The present research aims to simultaneously address different levels of ambidexterity and performance outcomes. We strive to provide rigorous empirical evidence and offer practical recommendations on whether and how organizational-, unit- and individual ambidexterity should be aligned and contextualized to assure high unit performance and attain employee performance paradox (that is, high task performance supplemented with high helping behavior). Specifically, potential boundary conditions of organizational centralization (i.e., top management’s relative influence or control in relevant unit decision-making processes; Tsai, 2002) and team cross-training (i.e., a training program where each team member learns about and receives instruction regarding the roles and responsibilities of his or her teammates, Volpe et al., 1996) were examined in the light of multilevel (integrative) ambidexterity.

**Method** – Two retrospective time-lagged multisource and multilevel field survey studies have been conducted. In Study 1, we sampled 93 Croatian organizations (Level-3 self-reported data on organizational ambidexterity and centralization at Time 1, and Level-2 supervisor-rated data on unit performance at Time 3) and 311 nested unit managers (Level-2 self-reported data on unit ambidexterity and team cross-training at Time 2), to test a dual-stage moderated cross-level mediation model (see Figure 1). In Study 2, we sampled 161 unit managers (Level-2 self-reported data on unit ambidexterity and team cross-training at Time 1 and Level-1 supervisor-rated data on employee paradox performance at Time 3) from 38 Croatian organizations as well as their 485 nested employees (Level 1 self-reported data on individual ambidexterity at Time 2) to test another moderated cross-level mediation model (see Figure 2). Multilevel analyses were conducted using Mlmed beta version 2 (Rockwood, 2024). Additionally, simple slope tests of cross-level interactions were run using an interactive calculation tool for probing significant 2-way interaction effects in multilevel modeling (Preacher et al., 2006).

**Findings** – Our multilevel field studies confirmed the following theory-derived causal assumptions: (1) Unit ambidexterity mediates the relationship between organizational ambidexterity and unit performance; (2) Organizational centralization and team cross-training moderate the indirect effect of organizational ambidexterity on unit performance through unit ambidexterity; (3) Individual ambidexterity partially mediates the relationship between unit ambidexterity and employee performance paradox; and (4) Team cross-training moderates the indirect effect of unit ambidexterity on employee performance paradox through individual ambidexterity.

Figure 1 Research model (Study 1)

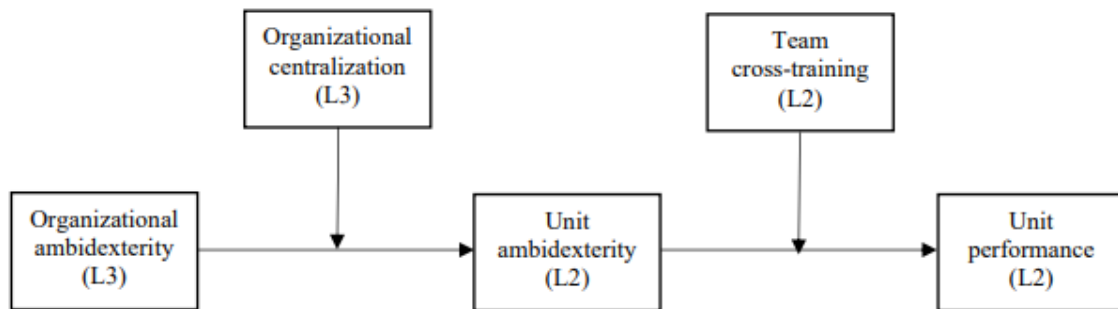
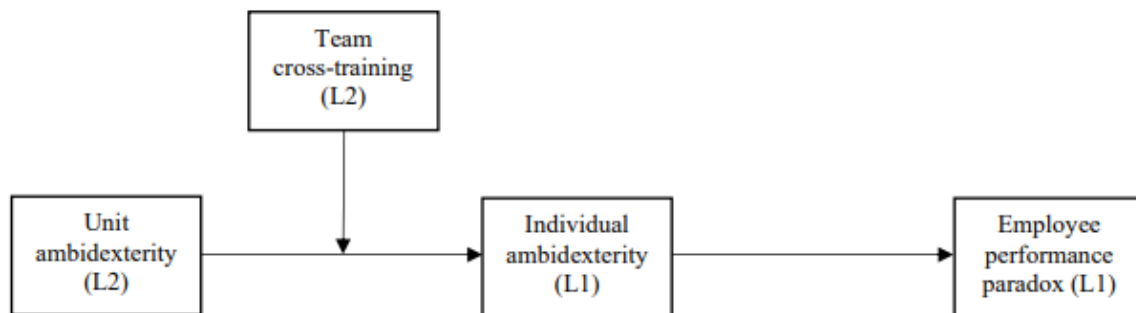


Figure 2 Research model (Study 2)



**Theoretical contribution** – This research contributes to ambidexterity theory (by explaining the underlying path from organizational ambidexterity toward unit- and individual performance outcomes) and organizational paradox theory (by addressing the performance effects of a nested, homologous paradox of ambidexterity). In addition, organizational design and human resource management (HRM) scholars can find valuable evidence-based insights into the boundary roles of organizational centralization and team cross-training, respectively.

**Practical implications** – Managers can increase unit performance by coordinating explorative (adaptation) and exploitative (alignment) unit-level practices with organizational-level strategic ambidexterity initiatives. Likewise, an employee performance paradox can be achieved if the unit and individual ambidexterity are in place. Nevertheless, special attention should be given to team cross-training. When this HRM practice is low, increasing unit ambidexterity leads to higher unit- and individual performance. On the contrary, when organizations cross-train their employees, increasing unit ambidexterity decreases individual ambidexterity, thus leading to the deteriorated bottom-level performance results.

**Keywords** – multilevel ambidexterity, unit performance, employee performance paradox, team cross-training, multilevel moderated mediation

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## NAVIGATING THROUGH PARADOXICAL TENSIONS INHERENT TO CREATIVE AND INNOVATION PROCESSES IN ORGANIZATIONS: A MULTI-LEVEL THEORY

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### **Theoretical background and purpose of study**

Decades long research on creativity has yielded numerous theoretical approaches which are aiming at explaining this complex and intriguing phenomena. Creativity, consensually defined as process, activity or ability which bears to world both **novelty** and **usefulness** (Amabile, 1988) is considered to be a close cousin to innovation (Perry-Smith & Mannucci, 2017) which perpetuates organizational progress and shapes our modern world.

Even though we are not fully able to comprehend creativity in its phenomenological occurrences which may sometimes understand sudden, transcendental moments that have lead great artists and scientist to **Eureka** moments, researchers are, however, able to argue that even the greatest creative minds can be inhibited to make creations, and that least creative persons could be lead to elicit some creative performance, which should mean that environmental influences do create conditions for creativity to be inherited or encouraged (in line with Amabile, 1996). Literature seem to be unequivocal in that for creativity to be elicited, it takes creator's interaction with environment (Amabile, 1988), situation (Woodman & Schoenfeldt, 1989) or broader context (Ford, 1996) in which individual's actions are embedded which is exactly the needed **liaison** that enables us to shift from trying to answer what creativity is to how it is triggered, fostered and enhanced.

Defining innovation in accordance to Amabile & Pratt (2016, p. 158) as the **successful implementation of creative ideas within an organization**, we pose the research questions: Where inherent paradoxes in organizational creativity and innovation process reside? Furthermore, we aim at answering What mechanisms to navigate paradoxical tensions in organizational realm does literature offer?

Conveniently, even though paradoxical tensions occur on multiple levels and numerous occasions as creative idea travels from its initial conceivers to its broader organizational utilization, literature does offer theoretical proposals and some intriguing research results.

Just as creativity is considered to be **in the eye of the beholder** (Amabile & Pratt, 2016), the answer to tolerating opposing, yet inevitable tensions, arising from creativity and innovation processes in organizational context reveals itself to those who juxtapose seemingly distinct fields: organizational theory, sociology and psychology, which is exactly we will be free to do.

## **Method**

By conducting an extensive literature review, taking as theoretical standpoint **evolutionary approach to creativity and innovation in organization** (Staw, 1990), we attempt to explore and pinpoint paradoxical tensions that exist on individual, group, organizational and institutional level. Inspired by Ford's (1996) theory of creativity and innovation, further dwelling on creativity construct and its consensual assessment, we draw line to Csikszentmihályi's (1988) social system view of creativity to inductively prove the inherently existing paradox between originality and isomorphism that pertains on institutional level.

## **Findings**

We identify, analyse and synthesize theoretically and empirically grounded guidelines for navigating between paradoxical tensions that are either socially constructed or inherent to creative processes as such. We start by analysing creative process and its inherent nature of duality that is inseparably connected to psychological mechanisms of idea generation. Further on, we discuss empirical results of dyadic and group dynamics which portray paradox of differentiation and integration in organizations.

Later on, inspired by Perry-Smith & Mannucci's (2017) model of idea journey in organizations we discuss paradoxical tensions occurring between different stages of innovative process in order to investigate means for finding the fit between what is needed to lead idea from elaboration to implementation, and the resources needed to avoid creative idea being trapped in recursive loops inside organization. Drawing on idea of cognitive flexibility (De Dreu et al, 2008), paradox mindset (Miron-Spektor, 2018) and paradoxical leadership (Zhang et al, 2015) we propose strategies for dealing with intraorganizational paradoxical tensions.

Last but not least, to address innate nature of creativity, which is context-bound and assessed in relation to time-space-situation grid in which it is brought up, we discuss inherent paradox of organizational endeavours to both to thrive and survive. We explain isomorphism as phenomena drawing on institutional theory, only to make parallel with variation-retention-selection models of creativity (Drazin, Glynn & Kazanjian, 1999). To fight fire one needs fire, so to resolve paradoxical tensions emerging from interorganizational and institutional realms, we search for knowledge and research directions offered by scholars of institutional theory approach (Meyer & Rowan, 1977).

## **Theoretical contribution**

We attempt to provide the multilevel approach to addressing paradoxical tensions that inevitably emerge with creative and innovation processes in organizations. We expect that literature review would allow for the development of theory of multi-level creative action taking. By bringing together different theoretical views we aim to provide more integrative interpretations of previous research findings.

## **Practical implications**

The overall implication of research findings can be found in identifying managerial strategies and actions for successful dealing with paradoxical tensions arising from creative and innovation processes in organizations at different organizational levels.

## **Keywords**

Organizational creativity; innovation; paradox; paradoxical tensions; multi-level approach

# THE ROLE OF POST-HEROIC LEADERSHIP IN ADDRESSING PARADOXICAL TENSIONS WITHIN THE INNOVATION

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**Keywords:** Post-heroic leadership, Shared leadership, Servant leadership, Idea generation, Idea championing, Idea implementation.

## 1. Theoretical background

Innovation is a complex, interdependent socially dynamic process marked by uncertainty (Csikszentmihalyi, 1999; Fletcher, 2004), involving innovation phases: idea generation, idea championing, and idea implementation (Perry-Smith & Mannucci, 2017). Each phase, from inception to transformation into a final product or service, faces challenges due to uncertain outcomes, making stakeholder participation hesitant. Thus, managing innovation presents a significant challenge for contemporary leaders (Oke et al., 2009).

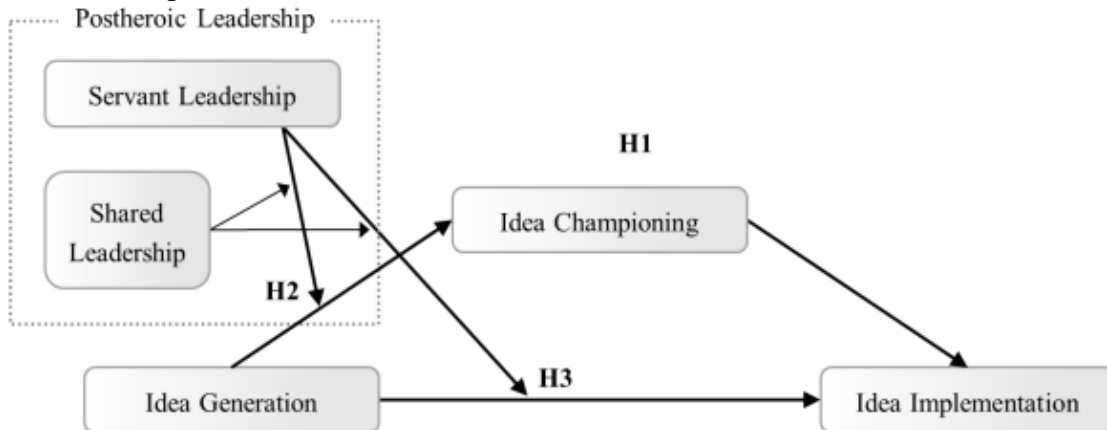
The innovation process is evolving in a comparable context to the conceptual model of postheroic leadership. Post-heroic leadership, one of the newer genre leadership theories, emphasizes human interactions and collaboration between different stakeholders (Fletcher, 2004). Post-heroic leadership is valuable for the innovation process through its building blocks: shared leadership (D'Innocenzo, Mathieu, & Kukenberger, 2016; Nicolaidis et al., 2014; Wang, Waldman, & Zhang, 2014) and servant leadership (van Dierendonck & Nuijten, 2011; Eva et al., 2019; Liden et al., 2014) in response to managing workplace complexity (Wu, Cormican, & Chen, 2020; Hærem, Pentland, & Miller, 2015) especially in interdependent environments (Pearce, 2004).

Post-heroic leaders empower capable individuals (Pearce & Manz, 2005; Škerlavaj, 2022) to accomplish innovation tasks, emphasize collaboration between team members (Pearce, Conger, & Locke, 2008), promote learning through knowledge sharing (Day, Gronn, & Salas, 2004), which all contribute to greater unity and agreement among team members (Bergman et al., 2012). Post-heroic leaders provide direction and set explicit expectations while demonstrating trust in employees to take responsibility and complete tasks (van Dierendonck & Nuijten, 2011). Employees are thus encouraged to actively contribute to the creation of innovative services, products, and processes (Lee et al., 2020), which leads to improved team coordination, employee satisfaction (Hoch & Dulebohn, 2013) and efficiency in achieving organizational goals, encompassing successful innovation as well (D'Innocenzo et al., 2016).

## 2. Purpose of study

The purpose of this study is twofold. First, we analyze the role of post-heroic leadership through its building blocks – shared leadership and servant leadership, as enablers of the innovation process. More specifically, we examine the moderated mediation of shared leadership and servant leadership on the relationship between idea generation and idea championing and on the relationship between idea generation and idea implementation. Second, we examine the role of the idea championing phase – a prosocial motivational factor – in the innovation process as a mediator between idea generation and idea implementation phases.

Figure 1: Conceptual model



Source: Author's conceptualization.

## 3. Method

We conducted a quantitative analysis in a multinational service company involving 689 individuals. We used established and widely used measurement tools, ensuring the relevance of our study. To mitigate common method bias, we collected data at three distinct time intervals and used a unique identification code in each survey, to maintain anonymity. The research model's validity was evaluated with a confirmatory factor analysis. We used Process Model 4 and Model 12 to test the hypotheses. Furthermore, a simple slope analysis was used to represent the interaction between idea generation, individually perceived team environment for shared leadership, and servant leadership in stimulating idea implementation.

## 4. Findings

Our findings support the hypothesis that post-heroic leadership promotes idea implementation in a context where numerous ideas are generated. We also find that the idea championing phase partially mediates the relationship between idea generation and idea implementation phases but find insufficient evidence to suggest that post-heroic leadership leads to greater championing of generated ideas.

## 5. Theoretical contribution

We contribute to the framework of creative synthesis (Harvey, 2014), which describes how different perspectives foster creativity within a group. By investigating how post-heroic leadership impacts the engagement of participants throughout the innovation process, we extend the theory from idea generation to implementation, revealing that the key elements of post-heroic leadership — shared and servant leadership — enhance the relationship between idea generation and implementation.

We further extend the creative synthesis theory (Harvey, 2014) by including the idea championing phase as an intermediate phase in the innovation process and showing that the potential success of idea implementation depends not only on idea generation but also on effective idea championing. The partial mediation of the idea championing phase broadens our understanding of the innovation journey, supports researchers who emphasize the nonlinear links between idea generation and idea implementation (Škerlavaj et al., 2014; Rosing, Frese & Bausch, 2011) and enhances literature on merging idea generation and idea implementation subfields (Anderson, Potočnik & Zhou, J. 2014).

We contribute to the post-heroic leadership conceptual model (Škerlavaj, 2022) by empirically demonstrating its positive impact on the innovation process. Additionally, we contribute to the shared leadership literature by examining mediating mechanisms (Zhu et al., 2018) related to shared leadership and work outcomes. Our research extends our understanding of leadership's influence throughout the entire innovation process, going beyond the scope of idea generation (Slavich and Svejenova, 2016) or idea implementation (Anderson et al., 2014).

## **6. Practical implications**

Our study indicates that shared leadership acts as a positive mediator for servant leadership, boosting relational collaboration and active participation among participants of the innovation process. Post-heroic leadership is therefore a good facilitator for ideas generated to be implemented, especially in an environment with an abundance of ideas. Our study further implies that while idea generation is crucial, idea championing also significantly impacts idea implementation. Consequently, individuals - idea champions - who can inspire others to implement generated ideas play a significant part in the innovation journey.

A possible explanation of not confirmed positive moderation of post-heroic leadership on the relationship - idea generation and idea championing, could be that psychological ownership of generated ideas was not transmitted to idea champions. We did not test for psychological ownership and merely assumed that post-heroic leadership subtly transmits psychological ownership of ideas to all participants in the innovation process (Pierce, Kostova, & Dirks, 2001), necessary for change to occur (Škerlavaj, 2022).

Another explanation might be related to the "innovation paradox" (Spar et al., 2022) and the paradox mindset of individuals. The innovation process is driven by various tensions involving multiple actors (Choi et al., 2001) with different mindsets who respond differently to these tensions (Tsoukas and Chia, 2011). Individuals with a paradox mindset recognize tensions and deal with them efficiently (Miron-Spektor et al., 2018). They can skillfully manage ambiguity, foster a culture of continuous learning, and see diversity as catalysts for innovative solutions to complex tasks (Poole and Van de Ven, 1989). Individuals with a paradox mindset not only continuously adapt to the evolving needs of the organization, but also mobilize other participants according to the demands of the innovation process (Zhang, Zhang, & Law, 2022; Laurey, Berends & Huysman, 2017). Because they recognize and combine opposing elements to find new integrative solutions that enable innovation (Smith and Tushman, 2005), we assume that individuals with paradox mindset may be idea champions.

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# PARADOXICAL LEADERSHIP: AN INTEGRATIVE REVIEW AND FUTURE RESEARCH AGENDA

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## ABSTRACT

Research on paradoxical leadership (PL), defined as leaders' seemingly contradictory, yet interrelated behaviors that entail a 'both-and' approach to address tensions has gained increasing momentum in recent years. However, to date, there is no literature review that integrates the partly disconnected research streams and cumulates empirical findings. In this article, we distinguish between different types of paradoxical tensions on multiple levels of analysis and discuss individual and organizational management approaches to cope with these tensions. By doing so, we extend the notion of PL to the management of paradoxes on the individual and organizational level. Based on our framework, we discuss shortcomings and gaps with respect to the interplay of drivers, different levels of analysis as well as boundaries and outcomes and present an agenda for future research that contributes to a more holistic understanding of PL.

Keywords: Paradox; Leadership; Paradoxical Leadership; Multi-level Management

## INTRODUCTION AND PURPOSE OF STUDY

Recent research has highlighted the relevance of studying paradoxes (i.e., "contradictory yet interrelated elements that exist simultaneously and persist over time") (Smith & Lewis, 2011: 382) in different research fields with varying methodologies (Schad et al., 2016). PL is broadly defined as leaders' seemingly contradictory, yet interrelated behaviors that entail a "both-and" approach to address tensions (Zhang et al., 2022; Zhang et al., 2015). Emanating from an increasing variety of research streams, studies on PL have addressed different research questions, employing various theoretical and methodological approaches. Given this fragmented picture of the PL literature, this review has four main purposes. First, we account for the multi-level nature of PL and describe the emergence and salience of tensions as well as the management of these tensions as two different, but interrelated elements of PL. Second, we provide an overview of findings on PL's effects on individual- and organizational-level outcomes as well as their boundary conditions and organize these relationships in a comprehensive framework. Third, we derive and suggest opportunities for future research and take a more holistic view on PL, considering the interplay of individual- and organizational-level PL as well as their separate and integrative drivers and outcomes. Finally, we propose avenues for future research that may contribute to a more comprehensive and integrative understanding of PL.

## **METHODOLOGY AND SCOPE OF REVIEW**

To ensure a comprehensive coverage of the most relevant PL literature, we followed a multistep approach (Parmigiani & King, 2019). First, we searched in leading electronic databases, such as the EBSCO Business Source Premier database and Science Direct search engine, for academic articles containing the term “paradoxical leadership” in the title, abstract, or text. Our first overall search yielded a total of 231 papers. As a second step we focused on top-tier journals from the broader management, psychology, and leadership sections to cover the different theoretical perspectives on PL in the literature. After excluding repetitions, our search yielded a total of 143 unique papers. We then excluded articles that studied paradoxes and leadership separately (14 articles) and eliminated publications that merely considered PL in the future studies or limitations section (7 articles). After conducting these steps, we included 122 studies in our review.

## **THEORETICAL BACKGROUND**

Lives are prone with paradoxical tensions and individuals and organizations work within a web of opposing and persistent, yet interrelated demands (Smith & Lewis, 2022). Leaders in these organizations are thereby confronted with individual-level and organizational-level paradoxical tensions (Waldman & Bowen, 2016). Once paradoxical tensions become salient and leaders feel the need to take action, they may embrace these tensions by deploying individual-level and organizational-level capabilities. Individual-level capabilities relate to how leaders address competing demands in terms of traits, cognitive capabilities (such as holistic thinking, integrative complexity, and paradoxical frames), or leadership styles. By contrast, organizational-level capabilities mainly describe what paradoxical leaders do in their organizations to manage paradoxical tensions.

## **FINDINGS AND CONTRIBUTION**

Based on our framework, we propose several promising avenues for future research concerning (1) the antecedents of individual-level PL, (2) the interplay of individual- and organizational-level PL, and (3) the recursive effects of PL’s outcomes on PL. We conclude that PL research is rather fragmented and that individual- and organizational-level research streams have mainly examined PL independently from each other. Studies to date predominantly either focused on leaders’ underlying characteristics, such as cognitive or emotional capabilities, (e.g., Miron-Spektor et al., 2018) or on management approaches to embrace the navigation of paradoxes in organizations. However, we argue that this either/or approach does not fully reflect the complex nature of PL. This is aligned with recent paradox research indicating that paradoxes are nested across different levels of analysis suggesting that they are interdependent and interwoven (Schad & Bansal, 2018).

## **IMPLICATIONS**

Paradoxes and the related leadership dimension have become prominent topics in management research over the last few decades. Despite the valuable insights and contributions of the existing studies, our review revealed that the PL literature is still characterized by some conceptual ambiguity and disconnected research efforts. We propose that future articles should consider the multitude and interconnectedness of individual- and organizational-level tensions and management approaches.

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**PARADOXICAL LEADERSHIP IN THE CONTEXT OF ORGANIZATIONAL CHANGE:  
CONCEPT EXPANSION,  
MEASUREMENT AND THE IMPACT MECHANISMS ON EMPLOYEES RESISTANCE  
TO CHANGE**

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## Extended Abstract

As the shift from VUCA to BANI era, organizational change has become the "new normal" of organizational management. However, managing change is a challenging task and complex process. Leaders' effectiveness in dealing with the complexity, uncertainty and contradiction related to the change process becomes a key factor to reduce employees' resistance to change and further promote the success of organizational change (Islam, 2023; Sparr, 2018). Existing literature in leadership and organizational change has found leaders as change decision-makers and initiators (Hambrick & Mason, 1984), effective advocates (Oxtoby et al., 2002) and crucial sense-giver of change (Robert & Ola, 2020), influencing both the process of organizational change and the outcome of change (Walk, 2023; Oreg & Berson, 2019).

Existing literature paid limited attention to the dynamics and contradictions behind organizational change. Considering the prominent nature of organizational change paradox and the key role of leaders who can embrace paradox that plays in the successful organizational change (Nasim & Sushil, 2011; Sparr, 2018), it is necessary to explore leaders' paradoxical behaviour and its impact on organizational change from the paradox perspective. However, existing research on paradoxical leadership behaviour (PLB) has mainly focused on PLB in people management (Zhang et al., 2015) and PLB in long-term corporate development (Zhang & Han, 2019), which can be limited in covering paradox management under organizational change regarding the situational relevance of the paradox (Schad et al., 2016). Therefore, the present study aims to extend the concept of PLB into the context of organizational change, develop a measurement scale, and further explore the impact of PLB on employee resistance to change in the context of organizational change.

The research includes 3 studies. In Study 1, we explored the conceptual framework of PLB in the context of organizational change. Based on 15 semi-interviews with Chinese managers from different industries, we explored the paradox management issues during organizational changes encountered by the managers, as well as their approaches of how to deal with such paradoxes. Through a three-phase coding analysis, we developed a framework for the PLB in the context of organizational change. With 81 first-order concepts and 17 second-order theoretical level of themes, we developed a framework of PLB in the context of organizational change including five dimensions: (1) "Both strategic thinking and operational thinking (SO)", (2) "Pay attention to both the description of the specific change goal and the abstract long-term vision (GV)", (3) "Take both gradual change and radical change into account (GR)", (4) "Take both exploratory activities and exploitative activities into account (EI)", and (5) "Maintain both strict rules and flexible adaptation (SF)".

In Study 2, we develop a measure of PLB in organizational change based on the Study 1 results and various leadership behaviors on organizational change literature (e.g., Oreg & Berson, 2019). We initially generated 23 items for PLB in the context of change for measurement development (SO, 5 items; GV, 4 items; GR, 4 items; EI, 5 items; SF, 5 items). The results of exploratory factor analysis (EFA) (sample 1) demonstrated five suitable factors after deleting 4 items: (1) SO, 5 items; (2) GV, 4 items; (3) GR, 4 items; (4) EI, 3 items; and (5) SF, 3 items. The confirmatory factor analysis (CFA) (sample 2) further validated the five-dimensional measure of PLB in the context of change ( $\chi^2/df=1.65$ , CFI=.92, TLI=.91, RMSEA=.046). The alpha coefficients PLB in the context of change dimensions were SO=.82, GV=.83, GR=.87, EI=.82, SF=.89. The AVE results further showed the discriminant validity for PLB in the context of change measures. We thus developed a 19-item measurement as the final version for the PLB in the context of organizational change.

In Study 3, we further explored the effectiveness of paradoxical leadership in the context of organizational change. Drawing from the social learning theory, we focused on the effect of PLB in the context of change on employee resistance to change. Using a field sample of 405 Chinese employees (sample 3), we found that PLB in the context of organizational change negatively associated with employee resistance to change ( $\beta = -.594, p < .01$ ), and the indirect effect of PLB in the context of organizational change on employee resistance to change through cognitive flexibility was  $-.217$  (95% CI =  $[-.367, -.074]$ ). In addition, interaction of promotion regulatory focus and PLB in the context of organizational change has a statistically significant and positive effect on cognitive flexibility ( $\beta = .174, p < .01$ ). Finally, for higher promotion regulatory focus employees, the indirect effect of PLB in the context of organizational change on employee resistance to change through cognitive flexibility was  $-.137$  (95% CI =  $[-.240, -.043]$ ), which supported the moderated mediating hypothesis.

Our research provides several theoretical contributions. Firstly, the research extends the concept of PLB into the context of organizational change with a 5-dimensional construct, indicating a new direction for the development of PLB concept. Secondly, the research developed a new 19-item measurement for PLB, which particularly targeted in organizational change context, supporting future empirical studies. Finally, the application of paradox theory (Schad et al., 2016; Smith & Lewis, 2011) in the research provides a new theoretical perspective for our understanding of followers' responses to organizational change. This study highlights the effectiveness of PLB in decreasing employee resistance to change by guiding the followers to embrace paradox in the change (Boemelburg et al., 2023). The findings demonstrated Batool et al. (2023) 's view on contextual effectiveness of PLB.

Our research also provides several practical implications. The research acknowledges the paradoxical nature of change and different paradoxical problems which leaders endeavour in the change process. For organizations, it's important to cultivate awareness of the paradoxical nature of change in employees. Embracing paradoxical tensions is the key to an organization's success in adapting and sustaining change. Finally, it is worth noting that individual cognitive differences can significantly affect the effectiveness of PLB in the change management, for which organizations should also promote improvements on employees' cognitive abilities through job rotation and training.

**Keywords** Paradoxical leadership, Organizational change, Resistance to change, Cognitive flexibility, Promotion-focused regulation

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## FROM THINK-MANAGER-THINK-MALE TO THINK-LEADERSHIP-THINK-FEMALE: THE “PARADOX” OF LEADERSHIP EFFECTIVENESS IN THE POST COVID ERA.

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***Theoretical background.*** Because most human behaviors are contextualized, social learning theory (Bandura 1977) defines social learning as the acquisition of knowledge for adaptive functioning through the ongoing interface between individuals and their social environment. These interactions have historically resulted in learning that has fostered unprecedented behavioral diversity, leading humans to a remarkable evolutionary adaptation across domains of functioning, including in organizations (Bandura, 2018; Eden and Zuk 1995; Mathew & Perreault 2015; Wealsh et al. 1993). However, “the mechanisms that support adaptive social learning under uncertainty ... are still poorly understood” (Lamba et al. 2020, p. 1). Addressing this question is pertinent, as the context of learning has changed radically. That is, social learning and acting adaptively in organizations before COVID-19 crisis is qualitatively different from what it means to do so in after the pandemic, mostly due to the rise in work from home (WFH).

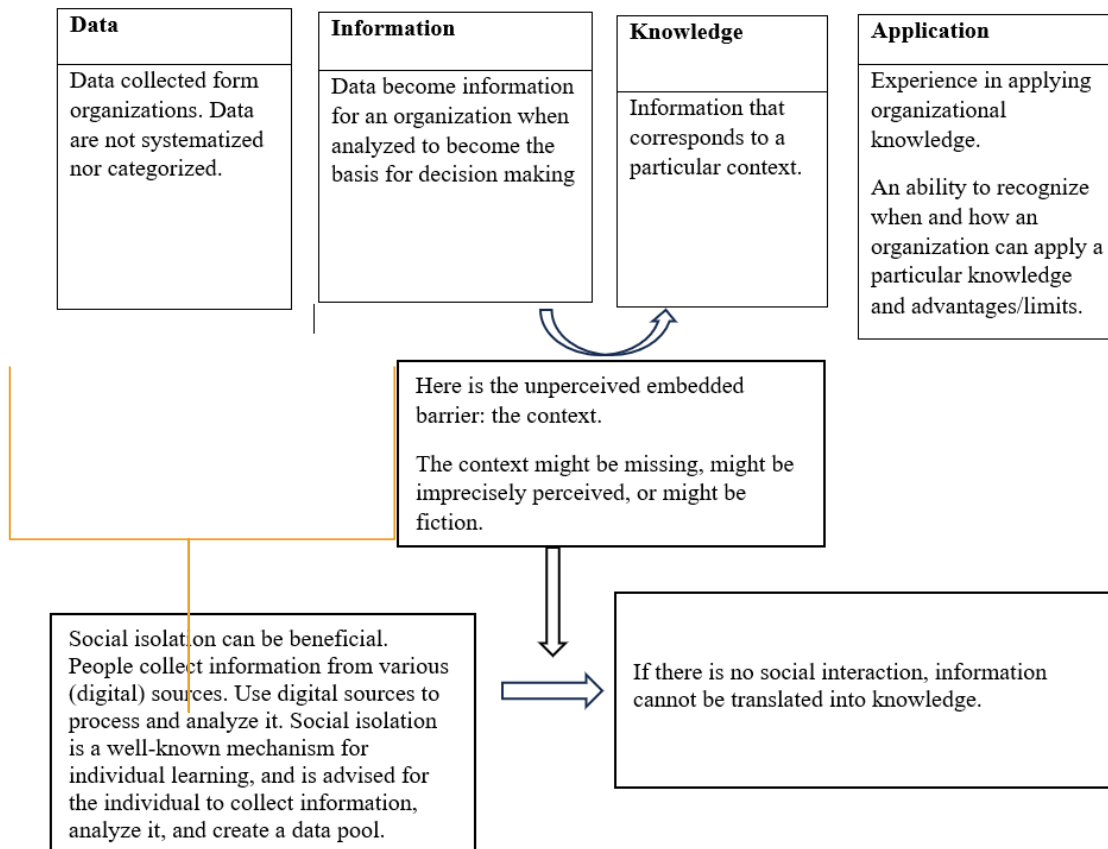
Traditionally, learning was tied to some institutional context, i.e., a classroom, organizations, formal/informal training. COVID has widened a window of opportunity to learn from digital media, and most welcomed these trends ( Bozkurt et al., 2022 Chiodaroli et al., 2024). The possibility of following the daily rhythm of life and learning at the same time is both personally and professionally rewarding. For example, one can enter the wealth of educational content online in pursuits of both formal and informal educational goals, e.g., an overworked mom feeding her desire for professional development while driving to pick up her children from school, a student listening to the curriculum while on the treadmill, a professional updating the skills set with the latest podcast, to name a few alternatives.

This research investigates the paradoxes related to learning and leadership effectiveness in the post COVID era. That is, briefly, work before the crisis was characterized by going to an organization, following procedures, and using power and hierarchy, the latter two generally being associated with men and their agency (Schein & Schein et al., 1996). After the pandemic, we have flexible schedules, juggling multiple obligations, handling “isolation” from work, caring for others, and creativity versus procedures, all typically associated with women and their communality (Stajkovic & Stajkovic, 2023).

***Research propositions.*** Building upon the recent research on female leadership advantage in uncertain contexts (FLA) (Post et al., 2019; Sergent & Stajkovic, 2020), we further theorize that the post COVID-19 changes in the circumstances of work necessitate communality in leadership, and that women might be more effective leaders than men in such environments. Results of this research demonstrate that the old paradigm of “think manager-think male”

(Schein et al., 1996, p. 33) might change soon to “think-leadership-think female.” Our conceptual model is shown in Figure 1, and three hypotheses follow.

Figure 1: Conceptual model



Hypothesis 1: Social isolation makes it hard for information to become knowledge because there is no context to juxtapose it against, i.e., social interaction in the broadest sense. As a result, individual learning based on digital platforms may lead to high information acquisition but a low level of knowledge creation.

Figure 2 below visually presents our theory arguments pertaining to Hypothesis 2.



Hypothesis 2: Women have been socialized to seek social interaction, and are consequently more likely to expose information gained from a digital context to a social context, increasing the possibility for information to transform into knowledge.

Table 1 summarises the conceptualizations pertaining to Hypothesis 3.

	Low knowledge-intensive task	High knowledge-intensive task
Highly social intensive task	Female	Female
Low social intensive task	AI	Male

Hypothesis 3: Women will be more effective in taking on both socially and information intensive tasks. As a result, they are likely to be more successful future leaders at work because AI will displace more socially-isolated jobs that men prefer to take on.

**Purpose.** The prevailing view for generations has been that agency was the driving force of leadership in organizations. This belief, coupled with the stereotype that women are not agentic, resulted in a “think manager-think male” bias. This contributed to discrimination against women leaders, as they were perceived as communal, which was considered to not be leadership material (Rudman & Phelan, 2008). Based on the recent FLA research, we challenge these stereotypes and demonstrate that what constitutes effective leadership might change in the post-COVID organizations. Unravelling of the new combination of social and cognitive factors embedded in effective leadership of tomorrow might be summarized in the maxim “think-leadership-think female” going forward.

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## ETHICS AND SOCIAL RESPONSIBILITY: ENSURING ETHICAL BEHAVIOUR IN EDUCATIONAL ORGANIZATIONS

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Theoretical background: Ethics is an important part of professionalism and influences decisions and behaviour in organizations. In doing so, we want to highlight educational organizations and the impact of ethical action on social responsibility. Social responsibility is the obligation of organizations to act for the benefit and interest of the community, even if this means giving up profitable opportunities that could harm the environment or people. Both concepts are linked and contribute to the creation of a culture of trust and transparency. The concept of integrity is defined in different ways in the literature, depending on the professional field that deals with it. In 2022, a definition of integrity within the educational system was created. The concepts, summarized in the definition, are strengthened by a description at the level of organizational integrity: "An educational institution with integrity (organizational integrity) is an institution that, in accordance with the principles and goals of education, applicable law and ethical norms defined in its acts, ensures and implements a quality educational process. It operates transparently in its operations and relations with stakeholders. The educational institution enjoys the trust, reputation and respect of students, parents, employees and the public with integrity."

On the level of integrity of all employees, and in particular, the area of professional integrity of professionals is highlighted. A key element of achieving integrity in the school environment is the establishment of a safe and stimulating learning environment: "The learning environment that strengthens the integrity of students is an environment that is inclusive, fair, builds a culture of cooperation and care for others, and is based on the ethical, professional and responsible behaviour of professionals.

Purpose of the study: The purpose of the study is to investigate how educational organizations incorporate ethics and social responsibility into their business strategies and practices. The study aims to find out what are the challenges and benefits of such an approach, what is the role of managers in promoting ethical values, and what are the expected trends and recommendations for the future. The values in the educational organization structure and inhabit the school. We highlight two interrelated concepts: globalization and individualization. The effects of the process of individualization are not only manifested at the level of each individual, but also in wider social life; a high degree of individualization is also associated with a decrease in the "sense of community" as well as through a relative absence of optimism about the future of the society in which young people live. The trends that indicate the retreat of individuals into privacy also affect their low willingness to engage in public and political life, or conventional political participation, and their lack of trust in democratic institutions. The school helps students think through implicit values and make them their own. The school reproduces values by acting in accordance with them, which also means that it acts as if the students already have these values. The reproduction of value autonomy is thus also the reproduction of the possibility of non-autonomy and therefore also the reproduction of the limits of reproduction.

**Method:** The study is based on a qualitative methodology and uses semi-structured interviews with leaders from the field of education. The study is ongoing and is designed as a long-term (three-year) research. The interviews were analysed using thematic analysis and coded according to the main themes related to ethics and social responsibility.

**Results:** The research is still in progress. The intermediate results show that educational organizations understand the importance of ethics and social responsibility, but face various challenges in their implementation. Some of these challenges are the lack of clear guidelines, the conflict between economic and social goals, the different expectations of stakeholders and the need to adapt to different cultural and legislative environments. HR professionals play an important role in supporting ethical values and culture in organizations, as they can influence strategy, policies, processes and training.

