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Recent Advances in the Roles of Cultural and Personal Values in Organizational Behavior

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The chapter deals with organizational culture from the viewpoint of systems theory of organizations. Organizations are presented as autopoietic systems; relations between organization and individual are discussed as well. The author attempts to define to what extent values and rules characteristic for a given culture can and should be changed. The aim of this chapter is to present the essence of organisation culture from systems theory of organization viewpoint. Steady grounds (core) are an important condition that has to be fulfilled to allow organization to develop and succeed, as this core would help it in keeping balance under difficult circumstances. Hence, the chapter attempts to answer the question of the role played by culture-related factors in organizations and to what extent values and rules, accepted in a given culture, can and should be changed.

Two contrasting views exist regarding subcultures: the classical view and the post-subcultural perspective of subcultures as "neo-tribes." However, there is scarcity of empirical studies of organizational studies with the latter perspective. This study aims to examine whether there is sufficient evidence for subcultures to be considered as "neo-tribes." To answer this question, empirical studies are examined alongside data from a recent quantitative study of staff in a higher educational institution. It is found that organizational subcultures have a floating membership, heterogeneity between members within subcultures, the absence of distinct boundaries, and changing values over time. It is concluded that, for practitioners, change in organizations will require managers to accept the continuous change, reassessment, and adaptation of subcultures, as well as a lack of cultural predictability and stability. For researchers, this study heightens the need to reassess studies opting for a suitable approach in identifying and examining organizational subcultures.

Organizational culture is an important part of the organization's life as it determines how everything is going on in the organization. The more employees understand rules, norms, and values that they must follow, the better the individual employees in the organization feel, since it gives them a sense of order and security in the organization. If employees feel well in the organization, they are ready to contribute more to the efficiency and effectiveness of the organization, thus affecting productive organizational energy. Such employees will be more committed, efficient, innovative, successful, and will experience positive emotions such as joy, pride, and enthusiasm in the workplace. Knowledge in the field of organizational behavior can greatly contribute to recognizing how organizational culture affects better organizational energy.

Growing complexity and diversity of strategic decisions indicate the need for applying the appropriate holistic tools in strategic decision making. Thus, the chapter deals with the process of strategic decision making from the viewpoint of critical systems thinking, with emphasis on the role of values and context in strategic decision making. The main purpose is to show how systems thinking generally and critical systems thinking particularly can help decision makers involve different perceptions and values in the process of strategic decision making, as well as take into account context in which the strategic decisions are made. Considering the key internal and external factors affecting strategic decision making, the authors have selected three systems methodologies stemming from different paradigms: soft systems methodology as interpretive, team syntegrity as emancipatory, and organizational cybernetics as functionalist systems methodology. The way in which they can be combined, aimed at improving effectiveness of strategic decision making, has been presented.

Organizational success factors and thus competitiveness depend on humans, whose behavior depends on their knowledge, values, and circumstances, which also depend on knowledge, values, and circumstances of other humans involved, via organizations or individually. The three selected and briefed typologies of values are more complementary than competing alternatives, since they depend on authors' selected research viewpoints. They neither reflect nor oppose social responsibility. The fourth selected viewpoint covers the process of values' influence on human work/activity. Being based in the dialectical systems theory stressing interdisciplinary creative cooperation aimed at humans' requisite holism, this approach stresses interdependence and holism, which can be attained by responsible persons only. Thus, the values of (individual, corporate, or societal) social responsibility reflect systems approach and behavior that is critical for competitiveness in the contemporary times of Industry 4.0.

on eight-point semantic scales. In order to compare the significance of managers' personal values and universal management attributes between respondents' groups from Poland, Slovenia, and Austria, the method of one-way analysis of variance and t-test for independent groups were applied.

In the international literature, national cultures are still an evergreen topic. Even though - contrarily to previous decades' civilizational focus - the attention has shifted to leveraging benefits of multicultural environments and experiences. According to Huntington, nations belonging to different civilizations will never be able to work together smoothly, owing to the principal differences in their values, beliefs and behavior stemming from them. There are theorists, however, who think the differences can never be too big if there is willingness and positive experience with the other culture. Different dimensions characterize national cultures. While some state to identify radical differences between two countries, others do not identify such. This chapter, after offering an insight into the basic approaches of national cultures, endeavors to analyze two discrete cultures (Russian, Hungarian) and presents the similarities and differences of them, along with tools and methods that are able to support the collaboration of people and organizations belonging to them.

The human development is used to evaluate the richness of human life, focusing on the people, on their opportunities and choices, rather than simply on the richness of economies. As for national culture, it is understood as a set of characteristics that distinguish members and that may influence all aspects of social and individual life. This study hypothesizes that national culture, measured using Hofstede's six cultural dimensions, has an impact on corruption and on innovation, and that less corrupt and more innovative nations create better welfare conditions and human development for their habitants. To test the proposed framework, data were obtained from Hofstede's, Transparency International, Global Innovation, and United Nations Development Programme websites for the year 2012. Using PLS-SEM, the results show that cultural factors play a smaller role on determining innovation than corruption, and that decreasing corruption is more important to improve human development than increasing innovation.

The aim of this study was to examine the level of psychological health and job satisfaction and to find out which predictors have an impact on nurses' psychological health and job satisfaction. Six hundred forty nurses from surgery and internal medicine departments from Slovenian hospitals participated in the research. Data analysis was carried out by using SPSS 25.0. With transformational leadership style, leaders' characteristics, leaders' emotional intelligence, leaders' communication skills, positive effectivity, and job satisfaction, one can explain 57% of nurses' psychological health. The results indicated that 85% of nurses had good psychological health. And also that more frequent exposure to stress and lack of stress management were associated with poor psychological health. The employees' psychological health does not affect only the individual, but also on the quality of care and on the effectiveness of hospitals. It is important to monitor employees' job satisfaction and take care for employees' health by providing a healthy work environment.

This chapter explores the mediating role of organizational culture on managerial internal career needs and career values in small third sector social enterprises. Organizational culture refers to a set of basic assumptions in an organization such as symbols, artefacts, attitudes, and behavior as the way in which things are done in the organization. These assumptions are maintained in the continuous process of interaction in the organization. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the career management of members of the organization. Understanding the career needs and career values of managers helps organizations to develop strategies to retain quality managers which will enable them to deliver and fulfil performance accountability requirements associated with delivering public services.

The main purpose of this chapter is to consider how can the millennials' personal values impact employee productivity in the future organizational environment of Industry 4.0. In the modern business environment, major changes are happening in many fronts. On one hand, we have the phenomenon of digitalization and Industry 4.0, and on another hand, we see that the millennials are rapidly taking over important roles and positions in those organizations that are impacted by digitalization. If we consider the notion that the new industrial revolution behind Industry 4.0 will be based on major improvements in productivity due to the mediating effect of a technological revolution, then the role of employee productivity or better say the millennials' productivity will be paramount. This chapter shows that based on deep analysis of millennials' personal values worldwide, the millennials hold prominent personal values, which correspond well with Industry 4.0 readiness and competency models, meaning that they can significantly impact the productivity of an organization.

Section 3

In the knowledge era, organizations have to learn faster and better than competition, with the continuous cultivation of a culture of knowledge sharing. Attention should be paid to motivating employees to develop a positive attitude towards knowledge sharing, actively exchanging information and knowledge, continuously participating in learning processes, or putting knowledge sharing activities into everyday routine and habit. The research objectives are identification of the nature of the influence of intrinsic motivation on the knowledge sharing practice in organizations in the Republic of Serbia, determining the presence of a statistically significant difference in the intraorganizational knowledge sharing between multinational and domestic enterprises, and determining a statistically significant difference in the level of intrinsic motivation among employees in multinational companies and employees in domestic enterprises. The obtained results confirm the impact of intrinsic motivation on knowledge sharing.

The purpose of the chapter is to present, on the basis of theoretical starting points, the importance of management of older people for the entire society as well as the problem of older employees and their management as an important branch of human resource management, which presents a major challenge for companies. The main aim of the chapter is to design the conceptual model of managing older employees to achieve their work engagement, which will serve as the basis for understanding the successful ageing of older employees and creating an appropriate working environment favourable for all generations. By promoting active ageing and introducing the management of older employees, companies can achieve an important increase in the work engagement of older employees, a change of generally accepted stereotypes, myths, and prejudices about older people and the reduction of discrimination of older people in the labour market. The appropriate working conditions that should be available in all companies contribute to the improvement of management of older employees and their work engagement.

Start-ups are only in the initial life cycle phases, which exposes them to many specific challenges and increases threats of business cessation. Because of their youth, the do not yet have formal organizational structures and operating rules. This also applies to the area of project management. In this chapter, the authors deal with the success of start-ups' projects and the characteristics of their project management culture. Although the success of projects and project management culture is relatively often discussed in the literature, it is generally done in the context of large companies, not start-ups. The research has shown that projects represent a large part of the start-ups' businesses, and that there is a significant high awareness of the importance of project preparation and the definition of objectives, as well as a caution in defining the roles and organization. In these companies we can notice quite a coherence with the principles of learning organizations, especially the importance of learning from experiences and transferring knowledge among the participants in the project.

Preface

In this enhanced book entitled *Recent Advances in the Roles of Cultural and Personal Values in Organizational Behavior*, we added new cognitions in this field. The book encompasses several enhanced chapters, as well as some entirely new contributions. In the enhanced chapters, authors added newest cognitions to their existing chapters and thus enriched their contributions. New chapters in the book outlined several new and promising ideas for researching in the context of the role of personal values and culture for organizational behavior. New contributions outlined several interesting topics, like neo-tribes in organizations, organization energy, socially responsible culture, personal values of millennials, knowledge sharing, management of older employees, behavior of start-up, but not limited to, and established linkages to the culture and personal values perspective.

Personal values and culture has gained a lot of attention during the last three decades in management and organizational behavior literature. According to Schein (1992), understanding of organizational culture is fundamental to examine what goes on in organizations, how to run them and how to improve them. A huge interest into values and cultural issues in the literature is proven with plethora of contributions examining the role and importance of culture and personal values, using different theoretical backgrounds. Based on the overview of papers are most commonly used cultural dimensions from Hofstede (2001), Schwartz theory of basic values (Schwartz, 1992), Rokeach value theory (Rokeach, 1973) and Ronen and Shenkar (1985) approach.

Studies focusing on cultural and personal values context emphasize decisive role of culture and values for behavior, decision making, strategy formulation and many other issues concerning individuals, groups or organizations. The literature dealing with the impact of cultural settings and personal values on organizational members and their actions and behavior, emphasizes several key areas of researching, ranging from organizational members actions and behavior (Hambrick & Mason, 1984), leadership styles (Brodbeck et al., 2000; Egri & Herman, 2000; Sarros & Santora, 2001; Pastor & Mayo, 2008), decision making process (Ali et al., 1995), innovativeness (Lee, 2008; Nedelko & Potocan, 2013), perception of corporate social responsibility (Dietz et al., 2005; Schultz et al., 2005; Cordano et al., 2010), strategies and goals in organizations (Bates et al., 1995), etc.

From the above-mentioned areas of the interest, the most attention is dedicated to the studies addressing the link between values and behavior, since values represent a foundation for management behavior and actions (Selznick, 1957; Hambrick & Mason, 1984; Lang et al., 2000; Pastor & Mayo, 2008). The link between personal values or culture on one hand, and leadership style and behavior on another hand, is frequently examined, whereas the emphasis is often on the samples from well-developed western economies (Egri & Herman, 2000; Sarros & Santora, 2001). For instance, many studies are based on well-known GLOBE study about leadership behavior, encompassing above 60 countries worldwide (House et al., 2004) and its various repetitions (Brodbeck et al., 2000; Cater et al., 2013).

Another important stream of research is dedicated to addressing the role of values for sustainability of organizations. The mainstream literature about sustainability provides many theoretical and empirical investigations of sustainability aspects, mainly focusing on one or two out of three key underlying aspects of sustainability, where the focus is primarily on the environmental aspect (Karp, 1996; Dietz et al., 2005), while researching solely the economic or social aspect, in the context of sustainability, is rare. Considering the two-aspect studies, those dealing with both environmental and economic aspects of sustainability prevail (Munda, 1997). Meanwhile, few studies research linkages between social and other aspects of sustainability or all aspects of sustainability (Udo & Jansson, 2009; Potocan et al., 2013). Additionally, studies are based mainly on business organizations, while significant less focus is on non-profit oriented organizations.

Next large group of contributions is describing the importance of aligning culture and strategy for organizational success (Schein, 1992; Vestal et al., 1997). Nevertheless, there are only few studies that have examined empirically, the interrelation between specific components of culture and strategy formulation (Gupta, 2011). Researchers have also indicated the importance of organizational culture in strategy implementation among the other factors such as organization structure, communication, work and information system, implementation tactics, and essential business process (Ahmadi et al., 2012). The above thoughts re-emphasize that type and elements of organizational culture need to be aligned with particular organizational strategy (Bates et al., 1995). Apart from its role in establishing competitive advantage, strategy (both intended and realized) also has social function by adjusting and reproducing organizational shared values and social relations it enunciates (Tushman & O'Reilly, 1996; Semler, 1997). The importance of ideas and their symbolic representations for culture and strategy highlight the role of leadership in the strategic management process as well (Waterman Jr et al., 1980; Mintzberg, 1994).

Based on above outlined cognitions, the link between cultural context and values on one hand, and various aspects of employees' behavior and actions on other hand, is frequently examined in the literature, whereas the emphasis is often on the samples from well-developed western economies. Fewer studies examined this link with an explicit focus on former transition or catching up Central and East Europe countries and other transformational societies, like societies form Asia and Latin America. The study of cultural context is often based on Hofstede's cultural dimensions and values based on Schwartz value survey, where values are most frequently considered as single personal values on personal level. There is also significant lack of studies addressing the role of values and culture in various types of organizations, like non-profit organizations. Additionally, there is also lack of studies addressing some promising issues for future research, taking into consideration culture and values context.

OBJECTIVES OF THE BOOK

Despite plethora of findings about the roles of cultural and personal values in organizational behavior, there are still many unexplored viewpoints to address the role of culture and values from various standing points. Thus in this book we present a comprehensive overview of the impact of cultural context and personal values on individual's working and behavior in different contexts. Especially is important the linkage between the cultural and personal context with new and emerging phenomena, like organization energy, millennials, industry 4.0, neo-tribes in organizations, etc. Accordingly, this book collects on one place contributions, which comprehensively address various areas on which culture and personal values have an impact.

Based on abundant literature, which consider the role of culture and personal values from various viewpoints, we want with this book to provide new insights into this field. This enhanced edited book includes: (1) conceptual and theoretical papers dealing with understanding the role of organizational culture and values from various standing points, enabling more comprehensive understanding of the role of culture and values in various organizations and for individual's behavior in various situations, (2) empirical papers, providing evidences about the role of culture and values for organizations and individuals, also by providing examples from different countries and going beyond focusing on profit organizations, with including evidences from organizations operating in non-business area, and (3) chapters addressing further research areas by emphasizing most promising areas of future research, putting in focus context of values or culture and linking them with the recent phenomena of industry 4.0, millennials, etc..

The aim of this book was to collect contributions about the role of culture and personal values in different areas in organizational working and behavior, and also include cognitions from under-considered viewpoints, like transformation societies and organizations operating outside business sector. This book provides necessary additional knowledge for better understanding of the impact of cultural settings and values on organizational and individuals' working and behavior in organizations in contemporary environment.

Target audience of this book are researchers and academics from all disciplines, educators, and students who are directly or indirectly involved in working of organizations and everyone that needs to become familiar with the role and importance of cultural background and values for organizations and behavior and actions of organizational members. This book provides an insight into various aspects of cultural background and values in organizations and will be helpful to understand complex relations between culture and values on one hand, and studied phenomena and concepts on the other hand. The book will inform readers with evidences from various fields and topic of interests, ranging from the discussion about the subcultures in organizations, organizational energy, decision making issues, socially responsible culture of organizations, role of personal values for sustainable higher education, corporate social responsibility values in transforming societies, the linkages between managers personal values and managerial attributes, the association between culture and human development, role of values for psychological health, the impact of organizational culture on managers' internal career needs, the role of millennials personal values under industry 4.0, knowledge sharing in organizations, management of older employees and organizational behavior in start-ups. Besides focus on profit oriented organizations, the book provides also several evidences about the role of personal values and culture in non-profit organizations, which expand the potential target audience of the book. The book also emphasizes promising ways and areas of future research. Cognitions about the role of culture under one title will thus serve as a reference book for researchers, educators and students.

STRUCTURE OF THE BOOK

This edited book is organized into three sections, containing 16 chapters. First section is addressing very general cognitions about the role and importance of organizational culture in organizations and how personal values determine individual's behavior. In that context this section includes contributions, which are addressing organizational culture, subcultures in large organizations, effect of organizational culture on organization energy, how personal experiences influence decision making, personal values as organization's competitiveness factor and the role of personal values for shaping social responsibility in higher education organizations.

Chapter 1 by Anna Piekarczyk from Poland investigates organization culture from the viewpoint of systems theory of organization. The author considers organizations as autopoietic systems and the relations between organization and individuals are discussed. The author attempts to define to what extent values and rules characteristic for a given culture can and should be changed. The article answers to the question what roles plays culture-related factors in organization and to what extent values and rules, accepted in a given culture, can and should be changed.

Chapter 2 by Nick Chandler from Hungary, which is focusing on studying the nature of subcultures in large complex organizations. In that context he is contrasting two views regarding subcultures: (1) the classical view and (2) the post-subcultural perspective of subcultures as 'neo-tribes'. With this paper the author aims to examine whether there is sufficient evidence for subcultures to be considered as 'neo-tribes'. He concludes that organizational subcultures have a floating membership, heterogeneity between members within subcultures, the absence of distinct boundaries and changing values over time. The authors at the end provides several practical implications.

Chapter 3 by Mihaela Preskar and Simona Šarotar Žižek from Slovenia is focusing on the effect of organization culture on organizational energy. In that context the authors addressed organizational culture, organizational behavior and organizational energy and its various facets from productive organization energy to corrosive organization energy. After providing starting points, the association between organizational culture and organization energy, while also conditions for releasing productive organization energy are outlined. Chapter is concluded with some solutions and recommendations.

Chapter 4 by Jelena Nikolič and Dejana Zlatanović from Serbia is tackling with growing complexity of strategic decision making, which require holistic approach in strategic-decision making process. The paper shows how system thinking may be helpful for involving different viewpoints in the process of strategic-decision making and improving effectiveness of strategic-decision making process. Among different internal and external factors influencing strategic-decision making, identified based on system approach, the focus is on the role of values and the context. Paper outlines possible improvement of strategic decision making effectiveness, by selecting three systems methodologies stemming from different paradigms: Soft Systems Methodology, Team Synegrity and Organizational Cybernetics. The authors present the way in which they can be combined, aimed at improving effectiveness of strategic decision-making.

Chapter 5 by Tjaša Štrukelj, Matjaž Mulej and Simona Sternad Zabukovšek from Slovenia outlines socially responsible culture and personal values as organization's competitiveness factors. In that context they argue that competitiveness depends on humans, whose behavior depends on their knowledge, values and circumstances. They selected and briefed three typologies of values as building block for their discussion. Next, they addressed values in frame of dialectical systems theory and outlined values as organizational success factor. In the final sections of the contribution they argue that the values of (individual, corporate or societal) social responsibility reflect systems approach and behavior that is critical for competitiveness in the contemporary times of Industry 4.0.

Chapter 6 by Vojko Potocan, Nikša Alfirević and Zlatko Nedelko from Slovenia and Croatia, addresses the role of personal values in fostering social responsibility of higher education organizations. The chapter outlines that higher education organizations should develop stronger ties with the community, which is under considered way for enhancing social responsibility of higher education organizations. In that framework, the paper theoretically discusses the role of values of key stakeholder groups – namely managers of higher education organizations, teachers, students and community, for further development of socially responsible higher education. The chapter shows important role personal values for enhancing socially responsibility of higher education. The final sections of the chapter outline several implications, recommendations and future research directions.

Second section of the book encompasses empirical studies examining various aspects of culture and values, starting by addressing corporate social values of managers in East Germany, Estonia and Romania; outlining importance of managers' personal values and universal management attributes in organizations from Slovenia, Austria and Poland; presenting cultural patterns of Russia and Hungary; examining how national culture influence on innovation and corruption in countries around the globe; outlining the factors that affect employees' job satisfaction and psychological health among nurses in Slovenian hospitals; showing the link between organization culture and manager's internal career needs in social enterprises in UK; and concluding with the examination of the millennials' personal values impact employee productivity in the future organizational environment of Industry 4.0.

Chapter 7 by Rainhart Lang and Irma Rybnikova from Germany based their empirical paper on the results from GLOBE project, focusing on samples of East Germany, Estonia and Romania. The focus of the chapter is on Corporate Social Values of managers as one important basis, and explanation of the functioning of CSR concepts in Central and East Europe organizations. In that frame authors outline results about CEOs value preferences in case of critical management decisions, based on extended stakeholder approach and through focus on corporate social values of managers in transforming societies. Results show specific country-based combinations of corporate social values and strategic orientation in East Germany, shareholder focus and religious orientation in Romania and orientation on shareholders, employees and community in Estonia. Based on the results several managerial implications are outlined.

Chapter 8 by Zlatko Nedelko, Maciej Brzozowski and Paweł Bartkowiak from Slovenia and Poland examine and compare the importance of managers' personal values and universal management attributes in organizations from Slovenia, Austria and Poland. In their study, the authors focus their attention on: (1) personal values of managers as defined by Schwartz value survey and (2) evaluation of selected universal management attributes that determine managerial behavior in organizations. In order to compare the significance of managers' personal values and universal management attributes between respondents' groups from Poland, Slovenia and Austria, the method of one-way analysis of variance and test-t for independent groups were applied. The authors outline the state of personal values and universal management attitudes for Poland, Slovenia and Austria. The chapter is concluded with some implications and future research directions.

Chapter 9 by Kornélia Lazányi and Péter Holicza from Hungary, deals with cultural patterns of Russia and Hungary. Authors argue that culture importantly determine individuals' actions and thus make individuals actions predictable. Paper first provide theoretical cognitions. Next, the paper analyzes two discrete cultures, namely Russian and Hungarian and presents the similarities and differences of them, along with tools and methods that are able to support the collaboration of people and organizations belonging to them. The paper is concluded with several recommendations.

Chapter 10 by Pedro Silva and António Carrizo Moreira from Portugal examines how national culture influence on innovation and corruption in countries around the globe. Utilizing Hofstede's six-dimension framework, Global innovation data and Transparency international data, authors show that cultural factors play a smaller role on determining innovation than corruption, and that decreasing corruption is more important to improve human development than increasing innovation. The paper provides a fertile ground work for further examination of the impact of national culture on the association between corruption and innovation, by moderating the impact beyond national culture – i.e. Hofstede's model.

Chapter 11 by Mateja Lorber, Sonja Treven and Damijan Mumel examines factors that affect employees' job satisfaction and psychological health. In that context the authors examine the level of psychological health and job satisfaction, with the aim to identify which predictors have an impact on nurses' psychological health and job satisfaction on the sample of nurses from Slovenian hospitals. Based on the obtained results, this paper lays a ground work for deeper examination of the role of personal values of managers for employees' job satisfaction and psychological health, like identifying key values of managers, which are crucial for their behavior regarding job satisfaction, stress management.

Chapter 12 by Chi Maher from United Kingdom addresses the link between organization culture and managers' internal career needs. In that context the chapter explores the mediating role of organizational culture on managerial internal career needs and career values in small third sector social enterprises in UK. Author argues that every organization develops unique culture which creates specific guidelines and limitations for career management. Based on the answers from small third sector social enterprises, the paper helps to clarify the inter-play between individual manager's internal career needs and organizational culture. Author emphasizes that when manager's internal career needs are strongly backed up with organizational culture, managers desire to stay in organization is increased.

Chapter 13 by Rok Črešnar from Slovenia, outlines how can the millennials' personal values impact employee productivity in the future organizational environment of Industry 4.0. Paper first provide in-depth insight into industry 4.0 phenomena and personal values. The paper shows that based on deep analysis of millennials' personal values worldwide, the millennials hold prominent personal values, which correspond well with Industry 4.0 readiness and competencies models, which means that they can significantly impact the productivity of an organization. Cognitions in paper provides ferrite ground for further discussions.

Final section of the book addresses possible promising further research directions and areas of interest, in which the role of culture and values should be considered in order to more comprehensively understand the phenomena, by dealing with culture of knowledge sharing and role of intrinsic motivation, conceptual model of managing older employees and organizational behavior in start-ups.

Chapter 14 by Marko Slavković and Marijana Simić from Serbia addressed the need for continuous cultivation of a culture of knowledge sharing. The chapter identifies the nature of the influence of intrinsic motivation on the knowledge sharing practice in organizations in the Republic of Serbia; determining the presence of a statistically significant difference in the intraorganizational knowledge sharing between multinational and domestic enterprises; determining a statistically significant difference in the level of intrinsic motivation among employees in multinational companies and employees in domestic enterprises. The obtained results confirm the impact of intrinsic motivation on knowledge sharing. At the end authors provide several recommendations for practitioners.

Chapter 15 by Maja Rožman and Sonja Treven from Slovenia, presents the model of managing older employees. Their main goal is to design the conceptual model of managing older employees to achieve their work engagement, which will serve as the basis for understanding the successful ageing of older employees and creating an appropriate working environment favorable for all generations. By promoting active ageing and introducing the management of older employees, companies can achieve an important increase in the work engagement of older employees, a change of generally accepted stereotypes, myths and prejudices about older people and the reduction of discrimination of older people in the labor market. The appropriate working conditions that should be available in all companies contribute to the improvement of management of older employees and their work engagement.

Chapter 16 by Igor Vrečko and Aljaž Skaza from Slovenia is focusing on organizational behavior in start-ups, which they consider as one of the many specific challenges and increases threats of business cessation. In their chapter they deal with the success of start-ups' projects and the characteristics of their project management culture. Their distinguished feature is that the success of projects and project management culture is relatively often discussed in the literature, it is generally done in the context of large companies, not start-ups. Their research has shown that projects represent a large part of the start-ups' businesses, and that there is a significant high awareness of the importance of project preparation and the definition of objectives, as well as a caution in defining the roles and organization. Their findings provide fertile ground for further discussions in this specific area.

The both editors of the book cooperate in last couple of years in research about the impact of personal values on employees in organizations from various standing points. The main focus in on cross-cultural studies, including countries from Central Europe, with the aim to better understand the impact of personal values and culture background on employees' behavior, leadership styles, innovative actions in countries having different development paths in last two decades. The both editors are involved in academic training related to the management, organizations, strategic management, and business ethics.

The editing journey of this book was a delightful yet very demanding journey, and we hope that we were able to provide to the readers comprehensive insight into the issues about the role of culture and values, from different perspectives.

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Section 1

Chapter 1
Organisation Culture From Systems Theory of Organisation Perspective in the Era of Copernican Revolution

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ABSTRACT

The chapter deals with organizational culture from the viewpoint of systems theory of organizations. Organizations are presented as autopoietic systems; relations between organization and individual are discussed as well. The author attempts to define to what extent values and rules characteristic for a given culture can and should be changed. The aim of this chapter is to present the essence of organisation culture from systems theory of organization viewpoint. Steady grounds (core) are an important condition that has to be fulfilled to allow organization to develop and succeed, as this core would help it in keeping balance under difficult circumstances. Hence, the chapter attempts to answer the question of the role played by culture-related factors in organizations and to what extent values and rules, accepted in a given culture, can and should be changed.

INTRODUCTION

Different organization culture issues have been discussed extensively for years. Nevertheless, in spite of deep interest to this phenomenon, it is still not explored completely. Organization culture is a complex subject that extends over the whole environment of individuals who make up organizations. The core of this culture consists of values and rules that precondition all decision-making in organization. These are hard to define, however, it is them that shape and form the entire organization.

These values and rules are often a “tabooed” topic to discuss in organization, as they are hard to manage – they are too “soft” and cannot be measured (Landau, 2007, p.18). Nevertheless, this social phenomenon - organization culture - is generally considered (together with strategy and structure of

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organization) to have a decisive impact on its operation, development or failure. Thus, knowledge of organization culture nature, basics and functioning becomes very important (Balz & Arlinghaus, 2007, p.165).

The aim of this article is to present the essence of organization culture from systems theory of organization viewpoint. Steady grounds (core) are an important condition that has to be fulfilled to allow organization to develop and succeed, as this core would help it in keeping balance under difficult circumstances. Hence, the article attempts to answer the question of the role played by culture-related factors in organization and to what extent values and rules, accepted in a given culture, can and should be changed.

BACKGROUND

There is a great variety of theories of organizations. These theories are part of the huge area of social sciences that cover all aspects of private and collective life of human beings (Kieser & Ebers 2014, p. 26).[1] Particular topics, subjects and scientific specializations that can be singled out within this area usually do not have clearly set boundaries – they overlap and interlace. What they all do have in common is their interest to relationship of organization as a social entity with its members. And systems theory of organization is focused exactly on interrelations between social system and its participants. Models of organizations produced with the help of system approach enable better understanding of logic behind any organization's operation. On this basis it is possible to draw important conclusions and make valuable recommendations that could be applied in practice. The function of theory of organization in relation to roles of other concepts and fields of research is often secondary. Nevertheless, taking into consideration the central role played by organizations in society, the importance of this function should not be underestimated. More and more often organizations replace family structures, tribal or ethnic links and local communities. And, whatever happens – good or bad, organizations are almost always part of this. Today they play a crucial role in the context of changes caused by increase of complexity.

Bearing that in mind, researchers, inter alia, G. Probst, P. Gomez (Probst & Gomez 1997, p. 45), F. Malik (Malik, 2014, pp. 21-27), J. Honegger (Honegger, 2008, pp. 27-28), F. Vester, (Vester, 2008, pp.16-20), J. O'Connor, I. McDermott J. (O'Connor & McDermott, 1998, p. 34), W. Sitte, H. Wohlschlaegl (Sitte & Wohlschlaegl 2006, p. 508), D. Meadows (Meadows, 2010, pp.17-18), point to the need of a broader view – the system approach to theory of organization and the phenomenon of organization culture.

W. Sitte and H. Wohlschlaegl at the same time note that system approach is not a priori better than other concepts, though it enables a fresh look, better understanding of processes and may lead to new conclusions (Sitte & Wohlschlaegl, 2006, p.510).

System analysis makes it possible to control variability and complexity thanks to knowledge and understanding of interdependencies and links existing between different elements. Thus, it is easier to notice interrelated links and influences, which is particularly important since modern organizations are tied with their environment with an infinite number of such linkages (Schiepek, Wegener, Wittig & Harnischmacher, 1998, p. 9). Organizations are becoming more and more self-regulating, unpredictable and complex systems (Malik, 2014, p. 21). For this reason, to understand the essence and functioning of these complex systems, besides "cause and effect" thinking, a broader, all-embracing approach to research of the world is needed. According to the principles of system analysis, an organization can be viewed as a system, a network, to be precise, within which flow and exchange of information and resources take place (von Bertalanffy, 1969, p.36). Particular parts of systems are closely related (Probst & Gomez, 1997, p.26)The main principle of the system approach is: even a minor, insignificant change within one of the smallest subsystems may have a substantial impact on the entire system in the long-term prospective, as a number of various factors exert their influence on it simultaneously (Vester, 2008, p.18). These factors are not isolated, they interact and influence each other across all boundaries set by sciences, and they are feedback links between factors of qualitative and quantitative character (Wilms, 2012, p.21). System analysis is centered on multidimensional research of essential aspects of organization as a system and its functioning (Verster, 2008, p. 19).

Organisation as Autopoietic System

The notion of what an organization is came to existence in the 19th century. N. Luhmann notices that the model for description of what an organization is in that period was a man, an "ideal entity" (Luhmann, 2000, p. 44). Henceforth an organization, just like an "ideal" man, should be rational, effective and able to make independent decisions. It should be organized in a hierarchical way. However N. Luhamm emphasizes that modelling on a human entity leads to erroneous conclusions. He thus stipulates to change this way of looking. He notices that an organization is a system. A system which creates and shapes itself. So, every time an organization is analyzed it is necessary to start with a premise that it is a system characterized by a peculiar form of self-organization. An organization is autopoietic.

The word (and hence, the notion) "system" originates in old Greek and means an entity composed of parts (Simon, 2013, p.16). This is why systems theory of organization basically tries to answer two questions: what elements make up system (or could make it up) and who or what distinguishes (defines) organization as an entity from the rest of the world (Simon, 2013, p.16).

Controversial viewpoints might appear already at this stage. Indeed, according to the most common point of view, besides buildings, machinery, devices and other means, all organizations consist of people. It might seem to be convincing, as it fits into experience of the majority of those who have dealt with organizations. Obviously, people do not interact with an abstract system - they meet particular persons, who act in a particular way, as whatever organizations do is performed by individuals in real life. K. Weick warns, however, against treating organizations as persons (Weick, 1985, p. 52). He postulates that any activity of organization can be split into a sequence of interactions between particular individuals and it is people who define a given set of interlocking and interrelated actions. Without them, organizations would not be able to complete their tasks.

At the same time, K. Weick stresses that organizations keep to a certain model of operation, because their particular activities are properly organized and harmonized (Weick, 1979, p. 52). This allows organizations to "live" longer than their originators, and thanks to formally accepted rules operative in organization, it is also possible to "change" personnel. This possibility of "personnel change" is a characteristic feature of organization. Thus, formalized rules enable organization to admit new members (i.e. individuals) without the need of changes in its functions. However, it would be interesting to know more about the way organizations adopt rules, which are kept to for a long time. In other words, what mechanisms allow for making connection and coupling actions of many individuals in organization so that a coordinated system of action appears? And how does the process of "reproduction" of these mechanisms and rules develop with the course of time, taking into account the option of changing some members of organization?

One might look for answers to these questions in Niklas Luhman's societal systems theory. He argues that communication is a rudimentary element of all social systems. Boundaries of communication are defined differently, not like those of actions, as an action can be attributed to a certain person, whereas it is impossible to do so with communication, because it links two or more persons. To understand it better, one could use the description of system's operation by K. Weick. In his view, the elementary unit of any organization is the so-called "double contingency" comprising action - reaction – adaptation. Thus, an individual performs a certain action, to which another person reacts; meanwhile, initiating the interaction person also reacts to the response (reaction) of the "addressee" (Weick, 1979, p. 53). Actions of both individuals can be explained by supposition that participants of interaction attribute some meaning, to both their own and the other party's actions, and react to each other accordingly. Therefore, the "double contingency" gets its "cyclic" characteristics, as actions of one person can be interpreted as sending information, whereas actions of the other one as a sign of understanding. Such combination of "information", "sending/communication" and "understanding" is defined by N. Luhman as an emergent unit of communication (Luhmann, 1984, p. 193). It means that thanks to communication, a "double contingency" takes place accompanied by "interlocking" of actions. However, communication is not understood in its usual sense as an action, but as an event. It is not about communicating information in the form of signals - in the process of communication autonomous "observers" interact, their reactions to a given message can differ and cannot be predicted.

Thus, the function of human communication is not just "delivering" message, but coordination of persons and their actions. In the context of organization it means that patterns of behavior (and action) observed there can be explained as the result of communication (though they are recognized and registered as actions). Therefore, it can be said that it is communication that turns individually acting entities (persons) into participants of a social system and only communication creates social systems. Hence, individual communications are basic elements of social systems – events that take place in the present and at the very same moment they happen, they become the past. So, to keep social systems "alive" for a long time, communication process has to be continued. The "trick" that allows organizations to live longer is: organizations with the help of their own procedures (e.g. recruitment of staff) look for possibilities to change their employees (thanks to communication) and to "reproduce" their communication patterns. This way organization ensures the continuation of communication process, which defines it as an autonomous entity and distinguishes it from the rest of the world.

Not all social systems are "meant" to last. As they are made up of communications, there is a high probability of their decline before they become "strong". Let us imagine - a man meets another man in the street, asks him the way to the nearest library, the stranger responds, then thanks follow and the event ends – this social system has already its future "behind".

Were this social system an organization, the event would look totally different – the communication would be continued: the message would be followed by another one, then the next one, and the communication process would continue. Thus, communication contributes to longevity of social system (in this case, organization) and organizations make efforts to have enough "fuel" to keep it going on.

Humberto Maturana calls this type of processes "autopoietic" (Maturana, 1982, p. 280). According to his theory, autopoietic processes are the characteristic feature of living organisms. They are a specific form of self- regulation. Then, autopoietic systems are self-sufficient - they appear and reproduce themselves using only their own elements and as a result of internal processes. Thus, it is the ability of self-creation and self-regeneration which enables system to survive and develop.

In biological organisms cells are forming new cells, in human consciousness thoughts create new thoughts and in social systems messages influence creation of new messages. Messages connect elements of systems together. D. Backer considers the notion of autopoiesis to be fascinating because it allows observing both finesse and sophistication with which the system reproduces itself in its environment, as well as the „blindness" of the system to everything else (Baecker, 2012, p.47).

Individual vs Organisation

F. Boos and G. Mitterer point out that modern organization needs to distinct itself from persons (Boss & Mitterer, 2014, p. 15). It happens despite the increase of man's importance in organization due to growing complexity. These authors also emphasize the fact that organizations want to ensure for themselves the ability to survive being able to avoid any dependencies of their structures and processes going on within them from particular individuals at the same time. They give the example of Apple Inc., a company that has been growing fast since 2000, despite untimely death of Steve Jobs, the charismatic head of the firm, in 2011. To understand well what organization is, Boos and Mitterer suggest leaving its employees "outside", as according to the principles of system approach; organizations do not consist of their personnel (Boss & Mitterer, 2014, p. 15).

This, once radical, idea of Chester J. Barnard, an American theorist of organization, was further developed by Niklas Luhmann, a German sociologist, in his new systems theory where he perceives people as the environment of organization. N. Luhmann argues that it is communication patterns, not employees, which make up an organization (Luhmann, 1984, p. 42). The idea that employees are not part of organization might make one feel uncomfortable. First, it seems to be weird and difficult to grasp, however, it is just a "side-effect" that appears only because people strongly self-identify themselves with organizations. They also often "need" organization to feel they are part of something large.

Nonetheless, the view that people are part of organization could not be defended, if we inspect it closer. No organization needs a "whole man" (Boss & Mitterer, 2014, p. 17, Simon, 2013, pp.17-18), it does not need all his or her wishes, health problems, interests or personal qualities. Under such a load, any organization would slip into chaos. It can be said that more often organizations avoid being on "too human side" (Boss & Mitterer, 2014, p. 17). Some organizations prohibit any celebrations (e.g. birthdays of their employees) on their premises or block access to some web-sites. Members of staff want their private life to be separated from work as well.

F. Boos and G. Mitterer also note that if organizations consisted of their staff, then those employing the most intelligent people would be the most intelligent. Thus, universities and companies that employ people with the highest IQ would be the most intelligent organizations. As one can see, it is not like this in reality (Boss & Mitterer, 2014, p. 18).

Yet, all the above mentioned does not mean that organizations can operate without people – just the opposite – organizations need people. But relations between an individual and an organization differ from the generally accepted idea of it (Boss & Mitterer, 2014, p. 18, Simon, 2013, pp.17-18, Luhmann, 1984, p. 289). People offer to organizations their beliefs, views, actions, and their memory. Organizations are not able to think, smell, taste or watch themselves. They are tightly bonded with their employees – in a way similar to the one they are tied with their clients (Boss & Mitterer, 2014, p. 18). Thus, system and its environment make a whole and thanks to it, together they can co-develop.

Positioning persons outside organization (or any social system) is the fundamental principle of systems theory of organization. Though it is often criticized as "diminishing" value of man, adepts of the system approach argue that it is right/quite the opposite - as according to this school of thought, human being and organization are equal. System exists only within its environment, and therefore, organization needs people as part of its environment. People perform certain functions in organization, so, there is neither a system without an environment nor an organization without people.

F. Boos and G. Mitterer remark that focusing on decisions (or communications) instead of people means significant "relief" for organization's staff. Thanks to this, other solutions are looked for, without focusing their attention on failures (in the first place) or successes attributed to particular employees, their qualities and style of action (Boss & Mitterer, 2014, p. 19).

Thus, organization can be understood only when its environment is taken into consideration, as any organization (any social system) is integrated into its environment. It exists only in relation to its environment and in separation from it at the same time. As the environment is constantly changing, the boundary between organization and its environment has to be defined again and again continuously. This boundary is not stable; it does not stay the same for long.

According to N. Luhmann, systems should be understood as identity maintained in over-complex and ever-changing environment by balancing their (systems') interior and the exterior (their environment) (Luhmann, 1973, p.175). Hence, this identity defines both internal structures with the sense of organization's being and its relations and cooperation with the environment. Since no organization is able to span its attention over everything that is happening in its environment, it has to make choices. How these choices are made depends on the sense, constituted by views, values, norms, objectives etc. The sense is always specific for a particular organization (Boss & Mitterer, 2014, p. 21); it is a necessary resource to differentiate between the communications which belong to the system and those which do not. Thus, identity of an organization arises from relations between and cooperation of its internal structures, the sense and the environment.

But then, if organization does not consist of its employees, what does it consist of? It is constituted by its own patterns of communication - in other words, by endless flow of decisions. Even if particular persons may come and leave, as long as organization makes decisions, it exists. As soon as it stops making decisions, it is dead (Luhmann, 1984, p. 193). So, any living organization must make decisions, since it re-establishes boundaries between organization and its environment in real time, which is necessary for any system. If the boundary disappears, organization ceases to exist and dissolves. It can be illustrated on the example of a company overtaken by another firm. Once autonomous decisions are not possible to make, the boundary disappears and this entity becomes part of another system. Thus, bankruptcy of a company (and appointment of the official receiver) can be compared to the state of coma. Therefore, organizations are intended to act and make decisions, especially in critical situations. When unexpectedly, a key person is absent, organization must prove it is able to act, at least symbolically.

A single decision is a basic element of organization. A decision made has to be followed by the next one. Organizations consist of a never-ending chain of decisions (even those impossible to grasp and register). J. Boss and G. Mitterer offer this example: if we imagine that any time, a decision is made in organization, a light (immense or minor, depending on the decision's importance) is lit, an observer could enjoy a spectacular diversity of pulsing lights (Boss & Mitterer, 2014, p. 23). Yet, it would be impossible to understand, tell or predict neither what light is on at this moment and why, nor the order of their appearance.

Now, it is the right time to consider, what decisions are. Decisions are arrangements that organization keeps to (for some time), which make a basis for further decisions. If a company makes a decision to invest in China, it makes arrangements that influence further decisions. In this example many things depend on who will work, where construction will take place and if any dotation by the state is possible. Decisions are a specific type of communication that coordinates actions. Hence, decisions define the reality rather than leave spaces for alternatives – for instance, instead in China; the company could invest in India or set up a financial reserve. This is the main difference between an act of communication in the form of decision and the rest of communications. Decisions provide certainty, whereas communication can lead to uncertainty as well (Baecker, 2003, p.35).

Decisions then, as a specific form of communication reduce uncertainty, and so called „uncertainty absorption" takes place (March & Simon, 1958). A decision such as "we choose to invest in China and that's the end of discussion" enables making subsequent decisions in accordance with the decision making process. This allows forgetting the initial uncertainty and rejected alternatives.

Organization makes a context within which processes of management go on. This is why understanding of the essence of organization is so important. K. Weick suggested that instead of organization, we should speak about process of organization. According to his views, the word "organization" is a noun and a myth (Weick, 1985, p. 129). If you are looking for organization you will not find it - only interrelated events and a continuous flow of decisions will be there. Events which are a continuous flow of decisions within an organization. And as one cannot enter the same river twice, it is not possible to work twice for the same organization.

MANAGEMENT IN THE ERA OF COPERNICAN REVOLUTION

Social system is made up of acts of communication (communications), whereas organization is composed from decisions (a stream of decisions to be precise). Social systems create themselves thanks to communication and organizations thanks to communicating decisions. Organizations are downright, as was described by N. Luhmann (Luhmann, 2000, s. 69) a „self-deliverer" of decisions. Within an organization it means that decisions do not have a reference point different than previous decisions of the organization. In the context of organization, something that is not a decision is not relevant (background noise). Decisions are being made constantly in any organization; they are of different meaning and importance. At the same time, it is hard to believe that in almost absolutely non-transparent stream of decisions it is possible for them to "take each other into consideration". How can it be possible that they are not in conflict with each other? There are obvious decisions, which supersede previously-made decisions and others, which are ignored. It might seem implausible, but "in spite of such diversity" it all works. It means that somehow, in one or another way, these decisions have to be "coordinated". It is thus interesting to know who or what is steering the flow of messages in an organization. How does it happen that we are not dealing with chaos? Does a brilliant CEO decide about that? Who or what is helping an organization function in a complex environment? These and similar questions concerning the ways of functioning of organizations are very current.

Making decisions, as may be suspected, is the role of management. The role of management is often compared to the role of the human brain and the central nervous system. F. Boos and G. Mitterer notice that the assumption of superior role of both management for an organization and brain for the functioning of a human has turned out to be misleading (Boss & Mitterer, 2014, s. 26). Presently neurobiologists explain the functions and roles of the human brain differently. For a long time the brain was considered the center of human control. A hierarchical way of controlling human vital functions, which consists in sending "data" collected by the sense organs to "higher ranked" organs was also assumed. This information was to be awaited by the cerebral cortex, which is at the top of nervous system hierarchy. It was thought that the cortex functions as a „neutral" decision center. So the brain was to process impulses and send back „guidelines" to individual organs in the body. For example, during playing ball the command was to be sent from the brain to the hand in order to move it to catch the ball. An assumption that was accepted in this model states that human nervous system functions like a computer using linear processes.

It is currently known that the human brain operates based on many feedback loops, among other things, in such a way that the „higher" rungs of the nervous system have to communicate with the „lower" ones before the specified impulses reach the brain. Otherwise we would not be able to catch the ball, because it needs just a hundredth of a second between the moment the light reaches the retina and "command" execution by muscle movement. Our hands would meet a void. However, thanks to the experience recorded in our brain we are able to predict in how to catch the ball. It happens thanks to sense perceptions. Due to that professional athletes have to train and repeat the same standard situations, encountered in a given field of sports, for hundreds of times. Thus our perception and brain are not a hierarchical apparatus. Human brain does not "process" an impulse after impulse „sent" from the sensory organs. It turns out that the brain is a much more closed system than it was assumed because it is mainly „driven" by its own „activities" (Eaglemann, 2012, s.57).

In order to understand this there had to be a breakthrough in the neurobiology and the science of brain. In its magnitude it can be compared to the Copernican Revolution, which changed the universal view of the world from geo into heliocentric. Similarly, for a long time human brain was thought to be the center of human control. Modern brain research proves however, that links between conscious decisions made in the brain, the role of sub consciousness and perceiving with the senses are much more complex than was previously assumed. The majority of our decisions are made before they reach consciousness. F. Boos and G. Mitterer claim, that management is also on the brink of a breakthrough which can be compared to the Copernican Revolution (Boss & Mitterer, 2014, p. 28). They think that management will also not be „defined" as the center of a (complex) organization but it will become an „observing instance". These authors are of the opinion that such theoretical "ousting" of management from the center of organizational control brings many benefits. First of all, if we do not treat management as the "consciousness" steering the organization, we will be prone to think over and recognize varied connections influencing managers. As it turns out, most of decisions are never made at the level of management (in a conscious way). Most of every day decisions are made by sellers, production assistants, telephone operators etc. – without the knowledge of the management. Similarly in our body, the impulses which control breathing, blood circulation and body temperature etc. rarely make it to our brain. On the other hand, should all of these impulses be "processed" in the cortex our consciousness would suffer a "breakdown".

CULTURE AS CHARACTERISTIC FEATURE OF "LIVING" SYSTEMS

In a systemic approach, management is no longer the center of organizational control and the role of management has become an "observing instance". But how does it happen that in an organization there are hundreds or thousands decision continually made without "management" of supervisors and nonetheless, the organizations do not fall into chaos.

J. Boos and G. Mitterer postulate, that here the so-called unsolved decision premises (Boss & Mitterer, 2014, p. 51). According to N. Luhmann, these decisions make prerequisites for infinite number of other decisions (Luhmann, 2000, p. 221). Therefore, they make grounds for future decisions and could be called meta-decisions, as they influence other decisions. They are essential for the whole stream and all diversity of future decisions since they are operative for a long time. The above mentioned case of a company which decides to invest in China constitutes an example of defined decision premises. Such premises can also be expressed in a more narrow way. If it is known that during a meeting with employees it will be necessary to make a decision than such a condition influences the decisions, which are to be made. Probably without such a premise the meeting would take a different course. Another example of decision premise, this time in the personal area, is hiring a new person at a managing position. The new manager brings his own specific point of view, own opinions and values etc. into the communication in organization and that influences the subsequent decisions made in the organization.

Following N. Luhmann's idea, three kinds of decision premises can be distinguished and should be considered by theory of management Luhmann, 2000, p. 222):

- programs
- structures/processes
- persons.

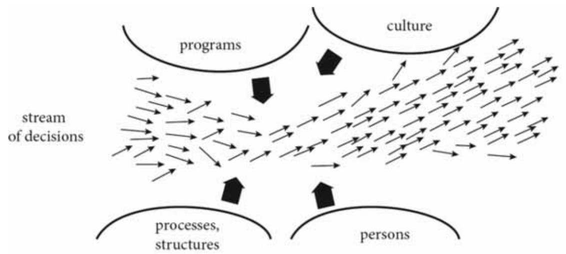
By changing any of them, it is possible to stimulate changes in organization. Therefore, they provide grounds for managerial actions and can serve as a "lever" of development. Organization culture, however, plays an important role too - as the 4th element that cannot be influenced directly.

In Luhmann's terms, organization culture is a complex, a collection of unsolved decision premises (Luhmann, 2000, p. 241). In his view (Luhmann, 2000, p.243), this type of culture appears in self-made manner - it produces itself from itself (and anonymously). Anthropologists and sociologists discover its unknown functions – such as fulfilment of human need of feeling of belonging to a community and articulation of established values and norms.

F. B. Simon stresses the fact that rules accepted in a given culture do not appear already aimed at achievement of a set rational objective, but they develop in evolutionary way (Simon, 2013, p. 96). There is no one who could decide what rules are operative; nonetheless, those who feel members of a given culture (also organization culture) have to meet some expectations. To belong to this culture, they have to respect and follow rules that often come into being by chance – such as some rules of communication and behavior (i.e. descriptive and normative rules) – no one could say how and when they appeared. The fact they exist depends neither on decisions made by groups nor on those made by individuals. These rules arise in emergent, evolutionary way, however, they are in force and for this reason, and they cannot be changed as a result of consciously and deliberately made decisions.

Organization culture is interrelated with the three above mentioned types of decision premises - it can influence them but at the same time, they can have impact on this culture too. Yet, organization culture is not predisposed to a direct influence and it is not possible to choose its form. Thus, a directive "from tomorrow our company has culture promoting innovative solutions" would make no sense. In contrast to persons, programs and strategies, culture cannot be shaped or stimulated by making decisions (Luhmann, 2000, p. 242). Culture works differently and can be influenced only in other ways. Figure 1 shows decision premises as a system of controlling decisions in an organization.

Figure 1. Decision premises as a system of controlling decisions in an organization
Source: F. Boss & G. Mitterer, (2014). Einführung in das systemische Management. Heidelberg, Carl-Auer Verlag, s.53



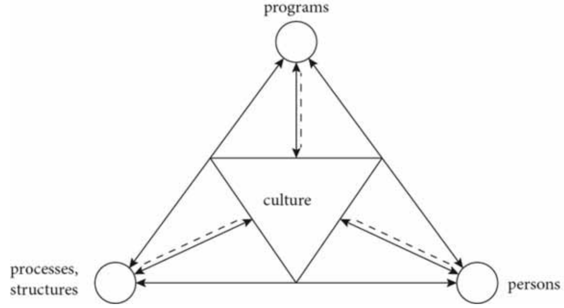
Every decision premise makes some options to be taken into consideration, while some others not to be. Thanks to this, decision premises serve as system of communications and decisions control. Hence, they help reduce complexity, which otherwise would be so incapacitating that organization's activities could be stalled.

Decision premises can also be compared to the traffic regulations. Road traffic is a complex system in which many persons can participate and in which there may occur different situations. However, a few simple rules (e.g. the right of way) allow the situation to self-control regardless of the number of participants. Each participant should refer to the traffic regulations while making decisions. They are decision prerequisites - a system of steering for each single decision and in this way they reduce complexity. By way of example, it is not necessary to consider each time what the traffic regulations are in effect. This makes the decision of joining the traffic easier and increases road capacity.

Luhmann's concept of decision premises can be presented as a "four-angled" triangle, to show interrelations between them. This "four-angled" triangle consists of programs, processes/structures, persons and organization culture, which is placed in the middle, because it cannot be influenced directly. Figure 2 shows decision premises as dimensions of systemic management.

Programs are in other words strategies, visions and objectives. Processes and structures control the flow of communications in organization. Particular values, points of view and attitude are brought into organization by and thanks to people. Decisions made by person A would be certainly different from those made by person B. Programs, processes/structures, persons are meta-decisions that have impact on further decisions. Particular meaning is attributed to organization culture since, as it has been mentioned already, it is impossible to influence it directly.

Figure 2 . Decision premises as dimensions of systemic management
Source: F. Boss & G. Mitterer, (2014). Einführung in das systemische Management. Heidelberg, Carl-Auer Verlag, s.53



E. Schein, one of the most prominent researchers of organization culture used the image of iceberg to describe it (Schein, 2003, p.31). Huge part of what creates culture, i.e. values, norms, approach, image of human being is hidden below the waterline - it is invisible. Nevertheless, culture manifests itself in all that is visible above the waterline: such as strategies, a manner of shaping processes and structures, as well as people employed. Organization culture requires particular attention. More and more companies discover the great importance of culture and understand how difficult it is to influence it. J. Boos and G. Mitterer remark that sometimes anything, which hides from the direct influence of management, might seem to be culture (Boss & Mitterer, 2014, p. 57). N. Luhmann calls culture an unsolved premise for decisions (Luhmann, 2000, p.242). It means it is not possible to make decision to adopt a certain culture and introduce it as the motto "from tomorrow we have a client-friendly culture". It is not possible to install it like a new piece of software. In other words, culture is not a controllable variable in organization, as it (organization) creates its culture and is this culture itself at the same time. From its onset, any organization is forming its own culture. This culture lives and develops according to principles of evolution (Luhmann, 2000, p. 248).

Organization culture comes into being as a result of multiple interactions and interdependent factors; it is visible in all dimensions of the "four-angled" triangle. This culture is often shaped by principles that proved useful in the initial stage of system's operation or helped survive a crisis. Culture is like weather – there is always some, there is no state "without" weather and neither is there environment without any culture (Boss & Mitterer, 2014, p. 58). It is impossible to imagine an organization without any culture and for its personnel this culture is something obvious - it can be compared to a smell of a particular room – one can realize it is there only when he/she enters the room, while those who stay in the room for some time, do not notice it.

Organization's own culture can be grasped and understood only by contrast to another culture (Luhmann, 2000, p. 246). Culture of an organization consists of commonly shared views, beliefs and interpretations that are considered grounds for cooperation and influence social events (Simon, 2004, p. 231). It is supported by patterns of behavior that proved useful and are forwarded to new employees as a rational and emotionally correct way of dealing with issues. This way, culture helps reduce complexity, as expected behavior is more probable. An example of mutual relations between decision premises and organization culture can be a situation of a dynamic advertising agency.

In this agency creativity is at a premium, which is way its workers consist mainly of non-conformists and specialists from many different areas. Thanks to cooperation and worker exchange a very flat organizational structure has been established. To cope with information exchange inside and outside of the organization modern technologies are utilized. Atmosphere in the team and culture of communication are expressed through, among other things, being on the first name basis with each other and more casual behavior. The atmosphere is also underlined by interior furnishing. It is clear that organization culture significantly influences three decision premises (programs, structures/processes and persons) and the premises enhance the culture. New management, which is used to hierarchical, directive management style, would be rejected in this „system" or a lot of tough conflicts would be taking place.

Organization culture is always exceptional. Its importance and influence is the most noticeable when rules are broken. Someone, who does not know the principles of culture established in a given organization, will find it difficult to cooperate with other members of staff. Culture always gives some sense and separates organization from environment. Fully-fledged organization culture facilitates its management due to higher probability of expected behavior. However, it makes any initiatives of "external management" much more difficult to succeed. Among all four dimensions of the triangle, culture is the hardest one to change. On the other hand, to make a change lasting, it has to be deep-rooted in the culture. To be effective, management has to be successful in dealing with this paradox – the necessity to consider culture or change it without a possibility to influence it directly.

RULES AND GRAMMAR STRUCTURES

Anthropologists have been studying cultures much longer than researchers organizations. Interesting, as it may seem, they also see cultures as communication systems. Due to this fact, some tools of analysis they use, can be useful for theory of organization as well. According to F. B. Simon, the concept of Edward T. Hall seems to be the most compatible one in this respect (Simon, 2013, p. 97). Hall sees culture as a means of communication, similar to one's native language, and on this basis, three types of rules existing in cultures can be distinguished: technical, informal and grammar rules. Anthropologist researching an unfamiliar culture has to analyze all observed patterns of behavior with the help of supposed rules. The ideas of rules defined by Hall as technical were adopted by theory of organization as programs, communication channels, formal communication, whereas informal rules are the equivalent of informal structures within organization. The rest of the rules – grammar - can be considered as the core of organization culture.

Whether or not a person belongs to a society, which uses a particular language, can be found out only when he/she is heard speaking (Simon, 2013, p. 98). One who did not master the rules is immediately recognized as a "stranger". Therefore, a proof of a good command of grammar rules sets boundaries between those who belong to a particular community and those who do not. Following the rules of a given organization culture is perceived as something obvious and is taken without questions about their (rules) sense or purpose. Behavior of this kind is expected and accepted (hence, directions and prohibitions) it is communicated within community already during the "pre-verbal" phase by communication of positive and negative emotions of respected people. Though patterns of behavior and norms apprehended this way are learnt subconsciously, they can be re-learnt on the conscious level (as with the grammar of one's native language). Thus, thanks to this, everyone knows who belongs to this particular culture, what patterns of behavior are accepted or prohibited. Those, whose behavior is not in accord with rules and norms, receives a negative reaction, which points to a mistake.

The same can be applied to organization culture and its "grammar" rules (Simon, 2013, p. 99). Someone, who breaks them systematically, is either an "outsider" or does not want to be an "insider". It causes stress and emotional consequences for all members of organization, since it becomes difficult to be sure who belongs to it and disorientation grows. To avoid this, organization chooses a particular way of staff selection. Only persons who fit the organization culture are employed. As organization cannot influence primary socialization of its employees, it needs a proper mechanism of selection. Thus, a possibility to dismiss a worker hired for a trial period helps protect the organization culture from "unsuitable" individuals and the reasons for this may not be objective.

Grammar rules of a particular culture system cannot ensure organization achievement of objectives. Yet, it is possible thanks to "technical" rules, i.e. organization structures, formal communication and programs as well as informal rules and structures. Organizations select among potential participants (i.e. candidates) persons who fit their organization culture (obviously, not in the case, when the objective of personnel policy is to change this culture). At this moment teaching and learning of grammar rules begins similar to patterns working on the level of national cultures – i.e. breaking rules and norms causes a negative response. Thus, expressing this type of negative feelings, one communicates indirectly a threat of expulsion from the community. At the same time, positive emotions can be a signal, that one is accepted. Hence, grammar rules ensure higher level of probability of meeting expectations of the organization as well as protection of culture system from those who do not belong to it. Therefore, these rules create and protect internal rules and the boundary with the environment (Simon, 2013, pp. 99-100).

Focus on keeping patterns and norms of behavior and communication (directives) as well as on prevention of breaking them (prohibitions) causes them to become conservative. Norms and rules of cultures can change, but rather slowly, as there are not many objective reasons for both keeping them in their present form and changing them at the same time. Since they are accepted and "practiced" as something obvious, nobody doubts their sense. Tempo of changes in social structures and their rules depends basically on how tightly they are coupled with feelings of members of this culture. The stronger this tie is the slower and less prominent this spontaneous change. Another factor to be considered is directing organization culture towards achievement of goals. If it takes place, it can be measured and assessed. And the more precisely it is assessed, the easier and faster this organization's culture can be changed. Yet, self-identification of an entity/ individual changes very seldom, this is why people feel bonded with organization - it can be a kind of protection of their identity. Thus, securing culture-based rules of organization is a way to keep unique identity of its members. For this reason people react emotionally, when their tradition (identity) is threatened. Any actions to force organization culture change encounter resistance, which can be expected. It is easier for members of organizations to accept changes of technical rules, i.e. programs, structures and strategies on concrete level than changes in the realm of their own identity. Therefore, it is impossible to make decisions concerning rules of organization culture – unsolved/ uncertain /unsettled / undefined / premises for decisions. These rules can change spontaneously as a result of self-regulating processes. F. B. Simon stresses that there is a serious risk of unexpected side-effects which can be caused by initiatives aimed at changes in organization culture (Simon, 2013, p. 101).

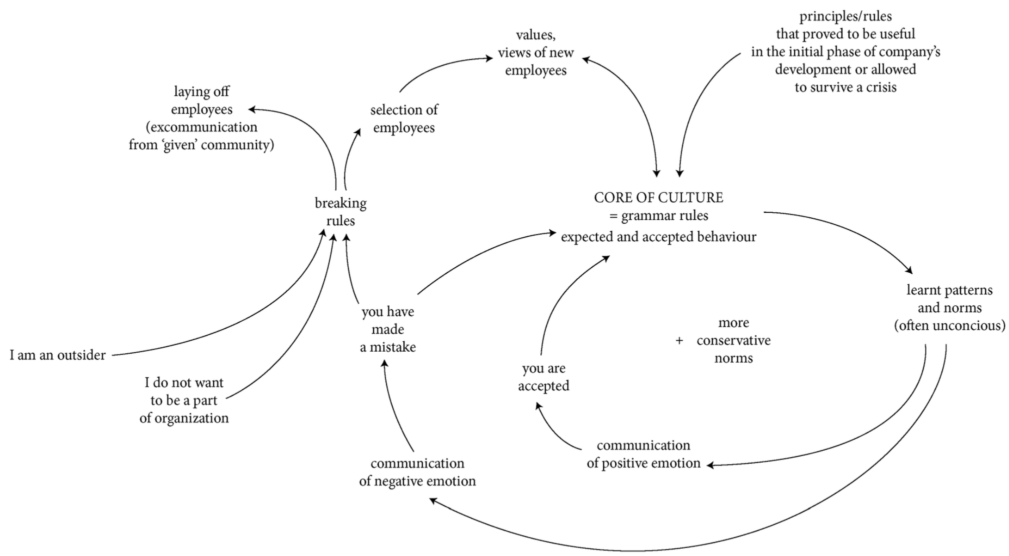
Organisational Culture in Network Analysis

Organization culture can be also presented with the help of network analysis. This method was developed by P. Gomez, G. Probst and H. Ulrich professors from St. Gallen University in Switzerland (Gomez & Probst, 1995). The central idea of the method is broad, all-embracing vision and research of the world (Honneger, 2008, p.29), which essentially comes down to research of numerous factors that influence development of "a problematic situation". These factors are interrelated and interlaced like a network. To understand what organization culture is and peculiarities of expected and accepted behavior development process in organization, we should probably begin with defining the most important links between key-elements that have impact on this complex phenomenon.

Organization culture can be presented as a network of interrelated factors and a dynamic network can be created, which will allow for understanding of the development of this phenomenon. The result is a clear and comprehensive picture of interrelations and interdependencies. Figure 3 shows a simplified view of development of expected and accepted patterns of behavior in organization.

A network, constructed in this manner can be changed and updated later and can serve as a starting point for further discussion.

Figure 3. Development of expected and accepted patterns of behavior within an organization (a simplified view/diagram)
Source: own work



FUTURE RESEARCH DIRECTIONS

The phenomenon of organization culture has not been precisely researched in either theory or practice. It might be the consequence of lack of proper interest to it from researches.

It is still not known exactly what organization culture characteristic functions are, what elements make it up and what kind of influence on it can be exerted and how it could be researched.

Difficulties in defining this notion could be explained, at least partly, by impossibility to program formally accepted patterns of thinking and "informal" norms of behavior.

Organization culture grows itself from itself. This, obviously, does not mean that changes are impossible; however, "a change cannot be introduced as result of an issued directive or a decree".

This leads to an interesting question: what are (if any) possibilities to influence/change organization culture? It may seem a paradox, but the main tool to change organization culture could be decisions made by formal structures. Organization culture will not change due to announcement of changes in formal structures. Nevertheless, any change in formal communication channels, setting new objectives for organization, employment, dismissal or moving members of staff to other units will have impact on the way (also informal one) the operations are coordinated both within teams of workers and particular units and departments.

CONCLUSION

E. Schein, who was one of the first to notice and understand the importance of organization culture, saw it as a collection of shared values, in particular, a number of consistently aligned views and aspirations (Schein, 2003, p. 34). Taken alone, they are not aimed at achievement of set objectives; nevertheless, they must be considered as essential, very important variables of the context every time actions aimed at achievement of objective are to be taken. Organization cultures are able to “fence from” other cultures and can also reproduce and regenerate themselves by keeping to their rules. In any case, they are taken as something so obvious, that they are noticed only when broken. Often only a close encounter with rules of another culture (e.g. another organization, branch, industry, country etc.) gives rise to awareness of the rules of one’s own culture, which previously were unconscious reasons for action. Their function is separation from the exterior, joint demarcation of boundaries, in other words, “recognition” and differentiation between those who belong to the system/subsystem and those who do not. Rules and patterns of behavior that make this culture are essential for maintaining this organization’s autopoiesis, as they influence motivation and bonds with members of staff (Simon, 2013, p. 27). However, these rules and patterns are not analyzed consciously, as they do not contribute to achievement of officially set goals of organization. Their significance becomes clear no sooner than these rules are broken, as a result of shocking behavior or unexpected decision. And then, more and more loudly asked question can be heard: WTF - are we still dealing with our “old” organization?

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KEY TERMS AND DEFINITIONS

Autopoietic System: According to Humberto Maturane theory, autopoietic processes are the characteristic feature of living organisms. They are a specific form of self- regulation. Then, autopoietic systems are self-sufficient - they appear and reproduce themselves using only their own elements and as a result of internal processes. Thus, it is the ability of self-creation and self-regeneration which enables system to survive and develop.

Network Analysis: The central idea of the method is broad, all-embracing vision and research of the world, which essentially comes down to research of numerous factors that influence development of "a problematic situation". These factors are interrelated and interlaced like a network.

System Analysis: Makes possible to control variability and complexity thanks to knowledge and understanding of interdependencies and links existing between different elements. Thus, it is easier to notice interrelated links and influences, which is particularly important since modern organizations are tied with their environment with an infinite number of such linkages.

Unsolved Decision Premises: Luhmann's concept of decision premises can be presented as a "four-angled" triangle, to show interrelations between them. This "four-angled" triangle consists of programs, processes/structures, persons and organization culture, which is placed in the middle, because it cannot be influenced directly. Programs are in other words strategies, visions and objectives. Processes and structures control the flow of communications in organization. Particular values, points of view and attitude are brought into organization by and thanks to people.

ENDNOTES

1 This chapter is a revised and enhanced version of the following publication: Piekarczyk, A. (2017). Organisation Culture from Systems Theory of Organisation Perspective. In: Z. Nedelko, & M. Brzozowski (Eds.), *Exploring the Influence of Personal Values and Cultures in the Workplace*, Hersey, PA: IGI Global, pp. 39-52.

Chapter 2
Neo-Tribes or Subcultures?
The Nature of Subcultures in Large Complex Organizations

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ABSTRACT

Two contrasting views exist regarding subcultures: the classical view and the post-subcultural perspective of subcultures as "neo-tribes." However, there is scarcity of empirical studies of organizational studies with the latter perspective. This study aims to examine whether there is sufficient evidence for subcultures to be considered as "neo-tribes." To answer this question, empirical studies are examined alongside data from a recent quantitative study of staff in a higher educational institution. It is found that organizational subcultures have a floating membership, heterogeneity between members within subcultures, the absence of distinct boundaries, and changing values over time. It is concluded that, for practitioners, change in organizations will require managers to accept the continuous change, reassessment, and adaptation of subcultures, as well as a lack of cultural predictability and stability. For researchers, this study heightens the need to reassess studies opting for a suitable approach in identifying and examining organizational subcultures.

INTRODUCTION

In society we see the emergence of a range of subcultures and if we take on the assumption of Gregory (1983) that large complex organisations are to resemble the society around us, there is also a strong likelihood of the emergence of subcultures. From a practitioner's perspective, subcultures can severely impede or hasten change (Boisnier and Chapman, 2002). From a theoretical perspective, the underlying question is what form these subcultures may take in terms of the characteristics and basis for formation. To fully understand subcultures in organisations at the present time, it is necessary to consider the roots from which current subcultural theory has grown.

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Much of subcultural theory is based on the Centre for Contemporary Cultural Studies (CCCS) approach, which maintains the view that subcultures are static, class-based formations. However, this approach has been criticised as too rigid (Weiner, 2015) and is in stark contrast to a post-subcultural approach that entertains the concepts of 'neo-tribes', 'scenes' and 'lifestyles' (Bennet, 2011). From a theoretical perspective, sociological studies have questioned a classical concept of subcultures (e.g. Bennet, 2011; Weiner, 2015) and suggested a fresh approach: a post-modernist view of subcultures as 'post-subcultures' or 'neo-tribes' (see Hesmondhalgh, 2005).

Whilst debate continues regarding these perspectives (Williams, 2019), few empirical studies have been undertaken in organisational culture studies from the perspective of neo-tribes. Much of the theory is based on a general societal context, and specifically based upon youth cultures and criminal cultures. In an organisational context, there are a limited number of studies of subcultures, and few, if any, consider the necessity for a post-subcultural approach, despite this debate between approaches being ongoing for well over a decade. One study that dwells upon the possibility of using post-subcultural theory in a business or organisational context is that of Hardy and Robards (2015), who reflect on the application of the concept of neo-tribes to tourism. Their findings indicate a need for understanding consumer tribes that were once referred to as subcultures, through adopting a 'neo-tribal approach'. Nonetheless, there is an evident research gap in studies using a fresh approach to organisational culture studies in the form of a 'post-subcultural approach'.

Considering one example, Becher (1989) referred to 'tribes with their territories' and entertained the idea of emergent sub-subcultures, based upon specialisations in higher education, yet this increased complexity of subcultures has been overlooked in organisational research with the only studies focussing on sub-subcultures originating in the fields of criminology and society (e.g. Alkemade, 2014). The concept of building and transferring between organisational subcultures (Wilkinson & Bruch, 2014) further indicate the flexibility and fluidity of subcultures and heighten the need to consider a post-subcultural approach. In essence, a rigid view of subcultures needs to be reassessed as a means to deepening our understanding of the complexity and dynamic nature of subcultures (Boisnier & Chatman, 2002) in organisations.

This study aims to answer the questions: 'Is there sufficient evidence of the nature of subcultures in large complex organisations to be considered as 'neo-tribes'? – and if so, what are the implications for researchers and practitioners. After a review of the operational definitions used in this study, the empirical and theoretical underpinnings of both a classical and 'neo-tribal' perspective are presented as means of distinguishing these two perspectives. Following this, we examine the evidence from existing studies into organisational subcultures for these two perspectives. Finally, we investigate the findings of a quantitative study to examine if the nature of subcultures in a large complex organisation could be considered as neo-tribes or classical subcultures, followed by a discussion of the findings, conclusions and implications of the study.

BACKGROUND

Operational Definitions

The first part of our theoretical background will consider an operational definition of subcultures before embarking on an analysis of the nature of these subcultures. The concept of subculture is still seen as a hot topic in research (Williams, 2019) and to consider this concept further, it is necessary to first take the larger view of the concept of culture.

Culture, in general, may be seen as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems” (Schein, 1985, p. 6). As our definition indicates, basic assumptions involve the creation of a value system within organisations. Values are the general criteria,as standards or guiding principles that people have and use to determine which types of behaviour, events, situations and outcomes are desirable or undesirable (Jones, 2001, p. 130). Terminal values refer to the desired end states or outcomes (e.g. high quality or strong culture). Instrumental values refer to the desired behaviour (e.g. conscientiousness, time-keeping or adhering to deadlines). Espoused values are seen as the desired values of the organisation as a whole and put forward by management, which may indeed be at odds with the actual values held by individual members of the organisation and referred to as cultural distance or ‘cultural congruence’.

The definition of culture in the above paragraph actually fits well as a definition of subcultures too: a subculture is thus a subset of an organisation’s members who interact regularly with one another, identify themselves as a distinct group within the organisation, share a set of problems, and routinely take action on the basis of collective understandings unique to the group (Van Maanen & Barley, 1985). Subcultures may also be seen as ‘groupings of values’ (Boisnier & Chatman, 2002, p. 13). Although some studies claim that subcultures may also be constructed based upon persistency and commonality of perceptions (Gozalishvili, 2018), the issue of identifying subcultures based upon perceptions is disputed as a method of grouping employees in organisational culture, as some subcultures have been found to have common perceptions of the organisation (Chandler et al. 2018), whilst other subcultures may experience different perceptions (Bellou, 2008).

The Two Perspectives of Subcultures

From the earliest studies such as that of Henry Mayhew (1862) looking at the working -class subcultures in London, the nature of subcultures has been a source of research interest. As mentioned earlier, the earliest theoretical beginnings can be found in the Birmingham Centre for Contemporary Cultural Studies (CCCS) and the Chicago school.

In the Chicago school, some early studies saw subcultures in society as predominantly deviant (Cohen, 1955) as they strayed from society norms and values. This distinction of subcultures from one another, and from society, is grouped in a range of ways; Mayhew’s work looked at occupation as a form of differentiation in society, whereas more recently Dheer et al. (2017) saw a nation’s culture as split into subcultures by region, i.e. location. Needless to say, the method of choice for grouping subcultures has a profound effect on the results and interpretations of subcultures.

The subject of division and boundary between subcultures harks back to the early definitions of subcultures and its associated limitations. Jenkins (1983) suggests that the concept of subculture "tends to exclude from consideration the large area of commonality between subcultures, however defined, and implies a determinate and often deviant relationship to a national dominant culture" (1983, p. 41). In other words, subcultures require the assumption of heterogeneity from one another (Martin 2002; Cohen 1955), whilst at the same time exhibit classical theory asserts a strong unification within each subculture (see Birmingham Centre for Contemporary Cultural Studies (CCCS), such as: Hall and Jefferson, 1976; Gelder and Thornton 1997; and Epstein 1998).

There are a number of noteworthy criticisms of the CCCS subcultural approach. Weiner (2015) has criticised the CCCS approach as overtly rigid and Cohen (1980) pointed out that much of the theory developed was based upon second-hand research. Hannerz (2016) argues against the assumptions upon which classical subcultural theory is based, namely that the definition of subcultures in defined as a response to external structural problems and this results in both the "sub" and the "cultural" becoming dependent variables. Hannerz (2016) argues for the need to refine subcultural theory and cites examples from his studies into punk subcultures in Sweden and Indonesia.

In summary, Hannerz (2016) indicates a need for understanding the many layers of identities, interpretations and meaning in subcultures, which are lost under the rigidity of the classical approeach. Bennet (1999) also argued that the classical concept of subculture is unworkable. Through a study of music subcultures, it was found that musical tastes and stylistic preferences are not linked to social class, but rather these subcultures are in fact lifestyles, and within them notions of identity are 'constructed' rather than 'given', and 'fluid' rather than 'fixed'.

The groupings, whether in organisations or society have been referred to as tribes for some time, as revealed by Maffesoli (1996), the 'godfather of neo-tribes'. The following table summarized the theoretical differences between neo-tribes and subcultures that have been uncovered in this section of the chapter:

As shown in Table 1, neo-tribes have a more fluid nature and members can move between tribes as well as assume roles and identities on a purely temporary basis. This issue is central to our study: whether the 'subcultures' should be classified as subcultures, appearing unified and fixed, or neo-tribes with a more dynamic and fluid nature. As mentioned earlier, debates on the conflicting views of this concept of 'subculture' have been ongoing for more than a decade (e.g. Bennet & Kahn-Harris, 2004; Hughson, 2008; Redhead 2008; Bennet 2011), and views vary as to whether the concept should be replaced with post-subcultures, neo-tribes, scenes, lifestyles or some other term, based upon the context

Table 1. A comparison of the characteristics of neo-tribes and subcultures

	Neo tribes	Subcultures
Perceptions and values within subcultures	Heterogeneous	Unified
Outcomes	Multiple structures of meaning	Common interpretations
Boundaries	Passable	Fixed
Identity	Constructed	Given
Membership	Floating	Fixed
Association	Whimsical	Deviance

(see Hesmondhalgh, 2005). However, the context for analysis and discussion has rarely touched upon the 'subculture/neo-tribe debate' in organisations. The following section considers existing research into the nature of subcultures in organisations, based upon the characteristics of neo-tribes covered in Table 1.

FINDINGS FROM EMPIRICAL STUDIES

The acceptance of subcultures in organisations invokes an acceptance of complexity, of taking a pluralistic view of organisational culture (Martin, 2002). However, the assumption of complexity hits a brick wall in the classical approach once the existing characteristics have been accepted (see Table 1), such as the unified (homogeneous) nature within subcultures and a differentiated (heterogeneous) nature across subcultures. Studies indicate that subcultures in organisations cannot be seen as purely heterogenous: as Hatch (1997) described subcultures as existing on a continuum ranging from slightly less integrated to highly diversified in relation to the dominant organisational culture, with the far extreme being completely disorganised subcultures, absolutely at odds with the organisation. This seems to reinforce the classical view from the perspective of deviance, but the existence of subcultures on a form of continuum indicates a certain fluidity and dynamism.

To consider the arguments for the existence of neo-tribes in organisations, the chief characteristics of subcultures in organisations in empirical studies will be considered in turn.

Value and Perception Fluidity

A classical approach indicates that subcultures by nature are unified and thus values can be clearly distinguished from one subculture to another. This section will explore examples where complex and fluid nature of values, and thereby question the classical approach in organisational subcultures.

The more fluid view of subcultures can also be seen in the work of Schein (1988). Members of subcultures have two types of values: pivotal and peripheral, as does the dominant culture (see also Bloor & Dawson, 1994, and Boisnier & Chatman, 2002). If the subculture's pivotal and peripheral values are similar to those of the dominant culture, then the subculture is referred to as an *enhancing subculture*. If the subculture's pivotal values are the same as the dominant culture, but the peripheral values are not, then this subculture is seen as an *orthogonal subculture*. Finally, if a subculture has both pivotal and peripheral values in conflict with the dominant culture, then the subculture is referred to as a *counter-culture*. Thus, again there is a range of permutations of values held in subcultures that indicate that a subculture cannot be seen as purely heterogenous in relation to one another. Bloor and Dawson (1994) observed a combination of pivotal and peripheral values in their study of social workers with the peripheral values being different to those of the organisation but this did not adversely affect the organization. According to Boisnier and Chatman (2002), the "members' degree of conformity to peripheral norms can vary considerably".

The question of fixedness of values and perceptions remains in mind when considering how employee values change over time. If this were not the case, then studies such as that of Wilkinson and Bruch (2014), mentioned earlier, would not exist. The fixedness of values is brought into question by Hamm et al. (2008) who found some values diverged over time from those espoused by management, and others did not. This builds upon our findings from Schein (1988) and Hatch (1997) that subcultures not only vary in their relationship to a dominant culture, but also tend to vary over time. Hence, any snapshot of subcultures is unlikely to present a picture of complete unification of values within each one. The same applies to subcultural perceptions: Turker and Atluntas (2015) found that perceptions of organisational culture by newcomers to the organisation tended to converge over time with the perceptions held by their immediate manager.

The need to consider the adoption of a post-subcultural view in an organisational context is also seen the issue of clearly defined subcultural boundaries. Poskiene (2002) discovered overlapping values among subcultures in the university culture. Tushman and O'Reilly (1996) also found some values were shared across all organisational subcultures (referred to as 'tight') and others were not (referred to as 'loose'). Thus, there is the possibility that values and perceptions held within subcultures should not be considered entirely homogenous or heterogenous.

The implications of accepting complexity in the values held by members of subcultures has been argued that in some organisations, such as prisons, where pivotal values are so widely adopted that they restrict the emergence of peripheral values and thereby, the emergence of subcultures (O'Reilly & Chatman, 1996; Van Maanen & Barley, 1984). If subcultures are presented as truly unified, then these theoretical underpinnings seem to indicate that the term 'neo-tribes' is more apt in the face of the complex nature of values of employees and overlapping of values.

The findings of a study by Chandler et al. (2018) further provide empirical evidence of this complexity. With a sample of over 300 employees from a higher education institution, a Hierarchical cluster analysis was undertaken using Ward's method, as initially employed to identify subcultures by Hofstede (1998). The findings were that subcultures were split not only by different values, but also by the strength of the values, as can be seen in the following table in subcultures 2 and 5, and subcultures 3 and 4.

Boundaries

For a subculture to be a considered a neo-tribe, there needs to be a certain degree of dynamism, i.e. an ability to move between tribes and membership of these tribes is fluid. These elements may only exist if boundaries are passable between subcultures. The boundaries of subcultures were considered by works such as Becher (1987), albeit without direct empirical evidence, of the tribal and territorial nature of subcultures in higher education. Subcultures were claimed to have a strong sense of boundary to the extent that academic staff, separated by field and specialization, did not transgress to other fields and

Table 2. Subcultures found in 2011

Dominant characteristic	***Subculture***				
	1	**2**	**3**	**4**	**5**
Size (number of persons)	140	84	34	30	44
Dominant culture type	Market	Clan	Hierarchy	Strong Hierarchy	Strong Clan
Perceived organisational dominant culture type	Hierarchy	Hierarchy	Hierarchy	Hierarchy	Clan
Position	Lecturer	Lecturer	Office staff	Office staff	Lecturer
Function	Teaching	Teaching	Admin	Admin	Admin
Age (years)	50-62	50-62	50-62	50-62	50-62
Tenure (years)	less than 5 and 10-20	10-20	10-20	Less than 5	5-10

Source: Chandler et al. (2018)

only the administrative staff were permitted to cross over these distinct boundaries. The Hawthorne experiments by Mayo (1934) and specifically the third experiment in the Bank Wiring Room, found that within the group under examination there was a distinct sense of boundary as to who was entitled to open the window and an informal hierarchy developed within the group.

In contrast with this, the blurred boundaries between subcultures have been found by empirical research also involving large higher education institutions. Lawrence (1994 p. 26) claims "college and university faculty are members of multiple cultures, each having its own set of normative expectations for their behaviour and productivity".

Thus, in consideration of our first characteristic of boundaries, there are contrary views. However, boundaries are often related to the basis for formation, such as between departments, or between hard and soft subjects or specializations (Becher, 1987). There are studies which are based upon assumed divisions of subcultures (e.g. Rodriguez, 1995; Lin & Ha, 2009; Billups, 2011). These studies are built upon classical theory and often assume that the basis for formation is established boundaries, such as location, department or occupation. Thus, the basis is chosen from a range of characteristics prior to the study, and subcultures remain fixed on this basis, remaining homogenous. The empirical findings shown in Table 2 and studies dating back to the Hawthorne experiments indicate that researchers need to be wary of making such assumptions when conducting research into subcultures and should rather enter research with an open mind towards the nature and basis for formation of subcultures in organisations, i.e. a neo-cultural approach.

Static Cultures

According to Table 1, neo-tribes are considered as having members that are whimsical and flit between subcultures, thus exercising a form of 'floating membership'. van Marrewijk (2016) undertook a 12-year longitudinal field study in the Netherlands during the integration of iPioneer into Telcom. It was found that whilst M&A research assumes organizational cultures to be homogeneous and unified, organizations should be understood as heterogeneous living worlds in which employees construct their own subcultures. This concept of subcultures as living worlds hints at a more organic and dynamic nature to subcultures. Thus, in the same way that many organisational cultures change over time based on external and internal drivers (see the operation definition of culture), it seems reasonable to assume that subcultures are likely to act in the same way.

Chandler et al. (2018) undertook a repeated-cross section study of a large complex organisation as a means of exploring if subcultures change over time. Comparing the following Table 3 with Table 2, it can be seen that change in subcultures is quite distinct over a five-year period:

Chandler et al. (2018) also considered the individual values of the subcultures of the organisation in 2011 and 2016 in general, and the differences in perception of market orientation in the organisation, as can be seen in the following table:

In contrast, the following table shows the values held by subcultures in the same organisation in 2016:

This overview on a subcultural level shows significant difference in perceptions over a period of five years. The perception of an organisation's focus on well-being and catering to students' needs in 2011 has been replaced by a focus on dealing with complaints and clarifying students' expectations of the institution (possibly as a means towards reducing complaints. Whilst these orientations for two different snapshots of subcultures are not considered mutually exclusive, they certainly indicate the fluid nature of values in subcultural values and orientations.

