

Doctoral (PhD) Thesis

Mrs. Eszter Marczell Szilágyi

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ALEXANDRE LAMFALUSSY FACULTY OF ECONOMICS
ISTVÁN SZÉCHENYI ECONOMICS AND MANAGEMENT DOCTORAL
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**Effective application of emotional intelligence tools in
management practice to enhance organisational effectiveness**

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by Mrs Eszter Marcell Szilágyi

Consultants:

Dr. Gábor Keresztes

Dr. Ferenc Kiss

Sopron

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Effective application of emotional intelligence tools in management practice to enhance organisational effectiveness

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Írta: Marczellné Szilágyi Eszter

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Témavezető(k): Dr.Keresztes Gábor

Dr. Kiss Ferenc

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Abstract

The thesis examines the possibilities of using the emotional intelligence (EQ)-type of competencies consciously in the management methodology of today's business environment, with the aim of increasing organisational efficiency. Its main purpose is to set up a model that can show to leaders and managers how to use EQ- competencies to increase organisational effectiveness on a way which is clear and easy to apply.

The dissertation is built on several basis of primary research: the 1st is a large-scale questionnaire survey, that intends to get a deeper view about the nature of the intrinsic motivations of the respondents analysing more than a thousand answers received. After examining what kind of internal motivation reserves the respondents have, the research also tries to find certain important interrelations between internal motivational contents and other (environmental and personal) factors.

This quantitative analysis is then followed by a qualitative exploration of processing the results of a deep interview-analysis of 72 respondents, in which the main purpose was to understand those complex impacts (significant persons or life-events), which represented remarkable developing (or the opposite: withdrawing) effects in the lives of the respondents. The complex answers received in the interviews were further examined at all the 3 typical levels of narrative analysis.

The model (being the most important research goal of the whole thesis) was built on based on the results of the two primary research in which I defined three typical groups of management tools that can effectively be built on the active usage of EQ-competencies: management tools based on (1) *Inspiration*, (2) *Understanding* and (3) *Safety*. The model – that can be applied in three levels of intervention – was then further validated by an additional questionnaire survey where my respondents evaluated the model from the viewpoint of organisational employees: based on the results, a model was constructed which offers and systematically classifies such leadership tools which are based on real employee needs and which create the opportunity of a reliable improvement of organisational effectiveness.

Absztrakt

A dolgozat az érzelmi intelligencia- típusú kompetenciák tudatos felhasználásának lehetőségeit vizsgálja korunk üzleti környezetének menedzsment-módszertanában, a szervezeti hatékonyság növelésének céljával. Célja egy olyan modell felépítése, mely világosan és könnyen alkalmazható formában mutatja be a szervezeti vezetők számára azt, hogy az érzelmi intelligencia-típusú kompetenciák alkalmazása hogyan és milyen „felhasználási területeken” vezethet a lehető legmagasabb szintű pozitív befolyásolhatóság mellett a szervezeti hatékonyság minél nagyobb mértékű növekedéséhez.

A disszertáció több primer kutatási bázisra épül: az első egy nagyobb volumenű kérdőíves felmérés, mely több, mint ezer beérkező válasz elemzése alapján a válaszadók intrinzik motivációinak természetét igyekszik minél mélyebben megismerni. A kutatás azt követően, hogy megvizsgálja, milyen jellegűek az emberekben rejlő *belső motivációs tartalékok*, a lehetséges összefüggéseket keresi e belső motivációs tartalmak és egyéb (környezeti és egyéni) jellemzők között. A kérdőív válaszainak kvantitatív elemzése után a dolgozat 72 interjú-alannyal készített mélyinterjú kvalitatív adatainak feldolgozásával folytatódik, melyekben a fő kérdés azon komplex hatások (jelentős személyek, élet-események) természetének megértése volt, amelyeknek szignifikáns előre vivő (vagy ellenkezőleg: gátló) hatása volt az alanyok életében, személyes fejlődésében. Az interjúk során kapott válaszokat a narratíva-elemzés mindhárom jellemző szintjén vizsgáltam.

A két primer kutatás eredményeinek összevetése alapján építettem fel a dolgozat legfontosabb kutatási célját jelentő modellt, melyben az érzelmi intelligencia-típusú kompetenciákra hatékonyan építhető menedzsment- eszközöknek három jellemző csoportját határoztam meg: az *Inspiráció*-ra, a *Megértés*-re és a *Biztonság*-ra alapozó vezetői eszközöket. A három beavatkozási szinten értelmezett modell használhatóságát olyan további kérdőíves felméréssel validáltam, melyet a szervezetek munkavállalói szerepeiből értékelték válasz-adóim: az eredmények alapján olyan modell született, mely reális munkavállalói igényeken alapuló vezetői eszközöket ajánl és rendszerez, melyek alkalmazása valós szervezeti hatékonyság-növekedés lehetőségét teremti meg.

1 INTRODUCTION

1.1 Choice of the subject, research gap

The emergence of Knowledge Management as a separate discipline of management sciences since the mid-1990s (Arantes *et al*, 2021) (Bejinaru, 2019) (Bolisani & Bratianu, 2018) was a natural response to the massive changes of global social and market structures that started in the 1970s, continued at an increasing pace from the 1990s and has not lost speed since the millennium. The significant rise of the industrial energy sources and raw materials in the 1970s (Ferguson *et al*, 2011) (Mim *et al*, 2024) brought dramatic structural changes to the world economy; it was accompanied by increasing globalisation and notable new advances in technology. These processes have so drastically changed the market and social environment both the nations, and of the whole globalising world, that the previously familiar centralised long-term corporate strategic planning framework has become completely untenable in an environment that keeps changing at an ever-faster pace (Robotham & Windon, 2023) (Tache, 2024).

Both the accelerating speed of change and the increasingly contingent nature of its predictability have clearly led to a shift from *long term strategic planning* practices to the more flexible *strategic management* solutions (Mim *et al*, 2024). The new management approach then has necessitated a radical rethinking of the place and role of people and human knowledge across the whole spectrum of corporate life. The need to 'disperse' knowledge (in its real sense, i.e. *human knowledge = capable of autonomous decision-making*) within the company has become a necessity, rather than a populous executive staff operating alongside a narrow executive management. Instead of centralised plans and careful, detailed regulation, this means that employees at all levels of the company (not just the executive) should be encouraged to use their common sense, their hopeful loyalty to the company and their creative adaptability in many matters, since rapid changes have already exceeded the limits of centralised decision-making capacities for a long time (Tache, 2024).

The increasing value represented by the decisions of individual employees has naturally brought a deeper examination of the knowledge base of these individual decisions. This has rediscovered some theoretical frameworks for management science, such as Polányi's explicit knowledge - tacit knowledge distinction (Polányi, 1992) (Polányi, 1997), which then became

an important research area and a fundamental framework of thought for Knowledge Management itself as a new trend within management sciences.

The concept of tacit knowledge was a carefully handled and attentively, almost "discreetly" defined topic in many publications in the 1990s (Marczellné, 2011), which was understood a little bit by everyone, but for a long time, only a few dared to formulate it in a concrete, simple (i.e. more usable) way. If, leaving these concerns aside, the notion of *tacit knowledge* is simply seen as a complex, unrepeatably *individual series of human experiences*, or as a complex structure of individual experiences interwoven with a multitude of interchangeable systems, we come closer to the level of complexity of the human personality/individuality.

Further exploration of this line of thought may inevitably lead to the need to capture the *main components* of a complex system of *tacit knowledge* and to try to understand the nature of the key relationships between these components. Besides the cognitive type of connections, the question naturally arises: are there also elements of the system of connections between the elements of tacit knowledge of a nature other than at the strictly cognitive level, e.g. of emotional type ones, too?

In general, the disciplines of psychiatry and psychology are continuously researching the nature and the operation of such connections and relationships: how can then the research gap for this dissertation be defined? Management sciences (also being part of behavioural sciences) are focusing on how decisions are made in an organisation and how people interact with each other on individual-, group-, and organisational level to use this obtained knowledge for trying to optimize resource allocation to reach organisational goals at the highest possible level of success. The discipline of knowledge management serves these objectives by concentrating on how individual and organisation knowledge can be increased, improved and transferred on the most effective ways to optimize company operations to reach these organisational purposes. The distinction of explicit- and tacit knowledge is simply based on the finding that knowledge is more than the part of it that can be expressed in words and sentences: the tacit part of it is entirely personal and is absolutely „built in” the person’s experiences; this is where emotions come into the picture. Emotions play crucial role in all human experiences as they significantly form the ways of how incidents, events and happenings are experienced by the individual, so they also actively shape how the actual experiences are “built in” to the individual’s knowledge base and how this knowledge will later be used individually or under any social circumstances.

It means, that if we define *tacit knowledge* as *the highly complex and diverse system of the very-very long series of experiences of the individual*, then we can understand that *these experiences are interwoven by a large volume of emotional impacts on many-many ways*. Understanding how the cognitive and emotional elements of tacit knowledge interact with each other, will lead us closer to the understanding of *how* individuals (a) make decisions (b) interact and cooperate with each other (c) get into conflicts and solve them (d) evaluate situations, get satisfied or unsatisfied, etc. It means, it will lead us closer to the understanding of organisational effectiveness. This is how the **research gap** (being the starting point of this dissertation) is defined: *from the viewpoint of knowledge management, the emotional elements of tacit knowledge are worth to be analysed; how they interact with the cognitive elements of tacit knowledge*.

1.2 Research questions and objectives

In my thesis, I try to understand and map the nature of some of the typical structures and forms of these cognitive-emotional mental connections in their complex system of relationships. Within this topic, an important question is whether *typical functional – forms of connection* can be discovered between the cognitive and the emotional components of the tacit knowledge systems? Does the mapping of these functional forms (*thus coming one step closer to understanding the complex systems of personal, human knowledge-type content*) offer a chance to find tools to increase organisational effectiveness and (as a part of that) to make general operations and knowledge transfer practices in companies and institutions more efficient and knowledge-engraining (-fixation) processes more durable?

Such research results would allow the development of management tools and methodological recommendations (Marczellné, 2012) to make organisational processes more effective and learning practices more efficient. In a well-organised form, these research results can even expand the immaterial capital base of the organisations – both in quantitative and qualitative terms.

1.3 Hypotheses of the research

H1: Typical connections between the cognitive and emotional factors of human consciousness can be identified, which can be used to make both individual competence-building practices and learning organization processes more effective.

- H2: The classic interactions between cognitive and emotional factors can be bidirectional: neither the cognitive → emotional nor the emotional → cognitive direction of action is exclusive, and often longer chain-like mechanisms of action can emerge between elements of the two sets of factors.
- H3: Motivational processes represent a typical interface between cognitive and emotional factors.
- H4: Positive emotional inputs typically induce a positive (upward), whereas negative emotional inputs typically induce a negative (downward) spiral-like series of interactions between elements of an individual's cognitive and emotional processes.
- H5: In order to support leadership and management tasks, it is worthwhile to attempt to create a model that collects and systematizes the basic leadership tools that (*based on the elements of emotional intelligence*) are able to positively guide cognitive-emotional processes at different levels of the organization in such a way that they increase organizational effectiveness. Such model is also able to develop the immaterial capital of the organisations.

The main research objective of this thesis is to build the model defined in the previous section (5).

1.4 Structure of the thesis

To explore the deeper structures of tacit knowledge and to formulate the research results at the highest possible level, I will follow the following conceptual units in my thesis:

- 1.) In the **literature review**, I first look at the characteristics of the changed global economic (and social) environment and then examine how these significantly changed environmental characteristics place new needs towards the management-organizational functions. I first review these new needs through the development of management theories, and then briefly discuss the relation between the performance of company management and the organisational competitiveness. I will conclude the chapter by analysing the new leadership ambitions from the viewpoint of the values and tasks they emphasise. Already at the end of this section, it will become clear that the effective performance of today's complex managerial tasks requires a complex and diversified set of management competences, which, in addition to the classical intelligence, also include the skills of emotional intelligence.

The second part of the literature review will look at the topics of knowledge, competences, intelligence, and within this, emotional intelligence (at least the issues and

contexts relevant for the purposes of this thesis). The new management principles required by changing environmental factors must pay particular attention to the development and effective management of organisational knowledge and human capital on one hand. On the other hand, the managers themselves need to have a wide range of competences - cognitive and emotional - to perform their functions effectively.

- 2.) In the section describing the primary **research**, I start presenting the results of *my first questionnaire survey*. Based on more than one thousand responses to the survey, the statistical analysis carried out first seeks answers to questions about the nature of people's *intrinsic motivational reserves* and then examines possible relations between these intrinsic motivational contents and other (environmental and individual) characteristics. A deeper understanding of intrinsic motivation is of a significant importance for effective leadership and organisational effectiveness, as it can provide the essential energy for all value-creating processes.

The section describing the primary research results then presents the outcomes of the *interview analysis* parts of my primary research. In this research phase, my questions were mainly focused on gaining a deeper understanding of the positive and negative influences and experiences that affected the learning processes of the interviewed subjects through emotional processes, in a complex sense, and thus played a role as advancing or delaying/hindering factors in their lives and career development. For managers in organisations, the understanding of these typical emotional-cognitive interactions can be a valuable source of knowledge that can be applied to *facilitate the development of* positive and (at least partially) *eliminate negative emotional-cognitive spirals* at both individual (employee) and group levels.

- 3.) To conclude the research, I attempt to build a *model of the interactions between cognitive and emotional intelligence-type factors of tacit knowledge*, in which I introduce the direction and characteristics of the effects, the nature of the mechanisms of actions and the possibilities of influencing them. I cannot, of course, map out all the elements of these complex systems, but I will endeavour to present as many types of interrelations as possible and to assemble them into a coherent, manageable system, so that my model can later help organisational leaders improve both organisational effectiveness and corporate learning processes.

After creating the model, I conducted a second questionnaire survey to investigate from the perspective of employees in the organisations whether (*based on their workplace*

experiences) my model could be considered valid and useful in supporting management practices that could increase organisational effectiveness.

- 4.) Finally, I conclude my thesis by summarising the main opportunities by which my results can help to increase organisational effectiveness (and, as a part of it, the efficiency of corporate and individual knowledge transfer processes). At the same time, I identify the most important directions along which my research can be extended and further developed in the hope of new results.

2 LITERATURE REVIEW

The literature review of the dissertation is going to be framed along the following structure to support the thesis goals: first, the features of new market- and social environment of the world economy will be briefly introduced. The next part of the chapter expounds how the new environmental characteristics modified the requirements towards the management- and leadership practices. By offering an overview about how the management theories have developed since the very beginning of the 20th century, we can see how the classical functions of management have been complemented by leadership tasks with the increasing variability, instability and complexity of the environmental factors.

Such a description will clearly explain how organisational human resources have become the key components of competitiveness and so, how the effective leadership skills (which are able to “mobilise” HR-resources) are becoming crucial in reaching success in the global markets. We shall also understand, how effective management of an organisation can increase the immaterial capital of the company and how the developed human capital elements are able to increase corporational efficiency. The chapter ends with the review of the organisational HR-resources themselves. After the assessment of these ability-types of resources, the concept of knowledge is examined briefly: by understanding, that knowledge is not an absolute phenomenon, but it must be personally built up at each individual (=employee), we’ll see that the notion of intelligence should also be understood as a multi-dimensional opportunity, instead of an unchangeable individual feature. After that (as one of the valuable intelligence-dimensions), the emotional intelligence (EQ) will be shortly introduced; by end of the chapter, it will be obvious how EQ-competences can mean highly beneficial and worthy tools for organisational leaders.

2.1 A changing organisational environment and updated needs for effective leadership

The acceleration of the pace of change is one of the most dominant trends in the evolution of environmental factors, whether economic-market or social. The fundamental key to survival and successful coping– at both individual and organisational levels– is *the ability to adapt flexibly* in a system of rapidly changing conditions (Szemző *et al*, 2022) (Awais *et al*, 2023). This chapter reviews the nature of the most important changes in recent times and examines the associated new needs towards the leadership tasks and functions– both in terms of changing management theories and new areas of real challenges and problems to be solved.

2.1.1 New social and market environment

From changing but usually predictable business environment conditions, both international and national markets already in the seventies were placed in an increasingly turbulent socio-economic environment during the decade of global market restructuring caused by the raw material crises, which also brought a failure of expectations towards a welfare market economy with it, with a number of worsening social tensions. Added to this, the globalisation trends of the 1980s and the effects of the new dynamism of the technological revolution of the 1990s—clearly called for the principles of strategic management practices rather than the more rigid approach to long-term strategic planning (Barakonyi, 2002).

2.1.2 Background and consequences of VUCA characteristics

The more rapidly (and increasingly hectic) changing environmental factors are shaping the market and social conditions with "VUCA" characteristics that force organisations to adapt continuously. In a rapidly *volatile, uncertain, complex* and *ambiguous* economic and social environment, the main types of problems (Bennett & Lemoine, 2014) can be summarised briefly as follows:

Structural change of the global markets

The main environmental consequences of this issue are the *uncertainty of raw material supply and the continuously increasing importance of sustainability considerations*. The raw material crises of the 1970s posed an even greater challenge to the leaders of national economies (and the populations affected) than the 'classical' economic crises (demand crises). The new set of problems can be well described by the ambivalent nature of the economic policy tools to be applied: while the rising unemployment typically requires the use of expansionary economic policy instruments, the rising inflation on the other hand requires the use of restrictive economic policy tools. It means that the emerging crisis symptoms at these types of crises (macroeconomic supply crisis) could not be addressed by a single set of economic policy instruments (Bonadio *et al*, 2023).

In the 1970s, the dramatic decline of commodity-intensive industries and the boom in the knowledge-intensive sectors put further severe pressure on labour markets with a sharp rise both in frictional and global unemployment.

In this period, the intensification of globalisation trends has naturally strengthened the international orientation of companies' demand (sales-marketing) activities. On the supply side, on the other hand, managers (in view of the growing importance of cost efficiency criteria)

increasingly decided to relocate even entire production processes, in the areas of production, purchasing and supply chain management, to areas where they had the opportunity to reduce their costs in any area (e.g. labour, material costs, etc.) (Lewis, Monarch, Sposi, & Zhang, 2022).

Impact of the technology /mobile communications revolution

Since the early nineties, the spread of the internet, followed by the development of mobile communications and the dramatic increase in the popularity of social networking sites, have completely transformed people's daily lives. The changing lifestyles have brought radically new demands on markets of goods and services: within a few years, the demand for some products (services) has virtually disappeared, while new demands and markets for other services have emerged almost *out of nowhere* (Rosário & Dias, 2022).

The nature of the major (almost paradigm-shifting) transformations brought about by technological change is well - illustrated by the term fourth industrial revolution, or *Industry 4.0*, which highlights the increasing *interconnectivity of* systems as the main reason of accelerating change, resulting in the dissolution of the boundaries between the physical, virtual and biological worlds. The application of artificial intelligence-type technologies, innovations in genetic engineering research, and the technological environment shaped by high levels of robotization induce deep changes in both social and production interconnections: increasing integration is improving the efficiency of communication processes and the effectiveness of different processes — both by increasing the possibilities for self-monitoring and by improving the sophistication of machine learning systems. (Qureshi, 2022).

In terms of specific sales-marketing processes, one of the most important effects of the technological - mobile communication revolution can be seen in *the constantly changing lifestyles and consumption habits*. Today's consumers live and communicate differently and thus have different market needs than their predecessors. Their (constantly and radically changing) perceptions of the world, of life and of the patterns to be followed in it mean an increasing challenge for product and service policies (with drastically shorter product life cycles and increasingly complex product design processes) on one hand. On the other hand also the whole toolbox of marketing mix strategies must be constantly 'on standby' to adapt to changing consumer needs by constantly fine-tuning all related methods (Rust, 2020).

The unprecedented scale of *digitalisation* and the concomitant growth of networks, in addition to the above effects, is also triggering a deeper change in social and economic processes. The complex notion of *embedded connectivity* can illustrate well how, at the beginning of the 21st century, information and knowledge assets (processed and available at different levels) are continuously being organised (and reorganised) into complex and complicated files that can empower the actors of our present world (whether they are biological or artificial intelligence bearers) with capabilities at any level from complete incomprehension to almost absolute levels of competences (Qureshi, 2022).