**Theoretical contribution:** The study contributes to the theory of ethics and social responsibility in organizations by providing insight into various aspects that influence ethical behaviour and social responsibility. The study also explores the link between ethics and social responsibility and the role of managers and professionals in promoting them. Although there is little research on the impact of teaching about the norms and values of integrity on public integrity, as noted by the OECD in one of its reports, it is increasingly recognized that social norms and values are also crucial for the effective prevention of corruption. In a general sense, integrity can be understood as high-quality behaviour in accordance with relevant moral values, norms and rules. While specific values, norms and principles vary in their degree of importance and visibility in societies and communities, some ethical values are widely accepted, including courage, honesty, justice, responsibility, transparency and integrity. The educational system in the Republic of Slovenia is based on fundamental values, which are reflected in the goals of education, which ensures quality education, equality of educational opportunities and justice. Justice in upbringing and education and equality of educational opportunities are the basis for social justice and thus represent the foundation of public interest in education.

**Practical Implications:** The study offers practical implications for educational and other leaders who wish to improve their ethical and socially responsible practices. The study suggests some recommendations, such as developing clear and consistent guidelines, harmonizing economic and social goals, engaging stakeholders in dialogue, adapting to local conditions, and educating and raising employees' awareness of ethics and social responsibility.

**Keywords:** ethics, social responsibility, culture, educational organizations,

# THE RELATIONSHIP BETWEEN PROJECT PORTFOLIO MANAGEMENT AND PROJECT SUCCESS

## PROJECT PORTFOLIO MANAGEMENT AS A CRITICAL SUCCESS FACTOR

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### ABSTRACT

Theoretical background and purpose of the study

Nowadays projects are present at almost every part of our life, not only at works. Even making everyday decisions needs such preparation and organization with deadlines, budget and quality requirements that reflect to the project triangle. If only R&D and construction industry is considered, the share of the World's GDP is more than 10% (UNECE and World Bank database, 2020), so that the real share of GDP spent on projects is supposedly much higher. Paradoxically, while these project intensive sectors contribute substantially to GDP, success rates are alarmingly low: regarding to the Standish Group's Chaos Report (2020), 42% of the projects prove successful applying agile method, while using the waterfall method the success rate is only 13%. Since 2015 the success rate increased only 1%. This paradox underscores the need to delve deeper into the dynamics of project success. Success interpretation depends on the success criteria considered, but Standish Group (2020) adopts a multilevel interpretation of these, similarly to Shenhar and Dvir (2007), Görög (2019). However, the research of project success was on its peak at the beginning of the 2000s (Blaskovics, 2015), the percentage of successful project is still low. Success factors influence the completion of success criteria (Collins and Baccarini, 2004). Critical success factors are those success factors that primarily contribute achieving success. (Rockart, 1982), but the relationship and interdependencies of these factors would have been also considered, as well as the dynamic nature of projects (Fortune and White, 2006). A number of authors have discussed the critical success factors and have proposed a set of them (e.g.: Bryde, 2008; Chen - Chen, 2007, Boonstra - Wortmann, 2010; Fiedler, 2010; etc.), but they never took in consideration the project portfolio management ("PPM") as a success factor.

PPM is an integrative science, is the interface of project management and strategy. PPM has its origin in the economics (Markowitz, 1952, Martin, 1955 and Morris, 1958). The work of these authors is about maximising profit while minimising risk (Hansen and Svejvig, 2022). Markowitz (1952) came to the conclusion that an investment portfolio is more than a set of securities, and that with the right combination of risky investments, the portfolio as a whole becomes less risky (Andor, 2018). Instead of securities project portfolio itself includes set of project programmes and single projects, which are connected by the common scope, the usage of common resource, or both (Görög, 2019). The objective of PPM is profit maximization while maximizing sales and market share, as well as maintaining the company's competitive advantage and efficient allocation of resources at the same time (Cooper et al., 2002). The process of portfolio planning, selection and completion includes several steps which are considered also as critical success factors.

The present study investigates the impact of PPM on project success, in particular the consideration of PPM as a critical success factor, an aspect which is often overlooked in existing literature.

## Methods

The present research aims to address the following questions:

- Which project success criteria are influenced by the interpretation of PPM as project success factor?
- What is the substantive relationship between PPM and project success?
- What is the substantive relationship between PPM and client satisfaction, i.e. the degree of awareness of PPM and how it contributes to strategic objectives?

In order to answer the above questions, exploratory case study will be carried out, analysing the following aspects:

- organizational framework of the PPM;
- the methodology of assign projects to the strategic objectives;
- the changes of the strategic objectives managed in the projects;
- the relationship between the portfolio malmanagement and the project management team, after the portfolio selection;
- the nature of control by the PPM department on the projects of a portfolio
- evaluation of success.

The primary expectation of this research is whether PPM can be a response to criticisms of critical success factor theory, in case it can address the interrelationships between success factors and take into account the time-varying nature of a project. Deeper understanding of Hungarian PPM practice also expected, as to find out, on which success criteria contributes fundamentally the PPM as a success factor.

This research focuses on the energy, banking and communication sectors.

Findings and theoretical contributions

While the study is ongoing, preliminary findings suggest that PPM, by embracing paradoxes inherent in project management, offers a promising avenue for enhancing project success. The research contributes to the understanding of project success by highlighting the significance of PPM as a critical success factor, regarding to its integrative nature.

Keywords

#project portfolio management, #PPM, #project success, #critical success factors

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## WHAT IS IN A NAME? – THE JANUS-FACED AGILE/SCRUM APPROACH TO PROJECT MANAGEMENT

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During the last few decades the project management community might have faced a couple of project management fads (e.g. critical chain, PRINCE, OPM3), and each of them was considered to be such a panacea which could provide the ultimate solution for project managers. Agile approach to managing projects, although it is not a new phenomenon, is our current panacea. This approach includes a couple of genres, e.g. Extreme Programming, Kanban, Feature Driven Development, Scrum etc. This proposed presentation's aim includes revealing the fundamental contradictions and pitfalls inherent to Scrum (which are highlighted in brief here), as one of the most defined agile frameworks, based on library research, i.e. based on published studies and documents.

Although agile project management has emerged in the context of software development projects (Kauffman, Kock & Gemünden, 2020), nowadays it is also applied in case of new product development projects (Malik, Sarwar & Orr, 2021; Meier & Kock, 2023), while it is defined as substantially different (in terms of flexibility) from classical project management (Tam et al., 2020). Bechtel, Kaufmann and Koch (2023) summarise the fundamental characteristics of agile project management in terms of iterative approach (i.e. flexibility), delivering interim results, and intensive collaboration with the client and stakeholders. While Serrador and Pinto (2015) state that primary feature of the classical project management, such as plan-driven attitude, low collaboration with clients, fix project scope etc. are symptoms of failed projects. At the same time, authors (Burga et al., 2022; Malik, Sarwar & Orr, 2021) say that these differences are primarily due to the different approach to leadership of a self-organising team, and the underlying flexibility in terms of scope definition and planning project implementation.

As to the success achieved on projects, authors (Sithambaram, Nasir & Ahmad, 2021) emphasize the higher success rate and lower failure rate of projects adopting agile methods. In this respect Marnewick and Marnewick (2022) draw the attention on potential for measuring project success more frequently and much earlier due to the incremental realisation and delivery of completed parts of the final project outcome. Tam et al (2020) in their study on success of agilely managed projects consider the following success criteria: a) scope (i.e. achieving the requirements); b) quality (i.e. appropriateness of the outcome); c) time (i.e. delivering on time), and d) cost (i.e. delivering within predefined effort). Although, Serrador and Pinto (2015) consider stakeholder satisfaction as further success criterion, while Paulk (2012) emphasises the importance of customer satisfaction and business success.

Further to protagonists of agile project management there are critical voices as well. Criticisms focus on the way in which protagonists differentiate agile project management from classical project management. Protagonists postulate only one classical project management method which insists on following predefined plans regardless the client's or other stakeholders' need, while project managers direct and control team members to achieve the unchangeably predefined project outcome. Bearing in mind this approach, Stare (2013, p 53) summarises his criticism as follows: "as if the authors had never worked in real teams, as if managers never planned projects together with team members (and vice versa), as if team members never

collaborate with managers on project planning, as if managers were not team leaders but estranged administrators, and as if teams have never regularly collaborated with the client or end users”.

Unlike to the firm intent to strictly differentiate agile project management from classical project management, there are efforts devoted to identifying similarities between the two approaches. Klimkó (2014) identified the following similarities: a) planning; b) self-organising project team; c) monitoring progress; d) collaboration with client and stakeholders; and e) reflecting on how to be more effective.

Bearing in mind the above cited authors’ interpretations, one might summarise the fundamental features of agile approach to project management as follows:

- the scope of the project outcome is flexible, while the time and cost constraints are fixed
- instead of managing the project team, the focus is on facilitating a self-organised team

Thus, we are focusing on these two features based on the Scrum/agile framework as one of the most spread and defined agile approach to managing project. This framework is outlined in the Scrum guide (Schwaber & Sutherland, 2017) which, relying on the Agile Manifesto, defines artifacts, events and team roles.

One of the fundamental artefacts is the product backlog which provides a detailed introduction of the (functional) capabilities (and their priority) of the desired project result, and also the resources needed to bring about them. At the same time, the release plan, which is not mandatory, highlights the project goal, the major risks, and the overall features of the project outcome, and the likely duration and cost (Paulk, 2012), i.e. it defines the project triangle. Bearing in mind both the product backlog and the success criteria (scope/quality, time and cost) considered by Tam et al (2020) in their study on the success of agilely managed projects, it can be realised with ease that evaluating success achieved on an agilely managed projects is a mission impossible. These criteria are not independent from each other, time and cost are related to scope/quality, and measure the efficiency of project management. It does not make any sense saying that within the predefined time and cost constraints four (or two, or six etc.) from the 12 functional capabilities were completed. Thus, PM efficiency could not be evaluated in the context of the Scrum/agile framework properly.

One of the primary role players is the scrum master who is responsible for ensuring the adoption of agile values and principles by the team in the course of implementing the project. His/her tasks include organising and moderating project meetings, doing the project-related administrative work, and providing support to overcome likely difficulties of implementation. Unlike to a classical project manager this role resembles to a mentor who is coaching a self-organised team. Although, a project manager in the context of classical approach do the same when a project is characterised by high level of uncertainty and complexity. In this case project team members need to rely on mutual adjustment (self-organising), while the project manager need to exercise engaging leadership style, i.e. mentoring/coaching team members (Turner & Müller, 2005).

An other primary role player is the product owner, who (on behalf of the client) is responsible for defining the (functional) capabilities of the project result, making decision related to the capabilities, and prioritising the implementation of capabilities. Does this role resembles to a project sponsor’s role, or that of the client’s project manager? I think so.

Thus, one might say that Scrum/agile framework has developed primarily a new project management vocabulary without considering the different solutions evolved in classical project management. The above highlighted Janus-faced feature of Scrum/agile approach will be revealed in detail during the presentation.

**Keywords:** agile project management, agile vs. classical project management, contradictions in Scrum/agile project management, novelty in Scrum/agile project management

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## SPORT MANAGERS FACING CHANGES IN ENVIRONMENT AND COMPETITION

### INDICATOR BASED IDENTIFICATION OF ERAS IN BASKETBALL

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**Keywords:** sport management, eras, performance, project management

In the ever-evolving landscape of sports management, understanding the dynamic interplay between trends and regulations is paramount for effective decision-making by general managers in the field. Since the beginning of the 21st century, several factors showed emerging trends such as the amount of player salaries and the increase in the number of player transactions (Glade, Irwin & Sutton, 2001), while the relevance of business-based decisions and globalization gain further influence in the entire industry of professional sport (Ratten, 2011). As the attention and the amount of investments in sport increase, decision-makers encounter paradoxical situations that demand astute navigation. Sport managers draw upon their personal intuitions based on past experiences across different times and situations. However, within in the top professional leagues, the opportunity exists to augment and support decision-making processes through the utilization of data-driven insights and metrics, thereby affording a broader perspective. (Zambom-Ferraresi, Rios & Lera-López, 2018; Simsek et al., 2021). These managers form their organizations as they bear the responsibility of allocating the two most important finite resources - money and players - dealing with risks facing a dynamically changing environment and competitors as most profit-driven entities. (Nourayi, 2006; Barden, J. & Kozlak, S., 2023)

The subject of this research is the North American professional basketball league - the National Basketball Association (from now on: NBA) - and the sport-specific and financial performance of its teams, with the aim to identify the current era of the league and check the current trends and attributes of the sport.

The analysis begins by examining the historical trends that have shaped the landscape of the league - and therefore the sport of basketball as well - encompassing aspects of team and individual performance - such as team efficiency on the offensive and defensive end, shot selection patterns, individual season highs, statistical category leaders. By charting the trajectory of these trends over time, this study elucidates their impact on the strategic decision-making processes of general managers within their profession.

Furthermore, the study investigates the regulatory landscape governing the franchises of the organization, including league policies, and especially financial regulations. Through a detailed examination of regulatory changes and their influence on team spending, player selection, player transactions, and contract through which manager build their teams to succeed on and off the court, as a sport team and as a business as well.

After a brief literature review, the method of the research is a time-series analysis with data gathered about team specific statistics, season specific specialties and financial information.

Besides the NBA's own database, other genuine basketball-related databases such as Basketball Reference are the source of information, while financial information is gathered from the current and former Collective Bargaining Agreements of the league and authentic online sources.

The aim of this study to identify the current era of basketball based on trends and significant attributes on and off field, in order to lay the down the foundation for further data analysis. The findings of this study will culminate in a summary of the evolutionary epochs within the NBA, emphasizing the contemporary era as its focal point. This investigation will delineate the defining characteristics and distinctive attributes of the present one, providing insight into its unique attributes and specialized components. With this knowledge about the relevant timeframe in which the different metrics should be investigated by managers leaning on data-based decision making might help to find new ways and perspectives to apply tools of different fields such as project management and utilizing their approach and toolsets, especially the ones reflecting on planning and control performance management.

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## CORPORATE GOVERNANCE QUALITY AND ORGANIZATIONAL PERFORMANCE: EMPIRICAL EVIDENCE FROM THE SERBIAN BANKING SECTOR

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**Abstract:** The quality of corporate governance is a significant prerequisite for enhancing the organizational performance of companies. Numerous mechanisms are ensuring effective management and governance of organizations in line with the best practices of corporate governance. Various authors explore how internal and external mechanisms of corporate control influence different aspects of organizational performance. Previous research on corporate governance mechanisms primarily focuses on measuring the internal mechanisms' impact on company performance, such as ownership structure and board characteristics, as well as mergers and acquisitions as external mechanisms of corporate governance. However, the quality of corporate governance also depends on legislative and regulatory frameworks. Accordingly, OECD principles guide corporate governance initiatives both within OECD member countries and beyond, making them highly relevant for the Republic of Serbia and other developing economies. Given the scarcity of research related to OECD principles in the Republic of Serbia, the study aims to overcome this research gap. It aims to determine how the application of the OECD principles influences organizational performance in the banking sector of the Republic of Serbia. The focus is on the following OECD principles: dedication to corporate governance principles, relationship with shareholders and other stakeholders, disclosure of information and transparency, and the accountability of the board of directors and the supervisory board. The importance of researching the relationship between the implementation of OECD principles and the organizational performance of companies arises from the need to harmonize the country's legal regulations with EU directives.

The research was conducted in the Republic of Serbia during 2023. The sample consisted of 82 respondents employed in six banks in the Central Serbia region. The study applied descriptive statistical analysis, reliability analysis, correlation analysis, and multiple regression analysis to determine the effects of implementing OECD principles on organizational performance. The results show that selected OECD principles have a positive impact on organizational performance. This indicates the following implications for theory, practice and society. Taking into account that previous research, particularly in domestic literature, has focused on internal mechanisms of corporate control or the use of secondary data, there is a limited number of empirical studies based on the application of external mechanisms, particularly OECD principles, confirming the originality of this research. In the banking sector, the regulatory framework is one of the important mechanisms of corporate governance contributing to economic growth, especially when it comes to developing economies. The research findings indicate the necessity of raising awareness of the importance of implementing OECD principles for improving bank performance. Therefore, the results can also be useful for legislative institutions in terms of tightening control systems for redefining and improving the regulatory and institutional frameworks to facilitate the implementation of principles.

As a primary limitation, besides the time frame of the research, it can be noted that the study does not include all defined and revised OECD principles. Therefore, it is preferred that future models include other principles and performance categories and that respondents be segmented according to their position within the organization.

**Keywords:** corporate governance, external mechanisms, OECD principles, financial institutions, performance

## INTELLECTUAL CAPITAL AND ENTERPRISE PERFORMANCE – BUSINESS LIFE CYCLE PERSPECTIVE

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Theoretical background: According to the previous theoretical and empirical researches, there is consensus among researches that intellectual capital represents the valuable resource for value creation and achievement of the enterprise performances (Edvinsson & Malone, 1997; Nimtrakoon, 2015; Xu & Wang, 2019; Chowdhury et al., 2019; Ting et al., 2020; Xu & Liu, 2020, 2021). Current economy is transformed from capital-based into knowledge-based where knowledge, ideas and information play dominant role (Nadeem et al., 2019; Xu & Li, 2019). However, despite the rising intellectual capital importance, the intangible resources are not still recognized completely in balance sheets of enterprises as accounting assets (Edvinsson & Malone, 1997; Liang & Lin, 2008; Nadeem et al., 2019).

There is a broad discussion on IC definitions and its taxonomy resulting in the need to adopt the multidimensional view of intellectual capital. There are numerous definitions of the intellectual capital term. For instance, the intellectual capital represents the sum of knowledge, information, intellectual property and employees' experience (Stewart, 1997). It exists in enterprises and, even though it does not appear in financial statements, creates values for various shareholders (Edvinsson & Malone, 1997). It is generally acknowledged that intellectual capital could be divided into human, structural, relational and renewal capital (Kianto et al., 2010; Rehman et al., 2021). Human capital represents the core element of the intellectual capital (Ali et al., 2023) that produces creative ideas and increase the innovation capability of the enterprises. Structural capital reflects tacit knowledge retained in the enterprises through the knowledge codification and transfer process (Buenechea-Elberdin et al., 2018), comprised of documents, databases, manuals, procedures, and etc. Relational capital refers mainly to customers relationships which are the essence of this type of capital (Kianto et al., 2010). Renewal capital, as learning and renewing knowledge fund of enterprises, depends on existing knowledge (Kianto et al., 2010), especially in the form of tacit cognitive knowledge and tacit technical knowledge like capabilities and skills (Maharani et al., 2023). It has an important role in the relationship between intellectual capital and enterprise performance (Ritala et al., 2023).

Many researchers (Pal & Soriya, 2012; Nimtrakoon, 2015; Bontis et al., 2018; Sardo & Serrasqueiro, 2018; Xu & Wang, 2019; Xu et al., 2019; Xu & Liu, 2020, 2021; Zhang et al., 2021; Xu et al., 2022) have revealed the positive relationship between intellectual capital and enterprise performance. However, only few researches by authors acknowledgment have paid attention to apply more holistic approach to identify the nature of the intellectual capital-enterprise performance relationship (Zlatkovic, 2018).

Enterprise effectiveness became a central topic in the field of business performance and sustainability. Enterprise effectiveness is a multidimensional construct that determines several aspects of enterprise effectiveness, in particular processes and goal orientation with broader approach to performance evaluation. There is no consensus on how to define the enterprise effectiveness but the competing value approach can be single out as frequently applied.

The competing values approach (Quinn & Rohrbaugh, 1983) views the enterprise as a dynamic and contradictory entity established to fulfil the objective of the enterprise. It defines the four aspects of effectiveness based on three value dimensions: internal-external focus, control-or-flexibility, and means and ends. The core of this approach is to strive to achieve a balance between the effectiveness models, regardless of the conflicting and contradictory nature of their objectives. The same authors have revealed business life cycle stages that correspond to previously identified effectiveness models highlighting the mutual dependence of life cycle stage and pronouncement of certain effectiveness criteria. Business life cycle indicates the development stages of the enterprise cyclically appearing (Liang & Lin, 2008; Xu et al., 2022). Each business life cycle stage has dominant criteria of effectiveness (Quinn & Rohrbaugh, 1983; Zheng et al., 2010), reshaping the business strategies in respect to innovation, marketing, service and other activities. Adoption of the various intellectual capital management strategies suitable to life stage characteristics can lead to establishment of intellectual capital as main factor for above-average performance and sustainable competitiveness advantage (Xu et al., 2022). The shift of the importance of the criteria effectiveness due to entrance in different business life cycle stages was identified (Quinn & Cameron, 1983; Quinn & Rohrbaugh, 1983) but poorly empirically investigated especially in context of intellectual capital perspective.

**Purpose of the study:** The aim of this paper was to investigate the impact of the intellectual capital and its components (human, relational, structural and renewal capital) on enterprise performance at different business life cycle stages.

**Method:** The data were collected using a questionnaire delivered to enterprises listed in Chamber Commerce of Republic of Srpska, Bosnia and Herzegovina, to evaluate proposed research model. The modified Bontis's intellectual capital model (Bontis, 1998) as measure of the intellectual capital efficiency is applied. The multidimensionality of the enterprise performance concept was addressed using competing value instrument. All variables were measured using seven-point Likert's scale where 1 represents "strongly disagree" and 7 represents "strongly agree". The partial least squares structural equation modelling (PLS-SEM) was used to test the research hypotheses and perform moderation-mediation analysis.

**Findings:** This study showed that the impact of intellectual capital on the enterprise performance differs across business life cycle stages. Specifically, at early stages, entrepreneurial and collectivism stages, an intellectual capital component, such human capital, had positive effect on enterprise performance. At the formalisation and control and elaboration and structure stages, all intellectual capital components contributed to enterprise performance improvement.

**Theoretical contribution:** This study represents one of the few studies to explore the impact of intellectual capital on enterprise performance of listed companies in the research context, from a business life cycle perspective. It also makes novel contributions in investigating the intellectual capital-enterprise performance linkage with inclusion of the life cycle stages that are largely neglected in previous research.

**Practical contribution:** The research findings may help enterprise managers to establish optimal strategies to improve enterprise performance through effective intellectual capital management in competitiveness and unpredictable business environment. Meanwhile, enterprise can allocate their resources into crucial elements of the intellectual capital according to life cycle stage to maximize the IC contribution to value creation in the enterprises

**Keywords:** Intellectual Capital, Enterprise Performance, Business Life Cycle, PLS-SEM

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## DIMENSIONS OF ORGANIZATIONAL AMBIDEXTERITY IN TOP MANAGEMENT TEAMS IN THE CONTEXT OF DYNAMIC CAPABILITIES

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In today's volatile, uncertain, complex, and ambiguous (VUCA) business environment companies must constantly adapt and innovate to survive. Examples of former market leaders Kodak, Xerox and the Swiss watch industry show the consequences of failure in embracing change. However, mistakes in the timing of new products and business models can also result in profit erosion and company failure. When looking from another perspective too much efficiency can hinder innovation and vice versa, so both should always be aligned. Research in organizational ambidexterity highlights the importance of balance between the exploitation of existing products and organizations and exploration of new ones (March, 1991). Ambidextrous integration is achieved at the level of Top Management Team (TMT) which must deal with the paradox of opposing goals and provide overarching leadership (Berkinshaw et al., 2016).

Another way of looking at the problem of changing business environment is dynamic capabilities (DC) theory which emphasizes an organization's ability to integrate, build, and reconfigure its core competencies (Teece et al., 1997). Both organizational ambidexterity and dynamic capabilities build on the same set of paradigms of the evolutionary view and the notion of achieving strategy fit between the dynamic environment and internal capabilities. In recent years both concepts are well developed and popular. Still, there is potential for research of ambidexterity in less explored areas like TMT leadership role, especially in a multi-level approach (Kassotaki, 2022) or in different dimensions. From my personal managerial experience, ambidexterity is important but often misunderstood, which motivated me to work on my PhD in the strategic management research field.

There are slightly different focal points of the theories as ambidexterity is mostly concerned with organizational design (Gibson and Birkinshaw, 2004) while DC is mostly concerned with strategic choices regarding capabilities required to address dynamic environments (Teece et al., 1997). However, the prevailing view is that organizational ambidexterity is a dynamic capability per se (Simsek, 2009; Raisch and Berkinshaw, 2008; O'Reilly and Tushman, 2008) which can be further confirmed on the micro-level. Sensing of new opportunities by exploring and innovating (Teece, 2007) is connected to exploration, seizing is the commercialization of new products (Teece, 2007) and connected to exploitation and finally reconfiguration, the continuous alignment and realignment of specific tangible and intangible assets (Teece, 2007) can be viewed as balanced exploration and exploitation - ambidexterity.

This paper is at the heart of both theories, in the point of their intersection - Reconfiguring (DC) and aligning exploration/exploitation (ambidexterity). Through the application of micro-foundations of DC, we can better explain the paradox of the explore/exploit tension faced by TMT. Leaders must have attention and awareness to deal effectively with ambidexterity (Koryak, O. et al., 2018), confront these issues within themselves and embrace paradoxes which brings us to the questions how can we (re)define ambidexterity, how can we measure and improve it?

There are various research approaches and we have selected three as preferred 'lenses' for viewing the research objectives. Firstly, managerial cognitive capabilities (Helfat and Peteraf, 2015) applied to define optimal cognitive capabilities. Managerial cognition extends the DC view with a higher focus on the role of the manager in strategic change. We could review ambidexterity in context of some managerial cognitive capabilities like perception and attention for sensing, problem-solving and reasoning for seizing and language and communication and social cognition for reconfiguring (Helfat and Peteraf, 2015). Apart from that there is a second avenue of analysis through social cognitive theory (Bandura, 2001) applied to analyze the ambidexterity paradox. This theory states that we can learn through observing others, understand better the consequences of our actions, and foster self-regulation. Thus, when TMT has the needed awareness about ambidexterity, they can also initiate activities to assure organizational ambidexterity. Consequently, van Neerijnen, P. et al. (2022) developed a model which applies reflexivity and paradoxical cognitive processing for improving ambidexterity. Reflexivity, the ability to question assumptions and engage in critical self-reflection, leads to greater awareness of the exploration/exploitation paradox and a willingness to engage with it. Paradoxical cognitive processing, on the other hand, enables TMT to overcome tensions between exploration and exploitation activities through cognitive differentiation and integration. Finally, the third approach or 'lens' is strategic thinking (Liedtka, 1998; Jelenc, 2008) as possible explanation for managerial decision making. Strategic thinking is a continuous process with the goal of evaluating information, giving it meaning and acting upon it by shaping the behavior accordingly (Jelenc, 2008). As TMT needs to constantly rethink the relationship between exploration and exploitation this approach could provide insights into achieving ambidexterity. The possible operationalization is defining characteristics relevant for exploration/exploitation with strategic thinking as second order construct to explain managerial behavior and decision making. Additionally, paradox mindset as a way we think about tensions (Miron-Spektor, E. et al., 2017) could be an interesting additional viewpoint within the strategic thinking approach. At this stage in PhD thesis development, we are still reviewing these approaches and will choose the most appropriate later.

Our paper looks at organizational ambidexterity multi-dimensional regarding two types of the explore/exploit relationship. The first dimension focuses on maintaining a balance between exploration and exploitation, known as "balance dimension" (BD). The second dimension concerns the overall magnitude of both exploration and exploitation, known as the "combined dimension" (CD). In BD there are limits of explore/exploit resources available, while in CD there is no competition for limited resources which makes them more appropriate for larger organizations (Cao, Q. et al., 2009). Furthermore, from the DC point of view our paper analyses how TMT can achieve ambidexterity by applying DC micro-foundation. This question opens an additional dimension in the research by reviewing how managers can sense, seize and reconfigure the ambidexterity as a dynamic capability?

Original theoretical contributions and practical implications of our work will be the definition and measurement of various dimensions and approaches for organizational ambidexterity of TMT from the dynamic capability perspective. We will apply original approaches by using the lenses of managerial cognitive capabilities, social cognitive theory, and strategic thinking.

Keywords: organizational ambidexterity, dynamic capabilities, paradox theory.

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# NUMBERS AND WELLNESS: STRIKING A BALANCE IN THE ACCOUNTING WORLD

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## Abstract

This article investigates the evolving workplace dynamics, particularly the sedentary nature further impaired by technological advances and the COVID-19 pandemic, affecting accountants and auditors. Focusing on the crucial role of organizations in promoting healthy habits, the study utilizes Heider's Attribution theory and a vignette experiment to understand internal and external determinants influencing accounting professionals' engagement in physical activity. The research explores preferences for physical activity initiatives, evaluates their impact on the attractiveness of the accounting profession, and delves into the perceived relationship between physical activity and job performance. Beyond conventional stress recovery, the study highlights various performance-related benefits, proposing a physical activity – job performance framework, urging accounting and auditing organizations to integrate physical activity as an investment in employee well-being into mandatory health promotion initiative and corporate social responsibility criteria, recognizing it as a strategic imperative for organizational growth, competitiveness and long term sustainability.

**Keywords:** physical activity, sedentary behaviour, accounting, vignette experiment, job performance

## Introduction

The workplace has changed: today it is characterized by increasingly sedentary work, with modern technological advances seen as the main driver of this change (Church et al., 2011; Woessner et al., 2021). Covid-19 pandemic has encouraged telecommuting (i.e., working from home), which further increased sedentary behaviour among employees (Fukushima et al., 2021; Wilms et al., 2022), leaving accountants and auditors as no exception (Mulei, 2023; Piccone, 1996). Accounting professionals routinely contend with a demanding work environment, where work deadlines take priority over healthy activities, exposing them to work-related stress and having an adverse effect on their well-being and work-life balance (Rodrigues et al., 2022). In such circumstances, organizations play a crucial role in encouraging their employees to adopt healthy lifestyle habits, including engaging in regular physical activity (Bakker et al., 2013; ECORYS, 2017). Seen as an important job stress recovery strategy (Bakker et al., 2013; Sonntag & Fritz, 2015), integrating some form of regular physical activity into the daily routine of accountants and auditors can have a multifaceted positive impact on their behaviour at work, i.e., help alleviate stress, enhance cognitive functions, improve communication and cooperation skills, and improve mental health, consequently leading to better job performance, job satisfaction and overall well-being.

### Theoretical background

The inherently stressful and sedentary nature of the accounting profession poses unique challenges for incorporating physical activity into daily life. Therefore, it is first important to understand, what are the most important internal (personal) and external (situational) determinants that drive their decision to engage in physical activity.

Heider's (1958) Attribution theory applied in functional HR attributions theory (FHRA) explores how managers and employees attribute causes to their own and each others' behaviours, how they make attributions in the context of work-life balance initiatives, employee monitoring, or assessment centres (Hewett et al., 2018). The attribution theory will serve as a foundation to investigate the antecedents of accountants' and auditors' physical activity.

### Purpose of the study

We will try to obtain the answers to the above research question designing a vignette experiment illustrating the delicate balance that accountants and auditors must navigate, considering both (a) internal factors (e.g., health awareness, stress management), and (b) external factors (e.g., top management support, social norms), coupled with (c) physical activity mode (e.g., uninterrupted sitting, active breaks), and (d) physical activity initiative (e.g., workplace-driven facilitated by the organization or self-initiated).

Vignette experiment as the core element of the study is usually accompanied by a traditional survey or an interview for the parallel and supplementary material, which will allow us to (a) examine whether the chosen population demonstrates a preference for this kind of additional benefit as part of mandatory health promotion initiative, and as accountants and auditors might make attributions about the causes of the job's attractiveness, (b) does caring for accountants' and auditors' well-being in such a way, play an important role in the attractiveness of such a profession, both attracting new and retaining existing employees, thus reducing turnovers.

Last but not least, we are interested in understanding accountants' and auditors' perceptions of the relationship between physical activity and job performance, from the perspective of identifying (a) potential areas where the relationship between physical activity and performance-related outcomes may be observed or anticipated at work and (b) which of those outcomes hold the highest value to these employees. In line with 'what gets measured can be managed' we will seek to identify (c) which of those outcomes are most practical, can have data collected on, and are feasible to monitor and measure in practice. Participating in physical activity within accounting profession can yield outcomes that extend beyond the conventional perspective of mere job stress recovery or enhanced occupational health (Jones et al., 2010), as foundational cognitive skills like memory, attention, and task focus are one of the pivotal skills for accountants' effective and accurate task performance (Birnberg & Shields, 1984). Additionally, creative thinking in auditors allows to look beyond evident risks, considering unique factors to identify red flags and hidden irregularities, to adapt successfully to the turbulent environments in which they operate and finally together with critical thinking and decision-making skills enhancing audit quality, which is one of auditors' primary goals (Hammersly et al., 2011).

## Methods

First, we conducted a literature review to identify a broad spectrum of physical activity determinants, narrowing it down to the context of accounting professionals (e.g., Holderness & Hunton, 2010; Jones et al., 2010; Prasetyo & Hoesada, 2023). With our target population, accountants and auditors in accounting and auditing organizations, operating in Slovenia, semi-structured interviews will serve as a pilot study also helping us obtain manageable number of determinants included in our final vignette universe. The population will then evaluate the healthiness and attractiveness of vignettes. Research questions will be analysed either in Nvivo software or through coding matrices and presented in thematic clusters.

## Contributions and Conclusion

Expected theoretical contributions involve contributing to Behavioural Accounting Research (BAR) by exploring the interplay of physical activity, technical functions, behaviour, and job performance among accounting professionals, and contributing to Attribution Theory by expanding the current understanding of antecedents and outcomes of physical activity of accounting professionals.

Expected practical implications include (a) recommendations for accounting and auditing organizations how to encourage their employee physical activity and communicate the benefits to employees in order to increase participation rates, and (b) how to plan, implement and monitor employee physical activity interventions.

Understanding the interplay between internal and external factors can contribute to the development of tailored wellness programs within the accounting profession. Developing the physical activity – job performance framework to monitor and evaluate the benefits might encourage organizations to integrate such an investment into their employees - a vital source of organizational competitive advantage - into corporate social responsibility (CSR) context and environmental, social and governance (ESG) criteria, to be seen as a part of their business strategy, and paramount to the growth of the organization itself.

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## A PARADOX OF ORGANIZATIONAL MISFIT WITH NEW GENERATIONS OF EMPLOYEES: GAMIFIED ORGANIZATIONAL DESIGN

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### Theoretical background

A paradoxical relationship can be identified between the rigidity of existing organizational structures in the corporate world and the values, attitudes, and behaviors of new employees, digital natives who grew up on video games and the internet environment. Gamification of organizational structure, a digital transformation equivalent of organizational structure design, may answer the related challenges. Gamification can, from a scientific perspective, be defined as a "social scientific, post-positivist subdiscipline of game science that explores the various design techniques, and related concerns, that can be used to add game elements to existing real-world processes" (Landers, Auer, Collmus & Armstrong, 2018). The practice has been criticized widely (González-González & Navarro-Adelantado, 2021; Kim 2018; Nyström 2021) and even called "exploitationware", but Gajanova (2020) elaborates that gamification in business disciplines, in marketing in particular for her article, is not just another "management fad". Gamification is applied in both business (Parlić, Čudanov & Săvoiu 2014) and in other contexts (Čudanov, Parlić & Sofronijević, 2014; Jaško, Maljković & Čudanov, 2015). Recent studies find wide organizational applications of gamification (Bizzi, 2023; Butler & Spoelstra, 2024; Khodabandelou, Roghanian, Gheysari & Amoozegar, 2023; Sharma et al, 2024).

### Purpose of study

Rigid organizational structures are not to be expected to fit future generations, which have grown in a completely different world. Inspired by the thinking of SF writer Arthur C. Clarke in his "Childhood's end" book, we can predict that new generations of Homo Sapiens will evolve, leading even to the emergence of a new species of humans. Looking at the life values, behavior, technology immersion, attention span, vocabulary, attitudes, and other traits of the new generations, an objective observer might often think that the moment has already arrived. As the next generation of corporate leaders takes shape in today's kindergartens, we ponder potential monikers for their cohort. However, one thing is certain: their relationship with digital technology will be markedly different from that of current generations. Research conducted by AVG company reveals that young "Techno-toddlers" (Jones, 2011), aged 2-5, already possess basic digital skills, with 58% able to play rudimentary computer games, 28% capable of making calls on mobile phones, and 25% able to launch web browsers. Surprisingly, only 9% of them can tie their shoelaces. Consider the profound economic and social implications of these individuals ascending the corporate ladder in the next decade. Picture their astonishment and frustration upon encountering organizational structures and hierarchies designed for a different era of technology and social norms. Despite some evolution, contemporary organizational frameworks still largely adhere to the principles of Frederick Winslow Taylor, Henri Fayol, and Max Weber. These frameworks emphasize hierarchical structures, division of labor, authority, chains of command, and delineated rules and responsibilities. For instance, the relationships within the organizational hierarchy, e.g. between managers and operative labour, full professors and teaching associates, or seasoned experts and juniors, often mirror military hierarchies, resembling those between colonels and captains. Even in more modern matrix structures proposed by Galbraith (2012), hierarchies can be plagued by sluggish feedback mechanisms, limited avenues for formal advancement, and outdated performance evaluation practices. An apparent disparity emerges when comparing advancements in organizational design with technological support for such designs, highlighting a distinct favor toward the latter.

## Methods

This study is limited to the literature review and secondary source analysis. Following the theory of punctuated equilibrium (Baumgartner & Jones, 1991), we expect that periods of relative stability in organizations, like in public policies, be interrupted by short periods of dynamic, transformative change. In order to envision that change, we cannot rely on hard-fact empirical research methods but trust in port-positivism research values and subjective interpretations of objective facts. This study does not present significant empirical findings. Still, it proposes a framework for future research, which can first be aimed at self-reporting studies based on adoption surveys of different employee groups to the gamified organizational structures, as well as longitudinal studies of behaviour, satisfaction and performance within those organizations.

## Findings and theoretical contribution

Traditional hierarchies often limit formal employee progression mainly in vertical directions. When employees seek horizontal or diagonal advancement, formal opportunities diminish, forcing them to resort to unconventional or informal means. Drawing from consulting experience across various companies, I've observed that employees with versatile horizontal and diagonal skills can offer as much, if not more during the organizational crises, benefits to business as those highly specialized in a single vertical function. With the widespread availability of information and communication technologies enabling comprehensive feedback mechanisms for employee progress in multiple directions, companies now possess the means to support such advancements, mimicking the progress in Role-Playing Games (RPG).