Table 3. Subcultures found in 2016

Dominant characteristic	***Subculture***					
	1	**2**	**3**	**4**	**5**	**6**
Size (number of persons)	142	62	61	24	36	21
Dominant culture type	Clan	Clan	Hierarchy	Strong Clan	Adhocracy	Hierarchy
Perceived culture of the organisation as a whole	Hierarchy	Hierarchy	Hierarchy	Clan	Hierarchy	Hierarchy
Function (Teaching/admin/ unskilled/management)	teaching, admin, manage-ment	teaching, manage-ment	Admin	Admin	Teaching	Admin
Gender	*male*		*female*			
Tenure (years)	3+	<1, 10+	<1		1-5, 10+	<5

Source: Chandler et al. (2018)

Table 4. The significant differences between subcultures for market values in 2011

Market orientation variable	**Orientation**	**Measures of differences**		**Subcultures with**	
		F	**p**	**highest means**	**lowest means**
University cares about students' well-being	Student	3.573	0.007	Hierarchy	Clan
University understands the needs of students	Student	2.714	0.03	Hierarchy, strong clan	Clan
Responding to students' needs is my major task	Student	3.263	0.012	Hierarchy	Strong hierarchy
Academics help to attract prospective students	Co-operation	2.857	0.025	Hierarchy, strong clan	Strong hierarchy
Current students are always central to decision-making in this university	Co-operation	3.4	0.01	Hierarchy, strong clan	Market

Table 5. The significant differences between subcultures for market values in 2016

Market orientation variable	**Orientation**	**Measures of differences**		**Subcultures with**	
		F	**p**	**highest means**	**lowest means**
Complaints by students are dealt with quickly	Student	2.384	0.039	Market-hierarchy	Hierarchy (slight), clan (slight)
The complaints procedure is easy for students to access	Student	2.362	0.04	Adhocracy (dom)	Hierarchy (slight), clan (slight)
Students are given information that helps them to understand what to expect from this university	Student	2.271	0.048	Market-hierarchy	Hierarchy (slight), clan (slight)

Source: own construction

Moreover, on the subject of floating members, Sackman (1992) develops the concepts of boundary in subculture formation as it is asserted that the influence of function also includes boundary spanning and temporary groupings.

Identity

According to subcultural theory, identity is attributed, and labels are allocated to subcultures. Thus, subcultures identify themselves with the subcultural label (Cohen, 1972). However, Boisnier and Chatman (2002; 6) state: "in contrast to subgroups, subcultures need not form around existing subdivisions, such as departmental or functional groups (although they often do), nor do they need to be consciously or intentionally formed".

It is noteworthy that potentially an unconsciously or unintentionally formed subculture may not identify itself as one, despite the fact that most operational definitions of subculture include a reference to a subculture identifying itself as such. This discrepancy with existing operation definitions seems to be echoed by the finding of Kuh and Whitt (1988; 8) that some organisations are so complex that even the members of the organisation as a part of the (sub)culture have "difficulty comprehending its nuances".

Heterogeneity Within Subcultures

It is often assumed that homogeneity exists in subcultures. For example, Assael (1998: 509), when examining consumption subcultures, suggests that subcultures have the same spending habits and indicates that this consumer behaviour may be based upon three factors: the distinctiveness of a subculture; the homogeneity of the subculture; and subcultural exclusion.

The sample studied by Chandler et al. (2018) referred to in Tables 4 and 5 can be examined further by looking at the homogeneity of values within the subcultures found in 2011 and 2016:

Figure 1. Box plots and whiskers for subcultures in 2011
Source: Own construction

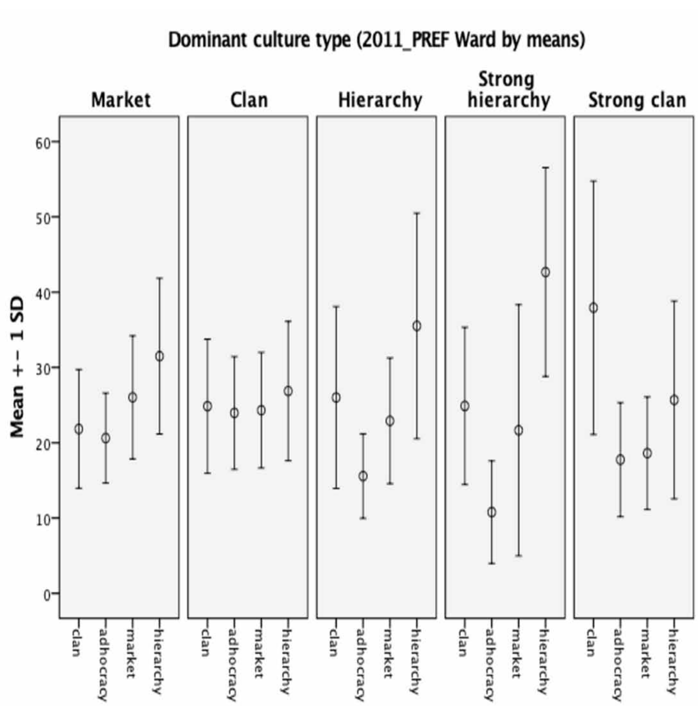
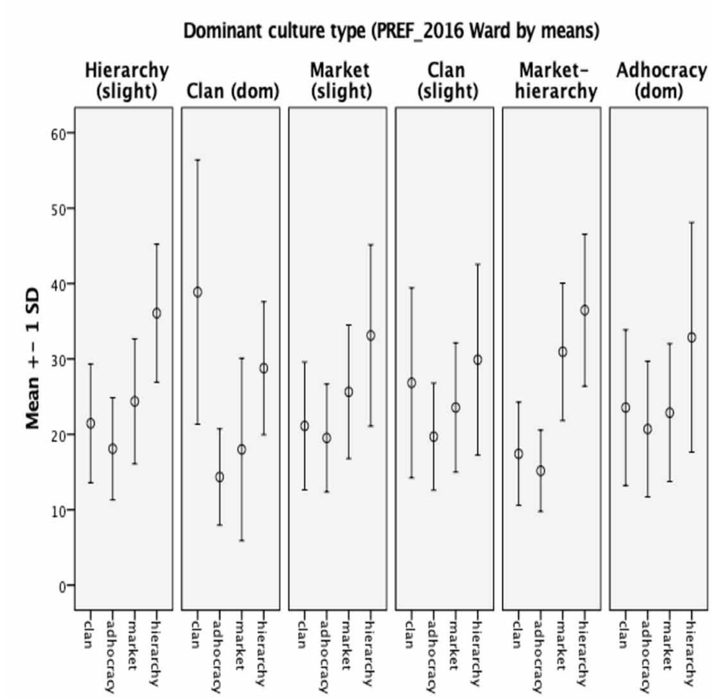


Figure 2. Box plots and whiskers for subcultures in 2016
Source: Own construction

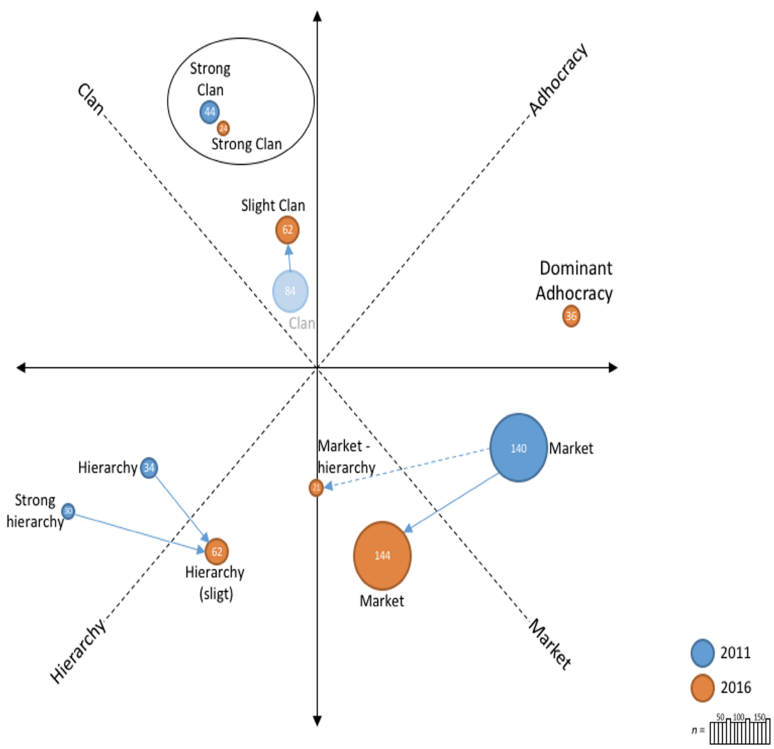


Figures 1 and 2 indicate the deviation from the mean for each subculture based on values related to four culture types: clan; adhocracy; market; and hierarchy. For example, in the clan dominant subculture in 2016 called 'Clan (dom)', the average of the values indicates that this particular subculture is dominant in the clan-related values and, conversely, low in adhocracy- and market-related values. More importantly, the deviation from the mean of the subculture for its dominant clan type ranges from 20 to 55. Moreover, the clan (dom) subculture in 2016 was the second largest in the sample with 62 members, indicating that although increased subculture size should result in the 'smoothing out' of differences in values between members in the subculture, clear differences still remain between members in the subculture.

The model used for this culture survey was the Organisational Culture Assessment Instrument (OCAI) and, as such, for each dimension participants had to give a score between 0 and 100. Whilst it is accepted that it is unlikely for members of any subculture to have zero, or close to zero, deviation, a deviation of 30 points (i.e. 30% of the total available choice) indicates that, even after a hierarchical cluster analysis, subcultures cannot be considered as having an entirely homogenous set of values.

It could be argued that the variations in the strength of values merely indicate the strength of the subculture. In other words, the members hold the same values within each subculture but to varying extents. This would be acceptable, except that - as was shown in both samples from the repeated cross-section study (in 2011 and 2016) - subcultures form separate cultures based on the strength of values, in the same way religious groups may have boundaries based upon a libertarian or fundamentalist perspective. With the strength of values held by members potentially representing a boundary between subcultures, large differences in strengths of values such as in the clan(dom) culture may indicate that members are on the

Figure 3. The dynamic changes in subcultures from 2011 to 2016
Source: Own construction



verge of floating from one subculture to another. In this way, deviations from the mean not only indicate a lack of clear unity of members in the subculture, but also serve as indicators of floating membership. This fluid aspect is seen in the 2011 and 2016 subcultures in the following diagram:

Figure 3 indicates how subculture membership has changed in a large complex organisation between 2011 and 2016. The organisation used for this case was a higher education institution which had undergone some leadership changes and yet, such institutions are associated with relative stability and, if anything, and unwillingness to change (e,g Castro & Nyvang, 2018). Nonetheless, the change over a period of 5 years is distinct: a new adhocracy subculture has emerged, the smaller hierarchy subcultures that were separated by strength of values have merged into a larger subculture, the clan subcultures have decreased in size, whilst their exact opposite the market subcultures have increased in size, and so on.

Deviance

With an association with deviance and non-conformity (Spracklen, 2018), subcultures are likely to be associated with having a negative impact upon the world around them (Becker, 1963), according to classical subcultural theory. Trice (1993) highlighted conflicts between managerial subcultures and occupational subcultures as the former seeks to control work and the latter seeks autonomy. Van Maanen and Barley (1985) referred to subcultures as 'containing seeds of conflict' and Gregory (1983) noted a 'blinkered perspective' held by subcultures as members only perceived things from their own cultural perspective (ethnocentrism), and this led to continued conflict between subcultures and the organisation as a whole.

In contrast, Boisnier and Chatman (2002), maintained that subcultures had a positive effect, at least in the context of organizations with strong organisational cultures. This was due to such organisations become 'agile' by allowing subcultures to emerge, i.e adopting a multi-cultural approach. The agility was achieved as subcultures could provide the flexibility and responsiveness that a unitary culture may limit in the same way strategic business units or autonomous work groups may be more responsive and flexible to the market and customer demands.

As organisational assets, subcultures may strengthen an organization's dominant culture. Boisnier and Chatman (2002) pointed out that subcultures usually denote smaller groups in the organisation and are therefore, relatively speaking, strategically weak and, thus, non-threatening (Galunic & Eisenhardt, 2001). Secondly, subcultures often emerge in response to change and, as conflict is a necessary step in team formation and cultural assimilation, subcultures act as an outlet for employees to express disagreement and conflict during change and as a move towards clarifying roles and norms. Responding to changing demands may be seen as a strength of subcultures due to their smaller size in relation to the larger organisation, as Boisnier and Chatman (2002) emphasised: subcultures are "more malleable and responsive than an entire organisation" (p. 10). Finally, Trice and Beyer (1984) suggested appropriate attention is given to the complexities and sensitivity involved in changing an organisation's culture or subculture, which again highlights the fluid and dynamic nature of subcultures in organisations.

As mentioned earlier, there are a variety of types of organizational subcultures, not all of which are based on expressing opposing views (Jermier et al., 1991; Martin & Siehl, 1983; Sackmann, 1992), as in the case of orthogonal and enhancing organisational subcultures where some values and norms may differ from those of the dominant culture, but there is still adherence to the core or pivotal values. Thus, subcultures do not necessarily impede organisational performance through conflict nor entirely resist the dominant organisational values and norms.

Finally, in summary, whilst this section has highlighted the benefits and hindrances of subcultures in organisations, if the classical approach is considered in the form of heterogeneous, competing subcultures then it has been seen that subcultures may cause conflict, but also that the competition between subcultures and the inherent flexibility and adaptability of these smaller units may enhance members' roles in the organisation, as, for example, they strive to acquire more skills than the members of other subcultures (Sackmann, 1992).

IMPLICATIONS AND FUTURE RESEARCH DIRECTIONS

This chapter reviews the debate on the relevance of the concept of subculture and its theoretical underpinnings for understanding groups in contemporary Western societies from an organisational perspective. The temporary nature of the (neo-)tribes found in complex organisations indicate that practitioners will need to take into consideration the fluidity of the subcultures to the extent that even if a subcultural audit is undertaken to understand and operate within the boundaries of subcultures, these boundaries are fluid and the membership is not static, but floating. For the practitioner this is a serious issue, as the clam waters metaphor that has been used in change management circles seems to be overshadowed by the 'white waters' metaphor, as neo-tribes indicate the potential for a lack of stability, predictability and certainty. Thus, the manager is faced with continuous change from a cultural perspective. As Roberts (2014) points out, subcultures have not vanished as society transitioned from post-War to postmodernity, but a refusal of practitioners to consider the potential existence of neo-tribes in the organisation would overlook key obstacles to managing change and understanding the perspective and values of their employees.

From a research perspective, this chapter highlights the themes for further research into the existence of neo-tribes in organisations. Such research could be considered on the basis of the characteristics that were used to present the arguments for the potential existence of organisational neo-tribes. Through this review, some concepts that have yet to be explored by researchers in organisational behaviour in this context have emerged, such as 'subcultural exclusion', which refers to characteristics within a subculture resulting in exclusion from the greater whole. Moreover, the fluidity of neo-tribes may also result in the negation of 'subcultural exclusion' as a concept, since floating membership and passable boundaries indicate that the excluded member very easily can move to another subculture. On the other hand, there may be values and perceptions that are hold across all subcultures, such as the unacceptability of pointing fingers when a mistake is made, that may result in neo-tribes excluding members. This would be an interesting research area as exclusion, in itself, indicates that membership is no longer floating and subcultures are less fluid, which in turn indicates a move towards the classical subculture concept, and the possible emergence of an 'exclusion subculture'.

It was found that empirical studies built upon classical theory often assumed that the basis for formation is the boundaries, that the basis can be chosen from a range of characteristics prior to the study, and that subcultures remain fixed with values and perceptions therein remaining homogenous. Our empirical findings and studies dating back to the Hawthorne experiments indicate that researchers need to be wary of making such assumptions when conducting research into subcultures and should rather enter research with an open mind towards the nature and basis for formation of subcultures in organisations, i.e. a neo-cultural approach. In such a study, the researcher is required to set aside any pre-existing bias regarding the reasons for formation, even if it appears to be clearly based upon departments. Thus, for qualitative studies, questioning should involve finding out the basis for formation, boundaries, identity and so on. However, for quantitative research, the basis should be undertaken with some form of cluster analysis, such as the hierarchical cluster analysis using Ward's method that was employed in the findings shown in Tables 2, 3 and 4.

For practitioners, it is conceded that the evidence from this study is from the higher education sector and that further research would be needed in other sectors and from other higher institutions to consider if these findings are generalizable. In the case of this study, the higher education intuition in question had faced a number of changes due to government regulation which results in a loss of a large number of staff, changes in the governance system and changes in the financing of both the institution and the funding received by students as government grants were withdrawn for the majority of students. Thus, with such drivers for change emerging during the first and second quantitative studies, it is conceded that in the absence of these drivers, subcultures may indeed by less dynamically changing, although further research would be needed to confirm whether or not this is the case.

The apparent dynamic and fleeting, if not whimsical, nature of organisational subcultures raises a number of implications for practitioners. First, any study of organisational subcultures or cultures in large organisations can only be considered a snapshot which changes within a matter of years. Secondly, for any change program, the nature of staff values, perceptions and subcultural membership are key considerations before getting employees on board. In this case, a subcultural audit may present the current state prior to change, but as subcultures integrate internally (or diverge) and adapt to external factors, the need for reassessment of the subcultures requires greater frequency when taking the neo-tribal perspective.

CONCLUSION

At the start of this chapter, the classical theory of subcultures was compared to that of neo-tribes in terms of the characteristics specific to each. These specific characteristics were then considered in terms of findings from empirical studies. The findings from empirical evidence indicate that membership is floating through a repeated cross-section study of the organisation, that boundaries are traversable rather than fixed, that values within subcultures cannot be considered as entirely unified, leading to mixed and sometimes faulty perceptions of the organisation itself.

The empirical findings indicate that many studies identify one or more aspects of neo-tribes. When combining the findings of all these studies, like pieces in a jigsaw, the wealth of evidence for the existence of neo-tribes, not only in society but in organisations as well, can be seen.

From a generalist perspective, the complexity of varying perspectives and values has been found in theory, such as in the form of peripheral and pivotal values, and in practice. These questions heighten the need for a re-assessment of the concept and definitions of organisational subcultures and, by extension, organisational culture since it comprises of a multitude of heterogenous subcultures.

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KEY TERMS AND DEFINITIONS

Boundaries: Refers to limited access or inability to become part of a group or subculture.

Fluidity: Refers to the changing of values and perceptions of members of a group or subculture over time.

Heterogeneous: Often associated with diversity and differentiation. For subcultures, it can refer to difference between subcultures or differences between members within a subculture.

Identity: Employees are identified as part of a particular group or subculture. Note: a subculture does not necessarily need to identify itself as a subculture in order to exist.

Membership: Refers to belonging to a certain subculture and being identified as a member of a particular group or subculture.

Values: Standards or guiding principles that people have and use to determine which types of behavior, events, situations and outcomes are desirable or undesirable.

Chapter 3
The Effect of Organizational Culture on Organizational Energy

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ABSTRACT

Organizational culture is an important part of the organization's life as it determines how everything is going on in the organization. The more employees understand rules, norms, and values that they must follow, the better the individual employees in the organization feel, since it gives them a sense of order and security in the organization. If employees feel well in the organization, they are ready to contribute more to the efficiency and effectiveness of the organization, thus affecting productive organizational energy. Such employees will be more committed, efficient, innovative, successful, and will experience positive emotions such as joy, pride, and enthusiasm in the workplace. Knowledge in the field of organizational behavior can greatly contribute to recognizing how organizational culture affects better organizational energy.

INTRODUCTION

This chapter deals with the influence of organizational culture on organizational energy. Chapter also defines the role of knowledge in the field of organizational behavior. The main goal of the paper – to determine the impact of organizational culture on organizational energy. Prior to this, one must define by description three key concepts – organizational culture, organizational behavior and organizational energy. In the organizational culture and organizational behavior, one exposed only the key features that are important for dealing with the topic, while explaining organizational energy more extensively. The presentation part on organizational energy thus contains its definition, characteristics of individual

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energy situation, strategies by which leaders can influence organizational energy, the conditions for establishing organizational energy and measuring it. The rest of the chapter deals with organizational culture, organizational behavior, organizational energy and the connections between them. A model of the impact of organizational culture on organizational energy is added. This links the fundamental points of organizational culture with organizational energy. The organizational culture can affect organizational energy in two ways: firstly, by providing the conditions necessary for the release of organizational energy, and secondly by having it affect the characteristics of the employees that are necessary for the organization to have the productive capabilities of providing a longer-lasting release of productive organizational energy. Chapter concludes with recommendations on how to ensure productive organizational energy in the organization through the definition of organizational culture. It is also important to keep in mind that organizations differ from one another and that each manager must know the behavior of the organization before the introduction of strategies and to some extent be able to foresee the behavior. This should be either before the introduction of strategies for the release of productive organizational energy, or before defining or changing the organizational culture.

Very few authors dealt with the problem of the link between organizational culture and organizational energy. The present chapter is based on a descriptive methodology, through which we described the basic characteristics of the concepts under consideration. A comparative method was also used, especially when comparing the types of organizational energy and the status of organizational energy. The aim of the methodology was to link the considered concepts to a meaningful whole, which shows the connection between the two concepts under consideration.

BACKGROUND

Organizational Culture

Organizational culture is 1) a set of basic assumptions that are 2) created, discovered or developed by a particular group, 3) learning to deal with problems related to external adaptation or internal integration, 4) and have been shown as good enough, that 5) they are learned by new members as 6) the right way of accepting, thinking and feeling about these problems (Schein, 1988). It is a pattern of values and assumptions about how things are handled within an organization. This includes the issues of centralization/decentralization of decision-making, slow/fast decision-making, short-term/long-term time orienting, levels of teamwork, levels of openness and confrontation, entrepreneurial behavior and risk acceptance, process/result orientation, measurement and evaluation of results, stages of participation on a horizontal level, focusing of responsibility, way of communicating, willingness to change, etc. (Dubrovski, 2018).

Organizational culture consists of norms, beliefs, values, behavioral patterns, rituals and traditions. It adds important common elements, such as structure stability, depth, scale, and sampling or integration (Schein, 2004). Schein (1988) states that culture can be described by three levels of assumptions. The first level are artefacts, which include the feelings and perceptions that the person who enters the new culture senses. When someone who is already part of the culture explains what these observations mean, a second level – the level of values – occurs. It includes goals, ideals, norms, standards, moral beliefs, and similar. The third level of organizational culture are basic assumptions, which can be recognized only by accurate observation of behavior, the identification of anomalies, inconsistencies and phenomena unexplained by individuals within the organization. In other words, these are beliefs, habits, perceptions, thoughts, and feelings that are unconscious and self-evident.

It is characteristic for an organization dominated by a strong organizational culture, that the behavior of members is limited by mutual consent rather than by commands or rules. The identities and responses of individuals are shaped by work, not by the individuals' way of living or contents of their free time (Deal & Kennedy, 1983).

We distinguish strong from weak organizational culture. A strong organizational culture is characterized by intensity and community. Intensity means that employees feel a strong connection with the core values of the organization and are willing to show approval or disapproval of the behavior of individuals who act in a certain way. Community means that there is a general agreement among employees on the values of the organization. Unlike it, a weak organizational culture lacks employee commitment to the fundamental values of the organization (Buchanan & Huczynski, 2010). Deal & Kennedy (1983) defined the organizational culture as a way of doing things in the organization.

They focused on two aspects: responsiveness and risk. On their basis, they defined four types of organizational culture. The Tough-Guy Macho Culture reflects a high level of responsiveness and risk. The Work Hard Play Hard culture shows a low level of risk but a high level of responsiveness. We often find it in organizations that tend to have a very high level of service. The Bet Your Company culture demonstrates high risks and slow responsiveness. The Process Culture shows cultures with very little or no response. At the same time these cultures are too cautious.

The tough guy macho culture focuses on speed rather than endurance; risks are very high. Employees are usually young, who can quickly reach financial prizes, but there are high penalties for failure. Common to this culture are internal conflicts, competition, and burnout. Such organizations can be very successful in a high-risk environment, but they are not suitable for long-term investments. Because the organization cannot take advantage of the benefits arising from employees' participation, employees often change, and culture rarely achieves the character of a strong one.

Work-hard play-hard culture is very hard-working and at the same time able to be fun. Due to the high level of responsiveness, every employee gets feedback very quickly about his/her performance. In it, they realize that teamwork is the most important and not the success of an individual (Deal & Kennedy, 1983).

For Bet-your company, culture is characterized by a lot of investment in projects that can take years to bear fruit. All decisions are taken with great care and are well thought out. Decision-making takes place from the top of the hierarchy to the bottom. Those who insist in such a culture respect the authority and technical competences. They will cooperate with each other and improve over the years. Such cultures, however, lead to high-quality inventions and scientific achievements, but due to poorer responsiveness, they are vulnerable during times of rapid change.

In The process culture, employees have no sense of how effective they really are due to slow response. They do not focus on what they should do, but on what has already been done. They tend to improve technical support, avoid risks, and perform certain processes correctly. Employees protect their backs with the reason that the one who succeeds. really is the one that is most orderly, precise and focused on the details. Organizations with such a culture are best in a stable and predictable environment, but have difficult to quickly react to changes (Deal & Kennedy, 1983).

If the organization enters a crisis that challenges the status quo and questions the appropriateness of the current organizational culture, the organization must change and develop an organizational culture.

In such cases, managers can use a number of different actions that they usually combine in order to achieve the desired change in the organizational culture. In doing so (Schein, 1988): a) they can trigger a change in the current system by focusing on threats to the organization in the absence of changes and at the same time encourage the organization with the conviction that change is possible and desirable; b) express and broaden a new direction and new assumptions that are considered more appropriate; c) provide a clear and consistent example based on new cultural assumptions; d) fill key positions of the organization with new persons, who spread new cultural assumptions; e) systematically reward the acceptance of new assumptions and punish believing in the old ones; f) try to persuade or even force the organizational members to adopt new behaviors that match new assumptions, e.g. using new technologies that require a change in behavior; g) destroy the myths and other artifacts that preserve the old culture; h) create new rituals, symbols and artefacts that affect the feelings of the members.

The development of an appropriate organizational culture has several benefits for the organization. Hodgetts (1991 in McKenna 2012) mentioned: an effective control system; the meaning of a normative order; encouragement of innovation; initiation of the definition of strategies and their implementation and creating a greater commitment of employees at the workplace. Organizational culture has several functions (Dwivedi, 1995):

1. Defines the line between the organization and others
2. Promotes employees' sense of belonging
3. Facilitates creating a commitment to something more than just personal interests
4. Increases the stability of the social system – it keeps the organization together by providing standards on what employees should do and talk about.
5. It is a mechanism of sense and control that directs and shapes the relationships and behavior of employees.

In particular, the last point is important for further consideration. It is important that individual relationships and behavior coincide with an organizational culture, since only such an individual can get a job, will be effective at work and will be able to progress (Dwivedi, 1995). Organizational culture has a strong influence on the behavior of an individual, and has the strongest influence when it is seen as self-evident and there is no need to write it (McKenna, 2012).

Organizational Behavior

Organizational behavior examines the influence of individuals, groups and structures on behavior in organizations, aiming to later use this knowledge to improve the organization's effectiveness (Robbins, 1989). It deals primarily with constructs such as motivation, behavior and power of leaders, communication, group structure and processes within them, learning, development and perception of relationships, processes of change, conflicts, work design and workplace stress (Robbins, Judge, Millett, & Boyle, 2014). The research of organizational behavior covers three levels: individual behavior, individuals' behavior within a group based on interpersonal interactions, and their behavior in the organization as a whole. Studying each one individually is possible, but for a comprehensive understanding of the field one must study all three.

On the basis of these three levels, areas within organizational behavior were formed: organizational behavior at the micro level, at the middle level, and at the macro level (Wagner III & Hollenbeck, 2010).

Managers can use knowledge about organizational behavior in different cases. When it comes to understanding the behavior of smaller groups of workers, knowledge is used in activities such as motivating workers, providing appropriate forms of work for the worker, assessing performance, and helping workers set goals, in order to have a realistic chance of obtaining a certain prize. When these managers are in contact with their superiors, knowledge of organizational behavior can help them understand leadership, power and political behavior, decision-making process, organizational structure and culture. Organizational behavior also helps managers with an easier understanding of their own needs, motives, behaviors and emotions. This can help them with decision-making skills, coping with stress, improving communication, and understanding career development. Managers are often in contact with various co-workers within the organization; then it helps them understand interpersonal differences, group dynamics, organizational culture, and power so that these interactions can be more effective. All this helps them to cooperate with people outside the organization (suppliers, customers, competition, union representatives ...) and to understand the environment, technology and global issues (Griffin & Moorhead, 2014).

Organizational Energy

Bruch and Ghoshal (2003) define organizational energy as a force with which the organization operates. This involves interweaving the organization's emotional, cognitive and physical energy. Organizational energy is a human power shared by the leaders and employees of the organization as a whole or individual work unit; it is not merely the sum of energies of all individuals in these organizations or work units. Understanding the concepts related to individual energy contributes to the understanding of organizational energy, but managers should be aware that organizational energy is much more (Bruch & Vogel, 2011). The energy of an individual affects organizational energy and vice-versa – organizational energy has an impact on the energy of the individual (Bruch & Ghoshal, 2003). Organizational energy is the sum of the energies of all individuals, adding the sum of the energies of social networks within and between the teams, and ultimately adding energy generated by synergic integration and combination of all other forms energy (Schiuma, Mason & Kennerley, 2007). The role of organizational energy in the organization can be compared with the role of metabolism of an organism (De Nitish, 1981).

The basic characteristics of the dynamics of organizational energy are (Loehr & Schwartz, 2006):

1. If the organization wants to make the best use of its potential, it must take advantage of physical, emotional, mental and spiritual energy.
2. The consumption of organizational energy must match its restoration.
3. When collective capacity is increased, organizational energy capacity also increases.
4. For the functioning of the organization, the most important sense is the common purpose based on common values.
5. Leaders are those who manage organizational energy; they supplement, guide, transmit, renew and focus it.
6. Successful managers are aware that very positive organizational energy is the basis for a high level of productivity.
7. The consistency, quantity, quality, orientation and power of available energy are affected by compatibility.

Energy in the organization can fluctuate between two dimensions: intensity and quality (Bruch & Ghoshal, 2003). The intensity of organizational energy reflects the level of activated emotional, cognitive and behavioral potential in the organization. We distinguish between high and low intensity. High intensity means a high level of emotional involvement, mental activation and cooperation, while low intensity means a reduced level of these states. The quality of organizational energy is reflected in how the organization uses its energy - how much the emotional, cognitive and behavioral forces within the organization coincide with the organization's core objectives. We distinguish between positive and negative energy. Positive organizational energy involves the constructive exploitation of the organization's potentials. In this case employees direct their emotions, mental agility, thoughtfulness, effort and activities to the benefit of the goals of the work unit or the entire organization. Negative organizational energy reflects a lack of focus on the overall organizational goals (Bruch & Vogel, 2011).

Different combinations of intensity and quality of energy result in four different energy states (Bruch & Ghoshal, 2003). These are: productive organizational energy, corrosive organizational energy, the energy of resigned inertia, and comfortable energy. These states do not exclude each other, but act independently of one another; hence, each organization can experience all four energy states at the same time. One must study how important each energy situation is for the organization and which one of them prevails (Bruch & Vogel, 2011).

Productive Organizational Energy

Productive energy is a shared experience and a display of positive emotions, cognitive excitement and proper behavior among members of the unit in their joint pursuit of important organizational goals. Emotional energy refers to a shared experience of positive emotions and emotional arousal due to enthusiasm over the challenges of the job. Cognitive energy refers to shared intellectual processes that lead members to constructive thinking and perseverance in finding workplace solutions, including mental focusing capabilities, exclusion of external disorders, and the desire for better things. Behavioral energy can be seen in the effort of all members for the good of the organization, which includes the pace, intensity and extent of physical resources that members are deliberately investing (Cole, Bruch, & Vogel, 2012).

Organizations with a high level of productive energy notice strong positive emotions and a high level of attention and activity among employees. Employees communicate with each other and work much faster, they are driven by enthusiasm, positive agitation, joy and pride (Bruch & Ghoshal, 2004a). High level of organizational energy makes the employees ready to invest more effort, be more productive and creative, and positively impact their colleagues. When employees in an organization are energetic, it makes everything much easier (Hogenes & Schippers, 2011). When a high level of productive organizational energy is present, a phenomenon named 'Hot Spot' occurs (Gratton, 2007); with it in the organization, every individual feels the power of energy. Employees are consequently full of ideas, joy and enthusiasm. These are periods when ideas and insights of individuals are matched and upgraded, followed by new ideas and innovations. When working in such an environment, one shows a lot of enthusiasm and is aware that the achievement of their organization is important and has some purpose. Individuals enjoys such an environment, which makes them healthier and happier (Gratton, 2007).

Comfortable Organizational Energy

Organizations dominated by the comfortable energy are characterized by weak, but positive emotions, such as calmness and self-contentment. They lack the internal vitality, readiness and emotional tension that are essential to move forward or to make a change in the organization. Such organizations usually stagnate and have no problems until a change occurs in the environment. Then, they become victims of external change, as they are not able to direct energy into fast controlling of sudden environmental changes (Bruch & Ghoshal, 2004a). When the energy of comfort prevails in the organization, managers fail to persuade their employees to invest more effort. If there is also a very low level of productive energy in addition to the prevailing energy of comfort, it means that employees are too satisfied with the current situation and want to maintain a “status quo”. This is seen in the organization as routine behavior and a low level of commitment on job (Bruch & Vogel, 2011).

Energy of Resigned Inertia

For organizations dominated by the energy of resigned inertia, a low energy level is characteristic, and negative emotions, such as fear and disappointment, dominate. Characteristic are low levels of emotional commitment, alertness and effort. Employees do not feel connected with the organizational goals, so they often distance themselves from each other and from the organization as a whole. Such behavior can lead to slower work processes within and between units of the organization (Bruch & Ghoshal, 2004a; Bruch & Vogel 2011). A high level of this kind of energy can occur after unsuccessful attempts to make changes in the organization; employees become cynical and desperate. Another reason may be that employees notice that the organization cannot follow the market requirements. They lose confidence in the organization’s ability to cope with problems and challenges and passively start to give up (Bruch & Ghoshal, 2004a). Such organizations lose significant human potential, which is needed to upgrade daily jobs. Such an energy situation in the organization causes the loss of the best personnel; the effectiveness of the organization decreases due to weakened compliance, as the units do not follow their goals and do not implement changes, urgent for its existence (Bruch & Vogel 2011).

Corrosive Organizational Energy

Organizations dominated by corrosive energy display a high degree of energy, with a strong experience of negative emotions, e.g. anger, fear and hatred. This means a strong destructive intensity, which is essentially the worst kind organizational energy. It usually occurs when there is an external threat or possibility that activates the organizational energy, while simultaneously being limitations, a general perception of injustice and a lack of integrity within the organization, which quickly nullify the initial momentum and team spirit (Bruch & Ghoshal, 2004a). Organizations dominated by this type of energy, spend time on resolving internal disputes or on internal policy activities. Employees in such organizations follow only their own interests. The main causes of corrosive organizational energy are negative competition between groups within the organization, the egoistic behavior of each group, leaders or employees, and corrosive energy in the organization’s management groups. These organizations run out of energy for customer and market issues, as well as for interacting in processes, as they are used elsewhere. Such organizations lose money already at the level of a single unit. The unit's ability to direct the common knowledge into development and future products is very important for the organization, services and the market. Without it results cannot be good (Bruch & Vogel, 2011).

Organizational energy begins with the energy of key people in the organization. Leaders are those who excite others and redirect their work towards a common goal (Schippers & Hogenes, 2011). Depending on how effectively managers handle their own energy, they can inspire or demoralize their colleagues, accelerate, focus, invest and renew the energy of all the individuals they lead (Loehr & Schwartz, 2006). Leaders can, through different approaches, direct the organization's energy towards productive organizational energy. The strategy of slaying the dragon is one of these approaches, where managers direct the employees from their comfort zone by directing their emotions, attention and actions towards the threat that needs to be overcome. The next is the strategy of winning the princess: leaders direct employees towards a productive zone by accurately presenting the hard-to-reach target. The third strategy is a combination of these two. The strategy of slaying the dragon at the gates of the princess – the leaders direct the energy of employees towards productivity by presenting the desired goal as one that can only be achieved, if the threat endangering this goal can be overcome (Bruch & Ghoshal, 2004a).

Despite the fact that most managers develop a sense of what kind of energy is dominating in the organization, after a certain time, it is very difficult to work out plans for using strategies and planning for the future on these sensations. For the latter it is very useful if we use a measuring instrument called the Organizational Energy Questionnaire - OEQ. This is a standardized research instrument, through which one measures and analyzes the energy profile of an organization, a department or team. A questionnaire with 12 or 36 questions can be used. Both forms are useful, but the questionnaire with 36 questions gives a much more detailed insight into the organization's energy profile. The questionnaire with 12 questions consists of three statements for each energy state; participants indicate how much they agree with them. The measurement result is an index of organizational energy and tells us the extent to which an individual energy state is present in the organization, department or team (Bruch & Vogel, 2011).

The release of potential productive energy (Hot Spots) depends on a dynamic combination of three elements: a common way of thinking, which includes intellectual, emotional and social capital; the limitation of integration, which implies the depth and extent of relations within focal points; and creating a purpose that releases energy by creating questions, visions and tasks (Gratton, 2007). The ability to maintain this productive energy also depends on the fourth element: the productive capacity. Here it is important how many employees are trained in five productive practices: to appreciate the talents of others, to commit, to resolve conflicts, to manage time, and to apply the rhythm. For the release of organizational energy, one must create a culture of agents in the organization (Bruch & Ghoshal, 2004b). Leaders do this by:

1. Unlocking the power of one's own will: leaders must become agents themselves before creating a culture of agents.
2. Establishing a supportive environment for actions: a space for independent tasks, setting up processes for providing professional, social and emotional support, and the development of a culture that appreciates the responsible use of will-power.
3. Release of organizational energy: the mobilization and directing of energy towards fundamental strategic initiatives.

4. Create a desire for action at the level of the entire organization: employees must stimulate the ability to create dreams. This can be achieved by means of challenges (goals that are difficult to achieve), in which they make the goal subjectively relevant to employees.

In the organization context, energy depends on two factors; on the characteristics of individuals involved in the interaction and relationships the between them; secondly, the balance of the following dimension in interaction (Cross, Baker, & Parker, 2003):

- The energy levels of individuals get increased by interactions in which an attractive vision is created.

Energy is usually created in interactions that focus on options rather than past or current problems. These options, visions must be inspiring and worth the individual's effort and time. They must also be realistic, since unrealistic visions can absorb individual energy.

- The energy levels of individuals get increased by interactions in which they can make a meaningful contribution.

Individuals who emit energy, can create opportunities; they can also remain part of the conversation or solve problems in a way that they feel heard. Individuals, who absorb the energy of others, can neither offer these opportunities nor appreciate the opinions of others. This does not mean that all suggestions should be taken uncritically. It means that we know how to appreciate those who are effective, those who are not, but we must be able to master it in such a way that colleagues do not feel unappreciated.

- The energy levels of individuals get increased by interactions in which the participants are fully engaged.

It is important that individuals can make a meaningful contribution to the interaction while learning from one another. Here, body language matters; it can indicate a lack of attention if the group deals with several things at the same time, and the individual can notice who is really listening. Such interactions require a lot of intensive mental activity, but if there is too much of it, the activity may begin to absorb the energy of the participants.

- The energy levels of individuals get increased by interactions, which are marked by progress.

Individuals who emit energy have a certain goal (an attractive vision), but they are flexible about how to reach this goal. Thus progress can be made in an unexpected direction, as others themselves determine how the idea/project will move forward. On the other hand, those individuals who absorb the energy of others already determine in advance how to achieve a potential goal and not allow others to change anything.

- The energy levels of individuals get increased by interactions with hope.

One does not necessarily like the task or the manager of the project on which one works, in order to increase one's energy level. Here hope matters, for the individual to begin to believe that the goal is worth the effort and that it can be achieved. One focuses on options. Individuals who emit energy have two properties that influence the sense of hope in others. They are honest, even when truth is not easy to hear for others and they maintain integrity between their words and actions – they fulfill their promises. Because of these qualities, others trust them.

RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL ENERGY

The main claim that the authors support is that organizational culture affects organizational energy. Leaders need awareness of this, and when using this knowledge, they also must use knowledge on organizational behavior.

For the organizational success and efficiency one needs a high level of productive organizational energy. Employees must be satisfied on job, motivated and full of positive feelings, such as joy, happiness, pride and enthusiasm. Organizations can achieve this when they know what motivates their employees and what these employees expect from the organization (the field of organizational culture). In order for a manager to recognize what motivates employees, he/she must know organizational behavior. Within the organizational culture, employees need knowledge what is expected of them, what they can expect from others, what they can and should not. They must be aware that their failure to comply with the rules, may cause their leaders' and colleagues' disapproval. The organizational culture includes norms. If employees understand and agree with them, they their purpose and reasons to do what they do. Norms, rules and values give employees a sense of order and security within the organization.

A precisely defined organizational culture and knowledge on organizational behavior can also significantly influence the prevention of the occurrence of negative energy states in the organization. If the organizational culture is not strong enough or is insufficiently defined (even personalized), employees can begin to pursue their personal goals rather than the organizational goals. Leaders can recognize negative behavior within the organization soon enough, if they know organizational behavior. They are also aware that minor deviations may spread rapidly across most of the organization. Manager must therefore recognize negative behavior or emotions soon enough, and resolve the situation before its significant impact on employee productivity and the organizational effectiveness. This, combined with organizational energy, can mean that the manager must notice when the level of negative energy states begins to rise – energy of resigned inertia or corrosive organizational energy. When the organization is dominated by the energy of resigned inertia, employees have negative emotions, are mentally exhausted, and the low level of collective involvement prevails. This can mean a very weak organizational culture, or none at all. Employees do not feel the needed connection to the goals of the organization, or the organization's objectives are not clear enough, or the organization's norms may insufficiently support productivity or change. Even worse for the organization is the corrosive organizational energy, where employees have strong negative emotions and a high level of energy, but they use it to solve on-job conflicts. Internal conflicts and disagreements can result from a lack of organizational culture, inadequately defined rules and norms that employees can represent in their own way. In the long run, such a situation could endanger the organization's existence. With comfortable energy, employees show a high level of satisfaction at the workplace. This energy situation is bad for organizations because of the low level of activity, decreased mental alertness and high level of laziness. If this knowledge is linked to an organizational culture, it follows that organizational culture poorly supports productivity or change, therefore it supports “status quo”. Leaders should use knowledge on organizational behavior (motivation of employees) and knowledge on strategies for the release of productive organizational energy.

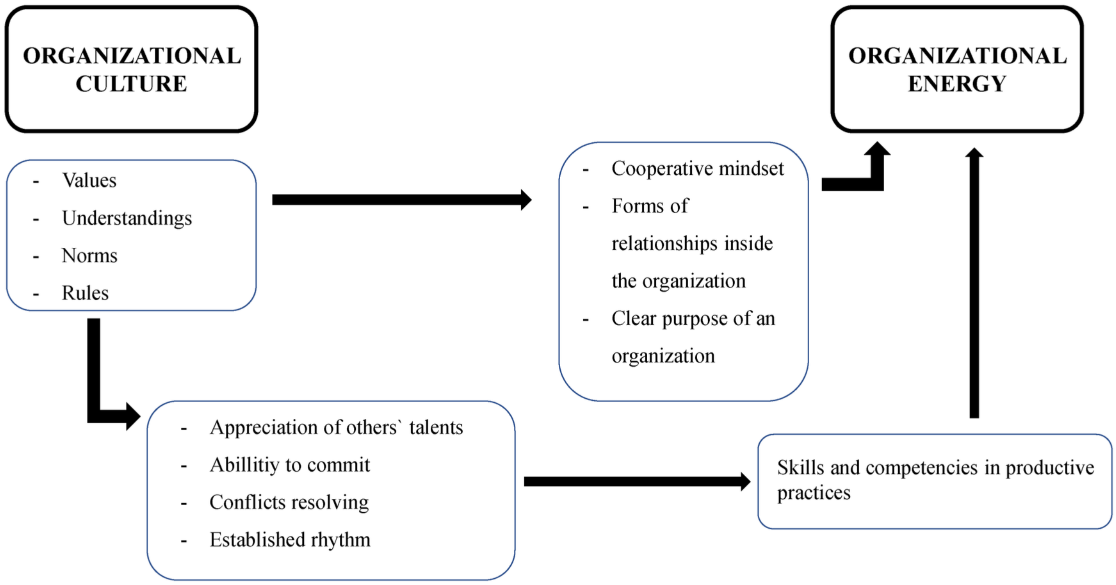
If you want to combine organizational energy with the types of organizational culture by Deal & Kennedy (1983), you could associate a high level of productive organizational energy with Work-hard-play-hard culture. Given that employees in organizations with this type of culture know the importance of team work, members must agree on the norms, rules, goals and values that they should follow in order to achieve a truly high quality team performance. Because such cultures rarely take risks, it means that members must be able to discuss any disagreements in order to reduce the likelihood of risk. Quick feedback to an individual about his/her success can give him/her additional impetus that ensures greater productivity. The ability of an organization to relax also is very important, as employees in the organization feel better, relax after a period of turbulence, and accumulate energy for the next tasks. This ensures productive organizational energy. If an organization allows an employee to be relaxed at the workplace, it gives him the feeling that he is valued in the organization, which again leads to productive organizational energy. The low probability of taking risks in the organization gives the employee a sense of stability and reduces the likelihood of feeling uncertainty or stress on job.

It is apparent that leaders have the key role at the managing of the organizational culture as to managing of the organizational energy. They must pay attention that the organizational culture (its norms, values, goals ...) matches requirements on the market and attracts every employee. Otherwise, they must start analyzing the organizational culture and defining possible changes. As part of organizational energy, leaders are the ones who recognize the level of organizational energy (or better – measure the level of organizational energy) and choose suitable strategies for cases when an unwanted state occurs in the organization.

Organizational Culture and the Conditions for the Release of Productive Organizational Energy

As the authors of the paper discuss the basic conditions that were identified by various authors (Gratton 2007, Bruch & Ghoshal 2004; Cross, Baker and Parker, 2003) as important for the release of productive organizational energy, one can see that organizational culture can provide most of them. The conditions stated by Gratton (2007) are definitely related to organizational culture, as it is the one that ensures that employees have a common way of thinking on the intellectual, emotional and social levels. The very definition of organizational culture states that these patterns determine how the work is organized, how one functions and thinks. Organizational culture also determines the relationships between employees, but at the same time ensures that employees, who do not participate in the work, share something: the common values, norms, rules that apply to the entire organization. The organizational values that are part of the organizational culture can be derived from the organizational purpose. Organizations that have an appropriately established organizational culture have well-defined values, norms and rules and have a purpose to follow, as one of the conditions for achieving high levels of productive organizational energy Gratton (2007). The author also adds the fourth condition that influences how long the organization will remain in the productive zone and is linked to the productive capacity of the organization and its employees. At least two of these productive abilities are related to organizational culture – it ensures that employees are ready to commit themselves to the organization, and at the same time, as part of a well-

Figure 1. Model of organizational cultures` effect on organizational energy



established organizational culture, how conflicts are resolved. One must realize that the establishment of an organizational culture itself reduces the number of conflicts within the organization, as employees are aware of and agree with the values and rules that apply in the organization.

Figure 1 presents the model of the impact of the organizational culture on organizational energy. It contains the points mentioned by Gratton (2007); they are necessary for the release of productive organizational energy, for the emergence of Hot Spots (focal points). According to this model, organizational culture influences organizational energy on two levels; the activation of the organizational energy, and the maintenance of the productive organizational energy when the organization has already started releasing it. Therefore, it makes sense that an organization has a culture that can support the release of productive organizational energy at both levels.

Organizational culture, by means of values, beliefs, norms and rules, affects the common way of thinking, determines the forms of relationships within the organization and ensures that employees have a clear picture of the organization purpose. This affects organizational energy, as employees in such a culture know what is their purpose, what they tend to as a whole, and how they should work in the organization. Otherwise, the energy used in the organization might be used to reconcile different opinions, the employees would not know what was expected of them and what kind of relationships they should have at work. If everything is learned and is part of a common agreement, energy can be directed towards achieving the organization's goals and increasing productivity and performance. The organizational culture also determines how the talents of others are appreciated, influences the ability to commit to the organization, solve potential conflicts, and establish a rhythm. This impacts directly the development of skills and competences important for greater productivity in the organization. And when the level of productivity in the organization is high, the productive organizational energy dominates it. In order to maintain it, culture must continuously provide conditions in which employees will not think how to deal with conflicts, what is right and wrong, but will focus on how best they can show and exploit their potential.

The model, perhaps, can help more the leaders than employees. It helps to understand why organizational culture is important and how appropriate culture can strengthen organizational energy and release productive organizational energy. In any case, the manager must know that the organizational culture that has not been accepted by all the members of the group cannot strengthen productive organizational energy. Because disparity in the culture within the organization can weaken organizational energy, it sooner or later leads to disagreements and conflicts. Hence, managers should pay attention to the fact that the organizational culture, which has been recognized as the most appropriate, has been adopted at all levels of the organization, and they must be examples. Only then can organizational culture strengthen organizational energy.

The release of organizational energy requires the establishment of a culture of agents (Bruch & Ghoshal 2004). The characteristics that they mentioned are thus essential for the release and the preservation of the productive level of organizational energy. Characteristics of employees and of the relationships that arise among them matter (Cross, Baker & Parker 2003). Values, norms and clear rules that arise within the organizational culture help improve the quality of relationships between employees. Since the organization's employees agree with an organizational culture, they have common attributes. If the characteristics of an employee do not match the characteristics of the organizational culture, such employees could not contribute to the productivity of the organization. The authors also emphasize the importance of certain dimensions in interactions; they are strongly linked to the way of communication (emphasizing the vision rather than past problems, the possibility of contributing to the interaction, emphasis on progress, hope, and trust), which can also be determined by the organizational culture, and constructs such as motivation and leadership (Lorber et al. 2016 and 2017), which are part of the managing of organizational behavior.

SOLUTIONS AND RECOMMENDATIONS

Organizations that want to be successful and efficient must have a clearly designed organizational culture, based on which they can work towards the best possible organizational energy. This culture will additionally help them with knowledge on organizational behavior, which all managers should have. This must be taken into account at all organizational levels. So, if we start employing, we must pay attention to whether the characteristics and values of the potential candidate for employment match the organizational culture, and ask whether these employees will be able to contribute to the productive energy in the organization. In the case of existing employees, attention should be paid to behavioral changes that could disrupt the organization's culture and negatively affect organizational energy. Disagreements and negative energy by perhaps only two individuals can quickly spread onto the entire team, later to the department and in the worst case to the entire organization. Continuous monitoring of organizational behavior, care for the transfer of values, norms and rules of organizational culture to new employees, and efforts to achieve the highest level of productive organizational energy are therefore crucial.

It should be noted that organizational culture is not the only one that affects the release of organizational energy. Knowledge on organizational behavior does not only help recognize the behavior of individuals in the organization in order to respond to unconstructive behavior as quickly as possible, but also to manage concepts such as motivation, leadership, learning, conflicts, stress, etc. All of these are concepts that matter for ensuring employees' productivity. In this step, organizations should be aware that managers who do not have this knowledge, cannot control and direct employees and their energy. It is very important who manages people, since this is directly related to the management of human resources and its functions in the organization.

Organizations, who perceive that their culture is weak, resulting in employees not identifying themselves with it, must go through the process of changing their organizational culture. They must think carefully about this step, as a constant change in organizational culture could lead to chaos and could jeopardize the organization's existence. Before the change, the management must consider which values, norms and rules it wishes to establish (Potočan & Nedelko 2015). Until the management itself achieves a consensus, it cannot effectively transfer their culture onto other employees. For this are important also management tools (Nedelko et al. 2015).

For the sake of efficiency, the authors of the paper first advise the establishment and strengthening of the organizational culture. In doing so, organizations can help with the establishment of rituals such as morning coordination, shared meals, celebration of birthdays ... Communication is also particularly important, with which employees are clearly told what the goals of the organization are, what the real situation is, what is expected of them, what rules the organization has, what kind of behavior is not approved ... Organizations can describe these points in manuals for their employees. Although the rules, norms and values are clear and self-evident, the fact that they are written down increases their credibility and weight. Employees can read them at any time if they feel unclear and would like to know what is expected of them. Sometimes it may happen that the culture in the organization is clearly set, but there are no clear goals towards productivity. In this case one must activate/release the productive energy of employees. Strategies, mentioned above, can be used (the strategy of slaying the dragon, the strategy of winning the princess, and the strategy of slaying the dragon at the gates of the princess). It should be noted here that it does not matter which strategy will be used. Before using the strategy, the manager must carefully examine the employees and their behavior, using knowledge on organizational behavior, and know the current state of the organizational energy in the organization.

Regular measuring of organizational energy in an organization and comparing the results of analyses in order to determine which situations, events, or changes have impacted organizational energy in both positive and negative direction is advisable. In order to release the productive energy of employees who experience negative emotions in the workplace, we do not recommend the use the taming the dragon strategy, as an additional threat could have a negative impact on the productivity of those employees. The strategy of taming the dragon is appropriate when employees are satisfied, but on the other hand they lack the momentum, which is reflected in an increased level of laziness. The threat from the environment awakens them and causes them to come together and overcome it. The strategy of winning the princess is just the opposite – this strategy is appropriate when employees feel negative emotions on job and do not recognize common goals, and the prospect of an attractive future gives them hope and momentum as they represent the goal which they strive towards. In the case of employees who are satisfied and lazy on job, productivity will not grow due to the promise of a better future, as they already perceive the current situation as satisfactory.

FUTURE RESEARCH DIRECTIONS

For further research, the authors propose primarily a study to support the findings obtained through professional that organizational culture affects organizational energy. Such research should include types and forms of organizational culture, and the comparison which organizational culture has a more positive impact on organizational energy. Some of the characteristics of organizational culture and their link with organizational energy could also be highlighted. In order for the results to truly support the authors' claims, the survey should cover a larger sample (several different organizations), with multiple variables. It would also be interesting to explore what aspects of an organizational culture have the most powerful influence on organizational energy and which ones need no precise definition making the organizational energy remain productive. One should investigate the possibility that the organizational culture is precise and the employees agree with it, but its properties are harming the organization's effectiveness. If one discovered characteristics that can hurt organizational energy, although the culture that dictates them is strong, they should be carefully investigated and identified. If we followed a theory that the release of productive organizational energy is necessary, i.e. the culture of agents, it would be wise to check to what extent the organizational culture can deviate from it, to avoid a negative impact on productive organizational energy and make the release of productive organizational energy remain possible.

Discussion and research could also proceed in the direction of verifying the impact of organizational energy on organizational culture: is it positive or negative? What are the concrete examples of the first or the second and what should leaders be careful about? How can the latter affect the organizational culture and organizational energy? This contribution deals primarily with measures that managers can implement in order to improve organizational energy, also through the establishment of an organizational culture. However, the performance of all this has to be influenced to a certain extent by the characteristics of the leaders as individuals. Naturally, there is knowledge on organizational behavior, which is also mentioned in the paper, but there are still aspects, such as the abilities and personality of the leader. Can the two influence both the organizational culture and the organizational energy, and to what extent? Can it possibly affect one without affecting the other?

The issue that arises is also how external factors such as competition, the environment and changes on a global scale influence organizational energy. How much each of these constructs can directly affect organizational energy and how much it can affect it through the impact on organizational culture? A particular challenge for the organization and for the creation of an organizational culture can also be different cultures, where organizations have to adapt their organizational culture to a certain social culture (or more), while ensuring that employees from all these cultures will have a sense of belonging to a larger whole. This means that they must also have some characteristics of the organizational culture that apply to everyone and to the organization as a whole. Based on the successful coordination of the aforementioned, the impact on the release of productive organizational energy can be foreseen.

CONCLUSION

Organizational energy is energy with which the organization operates. Organizations can distinguish themselves from other organizations by the type of energy that prevails in them. Is this perhaps corrosive organizational energy, which is the worst type of energy for the organization and can even jeopardize its existence? Is this perhaps the energy of resigned inertia where employees do not feel connected with the goals of the organization and do not care? Is this perhaps comfortable energy, in which employees are satisfied with the situation, as it is, and do not show any desire to achieve more or make any changes? Or is it the energy, where employees are full of pride, joy and momentum, and invest a lot of effort and energy towards achieving the goals of the organization? The role of the leaders is, first, to ask themselves these questions and find answers to them. Leaders who have already spent a big amount of time with their teams can quickly feel what energy prevails. However, it is difficult to determine which strategies to use based on these perceptions. There are questionnaires for measuring organizational energy and, on the basis of results, help choose a strategy to try to raise the level of organizational energy. Choice of strategy matters, since each of those energies has its own purpose, and can only support a team with certain characteristics. The leader must know his/her team or organization well before deciding on a strategy for raising the level of productive organizational energy. Authors have already touched upon the links between organizational culture and organizational energy in their contributions, but could not determine who was specifically involved in this. In particular, the aspects that the authors recognized as the characteristics of organizational culture were used as preconditions that the organization must fulfill in order to promote productive organizational energy. If an organization wants to direct employees towards the release of productive organizational energy, they must first ensure that they have a common way of thinking. Common values, norms, rules that apply to all employees are an example of how an organizational culture can affect organizational energy, as it is precisely the one that sets them up. Employees must also understand the rules of relationships and communication with their superiors and their colleagues inside and outside their work team. For example, the organization can encourage healthy competitiveness, participation, involve employees in decision-making processes, and take into account their views. And of course, with clear rules, norms and values, the goals and the basic purpose of the organization should be followed. If the employee knows why he/she does the given work and sees sense in this, he/she will work better, with greater enthusiasm and joy. The environment and conditions include permission for the organization to think towards the release of productive organizational energy. Some authors concentrated on designing the characteristics of the culture necessary for the release of organizational energy. It is not only important for them that organizational culture is in place, but it is also important to know what its characteristics are and what it encourages. To put it differently, it is not only important that employees follow the same purpose, values and norms and adhere to the same rules. It is also important, what the purpose is, what the values and norms are, and what the rules are.

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KEY TERMS AND DEFINITIONS

Comfortable Energy: The state of organizational energy, characterized by laziness and satisfaction with the current situation in the organization.

Corrosive Organizational Energy: The state of organizational energy, characterized by strong negative feelings and energy consumption due to internal disputes, which can lead to the destruction of the organization.

Energy of Resigned Inertia: The state of organizational energy, characterized by weak negative emotions and a sense of nonconformity with the goals of the organization.

Organizational Behavior: A research field that deals with how individuals, groups and the organization as a whole behave and why they behave that way.

Organizational Culture: A set of organizational attributes such as values, norms and rules, which apply to all employees.

Organizational Energy: The energy the organization operates with.

Productive Organizational Energy: The state of organizational energy, characterized by a high level of productivity and positive feelings at the workplace.

Chapter 4
Critical Systems Perspective of Strategic Decision Making:
The Role of Values and Context

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ABSTRACT

Growing complexity and diversity of strategic decisions indicate the need for applying the appropriate holistic tools in strategic decision making. Thus, the chapter deals with the process of strategic decision making from the viewpoint of critical systems thinking, with emphasis on the role of values and context in strategic decision making. The main purpose is to show how systems thinking generally and critical systems thinking particularly can help decision makers involve different perceptions and values in the process of strategic decision making, as well as take into account context in which the strategic decisions are made. Considering the key internal and external factors affecting strategic decision making, the authors have selected three systems methodologies stemming from different paradigms: soft systems methodology as interpretive, team syntegrity as emancipatory, and organizational cybernetics as functionalist systems methodology. The way in which they can be combined, aimed at improving effectiveness of strategic decision making, has been presented.

INTRODUCTION

Strategic decision-making has emerged as one of the most important areas of current management research that has arised from such research traditions as behavioral decision theory and transaction cost economics (Schwenk, 1995). However, despite a substantial body of literature, it is still widely recognized that our knowledge of strategic decision-makingprocessesis limited and is mostly based on normative or descriptive studies and on assumptions most of which remain untested (Pettigrew, 1990; Rajagopalan,

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Rasheed, & Datta, 1993). As Eisenhardt and Zbaracki (1992), put it, despite the crucial role of strategic decisions, "the strategy process research has not departed significantly from a stage of being based on mature paradigms and incomplete assumptions"(p. 17). In particular, the need has been recognized for integrative research which explicitly considers the impact of context on strategic decision-making processes (Rajagopalan et al., 1993; Schwenk, 1995).

Furthermore, modern circumstances, resulting in increasing complexity of contemporary business environment, require new creative approaches to strategic decision-making and problem solving. This need is more obvious at strategic level, since managers in contemporary companies are dealing with growing complexity, dynamics and diversity, and do not have appropriate instrumentarium for solving these strategic problems.

Due to ambiguity and uncertainty of strategic problems, strategic decisions, as outcomes of strategic problem solving/strategic-decision process, are unstructured or insufficiently structured. In addition to this, complexity, openness, and novelty can be distinguished as key characteristics of strategic decisions (Babić, 1994, p.63). In fact, strategic problems and strategic decision-making are characterized by extreme complexity, dynamics, interactivity, diversity, and ambiguity. Therefore, strategic problems in contemporary organizations should be researched as management problem situations, i.e. as a system of real management problems (Rosenhead, 1996; Jackson, 2003, p.18).

Strategic decision-making is a process influenced by different past, present, and future circumstances, and is oriented towards the organization's mission and vision of where it wants to be in the future. Therefore, it consists of a set of activities that top managers and other organizational members undertake from the moment of strategic problem formulation to the moment of its solving. Accordingly, various factors affect the nature and outcome of strategic decision-making. Interdependence, uncertainty, and complexity of these factors complicate the process of making "right" strategic decisions. Therefore, researching these factors becomes a relevant research area, and different researches deals with this topic. In fact, these researches analyze many of different strategic decision-making factors, but the knowledge of how they can be systemically conceptualized and researched is limited. It is a relevant reaseach gap, which this paper aims to overcome. The mainpurpose of the paper is, therefore, to demonstrate how systems thinking generally and critical systems thinking particularly can help decision-makers involve different personal/organizational values and environmental chatracteristics, i.e. to take into account different context in which strategic decisions are making. As a relevant paradigm in contemporary systems thinking, Critical Systems Thinking (CST) is suitable for the systems characterized by different power of participants, conflicts, as well as coercion. At the same time, as an appropriate conceptual framework for combining the systems methodologies, CST is aimed to support holistic managing of the diversity of systems approaches, that is, to reveal the ways of appropriate combined use of diverse systems theories, methodologies, methods and models in order to respond to complexity, change and diversity of problem situations in contemporary organizations (Jackson, 2019).

Respecting all the above, the paper is structured as follows. First of all, the nature of strategic desicion-making process, as well as the key factors influencing and determining the context of strategic desicion-making process,are analyzed. Since factors affecting the formulation and solving of strategic problems can generally be considered as internal and external, the paper deals with characteristics of decision-makers (personal values, opinions, perceptions or behavioral characteristics of decision-makers), organizational characteristics and values, and environmental characteristics as the key contextual factors. In addition, the process of strategic decision-making is holistically conceptualized and researched. In this regard, and respecting the importance of strategic decisions for companies′ survival and development, the analysis of strategic decision-making process in conceptual framework of critical systems thinking presents a relevant research area. It implies showing the role of values and context in strategic decision-making, and the ways various systems methodologies and their combined use can help decision-makers handle these factors in the process of strategic decision-making.

THE NATURE OF STRATEGIC DECISION-MAKING PROCESS

The main purpose of strategic decision-making is to identify strategic orientation in organizational development, and to create competitive advantage by improving the future strategic position of companies. The key point is that these decisions directly affect nature and success of the firm. One of the main characteristics of strategic decisions is their lack of structure, mainly due to ambiguity and vagueness of strategic problems and strategic decision-making processes (Mintzberg, Raisinghani, & Theoret, 1976). In addition to poor structure, complexity, openness, and novelty can be extracted as the three basic characteristics of strategic decisions (Babić, 1994, p. 64). Therefore, strategic problems in contemporary organizations should be researched as management problem situations, i.e. as a system of complex, interactive, dynamic, and multi-meaning real management problems. Those are undefined or ill-defined real management problems or messes, characterized by the following (Hicks, 2004, p. 18): "they do not have a definitive problem description, each problem is essentially unique, there is no certain way of knowing when you have reached the best solution, they have an infinite number of possible solutions, etc".

Strategic decision-making is incremental and interdependent process shaped by different influences of past events, present circumstances, and future perspectives (Eisenhardt & Zbaracki, 1992). The process of making strategic decisions involves a set of activities that top managers and members of the organization undertake from the formulation of strategic problems to their solving. These activities include a set of sub-processes, such as problem identification, alternative search and evaluation, and persuasion and negotiation in the process of selection, which take place at different organizational levels, and, to some degree, involve top managers, as well as other members of the organization (Babić, 1994, p. 14). So, this is a proper complex, dynamic, interactive and multi-meaning system. In accordance with the underlying assumptions, nature of the problem to be solved, conditions under which decisions are made, and criteria on the basis of which the best alternative is selected, there are three basic dimensions of the strategic decision-making process: rationality, intuition, and political behavior (Elbanna & Child, 2007). Therefore, decision makers are rational or boundedly rational and decision-making is a political process in which the powerful dominates (Wollman & Steiner, 2017).

"Rationality is the reason for doing something and to judge a behaviour as reasonable is to be able to say that the behaviour is understandable within a given frame of reference. Rational processes have long been recognized as a central aspect of strategic decision making and have been intensively subjected to both theoretical and empirical investigation in the literature of decision making" (Elbanna & Child, 2006, p. 434). Starting from this point of view, rational decision-making involves systematic observation and analysis of the environment, evaluation of internal strengths and weaknesses, setting goals, evaluation of alternative courses of action, and development of a comprehensive plan for goal achievement (Tani & Parnell, 2013, p. 94). However, rational decision-making process is difficult to achieve, which is why theory and practice focus much more on subjective, bounded rationality, which, due to the limited knowledge of decision-makers, leads to satisfactory, rather than optimal solutions (Campitelli & Gobet, 2010).

Often, strategic decisions are made not on the basis of careful deliberation, but on the basis of intuitive "gut-feel"(Bresnick & Parnell, 2013, p. 95). Although some authors have argued that intuition has an important role in strategic decision making, there has been little empirical research related to interdependence between intuition and strategic decision-making outcomes. Moreover, one of the basic assumptions about strategic decision-making process is that rational processes leadto choices that are superior to those coming from intuitive processes (Elbanna & Child, 2007). However, the role of intuition in the strategic decision-making process can be important dimension of strategic outcomes. Furthermore, understanding of intuition can help decision-makersin improving quality decisions. Intuition can be defined as such a feeling or knowledge that cannot be explained. It is based on past experience, knowledge, and values of decision-makers, as well as ethical values and organizational culture (Sikavica, Hunjak, BegičevićReđep, & Hernaus, 2014, p. 257). Intuition is the most important dimension of the strategic decision-making process in situations where decision-makers do not have the relevant information and necessary resources for systematic analysis and evaluation of alternatives, but make a decision based on personal feelings, knowledge, experience, and judgment abilities, usually in a short period of time.This can be reasonable when decision-maker has made similar decisions previously, and has received good timely feedback on their outcomes (Tany & Parnell, 2013, p. 95). Therefore, bias and heuristics in human reasoning result in decisions that deviate from optimal solutions (Bresnick & Parnell, 2013, p. 36). However, the use of heuristics can also have negative consequences and lead to poor problem solution. Thus, identification of "psychological traps" and bias faced by decision-makers should help improving the effectiveness of strategic decision-making. Howard & Abbas (2016, p. 351) pointed out that "cognitive biases are thought process errors that cause a person's beliefs to improperly reflect his or her perceptions".

Political processes stand for a key dimension of strategic decision-making, when decision-makers have different goals and form a coalition through which they can achieve the determinated goals (Elbanna & Child, 2007). The political processes are based on distribution power. Accordingly, the political power of decision makers can be seen as the basis for acquiring the key organizational resources which provide good strategic position of company. Furthermore, political behavior has long been recognized as relevant aspect of decision making and has received considerable attention from researchers (Child &Tsai, 2005). The main characteristic of political processes is the using of negotiating tactics in making decisions, which should lead to a result that is acceptable to various coalitions, but the most powerful coalition can impose its own goals. Strategic decision-making through political processes is completely different from rational decision-making, because it is based on the distribution of power on which the implementation and outcome of applied negotiating tactics depends. As political systems seeking to increase their own power, companies can be more or less democratic, depending on the pariticipants involved in making decisions. In companies with democratic systems, decision-making is based on discussions and adjusting of diverse social preferences with the aim to achieve consensus (Wollman & Steiner, 2017).

In fact, although various strategic decision-making processes differ from many important aspects, a careful review of these aspects allows us to draw some conclusions. First, analysis of rationality, intuition, and political behavior as the basic dimensions of the strategic decision-making process indicates that there are different factors determining its outcome. Second, interdependence, uncertainty, and complex nature of the factors that affect strategic decision-making complicate the making right strategic decisions. Third, given that strategic decision is made in the different context, the nature of process in which strategic decisions are made is influenced by contextual factors. Thus, contextual antecendents factors such as organizational, environmental, decisions and decision-makers characteristics significantly influence strategic-decision making process (Rajagopolan et al., 1993).

CONTEXT OF STRATEGIC DECISION-MAKING PROCESS

Many researchers have referred to aspects of contextual influence on strategic decision making process. In order to provide an integrative model, we propose the following categorization of factors which are expected to influence strategic processes: characteristics of decision-makers and decisions, along with organizational characteristics as the most important internal factors, and environmental characteristics as the most important external factors determining the context in which strategic decisions are made. Strategic decision-making is increasingly difficult in uncertain environment since there are no precedents to follow; decisions are not structured; they compromise significant resources; they require a high level of commitment; and they affect operational aspects. An integration of these contextual domains into a wider framework looks a promising avenue for research. Such a framework must combine the following: an individual decision perspective by characteristics of decision-makers and decisions characterics, organizational context by organizational characteristics, and environmental determinism by environmental characteristics (Wollman & Steiner, 2017). The following sections briefly discuss the theoretical underpinnings of each perspective, as well as the most important relevant research efforts under each perspective.

Decisions Characteristics

The output of strategic decision-making is closely related to the decision specific characteristics (Nooraie, 2012; Shafie, Muhammad, & Ridzwan, 2017; Wollman & Steiner, 2017). Despite this, the relationships between decision specific factors and decision process characteristics have received very limited attention in past research. However, as managers in various organizations or even within the same organization may view the same internal or external problem quite differently, the nature of the decision itself may be important and influences the strategic decision-making process. Accordingly, we can discuss the following decision characteristics, such as decision's familiarity, decision's magnitude of impact, risky decisions, decision's complexity, but in the given context we single out decision's magnitude of impact and decision familiarity.

Decision's familiarity is defined "as the degree that the decision problem is clear to the decision maker". Researches on the relationship between decision's familiarity and decision output are contradictory (Shafie, Muhammad, & Ridzwan 2017). Nooraie (2012) proved that familiarity is positively and significantly related to decision output. On the other hand, Papadakis et al. (1998) did not find any relationship between decision's familiarity and characteristics of the decision-making process. Moreover, decision's familiarity influences the extent of rationality and politicization in the decision-making process. Nooraie (2001) demonstrate that familiarity is negatively and significantly related to rationality of the strategic decision-making process, but it is positively and significantly related to politicization in the strategic decision-making process.

Regarding decision's magnitude of impact, it refers to the extent that the decision will impact various parts of the organization and cannot be considered high if a major adverse impact can be mitigated. The perceived magnitude of impact of a decision is seen as among the strongest explanatory variables of decision-making behaviour which will have a positive effect on quality and satisfaction of the decision output (Shafie, Muhammad, & Ridzwan, 2017). Exploring its impact on decision-making, Papadakis et al. (1998) and Hickson et al. (1986) found that decision's magnitude of impact positively and significantly influences the extent of the rationality and decentralization in the decision-making process. On the contrary, some researches (e.g., Dean and Sharfman, 1993) indicate that the importance of strategic decision is not related to the rationality of the decision. Nooraie (2008) emphasized that decision magnitude of impact is significantly associated with the level of rationality in the strategic decision-making process and positively influences decentralization in the decision-making process (Nooraie, 2001).

Characteristics of Decision-Makers as Personal Values

Research into decision-making cognition suggests that the same contextual input may be interpreted differently by managers (as decision-makers) in different organizations or even within the same organization (Dean & Sharfman, 1993). It has been argued that the perspective decision makers classify and mark decision in the early stages of the decision making process strongly influences effectiveness of the strategic decision-making process as well as the strategic decisions as the organization's responses (Fredrickson, 1985; Mintzberg et al., 1976). In fact, research (e.g. Dean & Sharfman, 1993; Papadakis et al., 1998) on decision-making process recommends that managers in various organizations or even within the same organization may view the same internal or external problem quite differently (Nooraie, 2012). However, our understanding of the impact of decision-makers characteristics on decision-making processes′ outcomes is still quite limited. In the other words, existing researches have not yet pointed-out how decision-makers characteristics shape the decision-making processes as a whole. Moreover, the few studies which have been done on the links between manager's characteristics and strategic decision-making process have produced mixed results. According to Papadakis et al. (1998) understanding of the impact of decision-makers characteristics on organizational decision-making process is still quite limited.

The most important researched characteristics of decision-makers, which affect the effectiveness of the strategic decision-making process, are demographic and behavioral characteristics (Papadikis et al., 1998; Nooraie, 2011; 2012). Academic education, experience and ages are selected as the most important demographic characteristics. Hitt and Tyler (1991) found that the demographic characteristics of CEOs (i.e., type of academic education) influenced the modes of strategic decision-making process. It is interesting to note that counter arguments have also been arised. According to Hambrick and Mason (1984), level of academic education (but not type of academic education) as well as experience, influence strategic decision-making process. This attitude is supported by the research Nahavandi and Malekzadeh (1993). Furthermore, education and experience as individual characteristics can affect heuristics and mental strategies which decision-makers use. In addition to level of education and experience, decision-makers' ages also influence the mode of strategic decision-making. In fact, ages can shape decision-makers' perspectives on problem formulation and alternatives evaluation (Hitt &Tajler, 1991). According to the defined research topic, the following behavioral characteristics, which determine the manner in which decision-makers perceive and solve certain strategic problems, will be analysed: risk affinity, pursuit of achievement, degree of aggressiveness, and cognitive conflict.

Risk affinity is the psychological feature of the individual, which represents the degree of risk preference and risk aversion of decision-makers (Papadikis et al., 1998). This is one of the main dimensions of personality, which empirical research most often associates with the nature of the strategic decision-making process. The research results of two groups of managers with different degree of risk affinity show that managers with greater risk affinity make decisions quickly and on the basis of less information. It can be concluded that risk affinity is negatively correlated with the application of the model of rational strategic decision-making (Nooraie, 2001).

The need for achievement is an important behavioral feature of decision-makers, which affects the nature of the strategic decision-making process. Initial hypothesis is that decision-makers' need for achievement positively affects the degree of rationality of the strategic decision-making process. Papadakis et al. (1998) and Nooraie (2001) did not confirm such a correlation in their research. Contradictory results point to the need for further research about motivational bias. "Motivational bias is the effect that motivation to have positive attitudes to oneself has on the way a person perceives or acts upon information in the decision process" (Bresnick & Parnell, 2013, p. 44).

Cognitive conflict is a positive force, necessary for effective strategic decision-making, and, thus, should be encouraged. Cognitive conflict arises as a result of differences between decision-makers in the selection of possible options for solving strategic problems (differences in goals and perspectives of decision-makers). In contrast, affective conflict occurs as a result of personal differences that exist between decision-makers (demographic differences, differences in decision-making styles, etc.). In other words, cognitive conflict is related to the problem, and results from the conflict of ideas, while affective conflict is associated with personality. This means that cognitive conflict in the process of making strategic decisions has a positive impact on their quality, while affective conflict, as a form of destructive behavior, negatively affects the quality of decisions, and can block the decision-making process, which is why its consequences are negative (Amason, 1996).

Organizational Characteristics and Values

Research results on the impact of organizational characteristics on the process of strategic decision-making show that organizational size, organizational structure and power, organizational slack as well as organizational culture are the most important internal factors of strategic decision-making.

Organizational size influences the effectiveness of strategic decision-making (Hofler, 2010). For instance, small organizations can behave informally while larger organizations tend to become more formalized. Hence, a divisional structure is not appropriate for a small organization but may be for a large organization as they have specialized staff, units, and jobs. Accordingly, decision-making authority is distributed to lower levels. These organizations have bureaucratic culture, which has an internal focus and a consistency orientation for stable environment (Amah, Daminabo-Weje, & Dosunmu, 2013). Small organizations are more flexible, they have flat structure and an organic, free-flowing managing style that encourages entrepreneurship and innovation (Daft, 2003). Therefore, one can conclude that organizational size will affect the quality of the decision-making process (Shafie, Muhammad, & Ridzwan, 2017).

Although organizational structure can be defined in different ways, the structuring of the organization involves finding answers to two key questions: who should decide and on what (concentration of authority) and who needs to do what in the organization (structuring of activities). Concentration of authority, as the first question, is analyzed by varying the degree of centralization of decision-making authority. Structuring of activities, as the second question, is resolved through specialization, formalization, and standardization of roles in the organization. This means that organizations are, in accordance with defined structural solutions, to a certain degree centralized, formalized, and complex. Centralization refers to the distribution of decision-making power. The analysis of power distribution shows that centralization leads to amplification of the influence of political processes on strategic decision-making (Bourgeois & Eisenhardt, 1988). Formalization shows the extent to which policies, procedures, and rules are expressed in written documents. The degree of rationality of decision-making processes is positively correlated with the formalization of organizational structure. Complexity is a direct consequence of the division of labor and refers to horizontal, vertical, and spatial differentiation of companies. There is a correlation between the degree of rationality of decision-making processes and the complexity of the organizational structure (Frederickson, 1986). Furthermore, there is a link between the strategic decision-making process and different models of organizational structure. Establishing relations between strategic decision-making models and organizational design is very important, because it leads to increased organizational effectiveness and improves the quality of strategic decision-making process.

Organizational slack can be defined as "those resources which an organization has acquired, which are not committed to a necessary expenditure (Dimmick & Murray, 1978) and which can be used in a discretionary manner". The most widely adopted definition for organizational slack is as follows "cushion of potential and real resources that causes organizations to adapt satisfactorily to the numerous changes in the environment in which they operate, including adaptation of strategies before the external environment" (Bourgeois, 1981). Accordingly, the level of organizational slack depends on structure in which the company operates, the type of organization and beliefs and values. For instance, the bigger the firm, the higher the level of slack. The role of organizational slack in strategic behavior, growth of the company, coalition management, response to the environment and employee motivation is mostly seen positive, although some authors, point out negative aspects of the organizational slack (Chan, Yang, & Lin, 2013). Regarding the innovation process, organizational slack may contribute to the innovation performance, reduce additional costs with innovation and create a culture of experiments. According to Mousa & Chowdhury (2014) slack may interrupt the entrepreneurial process and negatively impact entrepreneurial management. In addittion, the slack can also be a negative force to the innovative process, providing risk to the business (Yang et al., 2009; Huang & Chen, 2010). Regarding empirical studies relating organizational slack to strategic decision-making process, Sharfman and James (1997) concluded a positive relationship between slack and flexibility in decision-making output. Therefore, we indicate that organisational slack has a positive effect on quality of the decision output.

Organizational culture is manifested through meanings that people in organizations create in the process of mutual interaction. Therefore, members of the organization in the same or similar way interpret the reality that surrounds them, and act within that reality (Bresnick & Parnell, 2013, p. 26). Organizational culture generally contains meanings of phenomena and events related to life and work in the organization, rarely meanings of phenomena in other contexts. In fact, organizational ideology affects the nature of the decision-making process in several ways: it provides a basis for problem identification, goal setting, and alternative consideration, evaluation, and selection. Depending on the values and norms in the organizational culture, top management chooses the strategy and designs the organizational structure, managers shape the management style, and members of the organization define their motives and needs (Janićijević, 2012). In the process of strategic decision-making, top managers need to take into account the system of values, shared beliefs, symbols, and motives that have developed over time, and make decisions in accordance with them. Cultural values are transmitted from generation to generation through a shared understanding of beliefs, attitudes, meanings and hierarchies. Facing with the problem, decision-makers use cultural values to determine the appropriate course of action or problem solutions. If a person's cultural values encourage characteristics such as honesty and integrity, then this person is more likely to follow ethical decision-making tactics when compared to person who's cultural values do not stress the importance of those charecteristics. In other words, organizational culture implies different models of strategic decision-making and appropriate leadership styles. The leadership style is highly dependent on decision-making process and the role that decision-makers can play (Bresnick & Parnell, 2013, p. 27). Although cultural values play an important role in decision-making, recent research shows that cultural norms and values are not the only criteria to influence behavior. Environmental characteristics also play important role in the strategic decision-making process, since strategic decision analysis cannot be performed in isolation in any organization.

Environmental Characteristics

Starting from different classifications of the most important dimensions of the environment that can be encountered in literature, it can be said that the most important are dynamism, hostility, and uncertainty. In the context of strategic decision the environmental determinism perspective mainly addresses the question of how above mentioned environmental factors (e.g. dynamism, hostility, uncertainty) influence strategic decision making process (Papadikis et al., 1998). Few empirical studies can be found here (e.g. Fredrickson, 1984; Eisenhardt, 1989; Judge & Miller, 1991) and those available seem to have produced contradictory results (Rajagopalan et al., 1997).

Environmental dynamism refers to the degree and speed of change and the degree of unpredictability of the environment, reflected through the uncertainty of customer preferences, production and/or technology, and competitive strategies. Dynamic environment is characterized by a high degree of unpredictability and uncertainty (Miller & Friesen, 1983; Mitchell, Shepherd, & Sharfman, 2011). In dynamic environments, decisions should be fast as time necessary to obtain more reliable information has little value and decision-makers rather use intuition based on experience. Therefore, dynamic environments may require quick decisions which in turn may represent an ephemeral advantage (Campos, Parellada, Valenzuela, & Rubio, 2015). The most important findings of studies that assessed the impact of environmental dynamism on the process of strategic decision-making (Frederikson & Iaquinto, 1989; Elbanna & Child, 2007) show negative correlation between the degree of rationality in decision-making and performance in an unstable, dynamic environment, while in a stable environment there is a positive correlation. Empirical research has shown that between the application of rational or synoptic decision-making process and company performance there is a positive correlation in a stable environment, while in a dynamic environment, there is negative correlation (Goll & Rasheed, 1997). In a dynamic environment, it is necessary to apply the incremental or adaptive decision-making model (Fredrickson & Iaquinto, 1989). In the same way, Stein (1980) argues that companies operating in highly dynamic environments apply both less extensive search and less explicit analysis of alternatives.

In contrast to these results, Bourgeois (1985), Miler and Friesen (1983), and Bourgeois and Eisenhardt (1988) found that in a highly dynamic environment, successful companies apply rational decision-making models, noting that the higher level of dynamic environment is accompanied by the need to increase the degree of rationality in the process of strategic decision-making. It can be concluded that managers in a dynamic environment must struggle with problems in understanding the nature of strategic problems that arise as a result of incomplete, irrelevant information (Mitchell et al., 2011).

Environmental hostility refers to differences in production programs, distribution channels, competitive tactics, market requirements, and regulations on markets where the company operates (Miller & Friesen, 1983). The effect of a hostile environment on decision making is generally unfavorable, as it forces the companies to be more conservative with their resources. Also, it requires greater strategic discipline i.e., limited resources imply limited decision-making and strategic alternatives (Campos, Parellada, Valenzuela, & Rubio, 2015). According to Miller and Friesen (1983) and Papadakis et al. (1998), the degree of environmental hostility is positively correlated with the degree of rationality in strategic decision-making. Furthermore, the results of the study conducted by Nooraie (2011) show that between environmental hostility and rationality in decision-making there is a positive correlation.

However, research results are often contradictory. Nevertheless, the most important findings relating to the impact of hostility, as an environmental dimension, on strategic decision-making process are: a high degree of environmental hostility slows down the adoption of strategic decisions (Baum & Wally, 2003), has a negative impact on the effectiveness of strategic decision-making (Goll & Rasheed, 1997) and the application of the rational model of strategic decision-making (Dean & Sharfman, 1993). It can be generally concluded that a high degree of environmental hostility negatively affects the process of strategic decision-making (Mitchell et al., 2011), leading to quick and hasty decisions that managers make on the basis of simplified information processing and analysis, in order to as soon as possible respond to environmental threats.

In the analysis of strategic decision-making, uncertainty, as environmental characteristics, relates to the possibility of predictability of occurrences in the environment. The degree of environmental uncertainty is negatively correlated with the degree of rationality in decision-making (Dean & Sharfman, 1993; Goll & Rasheed, 1997). However, some studies do not support these findings (Dean & Sharfman, 1996). Although the results of empirical studies in this area are different, based on the analysis of studies on the correlation between rational decision-making and performance, preference may be given to studies based on contingency theory.