The emergence of the concept of *info-communication* is based on the recognition that today the "machine-human" relationship no longer provides a sufficiently useful conceptual framework for understanding the complex interactions between human communicative and cognitive processes and digital knowledge content. Virtual reality (VR) (as a specific media) provides a higher level of connectivity to the digital content offered by the metaverse: it *can provide an experience of presence and lived participation* by expanding perspectives of space and time, and by creating a continuous, real-time, interactive connection between users. This doesn't only open up new possibilities for creating new alternative realities, but it also allows human learning processes to be taken to a higher level than we know them to a new, enhanced quality. However, this is where such options come into the picture whose real effects and their associated (inherent) potential for action and learning are not yet fully visible. So the interaction of cyber and physical architectures, the evolution of human-robot systems and the continuous development of the common technological base of possibilities behind the increasingly complex structures, does not only represent an increase in the technological options available to the supply side any more, but also the development of an extended social-cognitive reality beyond the limits of human sensory and intellectual capacities (Kö et al, 2023).

Key market and social impacts of globalisation

On the business side, the primary impact of the expansion of globalisation is the continuous intensification of competition, of course. However, in addition to the increasingly fierce competition in product- and services- markets, it is also worth mentioning input markets, where the intensification of globalisation processes also poses serious challenges, of which one of the most important are processes in the labour market. (Carrère et al, 2020) On one hand, it is (of course) an advantage that companies have an increasing range of opportunities to acquire the necessary skills and competences, as the labour market supply increases, and an increasingly

diversified international composition of potential candidates are offered for the corporate positions. (Nistor, 2007) (Schmutz & Sidibé, 2019)

However, with the growing opportunities, the potential challenges are also increasing: a multicultural work environment (while it can also foster creativity and innovation) can also be a source of many communication failures and countless organisational conflicts, which can create increasingly difficult tasks for HR professionals to manage them properly and effectively (Suedekum *et al*, 2014). The situation is further complicated by the fact that the different generations who are currently working in the labour market together already have significant differences in terms of motivation, communication style and dominant values. Including new employees from different cultural backgrounds to such a challenging situation, (as an additional dimension in this aspect) may represent such a challenge for corporate management, which they are often not able to optimally address. (Edewor & Aluko, 2007) (Rust, 2020)

These are the key trends that shape the market and social conditions behind the VUCA world: volatile supply and demand fluctuations (both in labour and capital markets, as well as in goods and services markets). These processes together create such complex interactions that market and institutional actors need to be constantly "on the alert" to understand, monitor, develop and implement continuous strategic responses to these changes. *Flexible systems are therefore needed* instead of classical organisational standards, as *the quality of understanding of continuous changes and the adaptive responses to these changes will be the key to long-term competitiveness* (Awais *et al*, 2023).

2.1.3 Paradigm shift: the BANI world order

It can therefore be seen that the VUCA characteristics in themselves pose a serious challenge to market (as well as societal) actors due to the need for continuous/flexible adaptation; therefore, even strategies that are considered highly competitive at a given point in time can lose their relevance surprisingly quickly if the actors involved do not continuously adapt their parameters to the changing conditions.

However, in recent years, the actors in national economies and societies have experienced such dramatic changes that even VUCA model (describing this hectic and unpredictable environment) has not been sufficient enough to model the situation adequately. The 'volatile' component of the 'VUCA' thus became ➔ *brittle*, the *uncertain* ➔ *anxious*, the *complex* ➔ *non-linear*, and the *ambiguous* ➔ *incomprehensible* (Stöttinger, 2022).

So what is the BANI environmental model and what does it mean for today's social and market actors? The last 3-4 years have been dominated by the effects of the following dramatic conflicts: (1) the dramatic emergence and destruction of COVID in 2019-2022. This was followed by (2) the shocking turning point of the Russian Ukrainian conflict with the start of the Russian invasion of Ukraine on 24 February 2022 (and the subsequent new political- and economic conflicts in the World). These series of events have triggered a series of consequences in world societies and economies of such intensity, such depth and such diversity that the VUCA-framework (which has already been a source of constant change and therefore of constant adaptive tension), has proved inadequate to understand and deal with them adequately.



Figure 1: VUCA-BANI transition (Dieffenbacher, 2023)

Both the underlying triggering events and the system of consequences are characterised by their sudden/ unexpected nature, by their shocking volume and by their multiplicative, spill-over nature.

The existing system of social, economic rules and institutions has proved inadequate in many respects to respond properly to the shocks of the new series of changes. This is why the *past few years have not simply called for the development and implementation of new, adaptive responses, but for a complete renewal of the basic structures of thought, i.e. a paradigm shift.*

Indeed, several cornerstones of the old approach are basically queried by the changed "BANI" order (Figure 1). The *Brittle* criterion expresses the need to **break the illusion of strength** and the need to let it go: the expectation that "*everything will be all right*" is unfortunately not guaranteed by the any of those current national and international institutional systems that humanity and its societies have built up over the past decades. The acceptance of the current world order being fragile, and the adequate preparation for it, thus **accepts that there is not always sufficient power** to solve the problems that arise (neither more serious ones that may even come in the future) (Dieffenbacher, 2023).

Anxious describes the process whereby people are in a state of persistent anxiety as a result of very unexpected and surprisingly negative events. In anxiety, people are no longer afraid of a particular source of danger, but it is generally fearful of unexpected negativity, fearing that any (now maybe completely unknown/unfaced) source of danger may result a loss of the ability to

maintain a firm control over the events. The state of anxiety may therefore point the way for those seeking real solutions to **let the illusion of control go** and accept that events are not always under our control.

The *Non-linear* criteria is again based on a painful realisation. Over the past decades, or even centuries, many causal relationships have been discovered in the field of the real and the social sciences, which have provided the basis for groups of people, or even societies, to prepare themselves for several types of phenomena. However, the world around us seems to operate based on such complex conditions that we must understand that it is often the case that we cannot always foresee many events and changes (even ones of great consequences), so this means **a loss of the illusion of predictability**.

Finally, the *Incomprehensible* parameter makes us realise that **we must also let the illusion of knowledge go**, i.e. we cannot build on the false assumption that we understand all the connections and correlations that shape the world around us and the events happening in it. (Stöttinger, 2022)

2.2 Changing needs towards the management-organisation functions

As the micro- and macroeconomics-factors of the business environment of the global economy have increasingly taken on VUCA-type characteristics, starting from the 1970s, the importance of adaptive management methods for flexible adaptation has also increased in the life of organisations seeking to achieve long-term competitiveness. One important parameter of this was a reassessment of the role of control: **companies had to shift from long-term strategic planning practices to a strategic management approach**. It is very important to note that this change did not only imply a shortening of the planning and intervention cycle times, but also the need for a complex change of approach, from which the *new needs* (one of the main focuses of this chapter) *towards the management and leadership methods* can be understood as a complex, coherent framework (Szemző, Mosquera, Polyák, & L., 2022).

2.2.1 The period of long-term strategic planning

In the period of long-term strategic planning in the 1950s and 1960s, three- to five-year (sometimes even seven-year) strategic plans were typically approved by a narrow group of managers (typically the CEO + top management), so decision-making powers were in the hands of a very small group of people. It is true that they received considerable methodological (mostly statistical) expert - support, as they were able to use the forecasts of a number of

economic policy- and market trends as an information input for their complex planning work over a longer time horizon. The strategic plans themselves also took longer to prepare, as they did not only set out the main directions for development, but also the shorter-term methods and actions leading to the objectives, in considerable detail. The specific plan documentation, which covered almost all management functions, was then easily broken down both over time and into organisational units, so that the overall planning timeframe could be easily broken down into smaller specific plans on an annual (or even on a shorter period-) basis, with a specific set of expectations, objectives and action actions for each department.

In this system, middle managers and expert employees with a strong experience and knowledge base also became "quality implementers", since in the decades of concrete and detailed long-term planning, control and incentive systems also mostly rewarded the most accurate implementers of concrete plans (Barakonyi, 2002).

2.2.2 A more flexible approach of strategic management

However, with the advent of environmental factors with VUCA characteristics, this (previously well-functioning) system has become increasingly vulnerable. In an era of constant changes (which were increasingly widespread and difficult to predict), the original plans adapted to the original conditions became obsolete in a very short time, so the rigid adherence to them led to a rapid erosion of market positions. The solution was the *strategic management* approach, where the constantly changing social and market environmental factors are constantly monitored by the organisations. Based on the changes observed, the original plans, objectives and actions to implement them are continuously adapted to the environmental changes in order to effectively maintain or even strengthen their market positions by viewing the changes as opportunities and by strategically responding to them better than the competitors (Yuan, Zhongfeng, Yi, & Mingfang, 2011)

2.2.3 Emerging leadership principles and management theories

However, this new approach required a profound shift in approach in all areas of management-organisational philosophies, principles and methods. The shift from a long-term strategic planning practice/approach to strategic management does not, of course, only mean a shortening of the time horizon. Environmental changes can be of such diverse types and take such complex shapes that their continuous monitoring is an impossible task for a narrow management/ board.

It is also very important to note that **the involvement of staff/employees** is essential not only because of the numerical necessity to provide a "back-up team" for the "few" managers in perceiving and understanding changing environmental conditions, but also because some employee tasks are particularly suited to the targeted collection and even: to the meaningful interpretation of certain types of information/ knowledge. (e.g.: sales or customer service staff receive first-hand and continuous feedback from customers/buyers on potential problems or new/related product needs that arise during product use) (Chanphati & Thosuwanchot, 2023).

Beyond *the "input side" of the content* (i.e. beyond the perception and understanding of the current changes), the next step is for the enterprise to "*do something*" with the evolving micro- and macro-environmental elements of the market, i.e. to renew the organisational strategy (and then the related shorter-term plans/tactics/tasks) again and again based on the events that require change. Again, this is not a self-evident task, and it is important to underline, that the decisions made here are not of the type of algorithmic, but of the heuristic problem-solving type. There is therefore no predefined methodology which (if followed through) will automatically lead to a solution. In the case of heuristic problems, the problem is not well-structured, and the solution requires a 'creative spark' (the inclusion of new, innovative elements). But again, finding innovative solutions at the highest possible level cannot be achieved without group thinking and teamwork. (Salhi, 2017) (Mankins, 2022).

Subsequently, it is important that the new, modified strategic elements are understood and accepted by the leaders and that all the knowledge necessary are transferred to all company-members to effectively adapt their behaviour to the new strategic directions in an appropriate and high level.

The more flexible governance principles of strategic management therefore seriously reshape (expand) the tasks/functions related to the effective performance of managerial tasks at a number of points. In order to achieve and maintain long-term competitiveness, it is thus necessary to involve the members of the organisation to a much greater extent in the perception and understanding of the environmental changes, in a joint and creative decision-making; thus making the adaptive fine-tuning process of the strategy to the constantly changing environmental conditions more and more effective. Among the various related new tasks, it is therefore important to highlight: (1) the decentralisation and optimal delegation of decisions, (2) the more targeted use of employee competences, (3) the rethinking of motivation principles and incentive methods, (4) the focused exploitation of the potential of teams, and (5) the

effective support of creating and transferring new knowledge. (Kafetzopoulos, Psomas, & Anastasia A. Katou, 2023).

The above new tasks and objectives brought with them, already in the 1990s and 2000s, (a) the increasing importance of human resource management (as a complete management function), (b) the increasing importance of knowledge management as a new management area, and (c) the emergence of the role of *leadership* alongside management tasks. While the manager organises, assigns and coordinates (or directs) processes, assigns tasks to the members of the organisation according to the defined objectives and monitors their proper performance, the *leader* leads his organisation in a different way. In contrast to the task-oriented *manager*, the *leader* already knows that organisational goals are too complex and the best strategic solutions to achieve them change too frequently to be met at a high level by the "manual control" of a single person. *The leader* therefore pays serious attention to his people (the members of the organisation) - trying to understand their competencies, personalities/strengths from as many perspectives as possible and – rather than giving them orders in the form of specific solution steps – he/ she formulates visions for them instead that summarise the larger goals and inspire them along the values associated with them. Then, he/she guides / coordinates/ accompanies them on the path towards the solution by actively involving them (building on their work with confidence). With his charismatic personality and value-oriented commitment, he therefore effectively engages the members of the organisation *as followers*, by proactively encouraging them to find appropriate solutions together (Kotter, 1990) (Robotham & Windon, 2023).

Having summarised the essentials of the new leadership tasks/styles required in the new type of business environment, in the coming second part of the chapter, will now briefly review, how the elements of the changing-evolving leadership theories relate to this new approach.

2.2.4 New needs towards leadership in the development of management theories

The following part – building on the rich literature base of leadership theories – aims to provide a brief and concise overview of the leadership tasks and emphases in order to help the next subchapter to give a more structured overview of the new expectations of leaders in business organisations in the current globalised market environment.

2.2.4.1 Classics

The leadership theories in the early 20th century aimed to *define/classify leadership tasks* on one hand, and to take stock of the *qualities of a good leader* on the other. This era found that all the reasons for the success of an effective leader are embodied in the leader's **personal characteristics**. These theories did not yield breakthrough results, as too many – often significantly different – features or personality attributes were found to underlie the personality of the large number of leaders studied, which did not draw a desirable unified profile to describe the 'prototype' of a leader who is always effective in all circumstances (Szabolcsi, 2016).

In an overview of managerial tasks, the **Taylorian** view (among the classics) highlighted the following elements, as the most important tasks of a successful manager: (a) the *detailed planning of all elements of work processes*, (b) the constant consideration of *performance/efficiency criteria* in employee selection and development, (c) the professional management and supervision, (d) a high level of work and responsibility sharing, and (5) differentiated (typically financial) incentives based on detailed performance evaluation.

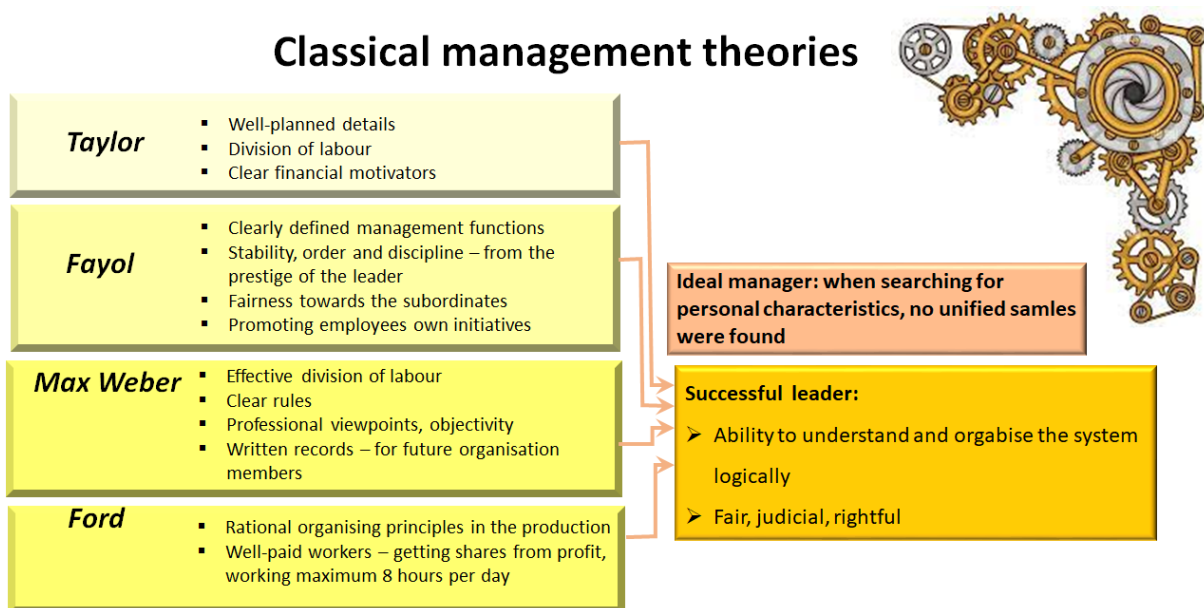


Figure 2: Classical management schools and their concepts of leadership (own ed.)

In addition to *his* clearly defined *managerial functions* (planning, organisation, direct management, coordination, control), Henri **Fayol** underlines the importance of a clear and effective division of labour and the role of stability, order and discipline derived from the prestige of the manager. In addition to *fairness* towards subordinates, it is worth noting that he already considered it important (and useful) for the manager to support staff initiatives, as well as to recognise group achievements and encourage workplace communities.

In his *theory of bureaucracy*, **Max Weber** highlighted the importance of the rational organisational principles inherent in the bureaucratic form of organisation: he described the ideal bureaucratic organisation as disciplined, stable and reliable, where impersonality actually promotes the maximum application of the principles of objective, professional competence. **Henry Ford**, in addition to consistently applying Taylor's principles to the organisation of work, attached particular importance to planned logistical processes in his production procedures and to the accurate planning of time frames for each phase of work (Dickson, 2022).

In the era of the classical schools of management, experts typically saw the peak of management performance *in maximising the efficiency of the* (precisely designed) *processes*, and the ideal leader was therefore seen as having competences of logical thinking and abilities to recognise interrelations between certain elements of the systems.

In creating a more personal, detailed profile of attributes, they did not actually achieve any significant results; however, it is important to emphasise, that the importance of fairness, clear incentives and physical and mental well-being, to which the manager should pay special attention, was already recognised by them in relation to employees (Figure 2).

2.2.4.2 The Human Relations movement

In the (now widely known) Hawthorn's experiments, conducted between 1929 and 1932, **Elton Mayo** and his colleagues concluded (in contrast to the classical schools of management theory), that human factors had much more to do with productivity of work than previously thought. The perception of a good manager has therefore been modified by their influence so that he or she no longer has only to have logical and process-organising competences, but also good social skills. The representatives of the human relations movement namely were convinced (on the basis of their clear experimental evidences) that in case the social / psychological needs of the members of the organisation are met at a higher level, this clearly improves work performance. In addition to Mayo's research on the role of informal networks and job satisfaction in the organisation, we should also mention the work of **Mary Parker Follett**, who (in addition to her research on two-way communication and effective conflict management) also drew attention to the differential effectiveness of situational management methods, which made her a forerunner of contingency theories in management science (Muldoon, Bendickson, Bauman, & Liguori, 2019).

Chester Barnard's concept (social systems theory) is also worth mentioning in this section because he described companies as a behavioural arena of mutual (and constant) social interaction, where motivation and communication play a key role in long-term success and

survival. The leader must understand that members will remain in the organization as long as it can provide them (the individuals and the groups involved) with enough incentives to be adequately compensated for their contribution to the organizational goals. In addition to ensuring a constant level of motivation, the leader is also responsible for achieving a high level of organizational communication, as this is the main coordination tool that can create and maintain the cooperation of the members of the company towards common organizational goals – since the leader's power is based on the willingness of subordinates to cooperate (Nikezić, Dželetović, & Vučinić, 2016).

Herbert Simon's theory of bounded rationality is a very important milestone in the field of management science because it illustrates a clear and simple context in which decision-makers work as a highly constrained / limited set of conditions in many respects when they have to make decisions (whether minor/operational or major/strategic ones) on a daily basis. Perfect decision making requires that all relevant information is gathered and evaluated in terms of all the relevant aspects in order to develop all decision alternatives and to select the most optimal one. In reality, this model has several limitations: both the time available to make a decision, the human thinking/analytical capacity and the amount of information available are finite. Individuals and managers at various levels of organisations therefore try to make only reasonably good (rather than perfect) decisions – by applying simplifying logics, so-called *heuristics*: the decisions made in this way require significantly less information and time; they are often good enough, but they are often of lower quality overall and can be the source of many additional biases. (Simon, 1991) Simon's model is also important because it has inspired further decision-making process- analyses and nascent theoretical models– including the Nobel Prize-winning Kahneman-Tversky *viewpoint theory* (Kahneman, 2012).