Management development has long been likened to a game (House 1963), albeit with limited changes in organizational design. Introducing game design elements (Deterding et al, 2011) into organizational hierarchy design seems logical, following the examples in different business areas described in the current literature. This approach aims to enhance employee motivation, not just the younger gaming population. It's worth noting that even a decade ago, the average social gamer was a 43-year-old female (Ingram, 2010). However, it's important to recognize that gamification isn't a panacea for organizational motivation; it's merely a wrapper for the underlying work. While employees may appreciate the gamification layer, it doesn't guarantee satisfaction with the work itself. Ignoring that can lead to practices which have justified harsh criticism of gamification in business practices. Nonetheless, future research would likely show that both gamers and non-gamers prefer a correctly developed and applied gamified system over the existing military-style hierarchy, titles, and advancement structures.

## Practical implications

In practice, this concept can be applied through matrix organizational structure and balanced scorecard with simple intranet software support for distributing and administrating "games" and "raids". The following figure presents the proposed structure based on Čudanov (2022). Project line managers in matrix structure become game designers, and in collaboration with top management, game designers they translate "Balanced scorecard" perspectives (Kaplan & Norton 1996) into tangible initiatives with objectives, measures and targets: 1) "games," long-term strategic projects, and 2) "raids," short-term of less value. Games/raids are linked to enterprise value, e.g. \$100 equating to 1 point. Points reflecting project success are allocated to employees. Games/raids are tailored to engage corporate skills, distributed through corporate software, and led by designers to achieve objectives. Guild leaders, replacing functional managers in traditional matrix structures, oversee skill requirements, advise on design, and recruit external staff, ensuring steady capabilities.

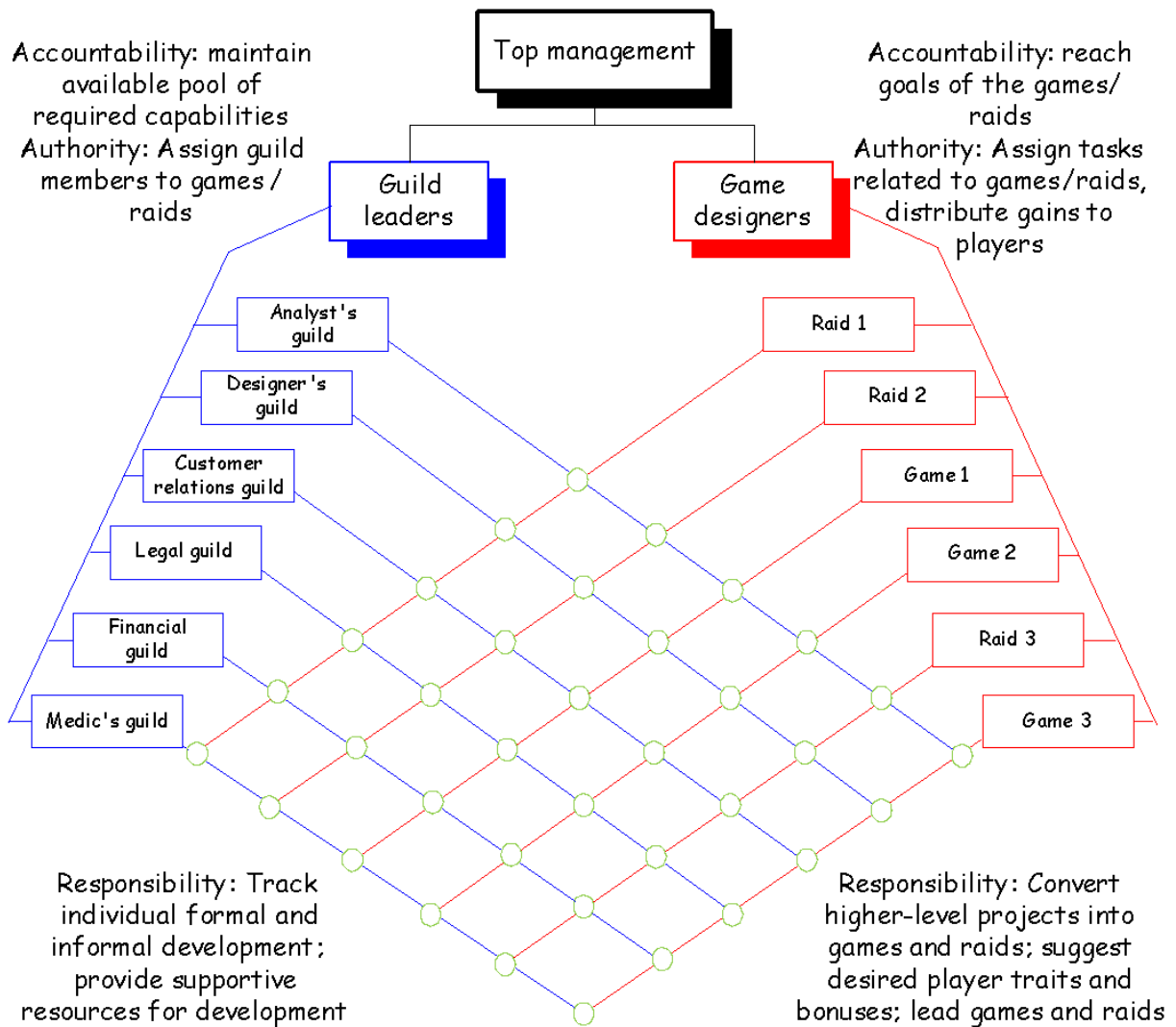


Fig1: Gamified matrix organization

This organizational structure should provide more freedom, alignment with the values of new cohorts of employees, and give an objective, meritocracy-based system of organizational advancement.

Keywords

Organizational structure; Matrix organization; Gamification; Techno-toddlers; Digital transformation; Digital natives.

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## ORGANIZATIONAL CHARACTERISTICS AND BUSINESS PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN BOSNIA AND HERZEGOVINA: THE ROLE OF GREEN INNOVATIONS

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**Theoretical background:** Companies must promptly adapt to environmental changes to maintain, acquire, or enhance their competitiveness and effectiveness, ensuring not only survival but success in the marketplace. One such response is going or being “greener.” Innovation serves as a tool for introducing changes, regardless of whether they are revolutionary or incremental. Green innovations are no exception, but systematic changes are needed in order to support such an approach. Besides, such adjustments are often late in developing countries and emerging economies. However, on their path to the EU, Bosnia and Herzegovina committed itself to the so-called “Green Agenda”, and the main pressure will be on the business sector, where small and medium enterprises could be key players. The literature on green innovations has grown steadily in the last decade, and it has evolved and extended primarily due to interdisciplinary interest and societal change. However, the recent evidence shows that several issues are presented, such as implementation, green innovations performance, and market response.

**Purpose of the study:** The aim of this study is twofold. First, to assess the extent of green sation within the small and medium enterprises in Bosnia and Herzegovina. Second, to examine the role of green innovations within the business processes and its role in business performance. In particular, the study examines whether green innovations play a role in business performance and whether they mediate the relationships between organizational characteristics (organizational support, learning, and cooperation) and business performance indicators (economic, ecological, and social).

**Methods:** Using a cross-sectional survey design, the data is collected from small and medium enterprises in Bosnia and Herzegovina following a convenience method. After cleaning the data, 140 responses from small and medium enterprises were considered useful (the data collection is still ongoing). A structural equation modeling was used to test the hypotheses.

**Findings:** The results show that green innovations play both a determinant and mediating role when it comes to business performance.

**Theoretical contribution:** The study fills two gaps within the current literature. First, it addresses the conflicting results regarding the role of green innovations in business performance. Second, it extends the literature to the less-represented contexts of developing countries.

**Practical implication:** As the data was collected from small and medium enterprises, the study provides some useful recommendations for managerial practice within small and medium enterprises.

**Key words:** Green innovation, organizational characteristics, business performance, SMEs, Bosnia and Herzegovina

## ORGANIZATIONAL DIFFERENTIATION–INTEGRATION PARADOX: HOW DOES IT REALLY WORK AND PERFORM?

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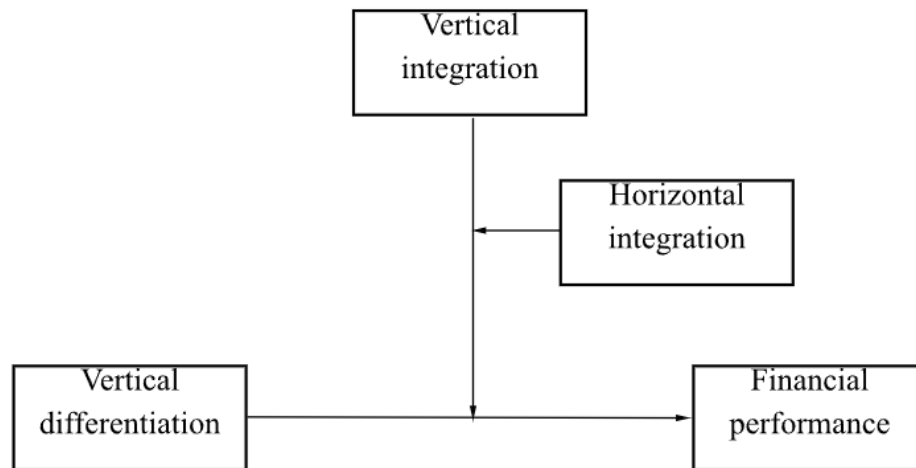
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Complexity is an unavoidable part of doing business. Managers struggle to address changing environmental uncertainty through organizational design (OD). Their first and foremost OD priority is balancing organizational differentiation and integration (Lawrence & Lorsch, 1967). These opposing poles of the organization's structural arrangement condition each other and should co-exist to create alignment and reach performance targets. Problems arise when an excessive level of external or internal complexity causes a series of organizational consequences that can be critical for the very success of the organization (Worren, 2018). Therefore, organizations should avoid generating unnecessary complexity not conditioned from outside the organization (Vogel & Lasch, 2016).

Adopting the perspective and postulates of complexity theory derived from natural sciences (e.g., von Bertalanffy, 1968), this paper offers a new approach to conceptualizing organizational complexity. Building on the recent work in the organizational design research domain (Cunha et al., 2022), we approached organizational complexity from a paradoxical perspective. Specifically, we suggested and investigated the interplay among vertical differentiation (i.e., the average number of hierarchical levels) and both horizontal integration (i.e., the extent to which organizations use cross-functional interfaces; see Jansen et al., 2009) and vertical integration (i.e., the degree to which vertical communication is low, difficult, and limited versus fast, easy, and abundant; Nahm et al., 2003) to determine whether it yields a true measure of organizational success (see Figure 1).

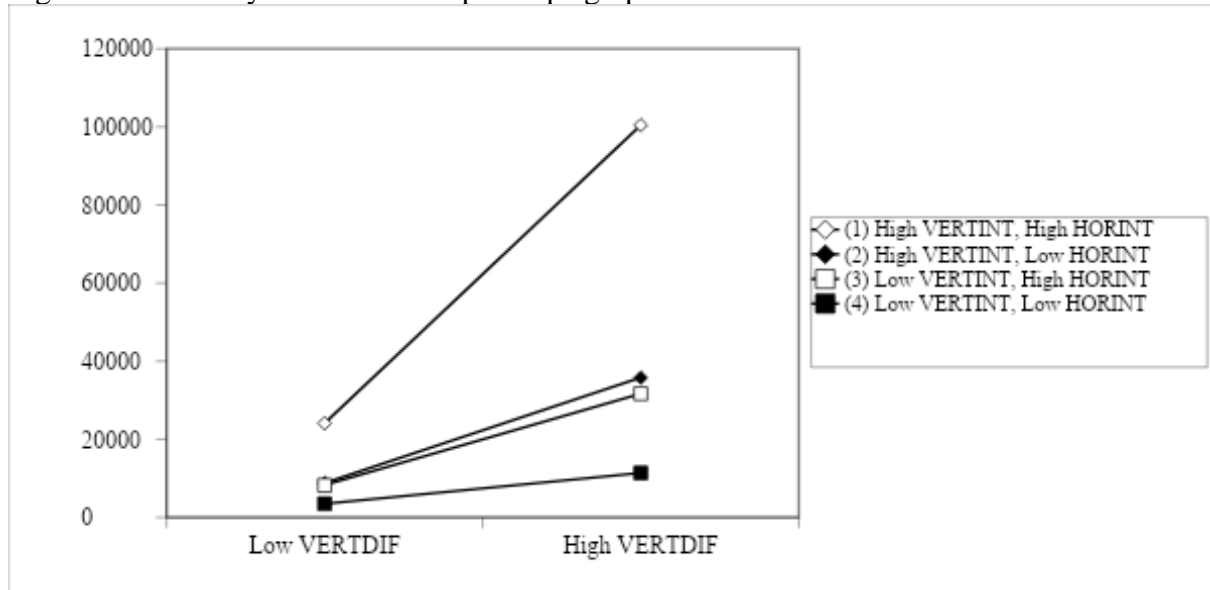
Figure 1 Research model



A field multisource survey has been conducted on a cross-industry sample of a hundred organizations (100+ employees) listed in an online database of the Croatian Chamber of Economy. Human resource (HR) or OD managers within companies reported vertical differentiation and integration (vertical and horizontal) of their organizations. In addition, companies' publicly available financial reports were used to calculate revenue per employee as a financial performance measure. We tested our moderated moderation model (i.e., a three-way interaction) using PROCESS macro for SPSS (Hayes, 2022).

The results suggested that vertical differentiation (our independent variable) does not statistically affect the revenue per employee (our dependent variable). Vertical and horizontal integration, examined independently in separate two-way interaction models, did not moderate the focal relationship significantly. However, when examined together in a three-way interaction model, vertical and horizontal integration significantly influenced the relationship between vertical differentiation and revenue per employee (see Figure 2). Namely, when an organization increases its vertical differentiation, the revenue per employee will be higher only if there is at the same time in place greater horizontal and vertical integration. In other words, organizations can achieve higher revenue per employee if they perceive organizational alignment of vertical differentiation and integration as a prerequisite. To check for robustness, additional models were ran (i.e., testing for profit per employee as an alternative outcome measure). We also tested the model's performance by taking outcome measures in three subsequent years, yielding similar results.

Figure 2 Three-way interaction simple slope graph



By moderating the influence of vertical differentiation on financial performance, having organizational integration as a moderator, the model presumes better performance when the level of integration corresponds to the level of vertical differentiation, i.e. organization will be more successful when there is achieved fit (organizational alignment) between vertical differentiation and integration (Ketokivi et al., 2006). Our findings show that organizational complexity, even at its high(est) levels, can positively impact an organization's performance/success. Moreover, by questioning a prevailing stance on organizational complexity's negative and disastrous effects (Ashkenas, 2010; Collinson & Jay, 2012), we offered insights into how, if designed appropriately, even high levels of organizational complexity can positively impact its financial performance.

**Keywords:** differentiation–integration paradox, organizational complexity, three-way interaction, financial performance

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## PARADOX OF SOCIAL ENTREPRENEURSHIP AND ISSUE OF MEASURING THE VALUE THAT SOCIAL ENTERPRISES ARE CREATING IN WESTERN BALKAN

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Sandra Đurović  
Nikola Abramović  
Ivan Radević

### Abstract

Concept of social entrepreneurship turn two completely different and paradox ideas into one centric approach of finding innovative solutions to social problems. Western Balkan countries don't have same definition of social entrepreneurship in some cases low doesn't recognize social enterprises as specific type of hybrid organization.

This paper addresses the paradox of entrepreneurship and social development. Entrepreneurship is focused on measuring performance using business metrics like profit, revenues and increases in stock prices. Social development on the other side is focused on generating a positive "return to society" regardless of the expenses created to bring that impact. We argue that social entrepreneurship can bring economic change and development. Using business logic can bring to sustainable social development and use of the resources in more efficient way. In research that we have conducted regarding measuring performance of social enterprises we were able to demonstrate social enterprises need different methodology that can be used for consistent measurement of social value creation across countries allowing comparability between social enterprises. We also argue that social enterprises as hybrid organizations need to be further researched regarding: accounting and managing performance, general management, leadership, strategic development, talent acquisition, long term motivation etc. When it comes to external conditions for development of social entrepreneurship laws and financial support need to be improved in Western Balkan countries in order to create better environment to develop this dualistic organizations.

Key words: Entrepreneurship, Performance Measurement, Accounting, Social Entrepreneurship, Social Enterprise, Social Innovation

### THEORETICAL BACKGROUND

Social entrepreneurship started to evolve and develop in second part of XX century. Definitions of social entrepreneurship are changing in order to capture innovative approaches that are using economic approach to address social problems and find solutions to social, cultural, or environmental issues (Miculaiciuc Holovcsuk, 2019). Interest in social entrepreneurship grows when the state and enterprises face challenges such as growing inequalities in society and social exclusion This approach then provides innovative solutions for employment, poverty reduction and inclusion of vulnerable groups (Chichevaliev, Debarliev & Iliev, 2023). Activities that bring to achievement higher values for society, can be classified as social entrepreneurship and they can be inf form of one-time activity (action or project) or in form of more sustainable and long-term approach like social enterprises (Hota., Subramanian & Narayanamurthy, 2020).

Where the paradox comes from?

There is no common definition of entrepreneurship but research state that the common perspective is that entrepreneurship is linked to risk taking, establishing new companies and making profits (Miculaiciuc Holovcsuk, 2019). Entrepreneurial activities are practiced in factor-driven, efficiency-driven, or innovation-driven economies. Entrepreneurs have motivation to enter in business venture in order to gain personal profit and wealth (Abu-Saifan,

2012). By contrast social entrepreneurship is focused on creating social value even when it is in paradox with economic value. Social entrepreneurship is seen as differing from other forms of entrepreneurship in the relatively higher priority given to promoting social value and development versus capturing economic value (Chichevaliev, Debarliev & Iliev, 2023).

#### PURPOSE OF THE STUDY

Social entrepreneurship is focused business with the aim of environmental protection, social inclusion, fighting poverty, employment or any other social goal - business activities are directed towards achieving social goals. On the other side profit is not excluded -we argue that financial benefits and creating economic value are necessary for sustainability social entrepreneurship initiatives. The purpose of this study is to present that seemingly paradox concept of economic vs social goal can generate dynamic changes in way we think of business today. Social enterprises create value at various levels and that value needs to be measured in order that we can observe their impact and innovations that they bring to market. Current business performance measurement standards (accounting and finance) are not able to capture that value. This leads to situation where social entrepreneurship is developing initiatives that create value which is not visible and therefore not adequately supported by national laws nor by national and international funding (Tosheva & Petrishkova, 2020).

#### METHOD

Methods that can be used as standards for performance evaluation in social enterprises can vary from quantitative to qualitative. Models are divided into 4 model clusters based on: qualitative, holistic, quantitative and managerial aspect (Kocollari & Lugli, 2020). We propose holistic model that measures blended value in form of value from business added with value of social impact (Mamabolo & Myres, 2020; Young, 2017). We are proposing modified Kaplan and Norton Balanced Scorecard (Kaplan, 1999) putting both financial and social goals together. The central argument of the balanced scorecard is that financial measures are not enough to measure the performance of social enterprises therefore additional elements need to be included (Mamabolo & Myres, 2020). Using this approach, we will be able to capture and measure value, innovation and impact creating of social enterprise and develop standard that can be useful for policy development.

#### FINDINGS

We have compared 20 social enterprises from Bosnia and Herzegovina, Macedonia, Montenegro and Serbia trying to identify most successful business model in terms of profit and in terms of impact. Business model was reflection of financial conditions and legal framework in the specific country and it was directly affecting success of social enterprise – limit of enhance growth possibilities. Another common problem that we have perceived in Western Balkan countries is that there is lack in supervising laws (Tosheva & Petrishkova, 2020). Specifics of social enterprise as hybrid organization were not analyzed nor reflected in legal framework. We have also noticed the lack of knowledge and common understanding of social enterprises especially in business community. Some of the entities that were researched didn't understand that they have qualification of social enterprises - they consider themselves and NGO, public entity, public-private partnerships and measure their performance only with business indicators (profit, revenue etc.) or focusing only on social indicators regardless of expenses. Social entrepreneurship paradox is evident in financial and accounting monitoring of the performance of social enterprise where they are categorized as business or social entities therefore separating reflecting the basic reason for which they were formed.

## THEORETICAL CONTRIBUTION AND PRACTICAL IMPLICATIONS

While in business accounting we have International Financial Reporting Standards (IFRS) that enable comparability and equal measurement of performance for business entities that operate in different countries in social entrepreneurship, we don't have similar standard (Rawhouser, Cummings & Newbert, 2019). Our research shows that at the end of year social enterprises are viewed as any other business entity without consideration of their specific impact like: reducing poverty and unemployment, increasing social inclusion, developing social innovation, preserving environment etc. (Ronchetti, 2006; Dees, 2016). We argue that entrepreneurship and social goals are not in paradox – they are not mutually exclusive but this hybrid approach can bring higher benefits to economy, society as well as to owner of the resources. In the long run social entrepreneurship leads to better use of resources, environment sustainability, innovation and networking, better shareholder value. We can see that in examples of big companies like: Apple, Tesla, Meta and others but we need to be able to measure impact and make it more visible. Depending on context capturing value can be challenging- social value (Abu-Saifan, 2012), social performance (Nicholls, 2009), social return on investment (SROI) (Rania et al., 2020; Hall & Millo, 2018), and social accounting (Nicholls, 2009). New research in this area also recognizes new term – social innovation (Barman, Hall & Millo, 2020), synergic effect with digitalization (Milosjeska et al., 2021) and researchers are actually proposing new accounting methods that will promote and demonstrate the value of innovation and implement at the appropriate infrastructure to measure this value (Mamabolo & Myres, 2020; Tomašević & Abramović, 2023).

Understanding paradox concept of social entrepreneurship will have practical implementation in various areas like: policy development, legal framework analysis and development, strategy development for business entities. In addition to this it can contribute to development of theory and research in: accounting, finance, leadership, motivation etc.

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## INVESTIGATION OF AN AFFECTIVE PATHWAY FROM DAILY SPIRITUAL EXPERIENCE TO DAILY ENGAGEMENT

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### Abstract

Despite the growing attention on workplace spirituality, the link between spiritual experiences and work engagement remains understudied. The gap is more notable for investigating how daily spiritual experiences (DSE) are associated with daily work engagement and possible underlying mechanisms in this relationship. However, advantages in addressing daily fluctuations in engagement are evident. The current study proposes an affective pathway and tests the mediating role of daily positive affect between DSE and daily work engagement. Day level (328) and person level (41) data collected from 41 participants during eight consecutive workdays were investigated using multilevel analyses through HLM statistical program. Results indicate substantial variance in all daily measured study variables at both person and day level. Finding also show that, controlling for person level positive affect, engagement, life satisfaction and spirituality; daily positive affect fully mediates the positive relationship between DSE and work engagement. The study provides significant contributions regarding the daily antecedents of work engagement and how spirituality links with engagement at the day level.

**Keywords:** Daily spiritual experience, daily work engagement, daily positive affect, multilevel analysis

Work engagement has been a center of attention among researchers and practitioners. The concept traditionally has been conceptualized and measured through one measurement point designs and as a trait-like concept (Schaufeli and Bakker, 2004). However, recent studies (e.g., Sonnentag et al., 2010; Ouweneel et al., 2012; Bakker, 2014) suggest day level measurement and conceptualization of work engagement emphasizing theoretical and statistical advantages of capturing within individual fluctuations in engagement.

Although several studies exploit affective events theory (Weiss and Cropanzano 1996) to explain how experiences in the workplace affect work related outcomes, very few studies (e.g., Jannah & Santoso, 2017) used AET to link spirituality and work outcomes. AET suggests that daily events can result in daily affective experiences (such as positive and negative affect) and these affective responses lead to work attitudes and behaviors. There is a gap remaining in the exploration of daily variance in DSE and how it relates to affective states. Moreover, although no studies that we acknowledge directly link DSE and daily work engagement, empirical evidence (e.g., Lizano et al., 2019) supports the significant links between spirituality and work engagement.

H1: Controlled for person level spirituality, life satisfaction, positive affect and engagement, DSE (daily measures at the day-level) is positively and significantly related to day level engagement.

Responding to the above-mentioned gaps and building on AET, this study aims to investigate, controlled for person level variables (spirituality, work engagement, positive affect and life satisfaction), the mediating role of daily PA between DSE and daily work engagement through a multilevel longitudinal research design.

In the present study, we address positive affect as a potential mediator between DSE and daily work engagement. In other words, we suggest that enhanced daily positive affect (PA) through higher levels of DSE will lead to daily work engagement.

H2: Daily positive affect mediates the relationship between DSE (measured in day level) and daily work engagement.

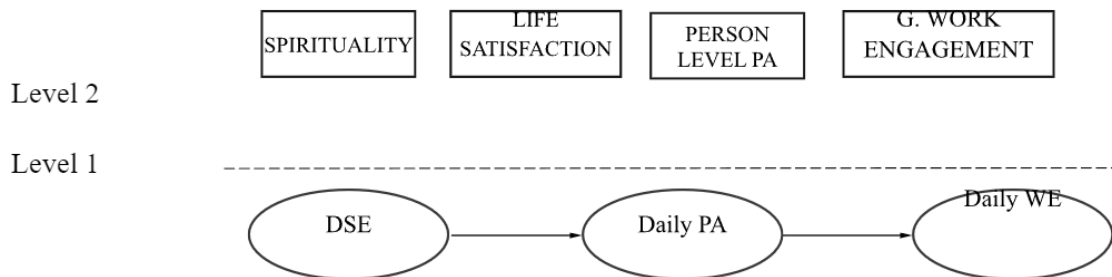


Figure 1. Research model of the study

Measures:

We used five-point Likert-type for all measures used in the study. We adapted the instructions of the scales to use at the day level by asking participants to provide answers for their daily experiences. Shorter versions or selected items were used to keep the questionnaires feasible for repeated daily measurement.

The PANAS scale (Watson, Clark, & Tellegen, 1988) was used for assessing the positive affect levels of participants. The scale has 10 items measuring positive affect and in the second level (person level) measure we used all the items. Gençoz (2000) validated the Turkish version of the scale. For the daily questionnaire, we selected 3 items (high scoring and more relevant to day level experience) to keep the questionnaire short.

Items selected from Underwood (2011)'s Daily Spiritual Experience Scale (DSES) were used to measure daily spiritual experience at the day level. The scale was adopted to Turkish by Akın et al. (2013).

A three-items short version (UWES-3) of the work engagement scale was used for assessing the work engagement levels (Schaufeli et al., 2017). We used a six-items version of the same scale suggested and validated by Guler et al. (2019) using the nine-item version of the same scale (Schaufeli et al., 2006) for measuring work engagement at the person level.

Life satisfaction was measured only in the second level as a control variable. Diener et al. (1985)'s scale was used for measuring life satisfaction. The scale consists of five-items and all items of the measure were used in the questionnaire. Bekmezci and Mert (2018) translated and validated the scale to Turkish.

The spirituality scale developed by Delaney (2005) and validated in Turkish by Bedel (2009) was used in the person level to assess participants' spirituality levels.

Results indicate substantial variance in all daily measured study variables at the both person and day level. Findings also show that, controlling for person level positive affect, engagement, life satisfaction and spirituality; daily positive affect fully mediates the positive relationship between DSE and work engagement. The study provides significant contributions regarding the daily antecedents of work engagement and how spirituality links with engagement at the day level.

The present study provides two significant contributions to the literature. First, we enhance the research between spirituality and work engagement by providing a with-in person perspective.

We argue that, controlled for the general person-level spirituality, engagement, PA, and life satisfaction, day level fluctuations in DSE will be significantly related to day level changes in work engagement. Second, we exploit AET to test an affective pathway between DSE and daily work engagement.

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## EMPLOYEE ENGAGEMENT AND COMPETITIVENESS: SOME PRELIMINARY ANALYSIS AND INSIGHTS

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**Theoretical background and purpose of the study:** Employee engagement is a construct that has been widely investigated from the organizational sciences perspective in the past few decades. Employee engagement is a contrast that incorporates the employees' dedication and involvement in their job and in the fulfilment of the job-related roles. Numerous authors have attempted to define employee engagement and to elaborate all the concepts of the concept (Khan, 1990; Maslach and Later, 1997; Beker and Demerouti, 2007; Bailey, 2016). Additionally, significant number of studies focus on the investigation of the antecedents and the consequences of employee engagement mostly from the management perspective (such as: Saks, 2006; Saks, 2019; Robinson, 2007; Zeng et al., 2020, Govender and Busin, 2020; Aisa et al., 2023). However, dome of the research efforts in the past decade are highlighting the importance of employee engagement for introducing new concepts of human resource management and for enhancing the overall organizational performance (Saks, 2022; Gruman and Saks, 2011). Namely, Gruman and Saks (2011) elaborate the importance of employee engagement for overall organizational effectiveness and introduce the model of the form of performance management called the engagement management model. Although the relation between human resource management or to be more precise the strategic human resource management and competitiveness has been thoroughly investigated, there seems to exist a gap in the research regarding the relation of employee engagement with the overall national competitiveness and growth. However, recently some authors have analyzed the relation between human resource practices and competitiveness, relying on the endogenous growth theory assumptions (Sheran et al., 2013). Nonetheless, most of the studies on antecedents and consequences of employee engagement focus only on the organizational preconditions for increasing employee engagement and the organizational consequences. Considering the identified gap in the literature and the existing research on the association between human resource practices, on the one side, and employee engagement and innovation (Sheran et al., 2013) and competitiveness (Albrecht et al., 2015), on the other side, conducting research on the relationship between employee engagement on a country level and the variables related to the level of labor utilization and countries competitiveness should be considered.

**Methods:** To investigate the relationship between employee engagement on national level and countries labor utilization and countries competitiveness, a correlation analysis was conducted. The data on employee engagement was gathered from the Gallup research on employee engagement by country in the period 2019-2022. Regarding the variables labor utilization, average hours worked per person employed and gross national income per hour worked (presented in USD, current prices) data from the OECD dataset were used. Regarding the countries competitiveness the rankings by the IMD World competitiveness center were used. In total data for 63 countries for the period between 2019 and 2022 were gathered. The total number of observations varied between 136 and 247.

**Findings:** The results from the analysis indicate that the percentage of engaged employees is statistically significantly correlated with labor utilization, average hours worked per person employed, gross national product per hour worked and countries competitiveness ranking. The Pearson correlation between the percentage of engaged employees and labor utilization (hours worked per head of population) is statistically weaker (it is significant at the 0.05 level), while the other three correlations are statistically significant at level 0.01. Furthermore, Kendall's tau\_b and Spearman's rho coefficients between the percentage of engaged employees, on the one hand, and labor utilization, average hours worked per person employed, GNP per hours worked and countries competitiveness ranking, on the other hand, are statistically significant at level 0.01.

**Limitations and further research:** Although the correlations indicate the existence of certain associations between the analyzed variables, we must take into consideration the limitations of these methods. These findings only suggest the existence of certain associations that should be further investigated. In future research the analysis of the nature of the association between employee's engagement and countries' competitiveness (measured by countries' ranking or by countries' competitiveness index) should be deepened. Namely, future research should focus on investigating whether countries' competitiveness can be analyzed as a predictor or as a consequence of employee engagement levels.

**Key words:** employee engagement, competitiveness, labor utilization

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## WISE MODEL OF HOLISTIC RESPONSE TO AMBIVALENCE THROUGH FLEXIBLE (PARADOXICAL) DISENGAGEMENT

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Modern life style in the 21<sup>st</sup> century is rippled with salient paradoxes (Eisenhardt, 2000; Lewis & Smith, 2022). Paradox depicts »contradictions that persist over time, impose and reflect back on each other, and develop into seemingly irrational or absurd situations because their continuity creates situations in which options appear mutually exclusive, making choices among them difficult” (Putnam et al., 2016, p. 8). Ambivalence is “simultaneously oppositional positive and negative orientations toward an object« (Ashforth et al., 2014, p. 1456) such as a person, situation, object, symbol, idea or even selfhood (Hoobler et al., 2024). Salient paradoxes trigger the ambivalence when the contradictory elements foster opposite orientations to a particular object. A person may not choose to be exposed to ambivalence but can choose how to respond to it.

There are two dominant models that categorize different responses to ambivalence. Ashforth et al (2014) “Model Actor Response to Ambivalence” and Rothman et al. (2017) “Model of Outcomes to the Ambivalence”. These two models are depicting different types of responses categorised along several dimensions: (1) responses with attentional focus on positive vs negative orientation toward a targeted object, (2) inflexible-flexible cognition, behaviour, emotional and physical responses; and (3) engaged/disengaged responses of moving toward or moving away from the target of ambivalence (i.e., engage with others or leave/absence ). The most understudied is category of holistic responses that denote simultaneously high positive and negative orientation toward the targeted object with high on flexibility and (paradoxically) high disengagement from the object of ambivalence.

In this paper, we tentatively propose a conceptual model of holistic response to ambivalence that results in flexible disengagement. We adopt Ashforth et al. (2014) three processes of holistic response (mindfulness; Janusian “both/and” thinking; and informed choice) and upgrade them: (1) extend mindfulness to mindful equanimity (Desbordes et al., 2015), (2) extend Janusian “both/and” thinking to Rothenberg tripple cognitive process model, which in addition to Janusian “both/and” thinking (Rothenberg, 1979) includes also homospatial process (Rotenberand, 1976) and sep-con articulation process (Rothenberg, 1999); and (3) we extend the informed choice into free choice and voluntary action (Racine, 2017). Informed choice is defined as binding of positive and negative elements and then offer the free choice to accept both (Ingram & Roberts, 2000). Examples of binding opposites are many: Weick's (2004) wisdom as a form of binding of knowing with doubting, Rousseau et al. (1988) trust as a form of binding of positive (future reward) with negative (vulnerability) or promoting organizational commitment by highlighting existing sources of ambivalence in people's relationships (Pratt & Rosa, 2003). Free choice and voluntary action is dynamic and sensitive to priming and framing effects and can involve in spirals in different directions (Racine, 2017). We discuss synergistic links between these extended processes on an individual level model.

Furthermore, we add additional processes (likely candidates for moderation): (1) model is situated in self-ambivalence, the root cause of all ambivalences, which activates the mechanism of self-concept clarity and self-concept discrepancy, that results in the identification and de-identification; 2) model could be situated in holding environments that buffer against the system psychodynamics. We discuss the value (pros and cons) of proposed wise model of holistic response to ambivalence through flexible disengagement by applying different criteria and perspectives (humanistic vs economic).

The main contribution is the systematic exploration of understudied aspects of responses on organizational ambivalence with incorporations of several novel concepts (processes).

## STUDENT ENGAGEMENT AND ACADEMIC ACHIEVEMENT IN HIGHER EDUCATION

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In recent years, higher education institutions have consistently sought to integrate advanced technologies into their educational practices, aiming to provide innovative approaches to the delivery and enhancement of learning (Lockee, 2021). To promote student engagement, improve retention of subject matter, and provide a more objective assessment of their skills, faculties utilise strategies that engage students' attention and encourage their active participation in the learning process. However, educators in various countries continue to face the challenge of engaging students, who are often drawn to the distracting but compelling information on their mobile devices.

The use of devices for anything other than learning material (Bradbury, 2016; 2017; 2023) during classroom learning should be avoided, since this causes the students' attention span to become scattered and unfocused. Both students and educators should ignore and avoid distractions that take focus away from the learning material. Due to the many distractions, many of which are available on mobile and other devices, educators find it challenging to maintain the attention span of their students.

The dilemmas arising from the use of mobile technology in learning environments have been tackled by the scientific community since 2007 (Dimensions, 2023), after which the number of publications per year in the field of “engaging students through mobile technology” mostly exhibits growth. To encourage student cooperation, teachers can use a variety of teaching strategies, including workshop-style instruction, educational games and gamification in general, badges or other rewards for good work, discussions, and questions. In this research, we focus on the utilisation of the mobile-based real-time response system in educational settings. Previous research supports the inference that mobile technology in educational settings can compromise learning achievements (Duncan et al., 2012; Kuznekoff and Titsworth, 2013), which supports the inference that multitasking is ineffective and any devices that cause distractions from learning material (Duncan et al., 2012) and compromise the attention span should not be used during lessons and learning. On the other hand, the literature shows that mobile technology, when used purposefully and possibly under teacher regulation rather than self-regulation (Le Roux and Parry, 2022; Dontre, 2021), yields advantageous results, although it can also cause frustrations related to the use of technology (Gikas and Grant, 2013). Provided the appropriate use of digital technology, mobile technology can contribute to engagement and motivation (Kapun et al., 2021). The literature shows that the use of tools that support students' interactions, such as Mentimeter (Tarazi et al., 2023; Mohin et al., 2022), Slido (Ningsih, 2023; Stojaković, 2022), Kahoot (Baszuk & Heath, 2020; Wang & Tahir, 2020), Edpuzzle (Mischel, 2019), Quizizz (Zainuddin et al., 2020), Padlet (Mehta et al., 2021), GoogleForms (Hakimah et al., 2021), and QTVity (Cestnik et al., 2015; Cestnik et al., 2016), is becoming increasingly popular and consequently facilitate satisfaction, engagement, and motivation. However, according to Wang and Tahir (2020), measuring how quickly students answer might hinder reflection and thinking.

Real-time response system QTvity enables students to promptly answer questions during the lectures. Besides, it allows the educators to get connected with the students, to include the students in the discussion, to consider the students' answers, and to adjust the discussion and lectures according to the students' answers. Questions awaken the students' interest in the topic and make them think about the learning material. Last but not least, students are rewarded for their participation and for the correctness of their answers.

The main purpose of our research is to find out how students' motivation affects the final learning outcomes. In particular, we are interested in whether students who more frequently and more correctly participated in lectures via the mobile response system QTvity achieved better learning outcomes. Although it has been found that mobile response systems facilitate engagement, motivation, and student's satisfaction (Cestnik et al., 2015, 2016), and that engagement (Chi and Wylie, 2014) and motivation (Liu et al., 2012) facilitate learning outcomes, to the best of our knowledge, the literature on the use of mobile technology in educational context that we examined so far is based on the students' perceptions and has so far not examined the effect that the H1.) frequency of students' participation and H2.) the correctness of the responses through the mobile-based real-time response system have on the learning outcomes.

We collected data from the students enrolled in the course Informatics for entrepreneurs in the years 2021/22 and 2022/23 at the Faculty of Entrepreneurship, GEA College. This research is the continuation of the previous research (Fink and Cestnik, 2023) that showed that students of generation 2021/22 who achieved a higher score on the practical exam (word and excel) on average achieved a higher score on the theoretical exam, and similarly, those who achieved a higher score in word on average also achieved higher scores in excel.

Further, this study aims to revolve around further concepts of student motivation and engagement, such as exploring students' inclination towards delving deeper into the learning material after course completion, regular submission of class assignments, and regular utilisation of common technological tools.