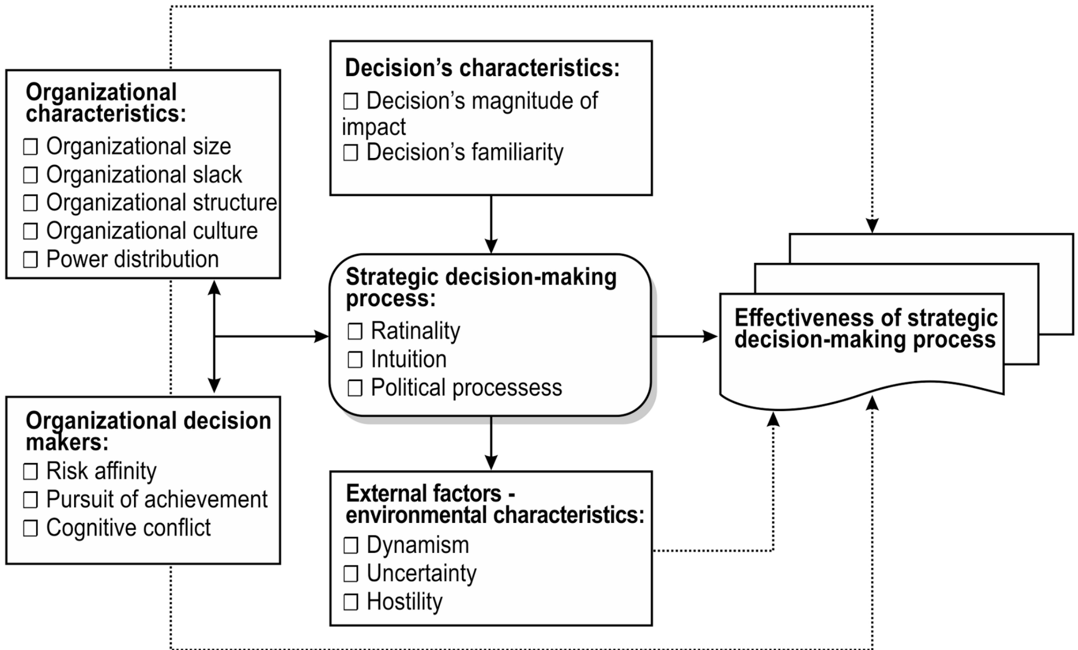
Starting from the considered factors of strategic decision-making, and in seeking an answer to the question of how to improve strategic decision-making process, an Integrative model of effective strategic decision-making was developed (Figure 1). The presented model combines the most important internal and external factors, possible ways of making strategic decisions, and their impact on the effectiveness of strategic decision-making and quality of strategic decisions.

HOLISTIC INSTRUMENTARIUM FOR SUPPORTING THE EFFECTIVE STRATEGIC DECISION-MAKING

Respecting the nature and factors affecting strategic decision-making, one can conclude that decision-makers need systems thinking as a relevant instrumentarium for dealing with and solving strategic problems. Without systemic thinking, decision-makers might make many oversights due to one-sided behavior (Zlatanović & Mulej, 2015). In conceptual framework of systems thinking, strategic problems or problem situations are researched in the way that systems ideas are used to enable appropriately arranged thinking about real world problems, i.e. to provide decision-makers with appropriate theoretical and methodological support. Holistic approach to strategic problem solving and strategic decision-making can bring numerous benefits. According to Jackson (2006), the benefits of holism are as follows: using the trans-disciplinary analogies, recognizing the importance of both the structure and the functioning of an organization, as well as their interdependence. In addition, systems thinking provides a basis for the critique of different systems interventions.

Actually, "when we distinguish systems and identify their characteristics, we clearly do so from a particular world-view. Our knowledge is, therefore, always partial" (Jackson, 2006, p. 651). Relying on the considerations presented above, in systemic research and dealing with strategic problems, seen as appropriate management problem situations, there are two basic dimensions (Jackson, 2003, p. 18): system

Figure 1. Integrative model of effective strategic decision-making
Source: Authors



dimension and participant dimension. System dimension explores the complexity of a problem situation. In the context of analyzing the process of strategic decision-making in the conceptual framework of systems thinking, it can be concluded that system dimension makes it possible to explore specific characteristics of the organization and the environment, such as organizational structure, dynamics, uncertainty and hostility of the environment. Another important dimension of problem situations is the participant dimension, which makes it possible to identify the behavioral characteristics of decision-makers.

Based on the above, in solving strategic problems, one can employ the following holistic instrumentarium: systems methodologies for problem situation structuring, systems metaphors and systems paradigms (Petrović, 2013). In the given research context, systems methodologies are particularly important.

Systems Methodologies for Problem Situations Structuring

Systems methodologies can involve, connect, and expose different perceptions of the researched strategic problem, i.e. problem situation, as the basis for generating the consensus in action or facilitating negotiation. In fact, systems methodologies for problem situation structuring can be useful and should be employed if they: accommodate different perspectives, function through interaction and iteration, generate valid problem formulations and action implications (Rosenhead, 1996; Mingers & Rosenhead, 2004). Systems methodologies for problem situations structuring do not only strive to provide for mutual understanding, but also help decision-makers in obtaining the "broader picture" which offers new insights into the problem and possible solutions. So, in the process of structuring the problem situations by systems methodologies, one can interactively (Petrović, 2010, p. 319):

- name the relevant aspects and issues of the considered strategic problems
- frame the context in which the problems are occured.

Some of the issues dealt by systems methodology include the following (Midgley, Cavana, Brocklesby, Foote, Wood, & Driscoll, 2013): What world view and which aspects of problem should be included in the analysis and decision-making, and which should be excluded? What are the different problem perspectives and which values and assumptions support them? What interactions within the organization, and those with the relevant environment, lead to desired or undesired results?

Systems methodologies possess the ability to adequately model the problem situation so that participants in a given strategic decision-making process can clearly identify the problems and issues. Each methodology is suitable for a particular type of task and is not universally applicable (Von Winterfeldt & Fasolo, 2009). Because of a large number of different systems methodologies, one possible approach to systems methodology systematization is the System of Systems Methodologies (Jackson & Keys, 1984). Due to the extreme complexity and ambiguity, as the key features of strategic problems and strategic decision-making processes, it is of relevant importance to note that through individual application of systems methodologies, it is almost impossible to provide for a comprehensive study of all aspects of research problems and their relationships. Under such circumstances, it is better to have available the appropriate range of useful, even conflicting methodologies/methods, i.e. it is necessary to explore preconditions, the ways, as well as possibilities and limitations of the combined use of systems methodologies in the process of strategic decision-making. It further imlies critical systems framework for exploring strategic decision-making. CST is based on following three pillars or commitments of CST: critical awareness, improvement and pluralism (Jackson, 2003; 2019). In fact, the development of CST can be linked primarily to two related sources: ″a growing critical awareness of the strengths and weaknesses of individual systems approaches and an appreciation of the need for pluralism in systems thinking″ (Jackson, 2003, p. 134). These strengths and weaknesses of systems methodologies represent a basis for their combining.

In combined use of systems methodologies, diverse situations can be distinguished (1997a, pp. 7-8; Mingers and Brocklesby (1997). In the given context, of relevant importance is combining the methodologies stemming from the different paradigms: functionalist, interpretive and emancipatory.

A relevant framework for mapping methodologies is developed and it is characterized by the following (Mingers, 2000): multi-dimensionality of the researched problem, represented by three different aspects or worlds – social (including social practices, power relations, conflicts, interests, etc.), personal (including individual beliefs, values, different perceptions and personal rationality, etc.), and material (physical circumstances, alternative physical and structural arrangements, etc.), as well as different activities that should be realized in solving the problem, represented by different phases – appreciation, analysis, assessment, and action.

Respecting the defined research purpose, this framework can help in the selection of appropriate combination of systems methodologies, to support strategic decision-making process. In fact, in analyzing appropriate personal dimensions that determine the strategic decision-making process, i.e. in dealing with appropriate characteristics of decision-makers and values and opinions in the organization, interpretive systems methodologies, such as Soft Systems Methodology (SSM), are of relevant importance. SSM mainly contributes to exploring the personal dimension, and is particularly strong for analysis and assessment, although it has some techniques for appreciating the social dimension (Analyses 1, 2). As SSM cannot deal with the issue concerned with unequal distribution of power, conflict and contradicitons (Analysis 3), mehodology of Team Syntegrity (TS) is selceted to support SSM for tackling these aspects os strategic desion-making. Furthermore, in the study of material aspects of the problem and dealing with strategic decision-making factors, such as organizational structure and environmental characteristics, functionalist systems methodologies can be of particular importance, such as Organizational Cybernetics and its key methodological tool – Viable System Model (VSM). VSM is seen as relating to material worlds, providing a model of viable organizational structure, and a model that does not address individual participants′ views and beliefs. Accordingly, in order to explore the process of making strategic decisions and certain factors that affect it in the conceptual framework of critical systems thinking, the paper presents a possible way of combining SSM, TS and OC, i.e. VSM.

Briefly About Selected Systems Metodologies

Soft Systems Methodology (SSM), tends to involve different perceptions of reality, facilitating the learning process where different viewpoints are examined and discussed in the way leading to purposeful action and improvement (Jackson, 2003, p. 185). SSM is based on action research. Action research implies that the researchers both observe the researched phenomenon and participate in it. First of all, when researching the problem situation it is necessary to develop relevant models of the situation, i.e., valid ways to represent it. Then appropriate methodologies for problem situations structuring have to be developed. Finally, intervention in the problem situation is essential, i.e., developed models, methodologies, and methods should be applied to the researched problem situation in order to test and further develop it (Zlatanović, 2015).

As a learning cycle based on action research, SSM consists of the following key stages (Checkland, 2000):

1. Finding out about a problem situation through rich pictures and root definitions;
2. Formulating the conceptual models of purposeful activity;
3. Debating the problem situation by comparing conceptual models with reality;
4. Taking action in the situation, i.e. implementing changes leading to the improvement of the problem situation.

The initial expression of the problem situation, as the first phase in the implementation of SSM, is achieved by the construction of the so-called rich picture of a given situation. The aim is to "capture the main entities, structures and viewpoints in the situation, the process going on, the current recognized issues and any potential ones" (Checkland & Poulter, 2010, p. 210). The following analyses are often used to supplement rich pictures, to help in better understanding of the problem situation (Checkland & Poulter, 2010, p. 211):

- Analysis A_1 refers to the examination of those who need to conduct research, and problem owners.
- Analysis A_2 explores social roles relevant to the given situation, behavioral norms, values, opinions, meaning that the problem situation is examined as a culture.
- Finally, analysis A_3 investigates the distribution of power, i.e. examines the problem situation from the standpoint of politics

Root definitions reflect different perspectives/viewpoints or ways of system's observing, i.e. root definitions can be seen as concise description of the purposeful activity system (relevant system) based on a particular viewpoint. In formulating the root definitions, CATWOE mnemonic was developed (Checkland &Tsouvalis, 1997). In the process of strategic decision-making, it is as follows:

C *(Customers)* – relevant stakeholders involved in a strategic decision-making process;
A *(Actors)* – strategic decision-makers;
T *(Transformation process)* – the process of making strategic decisions: alternative-choice-decision
W *(Weltanschauung)* – world viewpoint that applies to the particular strategic decision, i.e. a set of assumptions that make a decision meaningful
O *(Ownership)* – those who have the power to prevent the adoption of certain strategic decision
E *(Environmental constraints)* – elements outside the system taken as given.

The next stage in SSM application is conceptual models building which represent activities that the system must undertake to be the system named in the root definition (Checkland &Tsouvalis, 1997). The relevant result of the comparison phase is assessing the problem situation from which the possible changes are derived. The changes must meet the following criteria: systemic desirability (derived from the selection of root definitions and conceptual models) and cultural feasibility (given the characteristics of particular situation, i.e. norms, values, experiences of people in the situation) (Checkland, 1996, p. 181). Final stage of SSM application is implementation of these changes.

A key limitations of Soft Systems Methodology, relevant to the given research context, concerns a critique of functionalist and emancipatory systems paradigm representatives. The advocates of emancipatory systems paradigm criticize unability of SSM to deal with the issue of the power distribution and conflicts. They think that SSM cannot enable "genuine" participation which means that debate can be constrained and distorted because the hierarchy and the threat of sanctions, and unequal resources as well. This is the basis for combining SSM with TS. The other line of critics is related to the representatives of funcionalist systems approaches. Their critics are concerened with the neglect of the fact that modern organizations, as complex and dynamic systems, must in their operation take into account that their control and communication systems are adequately designed. The critique of advocates of functionalist systems paradigm is the basis for the combination of SSM with OC.

In contrast to SSM, Organizational Cybernetics (OC) is, through Viable System Model (VSM), focused on exploring the structure and functioning of contemporary enterprises. In order for a system to become viable and develop successfully, organisations must possess high complexity, that is, complexity above certain "complexity barrier". In conceptual framework of Organizational Cybernetics, complexity is measured by variety. Variety is the cybernetic measure of complexity, i.e. the number of potential systems states (Beer, 1994 b, 35).

The Law of Requisite Variety is theoretical core of Organizational Cybernetics and generally reads as follows: "Only variety can destroy variety" (Ashby, 1966, p. 207). If the subject of observation is contemporary organizations, the problem is a great difference in variety between the organization, its environment and the process of managing it. As a rule, environment is much more complex than organization, and the organization is more complex than the process which manages it. In order for the management to control the system and the system to persist in the changeable environment, their varieties must be balanced. The above means that the Law of Requisite Variety must be respected. That further means that the variety of highly variety systems must be decreased and the variety of low variety systems must be increased. This process, defined as variety engineering, can be effective if organizations deal only with the part of the environment causing the threats that the organization must react on in order to survive. This is about so-called residual variety of environment. Analogically, it can be applied to the organization and its management, where residual variety of organization is relevant, i.e. the variety that is not absorbed by the processes of self-organization and self-regulation (Schwaninger, 2000, p. 211; Schwaninger, 2006, p. 15).

Originally developed by Stafford Beer (Beer, 1994a; Beer 1994b; Beer 1994c), VSM contains the five subsystems that represent functions of: implementation (subsystem S_1 or operational elements), coordination (subsystem S_2 which should enable that operational elements function as a whole), control (subsystem S_3 which maintains and allocates recources to operational elements, with addition of the segment S_3,* representing channels of audit), intelligence (subsystem S_4 which collects information about strategic opportunities, threats, and future directions of the system, as well as information about strenghts and weaknesses of the organization itself) and identity (subsystem S_5 which identifies the purpose of the system) (Brocklesby & Cummings, 1996).

VSM is employed in the (re)designing of organization through the following three relevant subprocesses (Flood, 1995, p. 149): system identification, system diagnosis, and redesign (if it is necessary). Of key importance for the combined use of SSM and OC is the sub-process of diagnosis, which starts with careful analysis ofS_1, S_2, S_3, S_4, and S_5subsystem of the researched system, i.e. organization, and proceeds by the analysis of all information channels, transmitters, and control loops. Accordingly, the following problems can be identified through this process (Peréz Ríos, 2010): S_4 subsystem is missing or, if it does exist, does not work properly; inadequate management style that constrains autonomy of S_1 subsystem; authoritarian S_2 subsystem; uncontrolled growth and activity of some individual parts of the organization; communication channels in the system, as well as those that exist between the system and environment, do not correspond to the information flows, etc.

One of the major disadvantages of the VSM refers to the fact that common values and beliefs are ignored in VSM, and one can conclude that it is much stronger in dealing with complexity, than in dealing with organizational culture (Jackson, 2003; Jackson, 2019). Also, VSM is often seen as en efficient tool of increasing control to the powerful decision makers. These disadvantages of VSM are important for combining VSM with SSM and TS which are focused on the participant dimension.

S. Beer (1994d) developed methodology of Team Syntegrity as a relevant response to critics of VSM, and with the aim to support non-hierarchical, participative and effective decision-making. The main purpose of TS is to improve the effectiveness of decisions through: generating a high level of participation among individuals concerned with the problem; providing non-hierarchical structures and communication systems; using the diversity and wealth of knowledge available to each member of the group, as well as the knowledge generated by their mutual interactions; creating a collective awareness and consensus on the central issue under consideration (Pérez-Ríos, 2012; Martín-Cruz, Martín-Pérez, Pérez-Ríos, & Velasco-Jiménez 2014).

Actually, TS represents an appropriate model of organization based on the geometrical structure of icosahedron. With this model, an organization can express its integrity, by formulating common, coherent arguments about the issue, or topic that is under consideration, despite discussions and tensions, i.e. conflicts that arise at the same time (Zlatanović, 2017). For understanding the theory of TS, the main features of icosahedron are crucial: It is polyhedron with 20 sides, i.e. 20 regular triangles, 30 edges and twelve vertices each connecting five edges. If this polyhedron represent an organization then each of the edges represent an individual or participant which means that there are 30 participants, i.e. decision-makers. Also, if each of the vertices is regarded as a discussion group, there are, therefore, 12 groups and 60 group members. Acoordingly, each of these 30 participants belong to two various groups, but two participants cannot belong to the same team at the same time. If the discussions are appropriately ordered, this should produce the phenomenon of ‘reverberation’. This phenomenon emerges when the “views emanating from one discussion group will reverberate around the structure, gaining and losing adherents, consolidating and subtly changing, and this should ensure maximum creativity among the groups and generate synergy” (Jackson, 2003, p. 237).

In addition, the idea of critics appointed to each of the teams is relevant to understand theory underlying TS. The tension created by each critic is balanced by appointing a member of the receiving team as a critic to another team of which he or she is not a member. As each decision-maker plays the role of critic twice, thus, there are there are 60 critics spread over 12 teams. Each team has five more qasimembers who are critics (Jackson, 2003; Jackson, 2019). Therefore, TS is a relevant holistic tool to support non-hierarchical group decision-making which enables participant to tackle complexity of their interactions. In fact, TS ensures an appropriate protocol of communication, i.e. the set of procedures designed to take advantages of icosahedron structure and to enable the same status for all participants. It further implies that information is distributed in such a way as to establish a balance between conflicts, i.e. tensions and synergy in the situations in which the groups negotiate about diverse issues. We can conclude that TS function based on the following: “mathematical principle that oranises the interactions in the middle ground between absolute rigidity and chaos” (Espinosa &Walker, 2011, p. 67).

TS is applied through following stages: opening session, generation of agenda, topic auction, outcome resolve, and closing session. In opening session, participants that have a different perspective on the initial issue are selected and they should reach an agreement on the initial issue or on the general topic of discussion. In the next stage an agenda concerned with identification of twelve topics that will be discussed is generated. These topics represent certain aspects or dimensions of the initial issue or problem (Pfifner, 2001). During the phase of topic auction, participants are allocated into different groups according to their preferences. They are asked to rank the topics, and the algorithm is usually used in order to ensure the highest level of satisfaction. Therefore, according to the structure of icosahedron there are twelve teams. Each team consists of 5 members and 5 critics, and every team develops a topic. It means that there are thirty individuals who play two roles: as participants in two groups-defined by the edges of polyhedron, and as critics in two groups-defined by the edge on the opposite side of icosahedron (Jackson, 2003; Zlatanović, 2017; Jackson, 2019). Group of participants that are taking place in a discussion about any subtopic are called teams. Five discussants in each group tend to work up their thinking on the topic into an insightful ′Final Statement of Importance′ (Jackson, 2003). However, in addition to these roles, each individual will participate in a discussion on two sub-topics in the role of critic. A critic is a person who helps the team members to become aware of those issues that are not discussed adequately, and thus helps to enrich the discussion. Critics should behave as the devil’s advocates by challenging each achieved agreement in the group, questioning the assumptions underlying any consent. Similarly, each participant will attend the discussion of the other two sub-topics, but only as an observer. Team members need certain logistical support provided by the organizers. Part of this support are ′facilitator’ whose role is that all participants and critics have equal opportunities to participate, and to summarize the conclusions obtained through the discussion, but not to affect the content of this discussion (Mejía & Espinosa, 2007). At the closing session, as the last phase of TS implementation process, teams present their FSI which should receive general approval of all participants.

The main critics of TS point out that it cannot guarantee implementation of the decision made (Pfifner, 2004). In order to enable real implementation and institutionalization of team syntegrity results, this methodology should be combined with other systems approaches, particularly with VSM (Espinosa and Hardnen, 2007). Also, limitations of TS arise from the fact that it requires 30 participants to discuss 12 topics during five days which further requires many resources and adequate logistic support. Thereby, another important issue is how to motivate participants to save the time and other resources (Holmberg, 1997).

In the givent context, another line of critics is related to the fact that while TS can enable democratic dialogue, it cannot affect the content of the debate. Thus, TS shoul be combined with some interpretive systems approaches, such as SSM (Espinosa&Hardnen, 2007). If distorted knowledge has been imposed on participants, then it can be legitimized again during this process although it is a form of democratic dialogue. Furthermore, TS assumes that participants have the same fundamental capacity to enter into dialogue, along with the assumption that participants enter into the dialogue because they want to reach a consensus. However, of relevant importance is to emphasize that some participants see “dialogue as an arena for struggle and it represents just another claim to power” (Jackson, 2003, p. 249).

Combining SSM, TS and OC to Support Strategic Decision-Making

Taking into account the key theoretical and methodological features of the selected systems methodologies, it can be concluded that SSM can help decision-makers involve different perceptions and understanding of strategic problems, value systems, opinions, which means that, in the process of making strategic decisions, SSM can provide answers to the questions “what”: what is the problem, i.e. whether the problem is properly identified, and what needs to be explored in order to identify areas of possible improvement. As SSM does not enable answering the question”why”, TS should be applied. In contrast, OC focuses on the question “how”: how the changes should be implemented to ensure the right solution to a specific strategic problem and improve the process of strategic decision-making. Respecting different possibilities of combining systems methodologies, this paper defines the following approach to combining SSM, TS and OC that implies using SSM and TS within VSM, i.e. applying these methodologies in subsystem S_5 of VSM which represents identity function of an organization.

Starting from an integrative model of effective strategic decision-making, as represented in Figure 1, which includes the role of different values and characteristics of decision-makers and decisions, as well as internal and external context in which strategic decisions are made, the corresponding systems approach is defined, which combines SSM, TS and OC. Actually, we present combining these methodologies in conceptual framework of VSM (Figure 2). Moreover, some stages of strategic decision-making, such as formulating the problem, generating and evaluating the alternatives are implemented by using the tools of SSM and TS which results in choice of appropriate strategic decision. Therefore, we develop this framework starting from the assumption that the characteristics of decision-makers and decisions characteristics, as well as organizational culture as one of relevant organizational factors of strategic decision-making can be adequately captured through the rich pictures and root definitions, as the tools of SSM for representing the strategic problems. In fact, organizational culture through different values, perceptions and perspectives of decision-makers and decisions characteristics play the most important role in the process of problem identification, as a first stage of strategic decision-making. Since root definitions represent what system should be, one can conclude that root definitions also reflect the ways of improving the problem situation, i.e. alternatives for solving the strategic problem. Conceptual models then involve the set of activities that system should undertake to solve the strategic problems. SSM tools, such as rich pictures, root definitions, and conceptual models can be used to perceive the problem situation, i.e. examine strategic problem from different aspects, and identify and present possible ways of solving it.

The next stage is comparing these models with reality, which is done in conceptual framework of VSM. VSM diagnosis enables us to identify organizational parts (operational elements), their interdependence, problems in their functioning, the degree of centralization and formalization, organizational connections to environment, etc. In that way, the key characteristics of organizational structure as well as environmental characteristics are taken into account. Actually, VSM particularly focuses on organizational size, slack and structure (subsystems S_1, S_2 and S_3), but also on hostility, uncertainty and dynamism as environmental characteristics (subsystem S_4).The procees is proceed by identifying the systemically desirable and culturally feasible changes. The result of the comparison phase is the appropriate assessment of the investigated problem situation from which the debate on possible alternatives arises. As SSM cannot ensure democratic debate on possible alternatives, TS is applied. Debate should be realised following the icosahedron structure, which ensures empowerment, fairness and equality in strategic decision-making process. In this way, the power as one of the most important organizational characteristics is taken into account. This enables identification of systemically desirable and culturally feasible changes, i.e. strategic decisions. In the phase of their implementation, VSM model can also be used in order to enable the efficient implementation of strategic decisions (Figure 2).

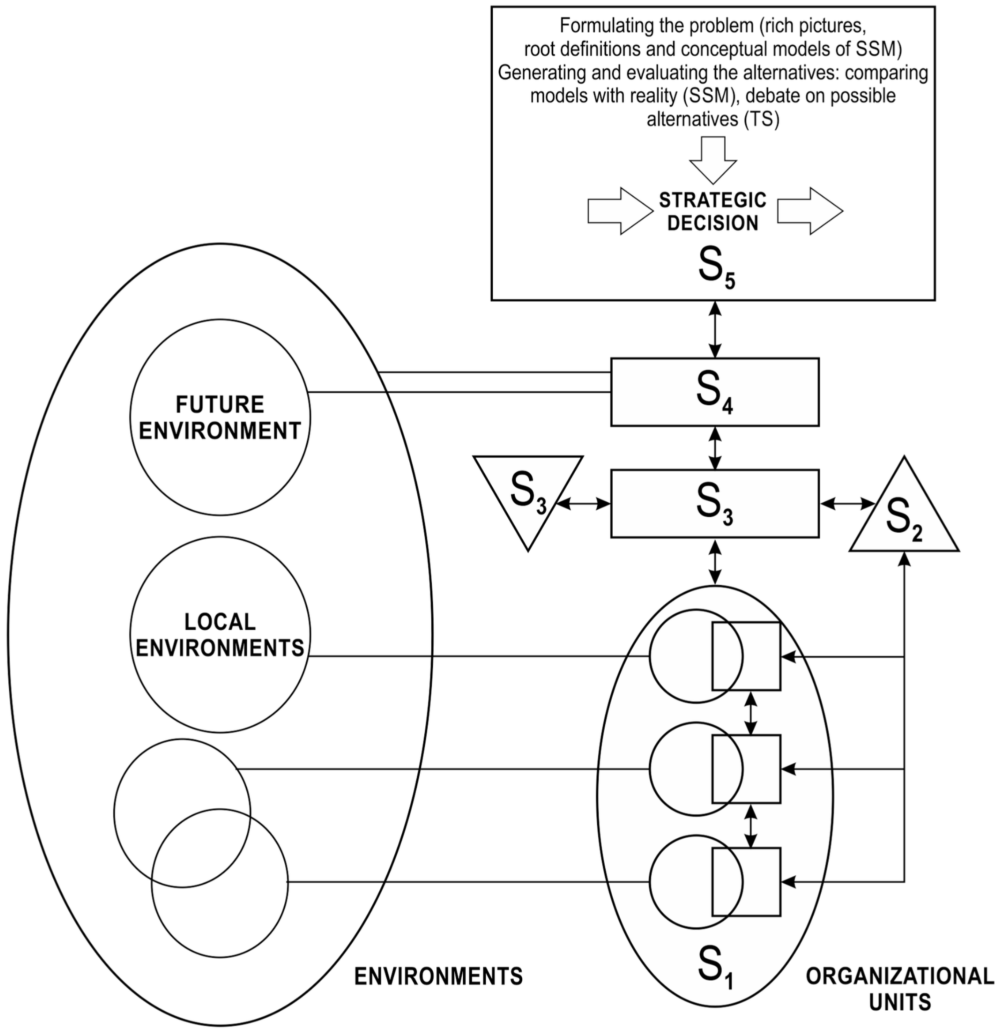
Presented critical systems framework of strategic decision-making demonstrate that characterisitcs of decision-makers, along with characteristics of decisions and organizational culture are researched through SSM. VSM enables examination of organizational size, slack and structure, as well as environmental characteristics. At the same time, TS tackle the power issues as one of the organizational characteristics. The three methodologies linked in this way can allow decision-makers to deal with the questions of 'what', 'how' and 'why' in one methodology (Kinloch, 2009). Thus, this approach to combining the above systems methodologies can help in adequate examination of both the system dimension and the participant dimension, i.e. in improving the effectiveness of strategic decision-making through a comprehensive analysis of selected internal and external factors, i.e. environmental characteristics, organizational characteristics, and characteristics of decisions and decision-makers. It is important to emphasize that there are another approaches to support strategic decision-making holistically (e.g. Probst &Bassi, 2014).

However, the combined use of selected systems methodologies, as well as any other systems methodologies from different paradigms, leaves a number of relevant issues unresolved, such as paradigmatic incommensurability, cultural, cognitive, and practical constraints (Kotiadis & Mingers, 2006).

PRACTICAL IMPLICATIONS

Good strategic decision-making is based on balancing the current capabilities of the organization, and in the future. "As the environment changes, as demands change, those changes should be anticipated and brought into the strategic debate. Seeing a need for change creates a strategic gap, a gap between what we can currently do, and what we have identified that we need to do in the future (Hoverstadt, 2010, p. 120)". Another important aspect, when looking at the strategic decision making processes in organizations is also current level of using management tools that support strategic decision making. For instance, strategic planning is among top used management tools in well-developed Western areas

Figure 2. Combining SSM, TS and VSM: Critical systems framework of strategic decision-making
Source:Authors



of the globe (Dabic et. al, 2013; Nedelko et. al. 2015;), while in catching-up economies, like those from Central Europe (cases of Slovenia and Croatia), the strategic planning tools is not among top 5 management tools used (Nedelko & Potočan, 2016). This implies that when implementing our recommendations, organizations should also have in mind current level of management tools utilization for supporting strategic decision making.

This can be illustrated by the following problem situation: Management of the company X should make strategic decision which involves introducing a new product in the production. It is a complex-pluralist problem situation that implies different values, perceptions and perspectives of decision-makers as well as high complexity, i.e. it is a system consisted of different interactive subsystems, such as: demands of potential customers, competition, technical and technological dimensions of introducing a new product, organizational aspects, financial aspects, as well as price of a new product, channels of its distribution, its promotion, etc. Combined use of SSM, TS and OC can help decision-makers deal with these relevant aspects of introducing the new product in the production. Firstly, SSM can help involving the different perceptions of decision-makers and reaching accommodation through strategic debate. In fact, if a group of decision-makers and other relevant stakeholders tends to achieve agreed corporate action as a response to identified problem situation they will have to find an accomodation, i.e. to reach a compromise despite different perceptions, values and interests. A compomise may give no member of the group all they personally would look for in action to improve the situation. These stances on change are taken within SSM. In fact, SSM aims to identify both desirable and feasible changes, i.e strategic devisions.

In order to identify these changes, TS should be used as an efficient tool to enable democratic dialogue, promote fairness and neutralize harmful effects of the power and hierarchy on discussion. So, the benefits of using TS are as follows (Pfifner, 2004): discussion occurs through the network of interactions and self-coordination, by which the harmonized and comprehensive general action plan without conflict goal is created; information flows are improved; TS application allow to create non-hierarchical and learning organization; simplicity of the process which arises from the fact that it does not imply special requirements neither for participants nor for moderators. In this way, methodology of TS contributes to strengthen team spirit, despite wide diversity of participants (Leonard, 1996).

This recognizes the social context in which any change will sit. But, it is necessary to define the criteria by which a change can be assessed as successful or unsuccessful, namely to examine monitor and control activities in a real situation. OC through VSM can support it. In the case of introducing the new product, the set of activities needs to be examined.

For example, R&D (subsystem S_4 of VSM) need to check with operations (subsystem S_1 of VSM) whether the product can be produced, finance need to be involved over both short term cashflow implications (subsystem S_3 of VSM) and longer term investment planning (subsystem S_4 of VSM). In addition, marketing (subsystem S_4 of VSM) should consult on marketing opportunities for the new product and sales (subsystem S_3 of VSM) about how the new product might disrupt existing sales. New employees might be needed to recruite (subsystem S_4 of VSM), but finance must be taken into account, etc. This is a complex set of interrelated activities that must be implemented in order to enable a viable system, i.e. in order to enable an efficient and adaptable organization. In this way, systemically desirable and culturally feasible changes can be identified which leads to actions improving particular problem situation. VSM can further support efficiently implementation of these actions.

In fact, by combining SSM, TS and VSM creative improvement of managing the problem situations can be enabled. Namely, this will provide enhancing the strategic decision-making process, i.e. the better understanding of strategic problems and the context in which they arise as well as tools to support each step of strategic decision-making process, i.e. identifying the problem, generating the alternatives, evaluating the alternatives and choice of the best alternative.

CONCLUSION

Taking into account the nature and contextual factors of strategic decision-making, the paper has focused on the selection of appropriate systems methodologies and defined the way in which they can be combined, that may be a valid instrumentarium of support to effective strategic decision-making. In accordance with the determined research subject and goal, the starting basis for the selection of SSM lies in its key principles and postulates, according to which systems are understood as subjective constructions of people, while organizations are viewed as cultural entities that govern social relations. This points to the role of different values and opinions of strategic decision-makers, i.e. shows how different valuesaffect the process of making strategic decisions in the conceptual framework of SSM. What is more, taking into account the role of power, as an important factor of strategic decision-making the paper offers the framework in which this dimension could be adequately researched. This is done by using TS as a relevant emancipatory systems approach.The paper also shows how OC, as a relevant functionalist systems methodology, focused on studying the structure and functioning of modern organizations, through VSM model, contributes to the understanding of the context in which strategic decisions are made. In fact, the contribution of the paper is reflected in the identification of the ways in which the combination of the selected systems methodologies can support strategic decision-making process and contribute to the improvement of its effectiveness and the quality of strategic decisions.

However, an important limitation is that the paper hasillustrated hypothetical example of combining the above systems methodologies in solving a strategic problem in the company. Applying these methodologies to enterprises in the Republic of Serbia represents the basis for future research.

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Chapter 5
Socially Responsible Culture and Personal Values as Organizational Competitiveness Factors

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ABSTRACT

Organizational success factors and thus competitiveness depend on humans, whose behavior depends on their knowledge, values, and circumstances, which also depend on knowledge, values, and circumstances of other humans involved, via organizations or individually. The three selected and briefed typologies of values are more complementary than competing alternatives, since they depend on authors' selected research viewpoints. They neither reflect nor oppose social responsibility. The fourth selected viewpoint covers the process of values' influence on human work/activity. Being based in the dialectical systems theory stressing interdisciplinary creative cooperation aimed at humans' requisite holism, this approach stresses interdependence and holism, which can be attained by responsible persons only. Thus, the values of (individual, corporate, or societal) social responsibility reflect systems approach and behavior that is critical for competitiveness in the contemporary times of Industry 4.0.

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INTRODUCTION

The most cited authors on values describe values as given facts that can be classified from various viewpoints. We deal here rather with the impact of values in the work and other life processes. The global socio-economic crisis surfacing in 2008 led to finalization of a long-lasting effort generating the ISO 26000 as an advisory international standard aimed at overcoming the crisis – by implementing values of social responsibility, interdependence and holistic approach in the corporate practice, supported by seven principles, representing values. The researched problem is compatibility of the briefed three approaches to values: descriptive classification, influence in work process, and social responsibility, from the viewpoint of their influence over the organizational success.

Purpose and objectives of the research, reported about here, is to detect compatibility of these three approaches to values in comparison with systemic behaviour via social responsibility and their influence over the organizational success, thus competitiveness. The first three briefed values typologies do not necessarily support social responsibility, innovation and other organizational success factors, be it based on competitiveness or on monopolies, but they can do so depending on humans' choice. The fourth selected viewpoint covers the process of values' influence on human work/activity. Being based in the Dialectical Systems Theory stressing interdisciplinary creative cooperation aimed at humans' requisite holism, this approach stresses interdependence and holism, which can be attained by responsible persons only.

Authors see assumptions of the three selected dealings with values separated from each other due to their different selected viewpoints. Research is limited to these three viewpoints in terms of values' roles as organization's success factors (see e.g. Peršič et al., 2018; Štrukelj and Sternad Zabukovšek, 2019).

Research question (RQ) reads: Are cultural and personal values organizational success factors and thus influencing its competitiveness?

Research hypothesis (H1), which we derived from the research question, reads: Cultural and personal values are organizational success factors and thus influencing its competitiveness.

To answer research question and confirm the hypothesis authors will research cultural and personal values before and after ISO 26000 on social responsibility. We assume that although socially responsible and previous (before social responsibility awareness) culture and personal values are different they are organizational success factors, which were suitable for different periods of business.

After this introductory section we are summarizing research on theoretical backgrounds on values (Section 2). Section 3 connects circumstances, values and knowledge into a synergy influencing the starting points of human activity, including human objectives/goals. Also, we are introducing the Dialectical Systems Theory as a methodology used in this research. Next, we are briefing research on incorporation of values as organizational success factors enabling competitiveness into management (Section 4). Section 5 is devoted to ISO 26000 on corporate social responsibility and to the societal social responsibility. In section 6 we discuss our research results. Section 7 offers conclusions with further research directions, implications for society, practice recommendations and recommendations for policy makers.

THEORETICAL BACKGROUNDS ON VALUES

Already in 1961 Kluckhohn and Strodtbeck introduced Values Orientation Theory. Their research of values in a describing and generalizing way suggested paying attention to five humankind's universal problems. They claimed that societies rank these problems in different orders of importance. Their research on different societies' solutions of these problems resulted in societies' values orientation profiles. Kluckhohn's and Strodtbeck's (1961) values orientation theory comprises:

1. *Time orientation*: (a) primarily focused on the past – little time urgency, preserving traditional beliefs, knowledge and values drawn from history; (b) primarily focused on the present – time is money, accommodating changes in tradition and beliefs, one should enjoy today; (c) primarily focused on future – time is money, planning ahead and seeking new ways gives you chance to change and grow in the future.
2. *Human nature orientation*: (a) cultures dominate nature – there is no fate-determined destiny; (b) cultures are subordinated to nature – nature and genetics cannot be changed, destiny and fate cannot be changed; (c) cultures live in harmony with nature.
3. *Relations orientation*: best form of social organization: (a) hierarchical – a high degree of status differentiation, there are leaders/decision-makers and followers; (b) collateral – everyone in the group shares in a decision process as equals; (c) individualistic – people should make decisions on their own and for their own destiny according to their individual merit; in group decisions 'one person one vote' rule applies.
4. *Activity orientation*: (a) doing orientation – motivation for behaviour is external; achievements in life through efforts/reward focus, your accomplishments determine your worth; (b) becoming orientation – motivation for behaviour is living for the moment or enjoying life, take emotional basis into consideration and grow in abilities that you value/own inner development; (c) being orientation – motivation for behaviour is internal, reduction of desires through material sphere detachment and expression of your being.
5. *Human nature orientation*: (a) good – people are born essentially honest and trustworthy, therefore participatory management style is prevailing; (b) bad – people are basically dishonest and untrustworthy and need to be controlled, therefore autocratic management style is prevailing; (c) mixture – people are generally good, but one has to control unusual behaviour situations, therefore neither of the two extreme management styles prevails.

In 1980, Hofstede established with his belief-value-cultural research that organizational values influence organizational culture. Hofstede (1980) researched IBM's organizational culture through research of 117,000 IBM's employees in 72 countries. He found out that IBM's organizational culture was based not only on the values and beliefs, but also on geographical location. In 1980, Hofstede, based on this research, detected four universally held human values. In his later research with co-authors he added two dimensions. Hofstede and Bond (1988) added the fifth dimension and Hofstede et al. (2010) added the sixth dimension:

1. *Power distance*: Power distance is the perception of a society or organizational employees regarding interpersonal relations: low power distance culture stands for democratic and equal relations; high power distance culture indicates that power is based on the position of a person in the organizational structure (Hofstede, 1980).
2. *Uncertainty avoidance*: In high uncertainty avoidance cultures or organizations, people rely on laws, rules and formal regulations to avoid ambiguous situations; in low uncertainty avoidance or pragmatic cultures or organizations, ambiguous situations are comfortable (Hofstede, 1980).

3. *Individualism/collectivism*: Individualistic cultures or organizations emphasize individual achievements and rights; collective cultures or organizations believe that individuals are members of larger groups (Hofstede, 1980).
4. *Masculinity/femininity*: Masculine cultures or organizations value, for example, materialism, power and the quantity of life; femininity cultures or organizations value, for example, relationships and the quality of life (Hofstede, 1980; 1998).
5. *Short term/long term orientation*: It was initially called the Confucius connection. Society's time horizon is seen as either long-term orientation (future is the value) or short-term orientation (the past and the recent are values) (Hofstede and Bond, 1988).
6. *Indulgence/restraint*: This dimension was based on the World values survey data (Minkov, 2007). High level of indulgence means that more hedonistic behaviour is allowed; high level of restraint means that needs and desires should be in accordance with prevailing social norms (Hofstede et al., 2010).

Based on Hofstede's early research, House, in 1991, conceived and, in 1994–1997, collected with his team the data for the GLOBE research (Global Leadership and Organizational Behaviour Effectiveness Research) in 62 countries (see Chhokar et al., 2008; House et al., 1999; House et al., 2004). They established that organizational values (and practices) help distinguish organizational culture, which reflects both societal values and culture.

Hofstede (1980; 2001) and Hofstede with co-authors (Hofstede and Bond, 1988; Hofstede et al., 2010) in their research exposed six universally held values. Rokeach (1979) also researched personal values. In his Study on values he exposed thirty-six values that are valid for each person, among them wisdom, courage, honesty and others. Schwartz's (1992) values theory, which was based on the research in fifty-four countries, exposed ten universally personally held values (they express person's unique experience and are influenced by the culture of the individual) and seven universally held values (that are not influenced by the culture of the individual and are guiding principles that are universally recognised). Similar to Schwartz (1992) and Hofstede (1980; 2001) also Smith and Bond (1998) found out that a basic / universally applicable human values theory is possible.

VALUES IN MULEJ'S DIALECTICAL SYSTEMS THEORY: ITS INFLUENCE RESEARCHING AND AS METHODOLOGY USED IN THIS RESEARCH EXPLAINING

As an economist by B.A., a development economist by M.A. and systems theorist by his first Ph.D., Mulej (1974; 1979; Mulej et al., 2013) studied values from another viewpoint, i.e. their influence on, and their interdependence with, human knowledge and outer/objective circumstances. His researched issue tackled the question what is the background of objectives/goals definition and realization for objectives/goals not to depend on human desires alone with no realistic justification, i.e. to be more holistically grounded, but not dependent on knowledge alone. He developed his Dialectical Systems Theory (DTS) as a response to values of over-specialization, including the limitation to knowledge management rather than knowledge-cum-values management (Šarotar Žižek, et al., 2015; Zlatanović, Mulej, 2016).

Systems theory differs from the traditional sciences and practice by aiming to overcome the dangerous oversights, including world wars, caused by over-specialization and too narrow-minded and short-term oriented values and resulting decisions and actions. But, after seven decades since Bertalanffy's General Systems Theory and Wiener's Cybernetics, the human over-specialization is still around and helpful, if people add interdisciplinary creative cooperation to it in order to prevent oversights by holism (for overview of systems and cybernetic theories see François, 2004).

Mulej tried to bring more focus to interdisciplinary approach (e.g. Mulej, 1974; 1979; 2013) with Dialectical Systems Theory for the requisite holism. Holistic thinking is intuitively expressed in the Chinese Zen philosophy in the concept of Ying and Yang. The Greek dialectics developed the philosophy of interdependence. We know very few theories today, which include this. The 'dialectical system' is by definition a system, i.e. synergetic network, of all crucial viewpoints (specializations, professions) in human working on anything. Selection of the crucial viewpoints from the less crucial ones depends of both knowledge and values of decision makers and their outer/objective conditions/circumstances, in practice, exposed by Dialectical Systems Theory. Dialectical Systems Theory includes the complicatedness and complexity of today´s challenging dealings with anything. Dialectical Systems Theory supports systems thinking and decision making that includes interdependence, requisite holism and resulting responsibility. This is why we believe, that dialectical systems thinking and behaviour should be considered the theoretical background for socially responsible thinking and acting (we will tackle social responsibility later).

The *selection of viewpoints* is critical. Specialization is very important for the selection of viewpoints. But from one's specialized myopic viewpoint only certain viewpoints appear important enough to be considered to build a system, i.e. a selected mental picture of the really existing object under consideration. Specialization causes many oversights, along with some crucial insights. Too many important viewpoints remain outside the selected focus and are not included in one's system; they remain important and influential as parts and their interrelations in real life anyway! In addition, human observation and thinking include a serious simplification in one's perception of reality: (1) the object under consideration exists and has too many attributes for all to be included; (2) the dialectical system covers – as the synergetic network of the selected viewpoints – the thus selected partial, but requisitely holistic insight into the object under consideration; (3) if one does not work in an interdisciplinary creatively cooperating team, but as a single specialist, one choses a single viewpoint to generate a system as a mental picture about the object under consideration, limited to the selected (usually small part of the really existing) attributes of it (it is hence one-sided rather than holistic, which it is supposed to be); and (4) one generates and uses a model to present and represent the selected system, rather than the object under consideration (for details see in the English version: Mulej et al., 2013)[1].

Dialectical system theory is based on these findings (1979; English and innovated version: Mulej et al., 2013):

(1) The three relations in Dialectical Systems Theory:
  - The law of requisite holism (will be explained latter);
  - The law of entropy (reflects the reality in which there is natural and permanent tendency of everything towards destruction; to postpone or avoid entropy permanently the (requisite) holism and innovation are needed as preconditions for survival of humankind);
  - The law of hierarchy of succession and interdependence. Processes and events interact when and because they are interdependent. Interaction is a precondition of survival by mutual

completing up. Many types of hierarchy can be observed: managerial, organizational, process hierarchy, or growing complexity of living organisms, etc. Processes and interdependencies make the basis for all other types, but they tended to be overseen until recently.

(2) The three elements in Dialectical Systems Theory:
- Ten guidelines of the subjective starting points (emotions, values, talents, knowledge on contents, and knowledge on methods, as one dialectical system). These ten guidelines help humans to be creative and requisitely holistic (instead of routinized and one-sided) in definition of goals.
- Ten guidelines on assuring the requisite holism to be used for people to be successful in later steps of the work process, when more specialized and routine-loving co-workers and procedures are involved to realize the set goals/objectives.
- Method of creative co-operation aimed at making all said components viable in the daily practice by shared framework programming and realizing of all the creative activities (not only the routine ones), called USOMID in the Slovene acronym.

The requisite holism: The Dialectical Systems Theory includes in the preparation stage of the human work process the selection of ones' dialectical systems of the most important viewpoints. The selection of the most important viewpoints is critical and is based on one's or team's specializations, experiences, capacity for (interdisciplinary creative) cooperation, and values / ethics of interdependence, and understanding of the objective reality.

Only the right, i.e. requisitely holistic, combination of emotions, ethics, values, talents, knowledge (on both contents and know-how) and methods can lead towards the requisitely holistic socially responsible, systemic, behaviour. Requisite holism as the law was defined by Mulej and Kajzer (1998) as an expression of Dialectical Systems Theory. A holistic approach demands totally all viewpoints and totally all their synergies to be considered. A whole contains everything, all parts and all their relations from totally all viewpoints. The concept appears simple, if one forgets that it reaches beyond human capacity; many authors have different definitions for holism (Delgado and Banathy, 1993; Mulej et al., 2000).

Due to values of over-specialization, one is too often surprised by the unexpected or unwanted side-effects. With an over-simplified and over-simplifying approach one cannot become holistic enough and the resulting oversights can make consequences too complex, all way to world wars and crises.

What holism is achievable and enough, i.e. requisite, in practical life? Which level of holism is optimal? Both extremes should be avoided. *Total holism* requires trying to consider all viewpoints and their relations to include all attributes; this reaches beyond human capacities. With no criteria of selections such systems (as mental pictures) lose focus and actions become too difficult, to vast and unachievable in many circumstances. The opposite is *fictitious holism*. One concentrates, with it, on one single viewpoint to select the attributes and their relations to be included in a chosen system. Such selection is often too narrow and leaves many important attributes aside; this has risky consequences. Both extremes result from values and knowledge as well as conditions.

One should strive for the balanced way between the two above described extremes. Therefore, Mulej and Kajzer (1998) defined *the requisite holism*. It expresses the dialectical system. Later one learned that it is a law in human mental work. Many successful persons and organizations (tacitly) live with this law. Success tends to always results, when systems (as mental pictures, composed as synergetic networks of attributes and viewpoints) are prepared without important oversights. Requisitely holistic thinking tends to recognize the important viewpoints and to avoid crucial oversights. System thinking could also be named requisitely holistic thinking and become the worldview and methodology of holism (For details in English see: Mulej et al, 2013).

A brief summary of the law of requisite holism:

For the requisite holism to be achieved at least three preconditions matter:

(1) Both specialists and generalists are needed, as teams that feel ethics of interdependence and co-operate as (socially) responsible partners.
(2) They include professionals from all and only essential professions / disciplines.
(3) Their values are expressed in their ethics of interdependence and practiced in a creative team-work, task force, session(s) based on an equal-footed cooperation rather than top-down one-way commanding.

The law of requisite holism encourages humans to develop a habit to think, decide and act in avoidance of exaggeration of both types: 1) *fictitious holism* and 2) *total holism*. The viewpoints are selected by the author(s) of such “fictitious”, “requisite” or “total” system.

Thus, Mulej does not deal with typology of values, but with their impact in human mental work. In research which is reported about in this contribution we applied Dialectical Systems Theory (DTS) as methodology, used as briefed above (for details see Mulej et al., 2013).

VALUES AS ORGANIZATIONAL SUCCESS FACTORS: A MANAGEMENT VIEWPOINT

Organizational success depends critically on requisite holism, attained by creative cooperation of responsible and interdependent co-workers inside and via management. The three briefed sociological typologies of values neither enable nor disable it, at least not directly; Dialectical Systems Theory does enable it. The MER model of integral management applies Dialectical Systems Theory informally.

The MER model of integral management includes ten key factors for the success of an organization: the external and internal compliance of the organization, organization’s credibility, competitiveness, entrepreneurship, synergy, culture, philosophy, ethics, ecology, and effectiveness (Belak, Ja. 2010, pp. 149–178). As we have established above, organizational values have an impact on organizational culture, which influences organization ethics, which result in norms influencing values etc., in a circle (Potočan and Mulej, 2007). Both organizational culture and organizational ethics are key factors for organizational success (Belak, Je., 2016; Duh et al., 2016); this is consistent with the MER model of integral management (Belak, Ja., 2010; Belak, Ja. and Duh, 2012; Belak, Ja. et al., 2014; Duh, 2015). Since organizational values influence organizational culture directly and organizational ethics indirectly, they are also very significant factors for the organization (see e.g. Meško Štok et al., 2009; Štrukelj, 2015). Organizational governance results in organizational policy (Dankova et al., 2015; Štrukelj and Šuligoj, 2014; Šuligoj and Štrukelj, 2017), and organizational policy is influenced by organizational values, i.e. the values of key, i.e. decisive, organizational stakeholders. Organizational values influence its culture, which is classified among key success factors of an organization in the MER model of integral management (Belak, Ja., 2010; Belak, Ja. et al., 2014; Duh, 2015; Duh and Belak, Je., eds., 2014; Duh et al., 2016). One can thus conclude that both organizational values and organizational culture influence organizational success (Meško Štok et al., 2009). That is, we see values as researched in this chapter, as one of the key factors of organizational success, which is supported by the MER model of integral management research. According to many researchers (e.g. Mulej, ed., 2013; 2015; Mulej and Dyck, eds., 2014; Mulej and Čagran, eds., 2016; Mulej et al., 2016; Mulej et al., 2019; Mulej and Hrast, eds., 2016; Peršič et al., 2018) values should be responsible, even socially responsible.

Literature offers various definitions of values and their interrelatedness with the organization; they differ from the values briefed above due to the different selected viewpoints:

- "Values represent basic convictions about what is right, good or desirable, what is important and how important it is. When we rank individual's values in terms of their intensity, we obtain the person's value system. All of us have a hierarchy of values that forms our values system" (Robbins, Judge and Campbell 2010, p. 93).
- According to Lockwood (2009, p. 3), differences in personal values systems interplay with organization's ethical decisions and help improve transparency, fairness and communication in the organization.
- "Employees' performance and satisfaction are likely to be higher, if their values match well the organization values. This argues for management to strive during the selection of new employees to find job candidates who have not only the ability, experience, and motivation to perform, but also a values system that is compatible with the organization's values system" (Robbins, Judge and Campbell 2010, p. 101).

Thus, management runs organizations by applying many values. Success depends on values. If they are requisitely holistic rather than one-sided, based on interdependence rather than on dependence and independence (that are possible in law, but not in nature and economics), one can attain more success. This fact is empirically proven, including by 35 authors of doctoral and master theses mentored by Mulej in 2010–2017 (see IZUM – Sicris, 08082). It seems also to be the background of the global humankind's bodies to pass documents on (corporate) social responsibility in 2010 (ISO 26000 by ISO, 2010), right after showing up of the global socio-economic crisis in 2008.

Values exposed by the cited authors differ in their selected viewpoint from the values elaborated by the three authors in the first subchapter, who do not tackle management and its preconditions. This does not mean that their collections of values are not usable, if one works on management problems and influences of values and culture over management. They are useful indirectly as the background and might well be combined in application with the values from Dialectical Systems Theory and values briefed in this chapter about the MER model of integral management. The overview of literature we have done recently doesn't detect any case of such a combination and even less so of a synergetic combination of those different authors' findings about values and their influence over human values, special in the management topics.

In addition to values discussed in this subchapter one should tackle a very new concept of values, called grit (Duckworth, 2017). Author speaks about the grit as the power of passion and perseverance, which she finds more important than talent. This is not a topic of knowledge and knowledge management but obviously a topic of values, because it makes precondition for a success of persons with whatever knowledge. Success is made of talent × time × effort = skill; skill × time × effort = result. Success happens when the acquired skills are used. Perseverance is essential. It makes users of knowledge able to remain faithful to the goals (Duckworth 2017, pp. 62–73). Perseverance is a value, which is more important to grit then the intensity of effort (ibid., pp. 75–76). For a short overview of grits see Duckworth (2017), table on p. 77, in which author speaks about ten values. First, new ideas and projects make me sometimes forget about the older ones. Second, I don't give up easily, if I come across obstacles. Third, I often change the set objective for another one. Fourth, I am a hard working person. Fifth, it is hard for me to keep focus on projects, lasting more than a few months. Sixth, I do not leave anything unfinished. Seventh, my interests may change over time. Eighth, I never give in. Ninth, I may happen to love an idea of project for a while only. Tenth, I find a way around obstacles to master an important challenge. Author advises us to not think too much about these statements, but to compare ourselves with others about those terms. Obviously all ten statements express values rather than knowledge and have a crucial impact over attainment of success in management of business or any other activity. So it may make sense to use these values as criteria of quality of management along with criteria, included into the MER model of integral management. In terms of the topic of this chapter these values may be more important than the three collections of values, briefed in the first sub-chapter. A selected grit may support behaviour which reinforces social responsibility or social irresponsibility.

Let's now take a look how can these different collections of values support socially responsible behaviour of managers and other influential persons, bodies and organizations in any kind of organizations, not only business corporations.

SOCIAL RESPONSIBILITY AS THE MODERN VALUES, PASSED GLOBALLY

Social responsibility became increasingly important in recent years, especially after an economic growth cycle had ended with the 2008- global socio-economic crisis. During our research on social responsibility (SR) we found on e–browser Google many million hits. Contributions on social responsibility are too many to read. Our selection shows the following situation:

- The simplest (and oldest) version of social responsibility is charity, but it might only be a mask for real one-sidedness rather than requisite holism of behaviour of influential persons and their organizations.
- European Union (EU, 2001) mentions officially four contents of social responsibility (of enterprises): the point is in a free-will-based acceptance of the end of abuse of employees, other business partners, broader society, and natural preconditions of humankind's survival, beyond law.
- In literature on business excellence one requires more – upgrading of its measures with social responsibility (For overview see: Mulej et al, 2013). A bridge is also offered, identifying social responsibility as the values/culture/ethics/norms of human behaviour, and business excellence as a method leading to it in practice.
- In further literature one sees connection between systemic thinking and social responsibility (Cordoba, Campbell, 2008), but it differs from the one under discussion here (Lebe and Mulej, guest ed., 2014; Mulej et al, guest ed., 2013; 2015; Mulej and Dyck, ed., 2014; Mulej and Čagran, ed., 2016; Mulej et al., ed., 2016; 2019; Peršič et al., 2019; Štrukelj and Gajšt, 2019; Štrukelj et al., 2017; Šuligoj and Štrukelj, 2017).
- A fourth group of references links social responsibility with world peace (Crowther and Caliyurt, 2004).

- ISO 26000 (ISO, 2010) requires a holistic approach (based on interdependence) and includes seven content areas. The definition in ISO 26000 was not passed by theorists and politicians, but by the international standards organization ISO that is backed by businesses and global (ISO, 2010a). Therefore, we prefer to build on it. Social responsibility is in the wording of ISO 26000 quite limited to organizations, but much less so is the spirit behind the words, as we see it. (Only in 2019 the first book on social responsibility of society was published; see Mulej et al., 2019, in Slovene).

Social responsibility could be observed from two major views: shareholders and stakeholders, including their values' influence. Prosenak and Mulej (2008) defined social responsibility as a concept in which care for social and environmental problems should become part of every activity. According to them social responsibility has three dimensions: 1. social, 2. environmental, and 3. economic. (See also: EU, 2001; EU, 2011; EU, 2016).

The more current view on social responsibility was prepared by International organization for Standards, which connects 163 countries (ISO, 2010a) in a quite holistic way. ISO 26000 (ISO, 2010) standards on social responsibility were prepared to provide for harmonized, globally relevant guidance. They help all organizations, including the public sector ones (but neither the individuals, government and its bodies, nor the international bodies), to understand and voluntarily include social responsibility into their operations. ISO standards contribute to understanding and accepting relevant terms what is social responsibility, definitions and principles of social responsibility. They also present how social responsibility should be included in policy, strategy, integration and communication as well as the possible best practices how to apply social responsibility.

In preparation of material for ISO 26000 99 countries, 42 organizations and 450 participating experts were included as of July 2010. The major stakeholders were grouped as: government, industry, services, labour, nongovernmental organizations, and customers (ISO, 2010a).

To further develop the understanding and practicing of social responsibility the most important in ISO 26000 are seven core subjects, covering everything crucial in life (ISO 2010: 8). We find the two concepts linking them even more important: (1) interdependence, and (2) holistic approach. These core subjects are: 1. Organizational and management governance; 2. Human rights; 3. Labour practices; 4. Environment; 5. Fair operating practices; 6. Consumer issues; and 7. Community involvement and development. They are all interrelated and are bonded with organizational governance with organization in the centre. Due to objective circumstances the organization decides when it puts more emphasis on some core subjects, and in different circumstances on the others. The social responsibility as a values system is summarized in seven basic principles: accountability, transparency, ethical behaviour, respect for stakeholder interests, for the rule of law, for international norms of behaviour, as well as for human rights (ISO 2010, pp. 22–25). They express the crucial values.

ISO 26000 standard neither writes about system theory or cybernetics nor includes their methods, explicitly. Integrating social responsibility throughout the organization (ISO 2010, p. 81) state that the prevailing relations among are participants are only one way. Our critical conclusion is that ISO does not include enough the importance of interrelations and interdependencies. Implicitly some systemic thinking can be found (ISO 2010, p. 15); the relations between society and environment are interrelated to organizations and stakeholders. Relations are expressed as interests, expectations and impacts.

Social responsibility is a revolution of values, because the current prevailing values are destructed in their consequences. The three authors, whom we have briefed at the beginning of this chapter, are more or less neutral, because they are describing sociologists, which is good, but not enough. So the practical application in reality goes in another direction, which is influence over the human practices and the consequences of these influences. Global humanity documents like ISO 26000 (ISO, 2010) would not be necessary, if the currently prevailing values of neoliberalism were not so dangerous and detrimental to humankind, all way to the danger of the WW3, resulting from the decades of the war against terrorism, proclaimed by Bush, and the current more than ten local wars, causing hundreds million people to leave their homes. In addition, it cannot be incidental that after ten years of work of a large group on ISO 26000, about 4.000 amendments were submitted and ISO 26000 was passed only two years after the surfacing of the global socio-economic crisis of 2008, in 2010. This means that practical circumstances require solving the problems of existence of humankind far beyond the cited collections of values toward the understanding of ISO 26000 as the tool of humankinds revolution of values aimed at survival of humankind. This is no easy process; it is actually a rather long-term non-technological innovation process, which requires also a completing up of the concept of the corporate social responsibility (CSR), included in ISO 26000, toward social responsibility of society. Society includes corporations, other organizations, humans as individuals, governments and NGOs, because all of them together compose societies. (See for details Mulej et al., eds., 2019, and references in it).

DISCUSSION OF RESEARCH RESULTS

References and findings of so far uncover crucial importance of values, related to social responsibility.

Values claimed by ISO 26000 (ISO, 2010) differ from values researched by Hofstede (1980; 1998; 2001; also Hofstede and Bond, 1988; as well as Hofstede et al., 2010), Schwartz (1992), and Kluckhohn and Strodtbeck (1961) or Rokeach (1979), House (1991), Chhokar et al. (2008); House et al. (1999; 2004) or Smith and Bond (1998) by the selected viewpoint, which is closer to values from Dialectical Systems Theory (Mulej 1974; 1979; Mulej et al., 2013), because they are addressing influence over the human behaviour much more directly. The basic difference comes from the selected viewpoints, which are description oriented in the models of cited works of e.g. Hofstede, Schwartz, and Kluckhohn and Strodtbeck. This doesn't mean they don't make sense any longer because of described values are later on in process in human behaviour applied as the basis for action along with human knowledge and circumstances of life and work. Thus, their influence over the success of the organization depends on humans and decision-making bodies defining the goals, objectives and processes of attainment of objectives. Hofstede's typology (1980; 1998; 2001; also Hofstede and Bond, 1988; as well as Hofstede et al., 2010) basically describes human character through values and this is a very important source of influence over the definition of objectives and later on realization of objectives. Similar can be the assessment of the role of the other two typologies of values researched. Their findings can enter the content of values in the model from the Dialectical Systems Theory. They also have their potential influence over the seven principles included into the ISO 26000 (ISO, 2010) as the basic global document on social responsibility (we do not want to spend readers' time on repetition of what has been described earlier in this chapter).

An important viewpoint related to social responsibility is also the information viewpoint. Technological changes in the recent period grow exponentially and have a profound effect on people and their values. People's values define which technology, to what extent and for what purpose people use, and at the same time the use of technology influences the change of their values. Humanity has therefore faced deep challenges, the future of which cannot be predicted. One of the viewpoints of digital transformation is Industry 4.0.

On the basis of an advanced digitalization within factories, the combination of Internet technologies and future-oriented technologies in the area of smart machines and products we can talk about a new fundamental paradigm in industrial production (Lasi, 2014). Term Industry 4.0 was first mentioned in 2011 by Germans as a proposal for the new economic policy based on high-tech strategies (Mosconi, 2015). Today the term Industry 4.0 is referred to as the Industrial Internet of Things (IIoT), which describes a new paradigm of digitalization in production. The development of Industry 4.0 is triggered by short development periods, individualization of demand, flexibility, decentralization, resource efficiency, etc. on the application-pull side and by further increasing mechanization and automation, digitalization and network, and miniaturization through technologies such as Web 2.0, apps, smartphones, 3D-printers, etc. on the technology-push side (Lasi, 2014). Roblek et al. (2016) and Lu (2017) pointed out five major features of Industry 4.0, which are: (1) digitalization, optimization, and customization of production; (2) automation and adaptation; (3) human machine interaction (HMI); (4) value-added services and business, and (5) automatic data exchange and communication. The goals of Industry 4.0 are to provide IT-enabled mass customization of manufactured products; to make automatic and flexible adaptation of the production chain; to track parts and products; to facilitate communication among parts and products; to apply human-machine interaction (HMI) paradigms; to achieve Internet of Things (IoT) enabling production optimization in smart factories; and to provide new type of services and business models of interaction in the value chain (Shafiq et al., 2016). Because of that, Industry 4.0 brings also changes in human values, business models and business processes. Industry 4.0 includes characteristics of cyber physical systems (CPS) production, based on heterogeneous data and knowledge integration. Cyber physical systems' main role is to fulfil the agile and dynamic requirements of production, and to improve the effectiveness and efficiency of the entire industry, with no special focus on business ethics and social responsibility, which can be described as a main lack of it. Because of that Industry 4.0 is surrounded by many technologies, such as Internet of Things (IoT), cyber physical systems (CPS), information communication technologies – ICT, big data and cloud computing; and business concepts and solutions such us business process management (BPM), workflow management (WM), Enterprise Application Integration (EAI), Service-Oriented Architecture (SOA), enterprise resource planning (ERP) and supply chain management (SCM). All information from above mentioned technologies and systems are integrated through Enterprise Information Systems (EIS), which can significantly improve the performance of organizations through decision making in real time (Lu, 2017). But they do not take values into consideration.

Industry 4.0 introduces new computer techniques, and the use of these techniques has its own background in values. Let's say, at least, whether people are willing or feeling forced to learn them. It is also an important question whether people make the technology the best for them or subordinate themselves to the technology. Because this has not yet been explored, the importance of values in the modern environment of rapid technological change could be of interest and should be of very important interest for further research. Namely, as we have noted, technological authors dealing with Industry 4.0 do not pay special attention to the values and do not expose them (Lasi, 2014; Lu, 2017; Mosconi, 2015; Roblek et al., 2016; Shafiq et al., 2016). If we evaluate the above mentioned techniques from a human perspective – whether values are taken into account and what change in values relates to Industry 4.0 – we can conclude that the research related to Industry 4.0 and the entire digital transformation ignores the role of humans and their values; some authors (e. g. Črešnar et al., 2019; Šarotar Žižek and Mulej, eds., 2018; 2018a; 2018b) at least warn about this.

CONCLUSION

The cited empirical research and the findings summarised in discussion prove that the older and newer culture and personal values do have a serious impact over the organizational success, including its competitiveness. Thus the research question (RQ) "Are cultural and personal values organizational success factors and thus influencing its competitiveness?"; and research hypothesis (H1) "Cultural and personal values are organizational success factors and thus influencing its competitiveness", are confirmed both theoretically and in the researched practice. According to the selected research findings, cultural and personal values both before and after ISO 26000 on social responsibility were and are organizational success factors and thus influencing its competitiveness. Our researches revealed that although socially responsible and previous culture and personal values are different, they were in the past and are also nowadays organizational success factors. Our research also revealed that in the contemporary economy and business socially responsible culture and personal values are becoming increasingly important (Mulej et al., 2019; Štrukelj and Gajšt, 2019; Wheelen et al., 2018).

We would like to draw attention to the Slovenian empirical research of Zore (2015). The author connects the values, innovation and competitiveness. She speaks of socially responsible values, without the three sets of values that we have included in this research. The findings of this research were only partly answered because it did not cover the three types of values studied here, which are summarized and analysed here, and which are from times before emphasis on corporate social responsibility, including ISO 26000. Since Slovenia is a rather typical member of the European Union, except the establishers of the EU, one may generalise the findings reported about in research of Zore (2015) and research in this book chapter.

Further research directions: Giving the digitalisation of the modern times, e.g. Industry 4.0, one of the potential research directions for the future could include the IT support to creation and application of human values in organizations (see e. g. Šarotar Žižek, ed., 2018). In the economic perspective Industry 4.0 is still researched insufficiently. Kiel (2017) exposed that literature review reveals five areas: (1) human resource management, (2) implementation, (3) business models, (4) supply chain management and (5) law and ethics. He added that it will be particularly essential to synchronize and harmonize the human factors, technology and organizations; even more, he pointed out that human factor plays a key role in this context, since the employee makes final decisions; technology and organization have to follow the human factor. Even more, from ethical perspective we should warn against potential misuse or deficient management of the Industry 4.0, which can potentially result in risks for individuals and/or organizations (Popescul & Georgescu, 2013; Allhoff & Henschke, 2018). Internet 4.0 inherent digitizes connectivity and increases the vulnerability to abuse of data, cyber-crime, product piracy etc. and even worst, life-threatening situations. Because of that, technical solutions, legalization mechanisms, economic measures and social aspects should be pointed out (Popescul & Georgescu, 2013; Allhoff & Henschke, 2018).

Implications for society: There is too much influence of the knowledge management alone, without interdependence of knowledge and values, exposed in Dialectical Systems Theory (Mulej, 1974; 1979; Mulej et al., 2013) and in further texts by Šarotar Žižek et al. (2015), Zlatanović and Mulej (2016). Leaving interdependence of knowledge and values aside causes one-sided reflection about human problems, including the statement by several EU countries, especially Germany and Denmark, that they will have to import labour force, and they do not seem to consider that they will not import knowledge only, but also values which have been created in different circumstances and necessarily brought along; this means that political influence must switch from multi-cultural to inter-cultural concept. Pope Francisco visits in areas with prevailing Muslim and other cultures rather than Roman-catholic are showing the way from multi-cultural to inter-cultural concept. So do experiences of countries in which human interdependence leaves the culture differences aside as the less important side of the influence of practical life. Experience from eastern Croatia over the four decades after the second WW showed that leaving some culture differences aside and exposing the common attributes has gradually become normal, so do cases from Bosnia and Herzegovina in the same periods; especially in towns these religion difference were less and less problems. The differences were artificially revived by the two narrowly and socially irresponsible political leaders.

Practical recommendations include very careful attention of all influential persons and organizations and especially politicians to support social responsibility of individuals and organizations, especially the public opinion makers. The practical background could be in the fact that people in the big majority prefer to work and live with reliable humans, which means with humans supporting and practicing values of requisite holism, interdependence and responsibility. The briefed describing concept of values by Hofstede (1980; 1998; 2001), Hofstede and Bond (1988), Hofstede et al. (2010) etc., can and should be applied in connection with socially responsible ones to influence people towards more social responsibility. Otherwise humans have a very poor chance to survive as humankind, given all the tremendous quantities of deadly weapons and wars going on currently.

Recommendations to policy makers: policy makers should first of all acquire the 7 principles established in ISO 26000 (ISO, 010) as their normal personal values and critical attributes of organizations they represents and work for as politicians and human beings. They should analyse themselves and their colleagues in terms of Kluckhohn and Strodtbeck (1961), Rokeach (1979), Hofstede (1980; 1998; 2001), Hofstede and Bond (1988), Hofstede et al. (2010), House (1991), Chhokar et al. (2008), House et al. (1999), House et al. (2004), Schwartz (1992) or Smith and Bond (1998) models of values and link their current attributes of social responsibility; thus they would help humanity to switch from no social responsibility via corporate social responsibility (CSR) to the societal social responsibility (Mulej et al., 2019) – for survival.

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KEY TERMS AND DEFINITIONS

Competitiveness: The way to achieve the organization’s advantage over other competitors.

Culture: The totality of material and immaterial creations of mankind. The culture of an organization represents a way of working in an organization and reflects the culture of the environment in which the organization operates, expressed in the prevailing habits and criteria of right and wrong.

Industry 4.0: Refers to the fourth Industrial Revolution that focuses on interconnectivity, automation, machine learning and real-time data, mostly in engineering terms.

Innovation: Any material and non-material novelty that a user considers to be a new source of their benefit.

Interdependence: The realization that we are need each other due to our differences and not independent of each other. Every action affects every one of us, including the one of organizations.

Requisite Holism: Necessary and sufficient holism, because complete holism due to the natural limitations of everything and everyone is not possible. One’s limitation to a single viewpoint makes a fictitious holism.

Social Responsibility: The belief that organizations and humans must take care of society and the planet Earth in addition to profit.

Success Factors: Factors that influence the greater likelihood of good organizational performance.

Values: Something that means a lot to you, which you do not give up easily. Organizational values define the "range" of thinking and emotions, developing and operating the company. They are the background of the culture.

ENDNOTE

1 This applies also to the briefed insight into values: the object under consideration is the human being; the dialectical system might consist of a synergy of psychological, economic, legal, and sociological viewpoints; their systems are limited to the sociological viewpoint; and their models are their presentations provided here before.

Chapter 6
How Personal Values Affect Social Responsibility in Higher Education Institutions

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ABSTRACT

Recent research has investigated how personal values of university stakeholders shape social responsibility of universities. Interest of universities for their responsibility toward society, beyond fundamental academic goals related to creating, transferring and preserving knowledge in society has become more widespread since 1970s. As social responsibility has evolved, universities have started to look into questions about mechanisms through which beliefs, values, attitudes impact their socially responsible behavior. This chapter provides an insight into the role of university stakeholders' personal values to creation of social responsibility of higher education institutions and explain how their values accelerate development of broader society. Findings enable new understanding of current state of social responsibility in higher education and suggest possible solutions for its improvment.

INTRODUCTION

The rising importance of sustainability was in the last decades expressed through various initiatives to preserve the environment for future generations emerged (Dunlap & Mertig, 1990; Elkington, 2004). These initiatives have been used in different names, forms and shapes, like triple bottom line (Elking-

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ton, 2004), corporate social responsibility (CSR) (Foote et al., 2010), SR (Blackburn, 2007; Potocan et al., 2013), Agenda 21 (Bullard, 1998), sustainable development (Beckerman, 1994), and sustainability (Clayton & Radcliffe, 1996). We will use terms SR and sustainability interchangeable.

Looking from the perspective of various types of organizations, SR is extensively present and studied in business organizations (Schultz, 2001; Nordlund & Garvill, 2002; Cordano et al., 2011; Cirnu & Kuralt, 2013), while in some other types of organizations, the interest for sustainability is significantly lower. This lack is most clearly seen with lower number of studies in considered field. For instance, one emerging stream is dedicated to the ethics in public administration, focusing on ethical working and behavior of public administration organizations (Bowman & Knox, 2008; Fiorino, 2010; Jelovac et al., 2011; Kovac, 2013; Nedelko & Potocan, 2013). In frame of "non-profit sector", the integration of sustainability into higher education organizations is occurring at an accelerated pace. This is confirmed with plethora of studies about sustainability or SR in higher education (Newman et al., 2004; McNamara, 2010; Gosselin et al., 2013; Figueiró & Raufflet, 2015; Hoover & Harder, 2015).

Various studies in this field emphasized several ways to enhance the SR of higher education institutions. Very commonly are addressed changes in curricula, where the focus in on implementing sustainability and SR principles into the curriculum (Figueiró & Raufflet, 2015) in order to have an impact on rising students' level of SR – i.e. through their perception. For instance, Gosselin et al. (2013) reported, based on three case studies, that curricula were reformed in a way that enable students to learn about behavioral sciences, life sciences, Earth and atmospheric sciences, social sciences, etc., in order to broader their understanding of SR. Figueiró and Raufflet (2015) additionally, reported that among 78 papers analyzed, dealing with management education, only 5 papers were dealing with green or sustainable campuses. Warwick (2016) emphasized vital role of students as change agents in the process of heightening SR level of higher education organizations, Wright and Wilton (2012) assigned vital role in increasing role to the management of educational institutions. Hoover and Harder (2015) reported about hidden complexity of organizational change for sustainability in higher education, emphasizing for instance, organizational culture, personal characteristics, individual knowledge, etc. Another promising option to enhance sustainability of higher education is also development of stronger ties between higher education organizations and the community in order to becoming more socially responsible (Chambers & Gopaul, 2008).

Turning to the most important drivers of SR, in business literature are very frequently emphasized personal values, as an important driver of organizational as well as individual behavior regarding SR (Stern & Dietz, 1994; Karp, 1996; Schultz & Zelezny, 1999). Based on an overview of existing studies, a lot of evidences exist about the importance of personal values for shaping SR of business organizations (Kemmelmeier et al., 2002; Dietz et al., 2005), but on the other hand there is lack of studies clarifying the role of personal values in shaping SR of higher education organizations.

Among plethora of alternatives to enhance sustainability of higher education, the least attention is dedicated to the development of stronger ties between higher education organizations and the community. Turning to the role of stakeholders, the crucial role for increasing sustainability of higher education can be assigned to the various stakeholders of higher education – namely management of educational institutions, teachers, students and society.

Based on above findings about (1) increasing role of sustainability of higher education organizations with enhancing the links with the community, (2) the crucial role of various stakeholders and (3) the key role of personal values for shaping SR behavior, we want to highlight the role of personal values of various stakeholders – i.e. managers and teachers in higher education institutions, students and the values of local community, for improving sustainability of higher education. Values thus have an important role in improving community and social involvement of higher education. In that framework is key question – which paper tries to answer – how fit (or dissonance) between values of higher education institution (i.e. management and teachers), students and local community can influence on improving sustainability of higher education organizations. The paper will address the issues and controversies in outlined area. Knowing actual state of personal values of various considered stakeholder may be helpful to identify – for instance gaps, fit, dissonance – between values of different groups, and provide a constructive starting point to spark discussion about how to deal with differences in values between various groups and what can be done to reduce the gap and enhance the level of community and social involvement of higher education institutions, in order to improve the level of sustainability of higher education.

Based on the above outlined starting points, the chapter has following structure. First, in terms of needed background, we outline several selected starting points for understanding sustainability and SR and the role and importance of personal values as an important driver for shaping SR in organizations. Next section will be dedicated to the SR of educational organizations, with special focus on relations between higher education organizations and community. In the discussion we are addressing the role of personal values of various groups, which had been emphasized as one of the most important change agents toward sustainability of higher education institutions. In frame of practical implications we provide some suggestions how to capitalize on cognitions emphasized throughout the chapter. Final part of this chapter is dedicated to the future research directions, as well as some limitations of this paper.

LITERATURE REVIEW

In this section we first address selected cognitions for understanding sustainability and SR, followed by the role of personal values for shaping SR in organizations.

Sustainability and SR

The idea of sustainability can be found under different names and appearance forms in organizational practice, like CSR, SR, corporate sustainability (Baumgartner & Ebner, 2010). Sustainability is a holistic concept, with the central idea that none of the development goals of economic growth, social well-being and a wise use of natural resources, can be reached without considering and effecting the other two (Landrum & Edwards, 2009). John Elkington (2004) developed this notion into the 'triple bottom line' or 'Triple-P (People, Planet, Profit)' concept. Based on the core idea of sustainability, we can define it as striving for balance or harmony between economic sustainability, social sustainability and environmental sustainability.

The available conceptualizations of CSR show large congruency about theories and knowledge of CS (Elkington, 2004). Scholars developed main models of SR through research of differently socially constructed SR (Elkington, 2004; Aguinis & Glavas, 2012), individual dimensions of SR and their activities, and importance of SR for society stakeholders and whole society (Stern, 2000). Additionally, findings about decision making and implementation of SR (Burns & Tobin, 2016), heterogeneous outcomes of SR (Aupperle et al., 1985; Petrenko et al., 2016), and impact of CSR on society development (Waddock & Graves, 1997), provide guidance for operationalization of SR in practice.

In terms of sustainability, management in organizations faces a trade-off between pursuing economical, environmental, and societal goals (Agle et al., 1999; Vitell & Hidalgo, 2006; Godos-Diez et al., 2011). Due to the high importance of incorporation of sustainability principles in organizational practices, is in nowadays business environment main question related to the actual state or level of organizational sustainability as well as employee's perception of different sustainability aspects. Employee's perception of SR is important, since employee's at higher managerial positions in organizations importantly influence on organizational directions, thorough developing and implementing different strategies (Ajzen & Fishbein, 1980; Kreitner et al., 2002; Roccas et al., 2002; Smith et al., 2002; Mullins, 2006). For the purpose of this chapter we presuppose that employee's perceptions reflects relatively well in their behavior, since employees' behavior in organizations is driven by plethora of interrelated factors (e.g., stakeholder requirements, shareholders claims, economic conditions, organizational culture, personal values, perceptions, personal situation, etc.) (Hersey & Blanchard, 1977; Agle et al., 1999; Kreitner et al., 2002; Smith et al., 2002; Mullins, 2006).

Sustainability encompasses much more than just balancing profit with people and planet aspects, based on the concepts and standards of sustainability, developed through last decades. According to the findings of different authors a number of key elements or principles of sustainability can be derived, namely (Beckerman, 1994; Clayton & Radcliffe, 1996; Munda, 1997; Dunphy et al., 2000; Hitcock & Willard, 2009; Baumgartner & Ebner, 2010):

- Sustainability is about balancing or harmonizing the social environmental and economical interests. In order to contribute to sustainable development, a company should satisfy all 'three pillars' of sustainability: Social, Environmental and Economic;
- Sustainability is about both short and long term orientation. A sustainable company should consider long-term consequences of their actions, and not only focus on short-term gains;
- Sustainability is about local and global orientation. The increasing globalization of economies affects the geographical area that organizations influence. The behavior and actions of organizations therefore have an effect on economical, social and environmental aspects, both locally and globally; and
- Sustainability is about consuming income, not capital. Sustainability implies that the natural capital remains intact. This means that the extraction of renewable resources should not exceed the rate at which they are renewed, and the absorptive capacity of the environment to assimilate waste, should not be exceeded.

Sustainability is also about personal values and ethics. Sustainable development is inevitably normative concept, reflecting values and ethical considerations of the society. Thus, importance of societal values could reflect national policies; while employees also in their sustainable behavior in organizations. For instance, for those employees, for which for preservation of natural environment is highly important, will give more attention to this issues also in terms of his/her behavior in organization (Potocan et al., 2013). Part of the change needed for a more sustainable development, will therefore also be the implicit or explicit set of values that project management professionals, business leaders or consumers have and that influence or lead their behavior.

To apply everybody's knowledge, humans' cooperation requires values of interdependence ('we need each other to complete each other up by our differences'), rather than values of bosses' independence ('we/they are untouchable and may be irresponsible and abuse others') or values of subordinates' dependence ('we/they have no chance of influence, therefore we/they may be irresponsible and accept pressure and abuse') (Zlatanović & Mulej, 2015). Social responsibility promotes values, norms, culture and ethics that support the development of humans as creative parts of society. In such societies, all stakeholders strive for common good that is defined based on requisite holism beyond the official legal obligation or limitation. Thus, SR is a process of social – non-technological innovation that addresses values, culture, ethics and norms, first of all. The perceived unethical or socially irresponsible corporate practices can reduce reputation, increase costs, and reduce shareholder value. By contrast, corporate social responsibility can bring significant benefits through the development of positive attitudes towards the company, as well as by creating competitive advantages. Consequently, more and more companies develop strategic corporate responsibility plans and implement socially responsible initiatives (Nikolić & Zlatanović, 2018).

The concept of sustainability has often slightly different meaning to different people (e.g., authors in environmental management, general management, organizational behavior). Authors in management literature often refer to concept of sustainability in terms of social responsibility or CSR. For instance, Certo and Certo (2011) understand CSR as the managerial obligation to take actions that protects and improves both, the welfare of society as whole and the interests of organization. While Schermerhorn (2008) defines CSR as the obligation of organization to serve its own interests and those of society. Based on these examples of understanding CSR, by management authors, it is evident that social and environmental issues are often treated in frame of society, e.g. external organizational environment as a whole. While on the other hand, mainstream of the literature about the sustainability, always emphasize three interrelated underlying aspect of sustainability (Clayton & Radcliffe, 1996; Cancer & Mulej, 2009).

Reviewing the management literature on CSR can show the following evidence:

- With CSR enterprises try to balance the economic, environmental, and social goals of their business (Peet & Hartwick, 2009; Kira & van Eijnatten, 2011).
- CSR helps enterprises match requirements related to: efficiency vs. technical and commercial quality vs. flexibility vs. innovativeness vs. holism and wholeness of business (Mullins, 2006; Waddock & Bodwell, 2007).
- CSR authors originate their work from environmental paradigm (Dunlap & Van Liere, 1978; Dunlap & Mertig, 1990), and CSR paradigm (Elkington, 2004).
- CSR covers areas of: governance, management and organization, human rights, labor relations, natural environment, fair business practices, consumer issues, and relations to community (Elkington, 2004; Ralston et al., 2011).
- CSR requires values of: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights (Kira & van Eijnatten, 2011).

An overview of acknowledged prior studies about different aspects of sustainability (Axelrod & Lehman, 1993; Stern, 2000; Schultz, 2001; Kemmelmeier et al., 2002) reveals that the majority of previous examinations as well as the measures taken by businesses, focus primarily on the environmental dimension of sustainability and therefore fail to acknowledge the holistic principle of sustainable development (Clayton & Radcliffe, 1996; Ketola, 2008). Several authors (Clayton & Radcliffe, 1996; Elkington, 2004; Potocan et al., 2013) argued, that the socio-cultural, environmental and economic realms are interdependent and the aim of a sustainably managed business should be the optimization of all three.

Personal Values as Drivers of Sustainability

Schwartz and Bilsky (1987) define personal value as concepts or beliefs, referring to desirable behaviours or end states, transcend specific situations. Values are conceptualized as important life goals or standards which serve as guiding principles in a person's life (Rokeach 1973; Schwartz 1994). Research studies about values in frame of management literature and organizational behavior are commonly, whereas most commonly are values considered based on Hofstede (2001), Schwartz (1992) and Rokeach (1973) cognitions about values. Various studies revealed that managerial and non-managerial staff values represent an important driver of employees behavior in organizations, reflection in their actions (Adler, 1983; Hambrick & Mason, 1984; House et al., 2004; Sosik, 2005; Pastor & Mayo, 2008).

Studies emphasize values as determinants of attitudes and behaviors (Munson & Posner, 1979; Ralston et al., 2014); they used for their consideration different social-psychological paradigms – like values-base theory (Stern & Dietz, 1994). Turning to the studies dealing with sustainability issues, there are many studies available, which consider selected pillars of sustainability, but mainly focusing on one or two out of three key underlying aspects of sustainability. Among studies, which are focusing on one aspect of sustainability, are in the forefront studies, which address natural dimension of sustainability (Karp, 1996; Schultz & Zelezny, 1999; Schultz, 2001; Dietz et al., 2005). Researching solely the economic or social aspect, in the context of sustainability, is rare. Considering the two-aspect studies, those dealing with both environmental and economic aspects of sustainability prevail (Munda, 1997), frequently discussing the justification of sustainability in terms of financial criterions, like return on investments, return on assets (Agle et al., 1999; Agle et al., 2006). Meanwhile, few studies research linkages between social and other aspects of sustainability or all aspects of sustainability (Ciegis et al., 2009; Udo & Jansson, 2009; Potocan et al., 2013).

Research studies in this field primarily confirm the impact of personal values on environmental issues. For instance, Axelrod and Lehman (1993); Dietz et al. (2005) recognized and defined a set of important factors influencing pro-environmental behavior. Meanwhile, Stern (2000) identified several important factors that influence behavior orientation. Schultz and Zelezny (1999) recognized personal values as an important source defining relationships with the environment. The mainstreams of surveys focus primarily on student populations (Schultz & Zelezny, 1999; Cordano et al., 2010), whereas other researchers have used nationwide random samples that have also included employees (Nordlund & Garvill, 2002).