The so-called **integration movements** aimed to reinterpret the human relations (learned in the human-centred schools) in terms of the original goals of the classical concepts. Alongside their systems theory and cybernetics approaches, a significant movement is the "new human relations" movement, also known as the McKinsey 7S model, which takes into account the factors that a manager must analyse in order to achieve the successful functioning of the organisation that he or she leads. The theory draws attention to the combined effects of the role of organisational (system) elements and human factors (Hollósy-Vadász, 2020). The so-called contingency theories are also included in the integration theories (which are described in more detail in the next section).

Thus, while the *classics* typically focused on the tasks to be performed (the processes to be managed), the representatives of the *Human Relations* movement pointed out that these tasks must be performed *by people*, who are **not mere extensions of decisions** driven by managerial competences.

This means that the implementation of managerial decisions by employees is far from automatic but can be associated with both negative and positive factors. Negative factors in the sense that, as a decision-maker with human abilities, human beings are only able to implement even perfect decisions imperfectly and partially, due to **their limits of ability and competence**. On the other hand, as a being with his own personality, **the employee has an autonomous, subjective motivational structure**, which does not necessarily coincide with the organisational motivational and goal system. **The organisational decisions themselves are made by people (managers)** who also have their own constraints and individual motivational patterns influenced by their own personality. **Social situations and the context of group work** can pose additional challenges to the 'perfect' implementation of decisions. In case we think about the different motivations of group members or the differences in their communication skills, we are already faced with a whole range of potential problems, although in the processes of joint task solving there is much more than these two factors that stand in the way of 'flawless task solving'.

However, the human factor can also bring positive factors into the sequence of operations to implement the original decision accurately, in addition to the possible negative effects. Human creativity (whether individual or group) can integrate innovative, new ideas with added value and explicitly increased efficiency into the sequences of tasks to be performed. Group problem-solving can also create positive, catalytic elements, in addition to the possible inhibiting factors, whereby working together can again create new value and more effective solutions compared to the exact implementation of the original plans.

The next three stages of human behaviour research are the **decision-centred**, the **personality-centred** and the **contingency leadership theories** (Figure 3), which are discussed in the following subsections. It is worth observing that these theories also carry forward the dual challenge of leadership-management: the task of continuously solving complex problems (in complex environmental conditions) at a high level, on the one hand, and the challenges of implementing the resulting leadership decisions with human resources, on the other.

Behaviour-based leadership theories



Figure 3: Behaviour-based leadership theories (source: own ed)

2.2.4.3 Decision-oriented leadership theories

Decision-centred models look at how managers give their subordinate groups the opportunity to participate in decision-making. Lewin, Likert and Hofstede's models, as well as Tannenbaum-Schmidt's theory, can be clearly classified as decision-centred leadership theories, while the Vroom-Yetton model can be placed among decision-centred and contingency theories (Busse, 2014) (Mujahid & Hamid, 2016) (Taucean, Tamasila, & G., 2016)

In **Lewin's** well-known model, he distinguished between *autocratic leaders*, who alone control the group's activities and subjectively evaluate them, *democratic leaders*, who involve the group members in decisions and seek objective evaluation, and passive, non-initiating (helping only on request) - essentially *laissez faire leaders*, who are more like advisors.

In his model, **Likert** also examined the degree of participation (involvement) of subordinates in management processes and decisions. It is important to note that the theory also examined this factor in eight areas of leadership activity (group leadership, motivation of members, communication with members, nature of interactions between people, the overall process of setting objectives, how decisions are made, the nature of control, and the nature of performance objectives set). Likert's research resulted in four types of leadership. The first of these is the *Exploitative Authoritative (1)* (which can be likened to Lewin's autocratic leader)– who typically uses downward channels of communication in his centralised decision-making, has little trust in his subordinates and most often enforces his instructions by threatening them. The *Benevolent Authoritative (2)* shows a little more trust in his subordinates, occasionally listens to them, but still supervises them closely - although he uses reward more often than punishment. The *Consultative style leader (3)* is a big improvement on the line, with expanding trust in the members of his organisation/team, who are increasingly involved in decisions; upward

communication is a standard practice at this case. This tendency is finally completed in the leader who runs a *Participative group* (4), where the basic attitude (and a typical motivational tool) is to ensure the permanent, active participation of subordinates in organisational decision-making – a type of leader comparable to Lewin's democratic leader.

Geert **Hofstede**, in constructing his cultural typology, also distinguished four degrees (very similar to Likert-types) within the dimension of power distance – he described his groups as autocratic, persuasive paternalistic, consultative and democratic. Compared to Likert-type research, Hofstede focused on two leadership activity factors instead of eight: decision making and implementation.

The **Tannenbaum-Schmidt** authors also examined the centralised / vs. decentralised nature of leadership in a broader "zone": they pointed out with good sense that the concrete act of choice (decision) is preceded by a number of phases in the life of organisations / groups which can also have a significant impact on decision-making. The formulation of the problem, the suggestion of alternative solutions, the commenting on the proposals and the formulation of the rules for decision-making all have major influence on the decision to be taken. This theory has refined previous typologies and described the transition from maximum-centralised decision-making to full subordinate participation in seven stages.

The **Vroom-Yetton** model distinguished five levels (two autocratic, two consultative and one group). An important difference with the pure decision-oriented theories is that, according to this theory, there is no ideal version that guarantees the highest efficiency for all the situations of decision; instead, the manager must assess the current situation and choose the most appropriate of the five styles. This theory is thus also part of the contingency leadership model, since it identifies the way in which a leader makes decisions as something to be modified in different circumstances. The conditions considered in this theoretical framework are the importance of the decision, the commitment and support of the group members, the appropriate structure of the problem, the availability of the necessary information and the likelihood of conflict within the group.

2.2.4.4 Personality-oriented leadership theories

Personality-oriented models look at the special focuses of attention that leaders have in their work, i.e. which areas they consider most important in achieving their leadership goals/tasks (Henkel & Bourdeau, 2018) (Busse, 2014) (Stanca, 2021).

The research team at the **University of Michigan** (in whose work Likert also played a leading role) – relied heavily on interview-analysis – distinguished between *job-oriented* and *employee-oriented* leadership styles. The two types defined by the research at **Ohio University** are explicitly like the Michigan results: there, the two identified leadership attention-foci were described by the names *initiating-structure behaviour* and *consideration behaviour*.

Job-oriented and *initiating-structure behaviour* managers set out the tasks to be performed by their employees in detail: based on the goals to be achieved, and then keep them under tight control by constantly monitoring their work - for them, the completion of the task at the right level is the measure of high performance, and they use various forcing-rewarding tools to achieve this - typically using legal forms of power.

Employee-oriented and *consideration behaviour* managers on the other hand, want their people to find joy and job-satisfaction at work: that's why they try to get to know their employees' personalities, needs and situations as well as it is possible. Furthermore, they aim to create a friendly, supportive atmosphere for them at work. Instead of an autocratic allocation of tasks, they strive to develop and effectively manage appropriate team structures, whereby decision-making powers are distributed harmoniously and according to the personal strengths of team members; these managers also pay continuous attention to the individual development of their employees.

In addition to the similarity of the defined types, an important difference between the Michigan and Ohio models is that while the University of Michigan results suggest that the two leadership orientations are mutually exclusive, the Ohio experts think that effective representation of both styles can be measured in the same leader, so that the above orientations can coexist within the same person. The question if the two styles are mutually exclusive or can coexist can also be observed in the effectiveness-measures of the two models. The Michigan model clearly rated employee-oriented leaders as more effective. In contrast, the Ohio experts found that it is best if a leader scores high in both orientations (and although both models found higher levels of employee satisfaction for employee-oriented- or consideration-behaviour leaders, the Ohio studies also found high employee performance for job-oriented leaders where *Employee-orientation* or *consideration behaviour* style was found to be low.)

The **Blake-Mouton** model shows the closest similarity with the Ohio University model: the two typical leadership orientations (which they labelled as *people-orientation* and *results-*

orientation) were identified as characteristics that were also observed/measured non-exclusively but side by side in each leader. By representing the two characteristics as two variables/axes of a coordinate system, the managers could be located anywhere in the space thus plotted based on their focus (the scale values they used ranged from 1 to 9 along both variables). In the model, five distinctive types were also identified according to the low/high/and medium values of the two characteristics. The first is (1) the leader who scores high on both scores (9.9) is a champion of *team-oriented (integrative) leadership*: he/she shows high performance both in organisation and in building mutual trust and appreciation. The second is (2) the *drive leader* (9.1) who is result-oriented only; (3) the *people-oriented leader* (1.9) focuses only on his-her people. The (4) *compromising leader* (5.5) shows moderate results on both axes, which typically allows him/her to achieve adequate organizational performance, while (5) *semi-leadership* (1.1) does not pay much attention to either dimension. An important feature of this model is that it does not rely on specific outcomes to measure as model-variables, but rather on the areas that managers emphasise when assessing their own work - this school thus relies on the subjective self-assessment; so, it places explicit importance on how the manager wishes to see him/herself.

Fiedler's contingency theory also distinguishes between result-oriented and people-oriented leadership types - in his view, these orientations are strongly embedded in personality, so (like the Michigan model) he sees the two types as rather mutually exclusive. Another important feature is that – according to Fiedler – no leadership style works equally well in all situations: the appropriate focus depends on the situation, so that effective (optimal) leadership orientations may be different in different situations.

2.2.4.5 Contingency leadership theories

According to contingency models, different situations require different management methods; the **Fiedler-** concept has just been presented above and the **Vroom-Yetton** model was also mentioned (as last in the decision-oriented theories). Both of them can therefore be classified as contingency theories (Stanca, 2021) (Taucean, Tamasila, & G., 2016).

In addition to these two theories, the **Hersey-Blanchard** theory should be included in the contingency school, too. Here, result- and people-oriented behaviours are also the two main variables used to assess the work of managers. Based on the low and high scores along these two dimensions, the model distinguishes four main leadership styles. These are the strongly task-oriented (1) *dictator* (telling), where people- orientation is low; (2) the *seller* (selling), where

both dimensions are strong; (3) the *participant* (participating), where the result- focus is weak with strong people- orientation; and finally (4) the *delegator* (delegating), where both focuses are weak. As an external variable, this model identifies *the maturity of the employees* (as the set of conditions which determines which leadership style would be most effective in each situation). This involves examining whether the employees are able or willing to perform the tasks assigned to them responsibly - the low and high values measured here determine which of the four styles is expected to be the most effective.

As it could be suspected before the beginning of subchapters 1.2.3, the *decision-oriented*, the *personality-oriented* and the *contingency*- leadership theories have carried forward the two task-focuses formulated by the classics and the representatives of the human relations movement. (1) One is to make the best possible managerial decisions to adapt more perfectly to the ever-changing system of market and social conditions, and (2) to 'implement' these decisions as effectively as possible with the human resources available to the organisation. An important development within this latter goal is that the three groups of leadership theories under discussion increasingly recognise that organisational human capital should be seen not only as a means of *implementing* the leaders' decisions, but also as the high level and creative *creators* of these complex decisions, too. – Whether we look at the decision- making leader or the collective participation of the increasingly skilled groups of employees in the creation of these decisions.

Decision-oriented models analyse the question of how much managers rely only on their own competences in corporate decision-making and how much they allow their subordinates (employees) to participate more widely. The two aspects are in fact in competition here: the *possibility of unified and decisive leadership*, with the possibility of a broader range of perspectives provided by *the higher diversification of group decisions* and the opportunity of *higher employee support* provided by the probability of decision delegation.

The result-oriented or the people-oriented focuses examined by the *personality-oriented models*, in turn, examine the perceived causality between the two sets of managerial "tasks". Result-oriented leaders perceive the world of organisational management as one in which effectiveness depends crucially on the quality of the response to the current challenges, and they believe that this response is best captured in a coherent and precisely executable strategy. Subordinate-centred people have an intense perception of the complexity and constant changeability of the decision-making environment, and, on the other hand, they place a markedly greater reliance on the creativity and active and rapid adaptability of the appropriately motivated individuals and groups in this environment. Contingency models, on the other hand,

see the previous two approaches as alternatives, one of which may prove to be more effective in different situations at one time and the other at another. If, for example, the readiness and motivation of the workforce is taken as an important parameter in different situations, we can see that the increasing complexity of the environment in this situation makes the people-oriented approach more likely to be effective.

2.2.4.6 New trends of leadership theories

Leadership theories have of course evolved beyond those theoretical schools that we have just reviewed and are still being developed today. Among the more recent trends, it is important to mention in this chapter **John Kotter's** theory (already mentioned at the beginning of this sub-chapter): behind the *manager vs. leader roles* that he distinguishes, the important issue is his observation that managers must rely increasingly heavily on their human resources to create and implement high-quality strategic responses to the complexity of the rapidly changing business environment. In fact, the managerial organizing role and the employee-oriented leader role overlap significantly with the two major orientations of the personality-centred theories (Kotter, 1990).

The **transactional vs. transformational leadership** style again emphasises the differentiated applicability of leadership methods, focuses and situations. The transactional leader "trades" with rewards and punishments in the organisation, i.e. motivates its members with positive and negative incentives so that they make the appropriate efforts to achieve the goals that he or she has set. A transformative leader, on the other hand, encourages his/her employees to develop, while he is continuously building trust and a shared vision with their involvement; listening to their feedback and creating a supportive organisational culture for effective, creative work, where members take responsibility for common goals and are committed to their work. While transactional leadership styles can be effective in the short term with their clear expectations and transparent accountability, in the long term they tend to be inflexible and do not encourage members to adapt creatively and innovatively to the changing circumstances. It is not difficult to see the parallels with the typologies of leadership of the earlier schools (Klein, 2023).

The renewed expectations towards management have been presented in this sub-chapter through the development of different management theories. The next sub-chapter examines the criteria for effective management in today's market and social environment through the concept of competitiveness.

2.2.5 Management, competitiveness and the immaterial capital of the corporation

In this paper, the concept of competitiveness is understood as a set of characteristics that provide a benchmark for comparing certain subjects in terms of their ability to successfully introduce products and services to markets and to keep them there successfully (by making profit) on the long run. (Bhawsar, Chattopadhyay, 2015). The subjects to be compared can be organisations (e.g. firms), groups of firms, or even national economies, depending on the focus of the analysis.

Competitiveness as a characteristic is therefore closely related to the ability of the subject to create value; with the important addition that the value produced must be successfully recognised and welcomed to the market's buying public, and that the sacrifices (costs) at which the subject has created it are not irrelevant. It is therefore clear how important the concept of **efficiency**, which analyses outputs from the perspective of inputs. It is obvious, that this phenomenon plays an important role in the interpretation of competitiveness (Chursin & Makarov, 2015).

The examination of the competitiveness aspect is important for the original purpose of this chapter to show that *effective management is not an objective in itself but can be integrated into the typical profit and efficiency analysis of economics*. The key theories of Michael Porter, (one of the most influential authors in management literature), are particularly relevant to our topic because he also presented competitiveness through the interaction of characteristics within and outside the organisation. In fact, *Porter's five forces model* points to the most concrete challenges in the market environment (Bruijl, 2018). In case the threat of new entrants and substitutes is high, the bargaining power of customers and suppliers is strong relative to the company, and the competitive situation resulting from the operation of current competitors imposes sharp, tough conditions on the company, then these aspects represent hard (and continuous) challenges for the company to which it must respond again and again with appropriate strategic responses. (Horak, Isabelle, McKinnon, & Palumbo, 2020) Porter's value chain model views all these challenges from the perspective of the company's internal resources. While the creation of new customer value itself is part of the primary activities of the organisation (external and internal logistics, transformational activities and sales-marketing), it is the supporting activities (service processes, development, management, strategic management) which will finally decide at which level the given company is able to value creation at all. (Nagy, Oláh, Erdei, Máté, & Popp, 2018) (Walsh, 2011) It can therefore be seen that the implementation of

leadership and management tasks must activate those abilities within the organisation that will generate stronger competitive advantages for the organisation than at its competitors in the market in order to remain successful in the market in the long run.

This sub-chapter therefore clearly shows that effective management must be committed to ensure the short and long-term competitiveness of the company by constantly adapting its resources available to the changing environmental challenges: not only by meeting these challenges at a high level, but also by continuously developing the organisational resources themselves in the most optimal way. The resources of a company are specified as organisational capital elements by the disciplines of economic sciences. The basic version of the production function of the classical theoretical sciences of economy (micro- and macroeconomics) has originally 2 input elements: capital and labour. ($Q = f(K, L)$) (Hirshleifer, Glazer, & Hirshleifer, 2009) (Varian, 2004). The volume of the capital and labour actually used by the company can (of course) no longer be considered as the only 2 factors that have significant effect on the company output among the current circumstances of the actual business environment at the beginning of the 21st century, when the importance of the immaterial capital elements is getting higher and higher. The Sveiby-model already takes into account these human-capital elements, too. Sveiby (using a very practical classification) defines the following 3 categories as main immaterial organisational capital elements (a) employees' competence, (b) internal structure and (c) external structure. (Sveiby K.-E. , 1997). (Sveiby K. E., 2001) Employees' competences (a) mean all types of knowledge and skill by which organisational colleagues can support any company operations, (b) internal structures symbolise how these operations are organised in the workplace (including hierarchy, documentations, rules, know-how, company culture, etc.) and finally (c) external structures refer to all those social interactions and structures by which the organisation is connected to its environment: its most important elements are represented by any features of its customer- (client-) connections (including branding, personal connections, realized-current image, etc.), but also suppliers' connections and other institutional relations (e.g. with governmental organisations or with other important authorities) belong here.

The extended version of the production function goes on by further developing the Sveiby-model: $Y = F(T, I_1, I_2, L, N)$ (Boda & Virág, 2010) where Y is the output (the new value created by the company), T represents the tangible capital elements (like machinery), I_1 means such immaterial capital elements of the organisation which are not directly connected to the

actual human workforce (employees) of the company (so these are the internal- and external structures). I_2 means direct human capital which cannot be separated from the actual organisational employees: it is the employees' competencies in the Sveiby-model so the knowledge / the skills and / the motivation of the company workers and experts. (Bacsur & Boda, 2017). (N represents those influencing factors which have not been identified yet by theories of management and economy). When concluding the research results at the end of the dissertation, it will be very important how the results can further enrich and develop not only directly organisational effectiveness (on the short run), but also how they extend and improve the organisational immaterial capital elements (I_1 and I_2) too, so that the positive changes can be realised also on the long run.

Finally, in the concluding sub-section of the first part, we will look at which values and tasks will be the most important ones for effective managers to focus on in the context of those environmental conditions (market and social) that we have already reviewed.

2.2.6 Review of the new needs towards management - principal values and tasks

In the changing social and market environment, effective management tasks are constantly expanding. As we have seen it from the beginning of the first chapter of this thesis, the environmental characteristics featured by the accelerating changes and the new needs towards company management are interrelated: these processes interact in a constant chain of cause and effect. In the following subchapter, however, we still feel it more appropriate to summarise the management areas brought to life by the new challenges, topic by topic.

2.2.6.1 The importance of knowledge management

A fundamental condition for effective, adaptive corporate adaptation to the ever-changing business and social environment is that the management should support all forms of effective knowledge transfer using well-designed knowledge management strategies (Bencsik *et al*, 2018) and to create an organisational culture within the company that consciously leads to the operational method of a learning organisation. (Bencsik, 2009) (Bencsik & Juhász, 2015) *Learning organisations* develop the attitudes that enable them to adapt successfully to the changing environmental conditions with increasing efficiency. Senge's model identifies five principles that, when applied, enable an organisation to operate in the spirit of a philosophy of continuous openness and learning. Senge's criteria for learning organisations are the followings (Senge, 2006) (Bencsik & Bognár-Speiser, 2007)

(1) *Systems thinking*, whereby problems are explored, and situations are solved both in time and space, with an understanding of the deeper context.

(2) *Self-direction, the ability to self-manage*, which refers to the nature of individuals'/ groups'/ organisations' awareness, guided by a specific vision, that enables them to make concentrated efforts and to pay appropriately focused attention and learn.