This study is an interdisciplinary work in progress that resides in previous findings from fields such as developing digital skills, digital literacy, students' engagement and motivation, mobile technology, and real-response systems in learning environments. The methodology includes quantitative statistical analysis, based on which we will provide answers to the research questions and determine whether we can accept or reject hypotheses. The research is still ongoing. The specific statistical methods will be described along with the results in the next steps.

**Keywords:** digital skills, digital literacy, students' engagement and motivation, mobile technology and real-response systems, learning environments, higher education.

# THE ROLE OF EMPLOYEE ENGAGEMENT IN THE RELATIONSHIP BETWEEN ORGANIZATIONAL COMMITMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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**Theoretical background.** In the modern business environment, managers face various challenges related to human resources management. And considerable attention is paid to establishing a good working atmosphere and achieving high employee motivation. Therefore, scientists and practitioners have been researching how to develop employees' positive attitudes and behaviors in recent decades. This research focuses on examining the relationship between organizational commitment, employee engagement, and organizational citizenship behavior. For this purpose, first of all, it performs a bibliometric analysis of citations with the VOS Viewer software tool using a database of published articles in Web of Science in the last ten years. Table 1 provides an overview of the results of this analysis.

Table 1. Overview of results of the bibliometric analysis

Construct	Criteria	Keywords	Most cited authors
<b>Employee engagement</b>	Keywords: minimum 20 occurrence Authors: minimum 5 articles	2.188 keywords; 16 keywords met criteria: work engagement, employee engagement, job engagement, job crafting, job satisfaction, burnout, job resources, self-efficacy...etc.	2.657 authors; 20 authors met criteria: Bakker, Arnold B.; Demerouti, Evangelia; Breevaart, Kimberley; Derks, Daantje; Alfes, Kerstin; etc.
<b>Organizational commitment</b>	Keywords: minimum 30 occurrence Authors: minimum 6 articles	4.392 keywords; 26 keywords met criteria: organizational commitment, commitment, affective commitment, affective organizational commitment, job satisfaction, transformational leadership, turnover intention, <b>work engagement</b> ...etc.	5.052 authors; 20 authors met criteria: Morin, Alexandre J.S.; Meyer, John P.; Vandenberghe, Cristian; De Cuyper, Nele; Zacher, Hannes; etc.
<b>Organizational citizenship behavior</b>	Keywords: minimum 30 occurrence Authors: minimum 7 articles	3.784 keywords; 27 keywords met criteria: organizational citizenship behavior, organizational citizenship behavior, task performance, organizational identification, <b>organizational commitment</b> , <b>work engagement</b> , job performance...etc.	4.336 authors; 18 authors met criteria: Koopman, Joel; Johnson, Russell E.; Bolino, Mark C.; Karatepe, Osman M.; Newman, Alexander; etc.

As can be observed, examining the relationships between employee engagement, organizational commitment, and organizational citizenship behavior is relevant. According to the bibliometric analysis of the keywords, it is evident that organizational citizenship behavior is related to several constructs, including organizational commitment and employee engagement. Moreover, previous research has established a positive relationship between employee engagement and organizational citizenship behavior (Babcock-Roberson & Strickland, 2010; Kataria, Garg, & Renu, 2012; Marić, Hernaus, Tadić Vujčić, & Černe, 2019; Rurkkhum & Bartlett, 2012; Wahyu Ariani, 2013).

Saks (2006) determined the mediation effect of employee engagement in research on predictor variables of employee engagement and job satisfaction, organizational commitment and organizational citizenship behavior. Furthermore, Lavy and Littman-Ovadia (2017) determined the mediating effect of employee engagement in research on using advantages at work, productivity, job satisfaction and organizational citizenship behavior. The mediating effect of employee engagement was also determined in research on job characteristics and organizational citizenship behavior (Marić et al., 2019). Zeinabadi (2010) also stated that job satisfaction and organizational commitment are significant predictor variables of organizational citizenship behavior. Najafi, Noruzy, Azar, Nazari-Shirkouhi, and Dalvand (2011) found that organizational commitment directly affects organizational citizenship behavior. Additionally, Sani (2013) showed that there is a positive relationship between organizational commitment and organizational citizenship behavior.

A brief previous research review revealed a lack of research examining the role of employee engagement in the relationship between organizational commitment and organizational citizenship behavior. Therefore, the following three hypotheses were formulated:

- H1. A positive relationship exists between organizational commitment and organizational citizenship behavior.
- H2. Employee engagement has a mediating effect on the relationship between organizational commitment and organizational citizenship behavior.
- H3. Employee engagement has a moderating effect on the relationship between organizational commitment and organizational citizenship behavior.

**Purpose of study.** This research aims to examine the role of employee engagement in the relationship between organizational commitment as an independent variable and organizational citizenship behavior as a dependent variable. Based on the abovementioned research hypotheses, three models were formulated that tested the employee engagement role in the relationship between organizational commitment and organizational citizenship behavior, shown in Figure 1.

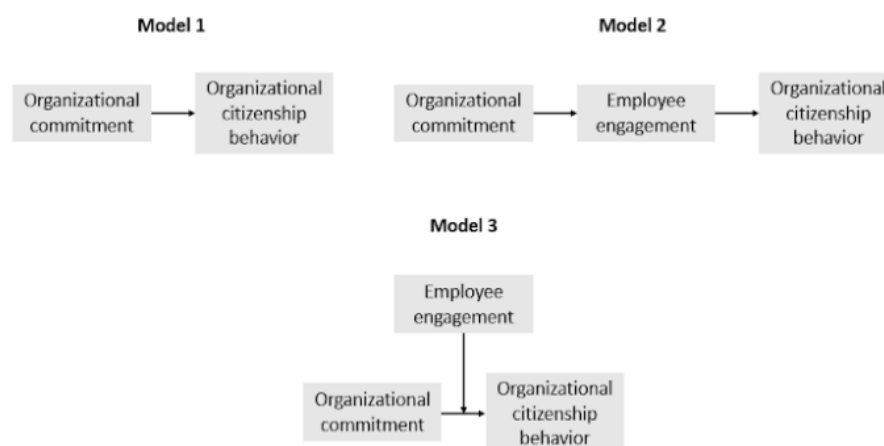


Figure 1. Three tested models and hypotheses

**Method.** Primary data was collected in 20 small industrial, trade, and service Croatian companies, and the sample consisted of 213 employees. The study used well-established measurement instruments: *Utrecht Work Engagement Scale* (Schaufeli, Salanova, González-Romá, & Bakker, 2002) to assess employee engagement, *Organizational Commitment Scale* (Meyer, Allen, & Smith, 1993) to assess organizational commitment, and *OCB-O and OCB-I scales* (Lee & Allen, 2002) to assess organizational citizenship behavior. Correlation analysis was used to test the first hypothesis. To test the second and third hypotheses, regression analysis was used with the help of Model 1 and Model 4 of the PROCESS MACRO code for SPSS (Hayes, 2018).

**Findings.** The correlation analysis results showed a positive and statistically significant relationship between organizational commitment and organizational citizenship behavior, so hypothesis H1 can be accepted. The regression analysis results showed that employee engagement does not mediate the relationship between organizational commitment and organizational citizenship behavior. Likewise, the results showed that employee engagement does not moderate the relationship between organizational commitment and organizational citizenship behavior. In other words, the positive relationship between organizational commitment and organizational citizenship behavior will not increase under the moderating variable of employee engagement. Accordingly, hypotheses H2 and H3 cannot be accepted.

**Theoretical contribution.** This research is the first of its kind to examine the role of employee engagement in the relationship between organizational commitment and organizational citizenship behavior in small Croatian companies. Contrary to theoretical assumptions and the results of previously conducted research, neither the mediation effect nor the moderation effect of employee engagement on the relationship between organizational commitment and organizational citizenship behavior was determined. Additionally, no statistically significant relationship was established between employee engagement and organizational commitment, as well as employee engagement and organizational citizenship behavior. Such contradictory findings can provide the grounds for further research on these constructs in small companies. Moreover, such contradictory results can be considered a kind of paradox in organizational behavior. The established statistically significant and positive relationship between organizational commitment and organizational citizenship behavior also contributes to contemporary literature on organizational behavior.

**Practical implications.** The research results help managers form positive employee attitudes and indicate which attitudes require particular attention to influence employees' positive work performance and the overall organizational performance.

**Keywords:** employee engagement, organizational commitment, organizational citizenship behavior, small companies

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## PRODUCTIVITY MAXIMIZATION VS MAINTAINING EMPLOYEE MOTIVATION

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Theoretical background. Productivity maximization and maintaining employee motivation represent two key goals in organizations. While organizations seek to increase productivity to remain competitive, at the same time, they have to take care of the motivation of their employees in order to maintain their engagement and satisfaction at work, which is often called organizational paradox. Paradox refers to the presence of persistent contradictions between interdependent forces. Those persistent tensions are researched and they point to the approaches which will stimulate the adaptive use of paradox as a force of innovation and renewal (Pina e Cunha, Nogueira Leite, Rego & Hernández-Linares, 2024). The management is required to deal with the opposites simultaneously, so the need to choose one in relation to the other or to make a compromise is circumvented. Unlike contingency approach, the paradox perspective observes tensions as normal, which can be of use to both employees and the organization (Loon, Otaye-Ebede & Stewart, 2019).

The early approaches relied on the assumption that the increase in job satisfaction resulted in greater productivity, while later research disputed this idea, suggesting that high productivity was linked with satisfactory employee behavior, and not vice versa (Mamiseishvili & Rosser, 2011).

In modern era, organizations face a few challenges due to the dynamic nature of the environment. One of many challenges for the organization is that its employees are sufficiently motivated, in order to deal with the environment that is constantly changing and developing, but also to succeed in remaining competitive. In order to increase efficiency, effectiveness, productivity and commitment to work by employees, the management must meet its employees' needs by ensuring good working conditions. In the article Raziq & Maulabakhsh (2015), the influence of work environment on the employee job satisfaction is analyzed. The results point to a positive relationship between work environment and employee job satisfaction. Unlike measuring productivity, the percentage of absence from work and the rate of organization abandonment, job satisfaction is a subjective factor present in the employee's mind, which cannot be measured directly without its active participation in the evaluation process. The methods for indirect job satisfaction measurement include employee monitoring, interviewing and survey via questionnaire. Research via questionnaire enables organizations to obtain broad insight into job satisfaction of all or the majority of employees. Questionnaires usually focus on general assessment of job satisfaction or accompanying aspects of satisfaction. This approach of job satisfaction measurement is shown to be useful in the situations when it is necessary to understand specific factors that influence employee (dis)satisfaction in more details (Radić, 2015).

Based on the analysis of the literature on academic productivity and employee satisfaction, it is evident that further study is desirable in order to gain a deeper understanding of the relationship between faculty productivity and employee motivation.

Purpose of research. The analysis which will show to what extent the increase in productivity reflects on employee motivation in the area of higher education is proposed for the needs of the research. Faculties face increasing pressures and demands, both within the institution itself and from the external environment. These pressures include the need for increasing productivity in key academic areas, such as research, teaching process and extracurricular activity. Faculty productivity in these areas is crucial for maintaining education and research quality, as well as fulfilling the expectations of students, scientific community and society as a whole. However, while the pressure for productivity enhancement increases, it is simultaneously important to consider how these demands influence employee motivation at faculties.

The purpose of the research is measuring faculty productivity and employee motivation, and examining how productivity is connected with employee motivation while controlling certain demographic characteristics. The population of this research is composed of the academic staff of the faculty in the area of social science of the University of East Sarajevo. Based on that, two research questions are formed: (1) How to conceive and measure the productivity and motivation of faculty employees? and (2) How is faculty productivity connected with employee motivation at work?

These research questions are led by the main goal to gain a deeper understanding of the relationship between faculty productivity and employee motivation at the faculties in the area of social science of the chosen faculty, as well as to provide conceptual and measurable frameworks for the analysis of this relationship.

Method. A questionnaire is used in this research as the main method of data collection. The questionnaire consists of three parts, whereby the first part concerns demographic type questions (gender, years of work experience, title, area of research and the like), the second part concerns questions that measure productivity, and the third part concerns measuring employee motivation. The questionnaire is completely anonymous. For the needs of the research, the employees at the faculties of the University of East Sarajevo were chosen and specifically teaching staff in the area of social science. According to the data from secondary sources, total number of employees in this category is 190.

Three main variables are included for the purpose of conducting research, and they are as follows: (1) productivity, (2) employee motivation and (3) demographics. For measuring productivity, the variables based on the article by the authors Mamiseishvili and Rosser (2011) are defined. These variables refer to: (1) scientific productivity, (2) productivity in the teaching process and (3) extracurricular productivity. For the variable, employee motivation, a measurement scale was created which examines: (1) intrinsic motivation, (2) extrinsic motivation, (3) the sense of belonging to the organization and (4) work environment.

In this study, a comprehensive data analysis is planned, which refers to several key statistical techniques. First, descriptive analysis provides main statistical data about the sample, and after that, ANOVA analysis which will be used for the comparison of mean values between groups, identifying statistical significance of differences between groups. In addition to this, correlation analysis provides insight into the relationships between variables, while factor analysis will be used to identify adequate factor groups. These analyses together provide a deeper insight into the characteristics of data and the relationships between the variables, which enables a better understanding of the studies phenomenon.

Theoretical contribution. Theoretical contribution of this research lies in detailed consideration of the paradox between productivity maximization and maintaining employee motivation, providing a deeper understanding of the interaction between these two key factors within a context. While organizations seek to increase productivity, at the same time, they face the problem of maintaining a high level of employee motivation. The focus of the paper is on the identification of key factors concerning productivity and employee motivation.

Practical implications. Through understanding of paradox and the application of efficient strategies, organizations can advance its organizational culture, so that it supports a high level of motivation and productivity among employees. This can lead to better employee engagement, fewer conflicts and the improvement of efficiency at work, and it can also result in improved performance and organization competitiveness.

Keywords: paradox, productivity, motivation, employees, education, faculties.

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## NAVIGATING THE STATE REVENUE CHALLENGE OF ELECTRIC VEHICLE ADOPTION AND TRADITIONAL FUEL TAXATION

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Climate change is an undeniable reality, posing multifaceted challenges to both the planet and humanity. The consequences of shifting weather patterns, rising sea levels, and extreme weather events demand urgent attention (Myers et al., 2021 & Allen et al., 2018). Recognizing the gravity of this global issue, countries worldwide are proactively implementing measures to mitigate and adapt to climate change. From sustainable energy initiatives to reforestation projects, the collective efforts underscore the importance of addressing climate change comprehensively. In light of these efforts, the European Union (EU) is actively pursuing ambitious environmental goals outlined in the European Green Deal. With targets to achieve carbon neutrality by 2050, the EU focuses on reducing energy consumption, cutting greenhouse gas emissions, and promoting renewable energy sources. Given that the transport sector contributes up to 25% of the EU's total greenhouse gas emissions, the EU aims for a 55% reduction by 2030 and an impressive 90% reduction by 2050 compared to 1990 levels (European Commission, 2021). At the EU level, several documents have been adopted, obliging member states to reduce pollution from transport as part of the "Fit for 55" legislative package. This includes a determination that only new cars with zero CO<sub>2</sub> emissions will be allowed to be registered in the EU from 2035 onwards, eliminating the possibility of registering new cars with internal combustion engines from that year (European Commission, 2023). According to the EU Regulation 2018/1999, member states must draft comprehensive national energy and climate plans until 2030 (and with a view to 2040), forming the basis for setting goals and measures to increase the share of vehicles with zero carbon dioxide emissions. Despite the potential of hydrogen as an energy source, hydrogen fuel cell vehicles face significant challenges and are currently not suitable for general use (Manoharan et al., 2019), making electric vehicles the most realistic option for mass satisfaction of the condition of vehicles with zero CO<sub>2</sub> emissions.

Governments are actively encouraging residents and companies to adopt electric vehicles through various subsidies and incentives (Langbroek, Franklin, & Susilo, 2016). As governments increasingly endorse electric mobility to combat environmental issues and reduce fossil fuel dependence, a paradox arises in the dual objectives of promoting sustainable transportation through electric vehicles while heavily depending on excise taxes generated from the sale of traditional petrol-fueled vehicles. A significant portion of national budgets relies on revenue from excise taxes, also known as petrol excise taxes, fuel duties, fuel taxes, and gas or gasoline taxes, imposed on the sale of petrol. These taxes traditionally contribute significantly to government coffers and are a reliable income stream (OECD, 2024). The paradox emerges as countries push for the transition to electric vehicles, potentially leading to a decline in state revenue from petrol excise taxes. The number of newly registered electric vehicles in EU countries has been growing rapidly in recent years (European Environment Agency, 2023), posing a fiscal challenge for governments striving to balance sustainable practices with crucial budgetary income.

Therefore, in my study, I will conduct a brief literature review and analyze data on the share and importance of petrol excise taxes on the state treasury, with a primary focus on Slovenia and some European countries. I will also provide a brief overview of the adoption of electric vehicles in these countries, paying attention to the goals and commitments of the countries. Next, I will present the current and projected future impact of electric vehicles on fuel excise tax revenues. In conclusion, I will examine examples of countries that have attempted to address the problem of the increasing share of electric vehicles and the resulting decrease in state revenues in the treasury.

With my research, I aim to address the intricate balance between environmental sustainability and fiscal responsibility, exploring the challenges governments face in transitioning to electric vehicles while relying on revenue from traditional petrol taxes. I intend to improve understanding of this topic and contribute to this field of knowledge. The findings could help policymakers and politicians with policy recommendations to better regulate this area. The research could also generate new ideas and encourage further reflection on the long-term economic sustainability of current green transition policies.

#### Keywords

electric vehicles, state revenues, petrol excise taxes, government policies, fiscal policies

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# MANAGING PROGRESSIVE BUSINESS MODELS IN FUNCTION OF INCREASED ROLE-BASED ENGAGEMENT AND ACCOUNTABILITY, EMPIRICAL ANALYSIS OF JAPAN AND NORTH MACEDONIA

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## Theoretical Background

The process of creating the concept of ‘human-centered management’ undoubtedly implies to the tendency for progressive and paradoxical modelling of 5 prevalent pillars to achieving the organizational quality, among which disruption resilience and agility constitute the key features of the contemporary paradoxical leaders. Latest tendencies of the WEF, which principally reflect the fundamental reset from the ‘Great Reset Initiative’ (WEF, January, 2021), towards ‘Navigating Global Challenges’, (WEF, January, 2024) is a prior indicator of paradoxical understanding of critical transformative challenges, aimed at increased commitment and accountability, reflecting on one hand the behavioral changes, alongside with empowerment and employee engagement, connected to the competitiveness changes, on the other hand.

## Purpose of study

Fundamental purpose of this methodological-empirical study is placed at building up and validating, through designed Questionnaire, the mutual causality among pillars of organizational stability within the ‘human-centered management’, specifically disruption resilience and agility, with the critical behavioral employee orientations, particularly with the accountability and effective employee engagement, both of them tested within the process of managing ‘progressive business models’. In this context, corrective variables in the modelling phase would be paradoxical implications of disruptive innovations, focused on establishing the social concept of ‘responsible enterprise’.

## Research method

Principal research hypothesis in this scientific-research paper is determined as: Identifying and measuring the degree of causality between human-centered management pillars in relation to behavioral and competitive changes, through socially responsible behavior. Designed Questionnaire would be applied to representative sample of 50 SME’s, 25 from Japan and North Macedonia, which would be subject to holistic qualitative analyzes.

## Findings

Expected findings from this scientific-research paper are identified as:

- Progressive identifying, analyzing, validating and modelling of contemporary, critical-to-quality organizational pillars, with the research focus on representative sample of 50 Macedonian and Japanese businesses, at paradoxical harmonization of behavioral and competitive changes, i.e.:
  - 1) commitment and accountability, as well as,
  - 2) empowerment and employee engagement.
- Developing a pathway for a holistic, transformative and integrated application of progressive business models, for dynamic understanding of the milestone of advanced excellence, i.e. the focus of the managers as leaders of changes.

## Theoretical Contribution

The prevalent importance and applicability of the Capability Management Development Process (Beaulieu & LeBlanc, 2012), would be analyzed within the fundamental determinants of advanced managing of progressive business models (O'Higgins Eleanor & Laszlo Zsolnai Ed., 2018), particularly from the view-point of socially responsible actions and sustainable development models. It would encounter our immense scientific-research focus, the process of identifying the comparability of empirical research findings out of advanced Japanese businesses with the tendencies arising within the EU, in order to detail the intended managerial steps for a proper and vivid managing in times of dynamic paradoxes in North Macedonia.

## Practical Implications

Applicative importance of the entire empirical research analyses within this paper would lead to the following expected practical implications:

- Statistically developed and sustained research findings, from methodological and empirical point of view, which leads to an accommodated, inter-related and integrated modalities of behavioral and competitive changes,
- Clearing-up the mutual dependence among capability-based management model in comparison with the socially-responsible model for managing sustainable and proactive businesses.

## Keywords

Progressive business models, Capability development management process, Transformation through social impact

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## STRIKING THE BALANCE: UNDERSTANDING THE LINK BETWEEN AMBIDEXTERITY AND EMPLOYEE ENGAGEMENT

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Employee engagement is a motivational construct or a positive state of mind related to the job and organization, based on three dimensions: vigor, dedication, and absorption (Schaufeli, Salanova, González-Romá, & Bakker, 2002). In order to achieve and maintain engagement, organizational scholars and managers have unveiled many of its antecedents and the research is still on-going. However, as successful firms are now considered to be those that manage to reconcile various paradoxes in their strategy and organization (Gibson & Birkinshaw, 2004; He & Wong, 2004; Tushman & O'Reilly, 1996; Duncan, 1976), it is important to consider how the need for organizational ambidexterity affects *individuals* within the organization - a topic that is often overlooked in organizational design research. Therefore, this paper aims to address the research gap and shed light on this important issue.

Ambidexterity can be described as the ability of an organization to adeptly balance and achieve two opposing or paradoxical sets of goals (Weber & Tarba, 2014). It is usually associated with the simultaneous application of the activity of *exploring* new opportunities for learning and innovation and *exploitation* of existing resources (Fourné, Jansen & Mom, 2014). Shaping the context for creating an ambidextrous organization involves balancing hard elements, such as discipline and stretch, and soft elements, such as support and trust (Gibson and Birkinshaw, 2004 based on Ghoshal & Bartlett, 1994). There are various approaches that organizations can take to harmonize these activities. One option is to apply them cyclically, while another is to design a structure where different parts of the organization are dedicated to either exploitation or exploration, or alternatively, to balance the two activities constantly.

All of these elements affect work design, which is one of the main factors of employee engagement (Schaufeli & Bakker, 2004; Saks, 2006; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009; Crawford, Le Pine, & Rich, 2010). Starting from the Job Demands-Resources theory (Bakker & Demerouti, 2007), as well as from the theory of job characteristics (Morgeson & Humphrey, 2006; Morgeson & Humphrey, 2008), the focus of the paper is on establishing a connection between organizational ambidexterity and employee engagement, through job characteristics.

Based on the literature review, it is possible to draw the following conclusions. Achieving ambidexterity at the organizational level will require balancing paradoxical demands at the job design level. This will necessitate that employees devote themselves to a balance of routine activities and innovative endeavors, while simultaneously balancing diverse demands and resources. As a result of this approach, employees can expect a combination of both high

specialization and an increase in autonomy. Autonomy gives individuals a sense of control and ownership over their work, with greater encouragement to take responsibility for their tasks and projects, thus, leading to enhanced engagement (Shantz, Alfes, Truss, Soane, 2013; Marinova, Ye & Singh, 2008; Kahn, 1990).

Also, ambidextrous work designs often incorporate a diverse range of tasks and projects, leading to higher levels of task variety and skill variety, both of which are positively related to engagement (Crawford et al., 2010). It has been observed that jobs that require a high degree of cognitive demands present a unique challenge to employees, which can foster their interest, creativity, and motivation (Marinova et al. 2008). The emphasis on flexibility and learning fosters a growth-oriented mindset among employees, leading to higher levels of engagement and performance.

One of the key assumptions of ambidextrousness is the existence of social support, both at the level of the organization and at the level of work. Social support fosters a sense of belonging and commitment, ultimately leading to increased engagement (e.g. Biswas & Bhatnagar, 2013; Xanthopoulou et al., 2009; Saks, 2006). Additionally, ambidextrous work designs facilitate regular feedback and recognition mechanisms that acknowledge employees' contributions to both exploitation and exploration activities. Constructive feedback and recognition of achievements reinforce employees' sense of value and competence, thereby enhancing their engagement (e.g. Schafeli & Bakker, 2004) and commitment to organizational goals.

Balancing the conflicting objectives of exploration and exploitation at the job design level requires ongoing attention and effort. While it is essential to have formalized basic mechanisms in place to ensure that employees understand their roles, responsibilities, and expectations, it's equally important not to overlook the soft elements of organizational design, such as high support and trust. Finding the right balance between these two aspects can be challenging, but it's essential for creating a healthy and productive work environment.

The *theoretical implications* of the paper are reflected in emphasizing the connection between different organizational levels, that is, the strategic level of organization design, job design and the individual level - employee engagement. The psychological implications of ambidexterity are not often explored, so the paper contributes to the literature in the field of management, organizational behavior and organizational psychology.

The paper has significant *implications for practitioners* as well, and above all for managers who strive to successfully balance the various paradoxes that represent contemporary organizational challenges, but at the same time take care of the well-being of employees, bearing in mind that only engaged people achieve sustainable, positive results in the long term. The paper highlights the work characteristics that should be strived for in order to respond to the demands of ambidextrousness at the organizational level, and how this would ultimately positively affect employee engagement.

**Keywords:** organizational ambidexterity, contextual ambidexterity, employee engagement

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# THRIVING AND FEELING ACCOMPLISHED WITH CARRER SUCCESS: THE MEDIATING ROLE OF ACTION REGULATION WORK-FAMILY STRATEGIES

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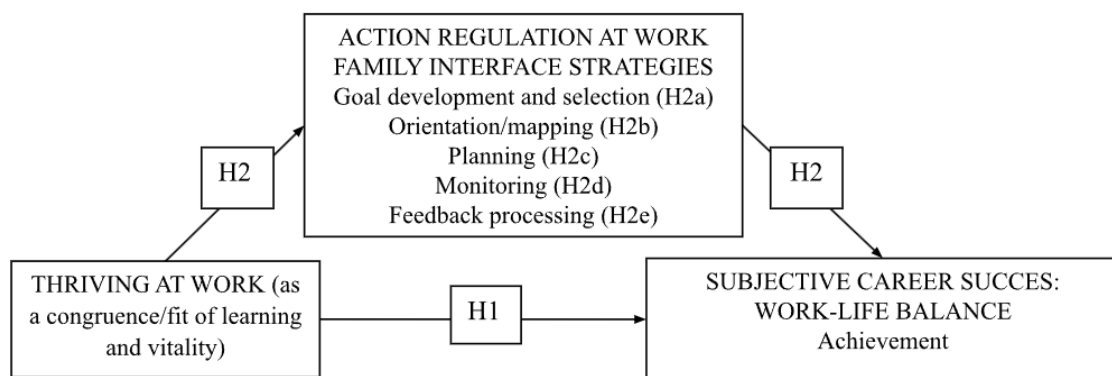
## THEORETICAL BACKGROUND

Sustainability is becoming important in many aspects of our lives: from environmental sustainability initiatives (Charfeddine & Umlai, 2023) to sustainable views on careers (De Vos et al., 2016; Hirschi et al., 2022). Specifically, sustainable career is reflected through various career experiences, which provide meaning to an individual (De Vos et al., 2016), and intersects both work and life domains (Van der Heijden et al., 2020). De Vos et al. (2020) highlight the importance of self-determining behaviors by employees to experience positive outcomes of a sustainable career, such as subjective career success in terms of work-life balance. Moreover, to be subjectively satisfied with career success, one has to be in supportive environment (Goh et al., 2022; Merkuž & Mihelič, 2023), which enables growth and psychological well-being (De Vos et al., 2020), and together they contribute to thriving at work. Thriving is a psychological state, where one experiences joint feelings of learning and vitality (Spreitzer et al., 2005). Thriving employees exhibit higher ability for career adaptability (Jiang, 2017) and enhanced career resilience (Jiang et al., 2021).

We argue that thriving is an energetic resource (Hirschi et al., 2019) that enables higher satisfaction with work-life balance as a subjective career success dimension. For example, if employee is tired (low vitality) and is learning new strategies to improve work-life balance (high learning), it can in time proactively improve vitality aspect, but still search for new ways to balance work and life domains (learning) to maintain high levels of vitality. Moreover, learning is also one of the prerequisites for a sustainable career (Van der Heijden et al., 2020). Recent theoretical developments (Hirschi et al., 2019; Hirschi et al., 2022) direct us to examine how different aspects of work and nonwork domains affect one's career and how individuals can utilize both domains to work in their favor. In this paper we investigate how a positive state at work, thriving, affects employee's feelings of accomplishment with their career success in terms of balancing work and nonwork domains. We base our research on the integrative multilevel model of thriving (Goh et al., 2022) and action-regulation theoretical model of work-family balance (Hirschi et al., 2019). This model proposes that individuals consider their resources and demands to set their work and family goals in order to achieve balance. Equipped with positive psychological resources they engage in action regulation strategies in order to attain the goals by allocating resources, and diminishing the effects of demands on goals, experiencing higher levels of work-life balance (Hirschi et al., 2019).

Thus, we are interested if there are any effects between thriving and subjective career success in terms of work-life balance, and if this relationship is mediated by active regulation of work-family interface. With this we aim to address calls to examine the role of thriving using a more holistic perspective, not only focusing on work aspect of career development (Goh et al., 2022); and how psychological resources (i.e. thriving) relate to application of different action regulation strategies (Hirschi et al., 2019), resulting in one's subjective career success. To ensure that employees are really thriving, we propose that employees should simultaneously experience both high levels of both learning and vitality, as initially conceptualized by Spreitzer et al. (2005). Therefore, we are using the congruence aspect of thriving (see Kleine et al. (2023)). Our hypotheses are presented in Figure 1.

Figure 1: Conceptual model

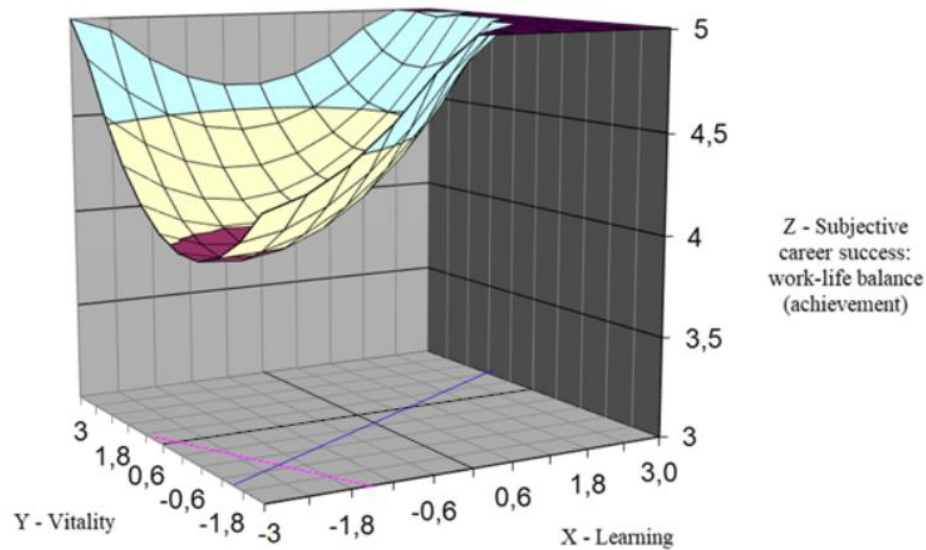


## RESULTS

Participants are employees (n=306), who were recruited through a panel study. We used previously validated scales and analyses were done in two steps: 1) polynomial regression (assessing fit between dimensions of thriving: learning and vitality) analysis and 2) mediation analysis (using block variable approach by Edwards and Cable (2009)).

Results of polynomial regression show, that the fit line slope is positive and significantly different from zero ( $a1 = 0.36$ ;  $p < 0.001$ ), which means that employees who experience higher fit between learning and vitality (are thriving) experience more accomplishment in their subjective career success in terms of their work-life balance, compared to those who are low on the learning-vitality fit (not thriving). The curvature of fit line is insignificant ( $a2 = 0.14$ ,  $p > 0.05$ ), so we cannot confirm, that subjective career success in terms of work-life balance increases at the area of curvature, where fit between learning and vitality increases. As of misfit, slope ( $a3 = -0.06$ ;  $p > 0.05$ ) and curvature ( $a4 = 0.37$ ;  $p > 0.05$ ) are both insignificant, thus there is no significant difference in subjective career success in terms of work-life balance when employees are experiencing misfit between learning and vitality (i.e. not thriving). Figure 2 further confirms that subjective career success is higher in high learning-vitality fit, thus, H1 is accepted.

Figure 2: Surface relating learning and vitality to subjective career success



Next, results show that thriving as a fit has a positive effect on all action regulation strategies, while only orientation/mapping and planning have (same) significant positive effect on subjective career success for work-life balance ( $b = 0.17$ ;  $p < 0.05$ ). Consequently, only orientation/mapping (indirect effect = 0.01; 95% CI [0.0002; 0.0221]) and planning (indirect effect = 0.01; 95% CI [0.0005; 0.0203]) are (partial) mediators of the relationship between thriving fit and subjective career success for work-life balance. Although the indirect effect sizes are relatively small, we can confirm H2b and H2c and reject H2a, H2d and H2e.

## DISCUSSION AND CONCLUSION

In summary, employees who are high on learning and high on vitality scale – are thriving – report higher levels of feelings of accomplishment in their subjective career success as related to work-life balance, compared to those who are not thriving (i.e. are low on both dimensions of thriving). Next, our results show that only orientation/mapping and planning, affect subjective career success related to work-life balance, whereas other strategies do not have a significant effect.

There are two main contributions of our study. First, we provide evidence, that thriving employees experience better sense of achievement for their subjective career success in terms of work-life balance, which contributes to the new perspective of thriving in terms of nonwork domain (Goh et al., 2022). Moreover, we confirm the theoretical proposition, that thriving is beneficial for action regulation strategies (Hirschi et al., 2022). Also, thriving employees have more ability to plan on how to use personal resources, check for opportunities and consider barriers that would hinder him/her from attaining work or family goal (i.e. planning and orientation/mapping), and because of this they would experience higher levels subjective career success. Thus, thriving employees are the ones, that can self-manage and regulate successfully their subjective career perspective, when considering their work and nonwork domains. A general recommendation to individuals and employers is thus to take action, that enhances both learning and vitality of employees.

Keywords: thriving at work, subjective career success, action-regulation at work-family interface, work-life balance

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## RELATIONSHIP CONFLICT AND OBSERVERS' WORK ENGAGEMENT: A PARADOX PERSPECTIVE

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Interpersonal tensions have traditionally been studied in the literature of relationship conflict in teams. Relationship conflicts are the interpersonal tensions an individual experiences because of conflicting or competing interests, values, preferences, and personalities (De Dreu, Harinck, & Van Vianen, 1999; De Dreu & Van Vianen, 2001). This type of tension has been shown to bring many negative outcomes (see the meta-analyses by De Dreu & Weingart, 2003; De Wit, Greer, & Jehn, 2013) and undermines work engagement at both the group (Costa, Passos, & Arnold, 2015) and individual levels (Chen, Zhang, & Vogel, 2011; Chen, Sharma, Edinger, Shapiro, & Farh, 2011).

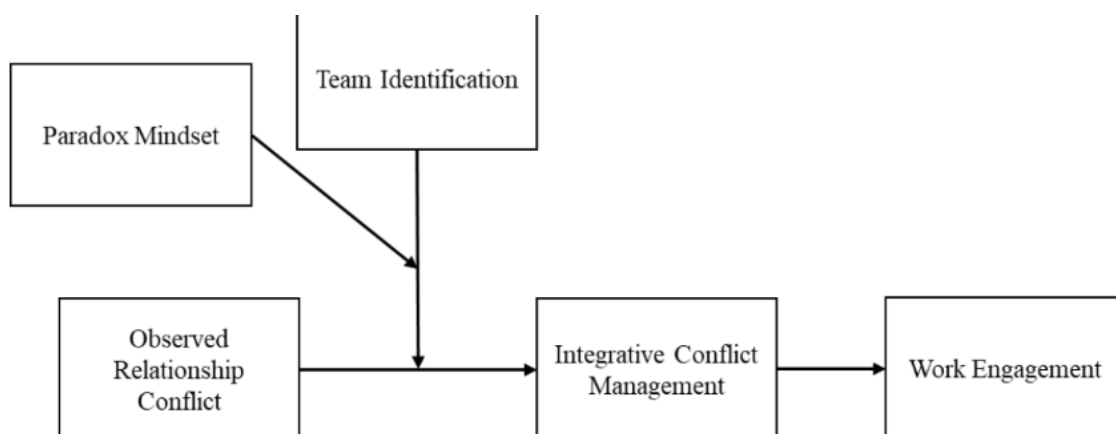
Despite accumulated insights, previous work on relationship conflict has mostly focused on either its team-level consequences or on consequences for team members who are directly involved in it (see De Dreu & Weingart, 2001; De Wit et al., 2012). Few studies have considered its spillover effects on team members who observe the tension, albeit interpersonal tensions often occur in the presence of others and exert a negative effect on people around them (Chua, 2013; Frost, 2003). Moreover, although research has examined collective team conflict management (e.g., Behfar, Peterson, Mannix, & Trochim, 2008; Somech, Desivilya, & Lidogoster, 2009; Montoya-Weiss, Massey, & Song, 2001), conflict management strategies of people who are directly involved in a conflict (e.g., De Dreu, Evers, Beersma, Kluwer, & Nauta, 2001; Wombacher, & Felfe, 2017), and formal third-party (e.g., professional mediators, supervisors, or human resource managers) interventions in conflict (e.g., Benharda, Brett, & Lempereur, 2013; Nugent & Broedling, 2002), we lack knowledge on what enables individuals to cope better with interpersonal tensions from the observers' perspective.

To address this issue, we draw on the paradox perspective to examine how third-party observers can cope with interpersonal tensions to sustain work engagement, an important outcome of interpersonal tensions (e.g., Chen et al., 2011; Costa et al., 2015). In particular, we propose that the effects of observed interpersonal tensions on work engagement depend on individuals' psychological proximity, operationalized as team identification, and that the stronger the sense of team identification – a member's sense of oneness with, or belonging to the team (Ashforth & Mael, 1989) – the more proximate and threatening the observed interpersonal tension will be (Conroy, Henle, Shore, & Stelman, 2017), and the less engaged the observer will become (Sulea, Virga, Maricutoiu, Schaufeli, Dumitru, & Sava, 2012).