In frame of our discussion about the role of personal values for sustainability of higher education, we are building it on cognitions of Rokeach (1973) and Schwartz and Bilsky (1987). The Schwartz value survey (SVS) (Schwartz, 1992; Schwartz, 2008) includes 56 single values which represent a foundation for building individual and societal level dimensions of values. Based on researching the importance of 56 values in 67 countries, Schwartz proposed a universal structure of personal values valid across cultures. Using 56 single values, ten individual level sub dimensions (motivational types) of values – i.e. groups of values – are created, which are further categorized into two bi-polar high order dimensions, namely openness to change vs. conservation and self-transcendence vs. self-enhancement. Besides those four high order dimensions, another two dimensions, individualism and collectivism, form individualism vs. collectivism dimension.

Based on above starting points about sustainability and sustainability in higher education is an important question – how to achieve higher level of SR of higher education institutions and what is the role of personal values? Literature and organizational practice offers plethora of options to increase sustainability of higher education institutions. One among under-considered alternative in literature and practice is also related to the associations between higher education institutions and community. In line with aims of this chapter, we are next outlining an overview of existing research on higher education social and community involvement.

Higher Education and Social and Community Involvement

It is clearly evident that at the core of higher education institutions are the production, transfer and preservation of knowledge, which is well aligned with the idea of SR and doing good for the society as a whole. However, research suggests that higher education institutions should aim at developing stronger ties with the community by becoming socially responsible (Chambers & Gopaul, 2008). Bringle and Hatcher (1996) pointed out, that "universities have valuable resources that become accessible to the community, while they also have a tradition of serving their communities by strengthening the economic development of the region, addressing educational and health needs of the community, and contributing to the cultural life of the community". Although the idea of community involvement in higher education isn't new, and dates back to the beginning of the 20th century, it is only in the past two decades that the concept has been gaining attention of researchers and academics (Niemi et al., 2000). In that context, community involvement in higher education encompasses: (1) service learning, (2) community-based learning and (3) cross-sectional partnerships (Cadwallader et al., 2013).

Service learning has been defined as "course-based, credit bearing educational experience in which students: (a) participate in an organized service activity that meets identified community needs, (b) reflect on the service activity in such a way as to gain further understanding of course content, a broader appreciation of the discipline and an enhanced sense of civic responsibility" (Bringle & Hatcher, 1996). Similarly, Jerome (2012, p. 60) defined service learning as "an experimental approach to education that involves students in meaningful, real-world activities that can advance social, emotional, career and academic curricula goals while benefiting communities". Research on service-based learning and its impact on the community has mostly been qualitative in nature, and therefore had limited possibilities for producing generalizable results (Henderson et al., 2007). It is only recently that the research began focusing on quantitative studies (Birdwell et al., 2013), aimed at evaluating various outcomes and potential influencing factors. In terms of the outcomes of service-learning activities, two main groups of outcomes have typically been considered, namely: (1) knowledge (i.e. changes in knowledge, and gain of civic skills) and (2) attitudes (i.e. attitude change and dispositions towards public service and civic responsibility). The influencing factors essentially act as moderators of the relationship between service learning and the previously identified groups of outcomes, and may include the educational framework, parental interest, amount of service time, work arrangements, along with social factors such as age or gender (Niemi et al., 2000). Although this study has confirmed existence of a positive link between service learning and learning outcomes, the implementation of service learning has been proven to be a daunting task.

Service learning is a relatively new teaching method in business education, and faculty members are not quite familiar with both the approach and its possible educational outcomes (Seider et al., 2011). Although the method has had good results, it has been found that business students especially are less positive about college courses that incorporate service learning components into the curriculum. Possible reasons that business schools have not adopted this method more widely include the following: (1) students perceive service learning as less attractive than other teaching methods (e.g. case analyses); (2) students prefer courses that develop specific applied skills as well as interaction with industry representatives, (3) students find this method time-consuming because of its requirement that they complete 10–20 hours of volunteer work not directly related to business or marketing; (4) students may not see the relevance of the service learning component, which requires individual reflection and journaling of the learning experience, to their education and (5) faculty tend to choose the path of least resistance given that there is high risk (student rejection or dislike) and little or no reward in terms of promotion and tenure (Cadwallader et al., 2013). To address some of these issues, the authors suggest a „hybrid" model they call community-based learning which embraces the core concepts of service learning, but removes the volunteer work and service-learning reflection.

Finally, we address the importance of cross-sectional partnerships for social and community involvement in higher education. Universities and colleges have increasingly been investing in partnerships with the local communities, as well as by wider society, e.g. by addressing major social problems (Maurrasse, 2002; Murray, 2009). With the community's increasing emphasis on outcomes, evaluation becomes critical to any burgeoning social movement that depends upon external support. The higher education-community partnerships movement is in its early stages despite the deep historical roots of the teaching, research, and service. As suggested by some authors, this movement is highly urban in character and far more centralized than the multiple independently driven efforts of some higher education institutions (Maurrasse, 2002). To be able to evaluate the quality and benefits of community- higher education partnerships, we also draw on the literature in relationship marketing that addresses cooperation (also referred to in the literature as working partnerships) which refers to situations in which parties work together to achieve mutual goals (Anderson & Narus, 1990). In their definition of cooperation, Anderson and Narus (1990) see coordination as a related construct and consider it an integral part of cooperation. In addition, Mohr and Spekman (1994) argue that without coordination, cooperation and planned mutual goals cannot be met. In terms of its measurement, cooperation has been operationalized as reflecting joint responsibilities, concern about the partners' profitability, reciprocity and dedication to mutual goals. See for example measurement scales developed by Cannon and Perreault (1999). We believe these contributions can be especially applicable to the context of community- higher education partnerships. As Maurrasse (2002) concludes, there is a clear tension between the interests of institutions of higher education and those of communities.

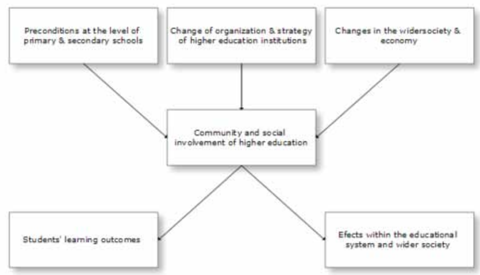
While meeting mutual goals and ensuring favorable outcomes on both ends of the community- higher education partnership, many are beginning to realize that institutions of higher education are beginning to gain more mileage out of community partnerships than are communities. Eilam and Trop (2013) reported similar findings when contrasting sustainability agendas, created by communities and educational institutions. These results reveal the potential pitfalls in community- higher education partnerships and relationships, as there is a significant lack of cooperation and coordination between the two partners. This in turn, has several important implications for higher education institutions which have to be considered in the future – from an organizational point of view, it may imply the need for decentralization of program and course curriculum to better fit the higher education and community agenda, but also considers the adaptation of existing teaching methods.

The existing research is mostly fragmented and does not provide an integrative framework for consideration of the previously described tools/approaches. In addition, it does not consider the entire system of relationships with antecedents and other factors influencing higher education involvement. More specifically, some of the core concepts remain under-researched, non-contingent, and overly theoretical with few empirical validations of models that incorporate social and community involvement in higher education. A detailed analysis of the several shortcomings of the existing state of research related to social and community involvement of higher education reveals several important gaps:

- The existing research, analyzing different forms of higher education SR, often exhibits following limitations:
  - considering many dimensions of higher education social responsibility in parallel, which makes it impossible to operationalize research constructs, as to apply sophisticated quantitative and/or mixed methodology (see Pasque, 2010);
  - adopting a non-contingent approach by considering individual tools/approaches (such as service learning, or community partnerships) only (see Baxter & Marshall, 2012; Kronick & Cunningham, 2013), instead of developing a comprehensive model of social and community involvement of higher education, that considers both relevant antecedents and outcomes;
  - limited empirical validation of core concepts, interactions and relations that focuses mostly on qualitative studies at all levels of the educational system. For instance Khalifa (2012) using the ethnographic research methodology; Ishimaru (2013) analyses interviews, observations, and documents; Santamaría (2014), using the case study approach; or restricting its analysis to refer to a single higher education institution, by examination of 'best practices', or specific circumstances – see for instance Gaffikin and Morrissey (2008);
  - excluding factors at the level of the educational system, or other relevant social factors, or, at least, analysing them on the level of individual practices only (see Moskal & Skokan, 2011; Borrero et al., 2012).
- Research related to improving effectiveness and social relevance of higher education often takes the route of modelling the organizational and/or strategic changes by following the prescriptions of the 'entrepreneurial university' model or other forms of ensuring efficient university-business linkages (Etzkowitz et al., 2000; D'Este & Patel, 2007). It is believed that the future of universities should not be conceptualized in terms of 'commercialization' and/or 'corporatization' only. At the other hand, the potential of universities to create positive social effects by being socially responsible has been a significant subject of academic research for several decades (Bok, 1982). A framework should be developed, as to balance legitimate interests of higher education stakeholders in the wider society, which has proved to be a useful approach to improving performance of non-profit organizations (Herman & Renz, 1997; Sowa et al., 2004; Balser & McClusky, 2005).It is important to note that this classical approach to assuring effectiveness in the non-profit sector has not yet been applied to the non-profit/public institutions of higher education.
- Existing research does not address the interactions within the educational system and does not refer to a wide range of relevant social factors, in order to develop a systemic model of attaining socially responsible behaviour of higher education institutions, although such approaches have proved as beneficial in the practice of community outreach and engagement programs (Barnes et al., 2009).

On the basis of previous discussion, a conceptual model has been formulated (see Figure 1) that examines the antecedents and consequences of social and community involvement of higher education.

Figure 1. Structural elements and hypothesized relationships in the initial model of higher education community and social involvement



Based on the above model we can define the questions for future research by limiting the inquiry to the topic of higher education social and community involvement, although multiple dimensions of higher education social responsibility have been proposed by a comprehensive framework (Chambers & Gopaul, 2008). Those additional dimensions include: (1) community and social involvement of higher education, (2) epistemological dimension of social responsibility in higher education (as demonstrated by the responsibility for creation, dissemination and critical analysis of knowledge relevant for the society), (3) democratic dimension of social responsibility in higher education (demonstrated by responsibility for achievement of democratic/civic values and behavior, securing access to knowledge and education to all relevant social stakeholders) and (4) systemic and organizational preconditions/changes, required for the implementations of previous dimensions.

Coverage of a single dimension ensures that the tangible outputs for the society could be created and serve as foundation for formulation of educational policy and institutional guidelines for socially responsible higher education. These are the community and social involvement of higher education, which will be associated with the analysis of the following systemic and institutional antecedents:

- Preconditions to be achieved by activities and changes at the level of primary and secondary schools,
- Organizational and strategic changes within the institutions of higher education and
- Changes in the wider society and economy, representing the general trigger for changes of the educational system, its policies and institutions.

In frame of preconditions at the level of primary/secondary schools and the systemic approach we can outline following cognitions. School reform efforts over the last two decades have become increasingly more complex and systemic (Lasky, 2004). Primary „task“ of schools is to educate students, in order to acquire knowledge, which should be accompanied by other characteristics, such as responsibility, social skills, empathy, involvement and willingness to contribute to society by planned programs which can provide skill building opportunities for students (Elias et al., 2007). Programs are limited because of insufficient coordination with other components of school operations (Greenberg et al., 2003) and environment. In order for students to use the opportunities provided, educational leaders can use evidence-based resources to help them integrate the development for social and emotional skills (Elias et al., 2007). Demands for coordinated communication and resource distribution across policy domains have increased (Lasky, 2004), which leads to the urgent need for systemic and institutional changes in order to provide better community and social involvement of primary and secondary education, as well as their cooperation with the institutions of higher education.

In primary and secondary education, one of major assumption for social and community involvement is school leaders' perceptions of the importance of school impact on community. It is common that school leaders are encouraged (by the policy makers) to plan, implement, operate and control a range of activities and services with purpose to improve or expand schools' relationships with pupils, families and communities (Peterson & Durrant, 2013). Problem arises when school leaders are „left alone" to deal with systematic changes to achieve better social and community involvement. Often they don't have enough knowledge nor opportunities to learn other than related to their own careers. Without knowledge they can't successfully create solutions to the problems of systemic reforms (Elmore, 2000). Therefore, one of starting points for the further application of SR in higher education is the systemic treatment of relationships among all levels of the educational system, leading to the sustainability of social and community involvement initiatives. This approach is supported by Shriberg (2002), who makes the same point. In this way, existing weaknesses in government policies and educational frameworks will be identified, since they include mostly theoretical (and partly practical) guidelines, but do not offer concrete measures or activities on an operational level.

DISCUSSION

Majority of the texts about sustainability and/or SR of higher education are focused on achieving higher levels of sustainability through curricula development (McDonald, 2004; Eisen & Barlett, 2006; Payne, 2006; Gosselin et al., 2013; Cebrián, 2016; Dmochowski et al., 2016), while there is a lack of focus on the "key stakeholders" that also have an important role in achieving higher level of social responsibility of higher education.

Overview of existing studies (Ceulemans et al., 2015; Figueiró & Raufflet, 2015; Hoover & Harder, 2015; Viegas et al., 2016) reveals that those studies do not focus on employees in higher education institutions, which also play an important role in increasing the level of SR of higher education institutions. Another important group of stakeholder – managers, plays an important role in shaping sustainability of higher education. Also the students are not frequently addressed in the studies, even though that they are considered as an important change agent (Warwick, 2016), from the viewpoint of increasing sustainability of higher education institutions. Finally, also the role of community for fostering sustainability of higher education has not received much attention yet (Chambers & Gopaul, 2008).

In that frame personal values of different groups of stakeholders plays an important role, while not much attention has been given to the role of values for shaping SR of higher education. For instance, manager's personal values are an important driver of their behavior and can importantly influence behavior and actions regarding sustainability issues in the process of higher education institution management. For instance, managers which consider values targeted toward improving natural and social environment – like protecting the environment, a world of beauty, as very important, may support and focus on actions, which will have more impact on increasing sustainability, than managers, who do not consider outlined values as very important. These can be backed up with findings from business sphere, which suggests that managers', higher importance of "pro-environmental" values is reflected in their actions, which are contribute to the improvement of the sustainability level.

Turning to the next group teachers, we can argue that teachers should be dedicated and highly appreciate SR in order to transfer the core idea of sustainability through learning process and consultative work to the broader audience – i.e. students as well as organizations with which they work.

The role of students for fostering sustainability of higher education has been seldom addressed. For instance, Warwick (2016) emphasized change of students status, which have moved from being mere consumers of higher education to becoming partners in innovation process at higher education institutions. Thus, the academia has recognized the vital role of students as change agents. In that frame, students have unique insight into the current provision of sustainability education, as well as possessing collaborative capacity to invent new learning spaces. Based on these findings – and general under-consideration of students as change agents – there is a need for greater students' engagement. In that framework, students' personal values play an important role in fostering sustainability of higher education institutions, via active participation in this process. Although, we need to be very sensible when approaching to the changes, since personal values of millennials are different from those of older generations (Ng et al., 2010; Črešnar & Jevšenak, 2019).

Social and community involvement are connected with social responsibility, which is dually important: it is a matter of institutions and individuals and can be seen from both a personal and a structural perspective (Dunne & Edwards, 2010). „Improvement" of social and community involvement (among other) should be based on the idea of systemic school development, since schools are integrated, holistic organizations (Prew, 2009). Systemic change of an educational system and policies should be built on the system modeling approach, which focuses on systemic linkages to bring greater knowledge about how the education system works as a whole, and how policy, data, and resources move through the system (Lasky, 2004). In this way, systemic model is seen as a complement of programs and policies that can produce powerful reform by creating reinforcing and synergistic effects (Supovitz & Taylor, 2005).

The current social and academic trends are directed toward perceiving the role of university in the context of a shift from industry-government dyad in the industrial society to a university-industry-government relationship in the knowledge society (Etzkowitz et al., 2000). The potential for innovation and economic development is seen as dependent on universities and their "hybridization", as industry and government start to generate new institutional and social formats for the production, transfer and application of knowledge (Van Looy et al., 2011). William Todorovic et al. (2011) note that governments, industry and funding organizations encourage universities to become more entrepreneurial oriented through increasing the commercialization outcomes of publicly funded research. With less government funding, universities are forced to be more efficient and shift toward a greater commercialization of knowledge. But "this is a grooving concern for higher education's contribution to equity, community development and the public good" (Subotzky, 1999).

It has been clearly evident that the role of personal values of managers, teachers, students and local community in the process of fostering sustainability of higher education has been "under-examined" in the literature. This provides us fertile ground for discussion the role of personal values.

IMPLICATIONS AND RECOMMENDATIONS

Based on the discussion above we can outline several implications and recommendations. First, proposed implication in this paper could serve as an important starting point for management of higher education institutions, for developing future steps in terms of increasing SR of higher education institutions, since nowadays organizations intensively developing strategic plans to implement SR initiatives into the organizations (Nikolić & Zlatanović, 2018). For instance, building upon the evidences that innovation towards more SR will stimulate organizational competitiveness (Štrukelj & Šuligoj, 2014) and the need that higher education organizations need to rethink their strategies and actions for a better response to the environmental and societal challenges (Popović & Nedelko, 2018), higher education organizations need to increase their level of SR in order to enhance their competitiveness and improve their current level of SR. In that frame decisions could capitalize cognitions about the need to take into consideration importance of personal values of different stakeholder groups – like managers, teachers, students and the community, when deciding about future steps regarding sustainability. Accordingly, management in those organizations can build their decisions about future SR actions, based on current importance of values of employees in organization. A comprehensive insight into the state of personal values may offer them a good starting point to start working on achieving higher level of SR in higher education institutions.

Second, knowing the importance of most commonly examined personal values of organizational members, can be helpful for manages in the process of aligning individual and organizational values (Westerman & Cyr, 2004; Vigoda-Gadot & Meiri, 2008; Figueiró & Raufflet, 2015). Hoover and Harder (2015) emphasized that among factors, that influence on achieving higher level of sustainability of higher education is at the first place organizational culture, which importantly influence on working in behavior in sustainable manner. With comprehensive research about actual state of values, a possible gap between individual's and organizational values can be identified. Based on the gap, the process of personal – organizational fit can be more holistically conduced. Additionally, based on the presumptions about the role of employees' values of higher education institutions, some strategies can be formulated or re-thinked in order to achieve higher level of SR of those organizations. For instance, (McNamara, 2010) emphasized significant correlations between the change strategies and the level of progress achieved on sustainability initiatives. Another important consideration is related to the actual state of values of students' in order to become familiar with current state of values and have an opportunity to identify the gap between actual and desired/needed values, which will reflect SR behavior of students.

Third, emphasized cognitions about the role and importance of personal values of employees in higher education will be helpful to build more comprehensive background for understanding SR of higher education institution, by most influential group of employees – managers of those organizations. For instance, Wright and Wilton (2012) report based on in-dept-interviews with facilities management directors, that they were interested in their university becoming sustainable, and felt universities had a key role in sustainability in society, however not all interviewed managers had a clear idea of what sustainable development and sustainable universities are. For instance, manager's personal values importantly influence choose, design, and execution or performing of leadership style, by management (Barnard, 1938; Schampp, 1978; Egri & Herman, 2000; Sarros & Santora, 2001; Kovač et al., 2004; Pastor & Mayo, 2008; Fein et al., 2011; Nedelko & Mayrhofer, 2012; Cater et al., 2013; Lang et al., 2013). Based on these cognitions we can for emphasize that personal values of managers' in higher education institutions will be associated with their behavior and actions in frame of their management process in higher education organizations. In that framework, importance of personal values for managers may have decisive role, when managers are deciding about future actions of higher education institutions regarding sustainability issues. For instance, if managers highly appreciate values that are associated with preservation of natural environment – like care for nature, his/her action will reflect this. For instance, several instances in which managers' values might play an important role are in cases when deciding about investments for reducing needed energy for heating, reducing usage of paper at the institution, implementing content about sustainability in curricula, etc.

Proposed implications in this paper could serve as an important starting point for management of higher education institutions, for developing future steps in terms of increasing SR of higher education institutions. In that frame decisions could capitalize cognitions about importance of several selected personal values among employees in higher education institutions. Accordingly, management in those organizations can build their decisions about future SR actions, based on current importance of values of employees in organization or can try to implement programs for realigning the values of individual with desired values of higher education institutions, which will support higher levels of SR. Proposed implications reflect the idea that system theory and holistic thinking is needed when implementing CSR standards into the enterprise policy (Dankova et al., 2015) and thus encompass wide array of possible perspectives to increase and/or improve SR of higher education organizations.

Values thus have an important role in improving community and social involvement of higher education. In that framework is of crucial importance – how fit (or dissonance) between values of higher education institution (i.e. management and teachers), students and local community can influence on improving sustainability.

Based on better alignment of personal values of various stakeholder groups of higher education, many social benefits of socially responsible higher education could be stated, like improving the links between higher education and society, tighter collaboration between society and higher education, improved image of higher education in society. Looking from the perspective of the core mission of higher education – to preserve, transfer and preserve knowledge – the students' learning outcomes seem to be the most significant, as the primary mission of the universities revolves around development of human resources and societies. For instance, the key benefits, learning outcomes can be described in terms of "particular knowledge, skill or behavior that a student is expected to exhibit after a period of study" (WorldBank, 2013). They represent a more realistic and a more genuine measure of the value of education than measures of teaching input (Maher, 2004). Measuring learning outcomes provides information on what particular knowledge, skill or behavior students have gained after instruction is completed. Learning objectives may take different forms, as they might include the academic knowledge, development of personal traits and civic outcomes, including "deep" understanding and implementation of social responsibility. At the fundamental level, students are expected to acquire the learning objectives related to critical thinking and examination of both academic concepts and their environment, as to ensure that, e.g. in case of economic education, they are not turned into "fach idiots - brilliant at esoteric mathematics yet innocent of actual economic life" (Arjo & Colander, 1990). At a "higher" level, the socially responsible higher education is supposed to assure that its participants are able to balance and reconcile different social views and interests, cope with the mounting uncertainties, interpretations of reality, etc. (Svanström et al., 2008, p. 343). It should be established whether the interplay of previously described factors and their mutual relationships leads to the development of relevant learning objectives, which include (Colby & Sullivan, 2009): (1) development of work ethics, (2) personal traits related to the personal and professional integrity, (3) recognizing and implementing contributions to local community and wider society, (4) respecting multiple perspectives and recognizing different interests in professional and social context(s), (5) development and using a complex ethical competence in „real life", based on the four previous dimensions and (6) developing values, which will support sustainability of entire community.

LIMITATIONS AND FUTURE RESEARCH DIRECTION

The main limitation is that this is theoretical paper, which does not offer an insight into the state of personal values for most influential stakeholders in the process of fostering sustainability of higher education organizations. To empirically examine the role and importance of personal values of key stakeholders in higher education – namely managers, teachers, students and local community a survey instrument should be designed in order to acquire actual state of values of different stakeholders. Based on such research viewpoints of various stakeholder groups about sustainability will be highlighted and will present and important starting point for future actions about fostering links between higher education and society. Another limitations is focusing only on single factor that determine sustainability of organizations, despite several other influential factors have been recognized in practice and in the literature, like policies and strategies of organizations, personal characteristics of CEOs (Godos-Diez et al., 2011), environment in which organizations operate and institutional framework (Ejdys et al., 2016).

Further research of community and social involvement of higher education and the role of personal values of various stakeholder groups, should address following considerations: (1) what is the actual fit and/or dissonance between importance of personal values of various stakeholder groups? (2) how do the models of overall higher education development (such as the 'entrepreneurial university' model) influence the social and community involvement of higher education and their antecedents?; (3) how does social and community involvement of higher education influence the realization of relevant learning and social outcomes? Also the questions regarding the role of organizational culture of higher education organizations and the role of trust in these organizations should be addressed (Lazányi, 2016, 2017), due to the strong current focus of the researchers in this area on profit oriented organizations.

Promising stream of future research direction is related to the employee's job satisfaction, and in that frame employee's psychological health and well-being, since SR includes well-being as well and thus improving of SR depends also on measurement of well-being (Sarotar-Zizek et al., 2013) For instance, there are many evidences about research of well-being in business organizations (Šarotar Žižek et al., 2015). Turning to the public sector, there are also for instance several evidences about examining psychological health and well-being in (public) health care organizations (Lorber & Savič, 2012; Lorber et al., 2017). But, we can conclude that there is a paucity of the research about well-being in educational organizations. Thus, current state of the literature and often open discussions about state of employee's satisfaction in (higher) education organizations, call for deeper examination of job satisfaction and well-being among employees in (higher) education organizations.

CONCLUSION

In the focus of this chapter is to examine the role of personal values for fostering sustainability of higher education institutions. We addressed this gap in the literature by providing discussion about the role and importance of personal values for SR of higher education institutions, based on fostering links between higher education institutions and community. The topic addressed in this chapter highlight the role of personal values for enhancing sustainability of higher education organizations, via fostering ties between higher education organizations and community. In that frame, the chapter on theoretical level addresses the crucial role of various stakeholders and the key role of personal values for shaping SR behavior, by taking into consideration the role of personal values of various stakeholders – i.e. managers and teachers in higher education institutions, students and the values of local community, for improving sustainability of higher education. With knowing actual state of values of various groups of stakeholders, organizations in higher institution can better design their actions in order to foster sustainability in organizations. Certainly, our theoretical discussion still need to be further developed in the way that actual state of personal values will be examined.

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Section 2

Chapter 7
Corporate Social Responsibility Values in Transforming Societies:
Are There Country-, Status-, and Hierarchy-Based Differences?

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ABSTRACT

The focus of the chapter is on corporate social values of managers as one important basis, and explanation of the functioning of CSR concepts in CEE organizations. The analysis is based on theoretical concepts explaining the relationship between the national and institutional context, corporate values of managers, and CSR activities, like "upper echelon theory," which consider managerial action as a direct or indirect expression of the individual values of top managers. The situation in transforming societies in CEE countries can be well-described using the concept of situational strength. The empirical findings, with data from the GLOBE-CEO project from 129 firms in East Germany, Estonia, and Romania, show specific country-based combinations of corporate social values in the companies studied, with strategic orientation in East Germany, shareholder focus and a relatively strong religious orientation in Romania, and an orientation on shareholders as well as on employees and community in Estonia.

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INTRODUCTION

The term „Corporate Social Responsibility“ (CSR) refers to the economic social and environmental responsibility vis-à-vis the various groups of stakeholders of the organization as well as the wider societal environment of the company (e.g. McWilliams & Siegel, 2001; Matten & Moon, 2005, 2008; Dahlsrud, 2008; Aguinis & Glavas, 2012; Wang et al., 2016). The literature distinguishes between explicit CSR, addressed in the corporate policy, and implicit CSR, namely values, standards and regulations already established in the company (Matten & Moon, 2008). While explicit CSR is more closely related to countries of liberal market economies, implicit CSR is typical for neo-corporatist economies like Germany, and CEE countries (Bluhm & Trappmann, 2014, 2015).

The discussion regarding implicit CSR particularly points to the significance of individual values of managers, the so called „managerial CSR values“ (e.g. Wood, 1991; Waldman et al., 2006; Choi & Wang, 2007; Chin et al., 2013; Washburn et al., 2018), as relevant predictors of the way decisions are made in organizations in general. One of the prevalent conceptual approach in this respect is the so called “upper echelon theory” (e.g. Hambrick & Mason, 1984). While drawing on this theory or on respective empirical studies, the CSR scholars quite consistently point to the fact that values held by top managers represent one of the factors determining the CSR strategy and practices of the firms (e.g. Manner, 2010; Aguinis & Glavas, 2012; Chin et al., 2013; Mazutis & Zintel, 2015; Grant & McGee, 2017). As a result, CSR practices of organizations are considered there as a direct or indirect expression of the individual values of top managers.

In a similar way, but from a behavioural perspective on leadership, Brown and Trevino (2009) as well as Groves (2013) or Wu et al. (2015) have referred to the relevance of socialized charismatic, transformational or ethical leadership behaviours of CEOs or top managers as important factors for the value congruence between managers and followers, which seems to be a pre-condition for a successful implementation of sustainable CSR practices. In their recent study, Washburn et al (2018) proposed that a high alignment and congruence of CEO or top manager values with those of other members of the management teams may promote deeper organizational changes in relevant work processes, including CSR-relevant procedures, instead only on the formal structure of the organization.

Despite considerable merits of the existing research, the relationship between managerial values and CSR is dominated by universalistic approaches that often neglect an explicit consideration of the wider organizational contexts, like country or national culture or different institutional settings. Several authors have recently pointed to the necessity to include a wider range of context factors into the analysis of CSR practices and socially responsible behaviour (e.g. Stahl & Sully de Luque, 2014; Jamali et al., 2017). The previous research on CSR shares an additional bias: The focus is mainly given to developed countries, and their institutional and business systems, with the situation and local practice in lower developed countries being neglected (e.g., Jamali et al., 2017, p. 344-345). Until now, the country-specific differences regarding managerial values, their antecedents and consequences for CSR activities in CEE organisations remain understudied. Especially the focus on CSR in transforming post-socialist countries represents a research lacuna and needs additional efforts.

The questions of CSR as well as CSR values of organizational actors in Central and East European transformation countries have been addressed only in a few contributions so far, albeit with an increasing interest (e.g., Ionescu et al., 2005; Ishekawa, 2005; Alas et al., 2006; Lang, 2008; Steurer & Konrad, 2009; Kuznetsov et al., 2009; Koleva et al., 2010; Alas et al., 2011; Georgescu, 2012; Remisova et al., 2013; Nagypal, 2014; Bluhm & Trappmann, 2014, 2015, Poór et al., 2015; Alt et al., 2017; Horvath et al., 2017; Vlastelica et al., 2018; Tauginienė, 2019). The scarce contributions are highly inconsistent. Some authors assume a distinctive short-term economic orientation of the companies, also termed as „East European Capitalism“ (Stark, 1996; Grabher & Stark, 1997). Privatized or newly established firms in Central and East European countries have been described as following a short-term economic orientation with a strong focus on shareholders' interests ("Manchester Capitalism"). Contrary to this, other studies have underlined the tendency towards an orientation of managers in transforming societies to common welfare issues and socially responsible practices (Pohlmann & Gergs, 1996; Pistrui et al., 2003; Lang, 2008; Koleva et al., 2010). The latter position is also based on the assumption of a still higher influence of the state as well as the assumption of respective corporatist CEE business systems (Bluhm, 2007; Lane & Myant, 2007) with consequences for implicit CSR attitudes and practices (Bluhm & Trappmann, 2014, 2015). Empirical evidence from East European transformation countries remains particularly scarce and is often limited to EU member countries like Poland, Hungary, or Slovakia. In contrast to CSR practices in companies of Central and Eastern Europe which have been addressed in several studies, e.g. Steurer and Konrad (2009), Kuznetsov et al. (2009), Koleva et al. (2010), Georgescu (2012), Horvath et al. (2017), Saveanu et al. (2019), corporate social values of managers or attitudes in these countries have rarely been the subject of empirical research studies up to now, for example Lang (2008), Alas et al. (2011), for managers, and Potocan et al. (2019) for employees at the micro level, as well as Bluhm and Trappmann (2014, 2015) at the macro level. But it is still unknown which corporate social values are responsible for shaping managerial strategies in post-socialist countries or if there are differences between the countries. Moreover, it is of interest, how far top managers are able to "produce" the necessary value congruence with their followers, middle managers or employees, in order to shape the pre-conditions of sustainable CSR activities in the firms.

The following paper therefore addresses the issue of value preferences obtained by top and lower level managers in three chosen transformation countries with different national cultures, namely former East Germany[1], Estonia and Romania. The countries represent three transforming societies with clearly distinct cultures which allow a study of the cultural influence. In addition, they also stand for different approaches and stages of political and economic transformation. Similarities can therefore be seen as general features for countries in transformation while differences refer to the culture-specific transformation paths.

The present study focuses on managerial values regarding CSR. More concretely, we look for individual belief hierarchies of managers about appropriate criteria for critical and important corporate decisions. We refer to this concept as corporate social responsibility values.

The aim of the empirical study is threefold. First, we will compare the main managerial CSR value orientations in three transformational contexts: East Germany, Romania and Estonia. Our assumption here is that different cultural contexts shape managerial value orientations. We furthermore assume that there is an interaction between cultural contexts and organizational settings which have an effect on managerial values as well. Therefore, our second aim is to explore if there are general and country-specific differences between the holders of hierarchically different management positions (e.g. top- level managers vs. lower-level managers). These differences represent negative value congruence between within the management team of the organization. And third, we will look at general and country-specific differences between the owner-managers and occupied managers.

In the remaining part of the paper, we proceed with our arguments in the following way. The next section provides an overview of theoretical considerations on the relationship between the managerial values and CSR in general as well as in reference to the transforming societies. Based on this, we develop our hypotheses regarding the antecedents of managerial values, namely the country, the hierarchical position and the status as owner or manager. In the following section, our empirical study is presented, including methods of data collection and analysis. After the statistical proof of our hypotheses, we present an in-depth discussion of the findings in relation to the previous CSR literature as well as against the background of the research on transforming societies.

Theoretical Considerations

The question whether values of managers relate to and shape CSR practices in organizations, is the object of controversial discussion in management studies. Some theoretical perspectives, like resource-dependence theory (e.g. Pfeffer & Salancik, 1978) or new institutional theory (e.g. DiMaggio & Powell, 1983), question the impact of individual managers, independent from the hierarchical level. Considering managers as being subjects to manifold resource-related or institutional constrains, these theories assume that managers are able to influence organizational outcomes to a limited degree only. These approaches and ideas have also found support in the more recent literature about institutional CSR or institutional logics of CSR, and its relevance for developing countries (e.g., Jamali et al., 2017).

Contrary to this actor-critical stance, there are also approaches that endow managers, especially top managers in organizations, with considerable power to determine organizational strategies, practices and outcomes. Even in the more structuralist approaches on CSR practices, some authors refer to the importance of translations, adaptations, and emergent local practices of CSR in countries outside the Western hemisphere of developed capitalism, driven by local actors in state, corporation or family with their interests, needs, and cultural values play an important role (Jamali et al., 2017, p. 349-354).

Although organizational research on CSR is bursting, the research on managerial values as a relevant antecedent of CSR practices in organizations have got lower attention up to now (e.g. Manner, 2010; Chin et al., 2013). The upper echelon theory (e.g., Hambrick & Mason, 1984; Carpenter et al., 2004) represents one of the theoretical concepts that underline the factual importance of individual top managers in organisations. In particular, values and beliefs held by top managers are assumed to be of utmost importance for organizational outcomes and strategies. The authors assume that personal values of organizational power holders act as cognitive filters that allow for reducing complexity in analysing usually ambivalent and complex issues of organizations. Strategic choices are thus framed by the managerial values (Manner, 2010). Following this theoretical frame, different characteristics of CEO's, like age or educational background, have been considered by the researchers as indicators of managerial values.

There is a number of empirical studies that draw on the upper echelons theory and provide empirical findings that confirm the relationship between managerial values and CSR in organisations (e.g. Manner, 2010; Chin et al., 2013). Among others, Chin, Hambrick and Treviño (2013) provide one of the rigorous and illustrative studies made in this field. Their findings show that political ideology of the CEO's influence CSR practices of the firm. Choi and Wang (2007), Aguinis and Glavas (2012), Athanasopoulou and Selsky (2012), Groves (2013), Christensen et al. (2014), Mazutis and Zintel (2015), Grant and McGhee (2017), Washburn et al. (2018) provide in their studies additional support for the close relation between managerial values and CSR in organizations.

Different to the studies mentioned, in the contexts of transformation societies of Central and Eastern Europe, a number of typical characteristics for organizations and management, and the role of managers have to be taken into account. Steger et al. (2017, p. 2) point to the important role of the state, social security motives of workers as well as respective expectations of company management, the importance of hierarchy and informality within enterprises as characteristics of East European national cultures like power distance, and group collectivism, and the importance of networks and network ties within and between companies. As a consequence, the role of managerial values can be assumed to be more indicative than elsewhere. The settings of instability and insecurity, a lack of established rules and standards are presumed to provide owners and managers of firms more space to act according to their personal values and dispositions (Waldman et al., 2006; Lang, 2008). Instead of strong norms and clear expectations regarding economic behavior, as in established societies, vague rules and norms in transformational countries allow actors a stronger orientation on their personal values and dispositions (e.g. Weik 2001, p. 11-12). This argument is in line with the 'person-situation-debate', mainly discussed by Walter Mischel (1973). Mischel assumes that the influence of personality traits on behavior is determined by the extent of the situational 'strength'. Whereas in 'strong situations' there are norms and incentives guiding behavior, the so called 'weak' situation is characterized by a lack of such norms and guidelines. Those situations, Mischel argues, allow for a wide range of individual differences, thus, individual personality traits as well as individual values, as we suppose, play a decisive role for individual behavior. The situation of managers and owners of the companies in transforming societies like those in Central and Eastern Europe can be considered as 'weak' because socialist norms lack their legitimacy and post-socialist norms have not yet been established (e.g. Ishekawa, 2005). Accordingly, individual values seem to shape managerial behavior in the context of societal transformation even stronger than in established societies, contributing thereby to the emergence of a specific type of managerial orientation and action that nowadays characterizes management in CEE countries.

Before we turn to our assumptions regarding the prevalence of managerial values in three different transformational countries, we should address the concept of CSR from a value-based perspective as a conceptual background of our study. As many authors state (e.g. Rowley & Berman, 2000; Waldman et al., 2006; Lindgreen & Swaen, 2010, Fernando et al., 2014), there is still a lack of clarity concerning the definition and the dimensionality of CSR. Recent research shows that CSR should be considered a multidimensional concept (Waldman et al., 2006; Pless et al., 2014). How many and which dimensions the CSR can entail, still remains open. When discussing the concept of responsible leadership that is closely linked to the CSR, Waldman and Galvin (2008) differentiate between two general dimensions: 'limited economic' and 'extended stakeholder'. Whereas the former refers solely to instrumental benefits that can be achieved through CSR and stresses the relevance of economic needs and interests of shareholders, the latter dimension addresses multiple stakeholder groups beyond the instrumental aims. Pless, Maak and Waldman (2014) go further and propose a more differentiated scheme of CSR stances that includes following orientations: 'traditional economist', 'opportunity seeker', 'idealist' and 'integrator' (Pless et al., 2014, p. 56). In terms of a more appropriate differentiation of CSR that explicitly addresses multiple stakeholder groups, Waldman et al. (2006) disclose in their international survey three factors contained in CSR: 1) shareholder-orientation, 2) stakeholder-orientation, and 3) community/state welfare-orientation. Unlike the results of Waldman et al. (2006), Lang (2008) demonstrates in his likewise internationally undertaken research that CSR values, measured in accordance with the method applied by Waldman et al. (2006), yield a 5-factors solution. In agreement with Waldman et al. (2006), one of the factors observed also by Lang (2008) and Alas et al. (2011) for East Germany, Romania and Estonia represents *shareholder values* like profit. However, instead of stakeholder orientation and community orientation, four additional factors have been detected here. First there is a *strategy focus* including long-term factors such as product quality, competitiveness, customer satisfaction and consideration of the environment. The second factor is an *employee and community focus* referring to the well-being of the employees and human resource development as well as to the contributions to regional development, public weal and security. The third factor considers *ethical reasons in connection with equal treatment* of female employees and employees from demographic minorities. Finally, as the fourth factor there have been identified *spiritual reasons* for decision-making, such as religious values and belief in supernatural powers. Thus, besides various stakeholder groups, such as financial investors, consumers, employees and community, as declared by the stakeholder-theory, decision-makers in the firms seem to follow rather abstract norms, moral expectations and values prevalent in a local society as well. A study by Alas and colleagues (2011) with similar material from the GLOBE-CEO project, that includes also data from Greece, found a three-factor solution. The authors described the factors as 'economic interest', including long-, and short-term profitability, sales, cost control, and, interestingly also stakeholder relations, 'fairness issues', with ethical considerations, and equal treatment of minorities, and 'corporate social responsibility' (Alas et al., 2011, p. 9-12). The latter factor includes welfare of community, country, and employees as well as positive impact on environment. All three factors showed were proven as influenced by national cultural practices and values. For the managerial values on CSR, future orientations, and human orientation were found to strongly predictive. Moreover, the factors together showed a strong impact on follower`s commitment (Alas et al., 2011, p. 9-11). Despite of these interesting findings on values, the authors did not differentiate their results for countries, status, or hierarchical level.

Based on a student sample from the GLOBE student project (Cater et al., 2013) with material from seven CEE countries, Remisova, Lasakova, and Krzykala-Schaefer (2013) found similar results for value preferences in critical decisions than the above-mentioned studies for managers (p. 519-522). The four factors, ranged after importance for the students are 'profit', 'longitudinality', 'common good', and 'ethics', who shows a great similarity with the results from Lang (2008, p. 524-530), were also found to be influenced by national culture dimensions. Especially low power distance, high human orientations, and collectivism seem to have a stronger impact on CSR-relevant factors like 'common good', and 'ethics'.

Since the simultaneous addressing of all stakeholders and normative expectations through the CSR practices is rather illusory, the question addressed in this paper is which orientations and value preferences prevail in firms of transformational economies. Are value preferences of managers in transforming countries contingent upon the local country and upon the managerial position held by decision makers? Thus, are there differences in CSR values between the countries studied as well as between top managers and lower level managers on the one hand and between owner-managers and occupied managers?

Are Managerial Value Preferences Contingent upon a Local Country?

Contingency upon a country can be expressed in many ways. Cultural, societal values of the country are one of them. Another kind of country-based contingency explanations is the difference in the so called 'national business systems' (Whitley, 1992) or the 'varieties of capitalism' (Hall & Soskic, 2001), where the main focus is on respective specific structural form of capitalist institutions in a country or region (e.g., Witt et al., 2018; for CEE countries see f.e. Bluhm, 2007; Bluhm & Trappmann, 2014, 2015).

The above-mentioned studies provide some evidence showing that national cultural values are important factors explaining managerial value preferences. Waldman et al. (2006), for example points to the high correspondence between both national and managerial values. Similar results were provided for other GLOBE-related results (Lang, 2008; Lang et al., 2008; Alas, 2011; Remisova et al., 2013).

As this paper deals with three countries, East Germany, Estonia and Romania, analyzing different national values (e.g. Heintz, 2002; Aycan et al., 2000), it could be assumed that the CSR-oriented value preferences in managerial decisions will be different as well and, thus, country-contingent. Previous findings drawing on national business systems indicate that there are considerable differences between the institutional frameworks in East Germany, Romania and Estonia. Furthermore, those institutional differences are assumed to be reflected by individual value preferences of managers. In the following, we will consider findings from previous studies on cultural as well as institutional frameworks in East Germany, Romania and Estonia and try to hypothesize on what social corporate values managers prefer in each country.

According to former findings drawing on national business systems, the East German capitalism can be assumed to reveal 'social market economy' with a dominance of stakeholder orientation and community focus because of the adaptation of the West German business model (Thielen, 2001). However, Martens and Michailow (2003) disagree with this and show that entrepreneurs and managers in East Germany, especially in smaller enterprises and start-ups demonstrate an orientation close to a 'competitive capitalism' instead of 'social market economy'.

This is partly supported by studies on leadership attitudes and preferred styles by Lindert (1996), Pohlmann and Gergs (1996), Domsch et al. (1998), Alt and Lang (1998), Lang et al. (2005), Steyrer et al. (2007), who found not only some differences to managers from West Germany but also a certain constancy of these differences over time, based on a stable individual value set with strong focus on performance, task orientation, loyalty to the firm, and orientation toward a role model of a leader as a technical expert. The distinctive East German national culture behind the leaders' attitudes characterizes East German managers compared to West Germans as more uncertainty avoidant, more power distant ("pyramid of people"- pattern according to Hofstede, see Lang 1996, p. 16), less masculine and more collectivist (Lang, 1996; 2002). Somewhat contrary to this, GLOBE findings on cultural values and leadership expectations in East Germany companies point to striking similarities within the Germanic cluster between West Germany and East Germany with only a few and often non-significant differences for middle managers in the above fields (Brodbeck et al., 2002; Brodbeck & Frese, 2007).

Similar contradictory results have been reported from Romanian managers too (Kelemen & Hristov, 1998; Catana et al., 1999). A study by Koleva et al. (2010), for example, contradicts to the assumption of a pure competitive capitalism in East European Countries, including Romania, and indicates that a variety of responsible practices do exists in Romanian organizations as well. This may be rooted in national cultural standards like a high group or family collectivism, as shown within the GLOBE project for CEE countries (Bakacsi et al., 2002), and also Romania (Bakacsi et al., 2007).

Moreover, as Catana and Catana (1999) showed in their study, Romanian managers are highly influenced in their behavior by national culture in general, e.g. short-term orientation, high uncertainty avoidance, stability orientation instead of risk taking, informal dealing, and importance of family relations and religious values. The last group of values has also been highlighted by Ionesco et al. (2003). Contrary, Kelemen (1999) did not see such an influence of religious values but underlined the masculinity of Romanian management and business, and viewed an increasing materialism, as a result of the introduction of the market economy (see also Lang et al., 2005). With respect to leadership practices, Lang et al. (2008) have shown that Romanian managers compared with their East German and Austrian counterparts, tend to behave more autocratic, directive, decisive and less power sharing, more bureaucratic, more status conscious, but also more team-oriented, human and calm (Lang et al., 2008, p. 126).

In line with the latter, Saveanu et al. (2019, p. 136-141) found positive attitude of Romanian managers towards social welfare contributions in their recent study on CSR in small- and medium-sized firms. With respect to stakeholder relations, Brouthers et al. (2007) furthermore showed differences among managers of private and state enterprises in Romania, with a stronger shareholder orientation of the latter group.

Finally, in the case of Estonia, reliable analyses and empirical evidence on the business system are still rare. The literature on the so called ‘varieties of capitalism’ (Hall & Soskice, 2001) considers the Baltic states in general and Estonia in particular as a precursor of ‘liberal market economy’ among East European countries (Buchen, 2007). The picture, resulting from the micro-level research on managerial reality in Estonia, shows at least partly contradictory results. On the one hand, the study of Lindert (1996) indicates that Estonian managers mainly share an attitude of Taylorist control over the employees. At the same time, they can be characterized by a smaller power distance than their Baltic neighbor countries’ counterparts (Lindert, 1996), whereby differences between hierarchical levels can be assumed as higher-level manager tends to be more autocratic. On the other hand, many studies suggest a high social orientation among Estonian managers. For example, the study of Vadi (2005) indicates that collectivism still plays an important role in the Estonian society, and is related to behavior of both employees and managers. Especially the older group of Estonian managers seems to feel more responsible than Western managers for their personnel, for the community, and the Estonian society at large (Nurmi & Üksvärav, 1996). Furthermore, Tuulik and Alas (2005) show that Estonian managers are oriented towards the well-being of the employees, professional growth and development, as well as the well-being of the community and the state. Alas at al. (2006) found that managerial values have changed during the course of transformation. While ethical considerations have been underestimated compared with „business ideological values“ in the immediate transition period, the authors claimed an increasing importance of equality and other ethical values (Alas et al., 2006). Moreover, social values like the importance of employee relations have an increased in the last years. Activities with respect to the community, regional or state welfare were clearly considered as instrumental for business advantages. In addition, Kostjuk (2005) found that strategic issues like product quality, orientation to costumers, and employee orientation have been ranked higher in Estonia than in other CEE countries.

Summing up, the existing studies point to considerable differences in national cultures like stronger family collectivism for Romania and partly Estonia compared with Germany, higher uncertainty avoidance for East German manager, a strong power orientation especially for Romanian managers, but also a higher degree of human orientation in CEE countries like Romania, and Estonia. The different stage of transformation may also be influential; the special case of Germany with an early and state supported transformation, a very speedy transformation with the respective risks in Estonia, and much later and slower transition in Romania have also to be taken into account for county variances. Finally, a considerable higher share of minorities for Estonia, with more than 30 per cent mainly Russians, compared with less than 10 per cent in East Germany and Romania, may support a stronger orientation of Estonian managers towards equal treatment.

Thus, based on previous evidence on East Germany, Estonia and Romania we will ask:

Research Questions 1: Are managerial value preferences contingent upon the country?

1a: Can it be assumed that value preferences of managers from Romania and Estonia show a higher community orientation than in the case of East German managers?

1b: Can German and Estonian managers be assumed to have a higher stakeholder-orientation and strategic orientation, while among Romanian managers ethical and spiritual reason may prevail?

1c: Can a stronger focus on equal treatment of minorities be found for Estonia, compared to the other considered countries?

Are Managerial Value Preferences Contingent upon a Managerial Position?

The question of whether there are any differences between top managers on the one hand and lower level managers on the other hand regarding their value preferences reveals, once again, conflicting positions. Top managers and lower level managers can be, on the one hand, assumed to differ in their value preferences. As success and failure of an organization is often attributed to the leaders (Meindl et al., 1985) and they are generally expected to demonstrate success in order not to be replaced, the main concern of higher-level managers is economic performance and viability of organizations. Thus, for top managers shareholder and strategic orientation can be assumed to be of particular relevance, whereas issues of community or equal treatment of employees are of lower importance for them. Unlike top managers, lower level managers can be assumed to attach less importance on shareholder or strategic orientation; they are more concerned with short-term economic results, and issues of employees and community.

Contrary, similarities in corporate social values of top managers and lower level managers, a value congruence, can be explained as the result of a social influence process within organizations, where top managers try to transfer their values to the subordinate managers by selection and training of lower management staff, charismatic-transformational leadership, and the creation of a respective corporate or managerial culture or ethical climate (e.g., Brown & Trevino, 2009; Fu et al., 2010; Groves & LaRocca, 2011, Groves 2013).

Moreover, the corporate social values of managers have been found be influenced by the dominating values of a national culture like power distance, in-group collectivism, institutional collectivism, human orientation, or future orientation (e.g., Waldmann et al., 2006; Alas et al., 2011), proposing as well similarities in corporate social values of all managers.

Finally, the transformational context may lead to a similar state for top managers and lower-level managers, namely a psychologically weak situation with dominating uncertainty and anxiety. In face of this kind of 'collective helplessness' it may be hypothesized that top managers and lower level managers of organizations in transforming societies display similar value patterns. It might also be assumed that transformational settings may force lower level managers to share the views of their CEOs and, by doing so, stabilize the values and dispositions of organization (Lang, 2002; Lang, 2008). Thus, it implies that in the more severe transformational context value preferences of top managers and lower level managers should be more similar.

From the three countries studied, Romania could be mainly assumed to still stick in a transition period. In East Germany and Estonia political and societal transformation could be considered as less severe because the most profound reforms past. Our second research question is thus:

Research Question 2: Do value preferences of top managers and lower level managers show any differences in Romania, East Germany and Estonia?

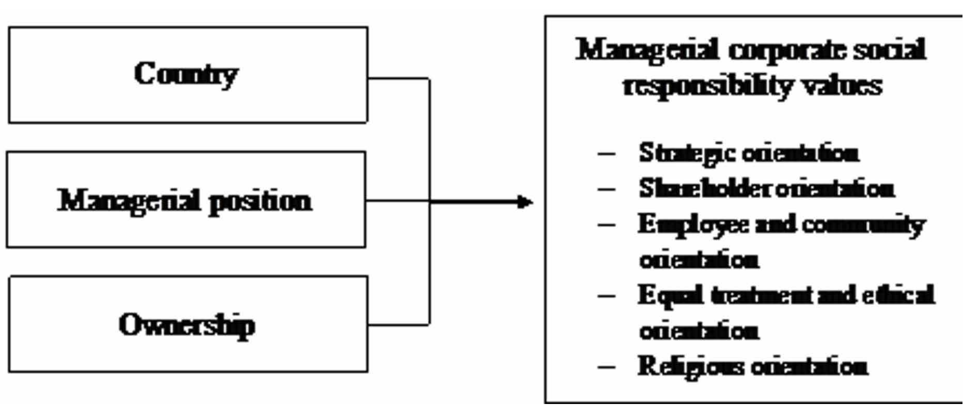
Are Managerial Value Preferences Contingent upon Managers` Ownership Status?

The group of top managers in organizations is highly heterogeneous; it contains owners of firms as well as employed top managers. Are there any differences to be expected regarding value preferences between owners-managers and occupied managers? As owners-managers are literally responsible for running an effective business and bear financial risks, their value preferences can be assumed to be mainly directed towards economic targets (Waldman et al., 2006). Thus, owner-managers could be assumed to be more shareholder-oriented than occupied managers. On the other hand, it could be argued that owners-managers show high concern for the local community, especially if they are personally associated with the community (e.g. because they grew up here) or if their companies have local history. Furthermore, in accordance with the Resource Dependence Theory (Pfeffer & Salancik, 1978) high orientation towards community concerns by owner-managers could be expected if the business considered depends on community resources, such as employees or local suppliers. However, the arguments mentioned cannot answer the question of whether the community-orientation shown by owner-managers can be expected to be higher than that of occupied managers. Moreover, it still needs to be clarified if the value discrepancies between owner-managers and occupied managers, in case there are any discrepancies, are country-specific. For example, are the corporate social value differences between the owners and managers lower in East Germany than in Romania and Estonia? Otherwise, since the legal position of owners and occupied managers is akin in all three transforming societies studied, to the effect that owners in East Germany, Romania and Estonia bear financial risks and occupied managers do not, it could be assumed that there are no country-specific value differences between owners and occupied managers. Again, the transformational context providing similar situations for both groups in all countries may support the assumption similar value preferences for owner-managers and occupied managers. Our last research questions are thus:

Research questions 3: Do value preferences of owner-managers and occupied top Managers differ in transforming societies? Are these differences country-specific?

The following figure summarizes the hypotheses we have developed above.

Figure 1. Factors affecting managerial corporate social responsibility values in transforming societies



Methodology

The present study is based on interviews with owners and senior managers as well as questionnaires addressed to lower level managers. The research was conducted between 2001 and 2004 in the frame of the GLOBE CEO project, which is a longitudinal research program examining culture and leadership around the world (House et al., 2004; House et al., 2014; Dorfman et al., 2012). The analysis in this paper refers to data from Eastern Germany, Estonia and Romania (Lang et al., 2005). Altogether, 129 CEOs in around 40 firms were interviewed with respect to their managerial biography, their leadership philosophy, and their activities and strategies for the firm development. The interview included a short survey on, among other things, preferences in critical management decisions. In our study CEO refers to founders and/or owners of companies as well as to top managers who were employed by institutional or personal owners. From 129 CEOs interviewed, there were 59 owners and 70 employed top managers. In addition, a number of up to nine lower level managers in each firm were asked to fill out a questionnaire from the GLOBE project with descriptions of perceived leadership behavior, organizational practices, organizational commitment as well as their value preferences for critical respective strategic management decisions. The questionnaire was translated (and re-translated) into Estonian, Romanian and German before. 787 lower level managers and employees filled out the questionnaires.

The East German sample included questionnaires from 40 CEOs and 205 lower level managers, in Estonia 45 questionnaires were filled out by CEOs and 305 by lower level managers. The Romanian sample consists of data provided by 44 CEOs and 277 lower level managers.[2]

The value preferences of managers were measured using the question „Please indicate how much importance should be assigned to each of the factors listed below when making critical management decisions.“ All of the aspects listed were to be answered with a 7-point Likert Scale with (1) – of no importance, to (7) – of most importance: should be considered more important than all other considerations.

The question targeted non-routine, strategic decisions. The assumption was that these management decisions elicit implicit, underlying individual values and attitudes.

By asking this indirect question we intend to measure implicit values or important, valuable decision preferences for the various stakeholder groups, and management topics, and not so much espoused values. In terms of controlling for social desirability, we cross-checked the answers to the question on critical management decisions with free comments provided by the respondents in more open interview parts. Nevertheless, it cannot be entirely excluded that our respondents also gave publicly desirable answers because they were concerned about the legitimacy of their company by answering the questionnaire or because of other reasons.

This kind of measurement of implicit CSR values in some points resembles commonly used value measurements, such as the Value Survey by Rokeach (1973). There, respondents are asked to rank two sets of values each containing 18 values. The ranking procedure in the Value Survey has frequently been criticized for not providing information about the absolute importance of each value. In contrast to this, the measurement procedure applied in our study provides precisely this kind of information by allowing for assessment of each value presented.

In accordance with the above cited study of Lang (2008), 15 aspects were listed which belong to the five factors: strategic focus, shareholder orientation, employee and community issues, equal treatment and religious values.

Besides the factor analysis, we undertook ANOVA and MANOVA tests to compare the group means regarding factor-based added value preferences.

Table 1. Characteristics of the sample

Parameter	East Germany	Romania	Estonia	Total
Number of companies studied	40	44	45	129
Companies up to 100 employees, %	38	31	43	37
Manufacturing companies, %	67	55	20	47
Start-ups, %	45	60	39	48
Questionnaires from CEOs	40	44	45	129
Questionnaires from lower level managers	205	277	305	787

RESULTS

As Table 2 shows, our findings point to some universal tendencies between countries as well as to considerable country-specific differences. Managers in all three countries consider *shareholder and strategic orientation* as most important, while *employee and community issues, equal treatment as well as religious orientation* have a secondary relevance. Thus, across all three countries shareholder orientation, represented by firm profitability and sales volume, as well as strategic orientation manifested in the relevance of customer satisfaction, product quality, and competitiveness, are the dominant value orientations underlying critical management decisions in transforming societies. However, some country-based combinations of the dominant values can also be observed here. *Shareholder orientation* seems to dominate in **Romania** and **Estonia**, but not in **East Germany** where *strategic orientation* and *equal treatment and ethical orientation* prevail. In accordance with our assumption, **Romanian** managers attach a relatively high importance to *religious values*. Furthermore, **Romanian** and **Estonian** managers show a relatively high *employee and community orientation*. Interestingly, whereas **Romanian** managers seem to consider *equal treatment of employees and ethical orientation* the least, **Estonian** managers attach relatively high importance to these issues.

Table 2. Comparison of the value dimensions for countries (results of ANOVA)

Value dimensions	East Germany (N=245)	Romania (N=321)	Estonia (N=350)	F-Values	Sign.
Shareholder orientation					
Mean	5,70	5,92	5,62	2,32	0,10
St. Dev.	0,79	0,44	0,74		
Strategic orientation					
Mean	**6,02**	**5,73**	**5,44**	**10,13**	**0,00**
St. Dev.	0,46	0,43	0,78		
Employee and community orientation					
Mean	4,82	5,04	4,95	0,93	0,39
St. Dev.	0,76	0,73	0,74		
Equal treatment and ethical orientation					
Mean	**4,43**	**2,84**	**4,10**	**23,12**	**0,00**
St. Dev.	1,05	1,36	0,90		
Religious orientation					
Mean	**1,89**	**3,19**	**1,97**	**23,12**	**0,00**
St. Dev.	1,07	0,87	1,03		

The results regarding research question 2 are shown in Table 3. Generally speaking, irrespective of the country studied, CEOs as well as lower level managers consider *shareholder and strategic orientation* as most important. However, contrary to our assumption, the value preferences of CEOs and lower level managers show more significant differences in **Romania** than in **Estonia** or **East Germany**. In **Romania**, the CEOs give significantly more attention to *shareholder orientation* and *strategic orientation* than lower level managers, but lower level managers are significantly more concerned with *equal treatment and ethical orientation* than CEOs. In **Estonia**, CEOs pay significantly more attention to *strategic orientation* and *employee and community orientation* than lower level managers, while in the sample of **East Germany**, significant differences between CEOs and lower level managers arise only in terms of *strategic orientation*, with CEOs stressing this value dimension more than their subordinates.

Comparing the values of owner-managers with occupied managers, it becomes apparent that both groups are quite similar. As Table 4 shows, there are barely significant differences between owners and occupied top managers in general. According to the Pillai-Spur statistics, in most cases the effect of the country on value orientations is much more significant than the effect of the ownership or joint effect of ownership and country. Therefore, the differences in value orientations between the countries are more relevant than between the owners and occupied managers, especially in the case of strategic orientation, equal and ethical treatment of employees or religious orientation. The only case where the interaction of ownership and country seems to have an almost significant impact on value orientation is *equal treatment and ethical orientation*. This effect can mainly be traced back to the results in **Romania**, where owner-managers show a significant higher concern about *equal treatment and ethical orientation* than occupied managers. This tendency is also true for the other countries, but the differences here are not so striking. A stronger *shareholder orientation* of owner-managers seems to be a trend only in **East Germany**, however, this tendency proves to be statistically non-significant.

Table 3. Comparison of value dimensions for CEOs and lower level managers in East Germany, Romania and Estonia (results of T-Test per country)

Value dimensions	**East Germany**		**Romania**		**Estonia**		**Sign. per country**		
	CEOs	**Lower level managers**	**CEOs**	**Lower level managers**	**CEOs**	**Lower level managers**	**East Germany**	**Romania**	**Estonia**
Shareholder orientation Mean St. Dev.	 5,70 0,79	 5,74 0,58	 **5,92** **0,44**	 **5,80** **0,28**	 5,62 0,74	 5,48 0,65	0,77	***0,05***	0,22
Strategic orientation Mean St. Dev.	 **6,02** **0,46**	 **5,40** **0,69**	 **5,73** **0,43**	 **5,35** **0,39**	 **5,42** **0,78**	 **5,09** **0,45**	**0,00**	**0,00**	**0,00**
Employee and community orientation Mean St. Dev.	 4,82 0,76	 4,90 0,56	 5,04 0,73	 4,93 0,54	 **4,94** **0,74**	 **4,72** **0,48**	0,53	0,21	***0,03***
Equal treatment and ethical orientation Mean St. Dev.	 4,43 1,05	 4,11 0,68	 **2,84** **1,34**	 **4,02** **0,79**	 4,10 0,90	 3,99 0,53	0,13	**0,00**	0,45
Religious orientation Mean St. Dev.	 1,89 1,07	 1,64 0,64	 3,19 0,87	 3,28 0,71	 1,97 1,03	 1,88 0,55	0,91	0,49	0,59

Table 4. Comparison of value dimensions for owner-managers and occupied managers in East Germany, Romania and Estonia (results of MANOVA)

Value dimensions	East Germany		Romania		Estonia		Sign. of effects (Pillai-Spur statistics)		
	Owner-Managers (N=20)	Occupied Managers (N=17)	Owner-Managers (N=19)	Occupied Managers (N=23)	Owner-Managers (N=17)	Occupied Managers (N=26)	Country	Owner-ship	Country x Ownership
Shareholder orientation Mean St. Dev.	 5,93 0,80	 5,53 0,82	 5,85 0,37	 5,90 0,51	 5,62 0,78	 5,63 0,76	0,17	0,57	0,25
Strategic orientation Mean St. Dev.	 5,95 0,35	 6,10 0,43	 5,86 0,38	 5,61 0,39	 5,31 0,80	 5,53 0,66	**0,00**	0,50	0,11
Employee and community orientation Mean St. Dev.	 4,96 0,78	 4,76 0,75	 5,25 0,66	 4,86 0,74	 4,87 0,77	 5,00 0,75	0,59	0,31	0,32
Equal treatment and ethical orientation Mean St. Dev.	 4,56 1,09	 4,27 1,03	 3,42 1,47	 2,36 1,08	 4,20 0,86	 4,17 0,86	**0,00**	0,23	***0,08***
Religious orientation Mean St. Dev.	 1,78 1,09	 2,12 1,08	 3,18 0,79	 3,17 0,96	 2,09 1,18	 1,90 0,95	**0,00**	0,79	0,51

Discussion

Our results support the findings of Alas et al. (2011) that shareholder values in Central and East European countries play an important role, however, they are inbuilt in a general, but also in a country-specific configuration of a value mix. Despite the confrontation with a fundamental change of the institutional environment, managerial decisions in those countries are not only made in consideration of an increase of profit or cost reduction. Instead, a combination of shareholder values with a strong focus on strategy and employees as well as the community could be observed. Furthermore, value preferences underlying managerial decisions in Central and East European countries seem to be still contingent on the local country, with East German managers stressing strategic and ethical orientation and their Romanian counterparts disregarding employees' equality issues but, like Estonian managers, highly considering shareholder interests (see similar results by Catana & Catana, 1999; Vadi, 2005), and also taking issues of their employees and community into account. The latter result speaks against a pure competitive capitalism, even in Romania, but is in line with findings of Bakacsi et al. (2007), Koleva et al. (2010) or Saveanu et al. (2019). The importance of values like equality and other ethical issues for Estonian managers supports Alas and colleagues (2006). Furthermore, when making strategic decisions, Romanian managers, unlike their counterparts in East Germany and Estonia, seem to take religious values into a closer consideration. This supports the findings of Catana and Catana (1999), and Ionesco et al. (2003).

Value preferences of managers in transition economies turn out to be contingent upon managerial position as well, however, not in any case in the hypothesized way. The significant differences between top managers and lower level managers regarding the strategic orientation in all countries follows the assumption, that the distinction in the tasks of both groups may also lead to different managerial values, and concerns. Contrary to our assumption, value preferences of the CEOs and lower level managers show more significant differences in Romania than in Estonia or East Germany, indicating a value conflict between the two groups. The transformational context in Romania seems to polarize hierarchically different positions regarding value preferences by managerial decisions with CEOs stressing more shareholder and strategic orientation and lower level managers in Romania paying more attention to equal treatment and ethics. At the same time, transformational settings are equalizing the difference between owners and occupied managers as there are barely differences between owners and occupied managers in all three countries regarding their value preferences (see similar results for motives, and behaviors in Lang et al. 2008). A situation of similar psychological weakness seems to lead to a convergence of the value orientations among top managers (owners and occupied managers) and, interestingly, to a divergence between top managers and lower level managers.

Given these findings on CSR values, what implications can be drawn regarding the CSR actions in transforming societies? Arguing that managerial values have both a direct as well as indirect effect, on the strategic choices in firms (Pant & Lachman, 1998; Sully de Luque et al., 2008; Manner, 2010; Grant & McGhee, 2017) as well as on CSR practices (Agle et al., 1999, Chin et al., 2013; Christensen et al., 2015; Wu et al., 2015; Saveanu et al., 2019), we can expect that the focus of firms' CSR activities will be slightly different in the countries studied. In East Germany it could be expected that CSR practices will be focused first and foremost on customers or suppliers in order to guarantee a firm's competitiveness, strategic benefits and product quality. Unlikely, Romanian firms can be assumed in their CSR strategy to address especially shareholders, such as banking institutions or other donors, as Romanian CEOs regard shareholder orientation more relevant than lower level managers. Additionally, the relatively high employee and community value orientation as well as religious values point to the fact that CSR practices of Romanian companies also address actors of local community, such as the local government and religious institutions. Findings from Saveanu et al. (2019) seems to support these ideas.

Finally, Estonian firms can be expected to concentrate their CSR practices on important financial institutions, on customers and supplies in order to attain strategic goals, and also on local governance and politicians.

Differences obtained in value orientations between CEOs and lower level managers or owners and managers point to the fact that it could be a challenging task to arrange a uniform CSR policy of a firm. It could especially be the case in Romania where CEOs and lower level managers consider the relevance of shareholder orientation, stakeholder orientation and equal treatment and ethical orientation in a different way, whereby CEOs consider the latter point heterogeneously as well: owner-managers regard equal treatment and ethical orientation more relevant than occupied managers.

Several limitations of our study should also be noted. First, we did not measure factual CSR actions of managers. However, as managerial values have shown to be relevant for strategic choice) as well as CSR practices, it can be assumed that the CSR-oriented value preferences of managers investigated in the current study are quite valid regarding the de facto practices, be it responsible or non-responsible, on the part of managers. Second, due to our method used to measure CSR-values, the results are possibly biased by the so called 'social desirability'. Using less responsive methods, such as observation of decision making or document-analysis, could potentially earn more valid empirical data. Moreover, the very general question for strategic decision did not refer to special target objects or areas of decision, which may have an influence on the value preferences. Further studies should focus in more detail on this aspect.

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KEY TERMS AND DEFINITIONS

Community Orientation: Community orientation describes a pattern of social responsibility values, decision making, or behavior where managers put a strong emphasis on the increase community or state welfare.

East European Capitalism: The term describes a specific pattern of institutional and cultural characteristics, which have been developed after the 1990 in post-socialist countries of Central and Eastern Europe as a result of the fundamental societal change. In includes a stronger importance of communitarian values, and relevant networks of actors as well as of the state in the field of the economy.

GLOBE CEO Project: The CEO project is phase III of the GLOBE project on culture and organizational leadership effectiveness. While the focus in phase II have been on national and organizational culture and its impact on culturally endorsed implicit leadership theories, the CEO project concentrates on the perceived behavior of CEOs in 24 countries and its impact on Top management team commitment and firm effectiveness. It also includes value preferences of CEOs, and subordinate managers in strategic organizational decisions.

Managerial Value Preferences: The term refers to rankings of individual values of managers.

Shareholder Orientation: Shareholder orientation describes a pattern of social responsibility values, decision making, or behavior where managers are focusing on the increase of shareholder values.

Situational Strength: The concept describes different intensities of the influence of situations or personal traits on the behavior of actors. Strong situations are characterized through the influence norms and incentives guiding the behavior of individuals, while weak situations are characterized by a lack of such norms and guidelines. In the latter case, the behavior is strongly influenced by personal traits and values of the actors.

Stakeholder Orientation: Stakeholder orientation describes a pattern of social responsibility values, decision making or behavior where managers decide and act by including the interests of various groups of stakeholders like customers, employees, etc.

Upper Echelon Theory: The upper echelon theory assumes that values and beliefs held by top managers are to be of utmost importance for organizational outcomes and strategies. They act as cognitive filters, reducing complexity, and framing strategic decisions. Moreover, top managers values are seen as having a direct and indirect effect on values and beliefs of followers, and organizational practices.

ENDNOTES

1 In the remaining text, we mean by East Germany the region of the *former* East Germany.

2 We would like to thank Doina and Gheorghe-Alexandru Catana (Babes-Bolyai University Cluj, Romania) as well as Ruth Allas and Krista Tuulik (Estonian Business School, Estonia) for their support by getting empirical data in Estonian and Romanian companies.

Chapter 8
The Hierarchy of Managers' Personal Values and Universal Management Attributes:
Empirical Evidence From Austria, Poland, and Slovenia

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ABSTRACT

The main purpose of this chapter is to examine and compare the importance of managers' personal values and universal management attributes in organizations from Slovenia, Austria, and Poland. In this study, the analysis of results focuses on (1) personal values of managers, where 57 variables were verified, which were measured on a nine-point Likert scale and (2) evaluation of selected, universal management attributes that determine managerial behavior in organizations, whose measurement was performed on eight-point semantic scales. In order to compare the significance of managers' personal values and universal management attributes between respondents' groups from Poland, Slovenia, and Austria, the method of one-way analysis of variance and t-test for independent groups were applied.

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INTRODUCTION

In the broad sense "values" refer to what people find significant in life (Cieciuch & Schwartz, 2020). People create organizations, so there are no organizations without values (Shein, 2004), and managers activities could not be analyzed without taking into consideration their personal values as well. According to the most popular definition, values can be defined as "guiding principles in the life of a person or other social entity" (Schwarz, 1994, p. 21). The individual and organizational dimensions of values are interrelated and they mutually affect each other (Argandona, 2002, p. 2).

The way in which personal values influence behaviors has been for a few decades a focus in literature across the management science from marketing to human resources management, but despite the widely shared belief that a relationship between personal values and organizational performance does exist, very few empirical examinations of this relationship has been carried out (Glew, 2009). Furthermore, studies in this field are mainly based on practices of well-developed Western economies. Thus, when turning to emerging economies in Central Europe, these issues are becoming way less investigated (Dabic, Potocan, Nedelko, & Morgan, 2013).

The general purpose of this chapter is to examine and compare the importance of managers' personal values and universal management attributes in organizations from three central European countries. The specific purpose is to establish the hierarchy of managers' personal values and universal management attributes in Slovenia, Austria and Poland, and to indicate existing differences between them.

THEORETICAL BACKGROUND

Personal values have gained a lot of attention during the last three decades in management and organizational behavior works. According to Schein (2004), understanding of organizational culture is fundamental to study what goes on in organizations, how to run them and how to develop them. A big interest into values in the literature is proven with plethora of contributions examining the role and importance of personal values, using different theoretical backgrounds. Based on the overview of papers the most commonly used approaches to investigate personal values include cultural dimensions from Hofstede (2001), Schwartz theory of basic values (Schwartz, 1992), Rokeach value theory (Rokeach, 1973), and Ronen and Shenkar (1985) approach.

The various disciplines of psychology and the social sciences (i.e. social psychology, developmental psychology, cross-cultural psychology, sociology, management science, organizational behavior science) are building on and extending the knowledge of personal values (Cieciuch & Schwartz, 2020). Some recent volumes by Brosch and Sander (2016), and Nedelko and Brzozowski (2017) attests to the centrality of values in human life by bringing together various perspectives and knowledge on values being developed by such different sciences us neurology, economics, political science, music, and psychology.

Psychologists perceive values as an aspect of personality that underlies and motivates attitudes and behavior (Cieciuch, Schwartz, & Davidow, 2015). Personal values are motivational in nature and define what is essential to people (Rokeach 1973; Schwartz 2006). Schwarz and Bilsky defined values as "*central desires and beliefs regarding final states or desirable conducts that transcend specific situations, guide the choice and evaluation of our decisions and, therefore, of our conducts, becoming an integral part of our way of being and acting, to the point of shaping our character*" (1987).

Relating the concept of values to an organization, values are defined by Enz as being "*beliefs held by individual or group regarding means and ends organization 'ought to' or 'should' identify in the running of the enterprise"* (1988, p.287). Moreover, values work to provide systems of understanding that filter environmental and inter-organizational signals (Pettigrew, 1987). Concluding, values underprint the way in which organizations are designed and operated (Amis, Slack, & Hinings, 2002, p. 437).

According to above definitions, values regulate both ends (desired outcomes) and means (are instrumental to reach those end-states), but there is quite an amount of confusion in terminology about organizational values and different authors use alternative terms to express the categorization of values (Table 1.).

D. Glew (2009) identified four general approaches to investigating values in an organization:

1. Search for a complete and unified set of human values (i.e. Rokeach, 1973; and Schwartz, 2006);
2. Researching the congruence between the norms and values of organization and the values of persons (i.e. Chatman 1989);
3. An examination of differences in values across national cultures (i.e. Hofstede, 1980);
4. Studying work values, which are the preferences individuals have for behaviors and outcomes that ought to exist in work settings (i.e. Meglino & Ravin, 1998).

This research reflects the first approach to exploring personal values represented by managers in three central European countries: Austria, Poland, and Slovenia. The research is based on a model established by Schwartz (2006) who detailed the content and structure of values on the basis of empirical studies. Three universal requirements were the basic source of values: needs of individuals as biological organisms, requisites of coordinating social interaction, and survival and functioning of groups. From these three basic goals, 10 motivational value types were concluded:

- **Self-Direction:** independent thought and action; choosing, creating, exploring;
- **Stimulation:** excitement, novelty, and challenge in life;
- **Hedonism:** pleasure and sensuous gratification for oneself;
- **Achievement:** personal success through the demonstration of competence according to social standards;
- **Power:** social status and prestige, and control or dominance over people and resources;
- **Security:** safety, harmony, and stability of society, of relationships, and of self;

Table 1. Categories of values

Category	Authors			
	Dolan et. al. (2003)	**Maccoby (1998)**	**Lencioni (2002)**	**Wenstop and Myrel (2006)**
Ends	basic values, final values	values as ideas	aspirational values	created values
Means	operating values, instrumental values	values as behavior values as character	permission-to-play values core values accidental values	protected values core values

Source: adapted from (Jaakson, 2010, p.798)

- **Conformity:** restraint of actions, inclination, and impulses likely to upset or harm others and violate social expectations or norms;
- **Tradition:** respect, commitment and acceptance of the customs and ideas that one's culture or religion provide to the individual;
- **Benevolence:** preserving and enhancing the welfare of close others in everyday interaction;
- **Universalism:** understanding, appreciation, tolerance, and protection for the welfare of all people and for nature.

Schwartz's typology of personal values (Schwartz & Bilsky, 1987; Schwartz, 1992) is often used in empirical research in management area (Karp, 1996; Ralston et al., 2011). It takes into consideration individual level high-ordered dimensions, which are based on ten dimensions of values, which are further based on 57 single values. At this level, Schwartz defines four groups of values: (1) self-enhancement, (2) self-transcendence, (3) openness to change, and (4) conservation. Self-enhancing values emphasize individuals' orientation toward the accomplishment of individual goals, even when the achieving of individual goals potentially occurs at the expense of others. Self-transcending values trigger actions aimed at understanding, appreciation, tolerance, and protection for the welfare of all people and nature. Openness to change emphasizes people's motivation to follow intellectual and emotional interests in unpredictable and uncertain ways. Conservation emphasizes people's motivation to preserve the status quo and conservation provides certainty in relationships with others, institutions, and traditions.

METHODS

Sample and Procedure

We based our calculations on 208 answers from Slovenian managers, 196 Austrian and 201 Poland managers, obtained through years 2012 and 2013. Data for Slovenian and Austrian sample were taken from previous studies of personal values and management behavior leaded by prof. dr. Zlatko Nedelko, from University of Maribor and researcher gathered around him (Potocan & Nedelko, 2014; Nedelko & Brzozowski, 2017; Nedelko & Potocan, 2019).

Data for Polish sample were taken from previous studies by dr. Maciej Brzozowski and dr. Paweł Bartkowiak, form Poznań University of Economics and Business (Brzozowski & Bartkowiak, 2014a; Bartkowiak & Brzozowski, 2014; Brzozowski & Bartkowiak, 2015a).

Data for Poland sample were obtained based on random sampling, using Kompass directory ("Firmy w Polsce"), which lists Polish organizations. Sampling was done according to the data in NACE classification for all countries involved.

For Slovenia we use that data, which were obtained through computer assisted telephone interviewing, where 700 managers at different position in sampled organization were contacted. 259 answers were used in the survey (37% response rate). For Austria, we used data from an online survey, where 196 answers were used in analysis, resulting in 8.2% response rate. For more details about obtained data in Slovenia and Austria refer to Potocan and Nedelko (2014); Nedelko and Brzozowski (2017) and Nedelko and Potocan (2019). In Poland as well, an online survey was done. For more details about obtained data

Table 2. Demographic characteristics for Austrian, Slovenian and Poland sample.

Variable		Austria	Slovenia	Poland
Age		45.66 years	47.02 years	39.01 years
Age – grouped	Less than 35 years 36 – 45 years 46 – 55 years More than 55 years	18.4% 28.9% 36.3% 16.3%	20.8% 21.6% 38.6% 18.9%	37.6% 35.6% 23.8% 3.0%
Gender	Male Female	78.4% 21.6%	50.2% 49.8%	42.1% 57.4%
Education	Finished secondary school Finished bachelor, master or doctorate degree	37.9% 62.1%	25.1% 74.9%	32.6% 66.8%
Position in organization	First-level manager Mid-level manager Upper-level manager	11.5% 37.9% 50.5%	7.7% 25.1% 67.2%	31.7% 35.1% 33.2%
Working experiences		25.24 years	23.31 years	15.44 years
Working experiences – grouped	Less than 10 years 10 – 20 years 20 – 30 years More than 30 years	10.0% 30.5% 36.8% 226.%	17.0% 21.6% 33.2% 28.2%	31.2% 43.6% 22.8% 2.5%
Organization size	Fewer than 49 employees 50 to 249 employees More than 250 employees	10.3% 42.7% 35.7%	6.9% 86.9% 6.2%	47.0% 35.1% 17.8%

in Poland refer to Brzozowski and Bartkowiak (2014b; 2015b). We sent link to online questionnaire to approximately 2000 managers at different managerial levels. We received 262, but 201 answers were appropriate for the research, due to the incompleteness of answers. This resulted in 10.05% response rate.

Demographic characteristics for all three samples are outlined in Table 2.

Measures

Managers' personal values are measured by the Schwartz Value Survey (SVS), a tool with cross-cultural validity (Schwartz, 1992). Respondents in the survey rate each of 57 personal values using a 9-point Likert-type scale, ranging from "opposed to my values" (-1) to "of supreme importance" (7).

Universal management attributes have been divided into four groups as proposed by Potocan and Nedelko (2014); Nedelko and Brzozowski (2017) and Nedelko and Potocan (2019): (1) characteristics of organizations, (2) characteristics of management, (3) leadership, and (4) management innovativeness. Assessment of selected, universal management attributes determining managerial behavior in organizations was performed on eight-degree semantic scales. The extreme values on semantic scales are negation.

In order to compare the significance of managers' personal values and universal management attributes between respondents' groups from Poland, Slovenia and Austria, the method of one-way analysis of variance and test-t for independent groups were applied.

Table 3. Comparison of the importance of managers' personal values due to nationality

Values	Nationality					ANOVA F/p
	SLO		AUT		POL	
As a guiding principle in my life, this value is: (-1)opposed to my values (0)not important (3)important (6)very important (7)of supreme importance						
1. equality (equal opportunity for all)	5,50^{2}	=	5,21^{2}	>	4,56^{1}	20,069***
2. inner harmony (at peace with myself)	5,97^{3}	>	5,58^{2}	>	5,21^{1}	16,744***
3. social power (control over others, dominance)	3,84^{3}	>	1,05^{1}	<	2,45^{2}	167,699***
4. pleasure (gratification of desires)	4,62^{2}	=	4,50^{2}	>	3,66^{1}	20,466***
5. freedom (freedom of action and thought)	6,15^{2}	=	5,97^{2}	>	5,43^{1}	18,113***
6. a spiritual life (emphasis on spiritual, not material matters)	4,38^{2}	>	2,67^{1}	=	3,03^{1}	47,608***
7. sense of belonging (feeling that others care about me)	5,70^{3}	>	3,83^{1}	<	4,37^{2}	87,808***
8. social order (stability of society)	5,66^{3}	>	5,18^{2}	>	4,11^{1}	68,835***
9. an exciting life (stimulating experiences)	4,00^{1}	<	4,71^{2}	>	3,85^{1}	15,042***
10. meaning in life (a purpose in life)	5,92^{2}	>	5,59^{1}	=	5,50^{1}	6,296**
11. politeness (courtesy, good manners)	5,88^{3}	>	5,26^{2}	>	4,74^{1}	41,179***
12. wealth (material possessions, money)	3,30^{2}	>	2,76^{1}	<	3,74^{3}	20,283***
13. national security (protection of my nation from my enemies)	5,21^{2}	>	4,40^{1}	=	4,13^{1}	21,298***
14. self-respect (belief in one's own worth)	6,12^{3}	>	5,72^{2}	>	5,49^{1}	14,945***
15. reciprocation of favors (avoidance of indebtedness)	4,37^{2}	=	4,19^{2}	>	3,87^{1}	3,772*
16. creativity (uniqueness, imagination)	6,04^{2}	>	4,84^{1}	=	4,71^{1}	69,733***
17. a world at peace (free of war and conflict)	5,92^{3}	>	5,19^{2}	>	4,22^{1}	53,697***
18. respect for tradition (preservation of time-honored customs)	4,83^{2}	>	3,55^{1}	=	3,71^{1}	37,673***
19. mature love (deep emotional and spiritual intimacy)	5,82^{3}	>	4,31^{1}	<	5,13^{2}	51,988***
20. self-discipline (self-restraint, resistance to temptation)	5,85^{3}	>	4,25^{1}	<	4,61^{2}	88,082***
21. detachment (detachment from worldly concerns)	1,20^{1}	<	2,64^{2}	<	3,96^{3}	112,977***
22. family security (safety for loved ones)	6,25^{2}	>	5,79^{1}	<	6,18^{2}	8,904***
23. social recognition (respect, approval by others)	4,52^{1}	=	4,35^{1}	<	4,87^{2}	6,632***
24. unity with nature (fitting into nature)	5,42^{3}	>	4,07^{2}	>	3,73^{1}	73,467***
25. a varied life (life filled with challenge, novelty and change)	5,12^{3}	>	4,43^{2}	>	3,96^{1}	31,397***
26. wisdom (a mature understanding of life)	5,95^{3}	>	4,57^{1}	<	5,20^{2}	55,534***
27. authority (the right to lead or command)	4,93^{3}	>	2,00^{1}	<	3,42^{2}	180,259***
28. true friendship (close, supportive friends)	6,06^{2}	>	5,37^{1}	=	5,36^{1}	19,038***
29. a world of beauty (beauty of nature and the arts)	4,47^{2}	>	3,66^{1}	=	3,71^{1}	15,825***
30. social justice (correcting injustice, care for the weak)	5,72^{3}	>	4,92^{2}	>	4,29^{1}	48,068***
31. independent (self-reliant, self-sufficient)	5,62^{2}	>	5,27^{1}	<	5,51^{2}	3,077*
32. moderate (avoiding extremes of feeling and action)	5,06^{2}	>	2,96^{1}	=	3,23^{1}	109,041***
33. loyal (faithful to my friends, group)	5,55^{2}	>	5,15^{1}	=	5,11^{1}	6,232**
34. ambitious (hard working, aspiring)	5,45^{2}	>	4,11^{1}	<	5,25^{2}	48,564***
35. broad-minded (tolerant of different ideas and beliefs)	5,63^{2}	>	4,98^{1}	=	4,83^{1}	19,218***

continues on following page

Table 3. Continued

Values	Nationality					ANOVA F/p
	SLO		AUT		POL	
36. humble (modest, self-effacing)	$4,76^{3}$	>	$3,65^{1}$	<	$4,07^{2}$	23,450***
37. daring (seeking adventure, risk)	$4,77^{2}$	>	$4,05^{1}$	=	$3,89^{1}$	18,539***
38. protecting the environment (preserving nature)	$6,08^{3}$	>	$4,64^{2}$	>	$3,79^{1}$	121,457***
39. influential (having an impact on people and events)	$4,77^{3}$	>	$2,70^{1}$	<	$3,51^{2}$	87,111***
40. honoring of parents and elders (showing respect)	$6,24^{3}$	>	$4,34^{1}$	<	$5,33^{2}$	80,774***
41. choosing own goals (selecting own purposes)	$5,88^{3}$	>	$5,08^{1}$	<	$5,53^{2}$	17,508***
42. healthy (not being sick physically or mentally)	$6,49^{2}$	>	$6,17^{1}$	=	$6,03^{1}$	6,959***
43. capable (competent, effective, efficient)	$5,96^{2}$	>	$5,53^{1}$	=	$5,36^{1}$	11,567***
44. accepting my portion in life (submitting to life's circumstances)	4,75		4,53		4,50	-
45. honest (genuine, sincere)	$6,63^{3}$	>	$5,67^{2}$	>	$5,30^{1}$	58,666***
46. preserving my public image (preserving my "face")	$5,38^{3}$	>	$3,73^{1}$	<	$4,93^{2}$	57,360***
47. obedience (dutiful, meeting obligations)	$4,02^{2}$	>	$3,23^{1}$	<	$4,01^{2}$	12,894***
48. intelligent (logical, thinking)	$5,78^{2}$	>	$5,20^{1}$	<	$5,62^{2}$	9,953***
49. helpful (working for the welfare of others)	$5,88^{2}$	>	$4,46^{1}$	=	$4,55^{1}$	63,531***
50. enjoying life (enjoying food, sex, leisure, etc.)	$5,12^{2}$	>	$4,56^{1}$	<	$4,94^{2}$	5,700**
51. devout (holding to religious faith and belief)	$1,87^{1}$	=	$1,58^{1}$	<	$2,97^{2}$	21,805***
52. responsible (dependable, reliable)	$6,42^{3}$	>	$5,54^{2}$	>	$5,18^{1}$	53,087***
53. curious (interested in everything, exploring)	$5,22^{2}$	>	$4,65^{1}$	=	$4,48^{1}$	12,154***
54. forgiving (willing to pardon others)	$5,23^{2}$	>	$4,39^{1}$	=	$4,37^{1}$	19,304***
55. successful (achieving goals)	$5,82^{3}$	>	$4,84^{1}$	<	$5,17^{2}$	27,306***
56. clean (neat, tidy)	$5,59^{2}$	>	$4,81^{1}$	=	$5,06^{1}$	15,818***
57. innovativeness (striving for novelties)	$6,04^{3}$	>	$4,99^{2}$	>	$4,62^{1}$	56,001***
Notes: (F): F-values, (p): level of statistical significance (*indicates p≤ 0,05, **indicates p≤ 0,01 and ***indicates p≤ 0,001)						

RESULTS

The first step in the research procedure was the comparison of the importance of personal managers' values between the surveyed groups of respondents (Table 3).