(3) *The use of thought patterns* implies not only open and systems thinking, but also organisational awareness: the use of common ways of acting and thinking together, which not only increases group and organisational efficiency, but also strengthens the members' loyalty to the organisation and their group cohesion (Bencsik & Hargitay 2023).

(4) *A shared vision* is an effective way to motivate individual employees and groups of employees, both for specific actions and for the learning stages of the pathfinding phases. It gives a common identity to the members of the organisation, while at the same time it effectively helps to channel energy and focus on common goals.

(5) Through the continuous use of *group learning* practices, individual and group capacities for understanding and learning can develop in a symbiotic way, reinforcing each other. At the same time, the organisation's problem-solving capacity is rapidly improving as employees' *attitudes* become more open and flexible in the constantly changing situations.

While Senge focuses on attitude, openness, organic harmony between the organisation as a whole and its individual members, and the harmonisation of their goals, Garvin's model of the learning organisation focuses on the processes of knowledge creation, dissemination and active use; also this model describes well, however, the conceptual features which are typical of any effectively functioning learning organisation. An open, supportive organisational culture, flexibility, task variety, innovative approaches and group decision-making are typical features of any learning organisation (Garvin D. A., 2003) (Garvin et al, 2008).

A successful manager in today's business environment should therefore know his or her employees and their competences as well as possible; based on this, he or she should be able to know which competences should be developed in which direction, so that the individual can increasingly fulfil his or her own goals and (at the same time) advance the organisational goals more effectively. Managers these days should build a trust-based organisational culture where it is clear for all the employees that sharing their knowledge with others in the organisation is always more useful (also from their own viewpoints) than keeping it for themselves. From the development and constant refinement of the corporate goal structure to all levels of corporate planning, therefore it is worthwhile for the managers to continuously invite all members of the

organisation to think together so that they can actively support any form of new knowledge creation.

2.2.6.2 The role of motivation

An important feature of fair and effective organisational incentive and reward systems is that they adequately meet all the main groups of needs. The human needs grouped into several categories by the various content theories of motivation are, of course, related in many ways in terms of content, since each seeks to capture the needs of human nature and the typical mechanisms of operation between them. Knowing and accepting that the comparison will obscure important differences at many points, it is nevertheless worth briefly demonstrating, for the purposes of this subsection, that the need groups of the important content theories of motivation can be somewhat effectively mapped to the groups of the extrinsic-intrinsic motivational divisions – (emphasizing that the results of the classification are typically used in the evaluation of company incentive-reward instruments, not in the analysis of human psychological processes).

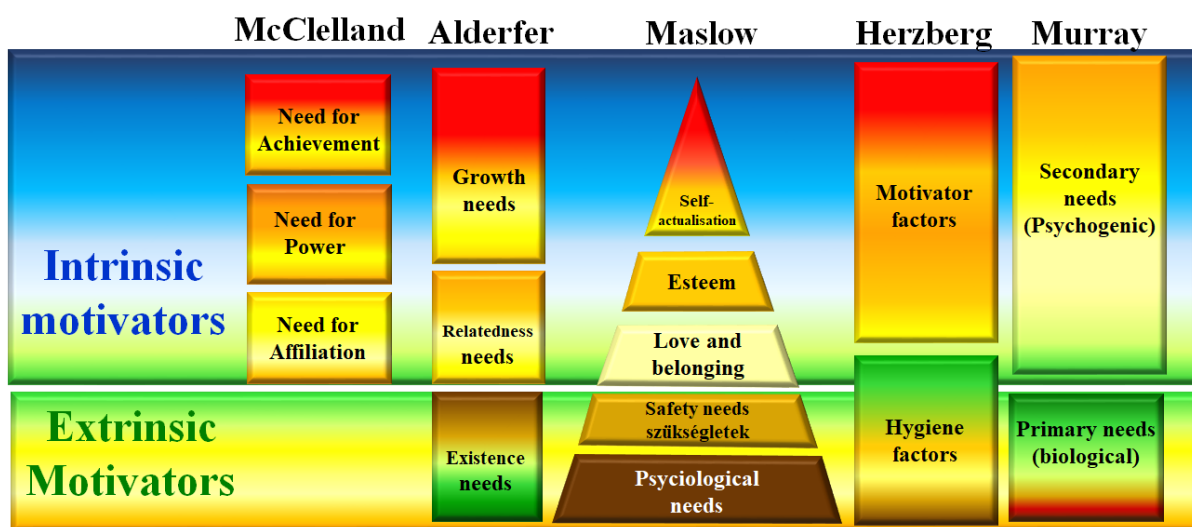


Figure 4: Content theories of motivation and related typical incentives (own ed.)

According to this view, the two lower levels of Maslow's pyramid of needs (the *physiological* and *certainty* needs groups) are analogous to Alderfer's *Existence Needs*, Herzberg's *Hygiene* Needs, and Murray's *Primary (biological)* Needs group. The human needs included in these groups are typically met by employers' organisations (fully adequately with the current system of social norms/ expectations) through extrinsic incentives. Indeed, adequate financial benefits and fair job security are excellent tools in our world's social systems to help individuals effectively meet the needs of these groups (Mangi, Kanasro, & Burdi, 2015) (Maslow, 1943) (Takács, Csillag, Kiss, & Szilas, 2012) (Alderfer, C; Kaplan, R. E.; Smith, K ;, 1979) (Grigorov, 2020).

The post-biological needs groups of Maslow's pyramid (the top three levels: *love and belonging*, *esteem*, and *self-actualization*), Alderfer's *Growth* and *Relatedness* needs, Herzberg's *Motivator* Factors, Murray's *secondary (psychogenic)* needs, and *all of* McClelland's needs (he did not address the biological ones at all) are typically more easily and directly related to direct work activities, and thus tend to be effectively satisfied by intrinsic motivators, typically by non-material incentives (Atkinson & Hilgard, 2005).

Without effective motivation, organisations will lose their competitiveness (even their viability) in the long run; in this sub-chapter, two key motives for successful leadership are highlighted: (1) the respectful / fair use of extrinsic incentives and (2) the exploitation of the rich application potential of intrinsic incentives.

Several HR-related articles discuss nowadays the increasing role of intrinsic incentives: this is of course true, but it remains a very important aspect that the motivation system of the employer company also should provide fair rewards on the extrinsic side. In this case, the Herzberg model absolutely works: if the hygiene factors are OK, they will be "silenced": if they are not sufficient, they will typically play the role of *expected (but unsatisfied)* factors towards the members of the organisation. However, the lower the average income in each society is, and the more consciously an employer company exploits this (i.e. the less it is characterised by fair financial incentives and general job security for its employees), the less true it is that external incentives do not affect job performance. As long as money remains the basis of exchange in societies, and if the vast majority of the citizens in countries derive most of their income from the labour market, the inadequacy of extrinsic rewards will be a fundamental barrier to achieving not only optimal but also minimally sufficient levels of motivation in organisations (Fang & Gerhart, 2014)

In terms of social needs, it is the manager's core responsibility to *create a safe and supportive organisational culture based on trust*. In addition, it makes sense to work with a more personalised intrinsic motivation policy, based (of course) on a more detailed knowledge of the individual needs and personal characteristics of the employees. The potential here, however, can be further enhanced, if managers in organisations develop methods in this area with high level of expertise and patience. This means, on one hand, the application of tools that respect and recognise the sensitive nature of human creativity. On the other hand, there is also high motivational potential in the consistent and personalised application of the three factors of SDT (Self Determination Theory): (a) *autonomy*, (b) *self-development* and the (c) *linking* of activities

to higher goals, which, in the hands of any skilled and committed manager, can make them a masterful toolkit for achieving truly effective organisational motivation. (Pink, 2018) (Ryan & Deci, 2000)

2.2.6.3 Ability to change focus

Today's leaders need to understand that both individuals and organisations are constantly part of larger networks, which have now, as we enter the BANI era, proven to operate in fragile and unstable conditions. Thinking in terms of systems therefore implies not only a clear understanding of the interrelations of a given network (and the place and potential of a given entity: individual or organisation within that network), but also a constant awareness of the interplay of larger systems.

The ability for the continuous change of focus implies (beyond the capacity to flexibly exchange global and local perspectives), the ability (a) to quickly change priorities and (b) to find the solutions in non-optimal situations and to take them up in a straightforward way.

Flexible mindsets can also be linked to the ability to step out of one's comfort zone, as well as the very complex repertoire of leadership skills that recognise the need for change management and are also able to initiate and manage it. Today's leaders often must take dramatic decisions – which require courage and charismatic commitment, often involving not only the understanding of the actual environmental changes, but also a strong value-orientation that includes the willingness even to attempt to actively influence their environment. This can take the form of a strong, value-driven standing up for a cause/goal, and of seeking new solutions to established and familiar types of responses that have proven to be flawed.

2.2.6.4 People, groups, empathy

At the beginning of the 21st century, successful leaders cannot afford not to pay special attention to a deeper understanding and awareness of individual and group psychological and social psychological processes. Understanding the complex and often illogical drivers of human behaviour is not an easy task and requires almost constant self-improvement. However, for effective managers, communication, conflict management and motivation are such key competences to be acquired that they must constantly develop their ability to understand these human processes alongside their daily tasks.

2.2.6.5 Creativity, inspiration, diversification

Changing environmental conditions require organisations to constantly renew their strategic responses. Problems are typically ill-structured, so algorithmic problem-solving methods are not sufficient; heuristic problems require creative responses; and creativity, while it may seem like a magical, non-automatable solution, can be promoted very effectively with the right management-attitude.

Csikszentmihályi's definition of creativity is very simple: according to his interpretation, the creative action is simply finding new ways for connecting different things / phenomenon. (Csikszentmihályi, 2021). This clear and very simple definition gives organisational leaders a strong opportunity to make creativity a core property of their organisation (rather than a difficult-to-achieve, somewhat mystified goal) by creating an organisational environment that supports it. The key to fostering a creative mindset (as defined above) *lies in broadening the opportunities to reach out for more and more free associations available* – this is the simple secret of using group creative techniques.

The next step is "just" to understand that the more novel and daring (i.e. creative) an idea is, the more unpredictability and uncertainty surrounds the process of its implementation. Most new ideas fail, not because the planners and implementers make serious mistakes, but because a significant proportion of innovations fail (because of the many unforeseen obstacles and unexpected problems). The organisation (and its managers) must incorporate this huge uncertainty factor into their preliminary calculations: it is not a small thing to embrace an individual's particular idea and *then take responsibility for it at an organisational level*: creativity is a fragile thing and associative thinking is the opposite of focused problem solving, which is a basic need for any successful project. Behind both approaches, – whether in an inspirational or analytical/implementing role, – the leader must be the one to take the lead.

The issue of organisational diversification is based on the same contradiction: whatever (gender, cultural, international) factors are for which the organisation stands up for, it promises increasing conflict on one side, which the manager must manage with ongoing empathy, professional communication and highly effective knowledge transfer processes. On the other hand, the diverse team of employees will develop into an innovative and increasingly empathetic and understanding group.

2.2.6.6 And finally: going on with searching the equilibrium

In the BANI world order, individuals, organizations and much larger social units must live and evolve in a state of great uncertainty, as part of confusing and complex processes, in constant consideration of conflicting truths and values. Anxiety is a constant experience of the modern human being, and mismanaged fears often spill over into individual and group conflicts. Leaders in today's business and social organisations must not only responsibly manage these as individuals/persons, but they also should stand for complex systems of goals and objectives, leading people/groups and whole organisations towards them.

Burnout, workplace bullying, group conflicts, crises, or even real value crises– are just a few examples of emerging conflicts in which leaders have a role and responsibility to resolve.

In the next part of the chapter (based on the complex topics having just been presented in these sub-chapters), we will show how diverse competences (including also those skills and competencies which are related to emotional intelligence) and knowledge management efforts (that can professionally manage and enhance human skills and knowledge assets) are essential and indispensable to understanding and effectively addressing these challenges.

2.3 Competences and Emotional Intelligence

While the previous section has reviewed the challenges that today's managers have to face in terms of the nature of the changing environmental factors and in terms of the features of responses with that strategic management can react on it, this subchapter takes stock of *the human resources*, which will enable leaders to successfully adapt to social and market changes continuously. If they can do so, they will be able to turn the challenges they face into opportunities, thereby generating ever-increasing value for a wide range of organisational and societal stakeholders.

2.3.1 Human resources in the organisation

The previous subchapter has illustrated in detail that the economic and social changes of the last decades (and the accelerating pace of these changes) require both individuals and organisations to adapt continuously, and thus to learn continuously (Barakonyi, 2002) (Bencsik 2009). We have found that learning organisations recognise this requirement, and they develop

structures and behaviours that enable them to adapt successfully to the changing environment with increasing efficiency.

As mentioned before, in this paper, I use the following three main categories to describe the intangible assets of the learning organisation, using Sveiby's grouping: (a) *employee competences*, (b) "*internal structures*" (organisational methods, schemes, licences used), and (c) "*external structures*" (customers, suppliers and other social relations) (Sveiby 2001), (Sveiby 2010). The main objective of this paper is to understand how 'internal structures' (i.e. organisational processes, communication, individual and group motivational techniques) – so human resource management processes in general – can be made more effective. However, the threefold structure also shows that the question of "how" (management methods) is closely linked to the question of "who": who are they (the employees) who should be turned into a well-functioning team (who are constantly learning new things and working more efficiently) in the running of the learning organisation? A deeper understanding of the nature of *employee competences* (i.e. the knowledge that resides in the individual,) will therefore be an essential condition for moving forward: that is, identifying the contexts and methods by which *the components of this individual knowledge* can be managed in ways that effectively advance the goals of both the individual and the organisation.

2.3.2 Absolute knowledge, personal knowledge

There are many disciplines dealing with knowledge: from philosophy to epistemology, from psychology to modern management sciences, a large number of sources try to define knowledge, to capture its essential elements, to explore possible ways to increase it or even to know its limits. There seem to be two basic approaches: *on one hand*, to look at knowledge as a *set* or system of *conceptual, abstract proficiency*, and *on the other hand*, to *concentrate on the personal components of knowledge*: how individuals acquire it, how it is transformed into a system, what factors influence the possibilities of using, developing or even retaining knowledge at the different actors under study.

The first surprise that arises from studying the literature on knowledge management is that an increasing number of authors argue that the *first way, i.e. knowledge as an abstract, objective factor* (independent of persons) *really exists* at all. This principle is already reflected in the Nonaka-Takeuchi authors (Nonaka & Takeuchi, 1995), in the Davenport-Prusak definition of knowledge (Csíkszentmihályi, 2021) (Davenport & Prusak, 2001), in Sveiby's concept of

knowledge (Sveiby K. E., 2001) and in most of the modern human resource literature (e.g. Bakacsi *et al* 2006.) Many of these use the *explicit knowledge - tacit knowledge* distinction, which was already formulated in Mihály Polányi's *Personal Knowledge* (Polanyi 1997).

The inclusion of explicit (expressed, revealed) knowledge alongside tacit knowledge is not intended to represent abstract, objective knowledge, free of any personal attachment, but only a small part of tacit knowledge that we are able to articulate through language or other shared symbol systems. (Polányi 1992) Explicit knowledge, defined as part of larger units of knowledge, cannot be identified with objective knowledge, free of personal experience, and thus somehow perfect and unchangeable, and therefore with total knowledge. Tacit-explicit knowledge is illustrated in many publications by the analogy of the huge, complete iceberg or its tip (e.g. Marczellné, 2010) - this illustration also shows that explicit knowledge is only a small part of the tacit knowledge set, not an absolute content to be defined separately from it.

As Polányi's work is referred to in several subsequent works of knowledge management (e.g. Fellner, 2011) (Sveiby K. E., 2010), it seems appropriate to use it as a basis to identify the main points of contact through which the author *justifies the inevitable personal embeddedness of knowledge* (Szívós, 2017).

2.3.3 Personalisation of knowledge from an epistemological perspective

a.) **Collateral and focal knowledge:** A very important distinction in both the learning processes and in the growth and structuring of knowledge within the individual is the duality of *collateral knowledge* and *focal knowledge* (Polányi 1992). The goal to be achieved - whether it is a practical problem or a purely intellectual effort - requires concentration, and thus this direction leads towards the acquisition or further development of *focal knowledge*. Most meaningful action, problem-solving or learning processes, however, presuppose the existence of prior knowledge that is used as a pre-existing means to achieve the goal at hand: these knowledge elements are given a role in the process as *collateral (accessory) knowledge*.¹

¹ The example of Polányi's letter reading illustrates the dual role of these knowledge elements: when he opened his extensive, multilingual professional correspondence, he was naturally interested in the content part first: thus, when reading the letters, he naturally concentrated on their comprehension and reception, which involved *the activation of his focal knowledge*. After reading the letters, the selection of the more interesting writings written in English was a new task for his son, who only spoke English, because when he read the letters first, he did not pay attention to the language in which they were written: language knowledge was therefore *a collateral (accessory knowledge* in this context (Polányi 1997: p.106).

In a given context, a given knowledge item receives either collateral or focal attention, and the co-existence of the two is simultaneously impossible in a given situation: *collateral and focal knowledge are mutually exclusive*.² This distinction alone shows how the presence of the two kinds of knowledge in constantly changing composition *makes* the deepening of even a single field of knowledge *personal*. Everyone uses the knowledge already acquired by himself or herself at different times and in different compositions as collateral, so we progress along – with the "toolkit" (=accessory knowledge set) developing as a completely unique, personal one – on completely different paths and with different timing in the mastery of a field.

b.) **Trust, acceptance:** Not accepting a given piece of knowledge also means (in a given cognitive process) not believing that this piece of knowledge will later (as an additional piece of knowledge) be an instrument for learning something new. If we don't trust the knowledge, it will not help us later in learning something new. Again, this proves the unrepeatability and uniqueness of personal cognitive paths: how many principles, practices, basic assumptions there are in the solving a practical or scientific problem that need to be accepted in order to move on. Those who do not know (or do not accept as valid) a given principle or concept in a concrete question, will have to follow a different path until they achieve results. In larger steps, this already implies the concept of *commitment*: again, the commitment of individual experts to different schools of thought leads to new and new ways of cognition (Polányi 1992).

c.) **Parts and Wholes:** *if our focal knowledge is focused on understanding a larger unit (whole), then in the process the details often also become clearer*. We understand them from a new perspective or in a deeper way (Polányi 1997). Thus, the parts as collateral knowledge elements in the personal cognitive process may even receive focal attention again during an event of "enlightenment", which again confirms the inevitably personal nature of these processes.

d.) **Conscious search with (already) non-conscious tools:** a learned, well-practiced "skill-set" - be it again only the most basic craft skill (e.g. a movement skill) or the most complex physico-chemical relationship - tends to fall out of our focal consciousness and can be picked up as

² In case a runner concentrates on his legs instead of the course, the finish and his fellow runners, he is likely to fall rather than win the race. The correct movement patterns should be practised well before the race, not during it, so that they can be used as *a tool*, or as *accessory knowledge*, in the race - the there focus should already be outwards, so that the runner can apply the strategy best suited to the situation.

collateral, tool-like knowledge at any time. The interesting thing here is that these complex knowledge elements often continue to function as part of the "unconscious", having fallen out of the conscious domain (Polányi 1997)³ This becomes a very important detail in the case of several later authors on knowledge management: the master-in-us relationship, the so-called "master-less relationship", or "master-less relationship", is a very important aspect of knowledge management. "This is clearly personal in nature and several times more effective than the practice of knowledge transfer through information (e.g. textbooks, lessons) (Sveiby K. E., 2001).

e.) **The role of the language:** through the expressive acquisition of a given language, individual acts of perception and learning (through the recognition and formulation of connections and the memorization of individual, systematically integrated connections) make it possible to understand and *acquire more complex, integrated knowledge*, and also *to pass on knowledge understood and acquired by predecessors* (Polányi 1997). The links between the personal nature of knowledge and the role of the language learnt/spoken can be found in individual differences in the process of language learning on one hand and (perhaps even more interestingly) in the different grammatical, phonological, vocabulary, etc. characteristics of each language, which can also have a significant impact on the way in which content is understood (Gladwell, 2009).

f.) **Discovering new knowledge:** the anchoring of already discovered and known patterns and the exploration of new, not yet known solutions are (of course) completely different. Daniel Pink sees this dichotomy also in the different processes of solving problems of the analogue-versus-heuristic types (Pink, 2018), Csíkszentmihályi has dedicated a separate book to the analysis of creative processes and the study of situations and competences favourable to the emergence of creative works (Csíkszentmihályi, 2021). Polányi approaches such innovative situations essentially by using the already known knowledge as collateral knowledge (Polányi 1997). However, his approach also shows *that the process of arriving at a solution is far from automatic*; he accepts that the "*moment of enlightenment*" (Polányi 1997, p.226.) sometimes does not occur at the expected time – and although the full processing of the existing body of knowledge has been continuously done for the 'great goal' – the finding of a *solution is still often unexpected, incidental*. The personal nature of innovative, creative problem-solving is in

³ Let's think of the experienced driver: does he/ she pay attention to what his/ her hands and feet are doing while driving? - No, he / she doesn't. He /she looks outwards at the traffic while almost automatically changing gears, turning the steering wheel, pressing the brake, the clutch or the accelerator.

itself legitimated by the different enlightenment experiences of each subject, which depends on one hand on the fact that in the long process of seeking a solution, each individual *may constantly reformulate the problem in a different symbolic system*, which is constantly enriched by the results of the new and new steps. On the other hand, the process of creative problem-solving (the repeated cycle of the *deployment of the already known, explicit knowledge → the attempt → the solution → the verification*) offers such a wide range of possibilities at each step, which leads to the absolute uniqueness and personal nature of the cognitive processes (Polányi 1997; p.136, p. 226.) In addition to the personal processes described above, the historical man in each age also operates within specific scientific frameworks (paradigms) which limit a fundamental space for his overall way of thinking (Kuhn, 2002).

g.) **Feelings and passion in learning and innovation processes:** I have purposely left the involving of feelings in the theory of science at the end of the approaches investigating and justifying the personal nature of knowledge. We have not yet reached the stage of defining and describing emotional intelligence, nor have we *yet analysed the processes behind the personalisation of knowledge and the processes that justify it from an epistemological perspective*. It is important to see, however, that *emotional factors are already emerging from this perspective*. The nature of search in the cycle of the **search - attempt - enlightenment-verification** at new discoveries, as described in the previous section, already implies *the presence of a passion for the search for a scientific problem*: the desire to know, which feeds the invested energies of the work of problem discovery, is already clearly located on the borderline between cognitive and emotional factors. It is simply impossible to ignore its role, if we accept that some kind of 'motivational energy' is undoubtedly required for these research processes. The joy of discovery at the moment of finding the solution (Polányi 1994: p. 231) can be both a reward for this process and also a motivator for moving on. Polányi describes a more general form of it when he writes about '*intellectual passions*', with which '*science recognises its own beauty*' (Polányi 1997, p. 214).