However, paradox theory further suggests that individuals can approach tensions in defensive or constructive ways: some see it as threatening and seek to avoid or eliminate it; others see tensions as natural and seek to 'build bridges'. We further posit that individuals' ability to adopt a paradox mindset will act as a buffer against the negative effect of observed interpersonal tensions on work engagement even when the actor strongly identifies with the team (H2: There will be a three-way interaction among observing interpersonal tension, team identification, and paradox mindset on work engagement. When paradox mindset is low, team identification strengthens the negative effect of observing interpersonal tension on work engagement; when paradox mindset is high, the negative effect of observing interpersonal tension on work engagement of highly identified team members is weaker).

Moreover, we argue that actors who are high in team identification and paradox mindset can better sustain their engagement when facing other team members' relationship conflict because they are better motivated and capable of adopting integrative conflict management (H3: When observing relationship conflict, an integrative conflict management approach will mediate the interaction between team identification and paradox mindset on observers' work engagement: team identification will have an indirect positive effect on work engagement through integrative conflict management when paradox mindset is high but not when it is low).

The conceptual model is displayed in Figure 1.



To test our hypotheses, we conducted two scenario experiments and one survey among Mturk participants. In Study 1, we manipulated relationship conflict and team identification with scenarios. 360 Mturk participants were randomly assigned to one of the 6 conditions in a 3 (relationship conflict: high, low, or no conflict) by 2 (team identification: high or low) design. Work engagement was measured with the UWES scale.

The results support H1, showing that relationship conflict had a stronger negative effect on observers' work engagement when team identification was high as compared to low (see Figure 2). In Study 2, we measured observed interpersonal tension, operationalized as relationship conflict, team identification, paradox mindset, and work engagement in a survey among 267 Mturk participants who had teamwork experiences. The results support H2, showing that paradox mindset attenuated the negative impact of observed relationship conflict on highly identified observers' work engagement (see Figure 3). In Study 3, 240 Mturk workers were employed to participate in a scenario study. All participants read a scenario in which they observed a relationship conflict between two team members and they were randomly assigned to one of four conditions in a 2 (team identification: high, low, or no conflict) by 2 (paradox mindset: high or low) design. Then, we measured integrative conflict management by asking them to write down their reactions to the observed conflict and report their work engagement on the UWES scale. The results support H3, showing that highly identified team members are more likely to search for an integrative approach to the observed relationship conflict if they adopt a high paradox mindset (see Figure 4), which helps them stay engaged in their work.

Our research makes several unique contributions to the literature. First, we integrate paradox theory (Miron-Spektor et al., 2018; Smith & Lewis, 2011) and literature on conflict (De Dreu & Van Vianen, 2001; Jehn, 1995), two literatures that thus far have remained disconnected. We draw insights from both literatures to propose when and how interpersonal tensions can be constructively managed from the observers' perspective. Our study goes beyond existing studies which examined the effects of interpersonal tensions on work engagement of those who directly experience the tension (Chen, Zhang, & Vogel, 2011; De Dreu & Weingart, 2003; Jehn, 1995), showing that the impact of interpersonal tensions is broader than previously assumed. Besides, we extend paradox theory by identifying team identification as a new boundary condition relevant for interpersonal tension and by empirically testing work engagement as the consequence of observed interpersonal tensions, thus expanding the scope of outcomes of tension management. Last but not least, we suggest that paradox mindset can attenuate the negative impact of observed interpersonal tensions on high identifiers' work engagement because it enables the adoption of an integrative conflict management. We thereby complement existing studies which have exclusively focused on intrapersonal tensions, showing that a paradox mindset can also help to manage reactions to interpersonal tensions.

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Figures

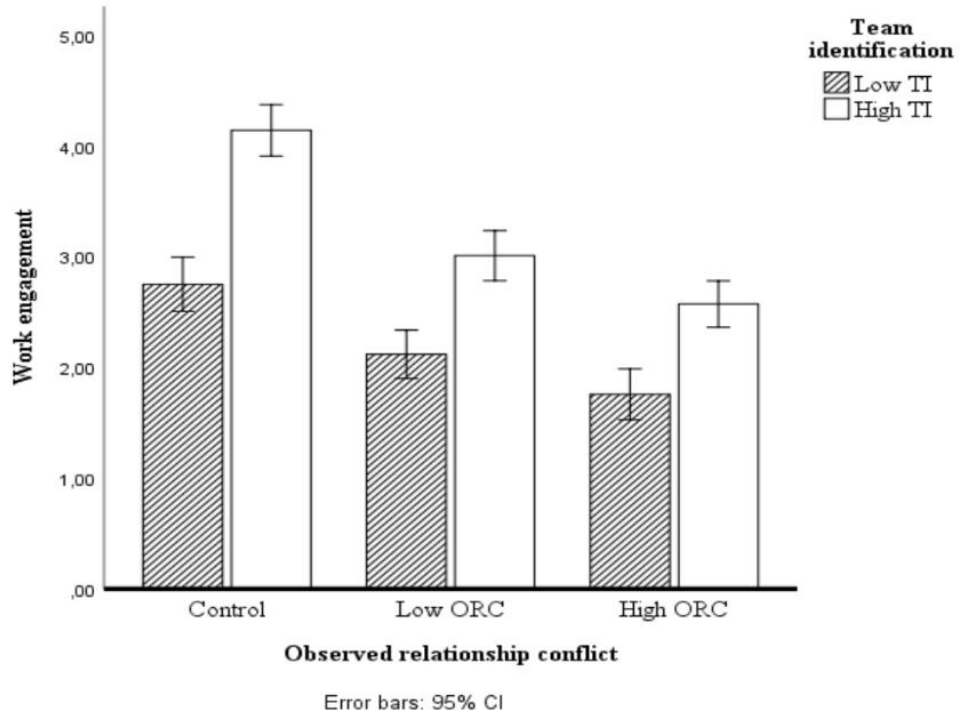


Figure 2 Two-way interaction between observed relationship conflict and team identification on work engagement (Study 1)

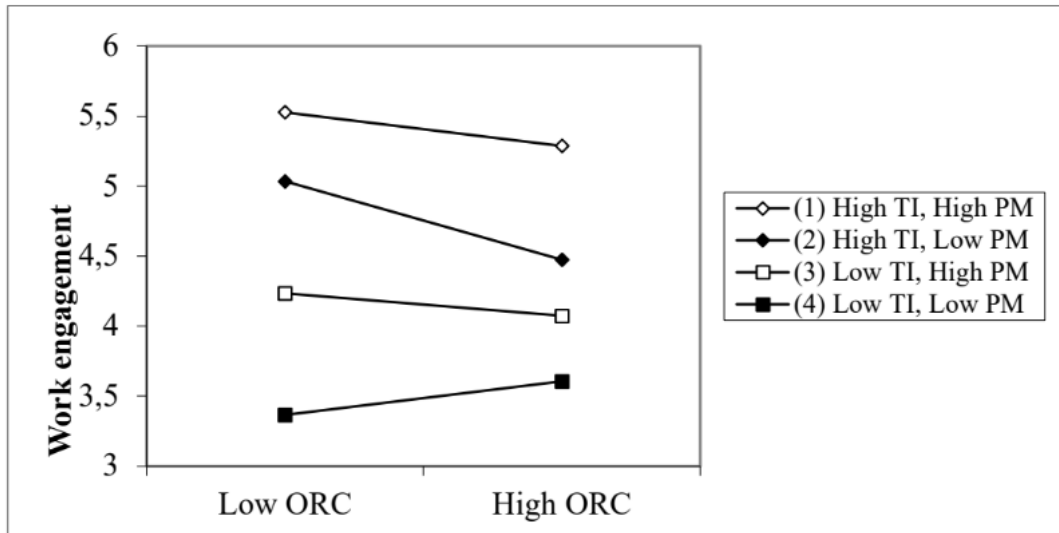


Figure 3 Three-way interaction among observed relationship conflict(ORC), team identification(TI) and paradox mindset(PM) on work engagement (Study 2)

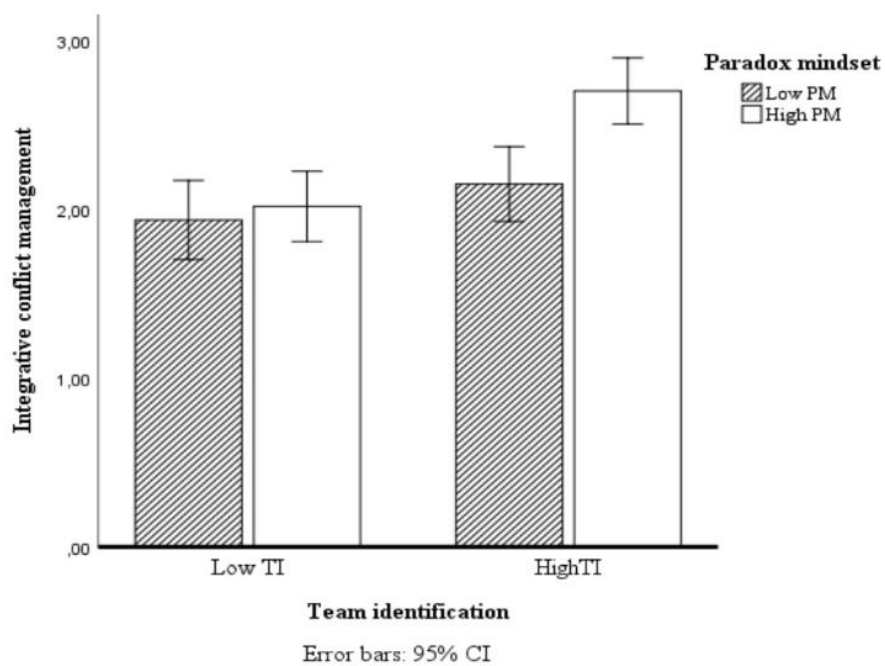


Figure 4 Two-way interaction between team identification and paradox mindset on integrative conflict management (Study 3)

# MODERATING EFFECTS OF QUALIFICATION PERCEPTION AND SKILLS MISMATCH ON EMPLOYEE OVERQUALIFICATION, JOB SATISFACTION AND RELATIVE INCOME

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Extended abstract:

Individuals pursue investment in education, knowledge, and skills to land a desired job and a promising career. For overqualified workers, however, this quest often results in feelings of deprivation (Crosby, 1984) because they get a job below what they consider appropriate for their qualification (Triana, Trzebiatowski & Byun, 2017). Perceiving that someone else got the job that fits their qualification makes them feel disappointed, resulting in job dissatisfaction. In this paper, we question the hypothesized productivity-enhancing effects of education (Becker, 1962; Mincer, 1974). Education should develop skills that lead to higher productivity and higher pay, distributing jobs and pay based on qualifications. We argue that for overqualified employees, more education does not lead to higher wages but rather to a wage penalty relative to qualification level (Brynin, 2002). We address this issue by differentiating between two types of overqualification: objective overqualification or overeducation (OOQ) and perceived overqualification (POQ) (Liu, Luksyte, Zhou, Shi & Wang, 2015; Erdogan, Bauer, Peiró & Truxillo, 2011).

Literacy skills are also considered a direct result of schooling, and we used them as an example of a skill mismatch and its relation to low job satisfaction and income. Seemingly, in the existing literature, POQ was used as a standard measure (proxy) for the skills mismatch.

From the above, we hypothesize and test the relationship between both types of overqualification and two important employee outcomes: job satisfaction and relative income. In addition, we examine whether POQ moderates the relationships between OOQ and the two focal outcomes. Finally, we attempt to find an instrument to detach the skills from qualification in measuring the workers' mismatches on the labor market; primarily, how literacy mismatches moderate the relationships between OOQ or POQ and the two mentioned outcomes.

For the purpose of testing the hypothesized relationships, we considered the data in a hierarchical multilevel linear regression modeling procedure (HMLR), on a significant sample size ( $n=156,058$ ), sourced from 27 countries that participated in the first two rounds of the Program for the International Assessment of Adult Competences (PIAAC).

We found that 20.8% of the workers perceive themselves as overqualified, but 28.9% are objectively overqualified or overeducated. We also confirmed that both POQ and OOQ reduce job satisfaction and relative income, but no relationship was observed between overqualification types and skills mismatch: neither high nor low overqualification types imply over- or under-skilling in literacy.

Next, we confirmed that workers who perceive themselves as overqualified and have an excess of education in relation to their job are more dissatisfied with their jobs. Among the workers perceiving themselves as overqualified, those who are over-skilled are less satisfied with their job, and those who are under-skilled are more satisfied with their job. Furthermore, neither over-skilling nor under-skilling affects the negative relation between OOQ and job satisfaction. Also, among the workers who perceive themselves as overqualified, the over-skilled have a lower relative income compared to the workers who are not over-skilled. Paradoxically, the workers who perceive themselves as overqualified and are under-skilled tend to have a higher relative income than the workers who are not under-skilled.

OOQ is also found to be a significant, negative predictor of relative income. The workers who are overeducated and perceive themselves as overqualified have lower relative income than the workers who do not perceive themselves as overqualified, just as the workers who are overeducated and are over-skilled in literacy. On the other hand, being underskilled did not affect the relationship between OOQ and relative income.

Our findings add nuance to the exploration between overqualification and employee outcomes in the overqualification literature. We add a moderator that alternates between mitigating and enhancing the effect on job dissatisfaction or income loss. Furthermore, we tackle the two relevant theories by showing that the lack of (literacy) skills does not affect the deprivation feelings equally (or not even at all) when considering OOQ or POQ.

Concerning relative income loss, we confirmed that when it is due to POQ, over-skilling reduces it and under-skilling increases it. As for overeducated individuals, the over-skilled receive a lower income than those who are not over-skilled, again challenging the supposed enhancing effects of educational attainment, as per human capital theory.

The simultaneous and yet separate consideration of all these aspects unveils that HR policies or practices that focus on only one aspect of employee overqualification might not understand its comprehensiveness and might not be fully able to tackle it. The skills mismatch does not compensate for or exacerbate the deprivation feelings due to OOQ, just as under-skilling does not compensate for the relative income loss caused by OOQ.

This paper also offers an unbiased measure of literacy mismatch and proficiency assessment, which was previously challenging (Flisi, Goglio, Meroni, Rodrigues & Vera-Toscano, 2014). Thereby, an employer could differentiate skills from education and from one's feeling of being overqualified when assessing the vertical job (mis)match of workers and job applicants.

Keywords: objective and subjective overqualification, moderator, skills, literacy

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## NOT ALL CAUSAL EFFECTS ARE CREATED EQUAL: A TUTORIAL ON UNCOVERING HETEROGENEITY IN CAUSAL TREATMENT EFFECTS

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In the realm of human resource management (HRM), understanding solid causal relationships is pivotal, not only for advancing theoretical frameworks but also for enhancing practical decision-making processes within organizations (Grosz et al., 2020; Foster, 2010). These relationships help address the challenges of the "replication crisis" (Shrout & Rodgers, 2018) and the "theory crisis" (Eronen & Bringman, 2021) by providing a rigorous basis for evidence-based HR practices (Hallsworth, 2023). Traditionally, the identification of causal relationships in HRM has relied heavily on controlled experiments. However, recent advancements have shown the feasibility of deriving structured causal insights from observational data (Rohrer, 2018; Rohrer et al., 2022; Deffner et al., 2022), a crucial development for HRM fields where randomized experiments may not always be possible.

A significant gap in HRM research is the systematic exploration of heterogeneity in causal effects, especially given the diverse nature of workforces and organizational contexts (Bolger et al., 2019). Understanding these variations is essential for developing more targeted and effective HR policies and interventions (Bryan et al., 2021; Yarkoni, 2022). Identifying such heterogeneities can lead to more nuanced theories of employee behavior and interaction, helping reconcile empirical inconsistencies and driving theoretical progress (Yarkoni, 2022). Furthermore, it facilitates the customization of HR interventions, ensuring they are optimally effective for different employee subgroups (Bryan et al., 2021; Davis & Heller, 2017). Addressing the challenge of presumed homogeneous causal effects, one might suggest categorizing employees into predefined subgroups based on observable characteristics like gender or nationality. However, this approach is often flawed: essential characteristics may be unavailable or insufficient for capturing meaningful causal effect variations; significant but 'hidden' subgroups might exist beyond these observable traits, as extensively documented in HRM literature; and reliance on such characteristics can encourage questionable research practices (e.g., p-hacking).

To bridge this methodological gap, we propose a comprehensive tutorial on the causal tree algorithm (Athey & Imbens, 2016), a robust and interpretable machine learning approach that has proven effective in other social sciences but remains underutilized in HRM. This tutorial aims to introduce HRM researchers to this innovative method, demonstrating its ability to uncover causal effect heterogeneity and identify critical 'hidden groups' within the workforce. The tutorial will encompass three parts: an accessible introduction to the causal tree algorithm, a step-by-step guide through its application in HRM research (including data partitioning, model training, and sensitivity analysis), and a discussion on practical considerations such as software choices and best practices. We will apply the causal tree to an open HR dataset, providing reproducible code in both R and Python, and pre-register our analysis to adhere to open science principles. By making all tutorial materials publicly available, we aim to foster a deeper understanding of causal analysis in HRM, enhancing both theoretical knowledge and practical HR decision-making.

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## TIME PARADOX IN TEAMING PROCESS (THE PAST - IS IT CHANGING?)

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This paper is based on recent literature on teams and follows the suggestions for advancing research by focusing on encouraging collaboration and following the flow of teams in organizations (Edmondson, 2012). It addresses the question of how managers can encourage members of an organization to “team up” into voluntary self-regulated teams that are focused on improving organizational processes. This paper presents a case study from the field of education (Likon, 2022) and draws on literature that examines teams and their implementation in professional learning communities within educational institutions (DuFour, R., DuFour, R., & Eaker, 2008, DeFlaminis et al., 2016). The focus is on understanding this process through events (Pettigrew, 1997, Langley, 2013). For deeper understanding of the process, considering the alteration of relationships between teachers, the case history was written with a chronological order of events. The research was later upgraded by exploring the development of teaming as a network-changing process through studying connections between events drawing on research that explores business network development.

This paper reveals the paradox of time when analysis is focused on critical events and the sequence of events by studying only events that are pre-planned with an aim to trigger change in the formation of teams and relationships or to encourage a more intense and qualitative collaboration with organizational process improvements (in this case study: learning processes). The paper presents findings from non-traditional organizational research that draws on methodology and the analytical tool eNPA that was developed to better understand changes in business networks (Halinen et al., 2013). Employing this tool in the presented research shed light on the time paradox. Although the initial aim of the study was to explain the sequence of events during team development (and teaming) by identifying intentional critical events that consequently lead to team implementation and improvements within an organization over time (based on the linear version of time), the eNPA as a combination of the steering wheel, analytical scheme, and event trajectories can help track events over time and see beyond the predetermined path of predefined events and pre-planned data collection. The presented methods involve identifying and labeling the scope of events, which refers to the extent to which the researchers seek out and detect relevant events, and allowing informants to take the lead in searching for these events. The researcher can then create a view of the events and emerging processes at each point and later reconstruct this view through retrospective examination. By combining the chronological order of events, studying the connections between events, and employing an analytical scheme and event trajectories, it was possible to show how the process unfolded and how a combination of different critical events and influence factors affected the emergence or dissolution of teams and the alternation of relationships between members of the organization, resulting in more intensive collaboration among teachers.

Myllykoski and Rantakari (2018) addressed the temporality paradox and exposed the re-evaluation of the nature of intention in strategy-making, arguing that temporality should not be treated merely as an objective background or a subjective managerial orientation, but as a fundamental characteristic of processuality that defines the dynamics of strategy-making.

Adopting a moderate constructivist perspective, research considers teaming and events as parts of a socially constructed reality which are linked with the human perception of time. Our paper presents some findings that indicate the importance of the time paradox in the teaming process. First, the teaming process is not just a sequence of linearly connected events where an intentional critical event consequently leads to team implementation and improvements within an organization. It deals with the issue of a linear version of time that often leads further to the idea that time is chopped and that phenomena could be studied at different points in time. Rather, teaming is a multi-event process: a process in the making where events are connected and emerge at different levels. Second, the importance of events changes over time, especially when they are considered a socially constructed reality, which opens the question of whether the past is changing. Some events that were not initially planned as events that could trigger change were recurrent and were retrospectively identified as critical events.

The study has practical implications for managers (in this case study: school principals) who should pay close attention to intentional and unintentional events. The findings of this study imply that school principals should be aware that over time events could be perceived differently and their previous relevance could change. Consequently, the development of the teaming process could be reinterpreted. The steering wheel builds on events and applies real-time analysis to construct the process by following it forward, and retrospective analysis to reconstruct the process by tracking it backwards.

Data was collected in real time over four school years, and in the last set of interviews the data was also gathered retrospectively. The teachers and principals perceived some events differently when asked retrospectively. The data was collected from 2014 through 2017 by conducting a total of 39 interviews, six with principals and 33 with subject teachers.

Keywords: teams, change, flow of teams, process, time paradox

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## EXPLORING EMPLOYEE AUTONOMY: TRACING THE ROOTS AND CHARTING FUTURE STEPS THROUGH BIBLIOMETRIC DATA ANALYSIS AND REVIEW

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*Theoretical background* – Following the phenomena of the Great Resignation, quiet quitting, and ubiquitous remote work in post-COVID human resource management, researchers' interest in employee autonomy has grown to an all-time high. Besides the growing scientific maturity of the field, the extent to which employees should enjoy autonomy in crafting their workload, choosing their work methods and workplace, and the impact on the work outcomes is not synthesized and open to debates (Clausen et al., 2022). The concept in the broadest sense can be defined as the level of freedom and discretion employees have in terms of their workplace autonomy, worktime autonomy, and methods autonomy (Kubicek et al., 2017).

*Purpose of study* – The purpose of this study is to uncover the inherent intellectual structure of the employee autonomy body of research, identify the most influential concepts, themes, and hotspots, and stress new paths for future research on the topic.

*Method* – The research is grounded in multitechnique bibliometric analysis, which is useful for obtaining a more objective, comprehensive, aerial view of a certain topic or research niche (Zupic & Cater, 2013). Descriptive bibliometric analysis, co-authorship analysis, and keyword co-occurrence bibliometric analysis are conducted. The data for carrying out the analysis was based on a keyword-based search query in the Scopus database of global quality research about articles published in scientific, peer-reviewed journals, written in English. The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) statement is used for obtaining and cleaning data (Moher et al., 2015). The final dataset includes 1041 articles. Following the bibliometric analysis, a systematic literature review is presented through the prism of the invisible college framework. The framework helps us interpret the field's development across four phases from its origins in the 1950s until now (Vogel, 2012), including college transformation, drift, differentiation, and fusion.

*Findings* – More than 900 articles detailing employee autonomy have been published since 2010, which is nine times more than in all years before 2010 combined. Moreover, the findings focused on tracing the evolutionary development of the field point out a few core themes such as benefits of employee autonomy, job satisfaction and well-being, environmental context, motivation, employee behavior, organizational psychology, work organization, leadership, digitalization, and job performance. Connected to this, the output of the keyword co-occurrence analysis resulted in a visual network map of 10 interconnected clusters of keywords from the vast research landscape on employee autonomy. Subsequently, five distinct paths for future research endeavors are outlined.

*Theoretical contribution* – This is one of the first bibliometric analyses on employee autonomy as a testament to its originality. To date, published research has focused mainly on determining various relationships between employee autonomy and other organizational phenomena, and assessing its influences on employee well-being, work-life balance, job performance, and work outcomes (Muecke & Iseke, 2019). Additionally, several meta-literature reviews exist on the topic, yet are predominantly partial and focused on specific relationships between constructs (Khoshnaw & Alavi, 2020) or are in turn industry specific (Pursio et al., 2021). This represented an additional motivation for the researchers to carry out the research as a way of presenting an overarching aerial view of this concept through bibliometric analysis. Additionally, the systematic literature review grounded in the invisible college framework is an innovative theoretical presentation in this field.

*Practical implications* – The findings have the potential to benefit policymakers, practitioners, and the academic community as crucial stakeholders in the field. Namely, policymakers can benefit from these findings when regulating unionization and forms of increased employee participation to further democratize workplaces. Additionally, practitioners and the academic community can benefit from the synthesized findings when choosing fields for new research and further cross-pollination with other managerial concepts.

**Keywords:** Employee autonomy; Job autonomy; Bibliometric review; Keyword co-occurrence analysis

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# ARE YOU LISTENING TO ME? THE EFFECT OF EMPLOYEES' PERCEPTION OF SUPERVISORS' VIRTUAL LISTENING ON HIGH TECH EMPLOYEES' TURNOVER BEHAVIOUR DURING THE COVID-19 PANDEMIC IN ISRAEL

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## Purpose

The goal of this paper is to examine whether high-tech supervisors' virtual listening, as evaluated by their IT professional employees, affects turnover behavior beyond a novel constellation of variables, some of which have never been researched as antecedents of turnover behavior, particularly during a pandemic or crisis. Virtual listening refers to the process of actively hearing and understanding another person's communication through digital means. It also encompasses the practice of using digital communication technologies.

The COVID-19 pandemic has accelerated the adoption of virtual listening as many businesses and organizations have shifted to remote work, particularly in the IT sector. It seems likely that telecommuting/remote working may become a primary means of employment in the post-pandemic period. Therefore, the effect of virtual listening skills on the turnover behavior of high-tech employees is expected to be relevant in the post-pandemic period.

## Design/methodology/approach

Logistic regression analysis was employed to examine the hypotheses via SPSS 26 and PROCESS (model 6). The variance inflation factor (VIF) was calculated to test for multicollinearity. Interaction was tested using the Hayes and Preacher PROCESS macro model. The researchers also used the J-N technique test (Johnson – Neyman via process). The supplemental analysis also used PROCESS MACRO (IBM Corp., Armonk, NY, United States, 2023) model 4 and Bootstrap test.

## Main Findings

The findings show that perceptions of supervisors' virtual listening quality as evaluated by their employees moderated the organizational deviance as a type of organizational misbehavior and turnover behavior relationship and had the strongest effect on turnover behavior beyond other key predictors (organizational deviance as a type of misbehavior, turnover intention, job satisfaction, embeddedness, and alternatives in the labor market). Alternatives to current work moderated the correlation between perceptions of managers' virtual listening as evaluated by their employees and turnover behavior. Specifically, when alternatives in the labor market were high or medium, the perceived quality of managers' virtual listening reduced turnover behavior. Ultimately, the perception of the IT employees' managers' virtual listening moderated the relationship between organizational deviance and turnover intention among engineers in the high-tech sector.

### Implication to practice

High-tech supervisors' virtual listening, as evaluated by their IT professional employees, significantly impacts turnover behavior in high-technology firms. General supervisors in high-tech firms and technology supervisors should learn how to listen to their IT employees. High-tech companies should invest in coaching and training their IT employees' supervisors to be excellent listeners and to be perceived and presented as good listeners by their professional IT employees. If supervisors listen professionally to their IT employees in the high-tech sector, employees who misbehave will tend to leave the organization. Thus, this actual turnover (voluntary turnover) in high-tech firms can be considered positive and can prevent negative consequences for the firm.

### Originality/value

Evaluating supervisor listening in high-tech firms may have value in terms of its impact on outcomes such as retaining IT employees, intent to leave, and especially actual turnover/turnover behavior. The effect on turnover behavior and of that new constellation of antecedents on turnover behavior when people work remotely has not been researched until now and is therefore very important for the post-COVID-19 era. Additionally, in contrast to most studies of turnover, this research also focuses on the positive facets of turnover and especially turnover behavior to organizations in general and specifically to high-tech firms, not just the negative aspects that have been researched until now.

A further contribution is the finding that when employees perceive their managers' virtual listening quality as high, the effect of deviance as a type of OMB (Organizational Misbehavior) on turnover behavior is positive. Specifically, listening as a moderator and turnover assisted in making the organization cleaner from inappropriate behavior. Additionally, when alternatives in the labor market are high or medium, the perceived quality of virtual listening by managers, as rated by their employees, can reduce turnover behavior. This virtual listening–turnover relationship and the moderator of alternatives to current work had not previously been found in the turnover literature, making this a significant contribution to the turnover and withdrawal literature.

**Keywords** Turnover intention, Deviance, Embeddedness, high tech voluntary turnover, Turnover behavior, Virtual listening

## THE PARADOX OF VIRTUAL ORGANIZATIONAL SOCIALIZATION

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### **Keywords**

Organizational Socialization, Onboarding, Paradox Theory, Virtuality, Virtual Work, Virtual Organizational Socialization

### **The Paradox of Virtual Organizational Socialization**

This conceptual article advances the discussion on Organizational Socialization (OS) by combining existing knowledge on OS and virtual work. We show that virtuality is a paradox and derive a model of virtual OS in the New Normal.

### **Theoretical background**

Drawing on paradox theory, introduced by Lewis (2000), several authors have identified virtuality as a paradox phenomenon (Cousins et al., 2007; Dube & Robey, 2009; Gibbs, 2009; Purvanova & Kenda, 2018, 2022). Contrary to the predominant negative view of virtuality for teamwork, they propose a balanced view of the opportunities and challenges that come with virtuality (Purvanova & Kenda, 2022). Research on OS so far has mainly viewed virtuality as a threat to successful newcomer adjustment (Gruman & Saks, 2018; Wesson & Gogus, 2005). The virtuality-as-paradox perspective (Purvanova & Kenda, 2022), however, might be helpful to give justice to the complexity of the multiple effects of virtual work.

### **Purpose of the paper**

We move the discussion on OS in the New Normal forward by developing a model of four types of onboarding tactics organizations choose based on their degree of digitalization and virtuality.

### **Findings**

Virtuality is defined by technology dependence and geographic dispersion (Raghuram et al.,

2019). It simultaneously leads to challenges and opportunities for the OS of new employees. By conceiving virtual work as a paradox, virtual onboarding strategies can evolve by applying the principles of paradox management. Paradox theory states that in order to take advantage of the power of paradox, organizations need to find a synergy between the opposing poles of paradoxical tensions (Purvanova & Kenda, 2018).

### **Paradox of Technology Dependence**

Purvanova and Kenda (2018) describe the technology dependence paradox for virtual leadership, which can also be applied to virtual OS. Technology use enables newcomers to use large amounts of data during the onboarding process, which can be enriching and overwhelming at the same time. To make use of the information richness that digital technology can offer newcomers, it may be helpful to curate information for newcomers and deliver information via digital learning tools. Artificial Intelligence, in the form of chatbots that answer newcomers' questions, might help address the tension of technology dependence.

### **Paradox of Employee Relationships**

Virtual onboarding challenges relationship-building among colleagues as well as with supervisors. At the same time, it reduces hostility in the workplace, such as harassment, intimidation, or bullying (Jackowska & Luring, 2021; Sani et al., 2022). To synergize the relationship tension, onboarding practices should be designed to encourage informal communication. At the same time, measures should be implemented to keep interactions professional (Purvanova & Kenda, 2018).

### **Paradox of Tacit Knowledge Sharing**

With fewer opportunities to observe peers and supervisors and face-to-face communication, tacit knowledge is hard for newcomers to grasp in a virtual setting (Golden & Raghuram, 2010; Nonaka et al., 2000; Russo et al., 2023). On the contrary, mobile technology and virtual platforms offer new opportunities for tacit knowledge sharing (Sial et al., 2023). Digital tools and platforms like corporate social media, cloud-based document sharing, or teamwide visible threads instead of email communication might synergize this tension by making work and structures more transparent and accessible for newcomers.

### **Paradox of Task Interdependence**

Task interdependence indicates how much a person depends on others to do their job successfully (Wageman, 1995). Virtual team research shows mixed results regarding the effect of task interdependence on team functioning. It positively affects motivation, team learning, and creativity and, in contrast, hinders coordination processes in virtual teams by requiring more communication (Handke et al., 2020). Furthermore, task interdependence positively affects information seeking, a widely recognized factor of newcomer adjustment (Major & Kozlowski, 1997). Assigning newcomers to tasks that oblige them to work with other organizational members right after starting their new job might be especially beneficial in virtual environments. Later on, working from home might lead to higher performance with less task interdependence (Golden & Gajendran, 2019).

### **Discussion**

By looking at digitalization and virtuality, a typology of organizations' path to digital

onboarding can be explored. First, there is the avoidant type: organizations that – maybe after negative experiences during the COVID-19 pandemic – choose socialization tactics that take place face-to-face and do not make use of technology. They try to avoid virtual work and may take back working-from-home arrangements. Second, there are organizations offering virtual work but not adapting their onboarding practices (stagnant). Those organizations will experience negative effects on newcomer adjustment as described by Gruman and Saks (2018). Third, organizations may be low in dispersion, but at the same time, use technology intensively when socializing their new employees (digital). They take advantage of digital onboarding tools albeit offering remote work only sparsely. Finally, some organizations embrace virtual work and implement digital technology for their onboarding strategy (synergistic). In doing so, they will take advantage of digital technology and virtual work to the benefit of their organization.

### Approaches of Virtual Organizational Socialization

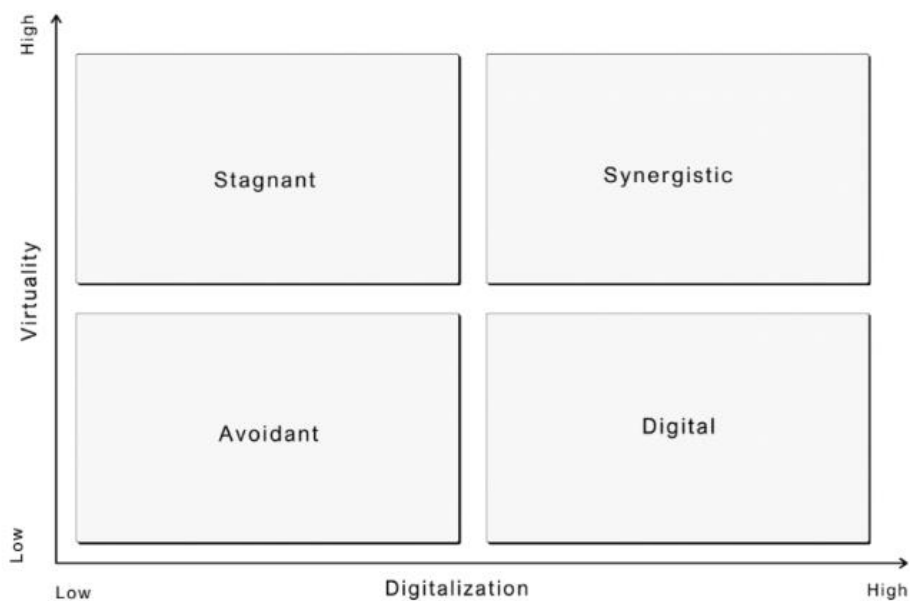


Figure 1: Approaches of Virtual OS based on the conceptual model from Purvanova and Kenda (2018)

#### Theoretical contribution

This conceptual article aims to bring the discussion on virtual OS forward by moving from the debate about the effect of virtuality on OS to the discussion about how virtual OS can be managed. The integration of paradox theory into the debate elucidates the complex nature of virtuality, emphasizing the simultaneous challenges and opportunities it poses on OS. The paradoxes we identified – technology dependence, employee relationships, tacit knowledge sharing, and task interdependence – provide a framework for understanding the complexity of virtual OS. This theoretical foundation can guide future research in exploring the dynamics of virtual OS and its impact of newcomer adjustment and socialization outcomes such as organizational commitment, turnover intentions, and performance.

#### Practical implications

On a practical level, our model provides companies with a typology of onboarding tactics based on their level of digitalization and virtuality. The four types – avoidant, stagnant, digital, and synergistic – offer practical insights for organizations to overcome the challenges of OS in the New Normal. By recognizing the inherent paradoxes of virtual work, organizations can take a

synergistic approach that leverages the benefits of technology while addressing the challenges through tailored onboarding strategies.

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## PARADOXES OF PLANNED ORGANIZATIONAL CHANGES

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Operating in circumstances of globalization, technological development, political changes, and unforeseen disruptive events such as pandemics and war, modern companies are forced to undergo frequent organizational changes. However, organizational changes are expensive, risky, and related to many negative consequences for the organization and its members. Therefore, company management strives to conduct them quickly and efficiently and approaches them systematically and deliberately.

Planned organizational changes (POCs) are a set of deliberate activities undertaken by the company's management to move the organization from its present state to a desired future state (Stouten et al., 2018). POCs are very complex and involve many activities and participants and occur in constantly changing conditions, so their success is highly questionable. According to some studies, only one-third of the POC projects are successful (Jarrel, 2017).

This paper explores another reason for complexity and relative failure of POCs – the paradoxical nature of these changes (Lewis, 2000). Paradoxes occur when individually rational and necessary activities, emotions, and ideas counteract each other when implemented together (Handy, 1994), and they force management to balance contradictory demands. This complicates and slows down the change process and reduces the likelihood of its success, because it depends on the management's ability to balance between paradoxical demands.

This paper aims to highlight the importance of paradox in implementing POCs and to identify some of these paradoxes. The most popular POC models will be synthesized and grouped into main activities that the company management should perform to efficiently implement POC. Next, we will identify paradoxical demands in these activities, and then suggest how to resolve these paradoxes.

Literature identifies many POC models (Stouten et al., 2018; Rosenbaum, 2018; Siddiqui, 2017; Teczke et al., 2017). They all contain steps, or groups of activities that should be undertaken in a specific order to successfully implement POCs. According to one of the best reviews of POC models (Stouten et al., 2018), the most cited models in WoS and the most googled models are: Beer et al.'s (1996) Six Step Model, Kotter's (1996) Eight Step Model, Judson's (1991) Five Stage Model, Kanter, et al.'s (1992) Ten Commandments, Appreciative Inquiry (Cooperrider, Srivastva, 1987), ADKAR model (Hiatt, 2006). We would also add Nadler's (1997) 12 Action Step Model and Penedlebury et al.'s (1998) Ten Key Model. Finally, the first-signed author of this paper has created his own Ten Step Model (Janićijević, 2008).

Even a cursory review of these POC models implies that they are similar and largely overlapping. This is because they are all based on the same model: Lewin's "unfreezing – moving – refreezing" model. Lewin's seminal work (1952) laid the foundations for all subsequent thoughts on what the process of POCs should look like.