The analysis of the obtained results from Table 3 allows for the comparison of the importance of personal values of managers and the indication of those which turned out to be the most significant in individual groups of respondents.

Definitely the highest scores were assigned by respondents from Slovenia - in this group of respondents the most important are: '45.honesty - genuine, sincere (M = 6.63)', '42. health - being in good physical and mental condition (M = 6,49)', '52. dutifulness - dependable, reliable (M = 6.42)', '22. safety of one's family - safety for loved ones (M = 6.25)', '40. honoring of parents and elders - showing respect (M = 6,24)', '5. freedom - freedom of action and thought (M = 6.15)', '14. self-respect - belief in one's own worth (M = 6.12)', '38.protection of the environment - preserving nature (M = 6,08)', '28. true friendship - close, supportive friends (M = 6,06)', '16. creativity - uniqueness, imagination (M = 6,04)', and '57. innovativeness - striving for novelties (M = 6,04)'.

In case of managers from Austria, the general assessment of the examined values is much lower than in the Slovenian group. The most important features for the Austrians were: '42. health - being in good physical and mental condition (M = 6.17)', '5. freedom - freedom of action and thought (M = 5.97)', '22. safety of one's family - safety for loved ones (M = 5.79)', '45. honesty - genuine, sincere (M = 5.67)', '52.dutifulness - dependable, reliable (M = 5.54)', '43.capable - competent, effective, efficient (M = 5.53)', '28. true friendship - close, supportive friends (M = 5.37)', '31. independence - self-reliant, self-sufficient (M = 5.27)', '11. politeness - courtesy, good manners (M = 5.26)', '1. equality - equal opportunity for all (M = 5.21)', '48. intelligence - logical, thinking (M = 5.20)', '17. a world at peace - free of war and conflict (M = 5.19)', '33. loyalty - faithful to friends, group (M = 5.15)', and '41. choosing own goals - choosing your own goals (M = 5.08).

In turn, Polish managers pointed out the importance of: '22. safety of one's family- safety for loved ones (M = 6.18)', '42. health - not being sick physically or mentally (M = 6.03)', '48. intelligence - logical, thinking (M = 5.62)', '41. choosing own goals (M = 5,53)', '31. independence - self-reliant, self-sufficient (M = 5,51)', '10. meaning in life - a purpose in life (M = 5.50)', '14. self-respect - belief in one's own worth (M = 5.49)', '5. freedom - freedom of action and thought (M = 5.43)', '28. true friendship - close, supportive friends (M = 5.36)', '43. capable - competent, effective, efficient (M = 5.36)', '40. honoring of parents and elders - showing respect (M = 5, 33)', '45. honesty - genuine, sincere (M = 5.30)', '34. ambition - hard working, aspiring (M = 5.25)', '2. inner harmony - at peace with myself (M = 5.21)', '26. wisdom - a mature understanding of life (M = 5.20)', '52. responsibility - dependable, reliable (M = 5.18)', '55. sense of achievement - achieving goals (M = 5.17)', '19. mature love - deep emotional and spiritual intimacy (M = 5.13)', '33. loyalty - faithful to one's friends, group (M = 5.11)', and '56. cleanliness - neat, tidy (M = 5.06)'.

The next step in the research procedure was to compare the importance of universal management attributes between groups of respondents (Table 4).

The analysis of the results obtained (Table 4) allows the identification of universal management attributes that determine managerial behavior in organizations in particular countries.

In the area of the organization's characteristics, the advantage was declared in:

- 'Complex tasks over simple' as '1.6 dominant in the organization (M = 6.13)', 'informal rules and procedures over formal rules and procedures in work coordination in the organization (M = 5.93)', and 'the influence of the majority of employees on the role of only the managerial staff in 1.4. deciding about how the organization works (M = 5.25)' – in the Slovenian group;
- 'Complex tasks over simple' as '1.6 dominant in the organization (M = 5.82)', 'total acceptance over the lack of acceptance' of the '1.9. Organizational culture by employees (M = 5.77)', and 'bright over fuzzy' as '1.8. Organizational culture (M = 5.68)' – in the Austrian managers group,
- 'Total acceptance over the lack of acceptance' of '1.9. Organizational culture by employees (M = 5.45)', 'bright over fuzzy' for '1.8 organizational chart (M = 5.00)', and 'the occurrence of a smaller number of management levels over a larger number of them' in '1.2 comparison with other organizations of similar size' – in the group of Polish managers.

Table 4. Comparison of the importance of universal management attributes due to nationality

Factor	Nationality					$^{(1)}$ANOVA F/p $^{(2)}$t-test/p
	SLO		AUT		POL	
Characteristics of organization						
1.1. Organizational structure of organization is: (1)traditional (more hierarchical) – (8)modern (more flat)	$4,85^{3}$	>	$3,25^{1}$	<	$3,89^{2}$	$^{(1)}$38,458***
1.2. Organization has in comparison to organizations of same size: (1)more management levels – (8)less management levels	$4,67^{1}$	<	$5,24^{2}$	>	$4,85^{1}$	$^{(1)}$6,230**
1.3. Coordination of work in organization is based more on: (1)formal rules and procedures – (8)informal rules and procedures	$5,93^{3}$	>	$4,65^{2}$	>	$4,03^{1}$	$^{(1)}$69,020***
1.4. On working of organization influence: (1)only management – (8) majority of employees	$5,25^{2}$	>	-	>	$2,92^{1}$	$^{(2)}$12,932***
1.5. Decision making processes are: (1)centralized (one decision making center) – (8)decentralized (several decision making centers)	$4,26^{3}$	>	$3,84^{2}$	>	$3,15^{1}$	$^{(1)}$17,183***
1.6. In organization prevails: (1)simple tasks – (8)complex tasks	$6,13^{2}$	=	$5,82^{2}$	>	$4,74^{1}$	$^{(1)}$40,948***
1.7. Level of specialization in organization is: (1)high – (8)low	$3,57^{1}$	<	$4,15^{2}$	>	$3,66^{1}$	$^{(1)}$6,495**
1.8. Organizational culture is: (1)unclear (blurred) – (8)clear	$4,36^{1}$	<	$5,68^{3}$	>	$5,00^{2}$	$^{(1)}$25,809***
1.9. Employees organizational culture accepting: (1)not at all – (8) completely	$5,22^{1}$	<	$5,77^{2}$	>	$5,45^{1}$	$^{(1)}$5,802**
Characteristics of management						
2.1. Management is focused either on: (1)goal attainment – (8)employees and their needs	$3,43^{1}$	<	$3,89^{2}$	>	$3,17^{1}$	$^{(1)}$10,604***
2.2. In organization prevails: (1)individual work – (8)group/team work	$5,61^{3}$	>	$4,97^{2}$	>	$4,42^{1}$	$^{(1)}$24,410***
2.3. Managers span of control in organization is: (1)narrow (less as seven subordinates) – (8)wide (more than seven subordinates)	$5,55^{3}$	>	$3,98^{1}$	<	$4,59^{2}$	$^{(1)}$39,212***
2.4. Control in organization is mainly in domain of: (1)management – (8) employees (self-control)	$4,18^{2}$	=	$3,90^{2}$	>	$3,45^{1}$	$^{(1)}$8,815***
2.5. Employees' tasks in organization are: (1)exactly defined – (8)broadly defined	3,71		3,64		3,74	$^{(1)}$0,120
2.6. For performing of work is/are mostly responsible: (1)management – (8) employees	$4,63^{1}$	<	$5,30^{2}$	>	$4,93^{1}$	$^{(1)}$5,659**
2.7. Management is open for changes: (1)strongly disagree – (8)strongly agree	$6,24^{3}$	>	$5,63^{2}$	>	$4,96^{1}$	$^{(1)}$25,950***
2.8. Innovativeness in organization is: (1)low – (8)high	$4,88^{2}$	<	$5,34^{3}$	>	$4,32^{1}$	$^{(1)}$15,383***
2.9. Innovations in organization are mainly: (1)technical-technological – (8) different types	$4,69^{1}$	<	$5,30^{2}$	>	$4,59^{1}$	$^{(1)}$6,771***
Leadership						
3.1. Authority in organization: (1)has only management – (8)is also delegated to employees	$5,08^{2}$	>	$3,23^{1}$	=	$3,23^{1}$	$^{(1)}$79,467***
3.2. Management instructions to employees/subordinates are: (1)exactly defined – (8)general defined	3,82		3,90		3,57	$^{(1)}$1,668
3.3. Management in organization rely mainly on: (1)positional power (e.g., position in organization) – (8)personal power (e.g., expertise)	$6,15^{3}$	>	$4,51^{2}$	>	$4,00^{1}$	$^{(1)}$91,223***
3.4. Management in organization is focused on: (1)tasks/aims – (8) employees	$3,83^{2}$		-		$3,26^{1}$	$^{(2)}$4,102***
3.5. Cooperation between management and employees is: (1)weak – (8) strong	$6,05^{3}$	>	$5,63^{2}$	>	$4,94^{1}$	$^{(1)}$25,902***

continues on following page

Table 4. Continued

Factor	Nationality					(1)ANOVA F/p (2)t-test/p
	SLO		AUT		POL	
3.6. Prevalent cooperation between management and employees is: (1)more formal – (8)more informal	6,06[3]	>	5,10[2]	>	4,32[1]	(1)64,394***
Management innovativeness						
4.1. Management in organization innovativeness: (1)doesn't stimulate – (8) stimulate	6,50[3]	>	5,44[2]	>	4,84[1]	(1)62,266***
4.2. Management is open for new ideas of employees: (1)strongly disagree – (8)strongly agree	6,83[3]	>	5,75[2]	>	5,15[1]	(1)61,177***
4.3. Management in organization changes: (1)doesn't support – (8)support	6,53[3]	>	5,52[2]	>	5,18[1]	(1)45,126***
4.4. Management in organization is willing to take risk: (1)strongly disagree – (8)strongly agree	5,63[3]	>	4,48[1]	=	4,69[1]	(1)29,758***
4.5. Organization by its work need innovations: (1)strongly disagree – (8) strongly agree	6,63[3]	>	5,86[2]	>	5,45[1]	(1)29,907***
Notes: (F): F-values, (p): level of statistical significance (*indicates p≤ 0,05, **indicates p≤ 0,01 and ***indicates p≤ 0,001)						

In the area of management characteristics, Slovenian managers first and foremost declared the management's '2.7 openness to changes (M = 6,24)', '2.2 team-based organization of work (M = 5,61)', and '2.3 wide range of control (managerial range) of managers in the organization (M = 5.55)'. In turn, the Austrian managers pointed primarily to '2.7 the value of openness of the managerial staff to changes (M = 5.63)', '2.8. high innovation in the organization (M = 5.34)', '2.6. responsibility of employees in particular for the performance of tasks (M = 5.30)', and '2.9 the occurrence of various types of innovations in the organization (M = 5.30)'. On the other hand, Polish managers paid particular attention to '2.7. openness of the management staff to changes (M = 4.96)', '2.3 wide range of control (range of targeting) of managers in the organization (M = 4.59)', and '2.9 occurrence of various types of innovation in the organization (M = 4.59)'.

The third of the analyzed areas concerned leadership. In the case of managers from Slovenia, attention was paid first of all to '3.3 governance of the organization in the personal sphere, related to competences and charisma (M = 6.15)', '3.6 the dominant informal cooperation between the managerial staff and employees (M = 6,06)', and '3.5 strong cooperation between the management and employees (M = 6.05)'. In the case of Austrian managers, particular attention was paid to the '3.5 strong cooperation between the managerial staff and employees (M = 5.63)', and '3.6 informal cooperation between the managerial staff and the employees (M = 5.10)'. The ratings of managers from Poland are definitely lower, which translates, above all, into the greater importance of formalized forms of leadership.

The last area of research was the evaluation of management innovativeness. In this case, the highest average values were definitely observed in the group of Slovenian managers, particularly factor '4.2 management is open for new ideas of employees (M = 6.83)' deserves special attention). Managers from Austria rated '4.5. the need for innovative development for proper functioning (M = 5.86)', which was also confirmed by Polish managers (M = 5.45).

DISCUSSION AND RECOMMENDATIONS

The analysis of the obtained results allowed the authors to compare the importance of personal values of managers and their behaviors (universal management attributes) in organizations in Slovenia, Austria and Poland. This allowed both for the indication of the hierarchy of the studied elements in the areas of personal values and universal attributes of management as well as the identification of factors whose significance turned out to be the highest for the respondent groups (see Table 5).

The analysis of the highest scores of personal values of managers' values and universal management attributes clearly indicates Slovenian managers, for whom the role of the studied factors was rated the highest. The difference in assessment is particularly evident in the case of universal management attributes, where the highest scores in the group of Polish managers were not observed. The obtained results clearly indicate differences in the perception of the studied factors, which may result, for instance, from cultural differences.

In terms of organizational characteristics, it is evident that among all surveyed items, the lowest score belongs to the prevalent hierarchical organizational structure, over the flat one. This is especially outlined in Austria, which reflects typical characteristics of organizations in German speaking world, by putting in the forefront authority, hierarchy, rules, etc., (Armbrüster, 2005).

Among characteristics of management, the lowest score belongs to the focus on management on goal attainment among Poland managers. This may be a reflection of primary organizational focus on increasing productivity, due to their role as first/second/third tier suppliers to the large "western supply chains". Keeping Poland in focus, it is evident that among characteristics of leadership are in the forefront lower level of manager's authority delegation to the subordinates (Brzozowski & Bartkowiak, 2015b).

Finally, in terms of management innovativeness, in all three economies, the lower readiness of managers to accept the risk comes in the forefront. This reflect key role of management innovativeness (Dabic et al, 2016) and recent striving to improve innovativeness of organizations (Hollanders & Sadki, 2014).

In terms of recommendations, the results from this paper provide an insight into the current state of organizational setting, characteristics of manager's behavior, their leadership style and their inclinations toward innovativeness. Thus, knowing actual state regarding these viewpoints will enable responsible persons in organization to formulate adequate actions to improve considered aspect(s). Such approach is much more efficient, comparing to the one, where basis for actions is not current state of the phenomena.

Table 5. Top marked elements of managers' personal values and universal management attributes among Slovenian, Austrian and Polish managers

Values	Nationality		
	SLO	AUT	POL
personal values of managers	**51/57 (89%)**	**4/57 (7%)**	**9/57 (16%)**
universal management attributes	**18/29 (62%)**	**10/29 (34%)**	**0/29 (0%)**
– characteristics of organization	5/9 (55%)	5/9 (55%)	0/9 (0%)
– characteristics of management	4/9 (44%)	5/9 (55%)	0/9 (0%)
– leadership	5/6 (83%)	0/6 (0%)	0/6 (0%)
– Management innovativeness	4/5 (80%)	0/5 (0%)	0/5 (0%)

Source: Own study.

For instance, increasing innovativeness in European countries is one of the main goals of the organizations (Hollanders & Sadki, 20014). Our results reveal that in order to improve innovativeness the key barrier is related to the relatively lower manager's willingness to take a risk. For instance, in Slovenia the low readiness to take the risk has some long tradition (Potocan & Nedelko, 2014).

FUTURE RESEARCH DIRECTIONS

The obtained results allow for an overall assessment of the importance of the personal values of managers and universal management attributes in organizations from chosen central European countries. Due to the existence of multi-element data sets, the next step in the research procedure should be to use the exploratory factor analysis method, which should allow the reduction of the original variable sets to new ones with a latent, unobservable nature. Subsequent analyzes will focus on the identification of relationships between new variables. Another beneficial way of future research direction will be also to expand the sample size, by replication of the survey in considered countries. Also increasing the scope of included countries in the survey will be beneficial to provide and insight into manager's personal values and manger's behavior beyond the scope of three considered economies.

CONCLUSION

This chapter provides a research approach for researching the importance of managers' personal values and universal management attributes in terms of Central European economies. The obtained results clearly indicate differences in the perception of the importance of examined factors, which may result, for example, from cultural differences between Austria, Poland and Slovenia. Our results can serve as a starting point to changing patterns of management behavior. These findings are useful for policy makers at the national, business and academic level.

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KEY TERMS AND DEFINITIONS

Behavior: Is the range of actions and mannerisms made by individuals, organisms, other natural or artificial entities in conjunction with themselves or their environment.

Management Behavior: The study of human behavior in management settings. Management behavior can be perceived as the interface between human behavior and leading the organization, and the organization itself.

Managers' Personal Values: Beliefs and guiding principles held by managers regarding both their life in general, but also means and ends that should be identified and implemented in the running of the organization. The individual and organizational dimensions of values are interrelated and they mutually affect each other.

Personal Values: Are defined as concepts or beliefs, referring to desirable behaviors or end states, transcend specific situations. Values are conceptualized as important life goals or standards which serve as guiding principles in a person's life.

Schwartz Value Survey (SVS): Includes a list of 56 single personal values, ten individual level sub-dimensions, four groups on the second level sub-dimensions and two groups of individual-level higher-order dimensions, namely individualism and collectivism values.

Chapter 9
Embedded in a Culture

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ABSTRACT

In the international literature, national cultures are still an evergreen topic. Even though - contrarily to previous decades' civilizational focus - the attention has shifted to leveraging benefits of multicultural environments and experiences. According to Huntington, nations belonging to different civilizations will never be able to work together smoothly, owing to the principal differences in their values, beliefs and behavior stemming from them. There are theorists, however, who think the differences can never be too big if there is willingness and positive experience with the other culture. Different dimensions characterize national cultures. While some state to identify radical differences between two countries, others do not identify such. This chapter, after offering an insight into the basic approaches of national cultures, endeavors to analyze two discrete cultures (Russian, Hungarian) and presents the similarities and differences of them, along with tools and methods that are able to support the collaboration of people and organizations belonging to them.

INTRODUCTION

Culture is the invisible bond which ties people together. Culture is a scheme of knowledge shared by a relatively large number of people. Hence, it is a collection of explicit as well as implicit patterns of behaviour. It makes the members of the culture feel, think act and react in a certain, predefined way, hence makes their actions predictable. The importance of culture lies in its close association with the ways of thinking and living. Culture is related to the development of people's attitude. Cultural values serve as the founding principles of everyday life. They shape our thinking, behaviour and personality.

Several theories have been formulated to explain what culture is (Holicza, 2016b). According to the interpretation by Kim Ann Zimmermann, "Culture is the characteristics of a particular group of people, defined by everything from language, religion, cuisine, social habits, music and arts". Today, in the United

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States as in other countries populated largely by immigrants, the culture is influenced by the many groups of people that now make up the country" (Zimmermann, 2012). Others relate the culture with patterns: "Learned and shared human patterns or models for living; day- to-day living patterns. These patterns and models pervade all aspects of human social interaction" (Damen, 1987). John Useem defined it as learned and shared behaviour: "Culture has been defined in a number of ways, but most simply, as the learned and shared behaviour of a community of interacting human beings" (Useem, 1963).

Geert Hofstede, describes culture as the collective mental programming that separates members of one group or category of people from another (Hofstede, 2011). According to his understanding, culture can be defined as the "body of beliefs, norms, and values shared by a group of people, culture presents the biggest challenge to businesses working internationally", as stated by him "Culture is more often a source of conflict than of synergy".

Culture is important for a number of reasons because it influences an individual's life in a variety of ways, including values, views, desires, fears and worries. Belonging to a culture can provide individuals with an easy way to connect with others who share the same mindset and values (Chhokar, Brodbeck, House, Mahwah, 2007)

Culture as an institution has a unique role in the formation of modern states. Culture, forming the basis of modern nations, is dynamic, flexible and open to change structure. Culture appears as a semantic network that is woven over again with the change of generations (Malakhov, 2014)

Culture is an important point for international business. It is essential to know what culture is if you wish to operate successfully in an international business setting. It is very important to analyze cultural differences, because they may be the principal cause of failure in international business. It is important for people to realize that a basic understanding of cultural diversity is the key to effective cross-cultural communications (Dumetz, 2012; Kreitner, 2009). In order to understand in what way people from different cultures respond in different situations and why certain products do or do not flourish on a certain market, attention must be paid to cultural differences.

Present paper, besides providing a short overview of relevant literature strives to analyze the possibilities for creating a much more accepting culture on the basis of the example of Russia and Hungary.

ABOVE THE CULTURES: THE CIVILIZATIONS THEORY

The word civilization comes from the 'civilis' Latin adjective. It referred to a citizen. According to social, religious, legal, financial or political status, views or purposes these citizens gathering into groups (Latin Dictionary). Civilization is "The action or process of civilizing or of being civilized; a developed or ad- vanced state of human society." as the Oxford Dictionary explains (Oxford English Dictionary). Among political scientists, Samuel P. Huntington conducted one of the most comprehensive researches in this field. He defines civilization on the following way: „A civilization is thus the highest cultural grouping of people and the broadest level of cultural identity people have short of that which distinguishes humans from other species. It is defined both by common objective elements, such as language, history, religion, customs, institutions, and by the subjective self-identification of people." (The Post, 1990) Huntington makes difference between countries not in terms of their political and economic development, but the cultural and civilizational affiliation (Huntington, 1993). He defines the following world regions as Civilizations: Western (Christian), Orthodox (Christian), Islamic, Islamic/Hindu, Hindu, African, Latin American, Sinic (Chinese), Buddhist and Japanese. The fault lines between civilizations seem to replace the political and ideological boundaries of the Cold War. Europe is divided between the Western Christianity, Orthodox Christianity and Islam today. Differences among civilizations are not only real; they are basic. For this reason – according to Huntington's theory - the civilizational identity will play an even more important role in the future, and the world will be shaped by the interactions of the major civilizations (Holicza, 2016a). Focusing on the countries of this paper, Hungary belongs to the Western Christian, Russia belongs to the Orthodox Christian civilization.

Based on the civilizations theory, Huntington published his famous concept of the future in the Foreign Affairs, titled "The Clash of Civilizations?". His former student, Francis Fukuyama argued the thesis and presented a different view in The End of History and the Last Man (1992). In respond to that, Huntington expanded his article in the book: The Clash of Civilizations and the Remaking of World Order (1996) (Holicza, 2016a). According to the Huntington's theory, the coming period will be characterized by conflicts erupting as the world's main civilizations reach their breaking points. The conflicts of the future will occur along the cultural lines that are separating civilizations (Huntington, 1993). Huntington's fault lines between civilizations seem to replace the political and ideological boundaries of the Cold War. Europe and the European Higher Education Area (EHEA) are divided between Western Christianity, Orthodox Christianity and the Islam today. Considering the past Balkan wars, the actual Ukrainian situation, the tense relationship between Russia and the NATO, and the multiplying terrorist attacks in Europe, the mentioned theory tends to transform into practice (Holicza, 2016b).

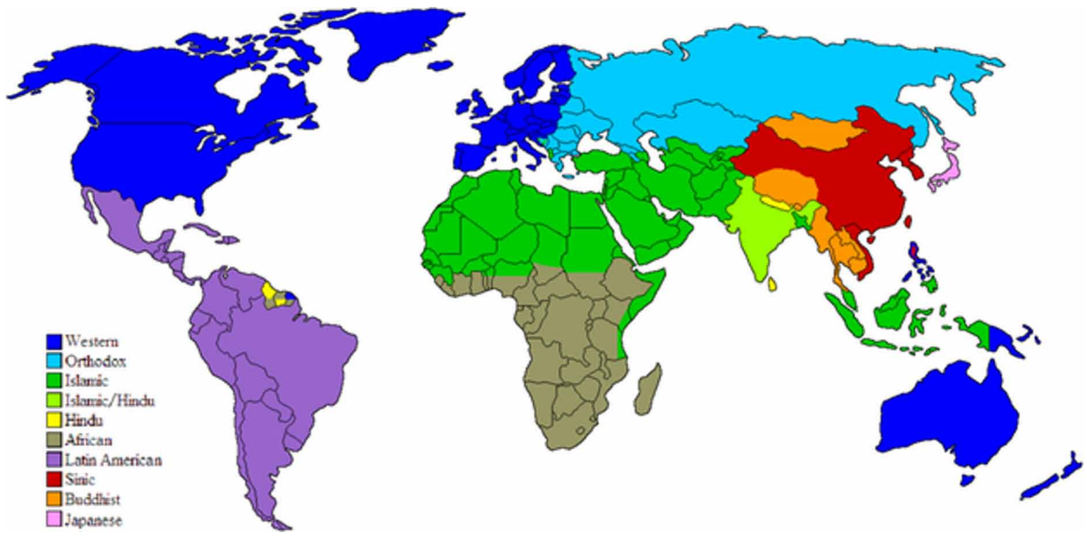
The Huntington theory suggests the division of the sample into two groups: "the West and the rest". According to Huntington, the polarization of "East" and "West" culturally is a consequence of calling European civilization Western civilization. However, it is more appropriate to distinguish between the "the West and the rest", which implies the existence of the many non-Wests (Huntington, 1993). Triandis (1990) uses the similar "West and other civilizations" division when discussing the differences in economic and institutional power struggle for military as a primary source of conflict. Cultural values and beliefs are secondary sources of future conflicts. The future world politics and international relations are likely to be shaped by the conflict between "the West and the Rest": the responses of non-Western civilizations to balance or overcome Western influence, power and values (Mahbubani, 1992).

Huntington drew the Eastern Boundary of Western Civilization around Hungary in Central Eastern Europe. Same as Russia, neighbouring countries from the East belong to the Orthodox side on the map of civilizations. In order to confirm or doubt the existence of a fault line, Hofstede's cultural measurements have been applied.

CULTURAL DIFFERENCES THEORIES

Cultural difference theories are developed to classify countries based on their cultural characteristics, hence they create a basis for identifying differences between various cultures. Cultural claims thrive as a result of the current global circumstances but are challenged due to the fact that they create differences which then often lead to conflicts (Brigg, Muller, 2009). Various theories have been developed to classify countries on the basis of their culture's characteristics, so that cultural differences can be identified and measured (Bik, 2010; Blizzard, 2012).

Figure 1. The Fault Lines between Civilizations
Source: Huntington (1997)



Edward T. Hall anthropologist and cross-cultural researcher has a background context approach that highlights the differences between the proxemics, low context vs. high context cultures (explicit messages, little attention for the status of the person, task oriented vs. not just the message is important, relation oriented) and Monochronic vs. Polychronic Time (straight to the point vs. going in circles) (Hall, 1959, 1968). (for further details see Table 1).

House and other researchers, through their GLOBE study which includes indicators such as: Power Distance, Uncertainty avoidance, Assertiveness, Institutional Collectivism, In-Group Collectivism, Future Orientation, Performance Orientation, Humane Orientation, Gender Egalitarianism (House et al., 2012). (for further details see Table 2.).

In order to define major cultural differences, Geert Hofstede conducted one of the most comprehensive studies on national cultures. His 6-D Model is formed to measure national cultures through six dimensions, namely: power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, perception of time, indulgence. (for further details see Table 3).

Fons Trompenaars' seven dimensions (universalism versus particularism, individualism versus collectivism, neutral versus emotional, specific versus diffuse, achievement versus ascription, sequential versus synchronic, internal versus external control) The Seven Dimensions of Culture were identified by management consultants Fons Trompenaars and Charles Hampden-Turner, and the model was published in their book, "Riding the Waves of Culture: Understanding Diversity in Global Business" (1997). The authors distinguish one culture compared with another according to the following indicators: Universalism vs. Particularism, Individualism vs. Collectivism, Neutral vs. Emotional, Specific vs, Diffuse, Achievement vs. Ascription, Sequential vs. Synchronic, Internal vs. External Control (Trompenaars, Hampden-Turner, 2011). (for further details see Table 4).

Schwartz's cultural value types (power, achievement, hedonism, stimulation (risk and innovation), self-direction, universalism, benevolence, tradition, conformity, security) (for further details see Table 5).

Table 1. Hall's cultural factors

High Context	Low Context
There are numerous contextual elements in a high-context cultures that help people to understand the main rules. As a result, much is taken for granted. This kind of communication can be confusing for person who is not aware of the 'unwritten rules' of the particular culture. Not just the message is important, they are relation oriented.	Very little is taken for granted in the low-context way of communication. In one hand it means that more explanation might be necessary, on the other hand there is less chance for misunderstanding. Explicit messages, little attention for the status of the person, task oriented.
Monochronic Time	**Polychronic Time**
As Hall called: M-Time, it means doing one single thing at a time. It means detailed preparation and planning, as the Western approach calls: time management. As research shows, this kind of organized people tend to have low context way of communication.	People from Polychromic cultures do many things at once. They are committed to people and human relationships, interactions. Their plans are changing easily and often. They tend to have high-context way of communication and tendency to build lifetime relationships. Native Americans have Polychromic culture.
High Territoriality	**Low Territoriality**
People in this culture have greater concern for ownership. They are more territorial and seek to outline the areas that belong to them. They easily start fights with the neighborhood over the land, but the source of conflict can even be the co-worker's piece of paper which overlaps their desk. Many wars have been fought on national and international level over boundaries. It can also extend to material things or anything that is 'mine'. Ownership and security become a great issue for people of this "High territoriality" group. They tend to be low context.	Low or less territoriality people tend also to be high context as they have less ownership of space or land, they are less concerned about boundaries. They share their territory and ownership with little thought. They also have less concern about material stuff, and they don't have that developed sense of 'stealing' (it characterizes more the highly territorial people). People with low territoriality tend also to be high context.

Source: Based on Hall (1966) from changingminds.org

Table 2. The globe project

HIGH PERFORMANCE ORIENTATION	LOW PERFORMANCE ORIENTATION
Value training and development. Value competitiveness and materialism. View formal feedback as necessary for performance improvement. Value what one does more than who one is. Expect direct, explicit communication.	Value societal and family relationships. Value harmony with the environment. View formal feedback as judgmental and discomfiting. Value who one is more than what one does. Expect indirect, subtle communication.
HIGH UNCERTAINTY AVOIDANCE	**LOW UNCERTAINTY AVOIDANCE**
Use formality in interactions with others. Are orderly and keep meticulous records. Rely on formalized policies and procedures. Take moderate, carefully calculated risks. Show strong resistance to change.	Use informality in interactions with others. Are less orderly and keep fewer records. Rely on informal norms for most matters. Are less calculating when taking risks. Show only moderate resistance to change.
HIGH IN-GROUP COLLECTIVISM	**LOW IN-GROUP COLLECTIVISM**
Duties and obligations are important determinants of social behavior. A strong distinction is made between in-groups and out-groups. People emphasize relatedness with groups. The pace of life is slower. Love is assigned little weight in marriage.	Personal needs and attitudes are important determinants of social behavior. Little distinction is made between in-groups and out-groups. People emphasize rationality in behavior. The pace of life is faster. Love is assigned great weight in marriage.
HIGH POWER DISTANCE	**LOW POWER DISTANCE**
Society is differentiated into classes. Power seen as providing social order. Upward social mobility is limited. Resources available to only a few. Information is localized and hoarded.	Society has a large middle class. Power linked to corruption and coercion. Upward social mobility is common. Resources are available to almost all. Information is widely shared.

continues on following page

Table 2. Continued

HIGH GENDER EGALITARIANISM	LOW GENDER EGALITARIANISM
More women in positions of authority. Less occupational sex segregation. Similar levels of educational attainment for males and females. Afford women a greater decision-making role in community affairs.	Fewer women in positions of authority. More occupational sex segregation. A lower level of female educational attainment, compared to that of males. Afford women little or no decision-making role in community affairs.
HIGH HUMANE ORIENTATION	**LOW HUMANE ORIENTATION**
The interests of others are important. People are motivated primarily by a need for belonging and affiliation. Members of society are responsible for promoting the well-being of others. Child labor is limited by public sanctions. People are urged to be sensitive to all forms of racial discrimination.	One's own self-interest is important. People are motivated primarily by a need for power and material possessions. The state provides social and economic support for individuals' well-being. Child labor is an issue of low importance. People are not sensitive to all forms of racial discrimination.
HIGH INSTITUTIONAL COLLECTIVISM	**LOW INSTITUTIONAL COLLECTIVISM**
Members assume that they are highly interdependent with the organization. Group loyalty is encouraged, even if this undermines the pursuit of individual goals. The society's economic system tends to maximize the interests of collectives. Rewards are driven by seniority, personal needs, and/or within-group equity. Critical decisions are made by groups.	Members assume that they are largely independent of the organization. Pursuit of individual goals is encouraged, even at the expense of group loyalty. The society's economic system tends to maximize the interests of individuals. Rewards are driven very largely by an individuals contribution to task success. Critical decisions are made by individuals
HIGH FUTURE ORIENTATION	**LOW FUTURE ORIENTATION**
Propensity to save now for the future. Emphasize working for long-term success. Organizations tend to be flexible and adaptive. View material success and spiritual fulfillment as an integrated whole.	Propensity to spend now, rather than save. Prefer gratification as soon as possible. Organizations tend to be inflexible and maladaptive. View material success and spiritual fulfillment as separate, requiring trade-offs.
HIGH ASSERTIVENESS	**LOW ASSERTIVENESS**
Value competition, success, and progress. Communicate directly and unambiguously. Try to have control over the environment. Expect subordinates to take initiative. Build trust on basis of calculation.	Value cooperation and warm relationships. Communicate indirectly; try to "save face." Try to be in harmony with the environment. Expect loyalty from subordinate. Build trust on basis of predictability.

Source: Groove (2005a, 2005b) cited from Virkus (2009)

It is interesting to study Russian and Hungarian culture according to these theories, i.e. to describe the features of Russian and Hungarian business cultures and to explore the differences and similarities between them. Underlying this attempt is the wish to identify the cultural features the knowledge of which could be profitably applied to the shaping of the dynamically developing economic and business relations between the two countries.

Table 3. Hofstede's model of cultural dimensions

Value Dimension	Value Description	High Score	Low Score
Power Distance Index (PDI)	The degree to which members of a collective expect power to be distributed equally. It does not reflect an objective difference in power distribution, but rather the way people perceive power differences.	Indicates that inequalities of power, social status and wealth have been allowed to grow within the society. These societies do not allow significant upward mobility, citizens are more likely to follow a caste system.	These societies handle citizen's power, social status and wealth more equally, they don't emphasize the differences between the social classes. They offer and demonstrate the opportunity of growth for everyone.
Individualism (IDV)	The degree to which individuals are integrated into groups.	Indicates that individuality and individual rights are paramount within the society. In these societies people are supposed to look after themselves and their direct family only.	In these societies individuals typically have close ties. Collectivist nature reinforces extended groups or families where every member takes responsibility for another.
Masculinity (MAS)	The distribution of emotional roles between the genders. Masculine cultures' values are competitiveness, assertiveness, materialism, ambition and power, whereas feminine cultures place more value on relationships and quality of life.	It indicates high degree of gender differentiation experiences in the nation. Males are the dominant in the power structure of the society, and females are being controlled, often discriminated in certain aspects.	It means low level of differentiation between males and females. In all aspects of the society, genders are treated equally, without discrimination.
Uncertainty Avoidance Index (UAI)	A society's tolerance for uncertainty and ambiguity. Reflects the extent to which members of a society attempt to cope with anxiety by minimizing uncertainty. People in cultures with high uncertainty avoidance tend to be more emotional. More attention for planning step by step and procedures.	It creates rule-oriented society that play important role to reduce the uncertainty. Nations with low tolerance for uncertainty have the need for laws, rules, regulations, and control.	Indicates the country has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions. Reflected in a society that is less rule-oriented, more readily accepts change, and takes more and greater
Long-Term Orientation (LTO)	Society of pragmatic virtues oriented to future rewards, in particular perseverance, adapting to changing circumstances vs. of virtues related to the past and the present, such as national pride, respect for tradition and fulfilling social obligations.	It shows the nations' respect for traditions and commitments to long-term values and planning. They tend to support strong work ethic, and expect long-term rewards for the completed duties, work in the present. Business and economics trends to developer slower in these societies.	The nation and its individuals do not reinforce the idea of long-term and traditional orientation. These cultures are more flexible and adoptive for changes that may occur often and rapidly.
Indulgence versus Restraint (IND)	Indulgence stands for a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun. "a society that controls gratification of needs and regulates it by means of strict social norms."	Cannot easily be motivated with material rewards, to satisfy basic needs and freedom are more important. They enjoy the moment instead of using time to compare with others. Objects are taken to fulfil the original purpose not as status symbols.	Gratification suppressed and regulated. They expect (mostly material) reward for job done well. Status symbols are important such as the phone, laptop, watch, company, etc.

Source: Wendy H. Mason http://www.referenceforbusiness.com/management/Gr-Int/International-Management.html

Table 4. Trompenaars 7 dimensions of culture

Dimension	Characteristics
Universalism	Universalism is about finding broad and general rules. To place a high value on laws, rules, and obligations. Focus on formalities rather than relationships. According to Trompenaars, these conditions are present typically in the United States, Canada, UK, Australia, Germany, and Sweden.
Particularism	Particularism is about finding exceptions. To believe that each circumstance, and each relationship, dictates the rules that they live by. Countries that have high particularism are for example: Venezuela, Indonesia, China, South Korea, etc. Their response to a situation may change, they place a greater emphasis on relationships, who's involved.
Individualism	The rights of the individual are in focus. It seeks to let each person grow or fail on their own. To believe in personal freedom and achievement. The United States with high individualist. They believe that everyone takes personal decisions, and they have to take care of themselves, no one else is in charge.
Communitarianism	They think about themselves as part of a group and believe that the group is more important than the individual, it comes always first, because the group provides help and safety, in return for loyalty. According to Trompenaars, typically communitarian countries include China, Germany, France, Japan, and Singapore.
Specific	They prefer to keep their professional and personal lives separate. As a result, they believe that relationships don't have much of an impact on work objectives, and, although good relationships are important, they believe that people can work together without having a good relationship.
Diffuse	They do not mind if their professional and personal lives overlapping. They believe that meeting socially with co-workers, clients, building good relationship is positive or even essential to profitable and trustworthy business performance and meeting the objectives. They often spend time after working hours with their colleagues or clients.
Neutral	Emotions are held in check; people make a huge effort to control their emotions. Logical reasons influence their decisions and actions far more than their emotions, feelings, and they do not tell and show what they think or how they feel.
Emotional	They do find the way to express their emotions openly and naturally, even spontaneously, either in their personal and professional lives. In these cultures, expressing emotion is accepted and welcomed.
Achievement	Achievement cultures are for example Austria, the United States, Israel, Switzerland, Scandinavia or the United Kingdom. Their citizen's value performance and functions, reputation, respect and status is based on what a person does.
Ascription	Ascription cultures such as in Venezuela, France, Italy, Japan, Saudi Arabia, Indonesia, and China believe that people should be valued for who they are. In these countries, people's behavior is characterized by their own, or the other party's position, title or power of influence.
Sequential Time	In these cultures, people prefer events to happen in the given order. They place a high value on punctuality, and the original planning, schedule. They mention often that the "time is money," and being late - is considered disrespectful and negative reputation. Typical sequential-time culture for example is China and Germany.
Synchronous Time	They follow the changes, go with the flow, take the time to explore alternatives before they execute. Their focus on the relationship represents flexibility and agility. In this group the United States can be mentioned.
Internal Direction	The environment and conditions can be kept in check, they believe that they can control circumstances in order to achieve the exact desired outcome. It effects their personal and professional lives too, how they work with associates, etc.
Outer Direction	External locus of control – their future is determined by fate, even if they work hard, outcomes are independent of them. They believe to be controlled by the nature and external environment; therefore, they avoid conflicts in their relationships and at their workplace. They often need and ask for confirmation about their performance.

Source: Mindtools.com, 2017

Table 5. Schwartz's cultural value types

Conservatism	They put cultural emphasis on the status quo, ownership of property, solidarity towards the group they identify themselves with. Importance of traditional values and social relationships, collective security.
Intellectual Autonomy	Everyone is a unique, autonomous human being, to express and manage his/her individual views, preferences and also encourage others to do so. They have own (creative) ideas and they are pursuing their own interest toward the desired goal.
Affective Autonomy	The person is an autonomous, bounded entity and finds meaning in his / her own uniqueness, seeking to express own internal attributes (preferences, traits, feelings) and is encouraged to do so. Affective Autonomy promote and protect the individual's independent pursuit of own affectively positive experience (pleasure, exciting life, varied life).
Hierarchy	In a hierarchical system, roles and rights are fixed in order to control interdependencies. People are ranked according to their relative power, importance or status. Requests and decisions go through the chain of command and people have to comply with these regulations to avoid sanctions. The distribution of power is not equal.
Egalitarianism	All people are equal in fundamental worth and deserve freedom, social justice, opportunities, equal treatment across gender, religion, political views, social, or economic life.
Mastery	Stressing the individual and group interests over the classical social and natural norms. Control and change the system to serve own ambition and interests by self-assertion.
Harmony	In harmony the system and the world is accepted in its actual form. Natural and social norms are ruling over the individual interests.

Source: On the Basis of Schwartz (1999) and Smith, Schwartz (1997) Cited from IMO, 2017

RUSSIA AND HUNGARY ACCORDING TO CULTURAL DIFFERENCES THEORIES

According to Edward Hall's background context approach, Russia and Hungary are both high-context cultures; it means that rules of communication are primarily transmitted through the use of contextual elements (i.e., body language, a person's status, and tone of voice) and are not explicitly stated (Jethu-Ramsoedh, Hendrickx, 2011)

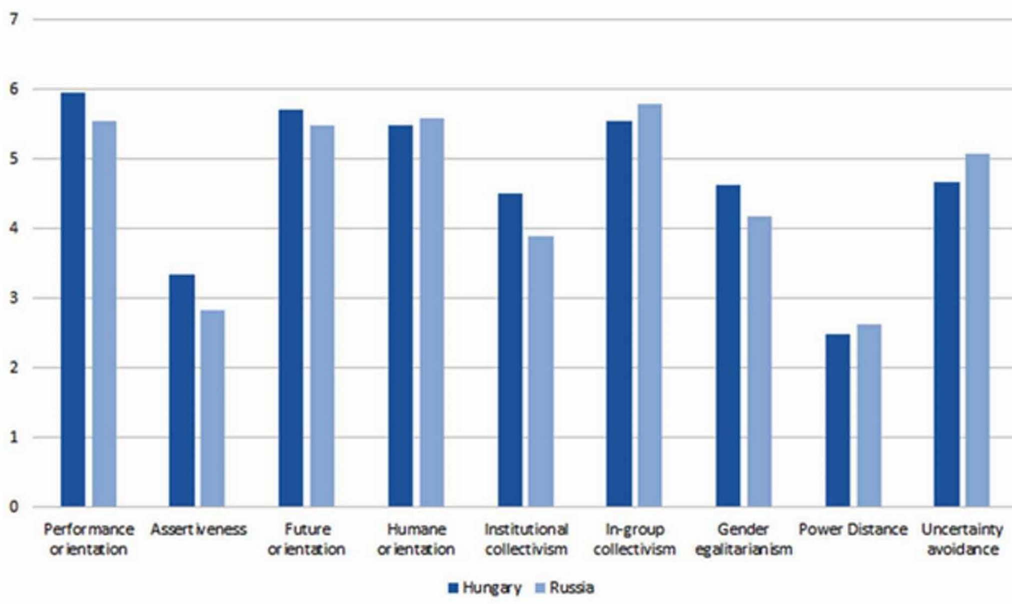
Since, there are no cultural differences between Russia and Hungary, according to this theory. It is more interesting to investigate methodological approaches, that emphasize the differences, rather than the similarities.

According to the GLOBE study both Russia and Hungary are included in Eastern European country cluster (Shi, Wang, 2011; Hoppe, 2007). This means that characteristics which are related to this cluster are the same for all countries in it. Societies belonging to this cluster reflect relatively high scores of the societal cultural practices on the dimensions of In-Group Collectivism and Power Distance. Figure 2 shows cultural values in Hungary and Russia.

Based on their deep drivers, the Hofstede Model shows significant differences between the Hungarian and Russian cultures. All dimensions, Power Distance, Individualism versus Collectivism, Masculinity versus Femininity, Uncertainty Avoidance, Long Term Orientation and Indulgence are explained with country-specific features (Hofstede, Hofstede, Minkov, 2010). (Figure 3 shows deep drivers of Russian and Hungarian culture according to 6-D model.)

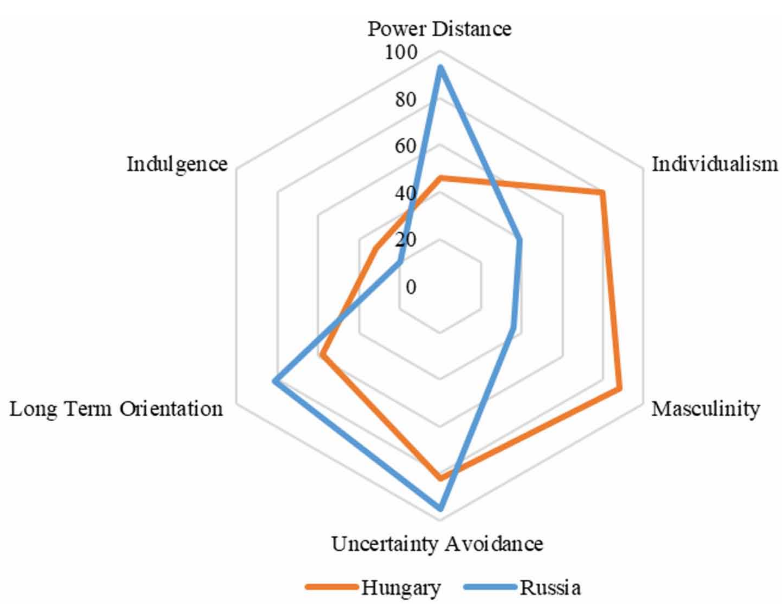
As displayed in the graph above, Russia is a high power distance society, Hungary is the opposite. Power is extremely centralized in Russia, there is the huge discrepancy between the less and the more powerful people, and there are status roles in all areas of business interactions. Hungarian style is the opposite: power is decentralized, hierarchy for convenience only, equal rights, control is disliked and attitude towards managers are informal.

Figure 2. Cultural Practices and Values in Hungary and Russia (Hoppe, 2007)



Russia is collectivist society, and Hungary is individualis- tic one. Family, friends and not seldom the neighborhood are extremely important in Russia. Relationships need to be personal, authentic and trustful to make any business (Luhmann, 1979; Cook, Hardin, Levi 2005). Hungary has a loosely-knit social framework, people take care of themselves and their immediate families only, the employer/employee relationship is a contract based on mutual advantage.

Figure 3. Deep Drivers of Russian and Hungarian Culture in 6-D Model (geert-hofstede.com, 2017)



Russia is a feminine society, and Hungary is masculine one. Russians at workplace as well as when meeting a stranger rather understate their personal achievements, contributions or capacities. They talk modestly about themselves. In Hungary people "live in order to work", managers are expected to be decisive and assertive, the emphasis is on equity, competition, achievement and success.

Russians feel very much threatened by ambiguous situations; detailed planning and briefing is very common. Russians prefer to have context and background informa- tion. Hungary maintains need for rules, time is money for them, people like to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.

Russia and Hungary are both countries with a pragmatic mindset. People believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest thriftiness and per- severance in achieving results.

Russia and Hungary are both restrained cultures. They have a tendency to cynicism and pessimism, do not put much emphasis on leisure time and control the gratification of their desires. People have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong.

According to Fons Trompenaar, the national cultures of Hungary and Russia can be generally characterized by the following features (Trompenaars, Hampden-Turner, 1997; Hidasi, Lukinykh, 2009). (Table 6).

On the basis of the above described, it can be said, that according to Trompenaars, Russian and Hungarian cultures definitely have differences almost in all dimensions, except the last one – time orientation.

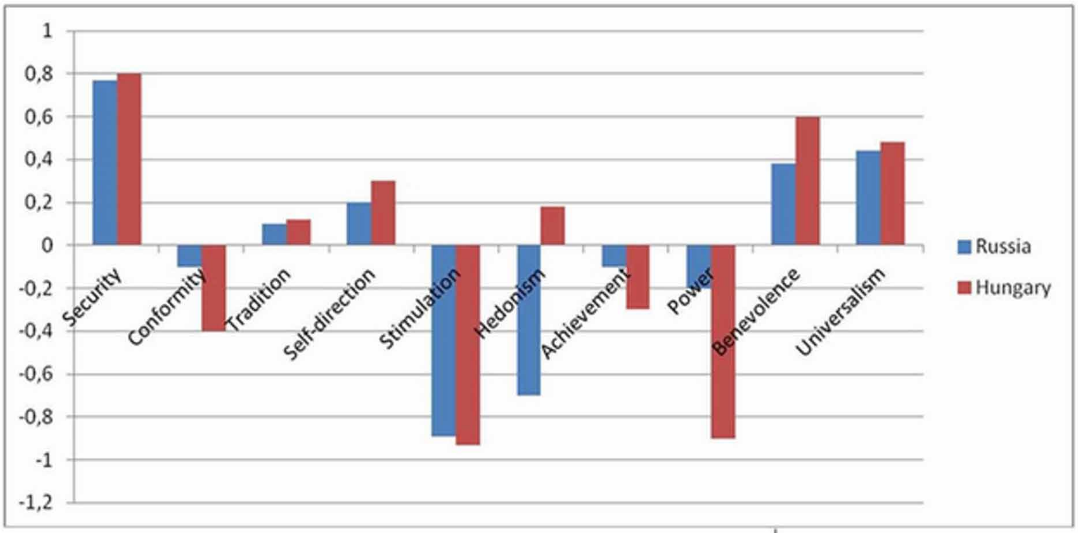
According to Schwartz, who emphasized 10 typological value indexes, axiological portrait of the population in Russia and Hungary can be made (Kreitner, 2009). Figure 4 shows the average value indexes in Russia and Hungary, according to the European Social Survey which is based on Schwartz theory (Schwartz, Schmidt, Davidov, 2004).

As Figure 4 shows, four value indexes of Russian and Hungarian culture are very close to each other (security, tradition, stimulation, universalism), which indicates a significant degree of commonality of these values between Russians and Hungarians. It is worth mentioning that the greatest differences appear in the hedonism and the power. The most significant values for the Russia and Hungary are safety, universalism and benevolence.

Table 6. Cultural dimensions of Hungary and Russia

Hungary	Russia
Universalism	Particularism
Individualism	Individualism/Collectivism
Neutral orientation	Affective orientation
Specific orientation	Diffuse orientation
Weak 'achieved status' orientation	Intermediate position in achievement - aspiration parameter
Weak outer orientation	Outer - orientation
Weak future orientation	Weak future orientation

Figure 4. Typological value indexes of Russia and Hungary
Source: Magun and Rudnev (2008)



DIFFERENT FOREVER?

Since the cultural parameters characteristic of a country can have a serious impact on its economic performance, competitiveness and its everyday business culture practices, the study of these parameters is indispensable for a better understanding of the processes at work. Nonetheless, the analysis of the national cultures is a necessary, but not sufficient part of the process. While we experience an extreme escalation of globalization – thinking in global markets for resources, people and services – we are also witnessing aggressive clash of civilizations, national cultures at the very same time. According to Doney, Cannon and Mullen (1998) trust is inevitable to mitigate the negative effect of cultural differences and to harness the business opportunities embedded in cultural different-ness. On the basis of the World Values Survey (WVS, 2016; Johnson, Mislin, 2012) economic growth is influenced by values and attitudes of the people - by national culture. Zak and Knack (2001) have also pointed out that trust/trusting culture is positively associated with important economic factors, such as growth in per capita income and GDP along with other standard determinants of economic performance. Hence, we have to be aware of the fact that cultural change might be a necessity in case of most national cultures, especially those non-inclusive (Covey, 2006; Knack, Keefer, 1997).

If the situation does not enable development of trust, or the insecurity or the "price" of cessation of insecurity do not explain the need of creation of contractual relations, the individual will decide based on beliefs, ideologies and personal experiences. Interpersonal relationships are formed in the context of cultural, social and other influences and can be defined as strong, deep or close acquaintance or as- sociation between two or more individuals. Human beings are social and are shaped by their interactions and experiences with others.

Studies point out three basic implication of trust on our lives: It makes social life predictable, makes it easier for people to cooperate and creates a sense of community (Misztal 1996). A person's dispositional tendency to trust others can be considered a personality trait and one of the strongest predictors of subjective well-being (DeNeve, Cooper 1998). Ability of trust in individuals develops in the early childhood, formed by many psychological and social effects during our lifetime and can be distorted by the individual's perception, beliefs and cultural context as well.

Human beings are different. The difference can be lied in competences, skills, way of perception, information processing, learning, thinking and decision making as well. Perceptual sets of the individuals (also called perceptual expectancy) reflect their own personality traits and has been demonstrated in many social contexts and can be defined as a predisposition to perceive things in certain way (Weiten 2008). Sets can be created by motivation and so can result in individuals describe equivocal things so that they see what they want to see (Coon, Mitterer 2008). For example, people with an aggressive personality are quicker to properly identify aggressive situations or persons (Hardy, Heyes 1999)

Many crises can be rooted in ignorance and the lack of (cultural) understanding which could be solved through citizenship education, particularly in higher education (Farahani, 2014). According to the UNESCO, education should promote knowledge, values, attitudes and skills conducive to an active commitment to the defence of human rights and to the building of a culture of peace and democracy (UNESCO, 1995). However, every country has the opportunity to alter its culture, by exposing it to the effects of other cultures.

Despite a lot of differences in Russian and Hungarian cultures (Grachev, 2009; Horváth, Vi- dra, 2011; Falkné Bánó, 2014; Tompos, 2014; SKFU, 2014), these countries have already cooperation in different spheres (Holicza, Baimakova, 2015). Cooperation in the cultural and humanitarian spheres is one of them. April 15, 2013 between Russian Ministry of Culture and Hungarian Ministry of Social Development a cooperation program for 2013-2015 was signed. In 2015 Hungarian Science and Culture Days were organized in Russia and Russian Science and Culture Days were organized in Hungary, as well as bilateral cultural and tourism forum (RIA news, 2015- Russian Ministry of Culture, 2017; Hungarian state secretariat for culture, 2017).

Besides organizing cultural events, international mobility programs also provide good opportunities for different cultural experiences. Travelling for education is highly supported by the well-known Erasmus Programme (European Community Action Scheme for the Mobility of University Students), that is the most successful student exchange programme of the European Union. It has been established in 1987 in order to increase the intercultural competencies and the better understanding among various nations (Holicza, Fehér-Polgár, 2017).

Considering the European grants for international student mobility, opportunities are expanding, as the Erasmus+ Programme is not limited to the European Union Member States or the European Higher Education Area (EHEA). After the Tempus Program, the new Erasmus+ Credit Mobility Program became available for non-EU universities, academic staff and students as well as the EEA Grants and Norway Grants, further state supported scholarships such as the Stipendium Hungaricum or the DAAD in Germany (Lazányi, Holicza, Baimakova, 2017). Unlike the international full-degree mobility, the availability of funded short-term (non-degree) mobility programs is quite recent and still limited in the EU's surrounding area compared to the Member States, therefore the popularity and participation is relatively low (Ziyatdinova, Osipov, Gornovskaya, Zolotareva, 2018). The further development and effective implementation of the programs require measuring early-stage effects, how participants react on particular cultural impulses, main differences in attitudes between them and their peers who are graduating from the domestic education system without international experience (Holicza, 2018a). It requires close connection and bilateral partnership with another higher education institution in an EU member state. The program helps many students to study outside their own country. They can learn about other cultures and integration, practice languages, develop new relations and friendships without borders that may help them in their future either on professional and personal level.

According to a research conducted by Holicza on an international sample of Hungarian and Russian students cross-civilizational mobility has a significant impact on participants' cultural skills and attitudes - measuring the effect of mobility across civilizational fault lines (Holicza, 2019). In his research, skills, such as adaptability, tolerance, intercultural cooperation and cultural learning variables have been used to test the hypothesis. The table of mean differences below (Table 7) indicates that the mobile group had higher values on each test variable. The Russian sample shows positive, but relatively low or at some point almost no changes at all. It is significantly lower than the measured effects of mobility participation on the Western Christian Civilization Group – namely in Hungary. Hence, civilization, and in a more narrow sense culture, and culture related skills do change in time – due to cross cultural effects, however, the extent of change is related to the national culture of those involved.

In order to promote international mobility and support participants, Russia has been accepted as full member of the biggest and most developing European student organization: Erasmus Student Network (ESN). Since 2015 the ESN Russia represents itself, growing and involving more and more young people into its international and culturally diverse environment (ESN, 2017). Mobility budgets tend to grow and include extra national and international opportunities, activities in order to support peacemaking by cultural awareness and integration, moreover to contribute to more competitive labour market in the globalising business world.

Considering the international labour market and trade between Russia and Hungary, several complicating conditions occur such as visa obligations, working permit, language barriers and the actual economic sanctions against Russia. Culturally the most diverse international communities are concentrated in the capitals, the biggest cities and the continuously spreading innovation and techno parks, such as the Skolkovo Innovation Center is. These special zones have considerable economic impact on the regions by supporting start-up business, R&D projects, innovative technical solutions and by attracting foreign investments, the flow of foreign labour mobility (Holicza, Baimakova, Lukina, 2016).

What is more on the basis of his extensive research McLaren (2016) indicates that inconsistency of individual and officially stated national culture and values strongly effects the citizens' trust in the regime itself. The discrepancy works as a certain kind of cognitively dissonant situation, where the individual either stands for his/her own values, which leads to escalation of commitment, and hence increased emphasis of own values, or submits his/herself to the values communicated centrally and hence loses authenticity and the inner compass culture should provide for the behavior of the individual.

Table 7. Change of culture related skills' mean values: Mobile vs. Non-mobile Group

Variables	HU	RU
Adaptability	11.6	2.5
Tolerance	8.3	0.6
Intercultural cooperation	6.5	2.8
Cultural learning	25.6	9.3

RECOMMENDATIONS

Owing to the utmost importance of collaboration and mutual acceptance and understanding in the present globalized economy, countries should strive to alter the basic values of their cultures in a way, so that it enables the citizens for inter- and cross-cultural cooperation. However, since culture is the collection of beliefs, values attitudes and even shapes the people's sense of right or wrong, it is very hard to change it. Cultures, as well as their broader spheres civilizations, provide guidance on proper behavior, hence changing culture would cause mass cognitive dissonance (Festinger, 1962, Gawronski, Brannon, 2016). What is more, it is very hard, if possible at all to deliberately change the culture of a country in a centralized manner, without the participation of the people. Such a top down approach would give ground to massive resistance (Janis, 1971; Cross, 2016, Kawulich, Ogletree, Hoff, 2016). Even more so, since belonging to a culture provides individuals an easy way to connect with others who share the same mindset and values, hence the alliances for the old culture and against the changes would easily be formed.

The only way to adjust cultural characteristics of a country to the new expectations of a globalized world is to approach the task with a bottom up approach, which is supported, but not forced by the government. Providing opportunities to get to know people from other cultures, via mobility or cultural, scientific events is a good way to let people see and decide for themselves whether they want a more inclusive culture, a more accepting, a more compassionate and tolerant culture. While providing these chances for change, and supporting them not only by facilitating the change but by providing the moral and social support a culture can change itself radically within a timespan of a generation and create a healthy culture (Arieti, 1976, Dubina, Ramos, Ramos, 2016), which is sustainable in the future, and that can enable the creation of the global melting pot, the "end of history" in a fukuyamaian sense.

Nonetheless, this approach takes the responsibility for change from the central government, as if creating chances and accepting those daring would be all they can do. However, it is important to keep in mind that diverse cultural influences and the coping with them has significant implications for the need of change in primary, secondary, as well as higher education. It is not enough to provide opportunities for mobility, to agitate young people to get to know other people and cultures, the system of education should be able to prepare them for such experiences and provide them with the necessary skills and competences, so that the experience, which should promote acceptance and empathy would not backfire and emphasize the differences in a counterproductive way. Hence, preparing citizens for the acceptance of otherness and the appreciation of diversity should come prior to the opportunity for mobility and has to be initiated by the central government (Smith, Pate, 2016).

In terms of further research, it would be beneficial to expand the comparison to the neighborhood countries from Central Europe, like Austria, Slovenia, Poland with the surveys having several countries in their focus (Nedelko and Brzozowski, 2017), as well as use Schwartz value theory for observing personal values (Potocan et al, 2016).

CONCLUSION

When comparing cultures of Russia and Hungary, using different theories of cultural differences, the following conclusions can be made. Five theories were analyzed, and according to two theories Russian and Hungarian cultures are the same. Three other theories on the other hand have proved that there are some similarities but more differences in cultures of both countries. The study comes to the conclusion that in spite of relative geographical proximity and shared historical experience the cultural characteristics of the two business cultures set them apart in a number of aspects. These characteristics have to be given due attention in forming and developing business relations.

After thorough consideration Hofstede's theory was taken as the main basis of comparison of two countries that have a shared past, but very different cultural roots, since Hofstede emphasizes that cultural dimensions are only foundation that help to evaluate the specific culture in order to facilitate decision-making. There are also other factors to be considered, such as personal characteristics, family history and personal well-being. In line with his approach the proposed measures can't predict the behavior of individuals, hence it is altered by the individuals' experiences.

The role of the government in decreasing cultural differences, or at least the exclusive nature of them is to create a supportive environment for those eager to get to know other cultures, to foster mobility and to prepare citizens for cross- and inter-cultural experiences.

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KEY TERMS AND DEFINITIONS

Civilization: Is a set of cultural characteristics limited by time and/or place. The result of cultural values manifested in economic, political, and religious systems.

Cognitive Dissonance: A state of psychological conflict, which results from incongruous values and attitudes held simultaneously, or discrepancy between an individual's acts and beliefs.

Cultural Differences Theories: Theories developed to classify countries on the basis of their culture's characteristics, hence they create a basis for identifying differences between various cultures.

Culture: A shared set of beliefs, values, and patterns of behavior learned and taught by socialization. It serves as a guidance for the members of the culture about what is right and wrong, what deeds and interactions shall or shall not be appreciated or punished.

Globalization: A world-wide phenomenon of goods and services losing their local characteristics being sold all around the world fostered by the development of transportation and ICT.

Mobility: Moving of people in physiological, as well as societal sense, it can be characterized as a result by the mixing of social groups, cultures.

Trust: An interpersonal relation, where one of the people involved expects the other to behave in a certain way, while the other has the freedom to act (or not) according to the expectation.

Chapter 10
The Relationship Between Culture and Human Development:
An Analysis Through the Lens of Innovation and Corruption

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ABSTRACT

The human development is used to evaluate the richness of human life, focusing on the people, on their opportunities and choices, rather than simply on the richness of economies. As for national culture, it is understood as a set of characteristics that distinguish members and that may influence all aspects of social and individual life. This study hypothesizes that national culture, measured using Hofstede's six cultural dimensions, has an impact on corruption and on innovation, and that less corrupt and more innovative nations create better welfare conditions and human development for their habitants. To test the proposed framework, data were obtained from Hofstede's, Transparency International, Global Innovation, and United Nations Development Programme websites for the year 2012. Using PLS-SEM, the results show that cultural factors play a smaller role on determining innovation than corruption, and that decreasing corruption is more important to improve human development than increasing innovation.

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INTRODUCTION

Human development is a critical topic across the globe as governments of different countries are being held responsible for their performance regarding factors such as carbon emissions, economic challenges and human resources. One of the objectives of the United Nations is the promotion of a higher standard of living and of better conditions for economic development and social progress. The human development is considered of particular importance and can be defined as the process of widening people's choices (UNDP, 1990). The human development emphasizes that people and their capabilities are the best way to assess a country's development, rather than economic growth alone.

Culture is the foundation on which a society is built and has an impact on people's lives. According to Hofstede (2001), national culture is a set of characteristics, attitudes, norms and values that distinguish members across organizations, institutions or countries, influencing all aspects of social and individual life. The individual's role in society is likely to influence the decision to create new businesses, to act entrepreneurially and to live within the boundaries of the law. We believe that a country's culture can have a major role in how individuals behave and interrelate with other individuals and, ultimately, on human development. A country's culture may guide the behavior of its members by providing them with a dominant logic and cultural differences can be an explanation as to why some nations exhibit higher levels of economic development and corruption than others (Silva & Moreira, 2016).

We expect culture to influence the environment, the society and the economy, as there is evidence of the interdependencies between these variables and the acknowledgment that they are intertwined (Dyllick & Hockerts, 2002). As such, it is important to understand the basic cultural and economic factors that influence the human development of nations.

Considering the abovementioned factors, this chapter seeks to analyze how national culture influences innovation, corruption and ultimately, human development.

Despite the existence of research focusing on some of these links, research relating all these factors is scarce and presents some limitations. The list of studies examining the culture-innovation link is nonetheless extensive (e.g., Azar & Drogendijk, 2016; Dantas, Moreira, & Valente, 2015; Efrat, 2014; Gaygisiz, 2013; Mihaela, Claudia, & Lucian, 2011; Shane, 1992, 1993; Steel, Rinne, & Fairweather, 2012; Taylor & Wilson, 2012; Turró, Urbano, & Peris-Ortiz, 2013). However, most studies do not use the updated six-dimension of Hofstede's cultural framework (which includes pragmatic versus normative and indulgence versus restraint in addition to the previous power-distance, individualism, masculinity and uncertainty-avoidance dimensions), nor the Global Innovation Index (GII) that captures the multi-dimensional facets of innovation and provide the tools that can assist in tailoring policies to promote long-term output growth, improved productivity, and job growth. Instead, many studies carried out to date have used the old four cultural dimensions and traditional measures of innovation (e.g., number of patents or investment in R&D) (e.g., Efrat, 2014).

Although the relationship between national culture and corruption has also been analyzed (e.g., Barr & Serra, 2010; Davis & Ruhe, 2003; Huster, 1999; Sanyal, 2005; Sims, Gong, & Ruppel, 2012; Yeganeh, 2014), extant research lacks the use of complete cultural frameworks and findings are still inconsistent. There is research on the relationship between corruption and innovation (e.g., Anokhin & Schulze, 2009; Ulman, 2013), but no studies have used the Corruption Perception Index (CPI) and the GII simultaneously.

The links between culture and human development, and between innovation and corruption and human development have remained far less studied. An exception is perhaps the research of Ortega, Casquero and Sanjuán (2016) who found that the corruption hinders human development due to its negative impact on growth in income and health achievements.

The aim of this study is to address the above-mentioned gaps and model the culture-corruption-innovation-human development relationships in order to understand how national culture contributes to human development. For that purpose, the CPI and the GII were used as antecedents of the Human Development Index (HDI).

This book chapter is structured as follows. After this introductory section, the background reviews the literature on culture, innovation, corruption and human development. The following section presents the theoretical assumptions and the hypotheses. Then, the methods section describes the measures, the datasets used, and the methodology adopted, followed by the results. Finally, we discuss the results and present the conclusions.

BACKGROUND

National Culture: Hofstede's Cultural Dimensions

Culture can be used to explain why some countries are more developed than others, although there is no cultural model that ensures the success of a country (Mihaela, Claudia, & Lucian, 2011). Over the recent decades, culture has been one of the main research constructs in several fields such as marketing, business or psychology (Taras, Steel, & Kirkman, 2012). Arguably, Hofstede's work has been one of the primary drivers behind this trend, detailed in his book "Culture's Consequences", which had a profound impact on cross-cultural research (Taras & Steel, 2009).

Despite the huge variety of definitions of culture, the one presented by Hofstede is certainly among the most used and accepted by scholars. Hofstede (1980, p. 25) defined culture as *"the collective programming of the mind which distinguishes the members of one human group from another."* Within this perspective, the central mechanism of culture is *"a system of societal norms consisting of the value systems (or the mental software) shared by a major group in the population"* (Hofstede, 2001, p. 11). As such, culture is recognized as a set of shared attitudes, values or norms that characterizes a nation or organization and distinguishes it from another.

In his study, Hofstede (1980) analyzed survey data on work-related values obtained over the period 1967-1969 and again over the period 1971-1973 from more than 117 000 IBM employees. His findings revealed four statistically independent dimensions which explained the inter-country variation in the responses to his survey. He labeled those four dimensions as: power-distance (PDI); individualism/collectivism (IDV); masculinity/femininity (MAS); and uncertainty-avoidance (UAI). Later, Hofstede, Hofstede, and Minkov (2010) added two new dimensions to their cultural model: pragmatic versus normative (PRA); and indulgence versus restraint (IVR).

- PDI is the degree to which less powerful members of society accept that power is distributed unequally, and that some people have more power than others (Hofstede et al., 2010). In societies with a high power-distance index, people accept there is a hierarchical order and that individuals have their place without the need of further justification. However in societies with low power-distance index, people seek to avoid inequalities in the distribution of power and demand justifications for those inequalities (Hofstede et al., 2010).

- The IDV dimension looks at whether people from the society focus more on the "I" than on the "we" (Hofstede et al., 2010). In an individualist culture, individuals are expected to care for themselves and their immediate families, while under a collectivist culture, individuals expect their relatives or members of a group to look after them (Hofstede et al., 2010).
- MAS is related to people's orientation towards achievement or relationships (Hofstede et al., 2010). In masculine societies, the society rewards achieving success, advancement, power, and money while in feminine societies, individuals care about cooperation, relationships, modesty, have sympathy for the weak and value the quality of life (Hofstede et al., 2010).
- UAI reflects the degree to which individuals feel threatened or uncomfortable with uncertainty (Hofstede et al., 2010). Strong uncertainty avoidance cultures are usually more pessimistic, more dependent on those in power, more based on rigid codes or beliefs, less willing to introduce change and more intolerant to unorthodox ideas, while in weak uncertainty avoidance societies people are more relaxed, more open to new ideas, more tolerant and less stressed regarding the future (Hofstede et al., 2010).
- The PRA dimension concerns to whether people generically have a long-term rather than a short-term orientation. Pragmatic societies focus on the long-term and recognize that truth depends on time and context, while normative cultures value the short-term, traditions, conventions, and seek for stability (Hofstede et al., 2010). Pragmatic societies deal positively with drawbacks and have a high likelihood to save, invest and persevere to achieve results, while normative oriented societies have a strong desire to explain everything and establishing the absolute truth, as well as a need for stability. Normative cultures emphasize traditions and have a small likelihood to save for the future as they are more centered on quick results (Hofstede et al., 2010).
- Emphasis of the IVR dimension is placed either on indulging in the pleasures of life, or instead, on the suppression of gratification (Hofstede et al., 2010). Indulgent societies allow free gratification of human drives related with life and pleasure, emphasize life control and freedom of expression, while restraint cultures suppress the gratification of needs through social norms and control the freedom of expression (Hofstede et al., 2010).

Despite the popularity of Hofstede's cultural dimensions, his work is not without criticism, namely: the use of quantitative measures; the fact that data were collected from workers of a particular organization (IBM); and the time separating the two rounds of data collection (Efrat, 2014). However, in a comparative assessment of multiple cultural frameworks, Magnusson, Wilson, Zdravkovic, Zhou and Westjohn (2008) found that national culture is more stable than Hofstede predicted, and that Hofstede's framework showed stronger convergent validity when compared to other cultural frameworks such as Schwartz' (1994). Hofstede's cultural dimensions are reliable and one of the most employed in cultural research (e.g., Dantas, et al., 2015; Efrat, 2014; Gaygisiz, 2013; Mihaela et al., 2011; Sims et al., 2012; Taylor & Wilson, 2012), although the six-dimension framework is still underexplored in research (see e.g., Gaygisiz, 2013).

Innovation: The Global Innovation Index

Innovation is a driver of economic growth, and prosperity (Turró et al., 2013). In a globalized world of commerce and trade, nations seek the innovation imperative, i.e., the need to produce successful innovation at individual, business, and national levels, as a way for nations and business to leave their mark in the world (Steel et al., 2012). Innovation is defined as the implementation of a new or significantly improved product, a new process, a new marketing method or a new organizational method in business practices or workplace organization (OECD, 2005).

Schumpeter (1943) identified three stages when entering a technological market: invention, innovation and adoption. As invention is an act of intellectual creativity, some inventions never go beyond ideas. Innovation occurs when an invention succeeds in the market. Finally, adoption is the acceptance of an innovation by the market. While inventions and innovations occur at the firm or industry levels, adoption happens at the market level. For Frankelius (2009), innovation is something original, new, and important in any field that breaks into a market or society.

Innovation can be understood at a macro, meso and micro levels. At a macro level, innovation is analyzed from the national institutional perspective in which industrial dynamics and national perspectives play a key role (Boschma & Martin, 2010) and innovation has an impact on economic growth and job creation. At a meso level, innovation is intrinsically connected to learning and change (Edquist, 1997) and follows an interdisciplinary perspective involving institutions, socio-economic and political determinants that emphasize an interdependent process in which innovation stems from the interactions of actors (Moreira, Carneiro, & Tavares, 2007; Moreira & Vale, 2016). When the unit of analysis is the organization, innovation is understood as following a micro perspective (Dantas & Moreira, 2011; Moreira, 2014). Following this perspective, innovation can be classified into two categories: incremental and radical, in which the former emerges from practice and continuous improvement (Dantas & Moreira, 2011; Moreira, 2014) and the latter emerges when a new product, process or organizational solution is developed and/or introduced in the market (Carrizo-Moreira & Leonidivna-Karachun, 2014).

The GII is one of the metrics used to measure countries' innovation. The GII was created in 2007 by the INSEAD, seeking new metrics and approaches to better capture the richness of innovation in society, and go beyond the traditional measures of innovation such as 'the number of research articles' or 'the level of R&D'. This index established itself as a reference among innovation indexes and has evolved into a valuable benchmarking tool (Cornell University, INSEAD, & WIPO, 2013). The GII is based on two sub-indexes: innovation inputs and outputs. The innovation input is made up by five pillars (institutions, human capital and research, infrastructure, market sophistication, and business sophistication) capturing elements related to the regulatory and business contexts. The innovation output is based on two pillars (knowledge and technology outputs, and creative outputs), with a particular focus on the quality of the social and business infrastructure expected to result from innovation, along with the number of patents issued and trademarks granted.

Corruption: The Corruption Perception Index

Corruption is recognized as a serious and worldwide problem affecting societies and the credibility of public institutions and their ambassadors. No country can claim to be completely free of corruption as none reaches the maximum score in the corruption indexes. Corruption is "*the abuse of public power (or public office) for private gain*" (You & Khagram, 2005; p. 137) or the action of private individuals or companies who abuse public resources for private interests (Ulman, 2013). Transparency International (TI) measures the perception of corruption in different countries, which defines corruption as "*the abuse of entrusted power for private gain,*"

Corruption involves a behavior that violates the trust in public officials and undermines the foundation on which generalized interpersonal trust relies (Anokhin & Schulze, 2009). Corrupt practices include bribery, kickbacks, coercion (Sims et al., 2012), baksheesh, pay-offs, gratuities, commercial arrangements, favoritism and nepotism, blackmailing, protection or security money, gifts, under-the-table fees, embezzlement, extortion and fraud (Lindgreen, 2004). These practices undermine fair trade, waste resources, defraud public, increase human suffering (Vogl, 1998), affect growth, increase inequality and poverty, provoke distrust and cause anger (Tanzi & Davoodi, 1998).

The damage caused by corruption is a growing concern, leading international organizations to develop corruption measures such as the CPI of TI (Ko & Samajdar, 2010). The corruption perception index measures the perception of corruption in each country based on surveys of business people or international experts, relying on at least three different sources to assess a country's risk. Critics of corruption indexes insist that the measures do not capture local inhabitant's perceptions of corruption, and that the results would be different when different corruption indexes for different years are used (Ko & Samajdar, 2010). Others argue that the aggregation method is not statistically rigorous (Lambsdorff, 2007) and that perceived corruption is not the same as actual corruption (Montinola & Jackman, 2002).

Nonetheless, Ko and Samajdar (2010) addressed these issues by testing the reliability and validity of multiple corruption indexes, finding that perception of corruption of international experts is highly correlated with the perceptions of corruption of local peoples, especially bribery. They also demonstrated that corruption indexes are valid and reliable, being an acceptable tool when the research question is related with the general perception of corruption.

Human Development: The Human Development Index

The introduction of the first Human Development Report in 1990 gathered the attention of policy-makers, the media, scholars around the world and the broader community interested in development topics. According to UNDP (1990; p. 10), "*Human development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible*."

The main motivation behind the development of the HDI was related to a general dissatisfaction of using a country's growth domestic product (GDP) as a standard measure of development. As noted by Ul Haq (1995; p. 46), one of the developers of the HDI, "*Any measure that values a gun several hundred time more than a bottle of milk is bound to raise serious questions about its relevance for human progress."*

The popularity of the HDI is mostly due to two reasons, the first, the simplicity of its characterization of development as the average of the achievement in health, education and income, the second, its subliminal message that development is more than mere economic growth (Klugman, Rodríguez & Choi, 2011).

Since its introduction, the HDI has been as well-succeeded measure of wellbeing, challenging the economic-centric perspective and being well-accepted by the academic community (Klugman, Rodríguez & Choi, 2011). The HDI's simplicity and the transparency of the utilization of data published by international organizations have contributed for its success.

The HDI is published annually using country level information from the Human Development Report and is a composite measure based on three key dimensions of human development: a long and healthy life, having access to knowledge, and have a decent standard of living. The health dimension is measured by the life expectancy at birth, the education dimension is assessed by the mean of the years of schooling for adults aged 25 years or more and the expected years of schooling for children of school entering age, and the standard of living dimension is evaluated by the gross domestic income per capita. According to Anand and Sen (2000; p. 86), the "*longevity and education are clearly valuable as aspects of the good life, and also valued as constituents of the capability to do other things [...] the income component of the HDI has been used as an indirect indicator of some capabilities not well reflected, directly or indirectly, in the measures of longevity and education*."

The usefulness of the HDI stems from the possibility to question the country's governmental policies, understanding how countries with the same levels of economic growth show different levels of human development and stimulating the debate on policy priorities. The index has nonetheless been subject to some criticism because while it captures the human development, it fails to reflect inequality, security, poverty, empowerments issues (UNDP, 2019) and does not penalize nations with high suicide rates. Other HDI limitations include the way in which its component indices are derived from the raw data (Noorbakhsh, 1998), the additivity of the aggregation method (Sagar & Najam, 1998) and the fact that equal weights are attributed to its component's indices (Despotis, 2005).

Theoretical Assumptions and Hypotheses

The present study is based on five main hypotheses regarding: (H1) the effects of national culture on innovation and (H2) corruption; (H3) the effect of corruption on innovation; (H4) the effect of innovation on human development; and (H5) the effect of corruption on human development. The first and second hypotheses assume that Hofstede's framework represents key aspects of a country's culture, which can determine its orientation towards innovation and corruption, respectively, which in turn have an impact on the human development of a country.

National Culture and Innovation

Research supports that national culture and innovation are related (Steel et al., 2012; Dantas et al., 2015; Shane, 1992, 1993; Taylor & Wilson, 2012; Efrat, 2014; Gaygisiz, 2013; Mihaela et al., 2011; Azar & Drogendijk, 2016; Silva & Moreira, 2016).

In low power-distance countries, organizations are more organic, power decentralized, and with a high level of trust and communication between employees, which should stimulate collaboration and innovation. Davis and Ruhe (2003) argue that in low power-distance cultures, the gap between superiors and employees is smaller and titles or status are less important, increasing the harmony and cooperation within the society. Contrariwise, high power-distance leads to a hierarchical or organizational structure which tends to be more centralized and inflexible, consequently, decision-making will seek to preserve those in authority (Efrat, 2014). Shane (1992) indicated that in low power-distance countries, new organizations are smaller and organic, with high levels of information processing capabilities and communication between superiors and employees. Furthermore, those organizations have control systems based on trust and are power decentralized (Shane, 1992). Ahmed (1998) argue that trust, openness, awards, rewards, autonomy and flexibility can enhance an innovative environment in organizations.

H_{1a}: High power-distance index societies exhibit lower levels of innovation.

In an individualist culture, individuals are oriented towards the self, their immediate relatives, or the organizations they belong to. These societies focus on personal goals, on fulfilling their individual duties and express their thoughts directly, which should translate into a spirit of mission, and a stronger entrepreneurial orientation and innovation. Hofstede (2001) indicated that high individualist countries have a strong entrepreneurial orientation which in turn stimulates invention and innovation. Additionally, individualism and power-distance share some characteristics which should influence innovation. Ahmed (1998) stated an innovative environment is characterized by freedom, trust, awards and rewards and Hofstede (2001) demonstrated a strong correlation between individualism and power-distance, i.e., typically, low power-distance countries have high individualism scores and vice-versa. Shane (1992) results support the hypothesis that high individualist countries should exhibit higher innovation rates.

H_{1b}: High individualist societies exhibit higher levels of innovation.

Feminine cultures are characterized by a focus on cooperation, care, and relationships, which should translate into an increased propensity for innovation. Hofstede (2001) indicates that feminine societies exhibit a greater balance between men and women's roles. Efrat (2014) reveals that some aspects of innovations are higher in feminine cultures, which may be due to collaboration and networking. Accordingly, feminine societies value relationships as a mean of developing cooperation and well-being through relationships, which in turn help to meet presents goals by creating a favorable environment (Efrat, 2014). Collaborative environments are posed to have a positive impact for creative and inventive processes to occur.

H_{1c}: Masculine societies exhibit lower levels of innovation.

Low uncertainty avoidance societies are typically more opened to new ideas. On the other hand, high uncertainty-avoidance cultures are more pessimistic and less willing to introduce changes or unorthodox ideas as these members understand novelties as dangerous. As a consequence, new ideas or innovations are less likely to happen because they can be perceived as dangerous and disturbing the existing order and control. Findings from Shane (1995) support the linkage between low uncertainty avoidance and innovation. Efrat (2014) suggests the rationale that low uncertainty avoidance countries based on a higher openness to change, willingness to take risks and abilities prevailing over seniority turn operational in an innovative environment.

H_{1d}: High uncertainty-avoidance societies exhibit lower levels of innovation.

In long-term oriented societies, the truth depends on situation, context and time. Thus, long-term orientation is characterized by an ability to adapt traditions to changed conditions, a strong interest in saving and investments, and perseverance in achieving results (Hofstede et al., 2010). Contrariwise, short-term oriented cultures understand societal change with distrust, which in turn can hinder creativity and innovation. Hofstede et al. (2010) argue that long-term oriented cultures are more prone to make efforts in modern education in order to pave the way for the future. We expect pragmatic societies to produce more innovative outputs than normative cultures.

H$_{1e}$: High pragmatic societies exhibit higher levels of innovation.

Indulgent societies allow people to freely focus on the gratification of human desires associated with the pleasures of life, emphasizing life control, and freedom of expression, which can be expected to lead to more creativity and innovation. Hofstede et al. (2010) state that indulgent cultures place a high importance on freedom of speech and personal control, which may have an impact on the workplace on how willing are employees to voice opinions and provide feedback. As a result, these societies are expected to be more open and collaborative, encouraging networking and cooperation and as a result, innovation.

H$_{1f}$: High indulgent societies exhibit higher levels of innovation.

National Culture and Corruption

National culture has also shown to influence corruption. However, while most studies support this relationship, the findings regarding which dimensions influence culture are not consensual. For example, Huster (1999) found support for the impact of power-distance, masculinity and uncertainty avoidance on corruption, but no support was found for the impact of individualism on corruption. Davis and Ruhe (2003) provided support for power-distance, individualism, masculinity and uncertainty avoidance influence on corruption perception. Sanyal (2005) observed that among cultural factors, only power-distance and masculinity were associated with bribe taking. Yeganeh (2014) validated the impact of individualism, power-distance and uncertainty avoidance on corrupt behaviors. Clearly, only power-distance impact appears to be fully consensual among research.