Finally, Polányi stresses the importance of *feelings and interest in* the process of scientific cognition, even when *the value of a given statement for science* is defined not only in its accuracy and systematicity (depth), but also in its *intrinsic interestingness* (Polányi 1997, p. 235).

2.3.4 Knowledge and cognitive skills

Knowledge is therefore *personally linked to the person who acquires, possesses and uses it* – both in terms of the processes of understanding / learning and the cognitive structures that are formed within the person – *the personal nature of knowledge is repeatedly demonstrated*.

The next challenge is to take a more practical approach to knowledge. Management sciences (along with many other disciplines) see knowledge *as an asset that can be used as a resource* in various value-creating processes. This type of resource is typically exploited *as a human resource*: knowledge thus typically drives human decisions and its value can be judged by the positive or negative consequences of these decisions (Davenport & Prusak, 2001) (Karoliny & Poór, 2017).

In order to move from a more abstract, philosophical approach of knowledge to a more practical one, it is useful to study the sources of *cognitive psychology*, that focuses on *the processes of cognition*, i.e. *how knowledge is built up*, through what operations and structures *knowledge develops within the individual*? The statement of cognitive psychology's that the process of cognition involves the processing of new information by the application of knowledge already present in the individual, forms the basis of a number of very important further statements (Pléh, 2013). According to this statement, it is not only the quality of the perception of the stimulus that is important, but also the quantity and quality of the assumptions already available about the nature of the stimulus.

This line of thought can clearly be captured through the concept of *schema* used in cognitive psychology. Schemas are structures in the brain that have already been established at the time of the perception that guide the embedding of new information: so we interpret and process the new information by our existing schemas. However, a very important element of the system is the fact that the new information interpreted in this way has brought something new and has therefore itself modified the schemas. In this way, the *perception-learning process* has become cyclical, since we acquire new knowledge based on the schema, while the new knowledge also causes modifications to the existing schema. (A similar line of thought can be found in Szívós' concept of *habitus* (Szívós, 2017). The learning process thus constructed can already be understood and interpreted at the current level of knowledge about biological processes: new connections are formed between neurons during learning (Pléh, 2007).

Following the same train of thought, the concept of *memory* can also be introduced. While short-term memory is based on the circulation of newly learned information in specific neuron chains, in the processes that form long-term memory, the synaptic connections that have been formed are so strengthened in the case of the temporal permanence of the former circulation, that the change (the neural connection formed) also becomes permanent, i.e. it is also fixed at the level of structures (Pléh, Kovács, & Gulyás, 2003)

So, just as learning at the abstraction level of cognitive psychology can be seen as the embedding of new stimuli through existing schemas, in which the schemas themselves are constantly evolving/changing, so at the biological level the same phenomenon can be attributed to the connections between neurons and the strengthening and permanence of these connections. In the processes of *imagination*, the stimuli of perception do not come from the external world, but from the brain: by abstracting certain elements from the stimuli of existing brain schemas and/or combining them with other stimuli, *more abstract thought processes* can be derived, on which higher mental processes are built (e.g. language knowledge/use, imagination, etc.).) (Pléh, 2010) This can also be put in parallel with our biological knowledge: in the concrete human nervous system there are sensory neurons, which transmit stimuli from the sensory organs to the brain, and motor neurons, which transmit control stimuli from the central nervous system to organs and muscles. In addition, however, there are interneurons, which connect neurons to other neurons: such 'higher-level' connections are found only in the central nervous system (brain and spinal cord).

While in the previous sections we have interpreted knowledge in a more abstract sense – but already defined as personal – at the level of the most important *cognitive processes* produced by the human mind (perception, learning, memory, imagination, thinking), it is now worthwhile to move on to examine *the differences between the cognitive abilities of the individuals*. Not primarily in order to find a scientifically sound explanation of the reasons for these differences, but rather to better understand the nature of the *processes that create these* different levels of *cognitive structures* (what processes lead to stronger cognitive abilities in some people and weaker in others?) Why is this important for a learning organisation? Well, a deeper understanding of the development of different levels of ability is likely to provide insights *into the development and use of* these abilities. This focus leads us to the concept of intelligence.

2.3.5 Intelligence - definition and basic trends

The need to measure the knowledge that resides in individuals – in the form of *cognitive ability measures* – has been of interest to social scientists for a very long time. One of the most far-reaching and influential of these measurement goals is the definition and interpretation of the so-called *human intelligence*, which today has more than a hundred years of precedent.

The history of the measuring of individuals' intelligence started in 1904: Alfred Binet (1857-1911), a developmental psychologist, was requested by the French Minister of Public Education to develop a method of testing *to help solve the initial difficulties of the newly introduced compulsory schooling in France, in order to identify children who were underachieving*. The aim of screening the more difficult pupils was *not to segregate them but to help the less well-performing ones through specific programmes aimed at catching up*. Binet, a practitioner, selected several types of tasks: he aimed to keep each task *short* and tried to ensure that the solutions would need rather *basic thinking skills* (e.g. rule discovery, problem solving, checking, etc.) than *learned skills* (e.g. reading). The tasks were sequenced in order of increasing difficulty, and Binet assigned to each task level an age range at which (according to his own measurements and experience) a child of average ability should be able to successfully complete it. The age associated with the last successfully completed task level became the final result of the test: the '*mental age*' of the child assessed. The resulting value: the mental age was then compared with the child's actual age (Mackintosh 2007) (Gould 2000) (Atkinson - Hilgard, 2005). Those whose mental age was the same as their chronological age were considered average; those who were ahead of their own age had above-average intellectual ability, and (by the same logic) there were also those who performed below their peers. (Initially, the mental age of the child was deducted from the real age of the child; but from 1912, on the suggestion of the German psychologist W. Stern, the mental age was divided by the real (chronological) age resulting the intelligence quotient (IQ). (Gould, 2000) (Atkinson & Hilgard, 2005) (Kopp & Berghammer, 2009)

The actual practice and the goal of this original testing method was quite quickly modified into directions which were not in accordance with the original purposes any more: a negative example is Henry Herbert Goddard (1866-1957), American psychologist and schoolmaster, who, treated *intelligence as a simple trait that could be described on a linear scale* (that tells clearly either the individual has a lot of it or not enough: in the first case the subject is clever, in the second, he /she is stupid), and as a *hereditary factor* that (as a ready-made aptitude) largely determines the future fate of the individual tested. The next "station" was American psychologist Lewis

Madison Terman (1877-1956), a professor at Stanford University, who developed Binet's scale further: the *Stanford-Binet scale*, created in 1916, served as the basic benchmark for IQ testing practice for the next 50 years. Terman increased both the number of tasks, and his scale was made applicable also to adults. Terman standardised the scale to a mean of 100 and a standard deviation of 15 points, and from then a truly mass dissemination campaign (with millions of test subjects) began with the help of Yerkes's (1876-1956), a Harvard psychology expert. In the scientific positions that emerged as a result of the work of Yerkes and Terman, however, intelligence *was* (from then on) *regarded as a predominantly hereditary trait, a definitive endowment*, which, they believed, largely predicted the future potential of the individual. *The developmental potential of the weak intelligence persons was considered to be very limited*, and the assignment of limited life paths and work tasks according to ability was seen as the way forward for the 'efficient organisation of society'. (Kopp & Berghammer, 2009) (Eysenck, 1994) (Gould, 2000) (Mackintosh, 2007) The endurance of these opinions was increased by the fact that the extensive practice of IQ testing in the first half of the 20th century resulted in the creation of huge databases that provided irresistible raw material for the investigation of social scientists from the field of statistics. This in turn developed and mathematically validated the trends to date, crystallising and rendering the so-called *one-factor* theory of *intelligence* *incontestable*. The English psychologist Charles Edward Spearman (1863-1945) is credited with introducing factor analysis as a multivariate statistical analysis method into the research practices of this field. Spearman himself used *the results of a large sample of a wide range of ability tests* as the basis for his extensive database. From his primary analysis of the data, he found that *test scores on a myriad of mental ability tests are positively correlated with each other* (i.e., those who score well on one type of ability test are typically/likely to score well on a myriad of other ability tests). This fundamental observation led Spearman to hypothesise that behind the wide range of mental abilities *there is a general mental ability, whereby* at high levels an individual will typically perform well on all types of mental tests, but at low levels they will generally perform poorly on almost all ability tests. Based on his research and calculations, Spearman hypothesized the existence of simplifying explanatory reasons - he was looking for *the principal component* of the complex correlation matrices of the resulting databases: an axis that captures the largest possible proportion of the information represented by the test score vectors. Although this axis can be produced purely at the level of mathematical abstraction (defined as a vector passing through the middle of the result vectors, "embodying the mean"), Spearman welcomed its existence as an objective reality; he had found the main reason behind all ability test results: *the principal component of general intelligence*, which he called *the g-factor*

(general intelligence). (Mackintosh, 2007) (Kopp & Beghammer, 2009) (Atkinson & Hilgard, 2005) (Gould, 2000)

The flaw in the theory is that *the existence of a correlation between variables does not necessarily imply a causal relationship between them*. The background to the problem is that *physiological research* (studies of the concrete functioning of the brain and nervous system) *has not yet confirmed the 'materially tangible place' of this abstract intelligence in the human brain*. We will get a clearer idea of the g-factor theory if we look at the content of the rival theory of the time: the theory of *Primary Mental Abilities* by the American psychologist Louis Leone Thurstone (1887-1955). Thurstone also used factor analysis to examine the data set of ability test results, but he came to a very different conclusion: *he did not see the direction of a basic principal component (general intelligence) as the determinant of individual results, but rather a number of distinct groups of abilities*. There are test-questions which, for example, are more likely to capture the verbal ability of a person who has completed the test; others measure arithmetic/ mathematical skills, and others the spatial vision. Although Thurstone did not deny the existence of Spearman's general intelligence factor, he ascribed only secondary importance to it and defined intelligence crucially in terms of its decomposition into primary abilities. (Atkinson & Hilgard, 2005) (Mackintosh, 2007)

Why is this important? - not only to provide a comprehensive account of the most important findings in the study of ability measurement (including, in particular, the measurement of IQ), and thus to provide a common frame of reference for contemporary theories. Distinguishing between the two rival theories is of particular importance, because they view the individual person as a bearer of personal knowledge in different ways (Gould 2000) (Atkinson & Hilgard, 2005) (Mackintosh 2007):

- Proponents of the general intelligence factor (single-factor intelligence theory) want to capture in ability tests the large, deep-seated causal factor that ultimately summarizes an individual's mental abilities in a single score (in general intelligence). From this point of view, the individual will eventually have a single numerical value by which, in principle, people can all be ranked: those with higher general IQ scores will (according to the theory's reasoning) be able to perform larger, more complex tasks *in any area of life*. This, of course, immediately raises the question of the return on investment in training individuals, and the pre-assignment of tasks based on measured ability.

- The school of multi-factor assessment, on the other hand, which assesses individuals on the basis of their different abilities, sees individuals as diverse and individual, who cannot be ranked according to a single ability, but who can be set off in a variety of promising directions according to their different abilities.

This is still the most crucial difference between the different theories of intelligence: do we assume the strength or weakness of a single ability behind an individual's performance, or do we assume several different, diverse groups of abilities? Very importantly, *the logic* behind the two tendencies *continues* in the direction of the *variability/developability of abilities*: those who believe in the determinant role of a single (general) factor, typically consider intelligence to have very limited developmental potential, and thus to be predominantly an innate ability of the individual. Theories of multiple factors (as a more colourful basis for intellectual ability) on the other hand, inevitably lead to the idea that these multiple types of ability may interact with each other and with the individual's environment: those who hold multifactor theories of intelligence, typically see this diverse set of abilities as developable. Among contemporary modern theories of intelligence, there are also single-factor and multi-factor basic beliefs. The proponents of the single-factor school are seriously concerned with the genetic origins of differences in intelligence between individuals and social groups (Herrnstein & Murray 1994).

The factor-analytic approach was dominant in intelligence research until the 1960s. More recent approaches – with the emergence of cognitive psychology and information processing models – have sought to *gain a deeper understanding also of the mental processes behind intellectual activity* (Atkinson & Hilgard, 2005).

Howard Gardner (b.1943), professor of psychology at Harvard University, outlines multiple intelligence in his theory, which he first distinguished into seven distinct modules (Gardner 2006) (Edwards 2009). Gardner's theory thus belongs to the multi-factor school: like Thurstone, he considers intelligence to be composed of separate modules rather than being a single general cognitive ability system (Gardner, 2011) (Seider, 2009) (Atkinson & Hilgard, 2005)

Robert Sternberg (b. 1949-, American psychologist) also sees intelligence as much broader and more complex system than the general definition of intelligence by the g-factor; he but he proposed three pillars as basic components of intelligence in his model: **Analytical, Creative and practical intelligence** (Atkinson & Hilgard, 2005)

Raymond Cattell (1905-1998, British American psychologist) distinguishes between fluid and crystalline (or crystallised) intelligence - he theorises that fluid intelligence is important for the flexible adaptation to unexpected situations, while crystalline/anchored intelligence accumulates the results of past experiences and learning processes. Understandably, both types of intelligence are needed to thrive in life (Cherry, 2024).

Stephen J. Ceci (1950-, American psychologist), **in his bio-ecological theory of intelligence**, *describes* intelligence as *a multi-layered intellectual potential*; the formation and development of intelligence, he argues, *occurs through the constant interaction of many contexts*. The abilities of the biological/genetic basis interact already from birth with the environmental influences (e.g. parental background, later the effects of school and other life events, etc.). The individual's knowledge of the world is constantly evolving, and this (in a good case) rich, *well-organised knowledge base itself interacts constantly with environmental factors and biological/genetic factors*. Different environmental features may develop the individual's diverse knowledge base in different directions. This also means *that as the environment changes, the potential of the individual and his/her developing knowledge base may emerge in new ways*, develop further or, on the contrary, remain hidden (e.g. by the inspiring or demotivating effect of the education system). Conceiving of intelligence as such a complex, ever-changing entity, Ceci's concept is inspiring for our present work, because it reflects both *the developmental impact of the individual's environment and the organic, ongoing possibility of this development* (Atkinson & Hilgard, 2005).

Based on the results of the secondary research, the present paper clearly accepts *the multifactor-complex nature of intelligence and the multifaceted possibilities for its development*. This statement does not, of course, deny the existence of individual differences, nor the existence of genetic/hereditary effects explaining some of these differences. *However, for the effective functioning of knowledge organizations, we emphatically accept both the multifactorial determination of intellectual abilities and the multiple possibilities for their development*.

In the following, we will introduce a relatively young yet important area of multifactor intelligence: emotional intelligence, because we consider the interactions between emotional and other cognitive factors in the interplay of factors to be of paramount importance.

2.3.6 Emotional intelligence

The study of the relationship between emotions and intellectual ability goes back thousands of years. Even ancient philosophers were seriously concerned with the role and place of emotions in human life and thought (e.g. Aristotle, Stoic philosophers) (Aristotle, 2010) In the 18th century, we can find the search for the place and role of emotions in the teachings of Western philosophy (e.g. Descartes) and then in the Enlightenment (e.g. Spinoza), especially in the trends of rationalism. (Descartes, 2012) In the 19th century, Charles Darwin's theory of evolution marked another important stage in the study of emotions. (Darwin interpreted emotions as remnants of the evolutionary past and pointed out several parallels between the ways in which humans and animals express their emotions).

In the 20th century, the study of emotions became the focus of interest mainly in academic psychology. While the period 1900-1969 was characterised by the study of intelligence and emotions as two separate fields, the period 1970-1989 saw the beginning of a convergence between researchers in these two fields (Ciarrochi, Forgács, & Mayer, 2003). Howard Gardner's *theory of Multiple Intelligences* is a very important milestone of this period: in addition to language, logical-mathematical, spatial, musical and bodily-kinaesthetic intelligences, Gardner defined *interpersonal and intrapersonal intelligence*, the latter two corresponding well to the two basic areas of study of emotional intelligence (Gardner, 2006).

The emergence of Emotional Intelligence as an independently defined scientific discipline dates back to 1990 (Ciarrochi, Forgács, & Mayer, 2003). The authors John D. Mayer and Peter Salovey started the publishing of their major papers in the 90's (Mayer, Salovey, Caruso, & Sitarenios, 2003) (Mayer & Salovey, 1993) (Mayer & Salovey, 1995), in which they summarized the major research findings of the field and laid the theoretical foundations of Emotional Intelligence (EI). Through this conceptual clarification, they have also justified the existence of EI as a new and distinct field of intelligence and have developed a formal theory of it. Equally importantly, they also described their method for measuring EI (the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)), developed jointly with David Caruso (Mayer J. D., Salovey, Caruso, & Sitarenios, 2003).

The *Mayer-Salovey* definition of EI is *ability-based*: its authors defined it as a group of abilities such as a) perceiving emotions, b) using them to stimulate thinking, c) understanding the meaning of emotions, d) and managing emotions. Their tests measuring these abilities (MEIS (Multifactor Emotional Intelligence Scale) and the MSCEIT mentioned above) *use problem-solving tasks* (e.g., identifying emotions in pictures of faces or in response to questions about a given story) rather than self-assessment questions (Mayer J. D., Salovey, Caruso, & Sitarenios, 2003).