The relative similarity of POC models enables their synthesis and we have concluded that all the activities that management should undertake to implement POCs may be grouped into five large groups: 1. initiation of changes; 2. shaping the future; 3. dealing with people; 4. implementing; 5. legitimization and institutionalization of changes. These groups of activities vary in nature and character. They are arranged more or less chronologically, although their overlapping is possible. Initiation of changes involves the often-cited building top management awareness of the necessity and urgency of changes, overcoming inertia, diagnosing opportunities or problems that cause changes, and building a team to lead the changes. The second major group of activities involves shaping the image of the desired organization through creating a vision, communicating the vision, and planning changes. The third group of activities involves dealing with people: motivating change, empowerment, managing emotions, handling power, gaining participation, and identifying and overcoming resistance to change. The fourth group involves change implementation along with monitoring, communicating, and facilitating changes. The fifth group of activities involves stabilizing changes to ensure their long-term sustainability, which includes their legitimization (incorporating into corporate culture) and institutionalization (incorporating into structure and systems). In each group of POC, there are certain paradoxes that complicate their implementation.

In initiation of changes, there is the paradox of unfreezing. To create awareness of the necessity and urgency of changes, company management must disavow and destroy the existing state and functioning of the organization, and at the same time provide its normal functioning during changes, avoid dissatisfaction, fear, and self-discreditation.

In shaping the future, there is the paradox of vision. To be compelling and desirable to a wide range of stakeholders, the vision must not be detailed, and technical. But, to be a clear picture of the future that leads changes, the vision must clearly depict the future state of the organization and contain a description of the key elements of the future organization's state.

In dealing with people, there is the paradox of behavior. Management must discourage and invalidate the existing behavior of employees and indicate to them that their previous behavior at work is unacceptable. On the other hand, management must provide psychological safety for employees, informing them that they will not be blamed for the current unsatisfactory state of the organization.

In implementing changes, there is the paradox of autonomy and control. Management should provide employees with autonomy in carrying out change activities, as this releases their creative energy, motivates them to accept changes, and eliminates resistance to change. On the other hand, employees need to be provided with leadership and control from the top to make their activities during changes purposeful and coordinated.

In the final phase of change, there is the paradox of cultural change. Management must change corporate culture so it would legitimize the changes made. On the other hand, implementing changes that are completely inconsistent with the existing culture is almost impossible.

Resolving these paradoxes during POCs is very difficult, but not impossible. To resolve them, management must balance contradictory demands by simultaneously performing mutually opposing activities, which require ambidextrous ability.

The paper's theoretical contribution is in highlighting the significance and role of paradoxes in POC models. The practical contribution consists in raising awareness among company managers that implementing changes contains a series of paradoxes, and that successful implementation of POCs will require meeting contradictory demands.

Key words: organization, organizational change, planned organizational change, paradox

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## THE ROLE OF LEADER DRIVERS IN LIMITING THE ORGANIZATIONAL CAPACITY FOR INNOVATION

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### Introduction

Creating an organizational environment conducive to innovation and supportive of creativity stands as a pivotal responsibility for leaders grappling with dynamic business landscapes and escalating challenges in the VUCA (Volatility, Uncertainty, Complexity, Ambiguity) world. However, this task often faces setbacks, with organizational efforts frequently resembling what Viki (2020) describes as "innovation theater," despite substantial resource allocations. Such outcomes stem from various factors, with leadership behavior, management processes, personnel competencies, and organizational culture and values emerging as primary sources of concern (Loewe & Dominiquini, 2006). This study focuses on the leader's role as a principal role model and primary decision-maker, shedding light on potential inadvertent obstruction of team innovation efforts amidst stressful business conditions. It examines detrimental practices through the lens of five Transactional Analysis (TA) drivers and their resulting characteristic work styles (Hay, 2009, 2013): Be Perfect, Be Strong, Please Others, Try Hard, and Hurry Up. In TA theory, drivers exhibit a compulsive nature under stress, representing an individual's efforts to garner environmental approval, thereby diminishing the leader's autonomy in behavior choices concerning innovation endeavors and expectations of team members. For instance, a leader predominantly driven by perfectionism may, under competitive pressure and other stressors, establish unrealistically high innovation demands on colleagues, leading to potential frustration. Despite their drawbacks, drivers can offer certain business benefits (Klein, 1987), and this paper explores their potential advantages in fostering innovation.

### The purpose of the paper

This paper aims to deepen the understanding of a leader's role in facilitating the seamless progression of the innovation process. It seeks to examine leadership behavior through the lenses of Transactional Analysis (TA) and the theory of drivers, offering insights into the somewhat contradictory behavior of leaders. On one hand, leaders are expected to promote innovation, while on the other hand, they may exhibit disruptive behaviors such as hastening innovation processes, demanding flawless business plans and prototypes from innovators, utilizing inadequate "hard" motivation techniques, failing to reassess ideas from team members, and persisting with unprofitable projects despite clear indicators. Additionally, this paper seeks to introduce the business community to the concept of TA drivers and elucidate their significance.

### Method

The paper is grounded in a theoretical review and an empirical analysis of practical insights regarding the factors contributing to innovation failure. This analysis is conducted through the lens of Transactional Analysis (TA) drivers and the resultant work styles.

## Results

The paper posits that a leader exhibiting a work style stemming from any of the aforementioned drivers may impede the innovation process of team members. It further argues the adverse impact of the Be Perfect and Be Strong drivers. Additionally, the paper highlights potential positive effects of leader drivers on the innovation process.

## Contribution

By highlighting the unconscious processes within leaders and their detrimental effects on the organizational innovation process, this paper contributes to the delineation of leader development and the mitigation of certain organizational barriers to innovation.

## Practical implications

The practical implications encompass discussions regarding personal growth areas and leader development, as well as recommendations for mitigating undesirable behaviors in high-stress contexts. The paper delineates messages and actions that can facilitate a "liberating" effect for leaders and their teams, thereby enhancing innovation processes and collaboration within the team. Moreover, the practical implications extend to counseling and educating employees to enhance their productivity and innovation capabilities.

Key words: innovations, innovations, organization, leader, TA drivers, transactional analysis

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## DYNAMIC CAPABILITIES: THE MAIN AREA THAT THE BUSINESS ECOSYSTEM NAVIGATES

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### Theoretical background

In the last decade, one of the most dynamic streams in strategic management literature has been the business ecosystem (BE) and its evolution in times of complexity, uncertainty, and unpredictable external pressures. Parallel with gradually increasing scientific and practical research on this subject year by year (Yoon et al., 2022), the managed BE organizational form grew up in the paradigmatic innovation industry of the late 20th century: the high-technology computer business (Moore, 2006). Still, there is a significant research gap in the BE literature. On the other side, many managers still struggle with the broad scope of the concept, unclear definitions, and the lack of practical advice.

### Purpose of the study

With the primary aim of identifying and understanding critical areas that are affected by and connected with the BE concept and identifying different approaches from which the BE is analyzed, a structured literature review (SLR) was conducted.

### Method

To take stock of empirical prior research on BE, an SLR was guided by a multistep process. The choice of databases was led by the frequency of using concrete databases in bibliometric studies in management and organization, including Web of Science (WOS) as the most frequently used database in strategic management studies, Google Scholar, and Scopus. All publications from 2000-2023 were included to capture the latest development of the study, as well as articles from key authors from 1993-2000. The search was limited to articles containing business ecosystem(s) in the title, abstract, keywords, and a deeper analysis of the abstracts and the first part of the articles. Such a list included 120 articles written in English, only from strategic management, innovation, and technology fields. This paper summarized the main findings through the following dimensions: *the fundamental concept of BE empirical studies and future research areas*.

### Key Findings

Analysis of the literature revealed that the concept has been researched from various approaches:

- grounded theory and concept meaning (Moore, 1993; Iansiti and Levien, 2004; Teece, 2007; Adner and Kapoor, 2010);
- innovation, circular economy, ecology, sustainability, collaborative networks, open systems digital enterprise architecture, platforms, and business models (Espina-Romero et al., 2023);
- stakeholders and BE members' relation (Yu et al., 2011; Lu et al., 2014; Wieniger et al., 2020; Awano et al., 2022; Yoon et al., 2022);
- strategy and performance (Iansiti and Levien, 2004; den Hartigh et al., 2013);
- capabilities and mindset needed for the BE (Riquelme-Medina et al., 2022). This could be explained by the evolving phase of the concept and the lack of standardized terminology and approach.

The topics of the majority of empirical BE studies can be divided into three segments and phases:

- BE members, roles, and connections – mostly from 2000 to 2010 (Adner & Kapoor, 2010; Iansiti & Levien, 2004; Thomas & Autio, 2014; Peltoniemi et al. 2004);
- BE health and performance – mostly from 2000 to 2006 (den Hartigh et al., 2023; Iansiti & Levien, 2004);
- Capabilities and resources essential for BE – mostly from 2010 to 2023 (Foss et al. 2023; Ramezani et al. 2019; Riquelme-Medina et al., 2022; Riquelme-Medina et al., 2023; Teece et al. 2016; Teece, 2017; Thomas & Autio, 2014; Williamson et al., 2012; Wulf et al. 2017).

The increasing number of empirical BE studies in the last decade may be connected to the fact that critical elements of those studies are the capabilities essential for success: collaborative learning, knowledge sharing, resilience, antifragility, collaboration, coopetition, absorptive capacity, agility, embeddedness, and ecosystem leadership capabilities. Looking through the lens of DC theory, all capabilities mentioned are essential for addressing complex changing environments, such as business ecosystems. It can be concluded that DC is the main topic of the current BE literature.

When it comes to the future research areas that BE navigates, the main conclusion from SLR can be summarized in three aspects:

- More papers and authors and BE concept understanding – from 1993 to 2005;
- More firm-level empirical analysis and standardization in terminology and framework – from 2006 to 2015;
- More empirical studies, identification, and understanding of essential capabilities for BE member's success – from 2018 to 2023.

During the entire period analyzed within this SLR, there is a call for more empirical studies, particularly on the firm level. In terms of the subjects that future studies should cover, the most novel and relevant articles show that identification, understanding, and measurement scales of DC are the research areas that will contribute the most to the theoretical and practical world of the BE environment.

The parallel view on the BE concept, through the perspective of the evolution of strategic management, leads toward the same conclusion. Considering three dominant theoretical strategy approaches (Teece et al., 1997), and their assumptions toward environmental certainty and complexity, it can be concluded that approaches changed orientation from external to ecosystem environment over time. The dominant approach in the 1980s – The Five Forces model, focused on positioning their customers, suppliers, and existing or potential competitors, and little guidance was provided to managers concerning what resources they needed to compete (Teece, 2023). The resource-based view (RBV) focused on the internal environment only (Peteraf, 1993). Dynamic capabilities theory started with a 1997 study and is one of the two most cited papers on the economy and business. It primarily focuses on the entire ecosystem (internal and external) environments, creating the point of alignment between the BE and DC theory.

#### Theoretical and practical implications

The presented conclusions identified and shed light on the most essential concepts and areas connected with the BE concept. They also identified relevant authors and papers, offering stimulus and guidelines for further research in the BE area. Since this paper is a segment of more extensive PhD research that aims to examine the strategy, capabilities, and performance of firm members of business ecosystems through the novel framework, it contributed as a confirmation and guide for developing the PhD research design.

**Keywords:** business ecosystem, dynamic capabilities, future research areas, systematic literature review

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## BALANCING THE PARADOXICAL EFFECTS OF CONFLICT ON CREATIVE BEHAVIOUR: DUALITIES AND THE OPTIMAL LEVEL OF CONFLICT IN ORGANIZATIONS

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### **Theoretical Background**

The creative economy is beset with competing demands (e.g., breakthroughs vs. profit, exploration vs. exploitation) (Andriopoulos, 2003; Andriopoulos & Gotsi, 2005; Andriopoulos & Lewis, 2009, 2010; Gaim, 2018) generating tensions and conflicts which managers must successfully manage. Extant literature discusses three types of conflict: *task conflict* - the task at hand (e.g. different ideas and opinions), *process conflict* - method pursued to complete the task at hand (e.g., timing and planning disagreements), and *relationship (or emotional) conflict* - disagreements about personal values, negative emotions, and relationships. Such tensions and conflicts can have negative and positive effects on managers' creative behaviour. Scholars have highlighted some positive outcomes of conflict (Assael, 1969; Chen, 2006, Evan, 1965) and have indicated that little or no conflict can lead to organizational stagnation. Organizations are advised to allow some cognitive conflict provided it does not lead to relationship/emotional conflict (Eisenhardt & Zbaracki, 1992; Rahim & Magner, 1985).

Maintaining a moderate level of conflict can be difficult, which means that conflict, regardless of its type, needs to be managed (albeit not necessarily resolved) in organizational settings. Paradox theory has become a useful lens (Lewis & Smith, 2014) to understand the tensions and conflicts which managers in the creative economy face (Gotsi, Lewis, & Ingram, 2010; Knight & Harvey 2015; Pick et al., 2015). The main premise of paradox is the existence of interrelated tensions and contradictions (Lewis, 2000; Smith & Lewis, 2011). Using paradox as a tool, we can gain a deeper understanding of the negative and positive effects of conflict on creativity and identify the optimal level of conflict on creative behaviour.

### **Purpose of Study**

To understand the impact of conflict on managers' work in the creative economy, we use a paradox lens to answer the following research question: How does each type of conflict (task, process, and personal) influence an individual's creative behaviour? Answering this question will go a long way towards understanding the relationship between conflict and creativity from a paradox perspective.

### **Methodology**

Our research involved managers in the creative economy who held different positions of varying seniority levels in different sectors. Our study pursued an exploratory methodological approach, and we conducted forty (40) semi-structured in-depth interviews to collect our data. The interviews ranged approximately from thirty to seventy minutes and were voice-recorded and transcribed. All interviews followed a pre-determined protocol while allowing a degree of flexibility in the discussion. The questions asked during the interviews involved exploring the types of conflicts present in participants' organizational settings, and participants' thoughts regarding the negative and positive effects of conflict on their work.

We pursued an iterative (abductive) mode of analysis continuously moving between the interview transcripts and extant literature to make sense of the data and develop theoretical arguments. We pursued an iterative (abductive) mode of analysis (Locke et al., 2008, Sætre & Van de Ven, 2021), similar to Smith (2014), continuously moving between the interview transcripts and extant literature to make sense of the data and develop theoretical arguments (Grodal & Van de Ven, 2021). Our study generated data about conflict episodes and the negative and positive effects of conflict on participants' creative behaviour. We clustered the interview codes into themes which provided us with key theoretical insights.

### **Research Findings**

Our data analysis identified several negative and positive effects of conflict on individuals' creative behaviour, but more interestingly that these effects are interconnected as six sets of dualities. Two of these dualities have a combined focus, regarding the type of conflict, i.e., task conflict with process conflict, and process conflict with relationship (emotional) conflict, and four dualities have a single focus on relationship (emotional) conflict.

#### **Combined focus**

*Wasting time on wrong ideas vs. Better creative ideas (Process vs. Task).* Participants explained that conflict can make the team work on ideas which are inappropriate and not 'on brand' leading to wasting time and resources (process) but it can also lead to better ideas and creative outputs (task).

*Feeling overwhelmed vs. Personal growth and development (Relationship/Emotional vs. Process).* Participants indicated that conflict can make them feel overwhelmed which can lead to them being less creative (relationship / emotional), but it can also aid their own personal growth and development regarding how to deliver better quality of work (process).

#### **Single focus**

*Feeling stress and anxiety vs. Feeling energised (Relationship/Emotional vs. Relationship/Emotional).* Participants also explained that conflict can lead to them feeling stressed and anxious (relationship / emotional), but it can also make them feel energised (relationship / emotional).

*Feeling frustrated vs. Feeling positively challenged (Relationship/Emotional vs. Relationship/Emotional).* Participants articulated that conflict can lead to them feeling frustrated (relationship / emotional), but it can also make them feel positively challenged (relationship / emotional) bringing dynamism to their work.

*Feeling frustrated vs. Helping others and developing relationships (Relationship/Emotional vs. Relationship/Emotional).* Participants explained that conflict can lead to them feeling frustrated (relationship / emotional), but it can also make them feel great about themselves helping their colleagues and helps them build strong relationships with colleagues and clients (relationship / emotional).

*Damages relationships vs. Increasing empathy and trust (Relationship/Emotional vs. Relationship/Emotional).* Participants indicated that conflict can damage professional relationships (relationship / emotional), but it can also lead to a sense of trust and empathy among team members (relationship / emotional).

### **Theoretical Contributions**

Our study makes two important theoretical contributions. First, we add to the emerging literature on conflict and creativity from a paradox perspective by articulating several negative and positive effects of each type of conflict on creative behaviour. Second, our paper also goes beyond understanding these negative and positive effects as separate. It demonstrates that these negative and positive effects are interconnected as six sets of dualities which allow managers in the creative economy to balance the negative effects of each type of conflict on their creative behaviour with positive effects.

### **Practical implications**

Our study provides managers a deeper understanding of the negative and positive effects of conflict on creative behaviour from a paradox perspective. It also demonstrates that a moderate level of conflict which can be conducive to creative behaviour when the negative effects are balanced with their interconnected positive effects. Indeed, conflict management is about an “intervention to reduce conflict if there is too much, or...to promote conflict if there is too little” (Brown, 1983, p.9). Using a paradox lens, we can understand how each type of conflict influences an individual’s creative behaviour and can determine the optimal level of conflict in organizational settings.

**Keywords:** Conflict, paradox, creativity, creative economy, conflict management.

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**NAVIGATING SUSTAINABLE INNOVATION: EXPLORING THE DYNAMICS OF  
INDIVIDUAL SUSTAINABLE ATTITUDES, TEAM COLLABORATION, SUSTAINABLE  
TEAMWORK, AND ORGANIZATIONAL SUSTAINABLE STRATEGY**

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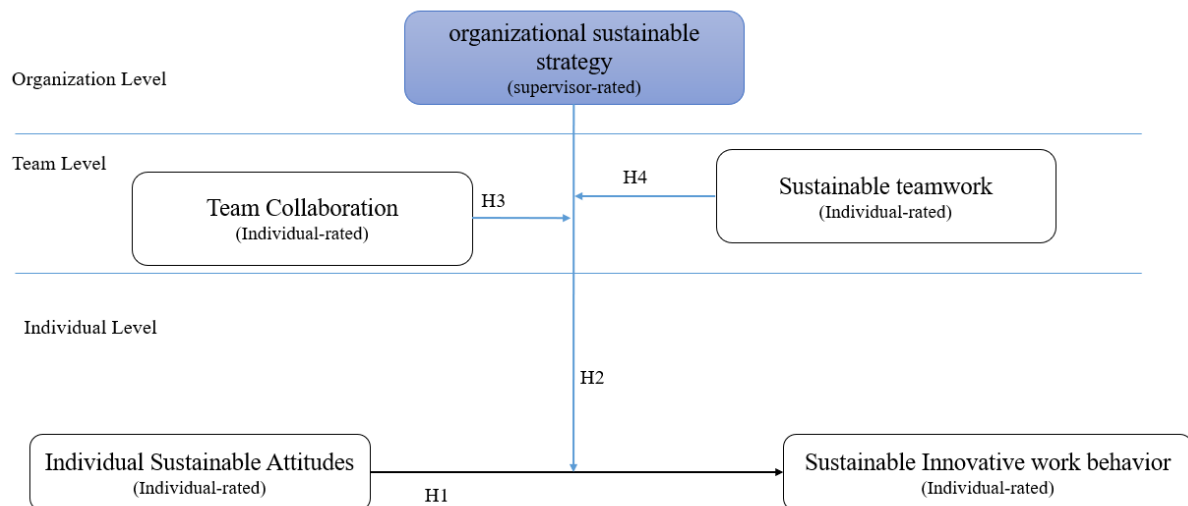
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**Keywords:** Sustainable Innovative Work Behavior, Individual Sustainable Attitudes, Organizational Sustainable Strategy, Sustainable Teamwork

**Research goals and why the work was worth doing:**

Sustainability has become an essential strategy for organizations long-term endurance. Sustainable innovation refers to new or improved products, processes, systems, or technologies that tackle their negative effects on the environment and society (Arundel & Kemp, 2009). The apparent increase in the need for sustainable innovation has prompted scholars to seek answers to the question of how to adapt innovation to sustainability issues (Hofmann & Jaeger-Erben, 2020; Shakeel et al., 2020), where some strategic changes are considered necessary by experts (Ghobakhloo et al., 2021).

Employees, being a fundamental component of the organization, demonstrate different behaviors as the result of organizational change (Dehkordi & Khani, 2021), organizational strategy, and environmental situations (Anderson & West, 1998) and their collective behavior significantly shapes and defines the organization. In this study, by building upon the theory of planned behavior (Ajzen, 1991), we aim to expose the underlying mechanisms through how individual sustainable attitudes influence sustainable innovative work behavior (Dehkordi et al., 2023), as well as the moderating roles of organization sustainable strategy, sustainable teamwork, and team collaboration on this relationship. Organizational strategy establishes the framework for sustainability initiatives, potentially influencing individual behaviors, while teamwork and collaboration facilitate the implementation of sustainable practices and innovation. Investigating these moderators provide a better understating on the interaction between organizational factors and individual attitudes in shaping sustainable innovative work behavior.



### Theoretical background:

Increasing the emphasis on sustainability in the innovation process, scholars are focusing on developing reconciliation between sustainability matters and innovation (Cillo et al., 2019). Therefore, innovation is highly related to sustainability, and innovation is essential for achieving sustainable development, which has both long and short-term benefits either for the company or for the environment and society. As Rahimah et al. (2020) explained sustainable attitude and behavior are linked together and also, the individual attitude might be a strong internal motivation for individuals to demonstrate creative and innovative behavior (Amabile, 1997). Employees' attitudes play a crucial role in their behavior and ability to innovate in the organizational context (Ghitulescu, 2013). In other words, individuals with positive attitudes towards a strategy or group are more likely to participate and behave accordingly (Salazar et al., 2017; Žnidaršič et al., 2021). Therefore, it can be assumed there is a direct relationship between employees' sustainable attitudes and sustainable innovative work behavior.

H1: there is relationship between individual creative behavior and employees' sustainable innovative work behavior.

Creativity and innovation are influenced by multiple elements (Shalley et al., 2004; Tett & Burnett, 2003). In previous studies, it has been argued that team organizational support for innovation associate with employees' innovation behavior (Anderson & West, 1998). Furthermore, organization sustainable strategies empower managers to navigate daily decisions with a focus on sustainable and long-term goals. Thus, organizational sustainable strategies play a crucial role in fostering subjective norms for individuals to behave more sustainably and promote sustainable innovation.

H2: organization sustainable strategy moderates the relationship between employee sustainable attitude and employees' sustainable innovative work behavior.

In addition, collaboration between team members could enhance knowledge creation, sharing and innovation (Pathak et al., 2020). Collaboration or social interactions and open dialogue between employees refers to the degree of help or support between individuals within the group to solve a problem or share new ideas (Gold et al., 2001; Janz & Prasarnphanich, 2003). In addition, team collaboration is consistent with the concept of perceived behavioral control as the third dimension of the theory of planned behavior (Ajzen, 1991). Thus, team collaborations along with sustainable strategy in organizations would enhance the relationship between sustainable attitude and SIWB.

H3: There is a three-way interaction effect between employee sustainable attitude, organizational sustainable strategy, and team collaboration on employees' sustainable innovative work behavior.

Sustainable teamwork refers to teamwork that is designed to address social and environmental issues which is adopted from environmental teamwork (Daily et al., 2012). Thus, following the theory of planned behavior, sustainable teamwork along with organization sustainable strategy may boost the sustainable attitude-SIWB relationship.

H4: There is a three-way interaction effect between employee sustainable attitude, organizational sustainable strategy, and sustainable teamwork on employees' sustainable innovative work behavior.

#### Design/Methodology/Approach/Intervention:

The data for the empirical hypotheses test were collected from a variety of teams in a sample of home appliances industry companies, in December 2023 and January 2024 in Isfahan, Iran. To assess the variables a questionnaire using a Likert scale from 1 to 7 (from never to always, or totally disagree to totally agree) was employed. Moreover, to test hypotheses regression-based analysis, namely models 1 and 3 in process macro (Hayes, 2018) was utilized.

#### Results obtained:

The result of this study supports the relationship between individual sustainable attitudes and sustainable innovative work behavior. Furthermore, the moderating effect of sustainable organizational strategy was significant in this relationship. In addition, both the three-way effects, sustainable attitudes, sustainable organizational strategy and teamwork on SIWB and sustainable attitudes, sustainable organizational strategy and teamwork on SIWB were supported.

#### Theoretical contribution

By drawing on the theory of planned behavior and emphasizing the role of attitudes, subjective norms, and perceived behavioral control, this study provides insights into how organizations can effectively integrate sustainability into their innovation processes and foster a culture of sustainability. Thus, this study complemented extant literature on sustainability and provide more understanding of the interplay between individuals and organizations in the context of sustainability. Furthermore, this study aims to contribute to the advancement of innovation literature by investigating the complex association of the organizational-level and team-level variables within innovation (Saari et al., 2021), and sustainable practices (Pappas & Pappas, 2015).

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## THE BLUEPRINT OF INNOVATION: AN FSQCA STUDY OF PERSONALITY CONFIGURATIONS IN TEAMS

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**Theoretical background** – Organizations are increasingly relying on team-based work systems to increase their levels of innovation (Mohrman, et al., 1995). Consequently, both researchers and practitioners have strived to find ways to design innovative teams by identifying the factors that promote team innovation (West, 2002). Including the right mix of people in the team is critical to the team's success and its ability to innovate (Mathieu et al., 2014), yet little is known about how to effectively build innovative teams (Chatzi et al. 2020) and only a few studies have examined the relationships between personality composition in teams and innovation (e.g., Den Hartog et al., 2020).

Personality represents the structures and propensities that reflect the unique patterns of an individual's thoughts, emotions, and behaviors (Funder, 2001). Historically, the most used model to describe an individual's personality is that of the Big Five (McCrae & Costa, 1987), including openness, conscientiousness, extraversion, agreeableness, and neuroticism as key traits (LePine, et al., 2011).

Team personality composition represents the aggregation in team-level indices of the average of everyone's personality trait scores (e.g., Barrick et al., 1998). Thus, team personality composition is a concept where the different personality traits are combined so that different team members contribute to the team with their different and unique personalities (Kozlowski & Klein, 2000). The elevation of personality traits in teams has received considerable attention as a predictor of team innovation (Chatzi et al., 2020) and previous research suggests that teams composed of members with different levels of each of the five personality dimensions have the potential to exhibit high team innovation (e.g., Robert et al., 2004). Specifically, while some studies suggest that composing teams of individuals high on extraversion or openness to experience may incentive high levels of innovation (Driskell et al., 1987), others have stressed the importance of assembling teams composed primarily of individuals low on conscientiousness (Moynihan & Peterson, 2004). Moreover, other research advises that agreeableness and neuroticism may also be relevant when composing teams that have the potential to produce creative ideas (Goncalo & Staw, 2006).

The results mentioned above are based on studies focusing on single personality characteristics, but teams are necessarily made up of a blend of all five traits. In this regard, the effects of group trait patterns, or joint effects between traits, have so far been unexplored although it seems necessary for further advances in the field. The present research aims at filling this gap by examining specific configurations of personality traits in teams that are associated with team innovation.

**Purpose of study** - The present study sets up to analyze the personality composition of teams and its link to team innovation. The research goal is to identify specific combinations of the five personality traits conducive to team innovation and to highlight substitutive and/or synergistic mechanisms with the use of the fuzzy-set qualitative comparative analysis (fsQCA).

**Method** - The research question is addressed through a self-report cross-sectional survey of 83 teams and 308 employees of an Italian manufacturing company by adopting a fuzzy-set qualitative comparative analysis (fsQCA).

**Findings** - Results reveal three configurations leading to high levels of team innovation compatible configurations of team personality.

**Theoretical contribution** - This research is one of the first to empirically test the relation of team personality composition for team innovation using a configurational approach. By doing so it contributes to the literature by advancing the notion that innovative teams are determined by the holistic effects of different interdependent configurations of personality within teams.

**Practical implications** - This study not only offers actionable insights for tailoring team compositions to enhance innovative output but also underscores the importance of considering the complex interplay of personality traits when assembling teams, thereby enabling managers to make more informed decisions in the development of high-performing innovative teams.

**Keywords** - Big Five; Team Personality Composition; Innovation; Fuzzy-Set Qualitative Comparative Analysis (fsQCA); Team Dynamics

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## WHAT IS (NOT) NECESSARY FOR TEAM PERFORMANCE? A METHOD TRIANGULATION APPROACH

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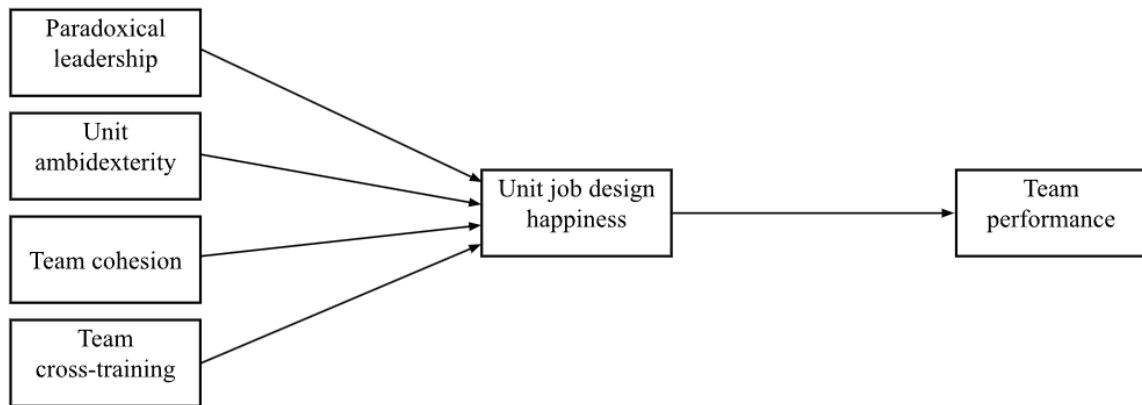
What is (not) necessary for team performance?

A method triangulation approach

**Theoretical background** – Through teamwork, managers organize tasks and meet organizational (unit) goals. Although collective efforts are well-ingrained in organizational practices, workgroup research has not yet reached a consensus on critical team success factors. The complexity of contemporary team arrangements muddles our understanding of what makes a difference in team performance. Meta-analyses (e.g., Bell, 2007; D’Innocenzo et al., 2016) and systematic reviews (e.g., Mathieu et al., 2019) of contextual features, structural and compositional contingencies, and mediating mechanisms help us frame the problem; they communicate the overlapping and coevolving nature of various antecedents that collectively combine to achieve team effectiveness. However, not all antecedents should be approached in the same manner; we need to evidence which team facets are sufficient (nice-to-have) and which ones are necessary (must-have) for reaching desired team outcomes.

**Purpose of the study** – The present research addresses structural and compositional features of organizational teams/units. We intended to explore whether and to what extent paradoxical leadership (i.e., “leaders’ seemingly competing yet interrelated behaviors to meet competing workplace demands simultaneously and over time;” Zhang et al., 2015), unit ambidexterity (i.e., “the extent to which teams as a whole emphasize and engage in *both* exploration *and* exploitation over time,” Zhang et al., 2022), team cohesion (i.e., “the degree to which members of the group are attached,” Shaw, 1981), and team cross-training (i.e., a training program where each team member learns about and receives instruction regarding the roles and responsibilities of his or her teammates, Volpe et al., 1996)—directly or indirectly (via team job design happiness, i.e., the situation at work when team members feel happy and satisfied with the organization of work; Dutschke et al., 2019)—drive team performance (see Figure 1).

Figure 1 Research model



**Method** – A time-lagged survey has been conducted on a multisource sample of 167 unit managers and their 376 employees from 90 Croatian organizations. Managers retrospectively assessed team/unit characteristics (unit ambidexterity, team cross-training, and team job design happiness) at Time 1. In addition, they provided supervisor-perspective ratings (Carlson et al., 2011) of team performance at Time 2. On the other hand, employees retrospectively assessed the paradoxical leadership of their immediate supervisor and shared their perception of team cohesion, both at Time 1. Employee responses were aggregated at the unit level, thus enabling us to proceed with a single (unit)-level analysis. Four methodological approaches were taken to assure the robustness of our results: (1) mediation analyses using PROCESS macro for SPSS (Hayes, 2018); (2) mediation analysis using partial least squares structural equation modeling (PLS-SEM); (3) necessary condition analysis (NCA; Dul, 2016); and (4) combined use of PLS-SEM and NCA (Richter et al., 2020).

**Findings** – We found consistent evidence across different data analysis techniques applied. Team job design happiness (TJDHAPP) mediates the relationship between team antecedents and team outcome, indicating the sufficiency of paradoxical leadership, unit ambidexterity, team cohesion, and team cross-training for TJDHAPP, as well as the sufficiency of TJDHAPP for team performance. Moreover, unit exploration, together with team cross-training, were recognized as necessary conditions (that is, prerequisites or critical success factors) for the occurrence of both the mediator (TJDHAPP) and outcome (team performance) variables.

**Theoretical contribution** – This research primarily contributes to team effectiveness and job design literature by highlighting the importance and intervening role of team job design happiness for achieving high team performance. Additionally, the results are valuable to human resource management (HRM) and organizational paradox scholars interested in further studying cross-training and paradoxical leadership style as viable antecedents of various organizational and work phenomena, including behavior and performance.

**Practical implications** – To be successful, managers should consider what makes their employees happy and satisfied with job design at the unit level. Besides acquiring a paradoxical leadership style and designing ambidextrous work unit tasks, they should also introduce cross-training practices and create team cohesion. Although these leadership, HRM, unit- and job design features significantly contribute to team performance, unit ambidexterity and team cross-training are critical and, thus, should be introduced beforehand.

**Keywords** – paradoxical leadership, unit ambidexterity, team cross-training, team cohesion, team job design happiness, team performance, method triangulation

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## **CHANGE OF ORGANIZATIONAL CULTURE AND JOB SATISFACTION DURING TRANSITION OF HOTEL INDUSTRY IN MONTENEGRO**

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Job satisfaction is an individual's attitude towards work that encompasses cognitive, affective, and evaluative reactions to the job (Luthans 2005). Job satisfaction is a complex attitude because it arises from the employee's appraisal of multiple work dimensions made on a daily basis (Kinicki et al. 2002). An individual's job satisfaction is based on the extent to which the job provides rewards or outcomes that the individual considers important (Locke, 1969). The importance and popularity of the job satisfaction concept stems from its presumed positive impact on employee productivity (Judge et al. 2001).

To date, a number of factors affecting job satisfaction at both the organizational and individual level have been identified (Janićijević, et al., 2015; Luthans 2005). In several works so far has been shown that organizational culture must be included in the organizational factors influencing job satisfaction (Janićijević et al., 2018; Lund 2003; Silverthorne 2004; Johnson & McIntyre 1998). The aim of this paper is to show that changing the organizational culture also changes the level of job satisfaction of employees, which proves that organizational culture is a factor in job satisfaction.

Research into the impact of organizational culture change on job satisfaction was conducted empirically as part of a wider research into the transition of the hotel sector in Montenegro. Changes in organizational culture and employee satisfaction in hotel companies in Montenegro were investigated on a sample of 765 employees in 47 hotels, during a period of 5 years. The OCAI questionnaire developed by Cameron and Quinn within the Competing voices framework (Cameron, Quinn, 1999) was used to measure organizational culture changes. This questionnaire is based on the classification of organizational cultures that recognizes 4 types of organizational culture: clan, hierarchy, market and adhocracy. Changes in the organizational culture were followed by changings in the dominant type of culture in the selected hotels during a five-year period. To measure job satisfaction, a questionnaire developed in earlier research on job satisfaction in Serbia (Janićijević, et al., 2015; Kovačević, Petrović, 2006) was used, and it consisted of 15 job dimensions. Respondents rated their satisfaction with those job dimensions at the beginning and at the end of the research period.

The research was carried out in the context of the transition of the hotel sector in Montenegro, whose main characteristics were tender privatization and the entry of foreign capital. This led to a departure from the previous way of operating hotels inherited from socialist times and the acceptance of modern hotel organization and its functioning. The consequence of such a transition is the comprehensive transformation of hotels in Montenegro, which was also reflected in the organizational culture in those hotels.

The research results showed that during the five-year transition of the hotel sector, the organizational culture of hotel companies changed significantly. The dominant trend of changes was the transformation of the culture of the clan into a culture of hierarchy. Namely, at the beginning of the transition, clan culture was dominant in 39 and hierarchy culture in 4 out of 47 hotels in the sample. At the end of the period, however, out of 47 hotels, clan culture dominated in 20 hotels and hierarchy culture in 26 hotels. Even at 22 hotels, the culture of the clan was directly replaced by the culture of hierarchy. This changes of organizational culture in hotels in Montenegro were the result of the way in which the transition in this industry took place.

Confirmation of the hypothesis that organizational culture affects employee satisfaction can be obtained if we follow the changes in employee satisfaction in those hotels where the culture of the clan has been transformed into a culture of hierarchy and compare them with the satisfaction of employees in those hotels where the culture of the clan has remained dominant. The results of the research show that the overall level of employee satisfaction in 22 hotels where the clan culture was replaced by the culture of hierarchy decreased so that the average employee satisfaction rating fell from 3,96 to 3,02 over a five-year period. On the other hand, the average rating of satisfaction of employees in hotels where clan culture remained dominant has not significantly changed because 5 years ago it was 3,99 and now it's 3,89 Therefore, we conclude that the change of clan culture to hierarchy culture caused a decline in employee job satisfaction. This result is expected considering some earlier research (Janićijević, et al, 2018). The culture of hierarchy, as a culture typical of a bureaucratic type of organization, generates a lower level of employee satisfaction because the organization is viewed through the metaphor of a machine, and the orientation towards people and their needs is very low. On the contrary, in the culture of the clan, in which the metaphor for the organization is the family, orientation to people and their needs is very high, so employee satisfaction is also higher. This is especially important in the context of the Montenegrin national culture, which is characterized by extremely high collectivism (Hofstede, 2024). It is interesting that with all the investigated job dimensions, there is a drop in satisfaction at transition from a clan culture to a hierarchy culture, except for two dimensions: salary and benefits. It is obvious that the transition of the hotel sector in Montenegro gave economic results, which was reflected in the increase in wages and improved benefits, so the satisfaction with those aspects of the job is also higher. However, all other very important dimensions of work, record a decline in employee satisfaction, so overall job satisfaction is also lower.

The theoretical contribution of the work consists in confirming the hypothesis that organizational culture is a significant factor in job satisfaction and that people-oriented cultures, such as clan culture, generate a higher level of employee satisfaction than task-oriented cultures, such as hierarchy culture. The practical contribution of the work consists in recommending hotel management in Montenegro to focus more on employee satisfaction, since only increasing salaries and benefits will not lead to an increase in that satisfaction.