In high power-distance cultures, individuals accept there is a hierarchical order, thus, organizations are more rigid and centralized, and decisions are taken by and in order to preserve those in power. Also, in high power-distance countries, inhabitants accept that privileges are held by those in authority and the powerless are less likely to defend their rights and defy power, thus, accepting their inequity and the "legitimacy" of corruption by the powerful. Huster (1999) indicated that in high power-distance countries, there is a high level of dependence of subordinates on their superiors on the form of paternalism, which is a system by which superiors provide favors to their subordinates in return for their loyalty. As a result, decisions are not based on merit but on the balance of favors and loyalty. Cohen, Pant and Sharp (1996) claimed that people in high power-distance cultures are more likely to understand questionable business practices as ethical than people in low power-distance countries. Davis and Ruhe (2003) indicate that corruption should be higher in high power-distance countries due to the lack of trust and cooperation between social groups. Several authors support that high power-distance cultures are more corrupt than low power distance-cultures (Davis & Ruhe, 2003; Huster, 1999; Sanyal, 2005; Yeganeh, 2014). As such, we expect high power-distance cultures to tolerate better corruption practices than low power distance countries.

H$_{2a}$: High power-distance index societies exhibit higher levels of corruption.

In collectivist societies, the individuals are subsumed by the group and strive to maintain its harmony. As a result, collectivist societies will not go against the clan or tribe and exhibit weak governance levels. Because the group is deemed as more important to the individuals than the state, these cultures normally display weaker mechanisms for controlling corruption, moreover, individuals may become more risk-prone due the group protection effect, neglecting the consequences of corruption. Yeganeh (2014) argue that in collectivist cultures, the emphasis is set on interpersonal relations, which may lead to favoritism, nepotism and corruption, differently, in individualistic cultures, interpersonal relations are less importance and regulations are often respected. LaPalombara (1994) found that high collectivism is a difficult structural condition to change as persons both in public and private sectors will not hesitate to violate written laws if they are interpreted to run counter to established moral codes. Several authors have found a relationship between Hofstede's collectivism and corruption (Davis & Ruhe, 2003; Yeganeh, 2014).

H_{2b}: High individualist societies exhibit lower levels of corruption.

Masculine societies focus on the ego, power, money and success, as they are expected to display a higher level of corruption based on achievement seeking, as individuals will fight for material resources and be more willing to engage in corrupt behavior. Yeganeh (2014) argues that masculine cultures focus on material possession, performance and ambition, in contrast with feminine cultures emphasize human needs, care and interdependence. Huster (1999) suggested that the focus on material success may lead to a willingness to engage in corrupt behaviors in the hunt of material benefits. Several scholars supported that higher levels of masculinity and the search for material success to be related with unethical and corrupt behaviors (Davis & Ruhe, 2003; Huster, 1999; Sanyal, 2005).

H_{2c}: Masculine societies exhibit higher levels of corruption.

High uncertainty avoidance societies are more dependent of those in power and make more use of strict codes. Paradoxically, while high uncertainty avoidance seeks the creation of rules to decrease ambiguity, those very same rules are typically very rigid and not practically observed (Huster, 2000). Davis and Ruhe (2003) indicated that countries which are by nature uncomfortable with uncertainty prefer bureaucratic structures which in turn tend to encourage unethical behaviors. Yeganeh (2014) stated that the abundance of rules and regulations in high uncertainty avoidance societies creates occasions for economic rents and misconducts. Huster (1999) argued that uncertainty avoidance reflects an intolerance for ambiguity, nevertheless, corruption can be perceived as a mechanism to decrease uncertainty but in situations where outcomes are uncertain, corrupt practices lead to a more certain outcome. In high uncertainty avoidance societies its members are also more committed to protect the gains achieved from the status quo, thereby engendering a higher likelihood of engaging in corrupt behaviors. Existing research supports the relationship between uncertainty avoidance and corruption (Davis & Ruhe, 2003; Huster, 1999; Yeganeh, 2014).

H_{2d}: High uncertainty-avoidance societies exhibit higher levels of corruption.

The pragmatism versus normative dimension has been related to short term and long-term orientation. According to Hofstede et al. (2010), societies with a short-term orientation have a strong concern with the absolute truth, are normative in thinking, have great respect for traditions, and focus on achieving quick results. We have posed that highly strict and conservative societies, averse to change are expected to be more prone to engage in corrupt behaviors. This can be due to the focus on the short-term rather than long-term perspective, which may lead individuals to engage in unethical practices seeking instant rewards.

H_{2e}: High pragmatic societies exhibit lower levels of corruption.

Restraint cultures suppress the gratification of needs through rigid social norms, and control over freedom of expression, thus, more bureaucratic, closed and normative societies should be associated with higher levels of corruption. Hofstede et al. (2010) indicates that in restrained cultures there is a greater sense of helplessness on the personal destiny. Controlled societies where individuals are conformed with their current situation and lack freedom to comply, may create an environment which allows higher levels of corruption.

H_{2f}: High indulgent societies exhibit lower levels of corruption.

Corruption and Innovation

An effective control of corruption can bring several advantages: a higher likelihood that entrepreneurs capture larger portions of the revenues they generate; the stimulation of higher levels of entrepreneurial and innovative activities; and lower investments risk (Anokhin & Schulze, 2009). Existent research supports the idea that corruption affects a country's competitiveness and entrepreneurial activity.

Ulman (2013) examined the influence of corruption on competitiveness finding that countries rated as having low national competitiveness are perceived as more corrupt than more competitive countries; also, innovation-driven countries exhibited a stronger connection between the competitiveness and low levels of corruption than factor-driven countries due to the importance that public institutions image have for economic outcomes. Anokhin and Schulze (2009) found that the efforts to promote entrepreneurship and innovation within an economy are more productive if complemented with actions designed to control corruption. DiRienzo and Das (2015) concluded that although corruption affects negatively innovation activities among countries, the effect is mitigated among wealthier countries, as religious diversity, which was considered a proxy for tolerance, was found to positively contribute to innovation. On the other hand, ethnic diversity weakens innovation activities as ethnically fractioned groups do not participate in collective and collaborative undertakings.

As entrepreneurs and investors aim to capture the revenues and profits they generate, in cultures with high levels of corruption, it is more likely that some of the dividends will be lost due to extortion, intellectual protection, fraud or bribery among others, reducing investment attractiveness, entrepreneurship activity and innovation.

H3: High corrupt societies exhibit lower levels of innovation.

Innovation and Human Development

Technological innovation is at the heart of a country's competitiveness (Schumpeter, 1943). The existing research indicates that more innovative countries are more likely to exhibit a higher economic growth (Solow, 1956) and that a higher investment in R&D increase the degree of innovation, which in turn leads to a permanent growth of the GDP per capita (Ulku, 2004). However, this relationship may not be so straightforward, as there are certain factors related to country's institutional structure that determine how investments in education affect growth (Ghosh, Mohan & Chatterji, 2013).

At fundamental level, there are two ways to increase the output of an economy; the first is to increase the input into the productive process; and the second is to be clever and think of better ways to extract more output from the same number of input (Rosenberg, 2006). As referred by Lucas (1988), skilled and capable individuals are crucial not only for productive activities but also for economic and social progress. Patel and Annapoorna (2019) also argue how social and global advancement is dependent on R&D, invention and innovation.

The degree of innovation of a country, the investment in R&D and in technology are key to ensure competitiveness and progress and through them, a sustainable level of education and the development of the private and public sectors, contributing to improve the living conditions of the population (Pece, Simona & Salisteanu, 2015).

H4: High innovative societies exhibit higher levels of human development.

Corruption and Human Development

Evidence on the effect of corruption on human development is limited. Ortega, Casquero, and Sanjuan (2014) suggest that a negative impact of corruption on the growth of human development to be particularly restricted to the health component of human development.

Corruption is a multidimensional concept pervasive to all societies. Tanzi (1994) argues that a fair treatment of all economic agents is a vital condition to the correct work of an economy of market. Corruption often reflects the legal, economic and cultural institutions of a country and its policies and can be caused by several factors, among which, cultural causes (Silva & Moreira, 2016). It is accepted that long periods of unemployment, social inequality, poverty, misery can have an adverse effect on social cohesion and on welfare (Ortega, Casquero, & Sanjuan, 2014). A decrease in the social inequalities, on income distributions and on the levels of corruption should contribute to a better human wellbeing and wide people's choices.

H5: High corrupt societies exhibit lower levels of human development.

The conceptual model and the interrelations among national culture, innovation, corruption and human development are presented in Figure 1.

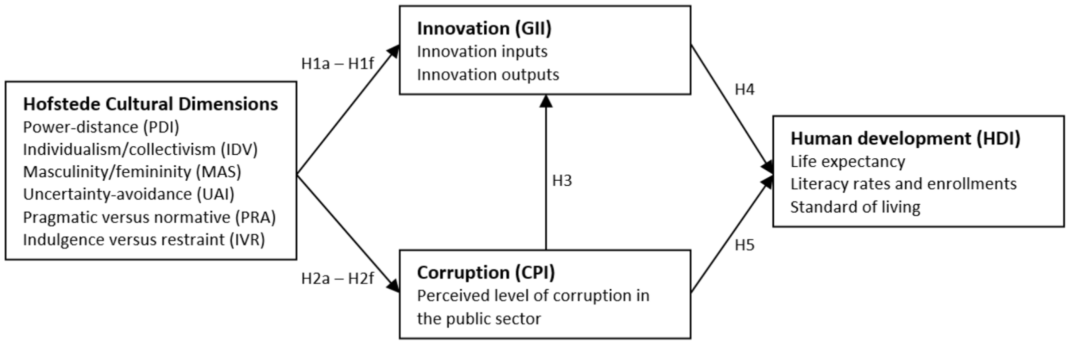
METHODS

Measures Used

Values for Hofstede's PDI, IND, MAS, UAI, PRA, and IVR were obtained from Hofstede's Website (2014) for the year 2010 with data ranging from 0-100, with 100 representing the maximum score for each dimension.

The CPI scores were gathered from the Transparency International Website (2014) for the year 2012. In the published index, values range from 0-100 with 0 representing the highest level of corruption and 100 the lowest. Data was reversed by subtracting each CPI score from 100. For this sample, the highest level of corruption was 81 (Venezuela) whilst the minimum was 10 (Denmark, Finland and New Zealand).

Figure 1. Conceptual model and causal relationships



The GII is the average of two sub-indexes. The data was retrieved from the Global Innovation Website (2014) for 2012; this index ranges from 0-100 where the higher the score, the higher the innovation. The minimum and maximum values recorded were 23.06 (Pakistan) and 68.24 (Switzerland) respectively.

The HDI is composed of the following data: the life expectancy at birth provided by UNDESA; the mean years of schooling provided by UNESCO and the expected years of schooling provided by UIS; and the Gross National Income from the World Bank and the International Monetary Fund. The data was collected from the United Nations Development Programme (2014) for the year 2012. The index ranges from 0 to 1 where the higher the score, the higher the human development of a country.

Considering that the maximum range of HDI scores is between Norway (0.943) and Pakistan (0.562), we decided to use the Z-Scores for all variables in this chapter. Technically, Z-Scores are a conversion of individual scores into a standard form. The conversion allows to more easily compare different data, as it is based on the knowledge about the population's standard deviation and mean (Moreira, Macedo, Lopes & Moutinho, 2011).

Empirical Methodology

The sample for this study included data for 61 countries located on five continents (Appendix A). The dataset was limited mainly by the availability of secondary data on culture. The countries included in this study represent around 76.2% world's population and 90.7% world's GDP in 2012 (The World Databank, 2014).

The statistical data analysis of the model was carried out using the partial least squares method structural equation modelling (PLS-SEM) and the SmartPLS 3.0 software. The use of this methodology is justified because this method is robust when testing and validating an exploratory model (Chin, 2010).

The proposed model was evaluated by (a) the sign, magnitude and statistical significance of the parameters of structural relations, and by (b) the explained variance (R^2) of the endogenous variables, following Götz, Liehr-Gobbers and Krafft (2010).

RESULTS

We began our analysis by examining the descriptive statistics and correlation coefficients of the variables (Table 1). Overall, the results lend support to the relationships between national culture, innovation, corruption and human development. As proposed by the first hypothesis, Hofstede's cultural variables are correlated with innovation. The individualism and pragmatism cultural dimensions have a positive relationship with innovation, while the relationship between power-distance and uncertainty avoidance towards innovation is negative. As anticipated by the second hypothesis, power-distance, individualism and uncertainty avoidance correlate with perceived corruption. The third hypothesis, based on the assumption that corruption and innovation are correlated, is also supported by the data, as the correlation between corruption and innovation is negative and statistically significant. Finally, both innovation (positively) and corruption (negatively) are strongly interrelated with the human development of a country.

We then proceed to test the conceptual model and the hypothesized causal relationships. It is possible to conclude that, with the exception of the relationship between masculinity and innovation, all structural relationships have parameters with compatible signal with the hypotheses proposed. Figure 2 shows the signal of the relationships among the variables under study.

The relationship between the masculinity and innovation is positive but not statistically significant, thus rejecting H_{1c}. The analysis of the relationship between national culture and innovation shows that the only statistically significant relationship is between pragmatism and innovation, that is positive at a 5% significant level, validating H_{1e}. Complementarily, power-distance index, individualism, uncertainty avoidance index, pragmatism and indulgence versus restraint indexes have no statistically significant relationship with innovation, not validating H_{1a}, H_{1b}, H_{1c}, H_{1d} and H_{1f}.

The analysis between national culture and corruption is distinct, as all the signs and magnitudes are according to what has been proposed in the development of the hypothesis. The relationship between power-distance and individualism show a statistically significant relationship with corruption, validating H_{2a} and H_{2b}, at a 5% significance level. Moreover, the relationship between pragmatism and indulgence versus restraint indexes with corruption show statistically significant relationships, validating H_{2e}, and

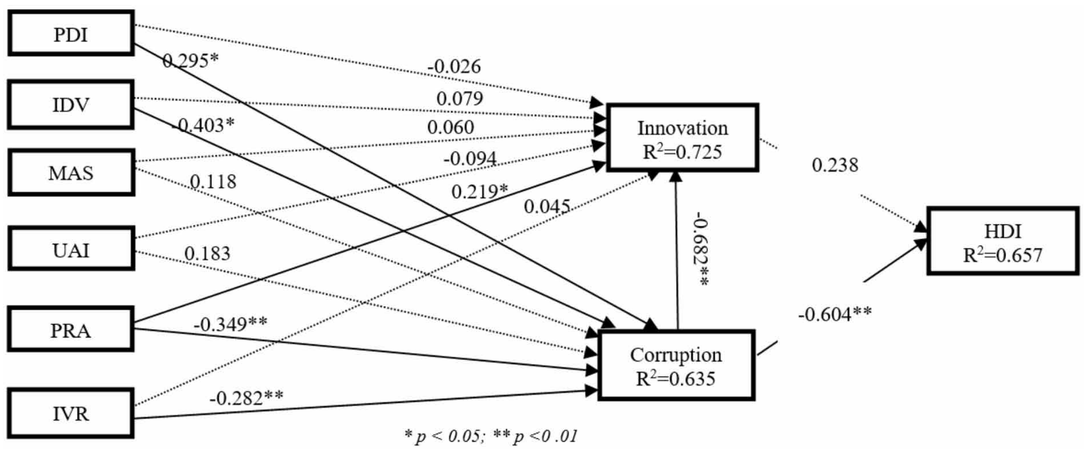
Table 1. Descriptive statistics and correlations

	Mean	Std Dev	PDI	IDV	MAS	UAI	PRA	IVR	GII	CPI	HDI
PDI	58.46	20.56	——								
IDV	46.23	23.58	-0.662**	——							
MAS	49.02	19.96	0.152	0.026	——						
UAI	66.61	22.81	0.212	-0.191	0.026	——					
PRA	49.05	22.36	0.031	0.131	0.023	-0.031	——				
IVR	47.48	22.55	-0.306*	0.160	0.079	-0.067	-0.527**	——			
GII	45.08	11.68	-0.606**	0.663**	-0.125	-0.352**	0.386**	0.184	——		
CPI	43.36	19.76	0.688**	-0.682**	0.164	0.317*	-0.242	-0.192	-0.901**	——	
HDI	0.835	0.093	-0.568**	0.658**	-0.069	-0.111	0.250	0.253*	0.871**	-0.811**	——

**. Correlation is significant at the 0.01 level

*. Correlation is significant at the 0.05 level

Figure 2. Model relating Hofstede's cultural dimensions on corruption, innovation and human development



H_{2f} at a 1% significance level. Finally, masculinity and uncertainty avoidance indexes are not statistically significant with corruption, not validating H_{2c} and H_{2d}.

The relationship between corruption and innovation (β =-0.682) and between corruption and human development (β =-0.604), validates H_3 and H_5 at a 1% significance level. Finally, the relationship between innovation and human development (β =0.238), despite positive, is not statistically significant, not validating H_4.

The direct effect of power-distance index on innovation (β=-0.026) is not statistically significant. However, the total effect of power-distance on innovation is important (β=-0.227) and statistically significant at a 10% level of significance. On the other hand, the direct effect of power-distance index on corruption (β=0.295) is statistically significant, meaning that the more hierarchical societies are, the more corrupt they are. Moreover, the total (indirect) effect of power-distance index on human development is strong (β=-0.232) and statistically significant at 1% level. This means that the less hierarchical societies are, the better for the development of their human resources.

The direct effect of individualism on innovation (β=0.079) is not statistically significant. On the other hand, the direct effect of individualism on corruption (β=-0.403) is statistically significant, meaning that the more individualistic societies are, the less corrupt they are. Finally, the total (indirect) effect of individualism on human development is strong (β=0.327) and statistically significant at 1% level. This means that the more individualistic societies are, the higher their human development is.

The results show that masculine societies are not statistically significant to explain corruption or innovation. Moreover, the total (indirect) effect of masculinity on human development is weak (β=-0.076) and not statistically significant.

The direct effect of uncertainty-avoidance index on innovation (β=-0.094) and corruption (β=0.183) is not statistically significant. However, the total (indirect) effect of uncertainty-avoidance index on human development is low (β=-0.162) and statistically significant at 10% level.

The direct effect of pragmatism on innovation (β=0.219) is statistically significant at 5% level. On the other hand, the direct effect of individualism on corruption (β=-0.349) is statistically significant at 1% level, meaning that the more pragmatic societies are, the less corrupt they are. Moreover, the total (indirect) effect of pragmatism on human development is strong (β=0.319) and statistically significant at 1% level. This means that the more pragmatic societies are, the more developed their human resources are.

The direct effect of indulgence versus restraint on innovation (β=0.045) is not statistically significant. On the other hand, the direct effect of indulgence versus restraint on corruption (β=-0.282) is statistically significant at 1% level, meaning that the more indulgent societies are, the less corrupt they are. Finally, the total (indirect) effect of indulgence versus restraint on human development is strong (β=0.227) and statistically significant at 1% level. This means that the more indulgent societies are, the more developed their human resources are. Table 2 provides the detailed information regarding the direct, indirect and total effects among the variables under analysis.

Overall, based on the results found, 63.5% of the variability of corruption can be explained by Hofstede's national cultural influence. On the other hand, 72.5% of the variability of innovation is explained by the joint effects of Hofstede's national cultural and corruption. Finally, 65.7% of the human development is explained by the direct and indirect effect of Hofstede's national cultural, innovation and corruption. Table 3 presents a summary of the hypothesis validated.

Table 2. Direct, indirect and total effects

	Direct effects		Indirect effects		Total effects	
	loadings	T-values (p-values)	loadings	T-values (p-values)	loadings	T-values (p-values)
GII → HDI	0.238	1.427 (0.154)			0.238	1.427 (0.154)
CPI → GII	-0.682	5.760 (0.000)			-0.682	5.760 (0.000)
CPI → HDI	-0.604	4.125 (0.000)	-0.162	1.358 (0.175)	-0.766	14.402 (0.000)
MAS → GII	0.060	0.669 (0.504)	-0.081	1.381 (0.168)	-0.020	0.200 (0.842)
MAS → CPI	0.118	1.429 (0.154)			0.118	1.429 (0.154)
MAS → HDI			-0.076	1.159 (0.247)	-0.076	1.159 (0.247)
IDV → GII	0.079	0.673 (0.510)	0.275	3.487 (0.001)	0.353	2.725 (0.007)
IDV → CPI	-0.403	4.178 (0.000)			-0.403	4.178 (0.000)
IDV → HDI			0.327	3.908 (0.003)	0.327	3.908 (0.003)
PDI → GII	-0.026	0.227 (0.821)	-0.201	2.824 (0.005)	-0.227	1.923 (0.055)
PDI → CPI	0.295	3.203 (0.001)			0.295	3.203 (0.001)
PDI → HDI			-0.232	2.919 (0.004)	-0.232	2.919 (0.004)
UAI → GII	-0.094	1.239 (0.216)	-0.124	1.572 (0.117)	-0.219	2.041 (0.042)
UAI → CPI	0.183	1.727 (0.085)			0.183	1.727 (0.085)
UAI → HDI			-0.162	1.897 (0.058)	-0.162	1.897 (0.058)
PRA → GII	0.219	2.034 (0.042)	0.238	2.684 (0.008)	0.456	4.204 (0.000)
PRA → CPI	-0.349	3.492 (0.001)			-0.349	3.492 (0.001)
PRA → HDI			0.319	3.978 (0.058)	0.319	3.978 (0.058)
IVR → GII	0.045	0.460 (0.646)	0.192	2.404 (0.016)	0.237	2.291 (0.022)
IVR → CPI	-0.282	2.871 (0.004)			-0.282	2.871 (0.004)
IVR → HDI			0.227	2.958 (0.003)	0.227	2.958 (0.003)

Table 3. Hypotheses validation

Hypothesis and causal relations	Results	Hypothesis and causal relations	Results
Culture on innovation		***Culture on corruption***	
H_{1a}: *PDI→ GII*	not confirmed	**H_{2a}:** *PDI→ CPI*	confirmed *
H_{1b}: *IDV → GII*	not confirmed	**H_{2b}:** *IDV → CPI*	confirmed *
H_{1c}: *MAS → GII*	not confirmed	**H_{2c}:** *MAS → CPI*	not confirmed
H_{1d}: *UAI → GII*	not confirmed	**H_{2d}:** *UAI → CPI*	not confirmed
H_{1e}: *PRA → GII*	confirmed *	**H_{2e}:** *PRA → CPI*	confirmed **
H_{1f}: *IVR → GII*	not confirmed	**H_{2f}:** *IVR → CPI*	confirmed **
Corruption on innovation		***Innovation on human development***	
H_3: *CPI → GII*	confirmed **	**H_4:** *GII → HDI*	not confirmed
Corruption on human development			
H_5: *CPI → HDI*	confirmed **		

Note: ** $p<0.01$; * $p<0.05$

DISCUSSION

The purpose of this study was to examine the relationship between cultural variables, corruption and innovation, and how they influence human development. In order to assess those variables, we used Hofstede's six-dimension cultural framework, the CPI, the GII, and the HDI, respectively.

The results show that only one of Hofstede's cultural dimensions, pragmatism, have a direct impact on innovation. The more future oriented, malleable and resilient a nation is, the higher its innovative drive. However, individualism, uncertainty avoidance, pragmatism and indulgence versus restraint were found to impact innovation indirectly through corruption.

Various Hofstede's cultural dimensions influence the perception of corruption. The results indicate that power distance, individualism, pragmatism and indulgence versus restraint are direct antecedents of corruption. Our results corroborate that the more hierarchical and power centralized a society is, the higher the corruption perception.

More individualistic societies appear to be less corrupt, which might be explained by the fact that collectivist societies seek to avoid disruptive group behaviors, tolerating corruption because of a sense of protection provided by the group. According to Yeganeh (2014), collectivist cultures are characterized by the prevalence of interpersonal relationships, hierarchical decision-making, unequal distribution of wealth and resources and the importance of tribal ties, as a result, these societies have complex norms rooted in tradition and religion, leading to nepotism, favoritism, bribery and deviance regulations.

The results support that pragmatism and indulgence versus restraint have a strong negative effect on corruption. This means that equalitarian societies, which focus on the long term and life pleasure gratification, are perceived as less corrupt than highly normative and suppressive national cultures. The short-term orientation seems to be more related with corrupt activities due to the reward-seeking behavior. The increase in the number of norms and laws, as well as a resistance to new paradigms, is also linked with higher levels of corruption. This may be the result of individuals in inefficient societies trying to circumvent certain procedures and norms due to unethical behavior of established practices. Furthermore, as in restrained societies individuals are less challenging towards their conditions, they adopt a passive attitude towards corruption.

Our findings support the notion that corruption hinders innovation. Existent research shows that innovation is higher when corruption is controlled (Anokhin & Schulze, 2009) and that generally, corruption is related with competitiveness (Ulman, 2013). The results clearly show that the higher the perception of corruption, the less innovative a nation is, which supports the idea that corrupt practices hinder the attractiveness of developing and engaging in entrepreneurial and innovative actions, decreasing new developments and the nation's future potential.

The relationship between innovation and human development although positive, was not found to be statistically significant. This can be explained by the very own nature of the HDI. While innovation can in fact be associated with quality of life and wealth, the human development is a broader concept and does not necessarily imply that the most innovative countries offer the best 'choices' for their inhabitants. Countries such as Sweden, Singapore, Finland, the UK or Denmark are amongst the most innovative ones, but they do not necessarily provide a better human development than others such as Norway, Australia, USA, Germany or New Zealand. The concept of wellbeing has a more human than economic-centered view and under that circumstance, innovation is not as important as other factors.

In turn, the relationship between corruption and human development was found to be statistically significant, which means that the more corrupt the country is, the lower its human development. Clearly, corruption emerges as a more important variable in determining the human development of nations than innovation. Corrupt practices clearly hamper the proper development of a country. Complementarily, one can claim that the indirect effect of corruption on human development through innovation is also negative. This means that corrupt activities jeopardize the spread of innovation and aggravate the proper development of human capital.

Overall, the proposed model showed that: only one cultural dimension was found to be a statistically significant antecedent of innovation; that only pragmatism held a statistically significant impact on both innovation and corruption; that cultural factors play a more important role on corruption than on innovation; and that a high level of corruption deters human development.

LIMITATIONS OF THE STUDY AND FUTURE RESEARCH AVENUES

This research has some limitations. Some scores concerning Hofstede's cultural variables are not available for all countries, which conditioned the study sample to 61 countries. The results show that from the six cultural dimensions examined, only pragmatism had an effect on corruption and innovation simultaneously. This research is based on the indirect effects of Hofstede cultural values on human development. Therefore, future research could use other cultural frameworks (such as Schwartz or GLOBE) to provide additional insights into the impact of national culture.

This study examined innovation based on the GII which is composed by two sub-indexes based on five and two pillars respectively. Future studies can examine which cultural and corruption variables are more related with the various components of innovation. This research uses HDI as a proxy of human development, which is composed of three dimensions that do not really differentiate the potential of human development across the different levels of economic development. Finally, it would be important to examine how cultural variables, innovation, corruption and human development change over time.

CONCLUSION

Several conclusions can be drawn from this study. The most important one is that corruption plays a key role in influencing negatively innovation and proper human development. The more corrupt countries are, the less attractive for inventors/innovators and entrepreneurs – as there are less prospects of profiting from investments and the more difficult it is to carry out entrepreneurial activities due to the necessity of engaging in corrupt activities. From a governance perspective, innovation incentives can be diluted by corruption, preventing them from reaching their targets and thus, stimulating the economy.

Moreover, the more corrupt countries are, the less developed their human development, which can be explained by the fact that corruption affects economic transparency, access to knowledge and creates a general feeling that individual performance can be driven by the exercise of a hidden power that affects the level of economic and human development.

Cultural dimensions have an impact on corruption and innovation, although, from the six cultural variables examined, only pragmatism had a direct impact on both. Power-distance, individualism, pragmatism and indulgence versus restraint have an indirect influence on innovation, meaning that culture, although a weaker predictor of innovation, has an important role on corruption that should not be neglected.

The results suggest that the more hierarchical, closed and bureaucratic societies are, the more corrupt they become. Several explanations can be presented: first, in highly hierarchical societies, individuals strive to preserve their status quo and, consequently, it is harder for powerful individuals to be defied and questioned; second, traditional and conservative societies appear to be more corrupt than free societies, which was expected, as the former type of society aims to preserve norms and conventions. As a consequence, changing the institutionalized conventions and introducing new developments is harder and might be seen as more disrupting than in more pragmatic societies. Finally, although one could expect highly regulated societies to be less corrupt as there are more control mechanisms, the results show the opposite to be true; the more bureaucratic societies are, the more corrupt they become. If on the one hand, bureaucracy appears to be a substitute for trust, on the other hand, more restrictive countries also have lower levels of freedom of speech or democracy, which not only protect fraudulent activities but foremost, prevent corruption from being reported.

Our results underline the importance of the new Hofstede dimensions, which have somehow been neglected in previous studies. Most likely, variables which are a consequence of a country's culture such as the entrepreneurial environment, the country's legal system or labor flexibility, are more important in determining innovation than culture traits themselves. The level of corruption poses a serious threat to innovation levels. Although laws and rules may form the basis for civilized life, in order to develop less corrupt and more innovative societies, government's policies should focus on promoting equality, trust and optimism among individuals using mechanisms other than norms.

As concluding remarks, this study highlights the relevance of human development. Although increasing economic performance is in the interest of most of countries' governments, human capital should not be neglected and should be integrated as a complementary measure – because it presents a more holistic perspective of wellbeing than income alone. In this sense, host countries' culture and corruption may contribute to improve people's quality of life. While a country's culture is a slow changing dimension; governments can promote education policies that create the conditions to the development of a more pragmatic and long-term oriented society. More importantly, governments should concentrate in decreasing corruption as this proved to be a key factor not only in hampering innovation, but also, in decreasing human development. More corrupt countries create worse conditions of life for their inhabitants, for example, violent criminality may decrease live expectancy and fraud, favoritism and nepotism practices may increase inequality and lead to lower levels of education – lesser ‘choices’ for the people.

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KEY TERMS AND DEFINITIONS

Corruption: Is a form of dishonest or unethical conduct of a person entrusted with a position of authority that misuses public or entrusted power for private interest and personal gain.

Corruption Perceptions Index: Is a score that has been widely used to rank countries regarding how corrupt their public sectors are. Although the index does not capture the individual frustration of this reality, it captures the views of analysts, businesspeople and experts around the world.

Global Innovation Index: Known as GII, it aims to capture the multi-dimensional facets of innovation. It helps to create an environment in which innovation factors are continually evaluated.

Hofstede's Cultural Dimensions Theory: Is a framework for cross-cultural communication that describes the effects of a society's culture on the values of its members. Hofstede's model is based on six different dimensions: power-distance index, individualism-collectivism, masculinity-femininity, uncertainty avoidance, long-term orientation versus short-term normative orientation, and indulgence versus restraint.

Human Development: Approach based: on improving the lives of people instead of assuming that economic growth will lead to a better wellbeing; on providing people more freedom to live the lives they value; and on giving people opportunities rather that insisting that they make use of them.

Innovation: Can be defined as a new idea or a process of creativity which is taken to and accepted by the market or society. It is normally viewed as the application of ingenuity to develop new products, processes and devices that meet new requirements or create new needs.

National Culture: Is a set of norms, behaviors, and beliefs shared by the population or the major group within it. There are several models of national culture, however, the most commonly used is Hofstede.

PLS-SEM: Is a method of structural equations modelling that allows estimating cause-effect relationships with latent variables. It is more oriented towards maximizing the amount of variance explained of the predictive variable than statistical accuracy of the estimates.

Appendix 1

Africa: Morocco
Asia: Bangladesh, China, Hong Kong, India, Indonesia, Iran, Japan, South Korea, Malaysia, Pakistan, Philippines, Singapore, Thailand, Vietnam
Europe: Turkey, Greece, Romania, Russia, Serbia, Poland, Bulgaria, Croatia, Slovakia, Lithuania, Italy, Portugal, Hungary, Latvia, Spain, Czech Republic, Slovenia, France, Austria, Belgium, Estonia, Malta, Germany, Norway, Luxembourg, Ireland, Denmark, Netherlands, United Kingdom, Finland, Sweden, Switzerland
Oceania: Australia, New Zealand
North America: Canada, USA
South America: Argentina, Brazil, Chile, Colombia, El Salvador, Mexico, Peru, Trinidad and Tobago, Uruguay, Venezuela

Chapter 11
Factors Affecting Employees' Job Satisfaction and Psychological Health

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ABSTRACT

The aim of this study was to examine the level of psychological health and job satisfaction and to find out which predictors have an impact on nurses' psychological health and job satisfaction. Six hundred forty nurses from surgery and internal medicine departments from Slovenian hospitals participated in the research. Data analysis was carried out by using SPSS 25.0. With transformational leadership style, leaders' characteristics, leaders' emotional intelligence, leaders' communication skills, positive effectivity, and job satisfaction, one can explain 57% of nurses' psychological health. The results indicated that 85% of nurses had good psychological health. And also that more frequent exposure to stress and lack of stress management were associated with poor psychological health. The employees' psychological health does not affect only the individual, but also on the quality of care and on the effectiveness of hospitals. It is important to monitor employees' job satisfaction and take care for employees' health by providing a healthy work environment.

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INTRODUCTION

Hospitals play an important role in the health care system. They are health care institutions that have an organized medical and other professional staff, and deliver medical, nursing and related services 24 hours per day, 7 days per week. Hospitals offer a varying range of acute, convalescent and terminal care using diagnostic and curative services in response to acute and chronic conditions, arising from diseases as well as injuries and genetic anomalies (WHO, 2016a).

It is well known that the health-care system in all European and others industrial countries across the world face with a serious shortage of nurses (Boamah & Laschinger, 2016) and that it is facing rapidly increasing needs for patient care in an aging population (Kovner et al., 2016; Leineweber et al., 2016). This situation has made the nursing profession more stressful and susceptible to turnover (Chiang & Chang, 2012) This situation is worsening because of the aging of the working population and the decreasing rates of nurses entering the labor market (Shultz & Adams, 2007). WHO (2010) identified that 57 countries to be in a crisis relative to their health care work force. In the coming decades, the redistribution of the population toward older adults will reduce the relative size of the working population to the non-working older adult population, and also increase the need for workers to provide healthcare services to the ageing population (Hirst, 2019). Demands of nurses at work are high, work conditions change rapidly, and nurses are supposed to ensure high standards of quality (Collin, Paloniemi & Mecklin, 2010) and to effectively handle complex situations (Shin & Kim, 2013). Obviously, there are inherent tensions in nursing, such as time pressure, staff shortages, and increasing demands for high performance (Gartmeier, Gruber & Heid, 2010). The nursing shortage presents challenges for policy makers at all levels of government in countries all over the world. Hirst (2019) noted some of the factors driving the nursing shortage, like inadequate human resources planning and management, the ageing nursing workforce, internal and external migration, and high attrition which are the consequence of poor work environments, low professional satisfaction, low social status, and inadequate salary.

The importance of effective leadership in health care was exposed many times (Giltinane, 2013; Grimm, 2010; Nelsey & Brownie, 2012). Leadership in nursing is pivotal because nurses represent the most extensive discipline in health care, they are also the main working group in hospitals and play a vital role in the caring system of every country (Marquis & Huston, 2009; Sullivan & Garland, 2010; WHO, 2013). The nurses' job assignment as health team members is very important, they must to preserve and promote the quality of care to a standard level (Mohammmadi et al., 2011), but there is a problem because the average age of nurses in developed countries increasing (WHO, 2013). Nursing is a profession that involves interaction with different people (patients, their families, other nurses, doctors and various specialists), emotional and physical work in a very challenging environment (Purcell, Kutash, & Cobb, 2011; Scheick, 2011). According to the progress and development, working conditions are constantly changing, including strategies for increasing productivity and reducing costs and maintaining quality of care (Aiken, Clarke, Sloane, Sochalski, & Silber, 2002). Nursing is an emotional and physical strenuous job, and studies show that work in health care poses a major risk for the occurrence of stress, anxiety and depression (Gershon et al., 2007). Burnout is associated with psychological disorders, physical illness, decrease work productivity and an increase work absence (Ahola et al., 2008). Chronic work stress and burnout in nursing are related to consequences for psychological and physical symptoms (Melamed, Shirom, Toker, Berliner, & Shapira, 2006; Salvagioni et al., 2017). The field of work, as well as age, education (Gómez-Urquiza, Vargas, De la Fuente, Fernandez-Castillo,. &Canadas-De la Fuente, 2017; Hatch et al., 2018) gender, marital status and children (Canadas-de la Fuente et al., 2018) play an important role of nurses' burnout.

BACKGROUND

Psychological Health

Psychological health is an integral and essential part of health. Some people say psychological health as "mental health" or "emotional health" or "prosperity", but is just as important as good physical health (Mental Health Foundation, 2016). The WHO (2016b) states: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." An important implication of this definition is that mental health is more than just the absence of mental disorder or disability. Mental or psychological health is a state of well being in which the individual realizes his own abilities, can cope with the normal stresses of life, can work productively and is able to contribute to the community. Psychological health is the successful performance of mental function, resulting in activities, fulfilling relationships with other people, and providing the ability to adapt to change and cope with adversity (National Alliance of Mental Illness, 2011). Multiple social, psychological, and biological factors determine the level of psychological health of a person at any point of time. Poor psychological health associated with rapid social change, stressful work conditions, discrimination, social exclusion, unhealthy lifestyle, risks of violence, physical ill-health and human rights violations (WHO, 2016b).

Psychological health is a significant element of social needs (Zandi, Sayari, Ebadi, & Sanaisanasab, 2011). Good psychological health is a sense of well-being, confidence and self-esteem. Good psychological health enables us, to fully enjoy and appreciate other people day-to-day life in our environment. When we are psychological healthy, we can form positive relationships, use our abilities to reach potential and deal with our life's challenges (Mental Health Commission, 2010). Mental Health Foundation (2016) noted that good psychological health is characterised by a person's ability to fulfil a number of key functions and activities, including with the ability to learn, to feel, to express and to manage a range of positive and negative emotions, the ability to form and maintain good relationships with others and the ability to cope with and manage change and uncertainty.

Psychological health and well-being is considered to be a combination of positive affective states and functioning effectively (Winefield., Gill, Taylor, & Pilkington, 2012). Dodge et al. (2012) argued that psychological, social, and physical resources should be part of the concept of health and well-being, because of that we included job satisfaction and positive affectivity. Negative affectivity, reflected in emotions such as anxiety, sadness, irritability, is considered to be part of psychological distress, which is strongly related with reduced quality and increased use of health services (Lahey, 2009). Nursing is an emotionally and physically demanding occupation and researches indicated that work in nursing entails high risks of experiencing stress, anxiety and depression (Gershon et al., 2007). Mental disorders may result from a variety of workplace, organisational and individual factors. These factors include working environments where nurses have lack autonomy and discretion, and where is limited the access to support and learning (Purdy, Spence Laschinger, Finegan, Ker, & Olivera, 2010); where occur high levels of emotional exhaustion and burnout (Mudallal, Othman & Al Hassan, 2017); where nurses frequently experience workplace stress (Khamisa, Oldenburg, Peltzer & Ilic, 2015), high workloads and low reward (Jasper et al., 2012), and where rotational shift patterns result in poor sleep (Lin et al., 2012). The nature of peer relationships in work environments experienced by nurses can also contribute to negative psychological health symptoms (Way & MacNeil, 2006). A review of studies exploring personal and work stress among nurses suggests that difficulty balancing work with family responsibilities has negative outcomes including depression and suicide (Killien, 2004). Although it is known that work related stress and burnout are associated with poor physical and psychological health outcomes (Sharma, Dhar & Tyafi, 2016), there is limited evidence regarding the relationship between burnout and job satisfaction, especially in developing contexts. Limited evidence suggests that emotional exhaustion is more significantly associated with job satisfaction than general health (Khamisa, Peltzer, Ilic, & Oldenburg, 2017).

Poor psychological health has strongly associated with productivity in nursing (Letvak, Ruhm, & Gupta, 2012), absenteeism and presenteeism (Warren et al., 2011); poor work performance, reduced productivity, workplace errors, decreased quality of patient care and low levels of patient satisfaction (Gärtner, Neiuweinhuijsen, Dijk, & Sluiter, 2012). Physical and psychological health of nurses is in direct relation with providing of patient care. A healthy workplace can result in prevention of depression, anxiety and stress and lead to promotion of satisfaction and efficiency of employees. Also, Breau and Rheaume (2014), Copanitsanou et al. (2017) and Regan and Rodriguez (2011) noted that empowering work environments is associated with positive health outcomes. Nursing is a profession, which requiring a high degree of commitment and involvement.

Leadership Behavior

The achievement of organizational goals largely depends of the leadership behavior which is related with the number of employees and organizational variables (Malik, 2013). Mosadegh Rad (2003) presented the leadership behavior, as a set of characteristics, attitudes, and skills used by a leader in different situations, depending on individual and organizational values. Daft (2005) defined the leadership behavior as a relationship between leaders and co-workers. Different dimensions of the leadership behavior have been developed, and the researchers still continue to discover what contributes to the success of leadership. Leadership behavior depending of leadership style, leaders' personal characteristics and emotions.

Theories of management is often described with different classifications based on personality and behavior, and were used to determine the characteristics and behaviors of an effective way management (Muchinsky, 2006; Spector, 2006). Management style is a construct related to the number of employees and organizational variables. Many theories and leadership styles have been developed, and different leadership styles show how to keep nurses in hospitals (Giltinane, 2013). Huber et al. (2000) explain that the leadership style as a combination of tasks and behaviors that influence employees to achieve objectives. Goethals et al. (2004) noted that the transaction leadership based on the theory that employees are motivated by rewards and discipline, but transformation leadership style focus on the team-building, motivation and participation of the employees at various levels of the organization. Transformational leadership style is based on the active role played by leaders to promote the motivation and objectives in the context of employees, but business management style is based on the mutual exchange between the leader and co-workers (Burns, 2010, p. 425). Leadership style laissez-faire is the style in which the leader gives little or no direction or control, and prefers to make its own decision. Changes occur rarely and improving quality is usually low. Laissez-faire leadership style used mostly new and inexperienced leaders or those at the end of career (Goethals, Sorenson, & Burns, 2004; Skogstad Einarsen, Torsheim, Schanke Aasland, & Hetland, 2007). Already Kouzes and Posner (1997) noted that there is no best leadership style; but leaders must choose the method of management and leadership according to the situations and circumstances. All kind of leadership style has advantages and disadvantages (Goethals et al, 2004; Marquis and Huston, 2009).

The leadership style associated with leaders' personality (Brown & Reilly, 2009), personal values (Potočan, Nedelko, Peleckienė, & Peleckis, 2016; Nedelko & Brzozowski, 2017), leaders' emotional intelligence (Spano-Szekely, Quinn, Griffin, Clavelle, & Fitzpatrick, 2016; Downey, Papageorgiou, & Stough, 2006; Vrba, 2007), stress and burnout (Harms, Crede, Tynan, Leon & Jeung, 2017; Zopiatis & Constanti, 2010), job satisfaction (Boamah, Spence Laschinger, Wong & Clarke, 2018; Lu, Zhao & While, 2019), psychological health (Hentrich, Zimber, Garbade & Peterman, 2016; Perko, Kinnunen, Tolvanen & Feldt, 2015; Skogstad et al., 2007), and well-being (Kuoppala, Lamminpää, Liira, & Vainio, 2008; Nielsen, Randall, Yarker, & Brenner, 2008; Skakon, Bielsen, Borg, & Guzman, 2010; Van der Heijden, Mulder, Konig & Anselman, 2017).

Personality is the set of characteristics in the individual that account for recurring patterns of behavior, thoughts, and feelings. Organizations seek to capitalize on individuals' unique habits from their knowledge, skills, and abilities toward improving organizational success. Employees are key to success, and individual personality offers a target for assessing individuals in personnel selection, work motivation, leadership, teamwork, and other key aspects of organizational functioning (Tett, Ragsdale & Simonet, 2017). Leadership style that leader will be adopted in its own way, is selected according to the knowledge, experience and skills from leader's past and depend of the personal characteristics of leader. Musek (1997, p. 242) states that characteristics, such as personal characteristics or physical and psychological characteristics, in addition to knowledge, motivation and other characteristics affect on the achievements and success. Personality characteristics of each individual are permanent characteristics, by which individuals are different. Leaders' characteristics are those, which have a significant impact on leaders' achievements and success in a conflict resolution and task performance (Musek & Pečjak, 2001). Because of that the leadership behavior also depends on the personal characteristics of each individual leader.

Different researchers highlighted different characteristics that leaders should have for successful leadership. Leadership-Toolbox (2008) presents six relevant characteristics of a successful leadership, like empathy, consistency, honesty, communication, flexibility, and beliefs. Holden Leadership Center (2009) noted that every leader should have responsibility, flexibility, good communication skills, trusting, enthusiasm, creativity, openness to change, interests for feedback, and delegating. Prive (2012) noted that honesty, delegating, good communication, sense of humor, confidence, dedication, positive attitude, creativity, intuition, and the ability to inspire are the most important leaders' characteristics for success. Economy (2014) presents that the characteristics of successful leaders are: awareness, assertiveness, empathy, responsibility, trust, optimism, honesty, and inspiration, but Javitch (2014) exposes only team skills, communication skills, interpersonal skills, and ambition. Lorber & Skela Savič (2011) found that leaders and employees in nursing in Slovenian hospitals highlighted next ten characteristics of successful leaders from the set of twenty-five characteristics: honesty, organizational skills, teamwork, decisiveness, reliability, objectivity, responsibility, communication skills, self-confidence, and ambition.

Emotions are fundamental for nursing practice (Brunton, 2005; Bulmer-Smith, Profetto-McGrath, & Cummings, 2009). Researchers (Bulmer-Smith et al., 2009; Obholzer, 2005; Waddington & Fletcher, 2005) noted that emotional labor and increasing workloads effect on health of employees in health care. Emotions play an important role in nursing probably because nursing requires not only technical expertise, but also psychologically oriented care and knowledge of self and others (Landa & López-Zafra, 2010).

Emotional intelligence is the ability to assess and control one's emotion feelings, the emotion of others and plays an important role on an individual and group behavior and performance in the workplace (Goleman, Boyatzis, & McKee, 2002; Law, Wong, & Song, 2004; Sy & Côté, 2004;). Emotional intelligence is a term used to describe the complex ability to regulate our inspirations, understand and share the feeling of others and be able quickly recover from difficult condition (Goleman, 1995). Emotional intelligence is an important asset in professions, like nursing, where understanding people is crucial (Vitello-Cicciu, 2002). Some researchers (Clarke, 2010; Dollard, 2018; Harms & Crede, 2010; Lorber, 2015) found that emotional intelligence is an important ability of leaders for successful leadership. Lorber (2015) found that leaders' emotional intelligence was positively correlated with leaders' quality of communication, teamwork at the hospital unit, interpersonal relationships at the hospital unit, conflict solving, and quality of care. Segal and Smith (2014) noted that emotional intelligence affects on the performance at work, physical health, psychological health, and relationships. Employees in health care institutions, in which leaders have highly developed emotional intelligence have better psychological health, are more satisfied, and have better quality of healthcare (Goleman & Boyatzis, 2008). Emotional intelligence affects on job satisfaction (Coladonato, & Manning, 2017; Spano-Szekely, Quinn Griffin, Clavelle, & Fitzpatrick, 2016; Yan, Yang, Su, Luo & Wen, 2018), organizational commitment (Awais, Malik & Qaisar, 2015), well-being (Karimi, Leggat, Donohue, Farrell, & Couper, 2014, Karimi, Cheng, Bartram, Leggat & Sarkeshik, 2015; Yan et al., 2018) and reduced stress (Karimi et al., 2014, Karimi et al., 2015; Sharma, et al., 2016).

Job Satisfaction

Job satisfaction is one of the most relevant variables in the field of organizational and work psychology. It attracts the attention of researchers who aim to contribute empirically to explain its constructs, as well as to understand what elements and variables act as its consequents and antecedents. Job satisfaction is also a focus of human resources managers seeking to develop internal strategies and policies regarding the promotion of workers. The literature suggests several consequences of job satisfaction both within and outside the organization of employment. Prior research also associates job satisfaction with an increase in affective commitment to the organization, productivity (Jernigan, Beggs, & Kohut, 2002) organizational commitment and reduced absenteeism (Folami, Asare, Kwesiga, & Bline, 2014) and turnover (Zopiatis, Constanti, & Theocharous, 2014). There are also indications that labor dissatisfaction can cause damage to one's physical and mental health, and can decrease one's well-being and happiness (Bowling, Eschlema & Wang, 2010). Each person has their own views of work. Working environment effect on employees, at their level of performance and also on their satisfaction, well-being and health. Work has effect on satisfaction, well-being and health of the individual, because it provides income and means to broader social progress. Because of that job satisfaction is define in many different ways. The most widely accepted theory of job satisfaction was proposed by Locke (1976), who defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Business Dictionary (2019) define job satisfaction as satisfaction that arising out of interplay interaction of positive and negative feelings of employees towards his or her work.

It is well known that the organizations with satisfied employees are more productive than those with unhappy employees (Hellriegel & Slocum, 2007). Researchers (Al-Hussami, 2008; Aron, 2015; Koy, Yunibhand, Angsuroch, & Fisher 2015), showed that a higher level of job satisfaction in health care, it also increases the organizational commitment of employees and the quality of patient care. The level of satisfaction plays an important role at employees' level as their level of health and also at the organizational level as employees' productivity (Faragher; Cass, & Cooper, 2005). Studies (Faragher et al, 2005; Kudielka et al, 2005, Marklund, Bolin, & von Essen 2008; Nadinloyi, Sadeghi, & Hajloo 2013; Thorsteinsson, Brown, & Richards, 2014) have also shown a link between psychological health and job satisfaction of employees. Psychological health and job satisfaction are the key elements of sick leaves and also the crucial reasons for leaving an organization (Coomber & Barriball, 2007). Nurses' poor psychological health is more likely to lead to problems of patients and also the quantity and quality of patient care will be reduced (Michie & Williams, 2002). Physical and psychological health of nurses is in direct relation with the providing of care, therefore a healthy workplace results the prevention of depression, anxiety and stress among nurses and lead to promotion of satisfaction and efficiency (Taghinejad, Suhrabi, Kikhvani, Jaafarpour, & Azadi, 2014). Šarotar Žižek and Mulej (2016) noted that healthy workplace can be built by occupational health promotion, whicj must take place socially responsibility and requisitely holistically. Nurses have higher than normal rates of physical illness, mortality, and psychiatric admissions (Kirkcaldy & Martin, 2000) according to the profession that they work in.

According to the literature review we can expose the importance of effective leadership and healthy working environment for employees. Working environment, together with the leadership have a significant impact on employee health and well-being. With grave impact on work productivity, patient care, staff attrition and turnover rates, a better understanding of existing relationships between work related work environment, stress, job satisfaction and psychological health health of nurses is required. The aim of the present study was to examine the level of psychological health and job satisfaction, and to find the differences between leaders and other employees in health care according to the level of job satisfaction and psychological health.

On this basis, three hypotheses were formed:

1. Increased use of the transformational leadership style affects on employees' psychological health.
2. Well, expressed leaders' characteristics affects on employees' psychological health.
3. Job satisfaction affects on psychological health.

According to hypotheses we want to find out the level of psychological health of nurses, and tested, if leaders' behavior (leadership style, leaders' characteristics, leaders' emotional intelligence) nurses' characteristics (age, years in nursing, work position, presence of chronic disease, the level of stress), and job satisfaction affect on it. We also compared the level of psychological health between leaders and other employees in nursing. The analysis was exploratory, as we know that there is no research to guide the specific hypothesis relating to these two specific work positions. As described above, there is strong evidence indicating a link between the workplace, job satisfaction, and psychological health.

METHODS

Participants and Procedure

The Institute of Public Health of the Republic of Slovenia lists 12 state hospitals with the departments of internal medicine and surgery. The current study included 8 of them. As the research instrument was used a questionnaire of closed type questions. The questionnaires were distributed in the morning shift by the author and by the research coordinator in the participating hospitals. The sample consisted of 1100 nurses (the response rate was 58%), which voluntarily participated in a survey in eight Slovenian hospitals with internal medicine and surgery department. Data of 640 Slovenian nurses from the current study contributed to answering different research questions. First, we received a written permission for the study from the National Medical Ethics Committee of the Republic of Slovenia (No.157/09/13) and from all the participating hospitals. The researchers randomly selected 1100 hospital nurses from eight Slovenian hospitals; all Slovenian regions were included. 85 questionnaires were sent to middle- and unit-level nurse leaders and 1015 questionnaires to other nursing employees. Nurse leaders were not selected randomly; the questionnaires were sent only to those who occupied a leading position in a department or unit which means the purposive sampling was used. 1100 hospital nurses received an application for participation, instructions, guarantee of anonymity, and an envelope with a stamp and researcher's address for returning the questionnaire.

Instruments

In the study, the questionnaire was used which included:

- Demographic and other characteristics of nurses like age, gender, years in nursing, education level, work position, the presence of chronic diseases, frequency of coping with stress in the workplace, and managing stress.
- Multifactorial Leadership Questionnaire (Bass & Avolio, 1994) contains 21 items of leadership style, measured leaders' expression of transformational, transactional and laissez-faire leadership style. The leaders self-assessed their leadership style, while other employees assessed leadership style of their direct leaders. Leadership style assessed on the 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).
- Ten leaders' characteristics (Lorber & Skela Savič, 2011). The leaders self-assessed their personal characteristics, while other employees assessed personal characteristics of their direct leaders. Leaders' characteristics assessed on the 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).
- Emotional Intelligence Questionnaire developed by Petrides & Furnham (2001). The leaders self-assessed their emotional intelligence, while other employees assessed leaders' emotional intelligence of their direct leaders. Both assessments were made on the 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).
- Positive affectivity*:* This scale was developed by Watson et al. (1988) (Positive and Negative Affect Schedule [PANAS]). Participants rated the extent to which they "in general" feel in a certain way. Items were *alert*, *excited*, *active*, *interested*, *attentive*, *determined*, *proud*, *inspired*, *strong*, and *enthusiastic.* All items scored using a 5-point rating scale (response categories: *very slightly or not at all*, *a little*, *moderately*, *quite a bit*, and *extremely*).
- Negative affectivity*:* This scale was developed by Watson et al. (1988) (PANAS). Participants rated the extent to which they "in general" feel in a certain way. Items were *jittery*, *nervous*, *irritable*, *upset*, *distressed*, *scared*, *guilty, afraid*, *ashamed*, and *hostile.* All items were scored using a 5-point rating scale (response categories: *very slightly or not at all*, *a little*, *moderately*, *quite a bit*, and *extremely*). Communication skills were assessed with 10 items, which were developed

from Company for transformational leadership (O.K. Consulting). Communication skills assessed on the 6-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree).

- Job satisfaction measured with a15-item satisfaction questionnaire prepared by Warr et al. (1979). The respondents were asked to assess their job satisfaction on a 6-point scale from 1 (extremely dissatisfied) to 6 (extremely satisfied).
- General Health Questionnaire (GHQ) (a 12-item version) was used for self-perceived psychological health (Goldberg & Williams, 1988). The items were scored on a four-point Likert-type scale from 0 (more than usual) to 3 (much less than usual). The sum of scores creates an overall image of psychological health. Higher scores indicated more positive (better) psychological health.

Data analysis was carried out by using the statistical software package SPSS, 25.0. P-values equal or lower than 0.05 were considered statistically significant. Exploratory factor analysis was performed on 21 items of the leadership style. The principal component analysis and principal axis factoring concluded three factors, representing the transformational, transactional and laissez-faire leadership style. For further analysis by mean scores represent only the transformational (Cronbach's α was 0.960) and transactional (Cronbach's α was 0.937) leadership as indicators. The exploratory factor analysis on 16 items of emotional intelligence concluded four factors: self-identifying of emotions; identifying others' emotions; use of emotions, and emotion regulation. For further analysis, the mean of the items was used as a score sum to represent the emotional intelligence ability as an indicator (Cronbach's α was 0.974). Exploratory factor analysis on 15 items of job satisfaction concluded two factors, internal and external job satisfaction. For further analysis, the mean of the items was used as a score sum to represent the aspects of job satisfaction as an indicator (Cronbach's α was 0.943). The exploratory factor analysis of 12 items of psychological health concluded three factors, social dysfunction, anxiety and insomnia, and loss of confidence. For further analysis, the mean of the items was used as a score sum to represent the psychological health as an indicator (Cronbach's α was 0.812). Internal consistencies (Cronbach α) for positive affectivity was 0.931 and for negative affectivity was 0.89. Cronbach's alpha coefficient exceeded 0.8 or more in all cases.

Data Analysis

The descriptive statistics, and multiple regression analysis were used to determine the effect of independent variables (transformational leadership, transactional leadership, leaders' characteristics, leaders' emotional intelligence, and job satisfaction) on the depended variable (psychological health). Because we were also interested in differences in the self-assessment of the psychological health according to the presence of chronic diseases, the exposure frequency to stress, coping with stress, level of education, and years of employment in nursing, the One-way ANOVA and Mann Whitney test were used. A p-value of <0.05 was considered to be statistically significant.

Sample Description

The study included 640 employees in nursing from eight Slovenian hospitals. 346 (54%) of them were employed in surgery departments and 294 (46%) of them were employed in internal medicine departments. 75 (12%) of them were nurse leaders and 565 (88%) of them were other employees in nursing. There were 87 (14%) men and 553 (86%) women. 24% of participants were less than 30 years old, 64%

of them were between 30 and 50 years of age and 12% of them were older than 50 years. On average, leaders spent 8.6 years (from 0.5 to 32 years) in the leading positions. 40 (6%) of them had less than 5 years of experience in nursing, 134 (21%) of them had 5 to 10 years of experience, 218 (34%) of them had 11 to 20 years of experience, 128 (20%) of them had 21 to 30 years of experience and 120 (19%) of them had more than 31 years of experience in nursing.

RESULTS

473 (74%) respondents do not have any chronic diseases, 163 (26%) have one or more chronic diseases. 194 (30%) respondents are always exposed to stress at the workplace, 334 (52%) respondents are often exposed to stress, 109 (17%) of them are sometimes exposed to stress and only 1 (0.2%) respondent was never exposed to stress at the workplace. 525 (82%) respondents are managing stress well, but 113 (18%) respondents do not manage stress at the workplace. Table 1 presents the studied variables.

The average value of expressed transformational and transactional leadership style, personal characteristics, emotional intelligence and communication skills are at the middle level (from 3.42 to 4.36 from 6). The level of job satisfaction of employees in nursing is also at the middle level ($\bar{x}$ =3.17; s=1.755). 47% (301) respondents are satisfied with their job but 15% (96) respondents have poor psychological health. We found a statistically significant difference in the level of job satisfaction (Z=-6.640; $p<0.001$) and psychological health (Z=-2.219; $p=0.026$) according to job position. We also found statistically significant difference in positive (Z=-4.187; $p<0.001$) and negative affectivity (Z=--4.349; $p<0.001$) according to job position.

To test the influence of the leadership behavior and characteristics on job satisfaction of employees in nursing, a multiple linear regression was performed. Demographic and other nurses' characteristics (gender, age, level of education, job position and years of employment, positive affectivity, negative affectivity), transformational leadership style, transactional leadership style, leaders' characteristics, leaders' communication skills, and leaders' emotional intelligence were entered into the model as independent variables. Job satisfaction was a dependent variable. The regression analysis revealed that 67% of nurses' job satisfaction could be statistically predicted from independent variables, as presented in Table 2.

Table 1. Indicators and descriptive variables in the research

Variables	disagree/ dissatisfaction / poor health	agree/ satisfaction / good health	$\bar{x}$	s
Transformational leadership	339(54%)	289(46%)	3.77	1.354
Transactional leadership	297(47%)	330(53%)	3.63	1.414
Leaders' characteristics	288(46%)	343(54%)	4.36	1.397
Leaders' emotional intelligence	333(52%)	306(48%)	3.42	1.823
Leaders' communication skills	328(53%)	299(47%)	3.49	1.682
Job satisfaction	339(53%)	301(47%)	3.14	1.755
Psychological health	96(15%)	544(85%)	17.1	4.595

Note: $\bar{x}$ =average value; s=standard deviation

Table 2. Regression results for the prediction of job satisfaction

Variables	B	S.E.	β	t	p-value
Gender	0.009	0.042	0.006	0.206	0.837
Age in years	-0.005	0.004	-0.001	-0.007	0.994
Years in nursing	-0.001	0.004	-0.003	-0.034	0.973
Level of education	0.003	0.014	0.007	0.213	0.831
Job position	0.093	0.062	0.058	1.113	0.078
Transformational leadership	0.072	0.022	0.197	3.501	**0.001**
Transactional leadership	-0.083	0.022	-0.236	-1.102	**0.046**
Leaders' characteristics	0.167	0.048	0.167	3.484	**0.002**
Leaders' emotional intelligence	0.162	0.091	0.179	2.117	**0.034**
Leaders' communication skills	0.180	0.063	0.210	2.756	**0.018**
Stress level	-0.110	0.032	-0.150	-3.407	**0.001**
Possitive affectivity	0.127	0.051	0.245	2.471	**0.014**
Negative affectivity	-0.105	0.044	-0.251	-2.419	**0.016**
Adjusted R^2=0.669; F=38.075; p<0.001					

Note: B=unstandardizired regression coefficient; S.E.=standard error; β=standardized regression coefficient; t=t-value of t-statistic; p=p-value of significance; R^2=coefficient of determination

We found statistically significant differences in job satisfaction according to the level of education (F=2.048; p=0.046), years working in nursing (F=1.423; p=0.033), exposure to stress (F=40.905; p<0.001) and managing stress (F=10.538, p<0.001). We have seen statistically significantly higher job satisfaction in those with higher levels of education, those who have been employed in nursing for several years, those who are exposed to stress less often, and those who are managing stress well.

To test the influence of leadership behavior, nurses' characteristics, and job satisfaction on nurses' psychological health, a multiple linear regression was performed. Demographic and other nurses' characteristics (gender, age, level of education, job position and years of employment, positive affectivity, negative affectivity), transformational and transactional leadership style, leaders' characteristics, leaders' communication skills, leaders' emotional intelligence, and job satisfaction were entered into the model as independent variables. Psychological health was a dependent variable. The results revealed that 57% of nurses' psychological health could be statistically predicted from independent variables, as presented in Table 3.

We also have found statistically significant differences in psychological health according to the level of education (F=1.994; p=0.002), years working in nursing (F=1.576; p=0.031), exposure to stress (F=8.727; p<0.001) and managing stress (F=1.610, p=0.025). We have seen statistically significantly better psychological health in those with higher levels of education, those who have been employed in nursing for several years, those who are exposed to stress less often, and those who are managing stress well. We also found that nurses with one or more chronic disease were poor psychological health than those with no chronic disease (Z=-3.062; p=0.002).

Table 3. Regression results for the prediction of psychological health

Variables	B	S.E.	β	t	p-value
Gender	0.624	0.429	0.048	1.456	0.146
Age in years	-0.007	0.041	-0.014	-0.173	0.863
Years in nursing	-0.016	0.038	-0.035	-0.416	0.678
Level of education	0.238	0.146	0.058	1.633	0.103
Job position	0.378	0.573	0.025	1.003	0.092
Transformational leadership	1.919	0.217	0.564	8.851	**<0.001**
Transactional leadership	-1.805	0.216	-0.186	-2.336	**0.028**
Leaders' characteristics	1.011	0.471	0.109	2.147	**0.032**
Leaders' emotional intelligence	1.976	0.619	0.214	3.181	**0.003**
Leaders' communication skills	0.088	0.022	0.189	1.130	**0.047**
Stress level	-0.091	0.031	-0.235	-2.929	**0.004**
Possitive affectivity	0.104	0.019	0.392	5.484	**<0.001**
Negative affectivity	-0.095	0.015	-0.0437	-6.255	**<0.001**
Job satisfaction	2.162	0.395	0.234	5.477	**<0.001**
Adjusted R^2=0.566; F=23.185; p<0.001					

Note: B=unstandardizired regression coefficient; S.E.=standard error; β=standardized regression coefficient; t=t-value of t-statistic; p=p-value of significance; R^2=coefficient of determination

DISCUSSION

Mean scores for psychological health demonstrated that Slovenian nurses in this sample had high level of psychological health. The findings indicated that only 15% of employees in nursing were had poor psychological health. This finding is more encouraging according to the previous studies, like Calnan et al. (2001) which indicate that nearly a quarter of the respondents were suffering from mental distress, and studies (Lavoie-Tremblay et al., 2008; Nakata et al., 2004; Suzuki et al., 2004) which indicate that about one third of employees have poor psychological health. Khamisa et al. (2017) found that 60% nurses had experienced poor general health related to anxiety and insomnia in South Africa. Wei et al. (2018) in the systematic review based on the findings of the fifthy-four studies emerged five major theme: Impacts of healthy work environments on nurses' outcomes such as psychological health, emotional strains, job satisfaction, and retention; Associations between healthy work environments and nurse interpersonal relationships at workplaces, job performance, and productivity; Effects of healthy work environments on patient care quality; Influences of healthy work environments on hospital accidental safety; and Relationships between nurse leadership and healthy work environments. Acording to this results we can conclude that leadership have an important impact on psychological health and job satisfaction throught take care for healthy work environment. In the research were found differences in psychological health according to years working in nursing, level of education, absence of chronic diseases, lower presence of stress at the workplace, and good managing stress. Also, Chang et al. (2006) found higher psychological health scores relating to more years worked at the unit, and lower psychological health relating with lack of support, lack of self-controlling and higher workload. Differences in psychological health according to the working position can be explained with varying degrees of autonomy, duties, and decision-making process.

In Slovenian hospitals the level of nurses' job satisfaction is at the medium level. Some other researchers (Chien & Yick, 2016; Gurkova, Harokova, Džuka, & Žiakova, 2014; Jaafarpour & Khani, 2012; Lorber & Skela Savič, 2012; Vermeir et al., 2018) also found that the nurses' job satisfaction is at the medium level. But Sansoni et al. (2016) in Italian study and Khamisa et al. (2017) in South Africa. found a low level of nurses' job satisfaction. Higher level of job satisfaction positively correlated with psychological health. It means that employees with a higher level of job satisfaction tended to have better psychological health than those who with a low level of job satisfaction. Also some other studies have found a close link between psychological health and job satisfaction (Allan, Dexter, Kinsley & Parker, 2018; Faragher et al., 2005; Janyam, 2009; Khamisa et al., 2015; Khamisa et al., 2017; Nadinloyi et al., 2013). Findings of contemporary and some past researches suggest, that the level of job satisfaction has an important impact on general, and also psychological health of employees.

Better expressed leaders' characteristics, also emotional intelligence have an impact on both job satisfaction and psychological health. Behavior of leaders through leaders' characteristics have an important effect on well-being, health, satisfaction, and effectiveness (Lorber & Skela Savič, 2012; Skakon et al., 2010; Sudha, Shahnawaz, & Farhat, 2016; Winkler, Busch, Clasen, & Vowinkel, 2015). Some studies (Chiva & Alegre, 2008; Clarke, 2010; Coladonato & Manning, 2017; Crowne, et al., 2017; Kafetsios & Zampetakis, 2007; Mittal & Sindhu, 2012; Naidu, 2014; Spano-Szekely et al., 2016) describe the importance of emotional intelligence in the context of organizational leadership and job satisfaction.

Based on the six independent variables, the multiple regression analysis indicated that the transformational leadership style had a significant impact on the job satisfaction and also on the psychological health. Also other researchers found the impact of the transformational leadership style on job satisfaction (Atmojo, 2012; Boamah et al., 2018; Brewer et al., 2016; Cummings et al., 2008; Saleem, 2015), and on psychological health (Gilbert, Dagenais-Desmarais & St-Hilaire, 2017; Hentrich et al., 2016; Salanova, Lorenre, Chambel, & Martinez, 2011). Salanova et al. (2011) and Shirey (2017) noted that the transformational leadership style can help to create a more positive and psychologically healthy work environment.

A leadership style, leaders' characteristics, and leaders' emotional intelligence reflecting the leaders' behavior and have an important effect on nurses' job satisfaction and their psychological health. Our results provide a support to previous studies about the importance of nurses' satisfaction and psychological health for the organizational effectiveness and performance. Cyhlarova et al. (2010) and Goetzel et al. (2002) noted that psychological distress is a major cause of absence from work, reduction in productivity, and staff turnover. Employers should take care of employees' psychological health because psychological health affects not only employees' well-being and health, but also on the organizational effectiveness. We agree with Grawitch et al. (2007) that for every organization, it is important to meet the needs of employees, and to recognize the positive and negative effects of job satisfaction and health.

STUDY LIMITATIONS

The study has some limitations. We have studied the influence of some predictors on psychological health. For research instrument were used a multiple choice closed-ended questions, which limited to a list of answers from which the respondents were allowed to choose. The researcher was not always available during the research. The respondents did not get any help in the case that they did not understand the item, and also no additional explanations were provided if they maybe need it. Among the limitations is also incomplete responding for some of the scales, which reduced the effective sample size for some analyses.

SOLUTIONS AND RECOMMENDATIONS

Better collaboration and consultation between leaders and other employees in healthcare is the basis to achieve higher level of job satisfaction better psychological health of employees in every organization, not only inhospitals. The leadership style is important factor, that employees are satisfied, committed, stay at workplace and are in good health. Leaders in healthcare would benefit from initiatives, if they had better prepare on the leader role. Leaders have to learn and also explore the improvement of leadership style. Leaders have to take care about their health, because only healthy leaders can take care for employees' health. When establishing the level of job satisfaction and level of health, we have to focus on what the employees feel about their work, about personal relationships at the workplace and on the way how leaders influence on the employees.

For every leaders it's important to think about employees' wellbeing, and especially understand their preferences, passions and wishes. More that leaders know, about their employees, they will be better equipped to find winning solutions that are optimum and adapted to improve the satisfaction at work. Leaders' success is base on the ability to work with emotions and on motivation of their employees. Below are some tips for leaders, how to create an environment that is adapted to the development of positive emotions:

- Encourage communication - communication is a key element of employees' job satisfaction. An open communication is based on collaboration and on work environment that is encourage exchanges between employees.
- Care about employee wellbeing - wellbeing is often synonymous of a healthy mind. Psychology is an important element to understand effective human resource management. Simple proofs of recognition, such as a smile in the morning or a compliment have a great impact.
- Encourage team spirit - creating a team spirit is as important as employees' motivation because work is collaborative by nature.
- Provide training opportunities - when you offer training opportunities, you give your employees the chance to deepen their knowledge and get specialised in a field they enjoy.
- Involve employees - employees not only need to feel at ease within their workplace, but also useful.
- Provide feedback - good feedback can be defined by promptness, its frequency, and its precision to be effective.

CONCLUSION

In a constantly changing health system, hospitals will have to recognize the importance of satisfied and healthy employees. Hospitals can be successful and achieve organizational goals if their employees are satisfied with work and have a high level of psychological health. It is important that employer monitors employees' job satisfaction and take care for employees' health. That is the only way that organizations are adapt to an individual and to achieve greater efficiency, and better quality. Employees in health care institutions will be more satisfied and will have better health if they get a good example and an appropriate support by the leaders.

The employees with a high level of job satisfaction are more effective, more committed, have bertter psychological health and contribute to better quality. Based on the results and literature review, we conclude that leadership is a complex process which is connected with job satisfaction and employees' psychological health. One of the key challenges for every organization is to maintain job satisfaction and psychological health of employees and increase their motivation for quality. Leaders with good emotional capability, who are aware of their feelings, are good at controlling and understanding others. Promoting the effective leadership through formal and informal training among the leaders in healthcare may lead to more satisfied employees in nursing, better patient care, and effective leadership. The studied topic provides opportunities for further research. This research could be conducted in all healthcare institutions in Slovenia and it is necessary to monitor changes in this area every few years.

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KEY TERMS AND DEFINITIONS

Employee: Is a person who works full-time or part-time acording to the contract of employment and has their rights and duties to do a specific job. Every employee has their own skills, knowledge, experience and contribution for the employer.

Healthy Workplace: Is the place where workers and managers collabotrate to constantly improve the health, safety and wellbeing.

Job Satisfaction: Is a employees' pleasurable or positive emotional state resulting from the appraisal of individual's job or job experiences.

Leadership: Is the ability to motivate, support and lead other individuals to accomplish of common tasks and goals.

Leadership Style: Is the way of leaders' communication, think and order to provide direction, implement plans and motivate individuals.

Nursing: Is an integral part of health care system and focused on patients, families, and communities during health and disease, with the aim to achieve the highest possible level of health.

Psychological Health: It is an integral part of the general health of the individual and is also a source of wellbeing.

Chapter 12 Career Needs and Career Values: The Mediating Role of Organisational Culture

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ABSTRACT

This chapter explores the mediating role of organizational culture on managerial internal career needs and career values in small third sector social enterprises. Organizational culture refers to a set of basic assumptions in an organization such as symbols, artefacts, attitudes, and behavior as the way in which things are done in the organization. These assumptions are maintained in the continuous process of interaction in the organization. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the career management of members of the organization. Understanding the career needs and career values of managers helps organizations to develop strategies to retain quality managers which will enable them to deliver and fulfil performance accountability requirements associated with delivering public services.

INTRODUCTION

This chapter seeks to contribute to our understanding of the influence of organizational culture on managerial internal career needs and career values in small third sector social enterprise organizations. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the career management of employees. Despite changes in career structures in the 21st Century, for example, the growing number of self-employment and contract work, etc. Majority of career still takes place in organizations (Baruch, 2004; Li et al., 2017, Maher, 2018), including small social enterprises

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(Maher, 2015b, Maher, 2019). Therefore, the importance of understanding the influence or organizational culture on the internal career needs and career value of managers who manage and develop small social enterprise organization's activities is vital.

The concept of organizational culture was eluded as early as the Hawthorne studies in 1920's which described work group culture and the influence of the social, physical and psychological environment on workers. However, organizational culture gained momentum in the early 1970's when academics and researchers began to examine the key to organizations thriving in turbulent comparative times. In the 1980, Peters and Waterman (1982) argued that there are a number of common characteristics which are not policies or work practices but rather aspects of organizational culture. Schein (1985) defines organizational culture as the construction and negotiation of values and meanings as expressed through organizational artifacts, motivations, and behaviours. Other definitions of organizational culture often refer to 'the way we do things around here' (Lundy and Cowling, 1996). Lundy and Cowling (1996) contend that organizational culture is defined as the deeply rooted (often subconscious) values and beliefs shared by individuals in the organization' or 'the commonly held values and beliefs held within an organization'. Alvesson (2003), argues that organizational culture as 'constellation of implicit and emergent symbols, beliefs, values, behavioural norms and ways of working that shape and are shaped by individual and corporate actions and reflect underlying assumptions about social reality'.

These definitional variations are recognised as reflecting underlying differences in author's understanding and interpretation of the concept of organizational culture. What is clear is that, organizational culture is recognised as the hob of organizational life; the philosophies, attitudes, beliefs, behaviours and practices that define an organization. It also determines how an organization functions; within a particular sector. The organizational culture may reflect characteristics that differentiate one social enterprise from another, ranging from internal procedures to models of service delivery. Organizational culture has been widely discussed in terms of its link with, leadership (Block 2003; Scott et al., 2018), performance (Ogbonna and Harris 2002; Ogbeibu et al., 2018) learning (Lea 2003; Aksu and Özdemir 2005; Nightingale, 2018), change (Pun et al. 2002; Alshumrani et al., 2018), empowerment (Beil-Hildebrand 2002) and corporate governance (Volonté, 2015). Relatively little prior work has explored organizational culture impact on managerial internal career needs and career values in small social enterprises; despite increasing number of research reporting on processes and governance structures of social enterprise organizations (iDomenico, et al., 2010; Pasricha et al., 2018). Therefore, empirically qualitative study seeking to understand the mediating role of organizational culture on managerial internal career needs and career values in small third sector social enterprises is much needed.

INTERNAL CAREER NEEDS AND CAREER VALUES

The concept of a career has been examined by several disciplines such as, sociology, psychology, counselling, labour economics and business management studies. Its relevance as a topic of investigation lies in understanding manager's accounts of their career needs and career values. The career needs are conceptualised in terms of an individual's motivation and view of their career orientations and decisions between personal and professional life (Bidwell and Mollick, 2015 Greenhaus et al., 2018). It is connected with the individual's goals, aspirations and interests. This is about the way the individual defines the work they enjoy and cherish. The self-concept that seeks explicit answers from the following questions: 'what are my talents, skills, areas of competence? What are my main motives, drives, goal in life? How good do I feel about my job?' (Schein,1982). Therefore, the internal career will vary between individuals within the same organization and even those doing the same job.

Several career studies suggest that the individual's career needs influence their selection of specific occupations and work settings (Derr and Laurent, 1989, Koekemoer et al; 2019). These studies contend that organizations whose culture and values do not fulfill an individual's career needs; are likely to find that they will be unable to retain these individuals in the long term (Schein, 1990). This may lead to dysfunctional organizational outcomes such as reduced organizational commitment and high turnover (Schein, 1978;Tschopp et al., 2014). Career values are a component of career theories such as Super's Theory of Vocational Choice (1957, 1980 & 1990) and Brown's Values Based Model (1996).

Super (1957, 1980, 1990) suggest that people differ in their values and that each individual's value partly contribute to that individual's career needs and Brown's Values Based Model (1996) identified value as central to individual's career decision processes.

Career values are the subset of an individual's beliefs that are related to that individual's career. These are the values an individual must have in their work in order to feel rewarded and or experience fulfilment in their career (Sharf, 2010, Greenhaus et al, 2018).

SOCIAL ENTERPRISE BACKGROUND

Since the late 1970s, the concept of social enterprise has achieved policy recognition in many countries. These types of social businesses became more prominent in the United States during the late 1970s and 1980s in response to the economic downturn and major cutbacks in government spending (2009; Ridley-Duff and Bull, 2015; Maher, 2017). According to estimates by Hall (2016) the magnitude of the cuts in social welfare spending was to the order of $38 billion over the period from the 1970s-1980s. Such cuts, in tandem with the increasing competition for funds due to the growing number of non-profits and rising social needs, together prompted a shift toward commercial revenue generation. According to various scholars such as Eikenberry and Kluver (2004); and Hall (2016) nonprofits saw commercial revenue as a means of replacing government funding. This paved the way for the emergence of social enterprise as a widely accepted concept of addressing social problems due to a necessity resulting out of state reduction in funding.

Social enterprises in Europe also gained momentum during the economic downturn in the 1970's. As the downturn led to cuts in government budgets across the continent, reducing the states' ability to provide unemployment assistance and job reintegration. In response to the void left by the reduction in government public services funding, several charities chose to focus their efforts on providing job-training and work-integration programmes which often had social-enterprise, characteristics (Battilana et al; 2015; Rey-García et al., 2018). Over the past four decade social enterprises have rapidly expanded and are linked to a range of government agendas particularly in the UK (OTS, 2009). A variety of initiatives introduced to boost the sector included the introduction of the Social Enterprise Unit by the UK Department of Trade and Industry in 2002 who defined social enterprises as:

businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners (DTI, 2002:7).

Most social enterprises in the UK are part of the third sector, they are non-government organizations with 50 per cent or more of their income raised from income service provision, trading activities, hire of facilities, fees for goods and trading to meet social goals and principally reinvest surpluses in the organization or community (NVCO, 2008).

Social enterprises have been identified as vital to the development and delivery of innovative ways of tackling social problems which cannot be resolved through private and public sector mechanisms. There is increasing interest in promoting social enterprises and the social impact of these organizations. It has been argued that social enterprises can encourage greater efficiency, as well as an entrepreneurial approach to promote innovation and improve quality of service delivery to communities (Department of Health, 2010; National Audit Office, 2011, Maher, 2019). With rapid expansion of small social enterprise organizations, it is timely to examine the impact of these organization's culture on managers' careers. Particularly, as small social enterprises are seeking to understand how to sustain managerial retention stratagems that are not linked to salaries and pay increments (Coetzee and Schreuder, 2008; Guan et al., 2013, Maher, 2015a, Maher, 2018).

The chapter comprises of six sections, which are outlined below: Section one outlines the background to the research and the rationale for investigating the impact of organizational culture on managerial careers. This is followed by explanation of the concept of internal career and career values. Section three reviews the literature on organizational culture. It seeks to develop a comprehensive understanding of organizational culture typologies. Section four explains the research design, and provides a detailed account of the primary, secondary data collection and analysis. Subsequently, it discusses issues regarding methodological rigor and ethical considerations related to the research. Section five provides findings from key informants on the impact of organizational culture on managerial internal careers and career values in organizations. Section six discusses conclusions and provides recommendations.

LITERTURE REVIEW

For the past number of decades, most academics and researchers studying organizations suggest that the concept of culture is the practices that organizations develop around their handling of people, promoted values and statement of belief (Schein, 2004). Strong organizational culture either encourages or hampers change in the organization; for individuals the organizational culture is the glue that binds them to the organization. Organizational culture is essential in determining managers' commitment to the organization.

Several writers have developed typologies of organizational culture Nasution et al, 2018). For instance, Schein (1985) suggest three levels of organizational culture. First level includes artifacts or physical attributes such as organizational structure and processes. The second level deals with organizational mission statements, strategies, goals, attitudes, feelings, functioning beliefs throughout the organization. The third level incorporates elements of culture which are not visible, such as, symbols, ceremonies, stories, slogans, behaviours, dress, unspoken rules that employees are not consciously aware of but may provide explanations why things are done in a particular way in the organization. Culture therefore gives organizations a sense of identity and determines, through the organization's rituals, beliefs, meanings, values, norms and language.

Handy (1993) distinguishes organizational culture by the nature of relationships between the organization and individuals and the importance of power and hierarchy. Handy (1993) proposed four types of culture namely: 'Power culture', 'Role culture', 'Task culture' and 'Person culture'.

Power culture is like a 'web' that spreads out from the centre to the rest of the organization (Handy, 1993). The organization operates within few formalised rules so trust is placed in the leader by employees. In organizations with power culture, performance is judged on results, and such organizations tend to be tolerant of means. They can appear tough and abrasive and their successes can be accompanied by low morale and high turnover as individuals fail or opt out of the competitive atmosphere. Working in such organizations requires that employees correctly anticipate what is expected of them from the power holders and perform accordingly. If the organization leader gets this culture right, it can result in a happy, work environment that in turn can lead to employee's commitment to organizational goals. Getting it wrong can lead to staff dissatisfaction and sometimes trigger to a high employee turnover.

Role cultures are built on detailed organizational structures which are typically tall (not flat) with a long chain of command. A consequence is that decision-making in role cultures can often be very slow and the organization is less likely to take risks general lack of effort and enthusiasm. Organization with a role culture is characterised by strong functional or specialised areas coordinated by a narrow band of senior management at the top and a high degree of formalisation and standardisation; the work of the functional areas and the interactions between them are controlled by rules and procedures defining the job. For employees, the role culture offers security and the opportunity to acquire specialist expertise; performance up to a required standard is rewarded on the appropriate pay scale, and possibly by promotion within the functional or specialist area. Such people will be content in this culture only as senior managers. However, this type of culture is frustrating for ambitious people who are power orientated, want control over their work or are more interested in results than process.

Task culture is job or project-oriented. Individuals find that this culture offers a high degree of autonomy, team working and mutual respect based on ability rather than on status. This culture values creativity and enthusiasm. Most managers, certainly at the middle and junior levels are found to prefer to work in the task culture, with its emphasis on team work, rewards for results and a merging of individual and team objectives. It is most in tune with the current trends of, individual freedom and low status differentials in some small social enterprises (Maher, 2016).

Person culture exists to serve and assist individuals within the organization without any super-ordinate objectives. In organizations with person cultures, individuals see themselves as unique and superior to the organization. The individual is the focal point; if there is an organizational structure, it exists only to serve and assist the individuals within it, to further their own personal career interests. Person culture organizations rely on the specialist knowledge of the employees. Person cultures are mostly found in organizations where there is an opportunity for employees to develop their specialist skills; for instance, consultants working in organizations and freelance workers often prefer the person culture. An organization with a person culture is often just a collection of individuals who happen to be working for the same organization. It is not often that we find an organization in which the person culture predominated however; there are individuals whose personal preferences are for this type of culture, in several organizations (Geng et al., 2017).

There is a tendency to take Handy's (1993) four cultures as fixed or 'given'. None of the four types of culture can claim to be better or superior than the other; they are each suited to different types of organizations' circumstances. Most organizations tend to adopt a mixture of cultures, and in Handy's (1993) view each culture is suited to different types of circumstances, including different types of personal values and career needs.

Several years later, Deal and Kennedy's (2000) identified four types of organizational culture: The Tough-Guy Macho culture, The Work Hard/Play Hard Culture, The Bet your Company Culture and The Process Culture.

The Tough-Guy Macho culture is a culture where employees take high risks and receive feedback on their actions. There are high workload and demand from employees but rewards and bonuses are usually very high. In the work hard/play culture employees takes fewer risks and receive fast feedback. They are also required to be highly active and positive most of the time. In the bet your company culture employees takes 'big stakes' decisions but results are known after a very long period of years. The process culture reflects organizations employees' takes no risks, very limited feedback and they are more concerned with how the work is done rather than what is the end result. Deal and Kennedy (2000) argues that most organizations adopt the essential positive characteristics of all four types of culture which helps guarantee top performance.