In 1995, a new name "exploded" into the field of EI research: Daniel Goleman and his book: *Emotional Intelligence* (Goleman, 2008), which presented many aspects of the field in an easy-to-understand, interesting, readable style of popular science books. The topics covered are wide-ranging, from the emotional architecture of the brain to the surprisingly significant advantages and disadvantages of positive and negative behaviours associated with emotions, to the promise of developing the ability sets associated with EI (Goleman, 2012). Goleman's book became a resounding bestseller – translated into more than thirty languages and boasting over five million copies sold – and the subject of EI has since become of increasing interest; (Goleman, 2015). In addition to the strictly scientific interest, several more trendy, popular educational publications have also naturally increased from this point onwards. Perhaps this fact led to several criticisms of Goleman's work: his definition of EI was considered too broad, too general, based on a general notion of *character* rather than on a definition of a specific set of competencies (Goleman's EI categories are Awareness, Self-Regulation, Motivation, Empathy, and Social Skills). Thus, in addition to the *ability-based EI school of thought*, which is labelled Mayer-Salovey(-Caruso), Goleman's concept of EI has been classified as a so-called *mixed approach* - (along with the concept of EI of the American psychologist Reuven Bar-On, whose categories of Intrapersonal/ Interpersonal/ Adaptability/ Stress Management/ and General Mood - EI were also found to be too diverse to be used to characterise a specific set of abilities). (Bar-On, 2011) (Ciarrochi, Forgács, & Mayer, 2003)

The main sources of criticism have been the leading experts of the ability-based Mayer-Salovey school themselves (Mayer-Salovey 1993) (Mayer-Salovey 1995). Their main criticism of the mixed approach is thus that it does not only contain ability-based components, but also includes parts of other aspects of personality among its basic components (e.g. *motivation*, which is included in Goleman's EI, but which Mayer and Salovey consider to be 'systemically negative' and not part of any type of intelligence) (Mayer et al, 2003). On the basis of this criticism, Mayer and Salovey consider the mixed approaches to be unscientific and their findings to be unnova (Ciarrochi, Forgács, & Mayer, 2003).

At the end of this chapter, it is certainly useful to take a position on the concept of EI that we will follow in this thesis: we do not consider *the mixed approach of EI* to be unscientific, but *we appreciate it as a much better model of reality*, and as a *much more widely applicable concept of EI*. From the point of view of effective leadership, this approach means that *emotional intelligence*, which has a major influence on individual and group behaviour, should

again be approached *in its complexity in each* individual, for which a 'bottom-up' approach may be a good practice. From this perspective, emotional intelligence can be understood as a well-functioning interplay of complex psychological and social abilities, which should be *measured in terms of the degree of aptitude and competence in individual situations*, rather than trying to split into its components at its 'input side'. The 'output-side' approach also provides an opportunity to successfully map a very wide range of emotional characters and behaviours, as individuals may show different patterns of emotional competence in different situations, with different patterns of success and failure. This approach provides a very good basis for understanding the advantages and identifying the disadvantages between different behaviours and is therefore well suited to both individual and group learning exercises.

In the remainder of our work, we will therefore clearly proceed in the spirit of the mixed approach to EI: we will capture and model emotional *intelligence in terms of processes that take place as the interaction of multiple components of personality*.

The components of the EI are the following conceptual units, which are easy to understand and provide a sufficiently broad framework for thinking: understanding and managing emotions of self and others (Figure 5).

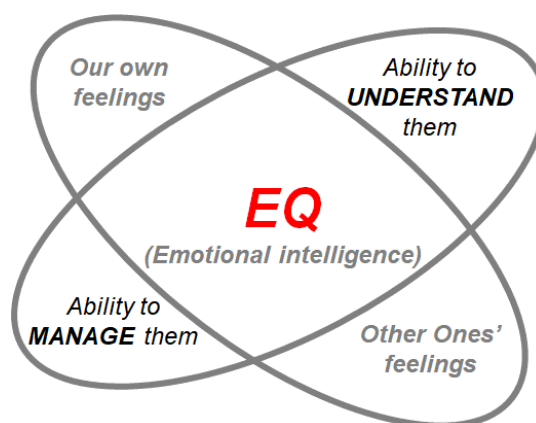


Figure 5: Emotional intelligence - general model

source: own editing (based on (Marczellné, 2012))

This structure, in fact contains all the element of the Goleman-approach, but in a simpler and more manageable structure (I have included motivation in this access as one of the competences needed to successfully manage our emotions and those of others).

2.3.7 Effective leadership and Emotional Intelligence (EQ)

Based on the review above, emotional intelligence is defined as the set of skills that enable an individual to both understand and manage his/ her own and others' feelings. In this summary, the importance of these four areas is discussed from the perspective of managers in organisations operating in the early 21st century social – and market environment.

Understanding one's own emotions: a certain level of self-awareness is essential because the environmental elements and issues to be addressed presented in the first chapter are of such a complexity that cannot be effectively addressed with a well-algorithmized toolbox (i.e. a constant "solution set"). In the communication and interaction of managers with individuals, groups or even larger social units, the continuous assessment of the situation, the resulting decisions to be taken, implemented and the responsibility that this implies means such a constant intellectual and spiritual challenge that requires a balanced personality and a solid basis of self-awareness. This part also includes *the importance of the constant practice of self-reflection*, which is also unthinkable without an existing base of self-awareness.

Understanding the emotions of others: the complex gift of "empathy" means an ability which is both difficult to acquire on one hand and has new and new of contents on many levels on the other. It is able to develop on a fine-tuned way through continuous experiential learning, and also to constantly set up responsible boundaries in new and new situations.

Managing one's own emotions: depending on one's disposition, this is often the most challenging area, even for those with high emotional competences; especially when dealing with situations of value conflict and when making leadership decisions that significantly affect the lives of others, strong competences in this area can even protect the long-term integrity of the leader's personality.

Managing the emotions of others: a very large group of management situations rely on the competences in this area on a continuous basis and in situations that differ significantly from one another. All forms of communication, effective conflict resolution techniques, having the major decisions understood and accepted, and all levels of effective motivation continuously use the skills of this domain. It is very important to note that while the professional, but distorted value-based management of influence (i.e. manipulation) may bring significant short-term success to the manager who uses it, in the long term it automatically leads to an escalation of moral and other problems and is therefore not a valuable and applicable competence in this skill set. High emotional skills must be based on an appropriate set of values for a leader who wants to help his people effectively and responsibly towards common goals.

2.3.8 Summarising overview of competences as mental resources

At the end of the first chapter, we can therefore draw the following conclusions about the mental resources studied, which will be built upon in the following chapters:

- Some of the differences between individuals' intellectual abilities are based on hereditary factors, while others are explained by different environmental conditions. In the "nature-nurture" debate, the summarizing studies (e.g. Neisser et al, 1996) now all agree that neither hereditary factors nor environmental-nurture factors have an exclusive influence in shaping individual intelligence. While individual schools and authors may differ in their judgements of the relative importance of these two sets of factors in shaping intelligence, *it is generally accepted that both types of factors influence intelligence* (Plomin, Shakeshaft, Trzaskowski, & McMillan, 2013) (Kan, Wicherts, Dolan, & van der Maas, 2013)
- In addition to hereditary factors, the role of the "environment" is also apparently complex: complicated interplay of upbringing, cultural influences, psychological and emotional factors shapes the processes of learning, maturation and understanding that result in the development of a heterogeneous system of individual abilities (Protzko, 2015) (Makharia *et al*, 2016)
- The role of genetic-hereditary factors is thus inescapable, but the significant influence of environmental factors means that the impact of these genetic factors can be illustrated by treating them not as a final frontier but as a broader band in our model of the evolution of human intellect. Thus, a given individual carries (if not unlimited, but) a very broad potential of abilities through the hereditary factors he carries; the environmental and educational influences decide how much of this broad potential can ultimately develop and become a value-creating factor.

However, the complexity of the influencing factors and their multifaceted inter-relationships also show that it is more appropriate to consider the totality of individual competences through the conceptual framework of *personality* rather than intelligence alone. Indeed, it is clear how many other (psychological, cultural, developmental, etc.) influences, in addition to the purely cognitive type, actively shape the individual entity, which ultimately manifests itself both in social situations and in any groups or institutions of society as a value-creating and creative actor. In the present work, we want to explore as many elements of this complex system of interactions as possible (together with as many features of the nature of their interconnections as possible), so that the continuous growth of competences can be seen in an even higher quality in both individual and group decisions and activities.

3 RESEARCH

In the *literature review*, I have first reviewed the main processes that have significantly transformed the global market and social environment of the world over the last fifty years, and even more so over the last twenty-five years. These dramatic changes in the environment have brought new needs towards management and organisational tasks. These requirements were first analysed from the perspective of management theories and organisational competitiveness. In the second part of the previous chapter, the importance of knowledge and competencies in the new market environment was highlighted, and the interrelationship between knowledge management, human capabilities and, within these, emotional competencies were examined through a structured analysis of literature sources.

3.1 Research process and methodology

In my primary research, I conducted both a large-scale questionnaire survey and interview analysis. My first questionnaire research was aimed at gaining a deeper understanding of the nature of individual intrinsic motivations, as one of my preliminary hypotheses was that motivations function as a very important link between the cognitive and emotional components of individual consciousness, so a deeper understanding of them would allow us to learn more about the interaction between these two areas. A total of 1155 responses to the questionnaire survey were collected, which is in itself a remarkably high number. The sampling method, however, does not meet the criteria of representativeness: due to the limited financial resources available, random sampling was not an option (Ligeti & Héra, 2017). The first group of the targeted respondents were originally my students at the universities where I was teaching and then the questionnaire was further shared on the sites of the social media. The total number of answers was collected withing 1,5 months. I received 100% of the responses electronically and the data were further processed using SPSS.

The questionnaire first provides information on a number of sociodemographic indicators: gender, age, education, place of residence, occupation, marital status, etc. After that it focuses on its main purpose: to find out the nature of individual intrinsic motivations. I achieved it by asking (3) open questions: first, the questionnaire asks about the nature of the activities that are intrinsically pleasurable for the respondent ("What is the activity that you particularly like to do for its own sake?"); then it tries to find out the underlying meaning of this activity by the 2nd open question (Why do you like this activity, what does it really mean to you?). The third (and final) open question asks about the characteristics of the respondent's

ideal (desired) state of being 10 years later: it was designed to gain a more detailed understanding of the respondent's underlying values.

I was already aware when compiling the questionnaire that the use of open-ended questions would pose a number of methodological difficulties and would also result in a considerable amount of extra work during processing. This fact became even more pronounced when the survey was closed with 1155 responses. However, the exploratory nature of the research meant that I could not do without the use of open-ended questions (Babbie, 2020). The first typical problem about it (that respondents tend not to be very active in answering open-ended questions that require extra work) was fortunately avoided: the response rate was very high for these questions as well (detailed data in this Chapter). In the case of some one-word answers, it may have happened that more than one person wrote the same answer, so that the frequency of that answer type was higher than 1. However, most responses were unique, so a frequency of 1 was the most common for each response type.

For the questionnaire responses, I first looked at the basic distributions. I tested the correlations between the basic socio-demographic indicators using Pearson's Chi-square test of independence.

Despite the huge volume of individual responses, I have assigned type codes for each of the responses for the three open-ended questions. (It is very important to note that a large number of responses could be classified into more than one type, as they were long and detailed– e.g. several pleasure-seeking activities were listed). After the first classification, I grouped the similarities between each activity category into common groups.

After examining the baseline distributions for the total respondents, I first used cluster analysis to see if the answers to the open-ended questions could identify groups that typically prefer a particular type of activity.

The relationships between the answers to the open-ended questions and socio-demographic indicators were examined by analysis of variance (typically using the F-test), which revealed whether there were characteristic response types along the distributions of each socio-demographic indicator. (With the knowledge of these types of correlations, the manager of a given learning organisation can gain a more specialised picture of the typical intrinsic motivations of the members of the organisation, which can then be used to improve the effectiveness of the motivational strategy developed for an individual employee or a group of employees within the company.)

In the second part of my primary research, I conducted interview analysis: out of 72 interviewees, 27 were interviewed in 3 focus group interviews, while the remaining 45 were interviewed individually. The primary results of the interviews were analysed in several steps, using the tools of narrative analysis – the raw interview material was first united and structured in a detailed summarising document, in which (in addition to recording the gender and age of the respondents) I sought to capture all the important motifs of the interviews. In the second round of processing, I tried to identify the common and specific narratives in each interview to find typical "patterns" that could be used as characteristic relational elements for the subsequent modelling (Horváth & Mitev, 2023).

I analysed the raw material-types of interview results at all the three typical levels of narrative analysis: (1) by content analysis, (2) by formal-structural analysis and (3) by hermeneutic analysis (László, 2008) (Yancy, Hadley, & (Eds.), 2005) (Martin & Bickhard, 2012)

In the course of the hermeneutic analysis, I interpreted the function-type components obtained as a result of the first two levels of analysis for the final aim of the thesis: for a management model to be set up. I classified the previously identified input elements according to two aspects: (1) usability; and (2) influenceability. Under the aspect of usability, I examined to what extent, under what circumstances and how a given emotional-cognitive interaction function (when applied) can increase organizational effectiveness. The analysis according to the influenceability aspect evaluated the functions in terms of how the leadership activity can change the given function and its effects so that they can support the goals of the learning organization at a higher level (László, 2011) (Mitev, 2006)

The management model, which is the final output of the thesis, was created from the elements of the highest level of influenceability.

After the model was completed – as the third part of my primary research – I wanted to investigate whether my model (from the viewpoint of organisational management methods) is valid and usable to increase organisational effectiveness, based on the evaluations of organisational employees, through a further questionnaire survey. After the main sociodemographic categories were asked, the further questions inquired how the respondents evaluate several management actions resulted by using the tools of the management model (using a five-point Likert scale). After having the results analysed, I am going to evaluate the management model, to examine whether the research hypotheses are fulfilled, and then to provide a brief outlook on possible future directions for the research.

3.2 First questionnaire survey: review of our intrinsic motivational reserves

This subchapter presents the first of the primary research studies in this thesis: the (1st) questionnaire survey and its results. The main aim of the first questionnaire research that I conducted was to get acquainted with people's intrinsic (self-rewarding) motivations and to gain a deeper understanding of the nature of them. Since I hypothesised that the system of motivations plays an important linking role between the cognitive and emotional intelligence-type components of tacit knowledge, I considered it important to explore the diversity of intrinsic factors (in addition to the classical extrinsic (instrumental) motivators).

3.2.1 Content and structure of the questions used

The questionnaire was structured along the following simple principles:

The most important sociodemographic questions in the first part were:

- respondent's gender
- age
- residence
- marital status (including a question of having children)
- independence of housing (whether separated from parents and/ or having his/ her own flat / house)
- economic activity (whether working or not; if case of working, in what form and nature; in case of not working, what is the type of the inactivity)
- education

To find out the real nature of intrinsic motivations, I used the following open questions:

- **Is there any *activity* that the respondent *particularly likes to do* (for himself/herself) and if so, which one in particular?**
- ***What does this activity mean* for the respondent?**

In a large-scale survey, the use of open-ended questions (even more open-ended questions) is dangerous both in terms of the way and the volume of the subsequent analysis. However, within the conditions of the questionnaire research, I did not see any other/better way to achieve the main research objective of the questionnaire: to ask these questions in a closed form would have risked *the real understanding of the true nature of* the respondents' intrinsic motivations - due to *the exploratory nature of the research*, I wanted to avoid any forms of prior influence - but to give the answer options of the closed questions in advance, would have been influential. Another argument against the use of open-ended questions (which would have meant

difficulties in the further processing) – would have been the lower response rate that open-ended questions usually have, but this (as will be seen later) was avoided.

The most important focus of the questionnaire is carried by the two open questions above - **immediately following them in importance is the final question**, which I have **also** formulated **as an open question: 'Ten years from now, what would you imagine your ideal life situation to be?'** - This question requires an even more complex answer than the questions before, but here the response rate was joyfully high, too. With this question, my main aim was to *further detail* the two focus questions by *the respondents' guiding values*. Values can presumably play a very important role in determining the dominance between the different need - groups and thus the true nature of the respondents' motivational mechanism. (Appendix contains the whole questionnaire).

3.2.2 Respondents, volumes, basic distributions

The questionnaire survey was conducted via the Internet. The initial sample - who I asked to respond in the first round of the survey – consisted of university- and college students (19-24 years old). After the first round of the survey, the follow-up was a snowball-like spread through the social networking sites of the internet. In the introductory letter (inviting respondents to fill in the questionnaire), the most important message, (while ensuring respondent anonymity and voluntariness), was to clarify in advance the purpose of the main (open) questions – perhaps this also helped to ensure the overall high rate of respondents who answered all the 3 main open questions.

Due to the financial-, and time- constraints of the survey, I had to use the snowball method, so the survey cannot be considered representative; however, the 1155 respondents are a very impressive number, so I hope that the analysis of the data will be a useful contribution to a deeper understanding of my topic.

The gender distribution of the sample cannot be considered as equally weighted. Figure 6 shows the strong dominance of women (about 3/4-1/4 compared to men)– which may indicate that they are more willing to fill out the

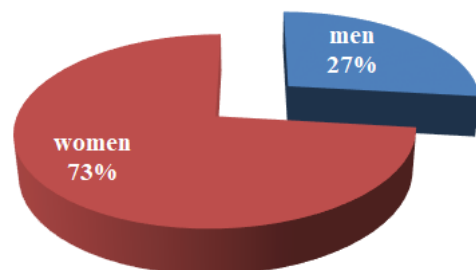


Figure 6: **Distribution by gender** (source: own edition)

questionnaire as a favour on social networking sites. The strong disproportionality is of course by no means welcome in terms of representativeness - the only "mitigating factor" is the relatively large sample size: the sample of male respondents, which accounts for only 26.8% of the sample, is itself 310 persons. Although men are severely under-represented in the sample, their absolute number is still joyfully high. In order to deal with the distorting effect of the gender imbalance, (in addition to the high number of respondents), I have carried out a chi-square independence test to clarify the possible inter-relationships between gender and other socio-demographic indicators. (The results are detailed in subsection 3.2.3.)

The balance of the distribution by age group ultimately depends on the group boundaries chosen. As shown in Figure 7, the age group cut-offs of 13-20 years, 21-26 years and 27 years and above roughly represent a third of the sample. As shown in Figure 8, the age group above 27 years, which is quite broad, is split almost equally by the age limit of 40 years in the sample:

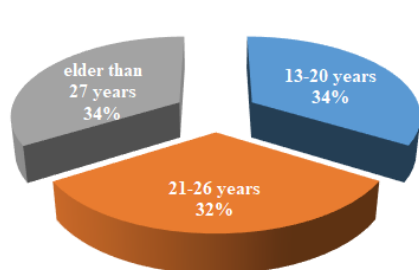


Figure 7: Age groups 1 (source: own ed.)

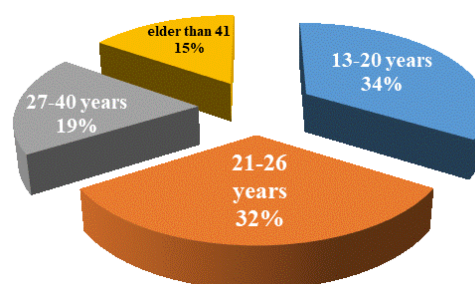


Figure 8: Age groups 2 (source: own ed.)

27–40-year-olds make up 19% of the total sample size, while those aged 41 and over make up 15% (this breakdown follows the teenage/ young adult/ young adult/ mature adult split, so it is well suited to the purpose of the research). The high proportion of the youngest age group (13-20 years) can be evaluated as a weak point (a disadvantage) of the questionnaire results, because the overall goal of the dissertation is to understand and structure the interrelations between EQ-based leadership tools and organisational effectiveness: the employees of companies and institutions are not typically people from such a young age group. Two factors, however, can be mentioned as ones that soften the mistake of the high part of the too young respondents: (1) the first is, that the far majority of the respondents who belong to this age group are 19-20 years old: the reason of this is that a lot of young university students filled up the questionnaire (and lower age group was never targeted); (2) the second factor is that this 1st questionnaire research aimed to get deeper information about people's intrinsic motivations and not about how they behave in organisations.