**Key Words:** organizational culture, job satisfaction, Montenegro, hotel industry, transition

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## THE DIGITAL LEADERSHIP: HOW TO MEASURE?

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**Theoretical background.** In the volatility, uncertainty, complexity, and ambiguity time (VUCA time), requirements from leaders have increased. The Environment of Industry 4.0 is unpredictable, and leaders must adapt their leadership style to fast changes and achieve agility. Technology is a rapidly changing and new technology are introduced daily. Digital leadership became one of the stream topics in the management field. Digital leadership is the result of leaders' awareness of new requirements or leaders can unknowingly adapt to new environments (push process) because of the digital transformation process.

Research questions are:

RQ1: How is representation of countries in this field?

RQ2: What is the most common topic in the digital leadership field?

RQ3: How to measure the level of digital leadership?

**Purpose of study and methods.** The aim of this paper is to explore present literature from 2015 and analyses exiting measurement scales for digital leadership. In this research paper methodology includes the quantitate and qualitative approach to answer on research questions. A literature review was done by bibliometric analysis in the Web of Science database. Bibliometric analysis included more than 150 papers and show this field's state of the art. Results of bibliometric analysis show the most relevant authors, most cited documents, and most representative countries. As part of bibliometric analysis, co-word analysis demonstrates the most frequent words and the trends topics to define recommendations for future research. Bibliometric analysis shows a lack of papers in this field and general countries underrepresentation.

**Findings.** Underrepresentation of papers in this field could lie in lack of methodology approach, like validated scale for measuring digital leadership. Existing scales for measuring digital leadership in companies are analyses to define similarities and differences for scientists in this field. Results of existing empirical studies are also analyzed. The results of this analysis detect the advantages and disadvantages of the existing scales of digital leadership.

**Contribution.** The theoretical contribution of this paper lies in a critical and systematic review of existing theoretical and empirical findings in the domain of digital leadership. Also, results define the existing measurement scales for digital leadership to increase the new empirical studies in this field. Based on the analysis, recommendations related to digital leadership measures and potential paradoxes are presented in the conclusion.

**Key words:** digital leadership, methodology, bibliometric analysis

## THRIVING THROUGH SETBACKS: UNPACKING THE ROLE OF PSYCHOLOGICAL SAFETY IN FOSTERING ORGANIZATIONAL COMMITMENT POST-FAILURE

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**Theoretical background** – While leadership literature abounds with descriptions of various functions, at its core, leadership primarily entails two essential tasks: articulating organizational goals, and motivating organizational agents to execute strategies aimed at achievement of these goals. In essence, leaders shape the character and trajectory of their organizations. Within this framework, the importance of learning from mistakes emerges as a critical aspect. Effective leaders not only set goals and motivate but also cultivate a culture that embraces failures as opportunities for learning and growth, thereby fostering resilience and continuous innovation within the organization.

For this topic, sensegiving emerges as a pivotal concept. Sensegiving refers to the deliberate efforts made by a leader to shape the collective interpretation of organizational events among its members, thereby promoting a preferred redefinition of organizational reality (Gioia and Chittipeddi 1991, Hodgkinson and Sparrow, 2002). Sensegiving represents pivotal processes for top management, particularly amidst failure, as this cognitive competency underpins behavioral effectiveness.

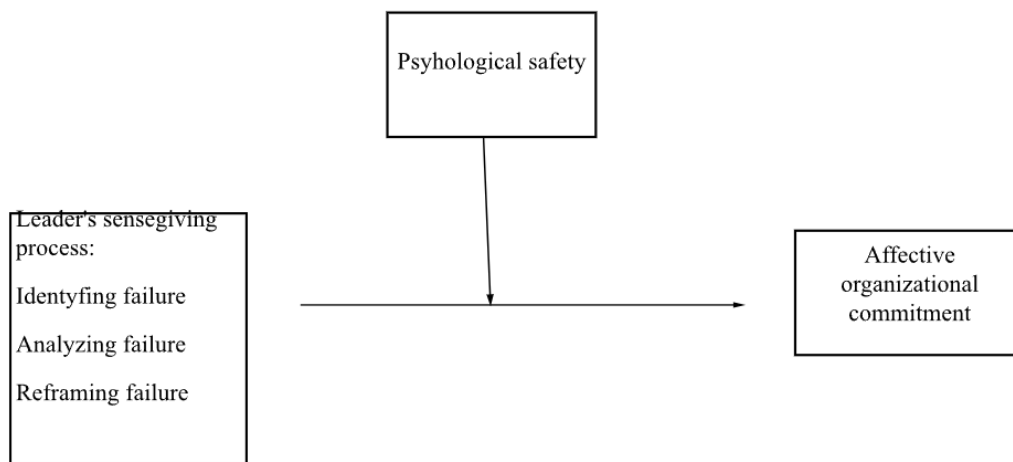
Individual interpretations and subsequent actions play a fundamental role in shaping and solidifying a shared understanding of the organization. This fusion of interpretation and action, described by Karl Weick as "organizational enactment" (Weick, 1979), underscores the notion that individuals actively contribute to the construction of their organizational environment. Central to this concept is the recognition of cognitive processes and behaviors in navigating the organizational landscape. The leader's interpretations not only shape their own reality but also contribute to the overarching organizational reality within which all decision-making occurs. Within this constructed reality, particularly significant is the concept of psychological safety, influencing how interpretations are shared, challenged, and ultimately integrated into the organizational fabric, thereby fostering a climate conducive to effective decision-making and organizational adaptation. This climate of psychological safety also nurtures affective organizational commitment, as individuals feel valued, respected, and supported in their endeavors within the organization, leading to a higher level of commitment to its goals and objectives.

Affective organizational commitment is defined as the intrinsic motivation of an organizational member to perceive the organization's task-related goals as ones they desire to fulfill rather than feeling obligated to fulfill them (Leroy et al., 2012). We argue that psychological safety serves as a mediating variable in relation between sensegiving and affective organizational

commitment, facilitating an environment where individuals feel secure in taking risks, expressing themselves, and admitting and learning from failures (Edmondson, 1999).

**Purpose of the study** – This study aims to explore the intricate relationship between leadership functions, organizational failure, sensegiving, psychological safety, and affective organizational commitment. By synthesizing existing theoretical frameworks and empirical evidence, we seek to elucidate how effective leadership practices, particularly in goal-setting, motivation, and sensegiving, can shape organizational responses to failure and cultivate a culture conducive to learning and resilience. Specifically, we investigate the mediating role of psychological safety in facilitating individuals' abilities to engage with failure, express themselves freely, and derive meaningful learning experiences from setbacks.

Figure 1 Research model



**Method** – This article adopts a theory-building approach to investigate the interplay between leadership functions, organizational failure, sensegiving, psychological safety, and affective organizational commitment. Drawing from an extensive review of literature, we analyze key concepts and theoretical frameworks to construct a comprehensive understanding of the relationships among these variables. Through proposition development, we formulate hypotheses to elucidate how leadership functions influence sensegiving, how sensegiving affects psychological safety, and how psychological safety impacts affective organizational commitment. Subsequently, we develop a theoretical model visualizing these proposed relationships, providing a conceptual framework for further exploration and empirical testing. Finally, we synthesize findings from the literature review, conceptual analysis, propositions, and theoretical model to draw conclusions and offer implications for practice and future research in this domain.

**Findings** – By employing a theory-building approach to the topic, we anticipate several significant findings that will enrich our comprehension of leadership roles, organizational responses to failure, and the fostering of psychological safety and affective organizational commitment: (1) We predict that effective leadership functions, encompassing goal articulation and motivation, will positively correlate with organizational commitment in the face of failure. (2) We anticipate that psychological safety will play a crucial role in moderating the relationship between sensegiving and affective organizational commitment. Organizations with a climate of psychological safety are expected to exhibit higher levels of commitment among their members, particularly when individuals feel secure in expressing themselves and learning from failure

experiences. (3) Finally, we hypothesize that affective organizational commitment will be positively influenced by both sensegiving and psychological safety.

**Theoretical contribution** – This study contributes to the theoretical understanding of leadership dynamics by integrating concepts such as sensegiving, psychological safety, and affective organizational commitment into a cohesive framework. By exploring the interplay between these variables, we enhance existing theories on organizational resilience, learning from failure, and the role of leadership in shaping organizational culture. Our findings extend theoretical perspectives on sensemaking processes within organizations, particularly in relation to how leaders influence the interpretation of events and foster a climate conducive to learning and adaptation. Additionally, our examination of the mediating role of psychological safety provides valuable insights into the mechanisms through which leadership practices influence affective organizational commitment, enriching scholarly discourse on organizational behavior and effectiveness.

**Practical implications** – These expected findings have significant implications for organizational practice, highlighting the importance of leadership strategies that promote psychological safety and sensegiving. By nurturing a supportive environment where learning from failure is encouraged, organizations can enhance their resilience and commitment, ultimately fostering sustained success and growth.

**Keywords** – Leadership dynamics, Sensegiving, Psychological safety, Affective organizational commitment, Learning from failure

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## STEREOTYPES' IMPACT ON MULTILEVEL DISTANCES IN INTERNATIONAL BUSINESS AND IMPLICATIONS FOR MANAGEMENT: THE CASE OF WESTERN BALKANS

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**Extended abstract:** Distance is one of the central concepts in international business (IB). Despite receiving notable scholarly attention across different disciplines (see e.g. Beugelsdijk et al., 2018; Kirkman et al., 2006; Verbeke et al., 2017), managing various types of distance has remained one of the biggest challenges in IB practice. This is because distance exists across levels and affects organisations internally (e.g. by affecting employer attractiveness, staffing and human resources management practices; as well as other processes such as innovation) and externally (e.g. through different consumer preferences and business partner relations). The bigger the distance between social groups, such as nations, countries and markets, as well as their subparts, the greater the need for adaptation of companies' offering, their business practices and processes, as well as organisational structure and internal procedures.

As Zaheer et al. (2012) emphasise, international management is essentially the management of distance. Different aspects of distance have been used to explain the differences in IB strategies and operations across countries and regions (Beugelsdijk et al., 2018). Two of the most studied types of distance affecting IB have been psychic and cultural distance (e.g. Hofstede et al., 2010; Johanson and Vahlne, 2009). Although related, they operate on different levels of analysis, however. Psychic distance refers to the individual's perception of the differences between countries and is as such highly subjective and differentiated (also within in-groups), whereas cultural distance refers to the degree to which cultural values of two countries differ and is a country-level construct (Sousa and Bradley, 2006). We argue that understanding the two types of distance does not suffice for success in IB. This is due to a country-oriented view neglecting the complexity of international operation introduced by transnationalism and the existence of multi-ethnic states, which illustrate the importance of ethnic distance in IB. Ethnic distance is a social distance between different ethnic groups that derives from long-term acting ethnic stereotypes and prejudices (Rapti and Karaj, 2012). It also affects different aspects of business (including staffing and human resources management (Hosokawa, 1980)).

All three types of distance are inherently related to stereotypes; i.e. “/rather stable/ associations and beliefs about the characteristics and attributes of a group and its members that shape how people think about and respond to that group” (Dovidio et al., 2010, p. 8), whereby these beliefs and actions are based on (often subconscious) cognitive shortcuts or generalisations (Bargh, 1999; Hinton, 2000)). Stereotypes can have a significant effect on IB. However, their influence on different types of distance and the related implications for IB and management are not explicitly discussed in the literature. This is despite the fact that stereotypes are recognized as the building blocks of not only ethnic and other social groups' identities (see e.g. Kim and Loury, 2019) but also countries' image (Ingenhoff et al., 2020).

Although stereotypes oversimplify relations between countries or groups, overlook their subjective and context-specific nature, and do not pay enough attention to the mechanisms through which distance works (Shenkar, 2001), they still dominate various aspects of society, including IB. According to Hosokawa (1980) stereotypes perform several functions: (1) they maintain the status quo, (2) they create and maintain social roles, and (3) provide an occupational structure for determining job distribution, and contribute to dominant group solidarity. This can be damaging to the out-groups, however (e.g. by excluding their members from specific jobs or in the case of firms by excluding them from specific business relationships).

Negative stereotypes in particular are enhanced by geographic proximity – also due to closer economic, political, cultural and historic ties (Ingenhoff, 2020; Ültanır et al., 2016) and the related conflicts of interest stemming from competition (e.g. for jobs, business etc.). With digitalisation, (especially ethnic) stereotypes are on the rise. This is due to customization algorithms exposing people to like-minded messages (Lim, 2017). Crises are another important factor influencing the otherwise rather stable stereotypes (Alexander et al., 1999; Hosokawa, 1980; Jaklič & Svetličič, 2016; Udovič et al., 2017). A number of questions about the impact of stereotypes in IB are therefore (re)emerging.

In this conceptual paper, we address the following research questions: (1) How are psychic, ethnic and cultural distance related?<sup>1</sup> (2) What is the impact of ethnic and country-related stereotypes on the three types of distance? (3) How are these relationships reflected in international business?

We review the growing body of literature to identify the (dis)advantages of stereotypes in IB and approaches for utilizing stereotypes to either diminish or enhance distance in a way that facilitates IB. Our literature review links paradox theory to social identity theory in addressing the multilevel in-group- out-group dynamics influenced by (ethnic and country-related) stereotypes and distance. This allows us to develop propositions on the relationships between the studied concepts and their implications for international business and management (in particular in terms of individuals' willingness to work for a business of a specific national origin, with colleagues of specific nationalities and in areas where particular nationalities dominate, which in turn also has implications for innovativeness and productivity; in addition, we take into account how stereotypes affect consumer behaviour as well as entity behaviour (especially in terms of international trade)).

We address paradoxes across all four categories defined by Smith and Lewis (2011), i.e.: (1) belonging as stereotyping is very much part of identity building and confirmation, (2) organizing as stereotyping also has implications in terms of collaboration and competition and routine and change within teams and organisations as a whole, (3) performing as stereotyping is reflected in the often conflicting demands of both internal and external stakeholders of an organisation (also intra-stakeholder group), and (4) learning as stereotyping implies building on traditions yet clashes in stereotypes can also result in change and innovation. We thereby focus on stereotypes in the Western Balkans as a region with multi-ethnic states and multiple identity clashes. The region is chosen as a case study due to it being marked by plurality and change (e.g. transition), likely to push latent paradoxical tensions to become salient (see also Smith and Lewis, 2011).

Besides theory building, our paper has important practical implications: it namely indicates how stereotypes can be utilized to enhance or diminish distance in order to facilitate collaboration, innovation and business, as well as what measures are needed to prevent them from fostering conflict, stagnation and protectionism.

**Keywords:** stereotypes, psychic distance, ethnic distance, cultural distance, Western Balkans, international business

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<sup>1</sup> By considering various types of distance, we employ a multilevel approach to our theory building, which is consistent with the paradox theory's aim to uncover and explain tensions across levels of analysis (Smith and Lewis, 2011).

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## DECENTRALISED FUNCTIONS OF THE CENTRALISED PROJECT MANAGEMENT OFFICE (PMO)

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The impact and importance of project management offices (from now on: PMOs) are inevitable and well researched. An effective and efficient PMO can increase the success rate achieved on projects, and as a result of this, the potential for gaining sustainable competitive advantage, and long term survival. However, the roles, and responsibilities, and especially the authority of PMOs are not in accordance with the expectations.

Although PMOs play a central role in organisations, most projects are implemented locally at the level of each organisational unit. This creates a paradoxical situation between the centralised PMO roles and decentralised, localised project implementation, i.e. the need for having a centralized and controlled overview of projects, and the expected flexibility generated on lower level. In order to reduce the potential tensions, PMOs keep some activities centralised, while others are left to the responsibility of the individual department.

A large body of literature confirms that a well-structured and managed project office can increase the number of successful projects in the organisation, it can increase organisational efficiency.

Nowadays, companies are facing the challenges of global markets, which are challenging them more than ever to maintain their market position and competitiveness. Furthermore, the impact of technological and innovation developments makes it necessary to harmonise strategic objectives. The development of a complex project management and project management office (PMO) with a holistic approach across all areas, which is a cornerstone of modern management, can provide a solution.

A project is essentially defined as a process with a defined activity, bounded, with a budget, created to achieve a specific goal (Project Management Institute, 2010), but which is aligned with the corporate strategy and operates as a temporary entity (Görög M, 2013). In the last decades, the discipline of project management has witnessed a major growth, driven by the pursuit of increasingly ambitious strategic goals within organisations, which has made the emergence of comprehensive project coordination inevitable in order to increase efficiency and achieve a high level of project success. Due to the information technology challenges, organisations can best respond by improving (i) project management capabilities, (ii) processes and (iii) governance structures (Singh et al. 2009). This creates opportunities for holistic project management activities, its presence at different levels of the organisation and its recognition as a business function. Increasing efficiency indicators and the achievement of strategic objectives through the successful implementation of projects by playing a high-level coordination role. In addition to the elements of the project triangle (time, cost and quality), emphasis is placed on stakeholder satisfaction, centralisation of functions and standardisation of project management practices (Cleland & Ireland, 2010).

The presence of a project office in an organisation is also an indicator of the development and maturity of the project maturity of that organisation. However, their emergence is highly correlated with the increase in the number and complexity of projects (Hobbs B, & Aubry M., 2006). Companies should strive to create an organisation that is responsible for and improves project management skills, thus contributing to more efficient operations, an effective solution to this is the project office (Meredith et. al. 2003). Standardizing project-based management processes, facilitating the sharing of resources, methodologies, tools and techniques, ensuring information flow, supporting project managers and project teams, identifying areas for improvement, improving project performance and meeting project schedules, and taking responsibility for the direct management of projects can all be part of the project office's responsibilities, if the organisation requires and its organisational structure allows (Project Management Institute, 2017; Aubry, Hobbs, & Thuillier , 2007). Despite its multifaceted nature and its involvement at different organizational levels, the project office does not represent a decision-making body (Cleland & Ireland, 2010). In its operations, the project office helps organizations achieve their strategic goals and links project management practices to the operation of corporate governance strategies and resource integration (Hubbard & Bolles, 2012; Bolles & Hubbard, 2015; Monteiro, Santos, & Varajao, 2016).

According to the results of a 2001 study (Block & Frame, 2001), offices are set up at the initiative of management within the company to establish standards and norms, to meet deadlines and to correct project management shortcomings. It is the responsibility of the organisation's manager to define the internal processes and inter-organisational relationships within the PMO (Harris, 2000). However, the question is whether the level of PMO to be established is (i) a supportive PMO, (ii) a controlling PMO or (iii) a directive PMO, is it most supportive of the organisation's development?

Thus, there is research gap regarding the tasks, i.e authors usually identify which tasks a PMO should perform. However, the level of centralisation is rarely considered. Thus my research which tasks and activities are centralised in each project office and which tasks are decentralised in each of the three different PMO levels in order to ensure smooth organisational functioning. The results are conducted based on the analysis of a leading Hungarian companies' project management office, and semi-structured interviews with 10 PMO members from leading Hungarian companies (including the one mentioned before). As a result of this, a detailed set of activities and the level of centralisation is identified. The result is considered to be an exploratory research, and as a result of this, further analyses should be conducted in order to further reinforce the results.

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# EXPLORING EMOTIONAL INTELLIGENCE COMPETENCES OF GENERATION Z UNIVERSITY STUDENTS: IMPLICATIONS FOR FUTURE PROJECT MANAGERS

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In an era characterized by globalization, acceleration, and rapid change, more organizations are adopting a project-based approach. Nieto-Rodriguez (2021) notes the escalating demand for projects in response to this trend. Despite the increasing importance of projects, a significant proportion of initiated projects end unsuccessfully, a trend particularly pronounced in the realm of information technology services (Agrawal and Thite, 2003). The Project Management Institute's (PMI) report in 2017 underscores the surge in demand for projects, accompanied by a corresponding increase in the need for project managers possessing the requisite competencies and skills. Competencies are crucial for project success, and numerous studies have emphasized the relationship between project success and the competencies of project managers (Blaskovics, 2014; Müller and Turner, 2007). Magano et al. (2020) and Voelkening (2014) suggest that project management skills may manifest differently for each generation, with strengths and weaknesses identified based on a specific skill set when examining each generation to maximize personal and project efficiency and success in the future.

Competencies can be categorized into hard and soft skills, with "hard" skills relating to technical knowledge and being explicit, specific, while "soft" skills are human-oriented, tacit, and transferable (Clarke, 2016; Dean, 2017; Jones et al., 2017). The emphasis on the human factor aligns with general labor market demands, drawing attention to the increasing role and value of soft skills, often referred to as "people skills" and emotional intelligence. It is widely acknowledged that there is a positive relationship between project success and project manager competencies. Goleman, Boyatzis, and McKee (2002) organize emotionally intelligent leadership competencies into four quadrants: self-awareness, self-management, social awareness, and relationship management.

The conceptual approach to generations has been explored by various disciplines, representing different views, but for research purposes, definitions from the fields of psychology and sociology are considered. Mannheim (1952) initially defined generations as individuals born in the same year, sharing a common place in the historical dimension of social processes. Strauss and Howe (1992), examining the history of the United States, describe the recurring cycles of age groups with distinct behavior patterns as "generations," stating that "a generation is a group of people who share a collective personality provided by the historical time and place they inhabit."

Generation Z, born between the mid-1990s and early 2010s, represents a unique cohort with distinct characteristics and behaviors shaped by digital technology, social media, and economic factors (Magano et al, 2020). Emotional intelligence (EI) is crucial for personal and professional success, influencing various aspects of life such as relationships, academic performance, and project management career advancement. Understanding and assess the emotional intelligence - basic soft skillset of Generation Z is essential for designing effective interventions and educational strategies tailored to their needs.

The research relies on the paradox, i.e. companies focus on integrating the newest generation into their operations without considering their full-scale advantages and disadvantages. This phenomenon will shift the companies into a suboptimal state which could be improved by means of analyzing the characteristics of Generation Z. Thus, the research analyzes Generation Z's soft skills, focusing on their relevance in project management. It aims to evaluate both general soft skills and those specific to project management among Generation Z university students. By identifying strengths and areas for improvement, tailored development plans will be proposed, utilizing tools like SWOT analysis. Additionally, the study acknowledges the importance of mitigating intergenerational tensions within project teams and proposes strategies like reversed mentoring. Overall, the research aims to provide actionable insights for leveraging Generation Z's soft skills effectively in project management contexts.

The research investigates two primary questions regarding Generation Z: Firstly, it identifies the strengths and weaknesses of Generation Z in terms of their soft skills and emotional intelligence competencies. Secondly, it examines whether Generation Z students who express an interest in becoming project managers, or are open to the idea, exhibit superior performance in these competencies compared to their peers.

This quantitative study will utilize surveys to evaluate the emotional intelligence of Generation Z university students who aspire to become project managers. The survey instrument, based on the Goleman-Boyatzis model (1995), will emphasize self-awareness, self-management, social awareness, and relationship management. Data will be collected online to ensure anonymity. The target sample size is approximately 300 students, recruited through convenience sampling across various universities and academic disciplines. Participants will rate themselves on a 1-5 Likert scale and complete informed consent and demographic questionnaires before the emotional intelligence survey. Statistical techniques, including descriptive statistics, correlation analysis, regression analysis, and Cronbach-alpha calculation, will be used to analyze the data. Notably, correlation analysis will be central to assessing the relationship between emotional intelligence scores and variables such as project management aspirations. This analysis aims to provide insights into the influence of emotional intelligence on career preferences among Generation Z university students.

The study and preparation of Generation Z graduates for the workforce offer significant benefits to both academia and the professional realm. Understanding their unique traits allows for tailored guidance during their transition into the job market. Innovative educational methods, particularly in project management, can equip them with essential skills while meeting their learning preferences. Anticipating and accommodating Generation Z's integration into organizations and projects ensures their seamless inclusion and maximizes their contributions. Additionally, targeted training programs address their specific developmental needs, fostering a skilled and motivated workforce capable of driving innovation and success.

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# INFLUENCE OF BRAND COLLABORATION ON CONSUMER PERCEPTION

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## Abstract

In the contemporary marketing environment, where consumer attention is a valuable resource, brands are actively looking for innovative ways to attract audiences. Brand collaboration [10], such as the one that will be the topic of this paper, for example, between well-known brands like Opel and Plazma, is becoming a ubiquitous means of achieving this goal. However, while such marketing campaigns can bring obvious benefits in terms of wider audience reach [5], the question is how these campaigns affect the specific consumers' perceptions of brands that they are partnering with. Some research has already shown that brand collaboration is a strategy from which both partners benefit, regardless of whether those brands are perceived by consumers as high or low value. Although lower-value brands may benefit the most from this strategy, high-value brands are not put at a disadvantage, even when paired with a lower-value partner [13]. The value of the research will also be represented by the fact that two brands from different industries are being investigated, as well as the different types of products (ordinary and luxury).

The collaboration between brands such as Opel and Plazma seems to have the potential to bring together two different consumer sectors - car admirers and traditional biscuit lovers. This paper presents an introduction and guiding idea on how a specific marketing initiative affects the perception of the Opel brand, with an emphasized context of family values and traditions highlighted in the advertisement, which the Plazma brand possesses. Also, it will be considered how this initiative can shape the perception of the Plazma brand, which is now associated with the automotive industry. In this context, advertising has the potential to alter the perception of Opel brand making it recognizable as a family brand adapted to all generations. It can influence a change in consumer perception in a new positive direction, where Opel is seen as a brand that brings people together. In the study [8], it was found that developing brand affection can lead to an increase in trust, maintaining a connection with it, and believing in its future. In our case study, these conclusions would lead to significant value for the Opel brand.

Furthermore, the paper will examine the impact of brand partnerships on brand value perception and ways in which this perception can be conveyed to the target audience. Through an in-depth analysis of the research results, researchers will identify key factors contributing to the success or failure of such marketing campaigns. This will provide concrete guidelines for future marketing strategies involving brand partnerships, which can be beneficial to company management. Managers should be constantly aware of the potential for building and continually re-establishing the brand identity, and therefore the messages they convey to consumers should lead to current and future buyers feeling a connection with the brand [8].

The research methodology will include the use of questionnaires combined with A/B testing, which involves presenting advertising material resulting from the cooperation of Opel and Plazma brands to a selected group of participants. In parallel, the control group of participants will not be exposed to advertising material but will only answer questions from the questionnaire. This method will enable a comprehensive analysis of the impact of advertising on brand perception among participants who have been exposed to it. The aim of the research is to connect the results with general trends in co-branding and to provide practical advice to managers based on the data obtained on how effective these marketing strategies are in a changing market environment.

The use of the latest artificial intelligence tools, which can generate video recordings through sufficiently specific queries, may be of particular importance to company organization and management. This way, certain advertising and campaign materials can be tested without the high costs they usually entail. This research will precisely use this method; the Sora AI [15] platform will be used to generate a specific video that will be shown to participants. The study [9] pointed out that the application of artificial intelligence in companies will contribute to improving their marketing campaigns.

This research can be of exceptional importance for the organization and management of a company for several reasons. It enables a better understanding of the effectiveness of marketing strategies through the analysis of consumers' perceptions of marketing initiatives, especially through brand partnerships. In this way, it helps companies adjust their marketing efforts to achieve better results. It also identifies key success factors that shape positive consumers' attitudes towards brands, enabling management to focus resources on the most important aspects of the campaign. It can provide insight into the effectiveness of brand partnerships and how brand value perception is conveyed to consumers, which is useful for choosing future partners and optimizing existing collaborations. It enables companies to create competitive advantages through a better understanding of consumers and adapting marketing strategies accordingly, which can lead to differentiation and greater competitiveness in the market. Inc.com [14] emphasizes that co-branded partnerships are innovative because they are new, unexpected and increase brand awareness. These collaborations can strengthen the perception of product quality and lifestyle that brands represent, making brands more attractive, modern and interesting. Such collaborations can also increase consumer trust and attention, which are crucial for a successful organization and brand management.

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# THE SIGNIFICANCE OF ARTIFICIAL INTELLIGENCE IMPLEMENTATION IN BUSINESS PROCESSES: IMPACT ON COMPANY PERFORMANCE AND EMPLOYEE PERCEPTION

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**Theoretical background.** Artificial Intelligence (AI) significantly influences business by providing companies with the ability to optimize processes, enhance efficiency, and innovate at various levels, with the application of AI tools extending across a wide range of organizational business processes. Integrating AI into these processes potentially transforms the way companies operate, enhances their competitive advantage, and contributes to long-term success. Many authors have focused their research on the application of AI in business. However, relatively few organizations have applied artificial intelligence in the manufacturing aspect (Benbya, Davenport & Pachidi, 2020). Larson and DeChurch (2020) proposed two ways in which AI can be seen as a leader in the future. First, the focus on relationships should be expanded to include AI, and second, ways in which new AI tools can improve leaders' relational competencies should be explored (Larson & DeChurch, 2020). Authors Mikalef and Gupta in their research focus on identifying the resources needed for developing AI capabilities in enterprises, developing tools for measuring these capabilities, and examining the relationship between artificial intelligence and organizational performance. Empirical results confirm the theoretical framework and show that AI leads to improved creativity and organizational performance (Mikalef & Gupta, 2021). Managers need to understand artificial intelligence as supporting new business models, and researchers need to provide an analytical model for studying the impact of AI on organizations. This study emphasizes the significance of AI across various industries, and its results provide guidance for better leveraging the advantages of AI (Wamba-Taguimdje, Wamba, Kala Kamdjoug, & Tchatchouang Wanko, 2020). Authors Santos and Brito proposed and tested a performance measurement model for companies based on subjective indicators. The final model had six first-order dimensions: profitability, growth, customer satisfaction, employee satisfaction, social impact, and environmental impact (Santos & Brito, 2012). The phenomenon of artificial intelligence is being researched in many fields, and attention is also given to research on artificial intelligence in HRM (Tuffaha & Perello-Marin, 2022). In the study by Kambur and Akar (2021), a valid and reliable scale for studying employees' perception of artificial intelligence exclusively in human resource management was developed, showing that introducing AI into the training and development process can reduce the efforts required for training compared to traditional methods (Kambur & Akar, 2021). Management researchers should actively participate in researching the application of artificial intelligence in organizations and change their research approach to develop meaningful theory and practical advice (Raisch & Krakowski, 2021). In the last decade, technological advancements, including data analytics and AI, have significantly influenced the evolution of organizational processes and performance.

**Purpose of the study.** One of the main reasons for conducting this research is to gain a better understanding of how employees react to the implementation of artificial intelligence in business processes and how artificial intelligence affects the business performance of organizations. Learning about how employees perceive the implementation of AI can enable the identification of potential issues or advantages. This information is crucial for directing improvement strategies and better aligning with the needs of employees.

The research questions are:

RQ1: How does artificial intelligence affect company performance? (To what extent has the implementation of artificial intelligence positively affected the efficiency of processes within the company? How much has the introduction of artificial intelligence contributed to cost optimization? Has the use of artificial intelligence contributed to increased productivity within the company?).

RQ2: How do employees react to the integration of artificial intelligence into business operations? (How do employees perceive the introduction of artificial intelligence into work procedures? Do employees consider artificial intelligence an advantage or a challenge? How does the integration of artificial intelligence affect their satisfaction and motivation at work?).

**Design/Methodology.** The main dataset of this study will include all medium and large enterprises in the territory of Republic of Srpska in the business fields of information and communication technologies, energy, finance, trade, and transportation, listed on the official list of companies of the Chamber of Commerce of Republic of Srpska. The primary method of data collection in this research will be a survey. For the purpose of the study, two separate surveys will be conducted. The first will be designed to cover questions related to the efficiency of business processes, cost optimization, and productivity before and after the implementation of AI in business operations. The second survey will include a wide range of questions measuring employees' perception of the impact of artificial intelligence on business operations. The reason for conducting two surveys is the diversity of target groups; the first survey will be filled out by managers or owners of companies from different sectors, while the second survey will be filled out by employees in those organizations. To ensure reliability and honesty of respondents, these two surveys will be distributed separately and will be completely anonymous. Responses from both surveys, filled out by managers and employees, will be directly forwarded to the researcher. The condition for second survey is that it is exclusively filled out by employees involved in business processes who directly participate in business process operations. The validity of questionnaire items will be determined using Cronbach's alpha test. The data collection technique will be guided by a Likert judgment scale of five degrees. To this end, results will be created by taking the arithmetic mean for each dimension in the survey. After collecting the data, a series of statistical tests will be conducted, such as correlation tests, t-tests, and ANOVA to compare the mean values of operation efficiency, cost optimization, and productivity between different areas of enterprises implementing AI. Differences in business operations before and after the introduction of artificial intelligence into operations can be explored by using the Mann-Whitney U test. The variables selected for examining the impact of AI on process performance are: efficiency of business processes (operations), cost optimization, and productivity. For the purpose of the study, scaled ratings from 1 to 5 will be used for the efficiency of operations, cost optimization, and productivity at the enterprise level, while the variable "Introduction of artificial intelligence" will be defined as binary, with 0 representing ratings before introduction and 1 after the introduction of artificial intelligence into operations. A p-value of 0.05 will be used for making statistical conclusions in the study.

Construct validity is a type of validity that refers to the structural integrity of items in a measuring tool. The process of assessing the construct validity of a scale is typically done through factor analysis. Factor analysis could identify key factors related to employees' perceptions of the application of artificial intelligence and group similar responses into categories. This could assist management in better understanding employees' perceptions and making decisions regarding the implementation of A in business. This includes examining the correlation matrix, Kaiser-Meyer-Olkin test, and Bartlett's test.

Based on the results of factor analysis, dimensions reflecting the perception of change that artificial intelligence can bring to various aspects of business will be identified. Since categorical data are involved, appropriate values will be assigned to form a dataset with a certain number of variables. Such data can be further analyzed for descriptive statistics, determining the distribution of data and their graphical representation, as well as various assessments of the mean and variance at the sample level.

**Theoretical contribution.** The theoretical contribution of this research lies in a detailed analysis of literature about the impact of AI on business and employees' perceptions of AI integration into business processes. Additionally, it is important to identify key factors and mechanisms behind the successful implementation of AI in the business environments of medium and large enterprises. The focus is on understanding how AI affects the efficiency of business processes, cost optimization, and productivity, while also providing deeper insights into employees' perceptions of these changes.

**Practical implications.** The practical contribution of this work lies in providing a concrete methodology for investigating the effects of implementing artificial intelligence on business process performance, as well as measuring employees' perceptions of this impact. The research results can offer organizations guidance for implementing AI technologies into their operations, which can result in process optimization, cost reduction, and increased productivity.

**Keywords:** artificial intelligence, business processes, enterprises, performance, employees

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# INTERLINKING AI USE WITH TRANSFORMATIONAL LEADERSHIP TO FOSTER EMPLOYEE CREATIVITY

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## Theoretical Background

The advent of Artificial Intelligence (AI) in the workplace has ushered in a new era of potential for employee creativity and innovation. The theoretical framework of this study intertwines several key theories to paint a comprehensive picture of how AI can be effectively integrated into employees' work spheres.

Transformational Leadership Theory is instrumental in establishing a vision for AI integration, where leaders inspire their workforce and create a culture that embraces change and innovation (Rafferty & Griffin, 2004) (Antonakis & House, 2014). This form of leadership doesn't stand alone; it deeply intertwines with Creative Self-Efficacy Theory, suggesting that an employee's belief in their creative capacities is magnified under a transformational leader, fostering a readiness to engage with AI (Mittal & Dhar, 2015). In the complex interaction between people and computers at work, Self-Determination Theory (SDT) adds another layer, positing that the intrinsic motivation of employees, nurtured by a transformational leadership style, leads to a higher quality of AI interaction and utilization (Bass & Steidlmeier, 1999) (Ryan & Deci, 2000). This is where the Leader-Member Exchange (LMX) Theory comes into play, delineating the caliber of interaction between a leader and their team members as a mediator in this relationship, influencing the degree to which employees trust and decide to use AI systems (Graen & Uhl-Bien, 1995).

Thus, the theoretical background of this research presents a dynamic interplay where transformational leadership not only empowers employees through enhanced self-efficacy but also satisfies intrinsic motivational needs, which, when coupled with strong leader-member relationships, is hypothesized to lead to increased intention to use AI and ultimately, higher levels of employee creativity.

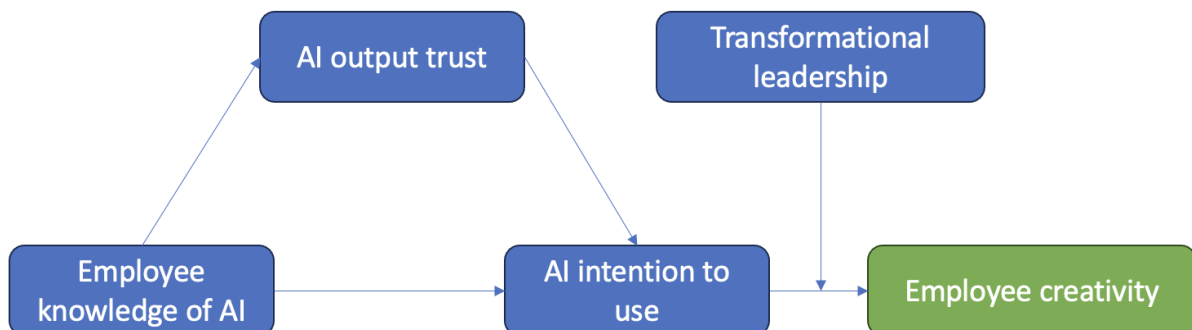


Figure 1: Conceptual Research Model

### Purpose of Study

The purpose of this study is to investigate how employees' knowledge of AI and their trust in AI output influence their intention to use AI, and how this intention, shaped by transformational leadership, impacts their creativity at work. The study aims to dissect the complex interactions between these variables and understand their collective effect on fostering an innovative and technologically adaptive workforce. Through this research, I seek to contribute to the broader understanding of AI's role in enhancing employee creativity, crucial for organizational growth and adaptability in an increasingly digital world.

### Method

Initially, data will be collected through structured survey questionnaires administered to employees. Once the data collection phase will be complete, the study will employ Structural Equation Modeling (SEM) to analyze the data.

### Findings

Drawing from the interwoven theories and existing literature, my research anticipates findings that will shed light on the catalyst role of transformational leadership in enhancing the AI adoption curve among employees. I expect to reveal a positive influence of employee knowledge of AI and their trust in AI output on their intention to utilize AI in their tasks. This increased intention to use AI is hypothesized to lead to a surge in perceived employee creativity, offering new insights into the facilitation of an AI-empowered workforce.