The review of organizational culture typologies show that the concept of 'organizational culture' can be viewed as a metaphorical construct created by management theorists to provide 'meaning' in the study of organizations. Therefore, typologies of organizational culture tend to classify organizations by a single dominant culture type (unitarist approach) or by the existence of internal sub-cultures within the organization, a pluralist view point (Van Maanen and Barley, 1985). As a result, typologies of organizational culture may ignore specific contextual and possible 'distinct' cultural attributes of organizations. For instance, small social enterprises do not always adopt a single type of culture. They often have cultures and sub-cultures which are developed from their historical background, mission, ethos and beliefs. Organizational culture can place strong pressure on individuals to change their values (Lee et al; 2019). Therefore adopting any typology of organizational culture as a starting point for the research may channel discussions along pre-determined paths. As a result, this study will seek to identify whether any elements of these typologies discussed above are identifiable in small social enterprises. If so, how they impact on managerial internal career needs and career values.

METHODOLOGY

The research strategy for the study was informed by the purpose of the study, which emphasises an understanding of manager's internal careers and career values within the context of small social enterprises and to answer the research question: Does organizational culture impact on the internal career needs and career values of managers? Also, consideration about the level of knowledge that has been developed in the area of the research was also a contributory factor, in the decision to adopt a case study research strategy. Yin (2009), points to the technically critical features of the case study strategy, in stating that it is an empirical inquiry that:

"Investigates a contemporary phenomenon within its real-life context especially when…the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used" (p.18).

Yin (2009) affirms that a case study approach is beneficial to an investigation which is seeking to uncover a new area of knowledge. Yin (2009) definition captures the breath and purpose of the study. The study intends to find useful outcomes that will help small social enterprise organizations to understand how organizational culture influences the internal career of managers.

Before designing a case study a choice has to be made between conducting the study as single case or a multiple case investigation (Yin, 2009). Yin (2009) describes four types of case designs as follows:

1. **Type One:** Single case design, holistic;
2. **Type Two:** Single case design, embedded;
3. **Type Three:** Multiple case designs, holistic;
4. **Type Four:** Multiple case design, embedded.

Type One: single case design, is justifiable where the case represents a critical case and we want to use it for testing an existing theory. Other situations where a single case design is appropriate are longitudinal studies. The case serves a revelatory purpose (Yin, 2009).

Type Two: single case embedded design, requires one single case with multiple units of analysis. This design can be used when investigating a large health education programme that involves a number of funded projects. Each of the funded projects would then be the embedded units. These embedded units can be selected through sampling or cluster techniques (Yin, 2009).

Type Three: multiple case holistic designs, refers to the study of multiple cases, each constituting a unit of analysis. This is where no logical subunits can be identified or the relevant theory underlying the case study is itself of a holistic nature (Yin, 2009).

Type Four: multiple case embedded designs refer to the study of more than one case, each case consisting of one unit of analysis (Yin, 2009). The choice of which design is most suitable for this study and the rationale behind the choice are discussed next.

Type one and Type two are not considered for the study because this study does not fit into the definition of a “critical” case. The phenomenon being studied is not a unique one and could not give rise to the investigation of an extreme or unique case. Also this study is not considered a revelatory investigation.

Type three is also not considered, because employing a multiple holistic approach for this study will require the unit of analysis to include all aspects of the whole of each organization’s functions, policies, structures and activities. The study might run the risk of focusing more on organizational structures and processes rather than on individual managers as the unit of analysis.

Therefore, the study employed the embedded multi case study design (Type four) as it enabled data to be collected from various sources: first, documentary evidence and archival data from three case study organizations, second, semi structured interviews with managers (Bell et al., 2018; Quinlan et al., 2019) and third, fieldnotes data (Bell et al., 2018). This also allows the author to follow a ‘replication’ logic approach aims at achieving analytical rather than statistical generalisations (Yin, 2009).

Yin (2009), affirms that the advantages of multi case study is that the analytic results concluded independently from two or three cases are more compelling than the results concluded from a single case. In addition, confidence in the overall significance and strength of the research findings has the ability to explain the causal links in real life interventions that are too complex for experimental approaches (Stake, 2013; Gustafsson, 2017).

However, the main criticism of case study research is that it does not allow for adequate generalisation. Yin (1994) argues that the generalisability of the embedded multi case study findings will increase with the number of cases included. Miles and Huberman (1985), observe that: “by comparing cases, one can establish the generality of a finding and at the same time, pin down the conditions under which that finding will occur. Therefore there is much potential for both greater explanatory power and greater generalisability” (p.151).

In making this observation, Miles and Huberman (1985) suggests that problem may lie in observing processes and outcomes that occur across many cases and understanding the extent to which such processes are influenced by specific local contextual variations. The investigative approach offered by the case study strategy, facilitates a clearer exposition of organizational culture and provides insights into how organizational beliefs and norms influences managerial internal career needs and career values in small social enterprises.

A profile overview of the three case study organizations that participated in the research is displayed below in Table 1

All three organizations were established between 1991 and 2000. This confirms that they have been operating for over 19 years, so they are well established organizations. Organization 'X' operate in the South East region, Organization 'Y' operate in the East Midlands and Organization 'Z' operate from

Table 1. Overview of the three case study organizations that participated in the research.

Organization X	
Background	Established in 1991 in the South East to provide counselling and support for drug users and their families
Mission	To provide long term support for drug and alcohol users and their family.
Services	Information and advice ● Benzodiazepines dependency withdrawal service ● Outreach services ● Complementary therapies for all service users ● Health awareness training for all drug and alcohol users
Number of Managers	Nine
Annual Turnover	£800,185
Organization Y	
Background	Established in 1998 in the East Midlands to provide drop-in support services for drug and alcohol users
Mission	To relieve the suffering and distress of people affected by substance misuse
Services	Information and advice for substance misusers, their families, partners and friends ●One-to-one and group counselling for substance misusers ●Complementary therapies for all service users ●Drop-in service at weekends
Number of Managers	Seven
Annual Turnover	£320, 738
Organization Z	
Background	Established in 1991 in Yorkshire and Humber region. The organization provides support services for substance misusers and their families
Mission	To empower substance misusers to live independently
Services	● Information and advice ● Evening and weekend drop-in service ● Structured day care programme ● Complementary therapies for all service users
Number of Managers	Eight
Annual Turnover	£300,402.

Yorkshire and Humber region (NVCO, 2011; Social Enterprise UK, 2011, Maher, 2015b, Maher, 2018). The use of multiple methods of data collection allows for convergence and triangulation of findings (Maher, 2013; Gustafsson, 2017).

Data were collected from the following sources:

1. Documentary evidence of the three case study organizations, such as, organizational activities, history, mission statements were examined. Examining these documents was useful to help to ascertain some of the reasons why these managers have chosen to pursue their careers in a particular social enterprise. All documents were collected with the organization's permission, in their original forms with no modification.

Yin (2009) suggests that (except for studies of preliterate societies) documentary information is likely to be relevant to every research topic. The most important use of documents for this research was to form an overview of the context of the research (Maher, 2013; Bell et al., 2018; Quinlan et al., 2019) and to support evidence from other sources such as, information gathered from interviews with managers. Examining these organizational documents provided data that the author could not observe (Ghauri and Gronhaug, 2002; Bell et al., 2018; Quinlan et al., 2019). Information from these documents enabled the author to develop a deeper understanding of the case study organization's activities (Maher, 2013; Stake, 2013).

2. Semi-structured interviews with managers provided evidence of factors and events that influenced their careers in their respective organization. The semi-structured interview approach allowed for flexibility with a preference for posing questions so the interview was more like a conversation whilst maintaining focus on issues contained in the interview guide. This approach has been considered to be appropriate for the study for the following reasons:

    a. It enabled the study to gain an understanding of managers' experiences and points of view about their career in small social enterprises. In pursuit of answers to the interview questions, such as, what are your career needs? What is your long term career needs? How does your present job fit in with your long term career values? The author was drawing inferences from answers given by managers during interviews with the aim to produce managers' views of their internal career needs and career values.
    b. It allowed the study to gain an understanding of managers' interpretations of events (such as, organization beliefs, norms and values) and how these factors affect managerial careers in the organization.

Weber (1949) conceded that "the task of the social scientist is to understand events and explain them through the meanings that the individuals involved attach to their actions" (Weber 1949, in Benton and Crab, 2001, p.80). This implies that people's values and views differ and events are understood by different people differently, therefore, their perceptions are the realities that social science researchers should focus on.

The author sought permission to digitally record all interviews and all participants agreed. All interviews were stored electronically with password protection according to the UK Data Protection Act 2018 guidelines. Assurances regarding individual confidentiality were given and all research notes were available for participants to read if they wished. The author identifies each operational manager by a number. This was to ensure that readers of the chapter could not identify the views of specific individuals.

3. Fieldnotes of the physical setting where each interview took place and the development of each interview and ideas which were useful in subsequent interviews. Fieldnotes are an on-going, crucial part of collecting research data. In this research, they took the form of self-reminders about specific events during the interviews (such as participants nodding or smiling) and notes about personal reflections as well as reactions arising from and captured during the interviews. The fieldnotes data include a brief description of the physical setting where each interview took place, nonverbal cues such as postures, facial expressions, gestures, feelings and any type of behaviour or actions that might have affected the interview. The use of multiple sources of evidence allows the author to address a wide range of issues (such as, an organization's characteristics which are not polices or procedures) that influence manager's internal career needs and career values. The process of combining data from different sources allowed the author to understand how organizational culture, manager's experiences and motives influence their careers. Also by using a combination of semi-structured interviews, field notes and documentary evidence; different sources were used to validate and cross-check the research findings. Yin (2003) affirms that, a study cannot rely on a single data collection method but will need to use multiple sources of evidence. When multiple methods are used, the researcher can place more confidence in the relationships uncovered in the research findings. The methodological rigor of a qualitative study is usually assessed by how it accurately describes and the data collection process and interprets participant's experiences in a meaningful way, as they are lived and perceived in natural settings (Creswell, 2003; Quinlan et al., 2019).

Using three sources of data source (documentary evidence, semi-structured interviews and field notes) increases the validity of the findings as the strengths of one approach compensated for the limitations of the other evidence source (Yin, 2009; Gustafsson, 2017).

The author employed computer-assisted qualitative data analysis software (CAQDAS) package NVivo to facilitate the data coding and clustering of themes. The findings of any qualitative research are open to challenges based on questions of reliability and validity. Yin (1994) defines reliability in case studies research as follows:

"the objective is to be sure that, if a later investigator followed exactly the same procedure as described by an earlier investigator and conducted the same case study all over again, the later investigator should arrive at the same findings and conclusions" (p.36).

In other words, the reliability of the study is accomplished when another researcher is able to follow the 'audit trail' of the researcher so that comparable conclusions could be achieved, given the same data, similar situations and the researcher's perspective (Yin, 2009). This study was written with a view that allows sufficient detailed information so that the 'audit trail' is adequately maintained. The author has carefully recorded and explained the different stages of the research process in this chapter. It can be argued that in essence, this study could be replicated in the broad sense of its methodology, although not necessarily generating the same data (Stake, 2013; Bell et al.; 2018,).

FINDINGS

The primary objective of the research is to examine manager's internal careers and career values and the mediating role organizational culture. A significant finding of the study is that organization culture such as; organizations' models of care, flexibility in the workplace, and employment opportunity for ex-service recipients, supportive team-work are major organizational culture influencing the internal careers and career values of small social enterprises managers. In addition, senior management laissez-faire attitude towards managerial career needs and career values were identified as an unspoken organizational culture impacting managerial careers. Each of these factors is discussed below.

Organizations' Models of Care

Models of Care (MoC) are a multifaceted concept, which broadly defines the way an organization services are delivered to service recipients. It can be applied to support services or client's case management. An organization's MoC could include services such as, extended counselling sessions, sports activities, training and employment skills and self-efficacy groups for service recipients. These services are provided according to the service user's pace of recovery (DoH, 2015). Some managers stated that they have chosen to pursue their careers in their present organization due to the organization's specific MoC.

The model of care here is to meet clients' individual needs. That's rewarding for me. Sometimes within the client's treatment plan the client long term needs are not really addressed in the statutory sector. So it has conflict for me. So for me the organization's models of care are important. I prefer focusing on meeting client's individual needs rather than being bound by [funder's] requirements. (Participant: D).

I knew about the organization because I did some training here before and I liked what they do here. I liked their models of care for clients … the inclusion of family needs when developing care packages. (Participant: F).

This organization's MoC are based on therapeutic and on-going psychosocial support that allows services' recipients to have a choice of treatment and to have personalised treatment programmes for each client depending on their needs and circumstances at point of contact with the organization. The evidence suggests that the organization's MoC appeal to managers' who desire the freedom from funders' stringently enforced regulations. These managers enjoy the freedom to develop services using their own initiative to put in place services based on clients' needs. They expressed an overwhelming feeling of providing a good standard of care for services' recipients. They also expressed their responsibility for their client's recovery process (by offering long-term support services) which they want to implement without interference from the funding agencies. They adopted a person-centered approach ('recovery is an individual journey') to care management and service delivery; which are linked to the organization's own culture of MoC. The results of the research suggest that MoC does differ between organizations and that an organization's specific MoC is an influencing factor on manager's developing their careers in these organizations.

Flexibility in the Workplace

Several managers reported that the organization's culture of enabling managers to use their own initiative in developing and managing projects was one of the main reasons they are attracted to work in their respective organizations. These managers focus on the intrinsic content of the work. They tend to build their career values around flexibility and independence of judgment in the workplace.

I applied for this job when I was working at the County Council. There they [the County Council] are governed by so many red tapes. But when you are here [in this organization] you are independent. Although you have rules they [the organization] see a different side the real side of people not the statistics as such. They see first and foremost the person [the client] who needs help not the numbers. You then are given the freedom to tailor services to meet the needs of services users. That's why I'm here … to help clients to get better. Participant: N

I like the flexibility of planning client services. This is important for our clients. Our services are client-led. We need to be there for the clients not put up barriers to suit ourselves. I like the freedom and independence I have to decide how to tailor services to meet client needs without interference from my boss or funders. (Participant: P).

I have the freedom here to offer the number of counselling sessions in relation to the client's needs. The freedom to choose how we work with clients not having to tick boxes as required by the [Funder] but to provide counselling sessions to suit the needs of the client. (Participant, B).

These managers were primarily driven by the need to have the flexibility within an organization to use their own initiatives to develop client's services. These views were expressed in the context of autonomy derived from having the freedom to develop recipient-centered services. These managers have the desire to develop and manage projects without direct intervention by line-managers or funding agencies.

This finding supports previous third sector career research that suggests that the sector managers often seek to work in small organizations due to the autonomy of the job role and the freedom to design and develop services (Onyx and Maclean, 1996; Alatrista and Arrowsmith, 2004; Cunningham, 2010, Maher, 2017b). These opportunities have not been found to be readily available in large bureaucratic organizations, where managerial roles are often structured in a pyramid top-down chain of command with limited flexibility for individual managers to re-design services without a long consultation process (Flynn, 2007; Radnor, 2010; Osborne et al., 2013).

Employment Opportunities for Ex-Service Recipients

The culture of organizations providing employment opportunities for ex-service recipients was identified as an organizational culture influencing several managers' decision to pursue their managerial careers in a small social enterprise that supported their recovery process and provided employment opportunities (Maher, 2017c). Previous authors have drawn attention to the benefits of providing ex-service recipients with employment opportunities within health and social care organizations (which includes third sector social enterprises) (Hoad, 2002, Neuberger, 2008; Hardill and Dwyer, 2011). The evidence suggests that it helps ex-service users to develop self-confidence and social networks (Lowe et al., 2007; Redman, 2012).The fieldwork evidence suggests that the culture of providing employment opportunities for ex-service users within small social enterprises enabled several individuals to pursue their managerial careers in these organizations.

I have been through this whole treatment programme. I got better and joined as a volunteer then I trained to be a counsellor. The organization supported me to train as a psychotherapist. I'm now the counselling manager here" (Participant: C).

"I started here volunteering as an ex-client. The organization is very supportive ... they are 150% behind me. They have given me a chance to make something of my life. (Participant: R)

I love it here. They [the organization] gave me my life back. I've come a long way. It just gives me great pleasure knowing I can do this, manage this project, and help people in the same situation I was before. This is meaningful; this is meaningful to me anyhow. I took so much out of the system for so long, I'd like to put something back in. (Participant: T).

The fieldwork finding suggest that organizations that have a culture of providing employment opportunities for individuals who have been service-recipients can potentially be a catalyst in these individual's decision to pursue managerial career in these organizations . The benefits of supporting ex-service recipients who wants to pursue their careers within the organization that has helped them in their recovery process, is that these individuals are often committed to the organization (Hardill and Dwyer, 2011; Maher, 2017c) and wants to stay developing their careers with the organization (Maher, 2016; 2017a), this in turn helps these organizations to retain managers in the long term.

Supportive Team-Work

Supportive team work enables team members to work towards common goals when approaching their everyday tasks and responsibilities. This creates a strong team dynamic that supports the small social enterprises to achieve their mission and collectively toward achieving the company's objectives.

Several managers stated that working in a supportive team environment in the organization and confirmation that their views are taken into consideration within the organization's team decision making processes offers them a sense of belonging. This clearly meets their career values.

I like being part of a team. It gives me gives me a sense of belonging. (Participant: A)

I like the stability of knowing my team members … very supportive. (Participant: X)

I had some bad experiences in the past; I was in the private sector … there it was everyman for himself. Here there's good team work. I enjoy working with my colleagues ... the team .I get on with everyone here... it's a joy to come to work (Participant: Y).

These managers view of a supportive culture is linked to being part of a team, being valued and working in an organization where they felt needed and consulted by the organization before decisions are taken in the teams. Having regular discussions about manager's, career values and investing in their career needs will give organizations a good chance of having the right people in the right place at the right time for services development.

Laissez-Faire Attitude to Managerial Career Needs and Career Values

Several managers reported that the culture of senior management unwillingness to support their career needs is very difficult and disheartening. They referred to this as Laissez-faire attitude to managerial internal career needs and values. They stated that management provides little or no support, and prefers to take a laissez-faire attitude to managerial internal career needs. Laissez-faire is less than ideal when a manager is new to the organization and lack knowledge of the organization's culture needed to make decisions about how their career needs fits with the organizational objectives.

There is a very laissez-faire attitude to our career needs here. It all about targets, targets and meeting more targets. (Participant: K)

Very little understanding of my career needs here … never discussed. (Participant: E)

When managers sense that management laissez-faire attitude is disconnected from their career needs, the managers may naturally become less focused on the quality of their work or level of commitment. Having regular discussions about manager's career values and investing in their career needs will give organizations a better understanding of how to develop strategies to retain quality managers which will enable them to deliver and fulfil performance accountability requirements associated with delivering public services.

RECOMMENDATIONS

Organizational culture in small social enterprises hold signification potential as future research area to further explore its impact on other sector small organizations in the private sector, with opportunity for insightful 'cross-case synthesis'. The research has notable implications for managerial development and motivation. It is important for senior management and Board of Directors to be aware of the type of culture prevalent in their organisation and then assess the strength and weaknesses of such culture and implications for managerial development and retention.

CONCLUSION

The chapter's findings provide insight into how organizational culture impact on managerial internal careers and career values in small social enterprises. There is evidence that the case study organizations adopted characteristics of Schein (1985) typology of organizational culture such as organizational mission statements, attitudes, feelings, functioning beliefs and values of managerial career needs.

Also there were evidence of Handy (1993) role culture and task culture. Managers provided evidence of how the organization culture enabled them to achieve their career values by the flexibility and autonomy the organization allows for them to use their own initiatives to develop client's services.

However, there were limited evidence of Handy's (1993) person culture and Deal and Kennedy's (2000) The Tough-Guy Macho culture, The Work Hard/Play Hard Culture, The Bet your Company Culture and The Process Culture.

Specific contextual organizational cultural issues such as, the culture of supportive team work, consultation by the organization before decisions are taken in teams and employment opportunities for ex-service users as an organizational culture were highlighted to be abetting managers career values.

The research also identified a one particular organizational culture that managers found unhelpful towards their career needs. Senior management laissez-faire attitude to their internal career needs. The study participants prefer senior management understanding of their career values and provide an environment that supports their career needs.

Cross-case observations derived from the findings suggests that the case study organizations can be viewed as exhibiting elements of Schein (1985) and Handy (1993) organizational culture with limited evidence of Deal and Kennedy's (2000) typologies of organizational culture. The exploration of organizational culture has contributed to our understanding of the organization values, norms and beliefs impacts on managerial internal careers and career values.

The evidence shows that organizational culture impacts on internal career needs and career values of managers. The importance of understanding, harnessing, managing and maintaining an appropriate culture in organizations cannot be underestimated in terms of its impact on managerial careers and organisational sustainability (Di San Martino, 2017;Maher, 2019). Developing appropriate measures to address cultural issues in organizations that influence managerial careers is a management issue. However, implementing effective culture management policies in a manageable way for organizations falls within the remit of the Board of Directors of these organizations.

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Chapter 13
New Generation of Productive Workers:
How Millennials' Personal Values Impact Employee Productivity in Industry 4.0

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ABSTRACT

The main purpose of this chapter is to consider how can the millennials' personal values impact employee productivity in the future organizational environment of Industry 4.0. In the modern business environment, major changes are happening in many fronts. On one hand, we have the phenomenon of digitalization and Industry 4.0, and on another hand, we see that the millennials are rapidly taking over important roles and positions in those organizations that are impacted by digitalization. If we consider the notion that the new industrial revolution behind Industry 4.0 will be based on major improvements in productivity due to the mediating effect of a technological revolution, then the role of employee productivity or better say the millennials' productivity will be paramount. This chapter shows that based on deep analysis of millennials' personal values worldwide, the millennials hold prominent personal values, which correspond well with Industry 4.0 readiness and competency models, meaning that they can significantly impact the productivity of an organization.

INTRODUCTION

It has been well established through the decades of research endeavors, that personal values of an individual lay in the base of his or her attitudes, beliefs and behavior (Ajzen, 1991; Schwartz, 1992; Schwartz, 1994; Weber, 2017). But however nowadays, with the ever more apparent changing of the society and its constituent subsystems (Scholz et al., 2018), such as the economic system, personal values are of significant practical importance in trying to understand peoples' behavioral inclinations

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(Črešnar & Jevšenak, 2019; Weber, 2017). Due to the rapid and increased digitalization, many jobs will be automated out of existence and personal values can be seen as a behavioral indicator of the inclined proactive behavior toward tackling these challenges. Proactive attitudes toward work challenges can indicate the level of achievable productivity (Syverson, 2011). The issue of productivity is also at the frontline of the generational changes in the workplace and here the millennial generation will be the most important to consider (Twenge et al., 2012; Weber, 2017; Akers, 2018).

The millennial generation is often described as the largest generation ever to exist, reflecting trends of worlds' population growth and counts as much as 80 million individuals. This generation was born between 1985 and 2005 and they hold, due to their upbringing and with it connected different life experiences, very different personal values (Gibson et al., 2009; Twenge, 2010; Ng et al., 2010; Twenge et al., 2012; Weber, 2017). Understanding the millennials' personal values can help us to predict their broader impact on the economic system and within it their impact on organizations. Furthermore, it can help us to assess their potential for being productive and successful in the new organizational environment of Industry 4.0 (Črešnar & Jevšenak, 2019).

Industry 4.0 is a current European trend in the economic and business practice, reflecting philosophies of the improvement of organizational workings and behaviour with the integration of digital technologies, automation, cybernetics, and artificial intelligence into the business processes (Bressanelli et al., 2018; Piccarozzi, Aquilani & Gatti, 2018; Müller et al., 2018). These integrations are supposed to fundamentally improve the levels of productivity to such extent that the next industrial revolution could become a reality (Wang et. al., 2016; Klausing, 2017; Yazdi et al., 2018).

Here lies the fundamental problem of the conceptualization of Industry 4.0. The focus that the academic literature and business practice have on this issue is in the large part oriented on technologies and their impact on the business transformation (see for example, Qin & Cheng, 2017; Zhong, 2017). This focus is understandable, as technological areas are the ones that enable these advances. But however, there are a few significant issues regarding the role of employees in the processes of digital transformation. First, not only technological parts of organizational workings will be changing in Industry 4.0, but the entire organizational philosophies will as well (Scholz et al., 2018; Müller et al., 2018). For instance, the organizational environment will become more focused on teamwork, collaboration, become more multicultural and multidisciplinary, etc. (Erol et a., 2016) Second, the work processes and work organization will also change (Prifti et al., 2017; Enke et al., 2018). Some job profiles will no longer be needed, therefore, the question of how to assure the productivity of those employees is a separate issue altogether.

But however, the productivity of those remaining employees and also the newcomers' will be of paramount importance. Millennials are nowadays continuously taking over important roles in organizations (Ng et al., 2010; Twenge, 2012) and the question of how productive they can be in the new business environment and whether they have the right personal values to help them be productive remains open.

To comprehensively address this issue, we utilize a distinct theoretical notion of employee productivity paradigm. Due to the still not comprehensively defined meaning of the concept, it is necessary to apply it only in the sense of the research problem. Therefore in this paper, we explore the relationship between personal values of millennials and the relevant factors of employee productivity.

This study innovatively considers personal values as one of the main indicators of productivity in the changing business environment. In contrast, previous studies have applied the concept of personal values to try and predict certain outcomes in the economic and business practice, such as leadership behavior (Grojean et al., 2004; Bruno & Lay, 2008; Graf et al., 2011), organizational ethics (Fritzsche, 1995; Nedelko, 2015), innovativeness (Dabic, Potocan, & Nedelko, 2016), etc.

This paper offers an assessment of millennials' personal values from previous studies and on these bases argues on the possible predictions of their impact on employee productivity in the digitalized environment of Industry 4.0. First, we present the concept of personal values and argue on their practical and predictionary behavioral importance. Next, we present the nature of millennials' personal values and explore how they are different from previous generations. Here we draw cognitions from the results of the millennials' personal value study (Črešnar & Jevšenak, 2019). Second, we present the concept of employee productivity, its complexity, and within it, which factors and aspects of the concept will likely be major areas of change in Industry 4.0. Lastly, we offer the assessment of the changes to the business environment, how they can impact employee productivity and what impact millennials' personal values will likely have on employee productivity.

THEORETICAL BACKGROUND

Personal Values

Through the decades, a growing body of literature has established that personal values lay at the fundamental level of person's perceptions and by extension have an impact on behavior (Kluckhohn, 1951; Rokeach, 1973; Schwartz, 1992, Schwartz, 1994; Schwartz, 2012). Considering their broad implication potential (Sagiv et al., 2017), this concept is also applicable in the business and economic sciences, such as considered in this paper. Most comprehensively, personal values can be defined as a plethora goals, beliefs, perceptions, etc. that dwell in the realm of abstraction and determine individual's view of the world (Rokeach, 1973; Schwartz, 1992).

But as recently proposed, personal values act as a cognitive filter that influences an individual's judgment of specific real-world circumstances (Črešnar & Jevšenak, 2019). This means that this concept has enabled the scientists to have a base on which they are in part able to predict individuals' future behavior (see Grojean et al., 2004; Twenge, 2010; Nedelko, 2015; Weber, 2017, etc.).

This notion is most obviously seen in examples of how the scientists have applied them to try and predict a plethora of situations in the business economy. For example, personal values with connection to leadership or management (Grojean et al., 2004; Nedelko, 2015; Akers, 2018; Nedelko & Potočan, 2019), with connection to organizational ethics or social responsibility (Potočan et al., 2016; Nedelko et al., 2017), with connection to management innovativeness (Nedelko & Potočan, 2019), or for instance with connection to supporting innovativeness (Dabic, Potocan, & Nedelko, 2017), etc.

At the beginning of the personal values research, the concept was considered very broadly (Rokeach, 1973). But, with increasingly more empirical studies conducted and with a more comprehensive understanding of what they are, the universal structure of personal values has emerged, which is still in use today (Rokeach, 1973; Schwartz, 1992). Currently, the most popular theory that is used in trying to determine personal values of millennials is Schwartz's (1992; 1994; 2012) theory, which has universal structure and implications.

Schwartz (1992) has through the rigorous empirical testing and factor analyses determined that personal values have the following structure. But however, it should be stated that the theory is now more refined (see Schwartz, 2012). The theory used in this paper's practical implications consists of 10 dimensions, which vary and differ according to a person's motivation. These are namely:

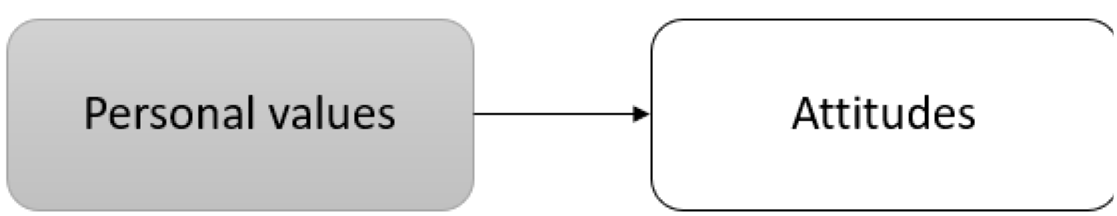
1. **Power:** Is connected to a person's perceptions of authority, wealth, domination, and control over people.
2. **Achievement:** Is connected to a person's perceptions of capabilities, competencies, and personal success.
3. **Hedonism:** Is connected to a person's perceptions of self-gratification, pleasure, and enjoyment of life tendencies.
4. **Stimulation**: Is connected to a person's perceptions of exciting, varied, and challenging life experiences.
5. **Self-Direction:** Is connected to a person's perceptions of the importance of freedom, creativity, and curiosity in life.
6. **Universalism:** Is connected to a person's perceptions of tolerance, understanding others, and the need to protect nature and all that lives on earth.
7. **Benevolence:** Is connected to a person's perceptions of honesty, helpfulness, and forgiveness towards others.
8. **Tradition:** Is connected to a person's perceptions of fit and acceptance of the culture, and religion. As well as the perceptions of the importance of customs and ideas of the society.
9. **Conformity:** Is connected to a person's perceptions of the importance of obedience, politeness, and restrain from actions that may cause harm to others.
10. **Security:** Is connected to a person's perceptions of the importance of stability, safety, and harmony of the nation, relationships, and of the individual.

Still further, 10 main types of personal values can be collapsed in 4 higher dimensions of values, where first two reflect the personal interests of an individual and the second two reflect the social interests of an individual (Schwartz, 1992):

1. **Self-enhancement,** encompassing power, hedonism, and achievement;
2. **Openness to change,** encompassing stimulation, self-direction, and hedonism;
3. **Self-transcendence,** explaining universalism and benevolence; and lastly
4. **Conservation,** encompassing conformity, security, and tradition.

How a dominant personal value triggers behavior is yet to be shown, however, a simple and proven idea is that personal values drive attitudes, which trigger behavioral inclination or intention that results in the certain behavioral outcome. The process is presented in figure 1 (Ajzen, 1991; Schwartz, 1992; Verplanken, 2004; Roccas & Sagiv, 2010; Weber, 2017).

Figure 1. Theoretical model of how values influence behavior
Source: (adapted from Ajzen, 1991; Schwartz, 1992; Schwartz, 1994) applied in Črešnar and Jevšenak (2019).



Personal Values of Millennials

Several studies from the field of social psychology and business have shown that millennials stand out, with regards to their personal values (Twenge, 2010; Ng et al., 2010; Twenge et al., 2012; Weber, 2017; Akers, 2018). This is the largest generation ever born on earth and has grown up under the influences of constant advances in digital technology computation, and digital communication, that gave them unique life experiences, which were not experienced before by previous generations. This had a significant effect on the way millennials personal values have developed (Weber, 2017). General findings indicate, that millennials are to the degree more open, and hedonistically leaned in values, and also more flexible and adaptive compared to the previous generations. Previous generations, are more conservative and value more the value spectrum of tradition encompassing security, stability, and hard work (Lester, 2011; Ahn & Ettner, 2014).

Some findings also indicate that millennials are more oriented toward values of self-enhancement than self-transcendence (Twenge, 2012; Weber, 2017). This is especially true in the Western developed economies, where most prevalent studies were made. But however, the opposite categories of values can be found prevalent in other European countries such as Slovenia (Črešnar & Jevšenak, 2019).

Cognitions from the literature indicate that values connected to competencies, achievement, and power may prevail in some countries. Still, highly ranked values of benevolence, universalism, hedonism, and openness, and understated values of conservation are common for millennials across the world. (Schwartz et al., 2012; Gibson et al., 2009; Ng et al., 2010; Twenege et al., 2012; Weber, 2017; Črešnar & Jevšenak, 2019).

Looking more broadly on current transitional changes in the society and by extension in the business environment, which are predicated on the phenomenon of digitalization (Scholz et al., 2018), one fundamental result of the transformation can be outlined. Implementation of the practices of digitalization is supposed to raise the levels of productivity across the board (Wang et. al., 2016; Klausing, 2017; Yazdi et al., 2018). But the arguments are in the literature mostly centered around the business process productivity, which is directly impacted by the changes. However, the role of employee productivity is here less known and less understood (Črešnar & Nedelko, 2017). Fundamentally, the idea put forward in this paper is that personal values can show the orientation of behavioral fitness with the determinants of employee productivity and can insinuate, whether there can be an expected influence and impact between them.

The results of the analysis of prevalent personal values of the millennials in Slovenia are presented in table 1 and can coo borate the above cognitions (Črešnar & Jevšenak, 2019).

RESEARCH METHODOLOGY

The sample and data for the analyses of mean values were obtained in Slovenia in 2018. Analyzed were *N=371* cases with no missing data, which represents a large enough base to draw meaningful conclusions from the results (Couper, 2000).

Sample respondents ranged between 16 and 35 years of age, with an average of 22.62 years and the standard deviation of 2.85 years. There were 58 percent of female and 42 percent of male respondents. Additionally, 58.5 percent of respondents live in the countryside or in a suburban town and 41.5 percent of them live in a large city.

To devise a measurement instrument, Schwartz's et al. (2012) refined theory of personal values was used. To analyze the data, 10 main sub-dimensions of personal values were constructed, where 26 items in the questioner were collapsed into the subdimensions using theoretical representations of which items measure certain aspects of the value spectrum (Schwartz, 1992; Schwartz, 1994; Schwartz, 2012). Respondents were able to select an answer on the Likert type scale from 1 = this is nothing like me to 6 = this is very much like me.

Acknowledging research results form Črešnar & Jevšenak (2019), it is apparent that certain groups of personal values are ranked higher than others. Specifically, at the top half of the distribution are values of self-transcendence and openness to change, which fall under the sector of personal growth and freedom from anxiety. At the bottom half of the distribution are values of self-enhancement and conservation that are connected to self-protection and anxiety avoidance (Schwartz et al., 2012). Another observation, which has implications in the prevalence of top-ranked values in the population is variability. Top-ranked personal values have lower variability than low ranked ones, which means that they are more significant and well rooted in society (Črešnar & Jevšenak, 2019). This makes it more likely that the Millennials will behave more consistently in accordance with their prevalent personal values. Prospective behavior based on the prevalent personal values of openness and self-transcendence has important implications in the future business environment, where such values are needed and can thus indicate better employee productivity.

THE CONCEPT OF EMPLOYEE PRODUCTIVITY

For its broadness, it is difficult to find a universal definition of the concept, but more often than not this is a subject of confusion. We can find it for example, that it is synonymized with labor productivity or even more narrowly, with labor intensity. Another example of the usage for the term, with relation to human resource practices, is workforce productivity (see Schmidt, et al., 1982; Choobineh, 2017).

Table 1. Prevalent personal values of the Millennials in Slovenia

Personal Value	Mean	Standard Deviation	Variance	Rank
Benevolence	5.11	.79	.62	1.
Self-direction	5.00	.77	.60	2.
Hedonism	4.87	.88	.78	3.
Universalism	4.82	.72	.52	4.
Achievement	4.69	1.02	1.04	5.
Security	4.46	1.10	1.22	6.
Stimulation	4.15	1.04	1.08	7.
Tradition	3.42	1.56	2.44	8.
Conformity	3.40	1.11	1.24	9.
Power	3.05	1.06	1.12	10.

Notes: Sample size is 371.
Source: Črešnar & Jevšenak (2019)

To consider the concept of productivity as currently understood, it most often indicates the measure of the relationship between the number of inputs and the number of outputs produced in a given process (Bartelsman & Doms, 2000; Syverson, 2011). But with connection to the employee productivity spectrum, the term is not so easily defined. The definition that states that the concept refers to the added value per hour of work is one with the most consensus in the literature (Bartelsman & Doms, 2000; Lieberman & Kang, 2008). But, however, with regards to the prevalent managerial literature, employee productivity consists of two main determinants; namely; labor productivity and broader economic productivity (Walters, 2010; Črešnar & Nedelko, 2017).

However, labor productivity will, under the influence of Industry 4.0, be less significant with connection to selected research problem, as some jobs that are in some way related to operational processes, will be automated out of existence. The real issue with regard to business processes automation is how to ensure the productivity of those employees, who will consequently become redundant? This question has real merit in addressing the subsequent aspects of a broader and more abstract set of economic factors that will be more prevalent to understand when determining employee productivity in the future (see Črešnar, 2017; Črešnar & Nedelko, 2017).

For the apparent broadness and the variety of meanings, there is a need to consider the role of single factors, which may have implications in determining employee productivity. This is very evident in a large amount of literature, that considers individual or single aspects that influence employee productivity, for instance, work, labor, contributions, creativity, employee well-being, etc. (Črešnar & Nedelko, 2017). Therefore, it is obvious that in determining employee productivity, we ought to select those aspects that relate to the phenomenon of digital transformation in order to best see the effect.

In most considerations, employee productivity is in some way connected to work processes. However, with the current paradigm shift of organizational workings through digitalization, the meaning of what constitutes work processes is rapidly changing. But nonetheless, most authors connect work processes to work design, work measurement, work organization and work performance (Krajewski & Ritzman, 1996; Ried & Sanders, 2002; Črešnar & Nedelko, 2017).

As the focus and the problems here are connected to work processes, it is feasible to adopt the concept of micro-employee productivity in the problem consideration (Bartelsman & Doms, 2000; Črešnar, 2017). Micro-productivity focuses on employees at the level of an individual organization that encompasses smaller systems, which are most often referring to individual industries and individual organizations.

Prospective Changes of Employee Productivity due to the Mediating Effect of Digitalization

On the one hand, we can see and hypothesize that phenomena of digitalization, industrial automation, and advances in artificial intelligence will impact operational processes more severely than the rest (Klausing, 2017; Yazdi et al., 2018). Here, the need for human labor will in some cases be entirely diminished (Erol et a.l, 2016; Fifeková & Nemcová, 2016) as the machines will be able to significantly improve productivity, maintain themselves, and work continually, which humans are unable to. Arguments can be made that a large part of the wave connected to the next industrial revolution, will be based around these increases in productivity, rather than on unknown effects of digital technology in the future.

On another hand, a large portion of jobs and roles will be entirely transformed (Kagermann, et al., 2013). Meaning that here lies a major gap in the question of how to secure employee productivity. To address the issue of those individuals and other employees needed knowledge, skills, and abilities, Industry 4.0 competence models started to emerge (see Erol et al., 2016; Vukomanović et al., 2016; Prifti et al., 2017; Enke et al., 2018). They outline the most significant areas of change and propose, which competencies are the most important and can enable employees to be productive. Those competencies are connected on the personal level to the employees' abilities to be able to self-manage, self-reflect, be team players, be able to collaborate, be able to lead teams and projects, etc. On the professional level, many competencies are connected more to the abilities of employees to use digital and automation technologies, have good statistical and research abilities, be able to plan and predict situations, and have the understanding of big-picture business goals, etc.

These sets of competencies will be of greater use because the work environment will also change. Work will become more flexible and more efficient, due to the connectivity of cyber-physical systems with employees (Kotýnková, 2016). In some cases, work can become more complex (Prifti et al., 2018), because repetitive tasks will be less needed. Work-life balance will also be a major factor, as it is shown, that millennials value their time outside of work (Ng et al., 2010). This is suspected to be the case, as with better organizational flexibility allowed, employees can be better able to balance the activities of professional and personal development, and time (Kagermann, et al., 2013).

DISCUSSION

How is Digitalization Changing the Business Environment in Terms of Work?

In the most scientific and practical debates nowadays, the phenomenon of digitalization seems to be among the most important in the current business setting (Scholz et al., 2018; Bonilla et al., 2018). Digitalization has an incredible ability to store real-world data using digital symbols and then representing these data to the user through a plethora of digital technologies (Scholz et al., 2018). This has a variety of practical implication potential, wherein business with the use of digital technologies, the removal of significant bottlenecks in communication and control is promising the next industrial revolution, camouflaged in Europe under the phenomenon of Industry 4.0 (Bressanelli et al., 2018). This is achievable on the bases of integration of a few main technological philosophies into organizational workings, namely; automation, internet of things, cyber-physical systems, artificial intelligence, and smart manufacturing (Wang et al., 2016; Roblek et al., 2016).

Because the impact is systemic, along with technologies, the philosophical and people-related aspects of organizational workings will also change. This is most clearly seen with the emergence of aforementioned Industry 4.0 competence models and here the perceived dynamics between employee productivity and individuals' personal values are of strictly practical importance.

Modern business environment is in large part becoming more focused on personal interactions, collaborations between multicultural and multidisciplinary teams, adaptivity, agility and flexibility of an individual, ethical responsibility and personal integrity stands, etc. (Erol et al., 2016; Prifti et al., 2017, Enke et al., 2018), which is with regards to needed personal values requiring benevolence and universal tendencies. Addressing professional aspects, employees will have to be highly creative and subsequently innovative, open to learning, change and new opportunities, emotionally stable and mature, be self-aware and able to self-manage (Erol et al., 2016; Herold et al., 2016; Prifti et al., 2017), which in terms of personal values calls for high self-direction and stimulation values connected to the dimension of openness.

Because the aforementioned directions of where the business environment is going, some of the more individually focused personal values will not be of such importance. Meaning that personal values of achievement, power, conservation, security, etc. may not be the best for securing millennials' productivity and fitness, but as mentioned, some studies have found these values prevalent (Gibson et al., 2009; Ng et al., 2010; Twenege et al., 2012; Weber, 2017). This may in turn indicate a misfit and a potential problem of securing higher employee productivity. On a different note, these values are essential for future leaders (Bowels, 2015; Herold, 2016; Akers, 2018) and they can enable them to more efficiently achieve results and to be productive in this way. In consequence of these changes, it is important to assess how will these values connect with the changing work environment of Industry 4.0.

How Millennials Personal Values Impact Employee Productivity in Industry 4.0?

High tendencies of millennials toward values of self-transcendence and openness to change suggest that they are a good fit for the new business environment of Industry 4.0 (Črešnar & Jevšenak, 2019) and subsequently indicate that higher levels of productivity may be possible to achieve in certain areas of business. Because they will be more open toward various cultures in the workplace, more benevolent in their attitudes toward others, more understanding of others and, have generally progressive attitudes, they will be more productive in areas of cooperation and teamwork. These are essential parts of the business transition from the standpoint of broader organizational workings (Erol et al., 2016; Herold et al., 2016; Prifti et al., 2017). Due to their attitudes, cooperation, and teamwork, it will be easier for them to be productive and it is thereby expected that different cultures and disciplines will not present obstacles in the path toward achieving organizational goals, which will in term be achieved more efficiently and with higher levels of productivity.

Regarding personal aspects of their values, it is indicated that high proclivity toward creativity, benevolence, hedonism, stimulation, and self-direction may also positively impact areas of work connected to creative and innovative problem solving, outstanding ethical responsibility, better social interactions, and the need for agility, flexibility, and adaptivity. Millennials will, therefore, be able to be very productive in areas of making decisions based on creative and innovative problem-solving abilities, and in areas of working on dynamic projects that require agility and openness, because they will be better able to adapt to changes, which are most often outlined as the core of business transformation.

High hedonism values also indicate better employee productivity. Which may sound strange, because fundamentally hedonism reflects leisure and enjoyment of life (Schwartz, 1992; 1994). But because work will be more flexible, millennials' will be better able to rest and peruse activities outside work. Thus, they will be better able to satisfy their higher needs connected to their needs for freedom and varied life, which can have a beneficial productive impact on their innovative and creative work performance at times when they entirely focus on it.

On a contrary note, self-enhancement or proclivity toward values of power and achievement can hinder the required need cooperation and teamwork. But with regards to the needed multicultural and multidisciplinary integration, better productivity can be expected as all studies found that values of conservation are consistently not prominent in millennials.

RECOMMENDATIONS

Tackling Organizational Challenges to Secure the Millenials' Productivity

In any setting of organization's transformation, there are many changes in the way that organization work and behaves that present certain discomforts and challenges for its effective and successful future workings (Bareli et al., 2007). Since Industry 4.0 promises a paradigm shift in organizational workings and behavior on a systemic level, this subject is important to consider. As argued throughout this paper, major areas of change in organizational workings and behavior will be centered around the business processes and people related aspects.

For organizations to improve employee productivity related to the business processes, they should consider centering their activities and goals around the people and less on technologies and processes. Meaning that organizations should include the millennial workforce in the broader organizational strategy in the sense that they enable for them proper communication channels, manage their expectations and prepare an adequate teamwork environment (Myers & Sadaghiani, 2010).

In the case of the millennial population, traditional and strictly hierarchical organizational structures may not be the best fit (Newman, 2000). Millennials are more inclined toward open and flat organizational structures (Weber, 2017), which enable them more freedom and responsibility and also reflect their values. For Millenials to be productive organizations should enable them to work outside strict hierarchical bonds by preparing their roles accordingly.

Another very interesting approach, that could help organizations to secure employee productivity is the proper utilization of key management tools. Management tools as a plethora of concepts and ideas have the ability to help solve highly complex organizational problems (Nedelko et al., 2015), which are in the sense of digital transformation inevitable. Some key management tools of digital nature, such as corporate blogs, social media programs, etc. and more traditional tools for supporting knowledge and innovation processes i.e knowledge management and open innovation can be useful (Črešnar et al., 2018). These are not highly utilized at the moment (Črešnar et al., 2018), but Millenials would significantly benefit from their use because they have been, through their upbringing, constantly in contact with the same concepts that these tools represent (Weber, 2017). To solve organizational problems faster and more efficiently, the usage of key management tools should be beneficial and it will also reflect in the levels of employe productivity.

CONCLUSION

In this paper, we find that in more are than one area, millennials' personal values indeed indicate better employee productivity in the business environment created by Industry 4.0. Because the business environment is transitioning in a way that reflects millennials personal values, they will be more productive in areas of collaboration, teamwork, self-management, creativity, innovation, ethical responsibility, and other practical and professional areas. Some gaps remain that are connected to high self-enhancement values of power and achievement in millennials, that are not as much needed and emphasized looking through the lenses of in what way the business environment will transform. However, because millennials grew up with technologies that are currently being integrated into organizational workings, they may be able to better understand what it takes to be productive, how to use them and what their capabilities are. They can also better take into account the changes in the broader philosophical orientations and balance their personal life and their work life so that they can be productive in both.

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Section 3

Chapter 14
Organisational Context for Effective Knowledge Sharing:
The Role of Intrinsic Motivation

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ABSTRACT

In the knowledge era, organizations have to learn faster and better than competition, with the continuous cultivation of a culture of knowledge sharing. Attention should be paid to motivating employees to develop a positive attitude towards knowledge sharing, actively exchanging information and knowledge, continuously participating in learning processes, or putting knowledge sharing activities into everyday routine and habit. The research objectives are identification of the nature of the influence of intrinsic motivation on the knowledge sharing practice in organizations in the Republic of Serbia, determining the presence of a statistically significant difference in the intraorganizational knowledge sharing between multinational and domestic enterprises, and determining a statistically significant difference in the level of intrinsic motivation among employees in multinational companies and employees in domestic enterprises. The obtained results confirm the impact of intrinsic motivation on knowledge sharing.

INTORDUCTION

Numerous studies conducted over the past thirty years have shown that human resources represent a significant source of competitive advantage (Wright et al., 1994) and have a positive impact on organizational performance (Lepak, Takeuchi & Snell, 2003; Bowen & Ostroff, 2004). Since tacit knowledge is "placed" in people's heads or individuals employed by the organization, it can be concluded that human resource management plays an important role in the development and implementation of the knowledge management concept in the organization, which is defined as the process of creating, adopting, sharing

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and the use of knowledge to improve business performance (Bassi, 1997). Relations between employees play a key role in the difussion of tacit and explicit knowledge in an organization, and the identification of motivational mechanisms contributes to a better understanding of individual incentives among employees.

The transition from the industrial to the information era resulted in the adoption of a new production paradigm (Teece, 2003; Aureli, Giampaoli, Ciambotti & Bontis, 2019), where the most important resources are immaterial, and human capital is classified as the most important part of intangible assets. The new industrial revolution, popularly marked as Industry 4.0, has contributed to significant changes in the way the business model works, but also the life of individuals and the whole society (Kravchenko & Kyzymenko, 2019). Automation, robotics, artificial intelligence systems (Google, Siri, etc.), introduction of cyber-physical systems, etc. (Kravchenko & Kyzymenko, 2019), additionally contributed to the emphasis on the importance of intangible assets (Gal, Nicoletti, Renault, Sorbe & Timiliotis, 2019). Since the foundation of human capital is knowledge, it becomes a key factor that enables the creation of a competitive advantage (Nonaka, 1994). Knowledge of employees is based on their experience and abilities to absorb new knowledge (Ognjanović & Simić, 2019). Therefore, knowledge is a factor of vitality, innovation, driving force, which affects the efficient use of other resources in the organization, and it understandable and applicable to problem solving or decision making (Aureli et al., 2019). Moreover, knowledge is the only resource that is not reduced by sharing, but by an effective exchange, the overall knowledge of the organization is increased (Slavković & Simić, 2018).

Recognizing knowledge as the valuable, rare resource, difficult to imitate, the process of knowledge sharing in organisation is considered to be an important process of social interaction (Van den Hooff et al., 2012). Employees have always created and shared knowledge within the organization, and the process of knowledge sharing was considered as natural and mandatory process that inevitably arrives. However, it was found that in the best conditions and in a perfect organizational atmosphere, the sharing of knowledge is complex and multiple processes (Hendriks, 1999).

Factors that are considered crucial for sharing knowledge are the nature of knowledge, motivation to share knowledge with others, situation, working atmosphere, and organizational culture (Cummings & Teng, 2003). Given that advanced technological solutions contribute to more effective sharing of knowledge in the organization (Aureli et al., 2019), the focus is on the behavior of individuals and their personal values, which determine the level of their motivation (Schwartz, 2012; Cherne, Nerstad, Dysvik & Škerlavaj, 2014).Knowledge is intrinsically and inseparable from the ego and profession of the person who owns it (Davenport & Prusak, 1998), and does not circulate easily and smoothly with the organization. As knowledge becomes more and more valuable and brings more value, it is logical that employees retain this knowledge for themselves and upgrade it. Therefore, in order to share the knowledge it is necessary that the employees be strongly motivated. Motivational factors that influence knowledge sharing are classified into two categories - intrinsic and extrinsic (Deci & Ryan, 1985; Ryan & Deci, 2017).

Since exclusively relying on external awards can only lead to short-term results, the emphasis is on intrinsic motivation. Employees inspired by “intrinsic rewards” are characterized by the desire for personal achievement, autonomy and work challenges (Roomkin & Weisbrod, 1999; Merchant et al., 2003), which results in more efficient transfer of knowledge and facilitates the learning process (Slater & Narver, 1995). In the context of knowledge sharing, Foss et al. (2009) have shown that intrinsic motivation was positively predictive of knowledge sharing, whileextrinsic motivation has negative impact. Intrinsic motivation is a powerful means for overcoming the obstacles in the intraorganizational knowledge sharing, especially in the situation when formation of informal groups occurs. In this way, assumptions are provided for the quick resolution of conflicts and the adoption of business practices that facilitate the work process and the development of new skills. Also, intrinsic motivation enables the creation of a productive balance between the competitive spirit of employees and their mutual cooperation. A greater transfer of knowledge supported by intrinsic motivation reduces and disables the extreme competitive spirit among employees, classified as an important barrier to cooperation and mutual exchange of information (Kofman & Senge, 1993).

Chapter is structured from several parts. After the introductory remarks, a review of the literature is presented in which the following topics are elaborated: classification of motivation factors, importance and factors that influence the level of intrinsic motivation of employees, as well as the relation of intrinsic motivation and knowledge sharing in different organizational contexts. As a result of a given review of previous research, hypotheses will be formulated. In order to test the defined hypotheses, a research was conducted, and the methodology and results of the research as well as the discussion of the same will be presented in the continuation of the paper. Finally, concluding observations follow.

THEORETICAL BACKGROUND

Taxonomy of Employee Motivation

Starting from a wide range of factors that determine the degree of motivation of employees, several theoretical approaches have been developed to explain and classify key motivators of the workplace. Self-determination theory (SDT) provides an integrative approach to the motivation problem in order to explain a difference between autonomous and controlled motivation (Deci & Ryan, 1985; Ryan & Deci, 2017; Deci, Olafsen, & Ryan, 2017).Multi-year researches have shown that behavior varies depending on whether the motivators are internal or external, or whether autonomous regulation of work behavior correlates with an affective commitment to an organization or greater readiness to accept organizational goals (Gagne & Koestner, 2002). Autonomous support from superiors and managers is associated with greater confidence in the management of the organization, job satisfaction, positive attitude towards work obligations, and the support is considered as understanding for problems, respecting attitudes, providing choices, giving information on progress and performance, supporting the initiative and others (Deci et al., 1989). Autonomous behavioral regulation involves intrinsic motivation, satisfying basic psychological needs (e.g. autonomy, competence, relatedness) (Deci et al., 2017), while controlling regulation is based on the crucial influence of external factors (Gagne & Deci, 2005).

Extrinsic motivation is considered responsible for all those activities and behaviors that are being undertaken in order to achieve the desired goal (Lin, 2007). In fact, this type of motivation allows individuals to personally meet their needs, gaining tangible returns in the form of rewards or by obtaining additional resources (e.g. money, promotion and other non-financial rewards) (Delaney, Royal, 2017;Načinović Braje et al., 2019). The exclusive use of extrinsic motivation often puts an individual in a transaction rather than a relationship to an organization. In an organizational context, external motivators may differ from pay per piece (Lazear, 1988) by paying for performance (Lam & Lambermont-Ford, 2010; Deci et al., 2017) to career advancement (Morris & Empson, 1998). Empirical studies in the field of extrinsic motivation provide evidence that focusing on external motivators leads to less effort and interest in the individual to solve work tasks. In this case, the individual is inclined to transfer responsibility for weak performance to his colleagues or superiors, or to indicate the working conditions as the causes (Ryan & Connell, 1989; Deci et al., 2017).

The key difference between extrinsic and intrinsic motivation is that intrinsic motivation derives from the pleasure of doing the given activity, while extrinsic motivation refers to the outcome that comes as a result and/or reward for a particular behavior (Ryan & Deci, 1985; Rita et al., 2018). Intrinsic motivation is usually defined as an activity that in itself creates an interest or feeling of satisfaction and achievement in the individual, while extrinsic motivation is conditioned by the expectation of rewards and recognition or the obligation to fulfill the superiors' demands (Lee et al., 2007).Although the relevance of neither extrinsic, nor intrinsic motivation can be disputed, in practice one of the stated types of motivation must be dominant (Gagné & Deci, 2005). In contrast, there is evidence that intrinsic and extrinsic motivation can be negatively correlated (Kuvaas et al., 2017), and should be viewed separately (Načinović Braje et al., 2019).

In order to point out the relevance of intrinsic motivation, it follows from the basic principle that the performance of an employee is in the function of his abilities, that is, KSAs and motivation (McCloy, Campbell& Cudeck, 1994). In addition to this, the limits of cash prizes in the field of improvement of individual and business performance are stated. Firstly, monetary awards do not improve the relevant knowledge, skills and abilities of employees (KSAs). Although monetary awards can motivate employees to do more, they do not necessarily lead to the improvement of KSAs, unless material resources are invested in employee training and development activities (Dierdorff & Surface, 2008). Therefore, solely reliance on monetary awards as an exclusive low-performance solution can be counterproductive, since the cause of an identified problem is usually a lack of KSAs rather than a low degree of motivation (Kraiger & Aguinis, 2013). Secondly, monetary awards do not necessarily contribute to the improvement of the quality of work (Grant & Parker, 2009). For example, increasing employee salaries does not necessarily lead to greater autonomy and employee participation in the decision-making process. Also, monetary rewards do not enrich themselves by increasing the diversity of skills used by employees in their workplaces or by perceiving the positive impact that employees have on others. Finally, monetary awards do not have a built-in mechanism that prevents such rewards from accidentally encouraging unethical and counterproductive employees' behavior (Aguinis, Joo & Gottfredson, 2013).

Factors Affecting Intrinsic Motivation

Since every employee has a variety of personal needs, it isassumed that people are more motivated in organizations where their needs are being satisfied than in organizations where they are not. In this case, the organizational culture has an important role, becoming the link between individual needs and the social context of the organization (Taormina, 2009). Deci and Ryan (1985) subsequently found that psychological needs for competences and autonomy are in the basis of intrinsic motivation. Intrinsic motivation involves a constant cycle of finding optimal challenges and interesting activities that provide stimulation, and leads to better conceptual learning, greater creativity, more cognitive flexibility and greater general well-being (Ryan & Deci, 2010).Moreover, intrinsic motivation is perceived as driving force, as a reason why employees take part in an activity for its own sake in order to experience the pleasure and be satisfied (Dysvik & Kuvaas, 2013). Although it has been proven that intrinsic motivation has a positive impact on employee engagement, empirical evidence of the role of personal values in intrinsic motivation is limited (Tan, Lau, Kung & Kailsan, 2019).

Factors that define the level of intrinsic motivation are analyzed through the prism of different theories. One of them, the self-determination theory (Deci & Ryan, 1985), highlights the significance of sociological and situational factors that influence the degree of intrinsic motivation of employees. Deci and Ryan presented the cognitive evaluation theory in 1985, in which they precisely defined the factors of the sociological context that caused the variability of intrinsic motivation. The assumption on which the theory rests is that external motivators such as rewards and praise, with the feeling of self-actualization during the work process, can increase the level of intrinsic motivation, as they enable the satisfaction of the psychological needs for self-realization. The sense of ability and skillness will not condition the occurrence of intrinsic motivation, unless accompanied by the sense of autonomy and autonomy in decision-making and action (Deci, 1972).

From the view that motivation is defined as a result of situational conditions and the personal characteristics (Watanabe & Kanazawa, 2009), undoubtedly, it may be assumed that personal values and traitsimpact intrinsic motivation (Tan et al., 2019).According to Schwartz (2012) the ten dimensions are identified as significant factors of employee motivation (e.g. power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, security).Exactly, openness and conscientiousness are perceived as relevant predictors of intrinsic motivation (Watanabe & Kanazawa, 2009), while employees who are open to new experiences are prone to behavior that is primarily stimulated by intrinsic motivation (Watanabe, Tareq and Kanazawa, 2011).

Factors that influence intrinsic motivation are the diversity of skills and complexity of work. If the work is more complex and requires the possession of specific skills, the workers will perceive it more sensible and, therefore, perceive themself as a skillful and capable worker (Döckel, Basson & Coetzee, 2006). Trainings enable the development and progress of employees, as well as acquiring new skills and abilities, which also results in a greater degree of job satisfaction (Kabir & Parvin, 2011). Thanks to the training, employees, along with new skills and knowledge, gain self-confidence and have a positive attitude towards the organization in which they work. Employees become more likely to participate in the decision-making process. Increasing autonomy and self-sufficiency in the work process increases productivity, perceived level of self-efficiency and influences intrinsic motivation to access the task and obtain a solution, regardless of the complexity of the given job. The desire for professional change (advancement or acquiring new knowledge) along with independence and empowerment are essential elements of commitment to business and loyalty to the organization, as well as strong trust between superior and other employees (Khan et al., 2010).

In addition, trust as an employee's perception of others in the organization and their characteristics is necessary for an organization which tends to be successful. Establishing a high level of trust among employees, especially in relation to superiors and subordinates, is one of the important determinants of the level of engagement, feeling of belonging and equalizing one's own goals with the organizational (Nadeem et al., 2014). According to equity theory, the employee should feel that the organization is a unique entity and as such has a fair attitude towards all employees and those among themselves, and in that case the intensity of intrinsic motivation will be greater, as will the commitment to work, because their own efforts will be considered meaningful (Kalpana, 2013).

An important factor is the purpose and importance of the work, so it is the task of managers to take care of the quality of business obligations, not just quantitatively (Saeed et al., 2013). The value and significance of the task that an employee performs influences the level of intrinsic motivation, and through solving the task or performing a work process perceived as important and valuable directly affects organizational performance (Lunenburg & Ornstein, 2008). Therefore, commitment and effort in business activities is a reflection of the level of motivation and job satisfaction (Hung et al., 2011). It is evident that work conditions influence the level of motivation, with increasing emphasis on the appropriate work-life balance (Kalimullah et al., 2010).

The influence of organizational culture on the behavior and motivation of employees is evident and as such is the basis for the realization of other positive organizational outcomes (Franco, Bennet & Kanfer, 2002). Recent research highlights the importance of the concept of organizational culture, which has a significant and direct impact on the behavior of people in the organization (Boddy, 2008; Sokro, 2012). Bearing in mind the five basic sources of motivation, the conclusion is drawn that there is a link between motivation and organizational culture, which is why it is not uncommon for strongly integrated cultures to result in highly motivated workforce (Sokro, 2012). As important directions for improving the level of employee motivation are distinguished (1) the inspiration of employees to believe in the importance of their work, (2) providing the opportunity for employees to manage their careers, (3) rewards for providing contributions in the value-creation process, (4) using opportunities for learning and (5) building own image (Denison, 1990). Janus (2014) found in his research that specific cultural factors, such as autonomy in work and relationships with colleagues, can have a positive impact on the intrinsic motivation of employees.

Adopted as a set of values, beliefs, behaviors, customs and attitudes that help members of the organization understand what they are in favor of, how to do their job and what they consider important (Sokro, 2012), organizational culture can encourage the employee to give his maximum to achieve defining goals or discouraging it, if its operation contradicts defined rules and frameworks of behavior (Schneider, 2004). Therefore, organizational culture determines the way employees within the organization feel about their work, affects the level of their motivation, dedication, and consequently, determines the degree of their satisfaction with work (Schneider & Synder, 1975). In addition, rigid procedures and control mechanisms are not necessary, because in such a situation culture becomes an internal control mechanism, which coordinates the efforts of employees (Lee-Ross & Lashley, 2003).

There are cases when external motivation can lead to responsible organizational behavior. However, in modern conditions, the necessity is to establish successful cooperation between colleagues and effective team work, which is the result of purely intrinsic motivation (Gagné & Deci, 2005). These statements are fully consistent with the postulates of self-determination theory, for example, an employee who takes responsible organizational behavior outweighs the mandatory structured behavior expected of him, and his performance is absolutely under the influence of intrinsic motivation or automation (Tang & Ibrahim, 1998). Thus, intrinsic motivation causes willingness to act and other sociological activities (Penner, 1997), and the support of the autonomy of employees and their self-initiative positively influences the taking of responsible organizational behavior (Gagné, 2003).

Knowledge Sharing and Intrinsic Motivation in Different Organizational Contexts

The importance of knowledge sharing is reflected in reducing learning costs, acquiring new knowledge, generating value, and building innovative capacities within an existing organization (Scarbrough, 2003). Knowledge as a resource is classified as the main strategic factor (Bierly & Chakrabarti, 1996). The intangible and heterogeneous nature of knowledge points to the complexity of processes in which this resource is the main factor. Confronted with numerous challenges posed by business operations in a modern business environment, such as globalization, technological advancement, social and demographic change, organizations have a serious task to secure their market position. On this path, the basic means of struggle and the key resource for organizational survival is knowledge, and knowledge sharing is the basic activity that should result inachieving a sustainable competitive advantage (Cabrera &Cabrera,

2005), and superior performance (Davis-Blake &Hui, 2003). In addtion, it is proved that cognitive abilities of employees are improved and, that will lead to aneffectiveprocess of solving complex problems (Aureli et al., 2019).

Cabrera and Cabrera (2002) highlight several social dilemmas that relate to knowledge sharing activities. Knowledge that is shared becomes a public good, thanks to which independent members of the organization can enjoy benefits, regardless of whether they themselves contributed to it. This can lead to a leisure-free behavior or free-riding problem, as there is a possibility for employees to enjoy benefits without contributing to the organization, which from an economic perspective means that individuals gain without the investment of their own resources (Lam & Lambermont-Ford, 2010). The cost to an individual can be not only the effort or time it has spent on sharing knowledge, but its investments depend on the organizational context, since by sharing their knowledge they can diminish their own opportunities for advancement and / or increase the chances of others progressing, leading to a loss in internal competition. The pre-scenario can also be called "loss of its unique value" (Renzl, 2008).

In accordance with the significance and challenges, previous empirical research was focused on the identification of important factors that influence knowledge sharing and are grouped as follows (Riege, 2005; Gagné, 2009): individual factors (eg, lack of confidence, fear of might loss, lack of social connections), organizational factors (eg lack of leadership, lack of adequate reward system and lack of opportunities for sharing knowledge), and technological factors (eg, inadequate information systems and lack of training). The next research has shown that the nature of knowledge, motivation for exchange, exchange possibilities and organizational culture have a decisive influence on the practice of sharing knowledge within the organization (Ipe, 2003). According to Hannon (1997), knowledge sharing for employees is a challenge, as they are not sure whether the knowledge they possess can be benefit to the organization, and although the importance of knowledge for organizational performance has been identified, employees need not be motivated to share it. In addition, the nature of knowledge will influence the way knowledge will be shared, and its value determines the motivation of employees to share the same (Ipe, 2003). Ease of knowledge sharing can also affect employees' desire to share their knowledge (Gagné, 2009).

In general, motivation is defined as the key determinant of the individual's behavior (Deci & Ryan, 1985), but there are also evidence that this is a primary driver of knowledge sharing (Osterloh & Frey, 2000). Employees are motivated to generate knowledge, for the reason of gaining advantage within the organization. They believe that if knowledge provides the organization with a competitive edge in the market, it will also provide an individual advantage to an employee within the organization (Milne, 2007). Therefore, the organization or manager is expected to define appropriate incentives and build mechanisms that will inspire employees to share knowledge and thereby contribute to organizational performance (Lin, 2007).

Motivational factors act through the prism of organizational culture, through adopted attitudes and prejudices, values, habits, business policy and practice. Organizational culture is a framework for an individual's work, in which knowledge sharing activities will be carried out, more quickly or slowly, by all employees, or only work. Consequently, the organizational atmosphere that fosters cooperation and collective efforts places above individual goals, creates favorable conditions for improving the knowledge sharing (Schein, 2010; Leidner & Alavi, 2006; Slavković & Simić, 2018). Existing theories about the organization tend to put emphasis on the importance of a particular motivational mechanism in managing the behavior of company members (Milne, 2007), each offering some kind of contribution in this field, by giving an answer to the question why individuals share or do not share knowledge. In addition, several previous concepts developed (Bartol & Srivastava, 2002) and qualitative approaches

(McDermott & O'dell, 2001; Weir & Hutchings, 2005) in order to understand motivators that stimulate behavior, which supports the knowledge sharing. For example, a knowledge-based approach, which enjoys great popularity in recent years, focuses on the social and collective dimension of organizational learning, viewing organizations as independent entities that foster their own identity, commitment and learning (Nonaka & Takeuchi, 1995; Lam & Lambermont- Ford, 2010).

As key motivation factors that have positive effects on knowledge sharing are a desire to contribute to the success of the organization, gaining support, respecting or winning a prize, feeling of power, acquiring knowledge, reciprocity, reputation, trust that divided knowledge will have an impact on the success of the organization and general welfare, the acquisition of values based on knowledge as a resource (Davenport & Prusak, 1998; Huemer, 1998; Ipe, 2003; Barachini, 2009; Jeon et al., 2011). Moreover, existing studies point to different types of motivational factors (eg extrinsic and intrinsic motivators), as assumptions of employee behavior in the field of knowledge sharing (Osterloh & Frey, 2000; Lin, 2007). For example, according to the theory of rational action, both extrinsic and intrinsic motivation influence the behavior of employees in the field of knowledge sharing. In addition, a model has been created, showing the relationship between different types of motivation and attitudes and intentions for knowledge sharing (Lin, 2007). In accordance with the above research, it is important to highlight the results of Osterloh and Frey (2000), who found that intrinsic motivation is extremely important when implicit knowledge is shared, which is generally much more difficult to share than explicit knowledge.

Further research in the field of motivation factors provided evidence that exclusively stimulating extrinsic motivation leads to inconsistent results (Gneezy, 2003), which have a current and short-term effect of sharing in knowledge (Bock et al., 2005). Performance achieved by expectations of rewards is often caused only by the current improvements and employee satisfaction, which makes them more willing to leave the organization motivated by cash prizes in other organizations (Lin 2007; Seba, 2012). Impact on knowledge sharing through promises, expectations of rewards or penalties in the form of denial of benefits, ensure the minimum effort and commitment of employees, that is, exactly how much is needed to achieve the goal (Gagné 2009). Therefore, in comparison with external motivational factors, intrinsic motivation provides a positive effect of a stronger and more stable impact (Foss, 2009; Hau et al., 2013).

As a kind of conclusion of a given theoretical representation, it is suggested that intrinsic motivation can be an important determinant of the behavior of knowledge workers (Lin, 2007). The research recognizes the role of intrinsic motivation in explaining human behavior in several domains, including the sharing of knowledge (Osterloh & Frey, 2000). From the perspective of intrinsic motivation, behavior is caused by the need for competence improvement (Deci, 1972), as well as self-efficiency, which is defined as the individual's assessment of the ability to organize and implement appropriate action directions, in order to achieve the appropriate level of performance (Bandura 1986). Employees who believe that they can contribute to organizational performance by sharing their knowledge will develop positive attitudes and intentions on knowledge sharing (Lin, 2007). Also, there is evidence that employees with high self-confidence in their own abilities, provide valuable knowledge and become more willing to achieve specific tasks (Constant et al., 1994). Self-efficacy is generally manifested through people's belief that their knowledge can contribute to solving problems and improving business efficiency (Luthans, 2002).

Intrinsic motivation involves the engagement of an individual for his own desire, interest, or satisfaction that is achieved by acquiring the given experience (Deci, 1972). For example, through the sharing of knowledge, employees can be satisfied with the improvement of their self-efficiency, self-confidence in their own ability to provide knowledge useful to the organization (Constant, Kiesler, & Sproull, 1994). Moreover, employees sharing knowledge in the online community have the opportunity to help others

(Lin, 2007). There are also attitudes that indicate that employees who share knowledge are encouraged by intrinsic motivation and that they do it because of their commitment to business or ambition (de Vries et al., 2006).

Previous research of altruism provides evidence that people enjoy helping others (Baumeister, 1982). In addition, intrinsic motivation enables the emergence of such a work environment that supports both formal and informal communication, where knowledge transfer, learning, and undertaking the desired form of behavior are greatly facilitated (Slater & Narver, 1995). Consequently, this increases the commitment to work and loyalty of employees, as the need for self-actualization and improvement is created. In the same way, intrinsic motivation erases the lack of interest generated by the lack of challenges, and it should not be left out that the increase in responsibility, which is due to intrinsic motivation, increases the need for knowledge sharing and information exchange. Intrinsic motivation enables effective collaboration, due to the decision-making process and decision-making consensus - a consequence of the increased responsibility of employees, and they are more concerned with each other (Walsh, 1995).

Intrinsic motivation enables the creation and sharing of knowledge even in cases where extrinsic motivation and the rewarding system failed (Osterloh & Frey, 2000). In the context of knowledge sharing, intrinsic motivation can be explained through a defined goal set by employees, through the enjoyment of the knowledge sharing activity itself or through the responsibility of a social or personal character. Also, through the process of knowledge sharing, employees can feel the sense of altruism in cooperating, helping and sharing knowledge with others; and there may also be a sense of satisfaction when perceiving their ability and knowledge to use the organization (Kankanhalli et al., 2005). When it comes to high expertise and masters, it is considered that the sharing of knowledge can be supported only by the influence of intrinsic motivation, support and encouragement, and by no means other techniques such as pressure rewards and the like (Reinholt et al., 2011). Therefore, it is important that the management recognizes the efforts of employees, their abilities and successes, and consequently create favorable conditions for the emergence of internal motivation and thus reach the continuum: Greater intensity of intrinsic motivation, more successful knowledge management, and hence the intraorganization of knowledge sharing (McDermott & O Dell, 2001).

RESEARCH METHODOLOGY

In order to precisely determine and demonstrate the influence of intrinsic motivation on knowledge sharing, the original research of employees in domestic and multinational companies located in the Republic of Serbia was carried out. In accordance with the given theoretical examination, the subject of research in the paper is to determine the role of intrinsic motivation in the process of knowledge sharing. Accordingly, the objectives of the research are:

- Identification of the nature of the impact of intrinsic motivation on the practice of knowledge sharing in organizations in the territory of the Republic of Serbia;
- Determining the existence of a statistically significant difference in the intraorganizational sharing of knowledge between multinational companies in the Republic of Serbia and domestic enterprises;
- Determining statistically significant differences in the level of intrinsic motivation among employees in multinational companies in relation to employees in domestic enterprises.

Synthesis of previous considerations in the domain of the influence of intrinsic motivation on knowledge sharing, taking into account the business practices of multinational and domestic companies, the research objectives are (1) to reveal whatever intrinsic motivation has statistical relevant influence on knowledge sharing within organization; (2) to determine the statistical significant difference in knowledge sharing practice between multinational and domestic companies in Republic Serbia; (3) to determine the statistical significant difference in the level of intrinsic motivation among employees in multinational companies and employees engaged in domestic firms in Republic Serbia.

The original research in domestic and multinational companies located in Serbia was conducted in two phases. First, primary data was collected through survey research, with a specially designed questionnaire transmitted in print or electronic form to potential respondents. The second phase is the collection of valid questionnaires. Of the total of 255 questionnaires passed, all the questionnaires containing the answers to all the above mentioned questions and statements were valid, and a sample of 97 examinees was made, and the response rate was approximately 38%.

Starting from the subjects and goals of the research work, one of the important components in the analysis of the structure of the sample is the structure of the equity capital in the enterprise, whereby all companies in the sample can be classified into those that are financed by domestic private, foreign private and state capital. The analyzed sample is dominated by companies financed by foreign capital, followed by domestic companies and, finally, those in which the majority is the owner of the state. Other characteristics of the organization and respondents, used to represent the sample structure, are given in the following table.

In order to analyze the existing practice of sharing knowledge within the organization, statements were made such as: “Employees exchange information with professionals and experts from their fields”, “Organization enables employees to get to know other employees in the organization”, “Employees in the organization actively improve their professional competences” and the like. The five-point Likert scale was used to measure the degree of agreement within the respondents with the listed items. The Cronbach alpha coefficient is 0.837.

As an independent variable in the research, intrinsic motivation was used, which required the respondents to express their degree of agreement with the above assertions, such as: “I have a sense of personal satisfaction when I do my job well”, “I feel weaker about myself when I do my job poorly”, “I’m proud when doing the job the best I can”and the like. The five-point Likert scale was used to measure the attitudes of the respondents, and the Cronbach alpha coefficient was 0.886.

FINDINGS

In order to determine the influence of intrinsic motivation on the knowledge sharing practice in the organization, a simple regression analysis was conducted. The results of regression analysis show that there is a moderate statistically significant influence of intrinsic motivation on knowledge sharing among employees. Thus, the degree of intrinsic motivation of employees determines the effectiveness of knowledge sharing within the organization, ie the greater degree of intrinsic motivation, the greater the effectiveness of the knowledge exchange among them.

In order to determine whether there is a statistically significant difference in the practice of sharing knowledge in domestic and multinational companies, a parametric t test was conducted. The results are shown in Table 3, which leads to the conclusion that there is a difference in the knowledge sharing

Table 1. Sample structure

	Frequency	Proportion (%)
Characteristics of organizations in sample		
Number of employees		
2-9 employees	6	6%
10-49 employees	7	7%
50-249 employees	42	43%
Over 250 employees	42	43%
SUM	97	100
Structure of majority ownership		
Domestic private capital	44	45%
Foreign private capital	49	51%
State	4	4%
SUM	97	100
Characterics of respondents		
Gender		
Male	56	58%
Female	41	42%
SUM	97	100
Age distribution (years)		
< 30	25	26%
31-40	58	60%
41-50	12	12%
51-60	2	2%
> 61	0	0%
SUM	97	100
Level of education		
Secondary education	42	43%
Higher school education	22	23%
Higher education (university degree)	33	34%
SUM	97	100

Source: Authors' survey data

practice in domestic and multinational companies, with the mean difference indicating that practice in multinational companies is superior in terms of effectiveness.

The second parametric t test was conducted in order to determine the statistically significant difference between domestic and multinational companies in terms of intrinsic motivation. The results are shown in Table 4. Based on the obtained results, the conclusion is drawn that a statistically significant difference exists only in the case of one statement, which refers to: “The work I do completely allows the use of all my abilities”, and can not be fully consider that in terms of intrinsic motivation, there is a statistically significant difference between employees in domestic and multinational companies.

Table 2. Knowledge sharing: descriptive analysis

	Mean	Standard deviation
KS1	3,7423	0,86937
KS2	3,9897	0,87196
KS3	3,8351	0,98616
KS4	3,8969	0,97344
KS5	4,1031	0,87183
KS6	3,7010	1,09130

Source: Authors' survey data

Table 3. Intrinsic motivation: descriptive analysis

	Mean	Standard deviation
IM1	4,8144	0,44088
IM2	4,1856	1,06390
IM3	4,8351	0,40001
IM4	4,1753	1,04094
IM5	4,6804	0,65426
IM6	4,6082	0,63830
IM7	4,2577	1,03359
IM8	3,8247	1,31506
IM9	3,8351	1,17863
IM10	3,7320	1,16829
IM11	3,6804	1,14151

Source: Authors' survey data

Table 4. Regression analysis

Dependent variable	R^2	F	β	T
Knowledge sharing	0,256	32,410***	0,490	5,488***

Independent variable: Intrinsic motivation
*** p < 0,01
Source: Authors' survey data

DISCUSSION, THEORETICAL AND PRACTICAL IMPLICATIONS

The obtained results of the regression analysis confirmed the attitudes of previously conducted research on the positive impact of intrinsic motivation on the knowledge sharing among employees. In this way, it is practically confirmed that intrinsic motivators contribute to knowledge management programs in the organization. The presented results are in relation to ongoing trends in contemporary business environment. The Industry 4.0focusing on innovation and techonological advancesadditionallyemphasizes the relevance of knowledge sharing and organizational context, in order to difuse different and complex

Table 5. Results of parametric T test: difference in intraorganisational knowledge sharing between domestic and multinational companies

Items	Mean difference	T	sig.
KS1	-0,41837	-2,353	0,021**
KS2	-0,47449	-2,708	0,008***
KS3	-0,55427	-2,881	0,005***
KS4	-0,61085	-3,285	0,001***
KS5	-0,61271	-3,664	0,000***
KS6	-1,10853	-5,614	0,000***

*** p < 0,01; ** p < 0,05; * p < 0,1.

Table 6. Results of parametric T test: difference in level of intrinsic motivation among employees in domestic and multinational companies

Items	Mean Difference	T	sig.
IM1	-0,04128	-0,449	0,655
IM2	-0,32189	-1,444	0,153
IM3	0,00417	0,050	0,960
IM4	-0,23562	-1,102	0,273
IM5	-0,22774	1,633	0,107
IM6	-0,21660	-1,602	0,113
IM7	-0,18321	-0,864	0,390
IM8	-0,55195	-2,058	0,043*
IM9	-0,37709	-1,562	0,122
IM10	-0,19805	-0,816	0,417
IM11	-0,31401	-1,330	0,187

*** p < 0,01; ** p < 0,05; * p < 0,1.

knowledge among employees across organisation. The results obtained by comparing the practice of knowledge sharing in domestic companies and multinational companies have shown a statistically significant difference in all observed statements, with the simultaneous superiority of multinational companies. These results are significantly expected because multinational companies are labeled as carriers and diffusers of innovations and new technologies. Their desirability as foreign investors in a country is derived from the expectation that it will bring new knowledge and technologies through investment, and that they will eventually encourage domestic companies to enhence and improve their competitive ability through investments in innovation and the application of new management methods and techniques.

A particularly important part of this research is the comparison of intrinsic motivation among domestic and multinational companies. Of the eleven observed statements, only a single statistically significant difference was identified, which in practical terms points to the fact that the level of intrinsic motivation is the same in domestic and multinational companies. Recognizing the previous results, it can be concluded that intrinsic motivation influences the knowledge sharing process, but at the same time some other factors of the internal environment of the organization also have a significant impact on the knowledge sharing process or that these factors indirectly influence the knowledge sharing process and that the intrinsic motivation has a mediating influence.

In the literature, there is a greater number of researches that confirms the influence and importance of other factors, in addition to intrinsic motivation, on the organizational knowledge sharing. One of these factors is the culture and environment that can shape people's behavior in the domain of adoption and knowledge sharing, while at the same time they can influence the employee motivation to transfer knowledge within the organization (Egan et al., 2004, p. 280). Organizational culture that encourages teamwork, support for employees, and autonomy encourages the organizational knowledge sharing (Park et al., 2004). The decision-making style based on employee participation positively influences the knowledge sharing in the organization (Lin, 2007). Gagne (2009) lists five predictors in the field of human resources management practices that can influence the knowledge sharing: 1) person - environment fit, which can be influenced by the process of employee selection; 2) semi-autonomous working groups, whose formation and action can be influenced by job design; 3) assessment of knowledge sharing, as an integral part of the performance assessment of employees; 4) managerial style, which includes elements such as understanding, encouraging self-initiative, minimizing pressure and control, and providing relevant information; 5) creating attitudes about the desirability of sharing knowledge, in which the key role is the training of employees.

These factors are from the domain of the organization's internal environment and can be put into the function of knowledge sharing through managerial action. The features of national culture belong to the external environment and the elements of a particular national culture are included in the organization by its employees. Huang and de Vliert (2003) found that the value of intrinsic and extrinsic characteristics of a job depends on nationality. The same authors noted that in poor countries, in countries with less pronounced individualism and countries with greater distance in power, intrinsic elements of work have less relevance than extrinsic elements of work. In the context of the results obtained by the research in this paper, the previous observations may indicate the connection of the elements of nationality and national culture to knowledge sharing processes because multinational companies come from Western countries that have achieved a satisfying general level of quality of life which relativizes the importance of extrinsic motivation. This is also reflected in the research that showed that British workers were much more motivated by intricative business factors, and Nigerian workers with extrinsic factors of work (Adigun & Stephenson, 1992). This can further indicate the significant impact of extrinsic motivators on sharing knowledge in countries with lower living standards.

FURTHER RESEARCH DIRECTION

The results of the research presented in the paper point to the positive impact of intrinsic motivation on knowledge sharing. The lack of a difference in the level of intrinsic motivation among employees in domestic and multinational companies suggests a direct or indirect impact of culture on knowledge sharing, with intrinsic motivation exercising a mediator's influence. It should be noted that there is a positive correlation between the successful implementation of knowledge management in the organization and the attributes of culture (trust, free sharing of information, and intimate work with other employees or development of friendship at work). Also, there is a positive correlation between high yields on investment in technology for sharing key talents and knowledge and the above attributes of culture

(Park et al., 2004). Taking into account the above results, as well as the results of previous studies, future research will focus on including personal values and organizational culture as determinants that shape and impact behavior and motivation of employees for knowledge sharing. An analysis of their direct impact on knowledge sharing through a multiregression model will give insights into the effects of these organizational factors.

CONCLUSION

Employee motivation affects their behavior and thus, it is marked as the primary factor of knowledge sharing among employees (Osterloh & Frey, 2000). Earlier studies have shown that both the motivation mechanisms, intrinsic and extrinsic motivation, have a positive impact on knowledge sharing, and that intrinsic motivation is especially important in a situation where implicit knowledge is shared and when the mechanisms of extrinsic motivation and reward system do not provide satisfactory results. Other factors such as human resource management practices or organizational cultures have a significant impact on the sharing of knowledge in the organization. Organizational culture represents an inseparable link between organization and employees and enables the integration and identification of organizational members. Each organization has a unique combination of working conditions, values, beliefs and interpersonal relationships that form an organizational culture. The behavior of employees at work depends to a large extent on organizational culture, where strong organizational culture ensures a high level of effectiveness and productivity. The features of national culture and nationality is able to have an impact on the motivation mechanism, and therefore to sharing of knowledge.

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Chapter 15
The Conceptual Model of Managing Older Employees to Achieve Their Work Engagement

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ABSTRACT

The purpose of the chapter is to present, on the basis of theoretical starting points, the importance of management of older people for the entire society as well as the problem of older employees and their management as an important branch of human resource management, which presents a major challenge for companies. The main aim of the chapter is to design the conceptual model of managing older employees to achieve their work engagement, which will serve as the basis for understanding the successful ageing of older employees and creating an appropriate working environment favourable for all generations. By promoting active ageing and introducing the management of older employees, companies can achieve an important increase in the work engagement of older employees, a change of generally accepted stereotypes, myths, and prejudices about older people and the reduction of discrimination of older people in the labour market. The appropriate working conditions that should be available in all companies contribute to the improvement of management of older employees and their work engagement.

INTRODUCTION

The European Union is witnessing significant demographic changes due to a reduction in birth rates and an increase in life expectancy that has led to a consequent increase in the older population (Magnavita, 2017). Given the demographic shifts in today's workplace, worker age would appear to be an important individual difference. It is important for at least three reasons. First, with the aging population, it is important to see how jobs might be redesigned to enable people to continue to work successfully. This

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is especially important as the cessation of work at mid-career is becoming less of an option for many workers. Second, it is important to determine which specific job characteristics are most helpful for different age groups. Third, given the cost of job redesign efforts, it is important to begin to see for which employee populations such efforts may be the most valuable (Zaniboni et al., 2014).