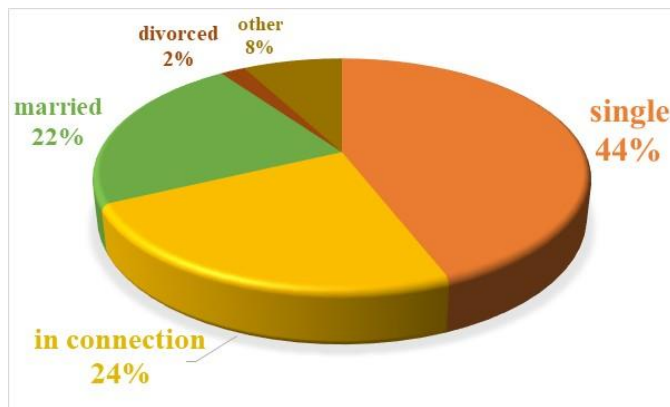


Figure 9: Marital status (source: own ed)

Figure 9 shows the distribution of the sample by marital status. 3 groups: (1) 44% single, (2) 24% in connection and (3) 22% married make up 95% of all respondents.

The distribution by place of residence shows a strong concentration in Budapest - and Pest county - which only increases when looking at real residence rather than permanent (registered) one. (see Figures 10-11)

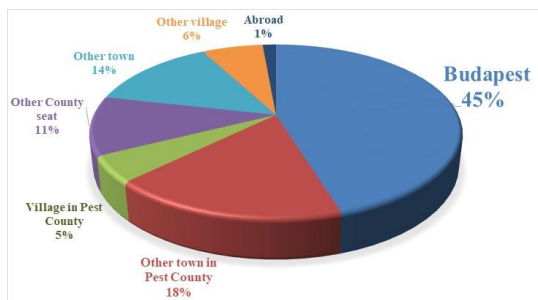


Figure 10: Permanent residence (source: own ed)

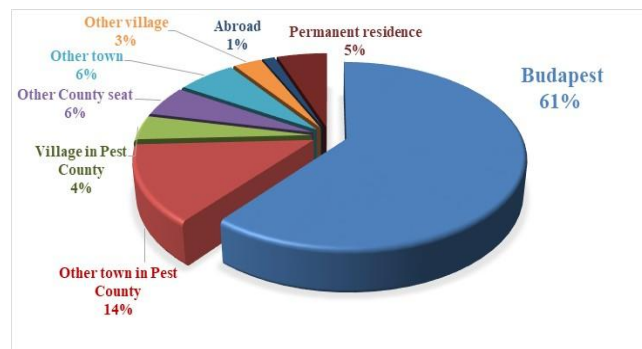


Figure 11: Real residence (source: own ed)

The sample is fairly balanced in terms of the degree of independence: 41% live with their parents (presumably high school and college students), 30% live in their own home, while 22% live in "other places" (most likely in a rented property or in a dormitory.)

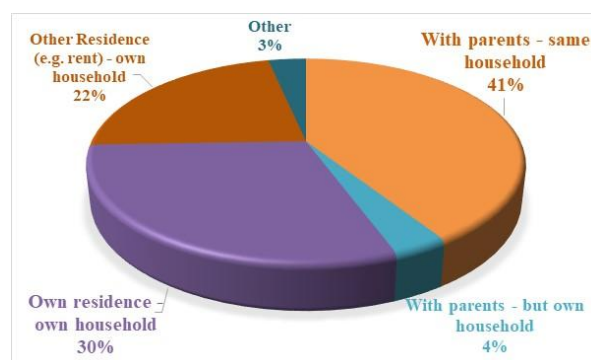


Figure 12: Degree of autonomy (source: own ed.)

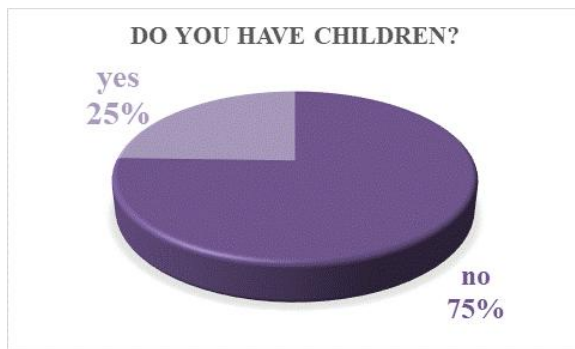


Figure 13: **Having children** (source: own ed)

The responsibility of having children can have a significant impact on the development of values: a quarter of the respondents have children.

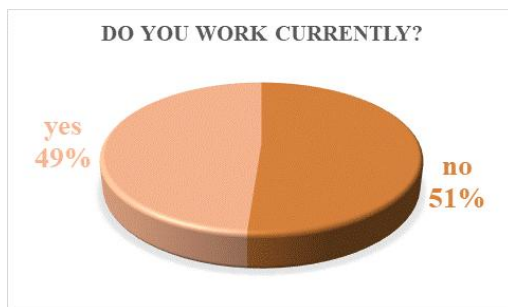


Figure 14: **Employment** (source: own ed)

In terms of employment, the sample is evenly weighted, with almost a half-half split between those not working and those working.

That half of the respondents who work, are in a variety of jobs, with graduated statuses and other white-collar jobs being the most common: together, these two categories account for 62% of the sample.

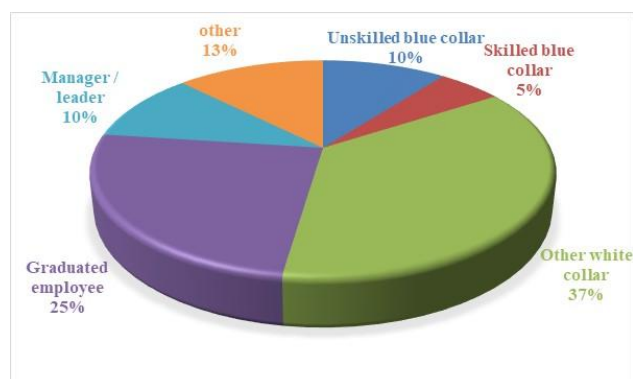


Figure 15: **Type of work** (source: own ed)

The proportion of managers/ leaders is also significant (10%); skilled and unskilled blue-collar workers are also represented in the sample.

Due to the high proportion of college students in BA courses among the respondents, the highest proportion of the distribution by the highest (completed) level of education is represented by secondary school:

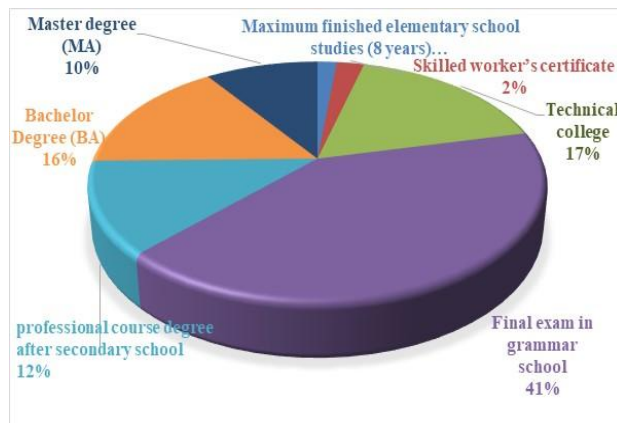


Figure 16: Educational attainment (source: own ed.)

grammar school with 41% and technical college with another 17%. In terms of higher education, we can find a significant proportion of (a) professional school degree after secondary school, (b) BA (BSc) and (c) MA (MSc) degrees within the sample.

At the end of the presentation of the basic distributions, it can be concluded that the sample shows significant variability along all the sociodemographic indicators examined. We could find remarkable disproportionalities among the basic distributions by gender, age group and place of residence: the proportion of women, the age group between 18-24 years, and those living in Budapest and Pest County is particularly high within the sample – but the responses of the minority categories can also be assessed along these three indicators, as the sample size (over 1000 persons) ensures a high response rate even in groups with smaller proportion. Thus, although the sampling method did not ensure representativeness, the sample size and the variability of the sample according to the different indicators give a good chance to add further information to the research topic of this paper.

3.2.3 Cross-tabulations and independence analysis along sociodemographic indicators

The correlations between the basic sociodemographic indicators were tested using *Pearson's Chi-square test of independence*. 95% was applied as the lower bound for any significant relationships – it is the confidence level that is generally accepted in social research (Babbie 2008). Naturally, we found a highly significant relationship (confidence level above 99%) between marital status and age: as people get older, more and more of them lives in a connection, then in marriage, too. After a certain age level, divorce as a possible marital status also appears (due to extent-limitations of the dissertation, not all interrelations will be presented by figures). There is also a strong significant relationship (above 99% confidence level) between age group and employment (whether working or not), the type of employment, the highest level of education, the childbearing and being independent in housing. All these strong relationships are clear and expected: as people age, the higher proportion of them works, they are getting more and more skilled; older age groups understandably also have increased rates of higher education, childbearing, and more independent housing conditions.

Less clear, and therefore more interesting relationships can be examined in the cross-tabulations between gender and other sociodemographic indicators, which is also worth exploring in more detail, because the sample shows a gender imbalance with an over-representation of women (see previous subsection). A highly significant (at least 99% confidence level) relationship was found when examining the gender distributions only with the type of work. In a comparison between the two sexes, women are over - represented in (1) unskilled manual (blue collar) work and in (2) other white-collar work. Men are over-represented compared to women in skilled manual work.

Weak significance (94%) is found between gender and work (whether working) – and gender and education (94.9% probability). Men have a relatively higher proportion of working (this is understandable given the traditional social roles). In terms of educational attainment, women have a higher proportion of grammar school than technical school in secondary education, while at the tertiary level, men have a relatively higher proportion of university degrees in the sample than their female counterparts (see Figures 17 and 18).

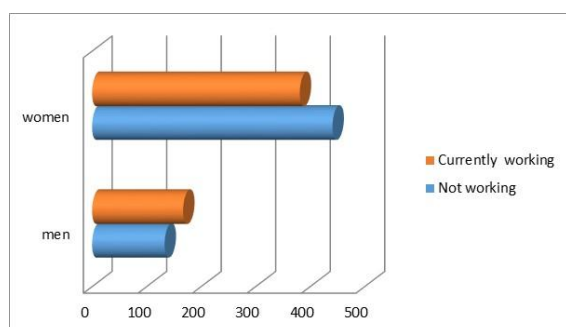


Figure 17: **Gender and employment** (source: own ed.)

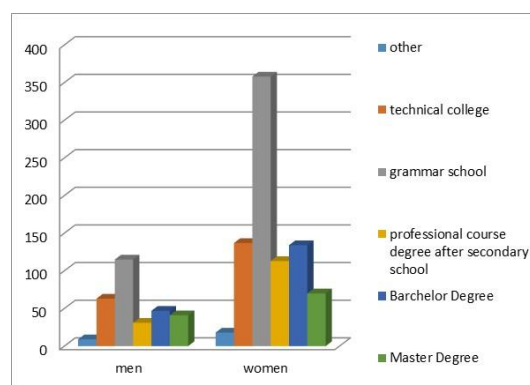


Figure 18: **Gender and education** (source: own ed)

The probability of a correlation between gender and marital status is even lower, (92.7%). The high proportion of singles of both sexes is understandable considering the relatively high proportion of young respondents. Among women, those in a long-term relationship with a partner, while among men, interestingly the proportion of married people is higher in our sample compared to the opposite sex / gender. To summarise the results of the independence tests of the cross-tabulations of socio-demographic indicators, *age shows a significant relationship with the other indicators*, which is quite natural (as life progresses, more people work, get married, have children, get divorced, etc.).

Apart from this trivial correlation, only the gender of the respondents and the nature of their jobs show a significant relationship, with women being over-represented in the categories

"other white collar" and "unskilled blue collar" and under-represented in "skilled blue collar work" compared to men.

3.2.4 Reviewing the responses to the open questions

3.2.4.1 Examining the types of actions that generate pleasure

Basic distributions

The responses to the first open-ended question (which sought to approach the nature of intrinsic motivation from the perspective of the *action that gives pleasure*) ranged from one-word responses indicating only the category of the action to complex sentences of a detailed/ explanatory nature. This question was answered by 78.5% of the respondents: a very high proportion for an open question.

Table 1: Activity categories (*source: own editing*)

1. Community	conversation
	charity
	community 1: family
	community 2: friends
2. "Relax"	computer, net
	games
	relaxation, recreation
	explicit consumption
3. Creative work and learning	interest, intellectual pursuit
	good work
	creative
4. Focusing, attention, affiliation	spirituality
	nature, animals (including pets)
	culture
	film
	reading
	travel
	music
5. Active moving	sports
	dance

When processing the responses, I first identified activity categories and then classified each response into these - a response could be part of more than one activity category at a time, as

many respondents explained their favourite activity in more detail. After that, I grouped the similar ones from each activity category into common groups as follows (Table 1). The table above shows all the categories used in the coding and their classification along five major characters to capture *the characteristic that represents the basic attractiveness of the preferred action*.

The 'Community' group includes activities where joy and happiness is based on *the attractiveness of social relationships* - the main charm of the activity in these response types is typically *the people themselves with whom the activity can be experienced*. Enjoying the company of *friends* (47%) proved to be even more popular *than family* (27% of the responses of this category). The advantage of friends over family may be explained by the high proportion of young respondents (around 2/3 of them under 27 years old). Friendships are valued more highly in this age group, often even over the family. In addition to companionship, the *social* nature of the activity led to the inclusion of *conversation* (10%) and activities whose main purpose was identified by respondents as altruistic or *charitable* (16%).

The main purpose of activities in the **"Relaxation"** category was to *have rest*: the category winner *relaxation* (41%) was closely followed by *games* (35%), *computer and internet activities* (13%) and finally *"consumption"* (12%) which included responses such as "eating well".

The absolute winners in the **"Creative work and learning"** category are *creative activities* (63%) - e.g. craft activities, playing an instrument or writing a short story. The *"good work"* category (21%) is dominated by activities that can be considered as "useful work" activities that are done with pleasure but at the same time they also have a specific purpose and meaning: for example, cooking or organising parties/events as well as professional work done for pleasure or "happy car mechanics". *Interest, intellectual pursuit* (16%) focuses on the motive of interest-driven knowledge acquisition compared to the previous subgroup: learning a language, studying books on psychology could be included in this category as well as, for example, watching documentaries.

The category of **"Focusing, attention, affiliation"** focused on hobbies and other strong interests: besides *nature and animal lovers* (36%), *music* (29%) and *book lovers* (17%) were the most prominent members of this category. I also included fans of *travel* (7%), *culture* (5%) and *films* (4%), as well as those with a deeper *spiritual* commitment (3%).

The category of **"Active Moving"** was so strong and popular in the responses that it seemed appropriate to treat these responses as a separate group, with *dance* (13%) being a prominent category alongside the dominant different *sports activities* (87%).

The distribution of the above five categories within the sample is shown in Figure 19. After classifying the 20 activity categories into 5 major groups, the groups "***creative work and learning***" and "***focusing, attention, affiliation***" were the most common motives behind the activities that bring joy and fulfilment; each with 26-26%. The "***active movement***" group is just behind them with 23%. This is followed by the "***community***" motive with 17%, and finally the "***relaxation***" motive of those who want to have rest and fun with 8%.

What do these results mean? - I didn't ask respondents what they thought was most important in life, nor did I ask them to rank different values - I simply asked them what activities they enjoyed doing most *and only looked for values or needs behind their answers that could explain why they felt good while doing them.*

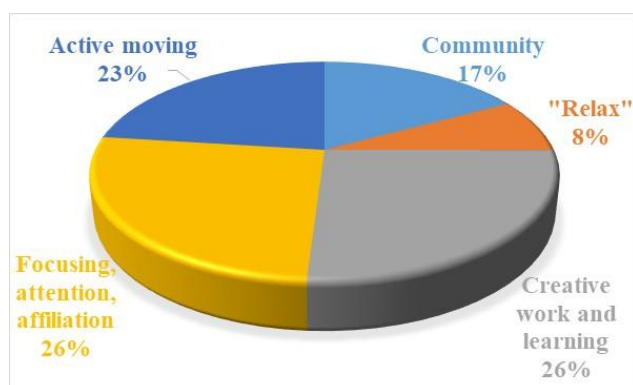


Figure 19: The 5 summarising groups of joyful activities (own ed.)

We can find a parallel between the two categories, which have proved to be the strongest, if we consider that both motifs in a certain respect seek to exceed / transcend the finite, the self-reversed, the grey everyday reality – but in two different ways:

in the case of "***creative work and learning***", the person seeks in him/herself, while in the case of "***focusing, attention, affiliation***", the subject tries to study of some external, complex phenomenon to find those elements of the world through which he/ she can experience something greater and more complete than him/herself.

This idea may sound a bit too philosophical at first, but if you look at it, it can (in fact) be broken down into very simple elements: by learning, we actually develop ourselves // and in the process of creating, we literally change, transform a part or certain elements of the world around us – and by doing so, we "give" a little of ourselves to the change, too. In the process of focusing / attention/ affiliation, one pays more attention to a complex system or phenomenon. This may come from the world of nature, culture, literature, or cultural in general. –We may wonder at a landscape, a city, the diversity and originality of life in it, we may be immersed in the harmony of the overall sound of a piece of music, or we may perceive our place in the universe in a new way - always opening doors to other worlds and looking through them,

sometimes finding a hazy- obscured, sometimes a clearer picture. Whether we are on the path of self-improvement and creation or of "devotional cognition", in both cases we are driven by *the effort for entirety*. We can better understand the nature of this motive if we interpret this drive not as dissatisfaction with the present, but as an unceasing endeavour towards *higher goals*. We can suspect quite a high level of energy in it: in our current survey, 52% of the motives behind the intrinsically motivating actions are of this nature.

The category of **"Active Movement"** (23%) is also very important: if we look for the nature of the needs behind it, we can recognise, that in our world today, natural movement is so poorly represented in everyday life that we can see its "replacement" as a specific need. The other component to be examined is the need for health, strength and physical well-being in general. A third possible underlying motivation could be to break out of the daily routine - either to recharge with energy from our bodies or to "calm down" our mind which is often overloaded with daily worries.

The 17% of **"community"** as an underlying motivation can be evaluated as significant from the viewpoint that in these cases it is not the nature of the action itself that we are focusing on, but an "external" aspect: the role of our partner(s) assigned to the action. The lowest weighting of **"Relaxation"** (8%) is interesting because the desire to relax (or the complaint about the lack of it) is a common, everyday subject of habitual interactions between people. The fact that such a low weighting is given to it within the motives behind "favourite actions", illustrates the observation of Csíkszentmihályi and many others in positive psychology that active, heartfelt action and focused, serious attention can be greater sources of pleasure for people than they themselves might think (Csíkszentmihályi, 2009). The pleasure of active, mindful action is therefore not yet so well understood in people's everyday lives, although the results suggest that it can induce higher levels of pleasure in most of us than the passive forms of relaxation, we more consciously desire.

Relationship between autotelic actions and key sociodemographic indicators

After examining the basic distributions for all the respondents, first I used cluster analysis to see if the responses could identify groups that typically prefer a particular type of activity. As already discussed in the (previous) subsection, many respondents provided a more detailed description of the action/situation that they found pleasurable, so that a given response could have been classified into more than one category at a time.

With cluster analysis, I looked for patterns within the sample that might be characterized by certain typical habits/preferences (or certain groups of them), while others might not. Identifying the patterns of intrinsically motivating actions can help a given learning organisation to describe more precisely the motivational structure of its members/employees, so that the organisational motivational strategies to be developed can be as precise, effective and personalised as possible.

Since I identified five main clusters from the aggregated category groups in the base distributions, I first defined the number of clusters to be created as five - in this way, I first actually attempted to see: to what extent are respondents' preferred activities along the five categories can be considered as typical? Does one type of interest exclude the other, or (on the contrary) are the interests of the respondents so mixed that there are no clearly identifiable groups of interests?