### Theoretical Contribution

The theoretical contribution of this research is multifaceted. By exploring the intersection of transformational leadership and AI use in the workplace, it aims to enhance the Transformational Leadership Theory by providing empirical evidence on how such leadership affects employees' acceptance and use of AI technology. Moreover, it seeks to expand Creative Self-Efficacy Theory by examining the role of AI in shaping employees' beliefs in their creative capabilities. The Self-Determination Theory (SDT) will be deepened by investigating how different factors influence using AI, potentially contributing to the SDT literature by integrating AI technology specific factors. Finally, this research will contribute to Leader-Member Exchange (LMX) Theory by demonstrating how the quality of leader-member relationships can impact creative behavior derived from the AI use intention. In essence, this study will offer new insights into how these established theories operate within the novel context of AI in the workplace.

### Practical Implications

The practical implications of this research will be significant for organizations looking to harness the potential of AI in the workplace. The findings will provide actionable insights on how leadership styles, particularly transformational leadership, can influence employees' trust in AI and their intention to use such technologies. Additionally, the results will offer guidance on how to improve AI-related training and knowledge dissemination to enhance employee confidence in using AI, which could lead to greater creativity and innovation. By understanding these dynamics, organizations can develop targeted interventions to foster a more receptive AI culture, optimize AI deployment strategies, and ultimately improve overall performance and competitive advantage.

### Keywords

Transformational Leadership, Artificial Intelligence Adoption, Creative Self-Efficacy, Employee Creativity, Leader-Member Exchange, Trust in AI Output

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# THE ENABLERS OF SUCCESSFUL ARTIFICIAL INTELLIGENCE ADOPTION IN COMPANIES

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**Keywords:** artificial intelligence, enablers, resources, knowledge-based view, company

## BACKGROUND

With the exponential development and growth in the field of artificial intelligence (AI) tools and technologies, companies are adopting these disruptive technologies at an increasingly rapid rate, expecting to achieve higher productivity, cost savings, process transparency, more profitable business models, and better workplace conditions (Čater et al., 2021; Mikalef & Pateli, 2017). The adoption and utilization of new technologies are key constructs of interest in the information management field, with scholars typically building upon robust theoretical frameworks such as TOE (Depietro et al., 1990), TAM (Davis, 1989) and UTAUT (Venkatesh et al., 2003) to discuss successful technology adoption in companies. A similar conclusion can be drawn for AI, with most studies leveraging the TOE framework (Alsheibani et al., 2019; Bhattacharyya & Shah, 2021; Kar & Kushwaha, 2021; Kinkel et al., 2022; Nguyen et al., 2022; Seethamraju & Hecimovic, 2022). However, there is still a need in the existing literature to identify the internal company factors that enable the adoption of AI technologies, which is crucial for leveraging their full potential.

## PURPOSE OF THE STUDY

By building on the resource-based view theory (Barney, 1991), I aim to identify the resources that companies must possess to successfully adopt and subsequently use AI technologies. Resources serve as enablers, facilitating the deployment of AI technologies in companies. Drawing on existing literature on enablers/barriers to new technology use (Čater et al., 2021; Oliveira Neto et al., 2017), four types of resources have been identified: cultural, human, financial, and organisational. To expand my research model further, I will include the constructs of digital process innovation and digital product innovation as consequences of AI technology adoption, reflecting how companies can leverage AI in the innovation process (Bahoo et al., 2023). I will examine the mediating effect of AI between company resources and digital innovation to understand the nuanced relationships within this framework. Additionally, I will conduct a dominance analysis (Budescu & Azen, 2004; Tonidandel & LeBreton, 2011) to determine which type of resources contributes most to the adoption of AI technology, providing insights into the relative importance of each type of resource.

## METHOD

As this is a work-in-progress, data collection is ongoing. I am using a questionnaire to collect the primary data from executives of large and medium-sized companies across various industries in Slovenia. The operationalization of the variables in my research model is based on earlier research, with some minor modifications to better fit the context of my study. Respondents are expressing their agreement with specific statements using a 7-point Likert scale. Company size and industry type are included as control variables to account for their potential influence on the outcomes. To test the relationships between the constructs in my research model, I will conduct a covariance-based structural equation modelling (SEM) analysis.

## FINDINGS (EXPECTED)

I anticipate that the results will confirm the positive relationship of the four types of resources with the adoption of AI technology. Similarly, the results should demonstrate a positive relationship between AI adoption and both digital process and product innovation. Lastly, I expect the analysis to reveal either a partial or full mediating effect of AI adoption on the relationships between company resources and digital process and product innovation.

## THEORETICAL CONTRIBUTION

This paper aims to address the following research gaps. First, by building on the resource-based view, I aim to enhance the current understanding of AI by analysing which internal organizational factors contribute to its adoption. Given the predominance of qualitative studies in this area, a quantitative approach is employed to examine the relationships between these constructs, offering a different perspective on the dynamics of AI adoption. Second, through a dominance analysis, a statistical method to identify the most influential predictors, I aim to clarify which resources are most critical for the successful adoption of AI technology. Finally, I intend to corroborate existing literature on AI by demonstrating that it serves as a significant precursor to digital innovation and plays a pivotal role in amplifying the impact of company resources on digital innovation.

## PRACTICAL IMPLICATIONS

My research aims to develop a meaningful framework that outlines the practical implications of leveraging company resources for AI technology adoption and enhancing digital innovation. This study will clarify which resources are critical for AI integration, providing executives with strategic guidelines for prioritizing resource allocation and acquisition. Additionally, the research will offer insights into optimizing the use of AI to streamline various aspects of the innovation process, from ideation to product development, thereby facilitating the creation of competitive market offerings.

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# UNDERSTANDING THE RELATIONSHIP BETWEEN THE MEANING OF WORK AND WORK-RELATED IDENTITY LOSS IN RETIREMENT DYNAMICS

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## Theoretical background

Work is an important part of people's lives, providing routine and the many activities, functions, and rewards on which they depend to a greater or lesser extent (Eagers et al., 2018; Silver & Williams, 2018; Pratt et al., 2003). Work is closely linked to our identity, and WRI is a significant part of an individual's overall identity (Walsh & Gordon, 2008). Several studies have examined identity in relation to work, for example, identity changes following job loss (Hetschko et al., 2014; Papa & Lancaster, 2015), and WRI loss in the face of changes in the workplace (Conroy & O'Leary-Kelly, 2014). Fasbender et al. (2016) found a positive link between the meaning of work and post-retirement employment, specifically that the meaning of work is important for post-retirement decisions. Studies have shown that participants who placed work above all else fostered negative attitudes towards retirement (Silver & Williams, 2018) and that the transition into retirement is particularly difficult for individuals with a strong work identity (Kragt et al., 2017). Many individuals perceive their work aspirations from different perspectives: as a job where the main focus is on financial reward and the necessity of employment, rather than on enjoyment or satisfaction; as a career characterized by progression and advancement; or as a profession where the main focus is on the enjoyment that comes from doing fulfilling and socially rewarding work (Bellah, et al., 1985). In this research we use Mor-Barak's (1995) concept of the meaning of work for older adults, containing four factors: (1) social dimension, referring to the need to interact with people in the workplace; (2) personal dimension, referring to the need for getting personal satisfaction, self-esteem, and pride in the work and self; (3) financial dimension, referring to the material needs; and (4) generativity, referring to the need of transferring the knowledge and skill to younger generations.

We propose the following hypotheses:

**H1a:** Social meaning of work is positively related to WRI loss

**H1b:** Personal meaning of work is positively related to WRI loss

**H1c:** Financial meaning of work is positively related to WRI loss

**H1d:** Generative meaning of work is positively related to WRI loss

## Purpose of the study

Although retirement is an eagerly awaited life change for many, the loss of important work-related activities and social ties can have an impact on stability and positive identity (Jolles et al., 2022; Kragt et al., 2017; Osborne, 2012; Wang, 2007; Wang & Shi, 2014). This paper aims to raise awareness of the connection between the meaning of work and WRI loss and to provide a deeper understanding of the challenges faced by older workers approaching and experiencing retirement in relation to their WRI loss. Furthermore, this research aims to test the measurement scales of the meaning of work and WRI loss and to examine the relationship between the meaning of work and WRI loss, and identify possible moderators.

## Method

This abstract is a part of a larger study with a focus on the relationship between the meaning of work and the WRI loss. The methodology used in this document is based on qualitative research with older people approaching, entering, or living in retirement, as well as with experts in the field of aging and age management. To collect the data, an in-depth interview with open-ended questions is used. By interviewing people approaching, moving through, or living in retirement, we aim 1) to get a better understanding of the relationship between the meaning of work and WRI loss, and 2) to identify potential moderators between the constructs to conceptualize the final model (Amabile, 2019). We also administered the measurement instruments for the meaning of work and WRI loss to the experts in the field of aging and age management to validate the measures and reasonableness of constructs included in the conceptual model.

## Findings

As this study is a work in progress, we assume that the findings will reveal the importance of understanding how different facets of the meaning of work affect WRI loss and its consequences. We expect that results will show that the transition and adjustment to retirement is particularly difficult for individuals with a strong WRI and a high meaning of work.

## Contributions

This paper has several contributions. Theoretically, the research will be the first according to our knowledge to examine how the meaning of work is related to WRI loss before and after retirement. Further, we contribute to the existing literature by extending the knowledge about WRI loss in the context of retirement. The use of the qualitative method provides a deeper understanding of the challenges people are facing due to retirement, specifically the issue of WRI loss. Methodologically we also contribute with the evaluation of the measurements' content validity.

## Practical implications

By deepening the knowledge of the relationship between the meaning of work and WRI loss related to the retirement process, which often leads to negative health outcomes for a retiree, this research has important practical implications. It offers practical pieces of advice at individual, organizational, and national levels on what actions to take to ease the transition of the individual to retirement, to experience WRI loss to a lesser degree, related to social, personal, financial and, generativity dimensions of the meaning of work. For example, we assume that an individual worker, who has accumulated enough financial assets throughout the working period, will experience WRI loss to a lesser degree related to the financial meaning of work. Therefore, managers could offer their employees different financial planning training and initiatives earlier in their careers. Also, individuals should start planning their financial investments and ensure their financial stability for their post-retirement period. Nevertheless, also at the national level, financial literacy should become an important dimension in educational curriculums at primary, secondary, and tertiary levels.

**Keywords:** retirement, age management, work-related identity, meaning of work

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## IN THE SHADOWS OF POST-HEROIC LEADERSHIP: SUPERVISOR'S SLEEP, DAILY LEADERSHIP AND LMX OUTCOME ENGAGEMENT

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**Keywords:** Supervisor Sleep, Work Intensity, Post-Heroic Leadership (PHL), Motivation To lead (MTL), Leader-Member Exchange (LMX)

### ABSTRACT

In a rapidly changing work environment characterized by demands for constant connectivity and work intensification, the well-being and performance of leaders play a crucial role in organizational success. Shareholders' increasing demands for organizational success often come at the expense of individuals working longer hours and sacrificing their sleep time. This trend is particularly detrimental to leaders who must also navigate interpersonal dynamics between followers to achieve results. This study aims to explain the relationship between leader's work intensity, their sleep and the way of leading.

Drawing on the Job Demands-Resources (JD-R) theory, our longitudinal study of 30 leaders and followers in diverse organizational settings employs a comprehensive methodology integrating different measures of sleep quality, leadership behaviors, and outcomes (e.g. Servant and Shared Leadership, Leader's Motivation to Lead (MTL), Follower's Detachment from Work). Using experience-sampling methods (ESM) combined with wearable technology for sleep monitoring, we will collect observations over a designated period.

This study contributes to both theoretical and practical domains. It contributes to the literature by examining the impact of leaders' work intensity as an independent variable on the quality of their sleep. By investigating the relationship between workload and sleep quality, we aim to elucidate how variations in workload affect the sleep patterns of leaders, subsequently influencing the expression of post-heroic leadership traits. Specifically, we explore how sleep quality moderates the relationship between workload and the manifestation of post-heroic leadership behaviors.

Our first contribution is theoretical, since through this comprehensive study, we seek to provide a nuanced understanding of how leaders' workload and sleep quality interact to shape leadership behavior and its outcomes in organizational settings. Based on the theories of JD-R model, Post-heroic leadership, Restricted Employee Sustainability Theory (REST) we aim to understand how workload affects sleep and how leaders' sleep quality influences post-heroic leadership, Motivation to Lead (MTL), and Follower's Detachment from Work.

Our second contribution lies in its empirical nature. By employing a multimethod approach, based on the conducted longitudinal study in a natural environment, that integrates quantitative and qualitative data, our study contributes to methodological advancements in leadership research. Such an approach represents a unique combination of the daily ESM and a variety of sleep measures—a methodological approach that is valuable both for obtaining a better understanding of causality in the proposed model and for digging deeper into the interplay between sleep and work phenomena.

Since researchers primarily focus was individual-level, person-centered variables, and their interactions, such as traits and personality, we go deeper to explore the empirical findings studying Leader-Member Exchange (LMX) as an outcome, which is our third contribution. Our study distinguishes between outcomes tied to the leader's characteristics and those more relational to the followers, thereby offering a multifaceted understanding of leadership dynamics. This multimethod approach significantly enriches the existing theory of leadership.

Lastly, our findings offer valuable insights for organizational leaders and practitioners. By elucidating the interplay between post-heroic leadership, sleep quality, and outcomes related to leader engagement, this study provides actionable guidance for leaders striving to navigate the challenges of a rapidly changing work environment while maintaining their well-being and enhancing their leadership effectiveness.

## THE ROLE OF HYBRID WORK FOR PROACTIVITY IN WORK RELATIONSHIPS – EXTENDED ABSTRACT

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### Theoretical background

Individuals differ in their general propensity towards **proactivity**. Proactive personality is a stable individual trait (Bateman and Crant, 1993) that shows in many ways, such as identifying opportunities, showing initiative, or taking action. However this being a stable personality trait, any individual can show proactive behavior depending on their motivation and situation (Parker, no date). Proactive behavior in the workplace refers to the active decision-making of an individual in their work environment (Grant & Ashford, 2008), and patterns of proactive behaviors in the workplace are also shown in the process of employee socialization, through different behaviors, such as seeking feedback, or general networking (Grant in Ashford, 2008). Proactive behavior has a positive impact on **work relationships** through seeking opportunities for interaction and through active relationship building in the workplace (Parker, Williams & Turner, 2006). With the rise of **hybrid work**, the workplace relationships have changed (De Smet, Dowling, Mysore & Reich, 2021). In virtual and hybrid work, the quality of relationships is greatly affected by reduced interaction between employees (Wessinger, 2020), and when working from home, employees lose the opportunity to spontaneously walk to a colleague's desk and talk about work (and other) matters (Dahik et al., 2020).

### Purpose of study

The purpose of the study is to examine **the role of hybrid work for proactivity in work relationships**, in order to prevent the impoverishment of work relations in the increasingly common forms of hybrid work introduced by organizations. The study aims to better understand the role of hybrid work as a work context for the proactivity of individuals in work relationships and to discover the role of proactivity as a personality trait for proactivity in work relationships.

### Method

The study is based on a multivariate regression analysis of a questionnaire based on the measurement of proactive socialization tactics, the measurement of the individual's proactive personality and the measurement of the way of working in relation to the possibilities of hybrid work. The research answers the following research question: *What is the **role of hybrid work for proactivity in work relationships**?*

### Findings

Results of the analysis show that (1) individuals with a more proactive personality more often behave proactively in work relationships, (2) that individuals who work hybrid more often behave proactively in work relationships, and (3) that the number of days of remote work, when an individual works remotely up to and including 4 days per week, has a positive effect on the frequency of behaviors in the context of proactive socialization tactics. In contrast, the analysis of individuals who work only remotely, reveals that (4) individuals who only work remotely, are on average, less proactive in their work relationships.

Work away from the office has thus a negative impact on proactivity in work relationships, however hybrid work, when an individual works remotely up to and including 4 days a week, has a positive impact on proactive socialization at the workplace. **This study shows an inverted U-curve**, which means that both extremes - working only in the office and working only remotely - are worse than the optimal way of working, which is hybrid work.

#### Theoretical contribution

There are many studies done separately in the field of proactivity, work relationships and hybrid work, however there is not much research done uniting the three fields and researching them simultaneously. Several studies accurately describe the intersections of two individual themes, but this work contributes to the theory of all the three topics: the role of hybrid work as a work context for proactivity in work relationships.

#### Practical implications

The findings of the research contribute greatly to the HR and managerial practices in organizations when it comes to setting up the hybrid work policies. The inverted U-curve can help organizations understand that while allowing their employees to occasionally work from home, this can increase the proactivity in the work relationships, however when allowing employees to only work remote, the proactivity in relationships will decrease.

The research also contributes to the understanding of changing relationships due to hybrid work or remote work. Proactivity in work relationships is an important predictor of the quality of the relationship (Parker, Williams & Turner, 2006), but it is not the only one. According to the results of this research, we can claim that hybrid work has a positive effect on proactivity in work relationships, which is an important predictor of the quality of the work relationship, but full-time remote work has a negative effect on it.

**Keywords:** Proactivity at the workplace, proactive personality, proactive behaviour, hybrid work, remote work, work relationships.

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## UNLOCKING ATHLETIC POTENTIAL: THE MEDIATING INFLUENCE OF SLEEP ON STRESS AND ENGAGEMENT – EXTENDED ABSTRACT

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### Theoretical background

In the world of professional sports, a common challenge that athletes face is balancing the stress from their intense and competitive environments with the need for quality sleep (Amaral et al. 2018). Stress, especially when linked to high-performance demands, not only disrupts an athlete's sleep by making it hard to fall asleep and stay asleep but also reduces the quality and quantity of sleep they get (Åkerstedt, 2006; Walsh et al., 2021). This is a big problem because sleep is crucial for recovery and performance (Watson, 2017). When athletes don't get enough good sleep, it's harder for them to stay mentally and physically sharp, which can make them less engaged and less effective in their sport (Barnes et al., 2013). To understand this issue better, we look at two important theories: the Job Demands-Resources (JDR) model and the Effort-Recovery Model. The JDR model helps us see how the tough parts of being an athlete can lead to problems if athletes don't have the right resources, like enough good sleep, to help them cope (Bakker & Demerouti, 2007). On the other hand, the Effort-Recovery Model tells us that getting good rest and recovery, mainly through sleep, is essential for athletes to bounce back from the demands of their sport, avoid burnout, and maintain high levels of engagement and performance (Barnes, 2013).

### Purpose of study

The purpose of this study is to explore the mediating role of sleep in the relationship between stress and engagement among professional handball players. By integrating the Job Demands-Resources (JDR) model and the Effort-Recovery Model, we aim to understand how stress impacts sleep quality and, in turn, how sleep quality affects athletes' engagement levels. This research seeks to provide empirical evidence on the significance of sleep as a critical recovery mechanism and personal resource that can mitigate the negative effects of stress, thereby enhancing athlete engagement and offering insights for targeted interventions to improve athlete well-being and performance.

### Method

This research involved data from two professional (male – 20 participants and female – 19 participants) handball clubs in Slovenia, collected over a period of 30 days. Data were collected longitudinally using an experience-sampling method. This approach is effective for capturing daily psychological and physiological states in real-world settings (Hektner, Schmidt, & Csikszentmihalyi, 2007). Participants were provided with Oura rings, which are validated tools for objective sleep monitoring, capturing metrics such as total sleep duration, sleep latency, and deep sleep (Arnal et al., 2020).

Complementing the objective data, daily surveys were administered each morning and evening using the Expiwell application on their phones (Tay & Pineda, 2020). These surveys were designed to gather subjective data on job stress, work engagement, and control measures such as sports centrality, frustration resilience, and persistence. The combination of objective sleep data with subjective self-reports and control measures offers a comprehensive view of the athletes experiences and conditions.

### Findings

The results of our study provide compelling evidence that sleep significantly mediates the relationship between stress and engagement among professional handball players. Data collected through wearable technology, specifically Oura rings that monitor sleep patterns, and comprehensive surveys revealed a clear pattern: higher levels of stress correlated with poorer sleep quality, including reduced deep sleep and increased sleep latency. This deterioration in sleep quality, in turn, was strongly associated with lower levels of athlete engagement. Moreover, the analysis confirmed that when athletes experienced better sleep quality, the negative effects of stress on engagement were diminished. These findings highlight the critical role of sleep as a buffer in the stress-engagement connection, highlighting its importance as a target for interventions aimed at enhancing athlete well-being and optimizing performance.

### Theoretical contributions

This study advances the theoretical landscape by linking the Job Demands-Resources (JDR) model and the Effort-Recovery Model to clarify the pivotal role of sleep as a mediating factor between stress and engagement in high-performance sports settings. By empirically demonstrating how sleep quality can buffer the adverse effects of stress on athlete engagement, our research enriches existing discussions within sports psychology and organizational behavior. It provides an understanding of sleep's function as a vital personal resource that supports recovery and sustains engagement under stress.

### Practical implications

The findings of our study offer several practical implications for athletes, coaches, and sports teams, emphasizing the critical importance of prioritizing sleep as a key component of sports training and management strategies. First, our research suggests that athletes should be educated on the impact of stress on sleep and, subsequently, on their engagement and performance, advocating for the incorporation of sleep hygiene practices into their daily routines. Coaches and sports teams can play a significant role in this by providing resources and support for sleep monitoring and improvement, such as wearable sleep trackers and access to sleep specialists. Furthermore, the adoption of flexible training schedules that allow for adequate rest and recovery could help mitigate stress levels, thereby enhancing sleep quality and overall athlete engagement. By implementing these strategies, sports organizations can create an environment that not only boosts the well-being and performance of their athletes but also fosters a culture that values and promotes the essential role of sleep in achieving sporting excellence.

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## TITLE: UNDERSTANDING THE INTERPLAY OF MEANINGFUL AND MEANINGLESS WORK

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Keywords: meaningful work, meaningfulness, meaningless work, meaninglessness, organizational behavior, organizational psychology, existential psychology

Work has always been an important activity that defines our living. The concept of vocation and the idea that one is called to do a specific kind of work meant that occupations defined people, hence many surnames still refer to the work people have done, e.g., Smith – a person who works with metal (Standing, 2010). We still dedicate a significant portion of our lives to work, the significance of work therefore plays a vital role in evaluating the overall meaning of our lives (Ward & King, 2017). In the last century, however, significant changes have occurred in terms of how we work, where we work, and when we work (Borman, Ilgen & Klimoski, 2003). The cultivation of meaningful work has become even more evident with the covid crisis followed by the great resignation and quiet quitting, which show that people demand purpose and seek meaningful work (Ünal, 2022). Furthermore, recent technological advancements, especially the increasing use of artificial intelligence (AI) in the workplace, initiate the question of how the new technologies promote or diminish the experience of meaningful human work (Bankins & Formosa, 2023). A high percentage of dissatisfied individuals in the workplace can serve as a sign that it might be more beneficial to pay attention to understanding meaninglessness rather than reinforcing meaningfulness. Especially because people tend to discover a sense of meaningfulness on their own, while meaninglessness is fueled by leaders and organizations (Bailey & Madden, 2016).

In the field of meaning of work, there are many misconceptions, disagreements and paradoxes (Bailey & Madden, 2019), which are no help in creating more meaningful work at the workplace. It is faced with oversimplification and a lack of coherent identity (Rosso, Dekas, & Wrzesniewski, 2010). If we focus on meaninglessness, we can observe that, unlike meaningfulness, it is much less explored. This concept is given significantly less attention and is poorly defined, with empirical research being even more scarce, mainly undertaken by researchers Bailey and Madden (2016, 2017, 2019). Given the increasing popularity of the meaning of work, it would be necessary for a comprehensive understanding of the topic to delve into the interplay of meaningful work and meaningless work and which factors influence meaninglessness at work.

My research will be focused on discovering what makes work meaningful or meaningless, and specifically, what factors dictate it. The way we work has changed in the last decade, significantly in the last few years due to the pandemic and will presumably shift even more rapidly due to current technological advances. The goal is to gain an understanding of how to protect oneself from the rise of meaninglessness, not just attempting to ensure a higher level of meaningfulness, which, according to some findings, can be futile (Lips-Wiersma & Morris, 2009) or even harmful (Bailey et al., 2017). Some authors have called for more empirical research in the field of meaningful work (2019a).

On the other hand, this is a response to the call by Lips-Wiersma and Morris (2009) and Lips-Wiersma and Wright (2012), who emphasize the need for more research in the field of meaninglessness. In my research, I will focus on both quantitative and, especially, qualitative aspects since positivistic perspectives dominate this field (Bailey et al., 2019a). While the quantitative approach offers greater generalizability, qualitative research delves into personal experiences and individual narratives, leading to a more comprehensive understanding of the phenomenon (Johnson & Onwuegbuzie, 2004). In my study, I will give equal importance to the domain of meaninglessness as to meaningfulness at least, as current scholarship often neglects the negative side of it - meaninglessness.

One of my research goals is to develop a quantitative measurement scale for meaninglessness at work. To the best of my knowledge, such a scale does not currently exist. This could provide an entirely new dimension to understanding meaninglessness, which is often cited as the opposite of meaningfulness, although it is not well-explored how it relates to meaningfulness. Bailey and Madden (2016), in their empirical research, found that the factors contributing to meaningfulness and meaninglessness differ.

For that reason, we created a questionnaire using existing scales to measure meaningful work, meaningful life, meaninglessness in life and work, life satisfaction, organizational withdrawal, and other relevant demographics and basic work information. In the first step, the questionnaire on meaninglessness in work is simply a redesign of the measure for meaninglessness in life. Based on results from this study, we will gain insight into the interplay between meaningfulness and meaninglessness. We expect a negative correlation between meaningless and meaningful work. This will be followed by the second phase of data collection, where the newly established measurement scale will be tested alongside other relevant factors and their spectra.

In March 2024, data for the empirical hypotheses test were collected from a wide range of industries and workplaces, namely manufacturing and production, computer agents and IT section, managers, and finance agents in Montenegro.

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## THE DUAL ROLE OF PRICE IN CONSUMER DECISION-MAKING

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### ABSTRACT

**Theoretical background:** The decision-making process regarding product pricing and the formation of a pricing strategy is crucial for managers. Classical economics assumes that consumers make rational decisions, meaning that a price increase will lead to a decrease in demand. However, there is evidence of a paradox when it comes to consumers' perception of price in the process of making a purchase decision. This is because price serves two opposing roles in the consumer decision-making process (Bornemann & Homburg, 2011; Chang, 2013; Rao & Monroe, 1989; Sungjee Choi, 2022; Völckner, 2008).

There are two basic roles of price. The first is the “sacrifice effect”, which represents the traditional view of the consumer as a rational actor where the price represents the loss of money to obtain a product or service that would satisfy the consumer's needs. In this case, the relationship is negative: higher prices lead to lower demand.

The second role is the “informational effect” which represents the price as an indicator of product quality. Consumers often infer the quality of a product based on its price, where higher prices indicate higher perceived quality. Therefore, the relationship is positive: higher prices lead to higher demand for that product.

However, it's important to note that the impact of this paradox can vary depending on various factors such as the type of product, the target market, and the overall positioning of the brand. Therefore, understanding this paradox and its implications is crucial for an effective pricing strategy.

Many researchers focus their work on the dual role of price in consumer decision-making, but they approach the topic from different perspectives and contexts. Bornemann & Homburg (2011) propose that psychological distance alters the weight consumers attach to the opposing roles of price. They show that from both a temporally and a socially distant perspective, the price–perceived quality relationship is more pronounced, while from a temporally proximal perspective, the price–perceived sacrifice relationship is more pronounced.

Chang (2013) demonstrates that consumers with high retrieval and processing fluency are more likely to evaluate price according to its implications for perceived quality and less likely to focus on price–perceived monetary sacrifice. Conversely, consumers with low retrieval and processing fluency are more likely to evaluate price according to its implications for monetary sacrifice and less likely to focus on price–perceived quality.

Sungjee Choi's (2022) study reassesses the price sensitivity theory and examines price's dual roles in consumers' decision-making processes: as a constraint and as a quality cue. It argues that consumers react more to high-priced products' price changes than to low-priced products' price change.

Tuzovic & Batt (2019) investigate the effects of price changes on purchase intentions for two products: wine (hedonic) versus laptop cases (utilitarian). The results indicate that price effects vary depending on the product category. Specifically, the influence of price increases for hedonic products is opposite to that for utilitarian products.

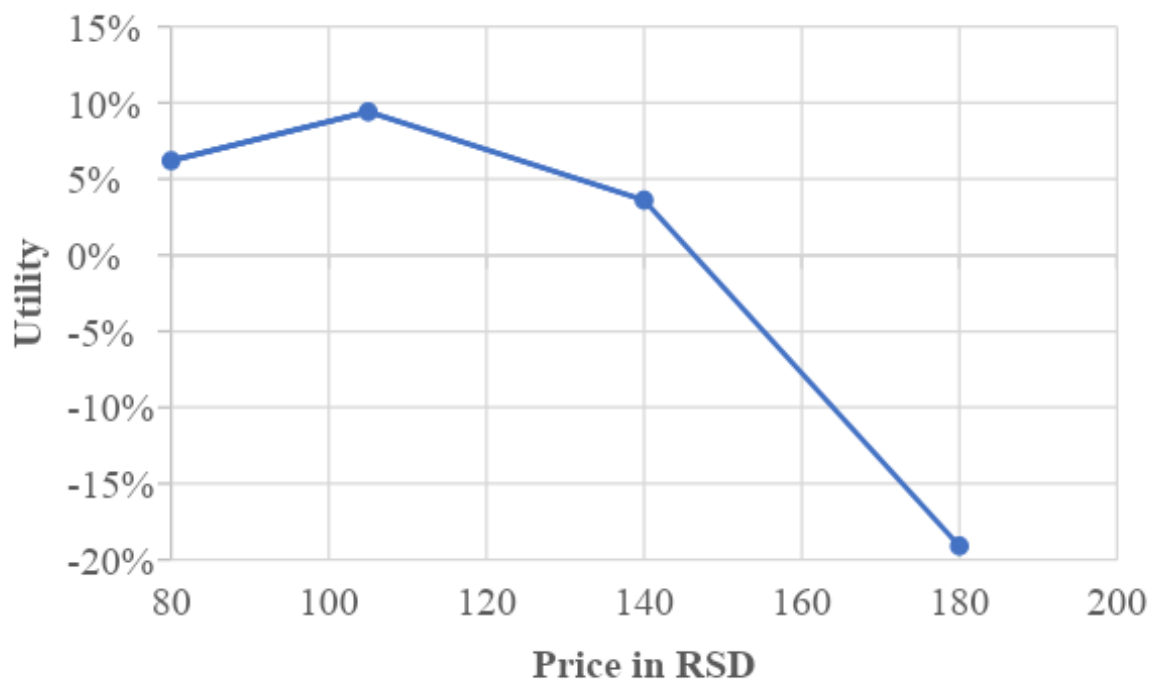
In summary, while all these papers discuss the dual role of price (as a measure of sacrifice and as an informational cue), they differ in the specific aspects they focus on, such as the influence of psychological distance, processing fluency, product type (hedonic vs. utilitarian), and price sensitivity.

**Purpose of study:** For managers in organizations who make decisions related to pricing strategy, it is crucial to be familiar with the dual role of price (Tuzovic & Batt, 2019). This dual role can be confirmed from various aspects, as presented in the theoretical background. These aspects may include price level, product type, psychological distance, or high retrieval and processing fluency. This study aims to empirically confirm the dual effect of price depending on the price level.

**Method:** An empirical research study was conducted to confirm the dual role of price based on different price levels. The data collection and analysis were performed using the Conjoint.ly survey research platform. The initial study was conducted on a convenience sample of 170 students from the University of Belgrade. Based on the conducted conjoint analysis, consumer utilities were obtained for choosing espresso coffee with various attributes and price levels.

**Findings:** The research results are depicted in *Figure 1*. Specifically, there is an increase in consumers' part-worth utility when it comes to purchasing espresso coffee as the price rises from 80 Serbian dinars (RSD) to 105 RSD. This price of 105 RSD represents an approximate estimated threshold below which the informational effect dominates, indicating that price serves as an indicator of quality. For values above 105 RSD, the utility function has a negative slope, indicating the dominance of the sacrifice effect. In other words, as the price increases, utility decreases because consumers need to sacrifice a larger amount of money to satisfy their needs.

**Figure 1:** Part-worth utilities for different price levels



**Practical implications:** Managers need to understand that price plays a dual role in consumer decision-making - as a measure of sacrifice and as an informational cue. This understanding can help managers make more informed pricing decisions. Our research confirms that the effects of price changes depend on price level, so managers should consider this when setting prices for products.

In summary, this study suggests that pricing strategy should not be a one-size-fits-all approach. Instead, it should be tailored to the specific context, taking into account factors such as psychological distance, processing fluency, product type, price sensitivity and price level.

**Key words:** pricing, consumer behaviour, conjoint analysis

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## BEYOND ALGORITHMS: HOW AUTHENTIC LEADERS SHAPE THE FUTURE OF AI-DRIVEN HRM

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The incorporation of Artificial Intelligence (AI) into Human Resource Management (HRM) processes promises a new wave of innovation and invention (Zhou et al., 2023). At the same time, it presents a variety of paradoxical challenges in various domains such as legal, ethical and operational (Tambe et al., 2019). This study investigates the effectiveness of authentic leadership in mitigating these paradoxical challenges across four key HRM processes: Talent Acquisition, Performance Management, Training and Development, and Workplace Diversity and Inclusion. Authentic leaders, who possess qualities such as self-awareness, honesty, commitment to fairness, and transparency (Walumbwa et al., 2008), have the ability to more effectively address the AI-generated complexities and paradoxical challenges within HRM practices by employing various strategies (Kelly, 2023).

In talent acquisition, new AI-driven approaches and tools offer improved efficiencies through automation of resume screening (Black & van Esch, 2020) and identification of candidates that most closely align with the job requirements (Zhou et al., 2023). Nevertheless, this could potentially result in the standardization of the selection process to such a degree that it overlooks the distinctive qualitative elements of candidates' profiles that could render them an ideal match for the specific team dynamics or organizational culture. Authentic leaders are better posed to push for transparency and bias reduction in the use of AI tools for recruitment purposes. They accomplish this by suitably incorporating human-led interviews and interactions in the selection process. They ensure regular auditing of AI tools and algorithms for fairness and provide candidates and recruitment staff with the opportunity to offer feedback, thereby promoting ongoing improvement and recalibration (Walumbwa et al., 2008).

In performance management, there is a growing interest in AI-driven tools that offer exceptional breadth when it comes to monitoring and evaluating numerical and visible aspects of employee performance (Leicht-Deobald et al., 2022). However, these tools underperform dramatically in taking into account more subtle factors of employee performance (Tambe et al., 2019), including creativity, teamwork, leadership attributes and emotional intelligence. These aspects are more challenging to quantify or digitalize but play a vital role in the achievement of organizational objectives. While benefiting from the advantages of these AI tools, authentic leaders ensure incorporation of human feedback and insight. The process may entail the use of AI to identify patterns or identify areas that require enhancement.

However, the ultimate evaluation and formulation of development strategies are entrusted to human managers who possess a comprehensive and holistic understanding of an employee's overall performance advocating ethical and empathetic interpretation of AI output (Walumbwa et al., 2008).

In training and development, AI tools facilitate the implementation of training programs on a large scale. This is achieved by utilizing adaptive learning platforms that can personalize the learning experience for individuals. These platforms have the capability to adjust the content of the training according to the progress and performance of individual employees (Maity, 2019).

The pitfall here is a push towards isolated learning depriving the individual of the motivation, enjoyment and long term benefits of learning as a member of a cohesive group with shared values, goals and challenges. Authentic leaders while using AI tools to create personalized learning paths for employees, do not neglect the group and community aspects of learning that give it meaning, motivation and connection. This approach promotes a culture of collaborative learning through mentorship programs, peer learning groups, and cross-functional forums emphasizing human aspects of learning and growth (Walumbwa et al., 2008).

AI tools in diversity and inclusion initiatives aim to detect discrimination and favouritism in HRM processes such as recruitment and promotion. On the other hand, there is now growing body of evidence that AI systems (Raghavan et al., 2020 ; Ore & Sposato, 2022), particularly those using novel generative AI approaches, suffer from inherent biases due to data they are trained on and/or deficiencies in their architecture and algorithms. This not only could lead to underperformance in detecting discrimination and favouritism, but could in fact accentuate existing problems in this context. Authentic leaders would not fully outsource supervision and monitoring of crucial HRM processes such as recruitment and promotion to current AI tools with known deficiencies and shortcomings.

Table 1 compares more and less Authentic leaders' responses to AI's paradoxical problems in HRM processes:

Table 1. Authentic leadership and AI-related paradoxical problems in HRM

HRM Process	A More Authentic Leadership Approach	A Less Authentic Leadership Approach
<b>Talent Acquisition</b>	Emphasizes a balanced utilization of AI to optimize efficiency, while also ensuring that human judgment remains integral in making final judgments. The primary emphasis is on using ethical AI practices to improve fairness in the recruiting process.	Heavily depends on AI to make decisions, with little human supervision, sometimes disregarding the subtleties of cultural compatibility and unquantifiable characteristics.
<b>Performance Management</b>	Utilizes AI to facilitate the provision of data-driven insights; however, it emphasizes the necessity of human interpretation and context, thereby advocating for a comprehensive assessment of employee performance that encompasses subjective inputs.	Relies heavily on AI-generated data for performance assessments, sometimes overlooking intangible accomplishments like mentoring colleagues or improving cohesiveness among team members.
<b>Training and Development</b>	Employs AI to create customized learning experiences while simultaneously promoting interpersonal connections through mentoring and collaborative learning, assuring that they are in line with individual professional objectives.	Leans on AI-driven training programs, diminishing the significance of peer learning environments, such as in-person training sessions, where employees have the opportunity to learn from one another's viewpoints and experiences, fostering a sense of solidarity and promoting teamwork.
<b>Workplace Diversity and Inclusion</b>	Diligently examines AI tools for potential bias and advocates for their utilization in complementing, rather than supplanting, diversity initiatives led by humans. This underscores the significance of human discernment and empathy.	Implements AI technologies in diversity initiatives without giving enough consideration to the possibility of prejudice or the reinforcement of existing inequalities, ignoring the human aspect of inclusion.

This study argues that authentic leaders are crucial in harnessing the full potential of current AI tools in HRM, while putting into action processes, tactics and tools that avoid or reduce potential paradoxical problems associated with a fully AI-driven approach. Authentic leaders can more effectively use AI tools to support corporate objectives while upholding ethical norms and preserving the inherent value of human insight and judgment. This requires a mix of strategic vision, ethical monitoring, and a strong dedication to the human aspects of HR.

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