Diversity and inclusion in the workplace are increasingly accepted as fundamental business tools in today's organizations. This is because businesses are gradually beginning to recognize that their potential to achieve better results is increased when people from diverse backgrounds and perspectives are included at different levels of the organization, including in the decision-making process. However, many organizations still struggle with how to effectively implement a robust diversity and inclusion agenda and embed it into their business plan (Sanyal, 2015). In companies should provide that aging at work involves the processes, mechanisms, and conditions that enable employees to achieve favorable subjective and objective work outcomes across the working life span, and particularly at higher ages (Potocan et al., 2018; Nedelko and Potocan, 2019). Extant research on successful aging at work has focused primarily on personal resources (e.g., abilities, motives, etc.) and largely neglected contextual factors that may enhance favorable work outcomes among older employees (Zacher and Yang, 2016).

With regard to job attitudes, job satisfaction and work engagement are two important positive dimensions of work-related well-being (Rothmann, 2008). Indeed, it is becoming critical to understand how to design jobs to keep workers of different ages satisfied and engaged in their work (Truxillo et al., 2012b). Zaniboni et al. (2014) found out that relationship between certain job characteristics and job attitudes may differ across the life span. The creation of a unified approach to diversity and inclusion, which is embedded in the business ethics of the organization, can have a sustainable positive impact on the health and well-being of individuals, business and society (Sanyal, 2015).

Zaniboni et al. (2014) summarized that different job characteristics will differentially affect job outcomes of older and younger employees. According to Kooij (2015) successful aging is closely related to sustainability at work; individual employees age successfully when they are able to preserve and regenerate resources to achieve their personal goals and maintain health, motivation, and work ability, now and in the future. To effectively manage their resources, aging workers should strive for current and future person–job fit (e.g., optimally utilizing current strengths and abilities, without overtaxing and thus exhausting abilities, and also developing skills and abilities needed for future work requirements). Hence, an important question is how to increase current and future person–job fit, and thus achieve sustainable and successful aging at work.

The ageing of the population represents one of the biggest challenges for managing older employees in a company. The first step towards the adequate management of older employees is to create an appropriate working environment that enables the successful result of ageing for employees and thus the achievement of goals, performance and competitiveness of the company. This study provides an important start for further investigations about the role of age in job design. The main objective of this paper is to present the conceptual model of managing older employees to achieve their work engagement. Due to demographic changes, we wanted to create a model which could help to better management of older employees and increase their work engagement. In the paper we used the compilation and descripton method. Model was created based on studies for which we used the compilation method. With the description method we described a single approach in the model of management of older employees to achieve their work engagement.

At the beginning of literature review authors present demographic changes and description of age. The paper continue with description about negative stereotypes about older employees and poor management of older employees in companies. At the end of this chapter authors present the literature review about work engagement of older employees. From this theoretical review and their own knowledge about the thopic, authors compiled the findings and based on this built a model of managing older employees to increase their work engagement as a key for competitive advantage of the company. The model is focused on external factors (demographic changes, active agin gof the population, discrimination aginst the elderly, stereotypes about the elderly), internal factors (human resource management, strategic human resource management), managing older employees, approaches to managing older employees and work engagement of older employees. Older people may experience negative attitudes and discrimination based on their age. Creating friendly and healthy environments acknowledges diversity, fights ageism and ensure that everyone has the opportunity to fully participate. Thus, good managing older employees and appropriate working environment for older employees contributes to their engagement at work.

LITERATURE REVIEW

Demographic Change

The world's population is ageing rapidly (World health organization, 2017). Ageing has become a necessary focus of interest in today's society (Aaltio et al., 2014). Worldwide, the proportion of people age 60 and over is growing faster than any other age group. Between 1970 and 2025, a growth in older persons of some 694 million or 223 percent is expected. In 2025, there will be a total of about 1.2 billion people over the age of 60. By 2050 there will be 2 billion with 80 percent of them living in developing countries (World Health Organization, 2002, 2017).

The global workforce is rapidly aging, with large numbers of older workers delaying retirement and remaining at work, leading to a mixing of multiple generations of employees, each with its own set of defining experiences, values and expectations (Roussin, 2015). Given the increase in the percentage of employees over 50 years old in many industrialised countries, and shrinking numbers of younger workers, companies need to rely on retaining older workers (Dabic et al., 2017; Rosi et al., 2018). However, due to raised retirement ages, older workers will have a longer work life than recent cohorts (Stamov-Roßnagel and Biemann, 2012).

Ageing demographics are impacting employers around the world and, for many organisations, there are strong business reasons to develop strategies for managing the age profiles of their workplaces. Societal ageing is not necessarily bad news for business: older workers can be a valuable resource for employers in terms of skills, in-house knowledge and flexibility. Further, as population age, businesses are delivering goods and services to an ageing market, and older workers can be a valuable resource. While ageing demographics can provide opportunities for the business community, there are significant challenges facing employers (Beazley et al., 2017).

Conceptualizing Age

Usually, age is understood in terms of chronological age, referring to one's calendar age. However, the concept of age is multidimensional (Aaltio et al., 2014). Kooij et al. (2008) summarize five different approaches to conceptualize aging of workers:

1. Chronological age refers to one's calendar age. In this approach the distinction between older and younger workers is based on calendar age. As mentioned, the term "older worker" may refer to workers from the age of 40 to those aged over 75.
2. Functional or performance-based age is based on a worker's performance, and recognizes that there is a great variation in individual abilities and functioning through different ages. As chronological age increases, individuals go through various biological and psychological changes. These changes may be reflected in the health, psychical capacity, cognitive abilities and performance of individuals.
3. Psychosocial or subjective age is based on the self and the social perception of age. Subjective age (or self perception) refers to how old an individual feel, looks and acts, with which age cohort the individual identifies, and how old the person desires to be. The social perception of age involves age norms applied to an individual with respect to an occupation, company, or society. Psychosocial definitions have focused on three issues: the age at which society perceives an individual to be older, the social attitudes that are held toward older workers (or the perceived attributes and stereotypes of older workers) and the implications for personnel decisions of labeling a worker as older.
4. Organizational age refers to the aging of individuals in jobs and organizations. The aging of individuals in jobs and organizations is more commonly discussed in the literature about seniority and job or organizational tenure. The effects of aging may often be confounded by the effects of tenure and vice versa. Nonetheless, organizational age may also refer to career stage, skill obsolescence and age norms within the company.
5. The life span concept of age borrows from a number of the above approaches, but advances the possibility for behavioral change at any point in the life cycle. This behavioral change may be affected by three sets of factors: normative, age-graded biological, and/or environmental determinants, which are strongly related to age; normative, history-graded influences, which are related to the age-cohort, and c) non-normative unique career and life changes. To capture the unique impact of the life span approach, life span age can best be measured by life stage or family status.

Many studies refer the term »older employees« to employees from the age of 40 years to those aged over 75 years old (Desmette and Gaillard, 2008). Kooij et al. (2008) also summarize that in studies concerning labor market participation, the term »older worker« usually refers to workers aged 50 or 55 and above. This threshold is chosen because in many countries this age range features a decline in the participation rate in the labor market. Brooke (2003) and Tew (2004) summarize that researchers examining older people in organizations, often put the threshold at 40 or 45, seeing »old« as referring to obsolete knowledge, skills, and attitudes. Zacher and Rudolph (2015) state that as age is a continuous variable, no cut-off exists when a worker becomes an »older worker«, but, for practical reasons, organizations and governments often use cut-offs such as 40, 45, or 50 years.

Ageism and Negative Stereotypes About Older Employees

A workplace age stereotype represents beliefs and expectations about workers based on their age. Prejudice is more affective and attitudinal, involving feelings rather than cognitions. Discrimination represents the behaviors adopted as a consequence of stereotypes and prejudices (Rego et al., 2018). Authors Lazazzara and Bombelli (2011) summarize that the positive contribution of older people at work is often overshadowed by negative stereotypes associated with growing older. These stereotypes influence the strategic choices and generational replacement policies adopted by companies and consequently the proportion of older workers in the labour market. According to Rego et al. (2018) ageism is stereotyping of and discrimination against individuals or groups on the basis of their age. One of the most common stereotypes about older employees relates to poor performance. Several negative stereotypes about older workers are common (see e.g., Finkelstein et al., 2013; Ng and Feldman, 2012, Rego et al., 2018) and influence the outcomes of HRM-related decisions in a variety of settings. Amongst the most prevalent are that: older emplyees are less motivated and have lower performance, are more resistant and less willing to change, have lower ability to learn, and »deserve« less training investment because of their prospective shorter time remaining in their position. Almost all these negative stereotypes are inaccurate. Authors Appelbaum et al. (2016) summarize that the most common stereotypes regarding age are: slower learning, decreased physical and mental ability, less flexibility, less adaptability, less motivation, less innovativeness, and less productivity in relation to wage demands compared to younger workers. These stereotypes all suggest that people perceive old-age workers as less productive compared to their younger counterparts. Fineman (2011, p. 64) argued that there is no consistent effect of age on work performance. Also, Ng and Feldman (2008) argue that older employees typically perform as well as younger employees and outstrip them in many areas. According to Rego et al. (2018) ageism at the workplaces leads to conflicts, misunderstandings, and failures in cooperation and communication between older and younger organizational members. Mainly when it is espoused by managers, ageism also leads organizations to not invest in older employees' training (or to not provide training that fits the older employees' needs and motivations), and to discriminate against older workers in selection processes. Authors also summarize that ageism against older workers also prolongs negative consequences at the social and economic levels, and makes the adoption of good practices of active ageing more difficult. In fact, ageism toward older workers gives rise to early exits and poor re-entry rates, thereby creating imbalances and pressures on social security systems, producing damaging effects on the economy overall.

Poor Management of Older Employees in Companies

Older employees present an increasingly important source of labour for organisations. So, they should be managed properly according to their specialty – age. Many foreign authors (Naegele and Walker, 2006; Robson et al., 2006; Frerichs et al., 2012) define the management of the older employees as a concept of measures and strategies for managing and controlling of aging, planning and implementation of an active aging strategy at the organization level, with an emphasis on retention of older people in the work process and prolonging their active life, also covers part of the human resources management and the introduction of new measures that change under the influence of the aging process or other factors related to the age. As such, management of older employees is a part of human resource management and because of its' strategic value for organisations is included also in strategic human resource management.

Irrespective of age, an employee needs the appropriate skills and knowledge to be productive and to help the organisation achieve its strategic objectives. However, in many organisations, older employees are less likely to be offered training opportunities than their younger compatriots. A person is able to learn at any age and the older worker is capable of adjusting to changes in work (Nedelko et al., 2017). Many people assume that older workers are homogeneous but this is not the case. There are significant differences between older employees and these differences need to be acknowledged and understood (Davis et al., 2017).

Generational differences present a critical new aspect to workplace diversity. The growing number of older employees and negative attitudes regarding them by the younger employees create the need to better understand intergenerational communication, that is, communication between younger and older people in the workplace (Wok and Hashim, 2013).

Desmette and Gaillard (2008) argue that employers have often viewed older employees as liabilities, rather than as valuable resources. Wok and Hashim (2013) summarize that the employer's attitudes have consistently indicated the older employees might cost more or might potentially deliver fewer benefits than younger ones, and thus, they would make less valued employees. Chiesa et al. (2016) summarize some negative perceptions held by managers about older employees: inflexibility, unwillingness or inability to adapt to new technology, lack of aggression, resistance to change, complacency, and the presence of physical limitations that increase the cost of health insurance. According to Weeks et al. (2017) other negative stereotypes include the belief that older employees produce lower-quality work than younger employees, that they are less productive, and that they are resistant to change. A belief among employers and managers is that older employees are not current on required skill sets and that their skills are dated.

As the number of older employees is growing, it is necessary to emphasize the barriers to adequate integration of older employees. Ageism, as mention in the previous chapter of this paper, is one of the most common stereotypes. The consequences of ageism affect and compromise organizational growth and performance. Additionally, this issue makes it more difficult for older employees to perform at their best. Individual work performance does not depend entirely on age, but rather is mediated by different factors that vary throughout life. Nevertheless, some argue that productivity decreases as the workforce ages, though this often occurs due to self-fulfilling biases. Age discrimination in employment undermines the basic human right to work and can have a devastating effect on individuals; impacting on physical and mental health and undermining a person's self-confidence and self-esteem (see, e.g. Appelbaum et al., 2016; Skirbekk, 2004; Engelhardt et al., 2010).

Work Engagement of Older Employees

Banihani et al. (2013) claim that work engagement has positive consequences for employees and organisations. The benefits of being engaged range from positive emotional outcomes to improving organisational performance. According to Pitt-Catsouphes and Matz-Costa (2009) disengaged employees negatively affect their co-workers' engagement. Banihani et al. (2013) summarize that at the individual level, engaged employees perform better than non-engaged employees. There are four reasons that make engaged employees (older and younger) perform better than non-engaged employees: (1) engaged employees experience positive emotions such as happiness, enthusiasm, and joys; (2) they have better health; (3) they are able to create their own job and personal resources and (4) they often transfer their engagement to others. Moreover, work engagement influences the well-being and performance of employees. Also, lack of employee engagement may ruin a company's productivity. Sadly, many leaders still can't keep their employees engaged (see, e.g. Lu et al., 2016; Bakker and Demerouti, 2009).

From the theoretical review in previous chapters, we have compiled the findings and based on this we have built a model of managing older employees to increase their work engagement as a key for competitive advantage of the company, which is presented in the next chapter.

The Conceptual Model of Managing Older Employees to Achieve Their Work Engagement

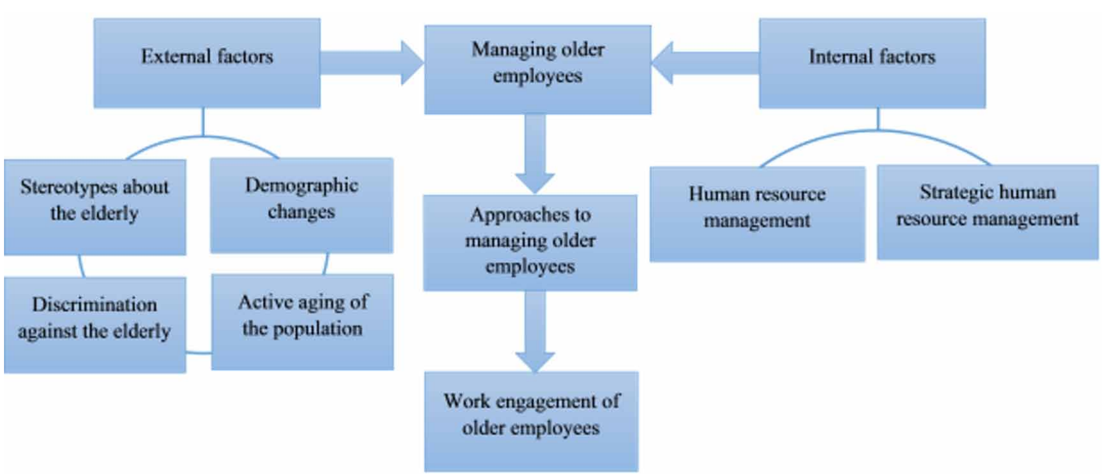
Management of older employees and the designing of an appropriate working environment for older people contributes to their engagement at work, while providing an opportunity for older employees to be active and continue to contribute to the success of the company. Achieving the work-life balance of older employees is a key factor in achieving the goals and competitiveness of the company, as older employees are thus provided with a better quality of working life, better health and well-being and a reduction in workload. In this way, employees are committed to work and satisfied, and thus motivated, productive and successful in performing and solving work tasks.

The full range of approaches to managing older employees in the conceptual model is a novelty through which the company can promote and maintain the working ability of older employees, which is reflected in their commitment to the workplace. These approaches affect the improvement of the working environment for all generations, the achievement of common results and the greater social reputation of the employer - in the sense of a "socially responsible company". Work engaged employees is an important factor in achieving the goals, performance and competitiveness of the company. In this way, employees feel connected with their work, but at the same time they feel able to successfully perform work requirements, which helps to increase productivity and well-being at work. Furthermore, the management of older employees as the modern branch of human resources management has a positive impact on improving work processes and creating an organizational climate that will be attractive to all generations. Below we present a conceptual model for managing older employees to increase their work commitment (Figure 1).

External Factors of Managing Older Employees

Among the external factors of managing older employees we included demographic changes, active aging of the population, discrimination against the elderly and stereotypes about the elderly which are described in more detail in the following.

Figure 1. Conceptual model of managing older employees to achieve their work engagement



Demographic Changes in Slovenia

The demographic structure is changing. The population of Slovenia is progressively ageing. Despite the expected increase in the population in the coming years, which should reach its peak in 2025, we can expect major changes in the age structure. Life expectancy at birth is constantly increasing; from 1995 to 2015 it grew from 74.1 to 80.5 years and it is projected to extend for a further 2.9 years by 2035. However, the current fertility rate (1.58 children per woman) is not sufficient for the complete replacement of the population in the long term, which should be about 2.1 children per woman. Thus, the median age of the population will grow from 36 years in 1995 to 48.1 years by 2035. This means that the share of children under 14 years will fall by 5 percentage points. Active population between 15 and 64 years will decrease by 10 percentage points, which will largely depend on the reduction of the population of 25–49 year-olds. On the other hand, the share of the elderly is increasing, both those belonging to the older workforce (50–64 years) as well as the even older population (Statistical Office of the Republic of Slovenia, 2016).

Reaching old age is a consequence of a higher quality of life, largely due to great advances in science and medicine. One of the tools to reduce such strong dependence of the inactive, mainly pensioners, on employed persons is postponing retirement. Active ageing and subsequent retirement also depend on good health. Data from SILC show that, based on self-assessment of health status, the share of people who assessed their health status as good or very good is growing. Between 2005 and 2014 the share of people between 55 and 64 years who assessed their health status at least as good grew from 34% to 49%. Likewise, during the same period the share of people aged 65 or more who made the same assessment increased from 18% to 27%. Involvement of the population aged 55–64 in the labour market grew from 31% to 35%, while the inclusion of 65–69-year-olds fell from 12% to 10%. Activity in old age does not mean only later retirement and thereby lower expenditure on pensions, but also the preservation of mental activity and physical health (Statistical Office of the Republic of Slovenia, 2016).

Active Aging of the Population

Population ageing is one of humanity's greatest triumphs. It is also one of our greatest challenges. As we enter the 21st century, global ageing will put increased economic and social demands on all countries. At the same time, older people are a precious, often- ignored resource that makes an important contribution to the fabric of our societies (see, e.g. World Health Organization, 2002; Magnavita, 2017).

Active ageing is the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age. Active ageing applies to both individuals and population groups. It allows people to realize their potential for physical, social, and mental well being throughout the life course and to participate in society according to their needs, desires and capacities, while providing them with adequate protection, security and care when they require assistance. Active ageing aims to extend healthy life expectancy and quality of life for all people as they age (World Health Organization, 2002).

Discrimination Against the Elderly

For a constructive coexistence between generations it is necessary to maintain a positive interpersonal relationship and solidarity between the young, the middle-aged and the elderly. The Eurobarometer conducted an opinion poll in 2012 on discrimination in the EU. Results showed that in Slovenia 42% of respondents believe that discrimination against the elderly over 55 is widespread, compared to 14% who believe in discrimination against people younger than 30 years. On a 10-level scale of "feeling if someone would occupy the highest elected political position in Slovenia" respondents expressed the opinion that it would be more normal if they were younger than 30 years (value 6.8) than if they were older than 75 (value 5). Even when it comes to equal opportunities in recruitment, the first ranked opinion with 66% was that a person older than 55 years is in disadvantage if the company is choosing among two equally qualified candidates, compared with 14% if a person is younger than 30 years. Similarly, on the impact of the crisis on the labour market persons over 55 were placed in the first place as most discriminated, whereas persons under 30 were placed last. Even on the topic of active ageing, 49% expressed the opinion that people older than 55 are generally viewed positively and only 45% felt that they can contribute to society as paid workers. For this reason, it is necessary to raise awareness of the contribution and potential of each of the following age groups in raising the quality of life and enhancing human capital. Abilities and skills of the elderly are an important part of human capital; mobilization and use of these skills could strengthen the social status of the elderly and relieve the younger generation (Statistical Office of the Republic of Slovenia, 2016).

Rabl (2010) summarize that the popular stereotype among older employers is: "Older employees are unmotivated". Such beliefs about older employees may develop into age discrimination, which brings about many negative consequences for both employees and organizations. Also, author summarize that age discrimination consists of behavior that excludes certain categories of people and disadvantages them relative to others solely due to their age. It occurs when preferential decisions are based on age, rather than on an individual's merit, credentials, qualifications, or job performance. Age discrimination thereby includes refused employment, dismissal from jobs, less payment, or denied promotions, training or other benefits because of age.

Stereotypes About the Elderly

Schulz et al. (2006, p. 43) define age stereotypes as »a simplified, undifferentiated portrayal of an age group that is often erroneous, unrepresentative of reality, and resistant to modification«. According to Dordoni and Argentero (2015) older employees are stereotypically viewed more negatively compared to younger employees, and this stereotyping is at the heart of employment discrimination against them. Schloegel et al. (2018) summarize negative age stereotypes toward older employees: they are frequently viewed as less productive, less creative, more resistant to change, less able to learn, less receptive to new technologies, and less willing to attend training sessions or take risks. Many of these stereotypes do not fit reality. For example, older employees' performance is not generally lower than that of younger employees, but rather is often even higher.

Internal Factors of Managing Older Employees

Among the internal factors of managing older employees, we included human resources management and strategic human resource management.

Human Resource Management

Armstrong and Taylor (2014) define human resource management as strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. Human resource management is concerned with all aspects of how people are employed and managed in organizations. It covers the activities of strategic human resource management, human capital management, knowledge management, corporate social responsibility, organization development, resourcing (workforce planning, recruitment and selection and talent management), learning and development, performance and reward management, employee relations, employee well-being and the provision of employee services.

Human resource management has to change as the business environment changes. It has to do this as a mixture of responding to changes in that environment and predicting such changes. The future is unpredictable and it is hard to determine what it will bring. It is important to be flexible and to acquire as much knowledge as possible to help cope with these uncertainties. Successful human resource managers and departments have a significant strategic impact on their organizations (Aghazadeh, 2003). According to Armstrong and Taylor (2014) human resource management is a comprehensive and coherent approach to the employment and development of people. Human resource management can be regarded as a philosophy about how people should be managed. Human resource management involves the application of policies and practices in the fields of organization design and development, employee resourcing, learning and development, performance and reward and the provision of services that enhance the well-being of employees. These are based on human resource strategies that are integrated with one another and aligned to the business strategy.

Strategic Human Resource Management

Strategic human resource management can be defined as the linking of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that foster innovation, flexibility and competitive advantage. In an organisation strategic human resource management means accepting and involving the human resource function as a strategic partner in the formulation and implementation of the company's strategies through human resource activities such as recruiting, selecting, training and rewarding personnel (see, e.g. Harrison and Bazzy, 2017; Akong'o Dimba, 2010; Chang and Huang, 2005; Das and Kodwani, 2018). Strategic human resource management is designed to help companies best meet the needs of their employees while promoting company goals (Harrison and Bazzy, 2017).

Strategic human resource management is an approach to the development and implementation of human resource strategies that are integrated with business strategies and support their achievement (Armstrong and Taylor, 2014). Schuler and Jackson (2007) stated that strategic human resource management is fundamentally about systematically linking people with the company. Also, authors Armstrong and Taylor (2014) assert that strategic human resource management takes the notion of human resource management as a strategic, integrated and coherent process and associates it with an approach to management that involves adopting a broad and long-term view of where the business is going and managing it in ways that ensure that this strategic thrust is maintained. It is influenced by the concepts of strategic management and strategy.

Managing Older Employees

Naegele and Walker (2006) defined managing older employees or age management as »those measures that combat age barriers and/or promote age diversity«. Authors summarize that age management encompasses: recruitment; learning, training and lifelong learning; career development; flexible working time practices; health protection and promotion, and workplace design; redeployment; employment exit and the transition to retirement; and comprehensive approaches which focus on the whole life-span of the workforce and encompass preventative and remedial measures.

The definition of age management emphasises that age related factors should be taken into consideration in daily management, including work arrangements and individual work tasks, so that everybody, regardless of age, feels empowered in reaching their own and corporate goals. The eight targets of age management are (Ilmarinen, 2012): 1. better awareness about ageing; 2. fair attitudes towards ageing; 3. age management as a core task and duty of managers and supervisors; 4. age management included in human resource policy; 5. promotion of work ability and productivity; 6. lifelong learning; 7. age-friendly work arrangements and 8. safe and dignified transition to retirement.

Approaches to Managing Older Employees

The proportion of older employees will increase during the next few decades, therefore the new approaches to managing older employees are necessary. In this regard, it is important to promote the quality of life and well-being of the population, especially older people, and to promote solidarity between the generations. A good working life is an important platform to promote active ageing. Therefore, occupational health and safety plays a crucial role in securing active ageing through a better and longer work life (Ilmarinen, 2012). Thus, Fuertes et al. (2013) summarize that organisations should consider age appropriate job design, ensure workers are kept flexible, support lifelong learning and better enable the intergenerational transfer of knowledge.

In the following subchapters we present the approaches to managing older employees which are associated with the model.

The First Approach: Changed Attitudes Towards Older Employees

Why are changes in attitudes towards age in society and worklife needed? The answer is simple, because many of companies discriminate on the basis of age. Negative attitudes towards ageing generally derive from ignorance and old myths and beliefs. The collection of information on age management contains a notable amount of "real" information on ageing. The critical false beliefs concern age and productivity, age and mental growth, and age and learning (Ilmarinen, 2006).

According to McMullin and Marshall (2001) older employees believed that their fate was linked to ageismand that their work experience was discounted by management. Managers wanted to be rid of older workers because they commanded higher wages than younger workers. The is-sue was cost reduction, and age was implicated unintendedly.Still, managers seemed to use stereotypical images to discourage older workers and they did not organize work routines tofacilitate the adaptation of them. Instead, they subcontractedthe easy jobs, relying on the experience of the older employees for difficult work while not adapting the workplace. Ilmarinen (2006) emphasizes that workplaces will ultimately affect how the age challenge is received and how successfully practices will be changed. Together the employer and the worker form a team that can change age practices and methods of operation.

Older employees are the only segment of the labor force projected to grow in coming decades. Every other demographic is shrinking or staying the same. Discrimination and stereotypes about older employees can limit their opportunities to advance, or even stay in the workplace. Older employees received significantly lower training investment than did the other aged employees (Chiesa et al., 2016). Age-related stereotypes about skills and capacities of older workers, that are highly prevalent in work organizations, are a key obstacle for their employability. Negative age stereotypes are harmful and may stimulate increased social distance and avoidance between people of different generations. Companies should eliminate stereotyped beliefs about older employees (Selm and Heijden, 2014; Chiesa et al., 2016). According to Selm and Heijden (2014) management in working organizations should need to remember that age and generation differences in media portrayals, do not correspond to real-life situations at the workplace. Therefore, in order to combat age-related stereotyping at work, and to enhance workers' employability throughout the life-span, key figures, such as HRM professionals, and line managers should increase sensitivity to the possibility of real and portrayed age and generation differences. Managers in working organizations should emphasize positive portrayals of older employees (i.e. positive stereotypes), in order to activate normal and non-ageist behaviors toward them, and, herewith, to increase their life-long employability.

Second Approach: Creating Suitable Working Conditions For Older Employees

The World Health Organization (2002) offers the following recommendations to employers, trade unions, and authorities:

1. Work ability, not age, should be the basis of evaluation when a worker is employed and kept employed.
2. Employers should ensure adequate flexibility in work and the structuring of the work environment so that work environments suit ageing workers of very different kinds. Workers should be able to participate in decisions that affect their work.
3. Work arrangements should be flexible enough to enable work division if needed, part-time work, and periods of absence for personal reasons. Workers should be encouraged to work part-time during the traditional age period when early retirement is common.
4. Training should be part of every worker's job. Workers should be trained in advance with regard to technical changes at the workplace, the training should support workers, and their work needs to be rearranged due to age factors.

Periodic health examinations should be made mandatory for all workers 45 years of age and over. The examinations would have the following objectives (World Health Organization, 2002):

- To recognize deficiencies in the functioning of the musculoskeletal, respiratory, and cardiovascular systems that can then be rehabilitated with the aid of different physical exercises,
- To recognize age-related changes in vision, hearing, and the musculoskeletal system that would make it necessary to change the work environment and provide aids for workers,

- To recognize physical and mental risk factors that increase morbidity and mortality rates so that appropriate care can be organized and the needed changes in lifestyle made.

Most papers on continuing training of older employees concentrate on their lower training incidence (Zwick, 2015; Chiesa et al., 2016; Ilmarinen, 2006; Addio et al., 2010). Obviously, it is a problem in a greying economy when older employees get less than optimal training because this might negatively affect their productivity and employability. Ilmarinen (2006) emphasizes that age discrimination is visible in the participation in training and applies to people already at the age of 40 years and older. Therefore, companies should provide training for their older employees. Learning is not dependent on age but, instead, on the organization of learning. Therefore, special attention should be paid to the selection of learning strategies and environments suitable for ageing employees. Ageing people learn in their individual way and at their own speed, both of which differ from those that are often natural for younger people. The instructors of ageing employees are required to have special competence related to ageing and learning. Training younger and ageing people together may, in some situations, be appropriate and beneficial, provided that training is not organized on the young people's terms. Good learning results among ageing employees, however, presuppose a suitable learning speed and a relaxed atmosphere. A tight schedule and stress may ruin the learning experience. Therefore, ageing employees need methods, environments, and learning schedules that work for them. Further, Zwick (2015) adds that management has to take into consideration the specific training needs and interests of older employees in order to increase training efficiency and the motivation to participate in training.

Employees also should be motivated to support long-term health education provided at the workplace and to initiate programs related to public health and living habits. Programs to stop smoking, reduce alcohol consumption, and change eating habits or the level of physical activity, for example, are known to sustain health and vitality with age (see, e.g, Ilmarinen, 2006; World health organization, 2017). The purpose of promoting health at the workplace is to promote a healthy lifestyle (improving eating habits, promoting physical activity, smoking cessation), reducing stress at work, improving interpersonal relationships, improving communication at work, strengthening and protecting mental health and improving well-being, increasing employee satisfaction, etc. (Ministry of Health, 2018)

Recommendations for better workplaces for older employees are (Ilmarinen, 2006):

- Exposures in the physical work environment (for example, vibration, noise, air impurities, heat, cold) must still be decreased, especially for ageing employees.
- Physical work demands (e.g., poor work postures, handling of heavy workloads, repetitive work and repetitive movements, static muscle work, peak loads) should be reduced for ageing employees, especially women. Ageing employees work more often in physically demanding occupations than younger ones do, for example, because they have less education. Physical workload and the resulting musculoskeletal disorders are still a significant cause of work disability among ageing employees.
- The psychological work environment of ageing employees should be developed in order to support and utilize workers' strengths. Ageing employees also need inspiring and challenging work in which new things can be learned.
- The possibilities of ageing employees to plan and regulate their own work should be improved.
- Ageing employees need good individual supervision and age management.

- Ageing employees need flexible, individual, and ergonomic workhours. Ageing employees need flexible workhours for the health, educational, or other needs associated with their life course (e.g., nursing and care work). Flexible workhours are also a good means with which to equalize the workload. Part-time work is the most common and most popular model used to regulate workload with age.
- The health promotion of ageing employees should be intensified—the employees' own responsibility for their living habits is significant. Also, the affect of illnesses on work should be reduced. The risk of occupational diseases among ageing employees should be significantly reduced and prevented.
- Functional capacity should be supported and developed multidimensionally—physical, mental, and social functional capacity creates the basic prerequisites for good, high-quality worklife and successful ageing. All properties of functional capacity can be improved, but activity seems to decrease with age. The activity theory indicates that active, versatile activities maintain functional capacity, while passivity decreases it, regardless of a person's age. Adjusting activity to one's life situation, searching and accepting choices and alternative forms of activity are ingredients of successful ageing.
- Ageing employees should be offered the possibility for life-long learning, and their professional competence should be developed through the use of appropriate learning processes. Learning is not dependent on age. People of all ages are able to learn, but ageing people learn things differently than younger people.
- The basic values of ageing employees should be taken into account better in the changes and management of worklife.
- The work ability, work well-being, and employability of ageing employees should be supported by holistic, continuous measures whose effectiveness is monitored. The development of the work environment, work community, and management must be combined with the development of personal health, functional capacity, and competence of employees. Together these measures are strong enough to affect both the improvement in worklife and the sufficiency of personal resources with age.

Third Approach: Reducing The Workload of Older Employees at The Workplace

The demographics of the global workforce are changing, specifically with a more age diverse workforce bringing new research questions. It becomes more important to find ways for people to stay satisfied and engaged in their work at different life stages (Zaniboni et al., 2014). Research has shown that job characteristics can lead both positive and negative work outcomes (e.g. Slattery et al., 2010). For example, the research showed that task variety was related to positive outcomes like job satisfaction but also to negative outcomes like job overload (Humphrey et al., 2007). Based on research authors Rumbles and Rees (2013) summarized that managers state that they are aware that employees are experiencing high stress, but managers do not do anything to alleviate employee stress.

There are certainly benefits to employees from being committed to their work and feeling positive about the organization that they work for, but the long-term benefit for employees "themselves" is closely linked to their personal psychological well-being (Robertson and Cooper, 2010). Therefore, companis should aware of the importance of reducing the workload of their employees (Rumbles and Rees, 2013). According to Robertson and Cooper (2010) the concept of full engagement rests on the principle that the beneficial impact of narrow engagement is enhanced when psychological well-being is also high – and similarly the negative effects of low engagement would be exacerbated when psychological well-being is poor. Authors, from another research also summarized that people with higher levels of psychological well-being are healthier (mentally and physically), have happier lives and live longer but importantly, research also shows that they are likely to take a more positive approach to their work and their relationships with colleagues. High levels of psychological well-being are associated with a range of positive outcomes and behaviours that would support stronger employee engagement. People with higher levels of psychological well-being are less likely to see ambiguous events as threatening.

A fundamental aspect of wellbeing is building resilience particularly in stressful times and these issues can readily be addressed by the provision of training (Rumbles and Rees, 2013). Spreitzer and Porath (2012) defined ongoing learning at work as fundamental to creating sustainable performance. In their research into what makes for a consistently high-performing workforce, they found that happy workers were more productive. They argue that organizations need to create ''thriving'' workers who are not just satisfied and productive but are also engaged in creating the future and are less susceptible to burnout. They believe that learning is a vital component to achieve this because people who are developing their abilities are likely to believe in their potential for future growth. The implications of their research for organizations is to create opportunities for employees to learn and grow by fostering practices that encourage individual and organizational learning. This is important for all age-diverse employees.

The ways by which the risk of workload can be reduced include (see, e.g. Leka et al., 2003; De Silva et al., 2017):

- Primary prevention, reducing workload through: ergonomics, work and environmental design, organizational and management development,
- Secondary prevention, reducing workload through: worker education and training, and
- Tertiary prevention, reducing the impact of workload by: developing more sensitive and responsive management systems and enhanced occupational health provision.

Fourth Approach: Suitable Organizational Climate For Older Employees

Zacher and Yang (2016) stress that research on successful aging at work has neglected contextual resources such as organizational climate, which refers to employees' shared perceptions of their work environment. Based on research authors Vong et al. (2018) summarized that stressful employees working in organizations characterized by unsupportive organizational climate had far less desire to stay with the organization than those working in organizations with supportive organizational climate.

In one study with more than 8,600 employees from 128 companies, researchers showed that age diversity in organizations positively predicted organizational age discrimination climate which, in turn, influenced employees' collective organizational commitment and overall company performance (Kunze et al., 2011). Also, Zacher (2015) summarize that the composition of a company's workforce influence on organizational climate for successful aging. A study from 2011 showed that the more age diversity there was in a company, the higher the age discrimination climate, or employees' shared perceptions of age discriminatory practices. A follow-up study from the same team of researchers showed that the negative effects of age diversity on age discrimination climate are attenuated when companies have diversity-friendly human resource policies in place and when their top managers have low levels of negative age stereotypes.

To create a supportive development climate and retain older workers, employers need to foster older workers' development orientation and ensure that their work assignments provide opportunities to learn new knowledge and skills (Armstrong-Stassen and Schlosser, 2008). Organizational culture and climate can have important influences on the extent to which employees can age successfully at work. Positive cultures and climates impact on older employees' attitudes and well-being, as well as company outcomes such as firm performance and turnover. Practitioners can create organizational cultures and climates for successful aging by training company leaders, implementing age-inclusive human resource strategies, and actively managing their increasingly age-diverse workforces (Zacher, 2015).

According to Zacher (2015) an organizational climate for successful aging has positive effects on older workers' job satisfaction, organizational commitment, work engagement and motivation to continue working after traditional retirement age. At the organizational level, research showed that age discrimination climate has negative effects on employees' collective commitment and firm performance. Moreover, a positive age-diversity climate was linked to higher company performance and lower collective turnover intentions among employees.

Work Engagement of Older Employees

Robinson et al. (2004, 9) define work engagement as "A positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization". The successful ageing of employees in a working environment is crucially connected with their work engagement (Tett and Meyer, 2006). From this perspective a beneficent working environment is extremely important for older employees, since it affects the work engagement of older employees (Rožman et al., 2017). It is important to establish such working environment in which older employees feel well when working. The work engagement of employees strengthens, when employees feel well at work. On the contrary, the work engagement of employees decreases when the level of well-being is low (Robertson and Cooper, 2010). May et al. (2004) argued that engaged employees have high levels of energy and are enthusiastic about their work. Bakker and Demerouti (2008) assert that engaged employees often experience positive emotions, including happiness, joy, and enthusiasm; experience better health; create their own job and personal resources; and transfer their engagement to others. Lu et al. (2016) summarized that work engagement represents a positive working state that improves organizational performance. It is considered a key indicator of organizational health because it significantly influences employees' performance, job satisfaction, turnover intentions, customer satisfaction, organizational success and firm profitability.

The research shows that highly engaged employees are more positive about their jobs and organizations, treat co-workers with more respect, help others improve work efficacy, continually improve work-related skills, are highly active and demonstrate in- and extra-role performance (Lu et al., 2016; Bakker and Demerouti, 2009).

DISCUSSION

Older employees are an important part of the workforce of modern societies and their numbers will increase in coming decades. They have different skills and competences compared with other generations. Without their participation in working life, a shortage of professional, structural and networking capacities will arise. Also, the transfer of their tacit (silent) knowledge to younger generations is important. The strongest combination of competences in the workplace is based on the different strengths of different generations (Ilmarinen, 2012).

Managing older employees in the company has an impact on creating an effective work environment, changing negative age stereotypes, and dispelling earlier misconceptions and mistreatment. Thus, a changed mindset about older employees in all companies is needed. By encouraging active aging and introducing management of older employees, companies can achieve a significant increase in the older workforce's commitment, a change in generally rooted stereotypes, myths and prejudices about the elderly, and the reduction of discrimination on the part of the elderly in the labor market. The social inclusion of all employees, including the elderly, is necessary for the success of the company and their participation in shaping the future of the company.

In the development of appropriate approaches to managing older employees and their workforce, the following facts should be derived, in particular from the following facts and the awareness that the aging of the employee reduces the ability to perform physically demanding work tasks, which means that the complexity of work tasks must be adapted. It should be remembered that age reduces the ability to cope with psychosocial pressures, which means that the emphasis should be placed on reducing stress and workload, providing a balance between work and private life, and organizing meetings where older people can give opinions on possible improvements in workplace. Old age also increases the ability to perform and solve complex tasks, so older people should be able to work together to solve difficult tasks or problems, as they increase their knowledge and experience with age, and at the same time allow them to participate in important decisions, which relate to the company.

Difficulties in communication and cooperation between different generations in the workplace are inevitable. Ways to overcome these barriers are reflected in the formation of generational mixed teams, the promotion of intergenerational cooperation and the resolution of work tasks, informing employees of differences in personality traits and characteristics between generations and in promoting informal socializing.

To improve the management of older employees and their working commitment the proper working conditions that should be available in all companies are important. These include, in particular, redistribution or adjustment of jobs, adjustment of schedules, different forms of workplace flexibility, the provision of work from home, the burden on older employees with easier work assignments. It is useful if older employees circulate around the company instead of working for many years in the same office and becoming melted. It is also important that companies invest in ergonomic jobs, as older people often face visual impairments or pain in the spine.

In order to manage older employees and their commitment in the workplace, more attention should be given to improving the work-life balance of older employees in the company, as this leads not only to higher productivity but also to greater satisfaction, motivation at work, well-being of employees, belonging to the company and above all to the commitment of employees at the workplace. The company best maintains the work-life balance by setting up various programs and measures, as well as flexible working practices. Thus, it is necessary to determine the complexity of the work, workload, good communication within the company, promote intergenerational synergy in the company and care for good relations among employees, because only in this way can they achieve together successfully solving tasks and achieving results.

According to Naegele and Walker (2006) recruiting older applicants brings a number of benefits for a company: 1. older applicants are often more skilled than younger applicants; moreover, their skills frequently better match the organisation's needs; 2. hiring older employees can raise the general skills level of the work force. The workforce, and the organisation, also benefits from the older recruits passing on their experience to younger colleagues; 3. the synergy gained by linking the new and existing skills of the workforce can raise the organisation's productivity and capacity for innovation; 4. recruiting older employees leads to greater age diversity both in individual teams and in the company as a whole; 5. in certain age-sensitive trades and companies, older employees can – by virtue of their age – respond more readily to changing customer wishes and needs; such responsiveness can also result in improved turnover; 6. recruiting older applicants can improve the corporate image of the organisation – both internally and externally – and so improve its corporate identity; 7. recruiting older applicants can solve the problems of poor labour supply.

Older employees are an important part of the company and society. Here are a few key advantages in hiring and retaining older employees (see, e.g. Kooij, 2015, 2008; Zacher, 2015; Dordoni and Argentero, 2015):

1. *They have good leadership skills*. Older workers are good leaders because they often have stronger communication skills than their younger colleagues.
2. *They know what they want*. Older people have been working their entire lives and are often not searching for the next opportunity like younger employees.
3. *They're loyal*. Since older employees are typically more satisfied with their jobs, they also tend to stay longer.
4. *They have a good work ethic*.
5. *They have strong networks*. Older workers have been in the workforce longer and they've had more time to meet people and network along the way.

CONCLUSION

Older employees with their treasure trove of knowledge and rich experience bring great benefits to the company. It is therefore important that leading employees and managers put the management of older employees into the forefront as one of the key factors contributing to raising the company's performance and competitiveness. It should also be taken into account that in the management of older employees, human resources management is also of key importance, since the company consists of age-diverse employees with different values, experience, knowledge, personality traits and expectations (Potocan et al., 2016; Potocan et al., 2018). The task of managers is to successfully integrate all the above into the work environment, taking into account that age-diversified employees will succeed and work only in an appropriately designed work environment.

To have workers of all ages satisfied and engaged at work, we need to understand which working conditions are the best for them. Indeed, some characteristics may have more beneficial effects in younger workers but less in older workers (e.g. task variety). For example, it may be important for supervisors to challenge younger workers with different tasks, in particular during the organizational socialization phase when they are learning their jobs. In contrast, providing more tasks may actually be detrimental to older workers. Furthermore, considering the aging working population, it is important for organizations to develop jobs that enable people to continue to work successfully. It seems that older workers may not benefit from simply doing more tasks, but rather from opportunities to use their wide range of accumulated skills (Zaniboni et al., 2013). Human resources programs that create opportunities for older workers to use their skills, avoiding (or reducing) requirements to perform more tasks, may be helpful in keeping older workers satisfied and engaged at work. For example, it may be a competitive gain for organizations to utilize the experience and competencies of older workers, and to promote the transfer of knowledge and skills to younger colleagues (e.g. mentoring and coaching programs), by having younger employees perform a wide range of tasks (Zaniboni et al., 2014).

The better health and life expectancy of older employees improve their opportunities to enhance an agefriendly society. However, a good working life is an important prerequisite for older employees to remain active and ensure that society benefits from their strengths and talents. In doing so, they participate actively in building up a sustainable and caring society, where solidarity exists between the generations and productive working life is an important platform for active ageing. Satisfactory employment can help people avoid sickness and physical or mental deterioration, secure good cognitive and physical capacity, and promote positive and active attitudes towards life. The quality of working life has a big impact on all workers, because we spend so much of our time at work. Therefore, investments in active ageing need to be secured during the working years. The investments in occupational health and safety in workplaces are also investments for the rest of our lives (Ilmarinen, 2012).

The paper is limited to the field of older employees and their work engagement which is reflected in the conceptual model of managing older employees.

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KEY TERMS AND DEFINITIONS

Active Ageing: Active ageing is the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age.

Age Management at Workplace: Age management uses a life-course approach and creates equal opportunities for all generations.

Older Employees: Older employees are an important part of the workforce of modern societies and their numbers will increase in coming decades. Older employees have different skills and competences compared with other generations.

Work Engagement: Work engagement is positive behaviour or a positive state of mind at work that leads to positive work-related outcomes.

Chapter 16
Steering Start-Ups' Organizational Behavior Through Development of Project Management Practices

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ABSTRACT

Start-ups are only in the initial life cycle phases, which exposes them to many specific challenges and increases threats of business cessation. Because of their youth, the do not yet have formal organizational structures and operating rules. This also applies to the area of project management. In this chapter, the authors deal with the success of start-ups' projects and the characteristics of their project management culture. Although the success of projects and project management culture is relatively often discussed in the literature, it is generally done in the context of large companies, not start-ups. The research has shown that projects represent a large part of the start-ups' businesses, and that there is a significant high awareness of the importance of project preparation and the definition of objectives, as well as a caution in defining the roles and organization. In these companies we can notice quite a coherence with the principles of learning organizations, especially the importance of learning from experiences and transferring knowledge among the participants in the project.

INTRODUCTION

Start-ups are companies that operate in extremely precarious conditions (Ries, 2010) and are dedicated to finding a repeatable and fast-growing business model (Blank, 2010). They represent an important part of the economy, since they make a significant contribution to the development of national economies

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in terms of economic growth, innovation (Carree and Thurik, 2010) and jobs (Kane, 2010). Research, on the other hand, shows that the durability of such enterprises is relatively small. Thus, more than 50% of start-ups cease to operate within 5 years (Statistic brain, 2017). There are several reasons for their failure. Although the most common reason for failure is the non-conformity of the products and services, developed and built by start-ups, with the needs of customers, there are many other reasons related to the implementation of processes. Among the latter, for example, we can mention a poorly developed new product, loss of competitive advantage and the use of all financial assets (CB Insights, 2014).

According to previous research between small and medium-sized enterprises (hereinafter referred to as SMEs), up to 2 years old, 58% of funds are allocated to projects in these companies (Turner, Ledwith and Kelly, 2012). Since the majority of start-ups (at least at the beginning of their life cycle) fall into the category of SMEs, we can conclude on the importance of projects and consequently on the importance of project management in the start-ups.

The size and age of start-ups determine the management characteristics of these companies, characterized by a low degree of specialization and standardization, as well as the simplicity of the processes and systems of planning and management of the company (Turner, Ledwith and Kelly, 2012). Quite the opposite it is true for large companies, which in the past have mostly developed and used the concepts of project management (Turner, Ledwith and Kelly, 2010).

The purpose of the research under this chapter is therefore to analyze the applicability of project management concepts and the role of projects in start-up companies and the possible need to adapt the standard concepts of project management to this type of companies. According to the importance of projects and the importance of successful implementation of projects in order to maintain the competitiveness and long-term sustainability of larger companies, the foreseen findings of the research have great potential for the success and prolongation of the life of start-up companies and to reduce mortality between them.

START-UP'S AND THEIR CHARACTERISTICS

Defining the Start-Up Company

There is no uniform definition of the term or the concept of start-up in the literature. At the same time, terms such as startup companies, young companies and similar (ZRC SAZU, 2012), appear to be synonymous with start-up term, which in practice can sometimes create quite some confusion.

Graham (2012) sees start-ups as companies that have great potential for growth. Blank (2010) addresses them from the point of view of the business model they are pursuing - thus defining them as organizations that are looking for a repetitive and growing business model. Ries (2010) defines them as human organizations designed to create products or services in the face of extreme uncertainty.

In the following text, we will understand a start-up company as any new and innovative company or a business with a potential for growth in global markets (Močnik and Rus, 2016).

The characteristics of start-up companies are to a large extent consistent with the characteristics of entrepreneurship. Wennekers and Thurik (1999) define entrepreneurship as the manifested ability and willingness of the individual to perceive, alone or in cooperation with the group and within or outside the existing organizations, economic opportunities (new products, production methods, organizational schemes and product-market combinations), to make a bold decision under conditions of uncertainty and other barriers and to form and use funds and institutions to create and present their new ideas to the market.

Entrepreneurship is an indispensable element of innovation-driven businesses, but there are actually relatively few of them in the economy. The OECD (1998) estimates that these companies have between 3 and 18% share of all companies on the market, which is also quite in line with the findings of Schoar (2010), which in a survey identified, on average, 3% of such companies.

Entrepreneurship is often attributed to all SMEs, which is far from true, although it is true that small businesses - as an extension of the person they are led by (Lumpkin and Dess, 1996) - often represent a good way to take advantage of entrepreneurship (Carree and Thurik, 2010). Moreover, there are considerable differences between traditional SMEs and innovation-driven companies - Table 1.

Nevertheless, start-up companies, such as innovation-driven companies, can be classified as a group of micro or small enterprises that are up to two years old and operating with on average 10 employees in production business fields or even less in service business fields (Criscuolo, Gal and Menon, 2014) - Figure 1.

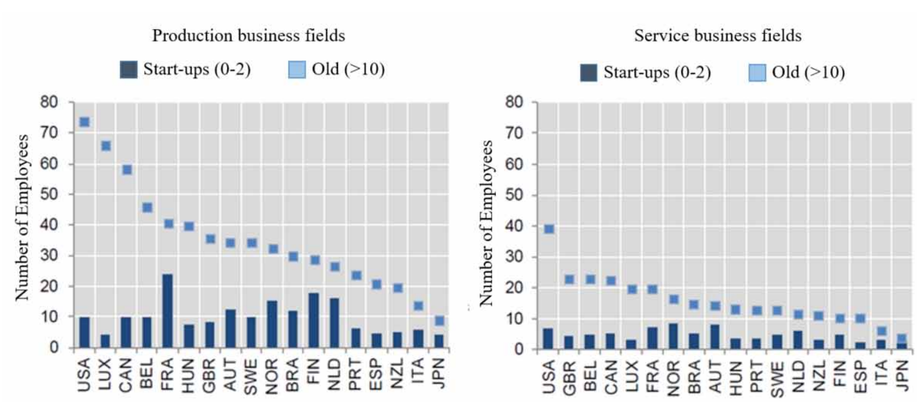
While we can distinguish several types of entrepreneurs, when dealing with start-ups, we are interested in the so-called Schumpet's entrepreneurs, who are defined as owners of innovative, self-made companies that destroy the current market structure through creative destruction (Carree and Thurik, 2010).

Table 1. Differences between traditional SMEs and innovation-driven companies

Traditional SME	Innovation-driven companies
Focus on local and regional markets	Focus on global markets
Innovation is not a necessity for the creation and growth of a company, nor is it a competitive advantage	The company is based on a certain form of innovation (technology, process, business model) and potential competitive advantages
"Unemployed jobs" - work done locally, e.g. restaurants, laundries, service industry	"Mobile Jobs" - works that do not need to be done locally
Mostly family businesses or small-sized enterprises	A diversified ownership base that includes a set of external capital providers
Businesses tend to grow linearly; when financial assets are transferred to the company or system (revenues, cash flow, jobs, etc.) it will result in a quick positive response	Enterprises start to lose money, but in case of success they grow exponentially; require investments; when money is injected, there is no quick response of revenue / cash flow / jobs

Source: (Aulet in Murray, 2013).

Figure 1. The average size of start-ups and old businesses with regard to industry and countries
Source: (Criscuolo, Gal in Menon, 2014).



Start-Up Businesses as SMEs Compared to Large Companies

Small and medium-sized enterprises are not only a reduction of large companies, but have their own characteristics and peculiarities. We designate them as a separate economic entity, which is different from the economic and management point of view. They are primarily characterized by the fact that business functions can not be specialized to the same extent as in large companies, and that in most cases owner is employed in them (Rebernik, 1997).

The differences between SMEs and large enterprises are strongly reflected in the complexity of processes and procedures, organizational structures and management style and culture (Ghobadian and Gallear, 1997) - Table 2.

For all companies as large as SMEs, there is generally a relatively high degree of survival risk. This is particularly pronounced during the first two years of the company's existence. Research shows that, after three years of establishing, the survival rate is 60%, after five years 50% and after 40 years of age (Criscuolo et al., 2014, Močnik and Rus, 2016).

CBS insight (2014) notes that there are many possible reasons why start-up companies are failing and that many times more reasons acting jointly cause the company to collapse. Figure 2 shows the 20 most common reasons why startups, according to their founders, failed.

PROJECTS AND PROJECT MANAGEMENT IN SME AND START-UP COMPANIES

Definition of Projects and Project Management

The concept of the project can not be attributed to one meaning and not even one single definition. There are a number of definitions in the literature, which can be divided according to the central idea and source. Most often, the project is defined as a time-limited and goal-oriented one-time process (Kerzner, 2007). Project Management Institute (2008) defines the project as a temporary task, carried out with the effort to create a unique product, service or result.

Figure 2: The 20 most common reasons for the collapse of start-ups
Source: (CBS Insight, 2014).

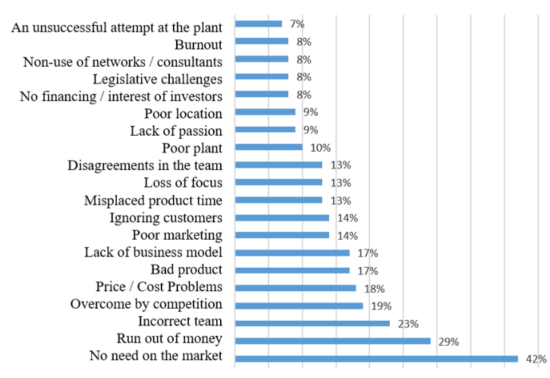


Table 2. Characteristics of SMEs versus large companies

	Large companies	SMEs
Processes	Longer decision-making chains	Shorter decision-making chain
	Complicated planning and control systems	Simple planning and control systems
	The strategic process is thoughtful and formal	The strategic process is gradual and heuristic
	Formal assessment, control and reporting	Informal assessment, control and reporting
	Orientation to control	Orientation to the result
Procedures	Activities and operations are governed by formal rules and procedures; a high level of standardization and formalization	Activities and operations are not governed by formal rules and procedures; a low level of standardization and specialization
	Prevailing by the system	Prevailing by the people
	Rigid and inflexible processes	Adjustable and flexible processes
	Frequent decision-making based on facts	Frequent decision-making level based on feeling
	Shared decision making	A smaller number of decision makers
Organizational structures	Hierarchical structure with multiple levels of management	Flat organizational structure with few levels of management
	Clear and comprehensive division of activities; high level of specialization	The division of activities is limited and unclear; low degree of specialization
	Rigid structure and information flow	Flexible structure and information flow
	Top management is very far from the execution work	Top management is close to the execution work
	Limited view of top management	Very evident top management
	Often multiple locations	One location
	Many stakeholders and interest groups	Only a few stakeholders and interest groups
	Slow response to changes in the environment	Rapid response to changes in the environment
	Low level of innovation	High level of innovation
	Cultural diversity	Uniform culture
People	Low personal authority	High personal authority
	Smothering individual creativity	Promoting individual creativity
	The dominance of professionals and technocrats	The dominance of pioneers and entrepreneurs
	Individuals do not usually see the results of their efforts	Individuals can see the results of their effort
	Great human capital, financial resources and "know-how"	Modest human capital, financial resources and "know-how"
	Staff training and development are usually planned and extensive	Staff training and development are dedicated (ad hoc) and limited
	Defined budget for education	Undefined budget for education
	High frequency of unionization	Small frequency of unionization
	Great resistance to change	Negative resistance rate to change
	Potentially many internal initiators of change	Rare internal initiators of change

Source: (Ghobadian in Gallear, 1997).

Project management is a phrase linking projects and management, with interconnectedness leading to the planned creation (Hauc, 2007). As a starting point for defining project management, we give Fayol's definition of management, which states that management is forecasting and planning, organizing, leading, coordinating and controlling (Fayol 1949). Project Management Institute (2008) defines project management as an application of knowledge, skills, tools and techniques applied to project activities in order to achieve project goals and implemented through processes groups – initiating, planning, executing, monitoring & controlling and closing.

Turner (2009) defines project management as a link between vision and reality, and as a structured process, with which we successfully reach the future. He describes the life cycle of the project, which is divided into five basic phases: concept, feasibility, design, execution and completion. In this sense, project management is defined as fragmented management, which in each of the project life cycle phase implements the process of planning, organizing, leading and controlling. Turner mentions seven functions of project management, namely:

- The project requires work and supervision of work frameworks;
- combine resources into a temporary organization that needs to be managed;
- In order to achieve the required quality, it must be monitored;
- In order to achieve an appropriate value, costs must be monitored;
- In order to achieve efficiency and value, time must be monitored;
- As a result of novelty and uniqueness, there are risks to the project that need to be monitored;
- The interests of different stakeholders should be guided and coordinated.

By combining explanations, functions, and other characteristics, we define project management as the application of special knowledge, skills, tools and techniques within the temporary project organization and life cycle of the project, for efficient performance of managerial functions – planning, organizing, leading and controlling, all together with the purpose to successfully achieve desired project goals.

Characteristics of Projects in SMEs

Existing literature only partially gives us a basis for understanding the concepts of project management in start-up companies, as it covers SMEs and new companies, but does not specifically address innovative companies with growth potential, as we define start-up company in our research.

Past researches provide conclusions about the dependency between funds allocated to projects and the duration of projects on one side and the size and age of companies on the other side.

In the structure of company's all assets, the share of assets dedicated to designing and implementing projects decreases with the age of the company. The share is the largest in companies which are up to two years old, and on average it rely on 58%. In companies aged between three and ten years the share is 44%, and in companies which are over 10 years old, the share is only 33% (Turner, Ledwith and Kelly, 2012).

Regardless of the size group, about half of the companies use less than 20% of the available funds for projects, and more than 80% of the assets are used by only 5 to 10% of companies. On average, the company devotes approximately 30% of its resources to projects (Turner and Ledwith, 2009), which is in line with the findings of Anbaria et al. (2008) that a third of the economy is based on projects.

Turner, Ledwith and Kelly (2012) note that there is a moderate correlation between the duration of the project and the size of the company ($r_s = 0.447$, $p < 0.01$) and a weak but important correlation between the duration of the project and the company's age ($r_s = 0.280$, $p < 0.01$). The results thus show that the length of projects grows with the size and age of the company.

Similar results are also provided by Turner, Ledwith and Kelly (2009), which shows that duration of projects in micro companies is most commonly up to three months (58%), in medium-sized enterprises the most frequently occurring projects are between three and six months (43, 1%), while in large enterprises projects lasting from six to twelve months (47.2%).

In the same survey, Turner and Ledwith (2009) analyzed the link between the number of employees working on projects and the size of the company (Table 3).

It is interesting and important to note that over 12.5% of projects in micro enterprises employ more than 10 people, which means that these companies are involved in project partnerships in the implementation of projects and that they contract contract workers for the needs of project implementation.

Application of Project Management Concepts in SMEs

Besner and Hobbs (2006) carried out the original research in the field of project management concepts in companies, thus setting up a design for the classification, use and evaluation of individual concepts. Turner, in collaboration with Ledwith and Kelly in 2009, 2010 and 2012, has explored the application of project management concepts in terms of company size.

The fundamental findings are that the differences presented between the characteristics of SMEs and large enterprises are also reflected in the use of project management concepts. SMEs need simple and widely-used systems of planning and control, as well as informal reporting, which is generally not considered in large companies.

Project management perceive as a definite and relevant process 29.2% of micro enterprises, 51.7% of small enterprises and 69.4% of medium-sized enterprises. Further analyzes have shown that there is a need for differences between the concepts of project management for small and micro enterprises, where generalists work, and medium-sized enterprises, where bureaucracy must be smaller than for large enterprises, but large enough to coordinate specialists (Turner, Ledwith and Kelly, 2010).

Turner, Ledwith and Kelly (2012) analyzed the difference in the scope of project management concepts between micro and small enterprises and medium-sized and large enterprises in the third phase of their research (Table 4). The research has shown that, apart from the scope of the project office, there are no significant differences in the use of project management concepts between micro and small enterprises on the one hand, and medium and large enterprises on the other. The results of the three most-used concepts coincide with the research of Turner, Ledwith, and Kelly (2010), with the most common definition of requirements, followed by milestones and a plan of work or milestones. The use of "team building" is widely used in micro and small enterprises, while not so much in medium and large enterprises. The use of the project office is absent, as micro and small businesses require less bureaucratic approaches, while it is needed in medium and large companies to coordinate the work of specialists.

Table 3. Number of people working on the project, depending on the size of the company

	1–10 (%)	**10–30** (%)	**30 +** (%)
Micro	87,5	8,3	4,2
Small	65,5	29,3	5,2
Medium	55,6	25,0	19,4

Source: (Turner and Ledwith, 2009).

Table 4. Project management tools that companies consider essential

	Micro (%)	Small (%)	Medium (%)	Large (%)
Defining requirements	90	81	88	86
Work or milestones plan	74	79	68	74
Risk management	74	43	52	67
Milestones	73	64	73	71
Status report - time	70	36	57	82
WBS	70	64	48	56
Management of problems	63	36	48	69
Status report - costs	59	43	50	77
Schedule of funds	52	21	40	52
Plan of the 1st level project	50	43	38	67
Team Building	44	29	46	37
Matrix for determining tasks	44	57	40	52
Status report - Funds consumption	30	29	32	52
Project book	7	19	22	24
Agile methods	0	0	11	11
Project office	0	7	14	22

Note: The results are classified according to the scope (categorized as essential).
Source: (Turner, Ledwith and Kelly, 2012).

Interesting differences were shown in the analysis of implemented internal and external projects. While there are no differences between the external projects in terms of age, size or use of resources, which may result from adapting to the needs of clients, there are visible differences in companies that carry out internal projects. Enterprises performing internal projects are older ($p = 0.041$, confidence interval = 0.05) and have more employees ($p = 0.028$, confidence interval = 0.05). At the same time, formal project management is present in companies with more employees ($p = 0.002$, confidence interval = 0.01) and larger funds ($p = 0.000$, confidence interval = 0.001) (Turner, Ledwith and Kelly, 2012).

Concepts considered by more than half of the analyzed SMEs as very, slightly used (Turner, Ledwith and Kelly, 2012):

- Collect requirements;
- Project schedule / project target schedule;
- Project risk management;
- Milestone;
- Status reports – time and costs;
- Works breakdown structure;
- Responsibility assignment matrix.

For the sake of better understanding and as the starting point for our research, we define the concepts below (according to Project Management Institute, 2008).

Collect requirements is the process of defining and documenting stakeholders in order to fulfill the objectives of the project, representing the basis for the retrograde breakdown of the project, the costs, the schedule and the quality of planning, which requires identifying the requirements of the participants and analyzing them and rearranging them in a way that implementation of the project can measure their achievement.

The most basic form of the *Project Schedule* has only scheduled start and end dates of the activity. In the case of asset planning in the initial stages, the work plan will remain to confirm the allocation of funds and endorsement of the final and starting dates. An alternative way is to use the Project target schedule, which means the defined beginnings and ends of the activity. The work plan can be presented in a master schedule or in detail. The presentation of the plan can be presented in a tabular or graphic form, where it is possible to use a diagram of milestones, a column diagram or a network diagram of the work plan.

Project Risk Management covers the processes of planning, implementing risk management, identifying risks, implementing qualitative and quantitative analyzes, planning risk responses and monitoring, and controlling risks in order to increase the likelihood of the impact of positive events and reduce the impact of negative events.

The *milestone* represents an important point or event in the project.

Status report costs and time. Status reports are the simplest form of performance reports, a method of reporting on performance, whereby the design process comprises the process of collecting and disseminating performance information, and includes status reports, progress measures and forecasts. Status reports can show progress information or control status for different areas, including cost and time reports.

Works breakdown structure is the process of decomposing project results and project work into smaller and more manageable components. Works breakdown structure represents a hierarchical decomposition of the necessary part of the project team in order to achieve the objectives of the project, each downstream level containing more precise information about the project work. Works breakdown structure is completed when control accounts and unique identifiers are added to it, the latter being intended to evaluate performance.

Responsibility assignment matrix shows the links between work packages from Works breakdown structure and members of the project team. The matrix can define tasks at the level of work packages or individual activities. It can be understood from the matrix, who is all related to an individual activity and what activities are related to a person.

The Role of the Project Manager

There is a slight specialization among employees in SMEs. they have more indebtedness in the company, which does not coincide with the typical role of the project manager. The project manager can be defined as a fully responsible person for the project with the necessary authorizations (Hauc, 2007), assigned by the organization to achieve goals, where his role varies and is separate from the functional and operational manager (Project Management Institute, 2008).

The results of research in SMEs show that only 29% of enterprises have a full-time project manager between one and two years of age, while in micro-enterprises there are 44% of such companies. This finding is also confirmed by the Mann-Whitney U test, where companies are compared between one and two years of age with companies over three years old (p = 0,030, confidence interval = 0,01) and

Table 5. Number of full-time project managers according to the size and age of enterprises

	n	The number of full-time project managers (%)	Mann-Whitney U (p-value)	Mann-Whitney U (p-value)
Age				
1–2 years	8	29	0,095 (Comparison between: new (<5 years) and old (> 5 years) companies)	0,030** (Comparison between: very new (1-2 years); and other (> 3 years) companies)
3–5 years	13	64		
5–10 years	24	64		
More than 10 years	67	71		
Size				
Micro	33	44	0,009** (Comparison between micro, small, medium and large companies)	0,001** (Comparison between micro and all other companies)
Small	17	71		
Medium	27	69		
Large	35	83		

Note: ** Confidence interval = 0,01.
Source: (Turner, Ledwith in Kelly, 2012).

a comparison of micro and small enterprises with medium and large companies (p = 0.009, confidence interval = 0.01) and comparison of micro enterprises with other companies (p = 0.001, confidence interval = 0.01) (Turner, Ledwith and Kelly, 2012) - Table 5.

The research tells us that in the case of micro enterprises, the role of the project manager is played by someone who is not specialized, but has a primary role in the company. At the same time, no known tools and project management techniques are used in these companies. The use of a specialized project manager is increasing with the growing recognition of project management as a process (Turner and Ledwith, 2009), which is further supported by the fact that employees with micro and small enterprises will have more roles (Turner, Ledwith and Kelly, 2010). In the case of companies between one and two years, we can see that at the time of maximum use of funds for projects and during the sensitive phase of development, they are guided by amateurs (Turner, Ledwith and Kelly, 2012).

The results of the research carried out by Kozlowski and Matejun (2016) show the differences between the control over the implementation of project management in enterprises. For SMEs, 57% of controls are carried out by the owner, while this share in large companies is 26.7%. Among the other options for overseeing, they exceed 10% of the employer or manager's option, which is used by 16.7% SMEs and 38% of large companies (the most common choice in large companies), and team supervision, used by 11.7% SMEs and 22.5% of large companies. The remaining options are contracted employees, external consultants and other solutions. Similar results are also found in the survey of high-tech SMEs (Murphy and Ledwith, 2007), where the owner / general manager is the one who has the greatest influence in decision making, followed by project manager, function manager, project steering group and management.

The Success of the Project

Measuring the overall performance of projects is significantly shared by researchers and project management experts. For efficiency judgments, the most commonly used measures of efficiency - budget, time and quality of realized outputs (Serrador and Turner, 2015). The success of the project can also be seen from the point of view of stakeholders. From the perspective of a project manager whose pay is fixed, the actual operating result of the project does not, as a rule, have serious direct financial consequences, which in no way applies to the investor whose return depends on the final result. It is important for the investor that the net present value of the project is as positive as possible. The budgetary factor in the case of lower / higher consumption than planned will lead to a corresponding correction of the net present value (increase / decrease in yield). It is also with a timetable when ending before or after. after the deadline increases or decreases. Reduces revenue. In the case of the assumption of both applications by one person, the objectivity of setting goals is even more difficult, which is related to the determination of the target costs, the allocation of costs and the definition of the framework of the project (Freeman and Beale, 1992).

The basic assessment of the performance of the project is made within the framework of the budget, timetable and specifications. The results of the survey are shown in Table 6. It is evident from the table that micro companies achieved better results in terms of budget and time compared to SMEs, while medium-sized enterprises achieved better results in terms of specifications, but differences are not statistically significant (Turner and Ledwith, 2009).

The success criteria used in Turner and Ledwith (2009) are proposed by Müller and Turner (2007, summarized by Turner and Ledwith, 2009) and are as follows:

- Budget;
- Schedule;
- Quality standards;
- Specifications;
- Customer satisfaction;
- Satisfaction of stakeholders;
- Satisfaction of project staff.

The only significant difference is the evaluation by project staff, which is significantly lower in micro companies.

Table 6. Performance report based on a triple frame based on company size

	Budget	Schedule	Specifications
Micro	4,21	4,17	4,21
Small	3,95	3,84	4,21
Medium	3,92	3,81	4,39

Source: (Turner in Ledwith, 2009).

RESEARCH ON THE CONNECTION OF THE PROJECT MANAGEMENT CONCEPTS WITH PROJECTS SUCCESS IN SLOVENIAN START-UP COMPANIES

Purpose and Objectives of the Research

The purpose of the research is to increase the effectiveness or reducing the mortality of start-ups. The starting point of the survey is to find Turner, Ledwith, and Kelly (2012) to allocate 58% of project funding to enterprises up to two years old. Previous project research and project management in SMEs did not pay special attention to start-ups and young innovative companies with growth potential. Nonetheless, these studies indirectly include the basic characteristics of start-up companies and represented the starting point of the research. Because of their characteristics, research in traditional SMEs has shown deviations in the field of projects and the use and appropriateness of classical methods of project management. The start-ups themselves are characterized by additional features, which could also be reflected in the characteristics of the projects and their management. Due to the volume of project business in start-up companies, it is important that project management methods are tailored to the needs of these companies.

In the survey, we pursued the following goals:

- Identifying project characteristics and provide starting points for understanding projects and project management in start-up businesses;
- Analyzing the development of project management in start-up companies;
- Identifying the link between the development of project management and the success of projects and start-ups.

Presentation of the Sample and Research Conduction

The statistical population was a start-up company. The survey covered enterprises that were registered in the Register of the Republic of Slovenia after 1 January 2014 and were simultaneously a member of business incubators and technology parks or a recipient of funding or a participant in events for start-ups to companies.

In the framework of the research, an anonymous survey was carried out, which was sent to the sample of 188 companies by e-mail. Of the 188 questionnaires sent, 39 completed questionnaires were filled in, which means 20.75% responsiveness. The questionnaire was developed in several phases: firstly, on the basis of the study of the theory and past questionnaires in the field of project management, research questions were created, after which we tested the first version of the questionnaire at the selected start-up company; Based on the findings of this testing, we made the appropriate adjustments and formed the final version of the questionnaire.

The questionnaire was composed of 4 sets of questions, namely:

- the first set for defining the characteristics of the population (activity, age and size of the company);
- the second set of questions for analyzing the characteristics of projects (the scope and type of projects, the extent of funding in dependence on company characteristics and project management);

- the third set of questions for analyzing the development of project management (the development of project management according to the characteristics of companies or the connection of development with the company's performance);
- the fourth set of questions for analyzing the success of projects and businesses..

In the sample 39 companies were included, of which 13 were "information and communication solutions", 14 companies in "professional scientific and technical activities", 6 enterprises in "manufacturing", 1 company in "architecture, engineering and construction "and 1 company in" cultural, entertainment and recreational activities ".

The youngest company in the sample was 3 months old and the oldest 41 months old; the arithmetic mean age of all companies in the sample was 21.36 months (with a standard deviation of 10.55 months).

Of the 39 companies, 29 companies have up to 3 employees, 9 companies have between 4 and 10 employees, only one company exceeds ten employees and has between 11 and 25 employees. Data on employee growth in the last 12 months show that the smallest increase in the number of employees (actual decrease) was -1, the highest being 7 (with a standard deviation of 2.01).

RESULTS OF THE STUDY

Characteristics of Projects

Start-up companies (N = 39) devote a significant amount of time to the implementation of projects, with 43.6% of enterprises devoting more than 80% of the time to projects, 60% to 80% of enterprises spend 15.4% of the time, 20.5% allocates 40 to 60% of the time, 10,3% allocates 20 to 40% of the time, and 10,3% devotes up to 20% of the time. Much of the time spent on projects can be attributed to these companies because they are enterprises at the initial stages of development, and they dedicate a relatively large part of the time (project) to the development of their basic product.

In analyzing the duration of projects, we divided the projects into two groups - a group of projects related to the development of the key product or service, and the group of remaining projects. We did this on the basis of the realization that the time of the implementation of the basic project differs considerably from the time spent on other projects. The maximum projected duration of the basic project was 36 months, while the average value of all basic projects in the sample of companies was 17.10 months (with a standard deviation of 10.5 months and a modulation value of 12 months and a median of 15 months). As regards the length of other projects in companies, they lasted up to 3 months in 8 companies, 3 to 6 months in 12 companies, 6 to 9 months in 8 companies, 9 to 12 months in 3 companies and more than 12 months in 7 companies.

In terms of the number of full-time people on projects (N = 39), they work in 29 companies on projects up to 3 people, 9 companies work on projects from 4 to 8 people and in one company 9 to 15 people. We also found that there is a correlation (p = 0.897, confidence interval = 0.01) between the number of full-time employees and the number of people working on projects.

Of the total working time of companies (N = 36), 50% spend up to 20% of the time for project business, 19% spend between 20 and 40% of the time, 19% spend 40 to 60% of the time, 3% spend more than 60%.

Table 7. Number of projects carried out by type of project

	0	1 to 2	3 to 5	5 to 8	More than 8
Projects for the development of new products or services (N = 38)	0	25	11	0	2
Market or sales projects (N = 36)	4	20	8	2	2
Investment projects (N = 34)	14	16	3	1	0
Human Resources Development Projects (N = 34)	22	9	2	1	0
Projects for purchasing equipment (N = 36)	16	15	4	1	0
Projects for acquiring external assets or financing (N = 33)	8	14	11	0	0

The number of projects carried out in the last 12 months according to the type of project is shown in Table 7. It can be seen that all companies have implemented at least one project for the development of new products or services.

For project financing, 12 companies received external financial resources in the range of up to € 10,000, 5 companies ranging from 10,000 to 25,000 €, 3 companies in the range of 25,000 to 50,000 €, 10 companies in the range 50,000 to 100,000 €, 5 companies in the range of 100,000 to 250,000 € and only one company of more than 250,000 €.

Characteristics of Project Management

In the analyzed companies (N = 39), one company had 5 full-time project managers (otherwise the arithmetic average was 1.18 employees and the standard deviation of 0.94 employees), which is also the largest measured number of employees of such experts in the sample enterprises. In this field, however, we saw a positive and statistically significant correlation between the number of project managers and the growth in the number of employees (p = 0.365, confidence interval = 0.05).

To assess the development of project management in start-up companies, companies assessed the use or Characteristics of project management on the Likert scale with values from 1 to 5, where value 1 meant “I do not hold / completely disagree”, and the value of 5 “completely holds / I fully agree”.

The first set of statements consists of a project management system, the results of which are shown in Table 8. Companies on average use the project management system sometimes to the extent that the application is less for the information systems and the formal definition of team members, which coincides with the findings that the management of companies less formal, with the use of the information system growing with the company's age (p = 0,330, confidence interval = 0.05). The competence of project managers and members is correlated with the acquired value of external financing (p = 0.421, confidence interval = 0.05), which can mean that companies with more qualified managers and members get bigger investments or more. companies with higher investments have more qualified leaders and members. Companies have fairly low the frequency of training of project managers and team members, which may be due to limited resources, lack of time and the absence of staffing.

However, there is a positive correlation between training and completion of projects at scheduled time (p = 0,590, confidence interval = 0,01) and budget frameworks (p = 0,439, confidence interval = 0,01), which can mean that companies that take care of for training, they often complete projects within the frames set.

Table 8. Estimates of the project management system estimation

Statements	Arithmetic mean	Standard deviation
The company has adequate and qualified project managers and project team members (N = 39)	3,72	1,28
In the company we have an adequate information system to support the planning and monitoring of project implementation (N = 39)	3,33	1,49
In the company we have formally defined and appointed project team members (N = 39) for project work	3,21	1,47
The company is responsible for the training of project managers and project team members in the field of project management (N = 39)	2,69	1,32
On the projects taking place in our company, we have clearly defined roles of all those involved in the projects (N = 39)	3,97	1,14
In the company of knowledge from past projects systematically and sensibly we use in the design and implementation of new projects (N = 37)	4,27	1,04

The second set of statements covers the management of projects in the company, with the statements made based on past findings on the importance of individual project management tools. The results are shown in Table 18. We can see that on average, all tools with the exception of risk management are used frequently, while risk management is used only occasionally.

There is a positive correlation between risk management and the adequacy of the specifications (p = 0.437, confidence interval = 0.01) and the net present value of the project (p = 0.373, confidence interval 0.05), which can mean that risk management companies are more likely to achieve the appropriate specifications and the positive net present value of their projects.

The third section covers the characteristics of projects in the company (Table 10).

The fourth set of statements includes the results of implementation or the adequacy of project management concepts and are shown in Table 11. We can see that start-ups carry out projects in a different way than large companies, while at the same time they are moderately agreeing that large companies have priority over start-ups. Businesses also agree on the appropriateness of concepts and examples of good practices for start-up businesses. A moderate agreement with appropriateness indicates that companies would need method adjustments.

Table 9. Project Evaluation Estimates Statistics

Statements	Arithmetic mean	Standard deviation
The company defines the requirements necessary to achieve the project objectives (N = 39)	4,00	0,97
The company sets the final and intermediate project goals (N = 39)	4,10	0,79
The company prepares a project timetable (N = 38)	4,03	0,97
The company decomposes the project to the level of tasks or tasks. of project activities (N = 39)	3,87	1,15
The company carries out project risk management activities (N = 39)	2,95	1,26
During the project implementation, the company supervises the implementation of the project (time, costs, quality) (N = 39)	4,00	0,89
At the end of the project, the company compares the results with the set goals (N = 38)	3,87	1,17

Table 10. Estimates of the characteristics of projects' projects to the company (N = 39)

Statements	Arithmetic mean	Standard deviation
Projects carried out in our company are generally complex.	3,82	1,21
Projects carried out in our company include close cooperation with customers.	4,05	0,94
Projects carried out in our company include close cooperation with suppliers.	3,51	1,12

Table 11. Statistics on the suitability of project management concepts (N = 39)

Statements	Arithmetic mean	Standard deviation
Large companies carry out projects in a different way than start-ups.	3,85	1,18
Large companies have advantages over start-ups when implementing projects.	2,87	1,28
Start-up companies have the appropriate concepts of project management / project management.	3,51	0,97
Start-up businesses have relevant research and examples of good practice in project management.	3,26	1,04

The fifth section covers statements on the impact on the success of the projects with respect to the factors shown in Table 12, and it is interesting that companies have a very small influence on external factors, while in theoretical part we find that the most common reason for collapse (42% examples) that the product or service is not required on the market.

Project Success

First, in the survey, we measured how much of the company's projects end. About half of the companies are finishing between 81 and 100% of projects, while about another 25% complete 61 to 80% of projects, which is understandable given the limited resources and time that companies have to enter the market. Furthermore, between 41% and 60% of projects is completed by 15% of enterprises, 21% to 40% is completed by 5% of enterprises and 8% of enterprises are completed by up to 20% of projects.

The last part of the survey included the criteria for the success of projects on a scale with grades from 1 to 5, where value 1 is never and value 5 always.

The results of the performance criteria are shown in Table 13. The majority of performance criteria are on average around 4, or often with a relatively low standard deviation. However, there are three estimates that are lower in terms of other criteria - these are two basic criteria for the success of a project management part (time and budget framework), and the criterion is the net present value of the project.

Table 12. Statistics on the factors that influence the success of the project (N = 39)

Statements	Arithmetic mean	Standard deviation
The success of the project in our company is mainly dependent on external factors (eg market demand, government regulations).	2,85	1,44
The success of the project in our company depends largely on internal factors (eg project management, professionalism).	3,53	0,92

Table 13. Evaluation of success criterias

Success criterias	Arithmetic mean	Standard deviation
The project is completed within the envisaged time frame (N = 39)	3,44	1,02
The project is completed within the envisaged budgetary framework (N = 39)	3,46	1,02
The results of the project correspond to the predicted specifications (N = 38)	4,00	0,74
The results of the project meet the required quality standards (N = 39)	4,28	0,56
Project results are regularly used (N = 39)	4,00	0,86
The results of the project are accepted by users (N = 39)	4,13	0,77
Users of the results of the project are satisfied with the benefits of these results (N = 39)	4,21	0,66
The project created financial benefits for the organization (N = 39)	4,13	0,70
The project increased the organization's competitiveness on the market (N = 39)	4,41	0,68
The result of the project increases the company's viability (N = 39)	4,54	0,68
The project is interesting for foreign investors (N = 39)	4,13	0,98
In general, the project is considered a successful project (N = 39)	4,08	0,77
The expected present value of future cash flows exceeds the present value of investment expenditure (N = 38)	3,63	0,91

There is also a positive statistical correlation between the time and budgetary frames ($p = 0{,}685$ with statistical significance at 0,01), which can be explained by the fact that the longer the project increases the need for funds. The net present value, which we have described as the criterion by which the performance of project owners is measured, is evaluated by companies between times and often.

CONCLUSION

As has been said, a large part of the companies cease to operate in the first few years, while a large part of the business is represented by projects, so the purpose of the research was to analyze the role of projects, the usefulness of project management, possibly needed after adjusting the standard concepts of project management and the current success in implementing projects .

The findings of the survey show that projects represent an important part of the start-up business, since they are in the initial stages of development and devote time to the development of the basic product; furthermore, we establish that the companies have a fundamental project, which is usually longer, while remaining projects in enterprises are shorter. The majority of full-time employees in enterprises also work on projects ($p = 0.897$, confidence interval = 0.01). The project business covers a share of less than 20% for each company, and from the point of view of the type of business, all companies implement at least one project for the development of new products or services.

In terms of project management, the average number of project managers for full-time work is 1.18. From the viewpoint of project management, systems are sometimes used on an average basis, which is consistent with the less formal management of these companies; the qualifications of managers and members are correlated with the amount of funding; a low frequency of training for members is apparent, but the qualifications are positively correlated with completion in time and budgetary framework.

In terms of project management, all project management tools, with the exception of risk management, are often used, which are positively correlated with the suitability of the specification and a positive net present value. From the point of view of implementation or the suitability of project management concepts is evident that companies implement projects in a different way from large companies, while assessing the moderate suitability of project management concepts and examples of good practices.

From the point of view of projects' success, about half of the projects are completed by 81 to 100%. From the point of view of the performance itself according to the selected criteria in the average, companies estimate that they are often successful in implementing projects with a low standard deviation. There are somewhat lower values in the time and budget frame, which are also positively correlated ($p = 0{,}685$ with statistical significance at 0,01) and the net present value, which is the criterion used by the owners.

In the framework of the research, we met with some remarks, and there was no existing literature covering companies in accordance with the definition of start-up companies. Due to the comparability of the environment, we limited ourselves to Slovenian start-up companies, the limited size of the sample, which is a consequence of the difficulty of defining start-up companies, the creation of an appropriate base and responsiveness of companies, which limits the generalization of the possibilities as well as limitations in terms of statistical analysis.

The research contributes to the theory of project management as well as entrepreneurship. Existing literature on project management in small and medium-sized enterprises has used the goat's starting point for the design of a study on factors that would be sensible to analyze. Existing entrepreneurial literature has, on the one hand, enabled us to understand the start-up of companies in the economy on the other hand, more importantly, to investigate the characteristics and characteristics of their management. The research contributes to theory in the view that it is the first to analyze start-up companies as innovative new companies with the potential for growth in global markets from the point of view of projects, concepts of project management and the success of their implementation. From the point of view of entrepreneurial theory, it helps to understand the business of start-up companies as well as management.

Restrictions provide limited value for the results, but they are important, as they first point to a large scale of projects in companies, which gives the projects and the performance of their leadership great importance for the success of start-ups, the other is a positive link between the training of project managers and members teams with the criteria of the given budget and time, which are under-estimated in companies, as well as with the net present value criterion and thirdly, that the existing methods are not completely suitable for use in these companies. The proposal for further research is therefore a focus on the field of projects, project management and its concepts and the success of projects. In doing so, the fundamental focus of research on how the adaptation of traditional concepts of project management affects the success of projects and hence on the success of companies. From the point of view of the factors that influence the success of the project, the very small influence of external factors is observed.

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KEY TERMS AND DEFINITIONS

Project: Time-limited and goal-oriented one-time process, carried out with the effort to create a unique product, service, or result.

Project Management: Application of knowledge, skills, tools and techniques applied to project activities in order to achieve project goals and implemented through processes groups – initiating, planning, executing, monitoring and controlling, and closing.

Start-Up Company: Any new and innovative company or a business with a potential for growth in global markets.

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