Table 2: **Activity Type - Clusters** (source: own editing based on SPSS database)

	Type of action-Clusters				
	1 Readers	2 Creative Ones	3 Good Guys	4 Athletes	5 Extravagant genuises
creative-creative	7,0	22,9	7,1	3,2	5,4
community - family	3,0	0,0	57,1	1,8	5,4
community - friends	3,0	4,8	18,6	3,9	8,1
rest-recreation	1,0	2,3	8,6	0,0	2,7
sport	6,0	0,0	0,0	100,0	8,1
dance	3,0	8,3	0,0	1,8	0,0
Conversation	1,0	1,4	7,1	0,0	0,0
calm, relaxation	0,0	1,1	0,0	4,9	0,0
building the future	0,0	,2	8,6	0,0	35,1
intellectual cam.	2,0	0,0	0,0	0,0	100,0
good work	1,0	0,0	50,0	,4	13,5
termite-animals	2,0	3,2	24,3	20,0	2,7
reading at	100,0	0,0	0,0	1,1	2,7
Music	10,0	12,8	2,9	3,2	5,4
Game	1,0	1,4	1,4	,4	10,8

The averages of the 5 clusters generated by the cluster analysis⁴ are shown in Table 2. I have marked in blue those cells that are completely uncharacteristic of the type in whose column they are placed and in orange those that are most characteristic of the cluster.

⁴ In the K-Means procedure, I excluded those categories whose F-test was unacceptable due to their too low number of elements.

Cluster 1, which I have labelled as "*Readers*" contains, for example, respondents who all enjoy reading in their free time, but choosing quiet relaxation or to work for the future is not typical for them at all. Another example: the members of the "*Good Guys*" cluster, for example, are very much characterised by the preference for community-type activities (57% for family activities and around 18% for activities with friends), half of the group likes their work and enjoys it, while around a quarter of them love nature or working with animals.

However, our pleasure in the task of forming and characterising groups that are really well defined by the above characteristics is greatly diminished if we look at Table 3, which shows

the number of elements in each cluster. The disproportions are clearly huge: for example, while the Creative 2 cluster is huge (57%), the "Good Guys" 3 cluster has a share of just 6% with 70 people. In the present cluster design, therefore, many of the typical characteristics of the original distribution were lost due to the exclusion of the low-numbered categories, so it was not worth working with this typing any further.

Table 3: Experiment to identify typed clusters

(source: own editing based on SPSS database)

1. Readers	100	9%
2. Creative Ones	663	57%
3. Good Guys	70	6%
4. Athletes	285	25%
5. Extravagant geniuses	37	3%
	1155	100%

In the hope of creating new, more typical types, I tried several types of clustering (e.g. by creating 3 "strong" clusters, then 4 ones, then changing the order of activities), but in none of these cases could I get convincing results: either the number of elements in each cluster became disproportionate (too large, or too small), or the cluster-characteristics became too general (e.g. the members of a given cluster like a little bit of sport, but also a little bit of nature and a little bit of community, a little bit of play... etc.).

What does this show? It shows that the sample of respondents *cannot be really typified* in terms of the actions that give pleasure: among the many pleasure-giving actions, the members of each subgroup do not typically choose the same combinations, but they have much more specific preferences – instead of a few typical groups, we are dealing with many individuals, so instead of using cluster analysis, I used analysis of variance to see whether or not I could find typical pleasure-giving actions at least along the sociodemographic indicators.

Analysis of variance of pleasure generating activities and basic sociodemographic indicators

Using the analysis of variance with the F-test (again, considering highly significant relationship at the 99% or above confidence level), I found highly significant relationships along the following relations:

- There was a highly significant correlation between the **gender** distribution and the types of activities that bring pleasure in the categories of *computer*, *games* and *sports* for men and *reading*, *dancing* and *creative activities* for women. These results are in line with our preliminary hypotheses, such as a preference for more in-depth/versus more light-hearted activities in the women/versus men comparison.
- Examining the distribution by **marital status**, *good work* and *reading* as a source of pleasure *are significantly higher among married and divorced people* - the focused work and reading (both of them require deeper level of attention) as a source of pleasure is probably also strongly associated with the older age and higher maturity of these two groups.
- In the distribution of **the degree of independence of separation**, those living in an independent household separated from their parents were significantly more likely to emphasise the enjoyment of family and good work- type of activities, which is not surprising. The preference for dancing for pleasure was significant for those living with their parents: it can be considered as a welcomed result if it shows the young generation's strong motivation for moving and for community. However, a less positive explanation is more likely: it is not the engagement of young people but rather the excessive workload of those living in independent households: which rather shows the unfortunate one-sidedness of leisure activities for the employees in our society.
- A similar explanation may also be given for the significantly higher enthusiasm for dancing **among those without children** compared to those with children. *Parents with children showed significantly higher interest than their childless counterparts in several categories:* charitable and family activities are well understood, while their advantage was less certain for activities such as building a future and devotion to nature. For the activity of computing, their advantage was surprising: this phenomenon may be explained by the assumption that

for overloaded young parents the access to computer activities may be more limited in time, so that they may perceive them as more valuable than their childless counterparts.

- In terms of the correlation between **age groups** and pleasure-seeking activities, those aged 41 and over rate charitable activities, "good work" type activities, nature and animal-related activities and reading as significantly higher sources of happiness. For 13-20 year olds, dancing is relatively more important, than for others, while for 27-40 year olds, activities with the family mean more precious opportunities for being joyful.

I cannot report on highly surprising results of the search for typical pleasure-seeking activities along certain sociodemographic indicators: for later conclusions, we should only note a few correlations (already well known from numerous articles and studies): our present study also *finds a significant difference between women and men in terms of the stronger social interest of the former and the more pronounced popularity of the types of activities requiring creativity. Men, on the other hand, show a greater interest in activities that focus on individual achievement and in lighter forms of entertainment.* Many of the other significant differences found in the sample were along clear causal lines.

Summary

The most important conclusion for the management of the learning organisation in relation to the types of actions that bring pleasure is that respondents *are typically highly value-oriented: they are open and motivated both in terms of their own tasks and self-development and in terms of understanding the world, too.* They can associate positive values with social events (with friends, family) - their high sociability can in fact also be seen as a kind of value orientation: in this case, a commitment to community values. In addition, the high enjoyment of sport or physical activity was a typical finding– and this can be seen as an opportunity within corporate/institutional environment.

It is useful to add that within the value orientation, women are more able to find pleasure in creative or more in-depth tasks, while men are more interested in more playful activities or activities that are more directly related to performance. It is also worth noting that for those aged 41 and over, potential charitable work opportunities and deeper creative activities in 'good work' are a far higher than average source of intrinsic pleasure, while for those aged 27-40, this additional pleasure is derived from spending time with their family.

3.2.4.2 Examining the motivations behind the types of actions that generate pleasure

Characteristics of the aggregate (base) distributions

The open-ended question *"What action gives you explicit pleasure?"* was immediately followed by the question *"What does this action mean to you?"*, which was an attempt to get the respondent *to look behind* the self-rewarding action formulated in the previous question: *why* does this activity give him/her pleasure?

As with the previous question, this question also showed a very high diversity of responses (73.7% for this open question): in addition to one- or two-word definitions, I also received a surprisingly high number of varied summaries covering multiple aspects. In the process of coding, such a complex response could therefore be classified into several underlying motivational categories, as the respondents themselves sought to shed light on the positive commitment behind their previous choice of activity from several viewpoints.

Table 4: **Motivations behind** (source: own ed.)

Self-development	self-confidence
	serving my future, promoting my plans
	self-improvement
	learning new things
	self-awareness, knowledge, wisdom
	self-expression, expression of emotions
"Spiritual food"	meaningful experience providing energy
	harmony, peace
	relaxation, release from tensions
Community / For others	meaningful work and/or doing sg. for others
	community
Autonomy	independence
	escaping from the grey everyday life

The total number of responses in the different categories describing the motivational background was thus 1883 (on average, it means 2.23 category classifications per type – considering the total number of 843 response types) - to help a clearer understanding of the large number of category definitions, I also looked for summary characteristics that could be used to classify several motivational categories of a similar nature.

These summary character sets with their corresponding categories are shown in Table 4.

The **"Self-Development"** group includes attractors *that serve deeper self-awareness, more complete self-expression, and development of the knowledge or the personality of the individual*. If we think about it, there are typically positive correlations between these goals: self-knowledge is an integral part of holistic knowledge (tacit knowledge); and self-expression can further expand the depth and breadth of these knowledge domains by discovering and revealing inner contents and motivations (Figure 20)

In addition to these three factors, I have also included to this group (of **"Self-development"**) any support of the individuals' own plans for the future, and self-confidence, too. Self-assurance can be an important source of energy in several situations, so it is worth including here.



Figure 20: Elements of "Self-Development" and their positive interaction (source: own ed)

The group-name of **"Spiritual food"** refers to factors which can offer high potential for the person to increase his/her psychological energy. These components mainly mean *some kind of intensive positive experience*, that the individual has perceived / evaluated as really meaningful that helped him/ her understand something important in life. The other elements of the **"Spiritual food"** category-group are *peace/harmony* and *relaxation/relief of tension*. It highlights the fact, that for people of our time it is not only the great experiences that can serve as energy-sources, but also those impacts that simply offer them *relief*. Why are we hungry for extra peace in our days? – Well, anxiety and stress are typical states of mind nowadays, so if something can neutralise the forces that have oppressive/ confusing/ disintegrating influence on us, we welcome it with enthusiasm. This phenomenon will be a particular focus of further modelling in the future.

In the categories of the **"Community/ for others"** group, the meaning/value behind the activity is provided by the enhancement of the well-being of the community members.

The categories of the "**Autonomy**" group motivate through the experience of "*freedom*". As we have already seen in Chapter 2, the need for autonomy is a very strong motivational drive: its strong emotional embeddedness proves that we should not only take it into account at the higher, post-biological levels of needs, but also among our simpler, more primitive drives. This, of course, also makes it likely that its mechanisms of action will also be more complex and sophisticated.



Figure 21: **Meaning of the activity** (source: own ed.)

Now let's see the distribution of these four categories among the responses: as shown in Figure 21, among the real sources of happiness behind the favourite activity, respondents rated the category "*Spiritual food*" as the most important reason (37%!). At these answers, respondents found an underlying meaning behind the (loved)

action that could act as a force, which gave them psychological energies, that carry them forward in their daily lives. Many people in this category defined this extra-power as being a meaningful experience that had such a strong positive impact on them that it was able to provide them the strength for perseverance, even if circumstances took a turn for the worse.

Within this category of "spiritual food", the mechanisms of these meaningful experiences presented 32% of the responses (see Figure 22.) Beyond this positive procedure, "Spiritual food" can "feed the soul" on a different way, too: this other one is the "save me"-effect, when individuals wish for harmony and peace (38%) and for relaxation and release of tension (30% in the days of their lives. The main goal behind both categories is the ability of understanding of incomprehensible situations and the liberation from conflicting interests and obligations. It means, that at these cases, the value of the joyful activity is not important by itself, but by its tension-relieving effect. These two mechanisms of action together account for 68% of the *spiritual food*.

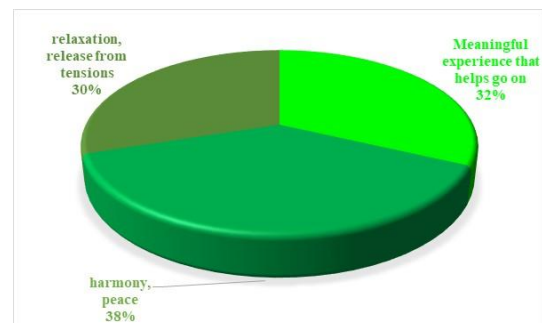


Figure 22: **Elements of "spiritual food"** (source: own ed)

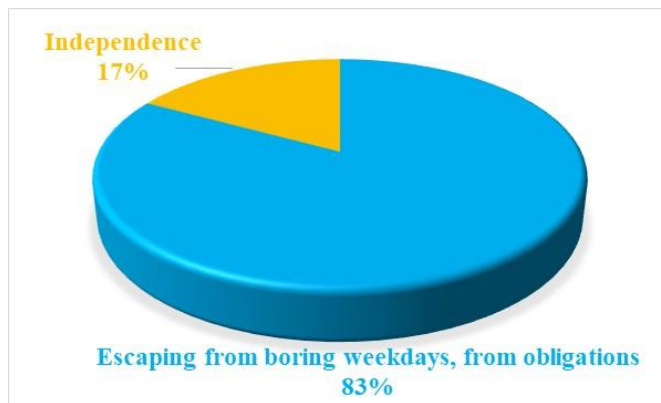


Figure 23: *Autonomy - how it works* (source: own ed)

In addition to the *Spiritual food* group of 37%, *Autonomy* in a further 26%, explains why the action is attractive and pleasurable for the respondent.

If we look behind the category of *Autonomy*, we are surprised to see that 83% (!) of the motivations behind it are again about escaping from obligations.

The 17% of those who specifically identified declared independence as an underlying meaning of *Autonomy* were far lower than this. This could be related to the fact that people today are perhaps not so much afraid of (meaningful) attachments: they might be willing to sacrifice precious degrees of freedom from their current life situation for clear values. This can also mean that they could be open to sacrifice time and energy for a variety of noble goals, if they could feel that these sacrifices (and at the same time their own self/ personality) would remain under their own control – instead of losing all their freedom left. Anyway, the other two categories in Figure 21, "*Self-development*" (26%) and "*Community/for others*" (11%) also represent values that respondents perceive as important ones that bring them joy, so they are ready to spend their time with them.

Analysis of variance of behind-motivations and basic sociodemographic indicators

As with the analysis of types of pleasure-seeking activities, the f-test was used to analyse the variance of the basic sociodemographic indicators and underlying motivations, too. Here we also found a number of correlations with strong significance (with a confidence level of 99% or above), but - learning from the typically predictable results of the previous cross-tabulation analysis of the types of joyful activities – now we won't present explicitly clear results (which do not represent any new from a research point of view) for the underlying motivations in this subsection.

- When examining the differences between women and men, the differences are *significantly in favour of women when it comes to learning new things* and the *opportunity to create* as the real source of happiness behind the joyful activity. Rather than the image of women as security-seeking and more inclined towards the familiar, this result shows an open-minded, curious and creative type of woman at the beginning of the 21st century.

- The opportunity to learn new things as a source of pleasure was above average for married people, for those in long-term relationships and for those living in an independent dwelling - perhaps the most typical common feature of these three groups is a higher degree of *settledness*: those who have already "completed" at least one or more of the typical tasks of growing up, are likely to have more energy to turn back out into the world again.
- A very interesting finding is that *the need to express emotions is significantly low for married people and above average for singles and divorcees*. One possible explanation for this peculiar result could be that in our present world, entering into a marriage relationship is seen - precisely from an emotional point of view - as a kind of symbol of agreement, of reaching a goal. *Those who are still in or no longer in* such a state of settledness (singles and divorcees) have a greater need to express their feelings clearly, whereas for married people this need seems to be obediently relegated to the background and relegated to the category of 'fulfilled goals'. However, the high divorce rates typical of our society today may also indicate the vulnerability and dangers of this approach.
- The most important finding in our analysis of the groups of childless vs. having children in both the previous and the present study is that this category is a typical *watershed*: the proportion of highly significant differences along this difference is markedly high. *Having a child thus brings about a dramatic change in* the lives of the people concerned, which alters *their thinking* and rearranges their preferences on a number of issues. In our present study, the possibility of gaining wisdom and self-knowledge, the desire to achieve harmony and the chance to break away from the daily routine are more significantly attractive to those with children.
- The main difference between workers versus non-workers is the significantly higher *desire to learn new things* in favour of workers.
- For age groups and the meanings behind pleasurable actions, the need for self-expression, for expression of emotions and the desire for independence are significantly higher than average for the very young (13-20 years old). For the above- 41 year olds, the possibility of experiencing harmony, the self-identity-enhancing pleasure of "*I have a job to do*", the deepening self-awareness and the possibility of experiencing new things are significantly higher sources of pleasure behind their intrinsically motivating actions. And for those aged between 27 and 40, the *opportunity to create* is a significantly higher source of happiness.

Summary

Similarly to the examination of the pleasure-giving actions, an important issue in research aimed at gaining a deeper understanding of intrinsic motivations was to ask what value/meaning the person himself or herself perceived to be behind his or her own pleasure-giving action. The main conclusions that can be drawn from the analysis of the responses to this question are:

(1) First of all, *the high value-orientation of the respondents comes back again at this point, too*: it is therefore an explicit additional energy for individuals if they can link their given action to a higher, more meaningful goal. This phenomenon was observed in the '*self-development*' and '*community*' type of goals and also in the '*meaningful experiences*' - types of responses at the *spiritual food*.

(2) The desire of individuals *for autonomy* was a very prominent factor. This can be seen in the high response rate for "*autonomy*", on one hand, and in the "*harmony/peace*" and "*tension release*" aspects of the "*spiritual food*", on the other.

A valuable contribution from the analysis of variance for each socio-demographic group is the increased enthusiasm of women for creative activities and learning new things, and the emerging trend that the more mature goals of self-awareness and harmony typically tend to be more prevalent among those who have passed the watershed of having children and/or are over 41. The adult age group (27-40 years old) is significantly more interested in opportunities to create, while the very young ones (13-20 years old) are more interested in opportunities for self-expression and independence.

3.2.4.3 Values behind: wishes in 10 years' time

Basic distributions of wishes / desires / values

The open-ended question at the end of the questionnaire asked about the ideal/desired life situation of the respondent in 10 years' time: what would he/ she like to do, under what circumstances, surrounded by what kind of people? The purpose of this question was to gain some insight into *the respondent's own values that guide him/ her*. I considered 10 years as a time which is long enough to allow respondents to think a little bit *out of the limitations of their current situation*, but still short/ plannable enough to formulate real plans for it - and with the phrase "*in your ideal life situation*" I intended to guide the respondents towards the formulation of *their real aspirations*.

Table 5: Wishes in 10 years' time (source: own ed)

Health	2%
Richness, wealth - modest	2%
Richness, wealth - more	1%
Richness, money wealth	3%
Safety, stable financial situation	13%
Relaxation	3%
Harmony, peace	5%
Travel, active life, sports	4%
Hobbies	4%
Active life, hobbies, relaxing, harmony	16%
Self Actualisation	12%
Profession, Studies	4%
Career, status	12%
Profession, studies, career, Self Actualisation	28%
Love, partner	15%
Family, children	13%
Fellows, Friends, Family	4%
Providing good life for our children	3%
Expressed Responsibility for Others	3%
Love, fellowship	38%

Table 4 and Figure 29 show the distribution of basic values behind the responses of all the respondents. Once again, the responses received were fairly diverse - both in volume and in content - and again we could see a significantly high propensity to respond to this last open-ended question, too.

In coding the answers, which in many cases were longer and contained more detail, a detailed response could again be classified in more than one category.

The list of categories and their classification into summarised groups is shown in Table 4. The *Health* category received a score of 2%: it is the lowest score within the summary category groups. This does not necessarily mean that health is not important to the respondents in the sample. All it shows is that for a long-term question, that asks for the desired state that respondents wish for themselves 10 years later, health (mentioned as a *specific* wish) appeared very rarely among the answers. Considering the fact that 66% of the sample was under 26 years old, and that only 15% of the sample was over 41, it is even more understandable that the majority of the respondents is so young, that they perceive health as a natural "part of life", rather than a gift for which they would remember to be specifically grateful.

The next two categories are *Richness, money wealth* with 3% and *Safety, stable financial situation* with 13%. I found it important to create two separate groups for the 2 types of wishes (in spite of their similarity), because of the different levels of material wealth desired: in contrast to the more modest (in fact, more respectable) desire for having material wealth, respondents in the actual *Wealth* category explicitly identified wealth as a goal to be achieved. – However (as Table 4 shows) more modest aspirations dominate even within this category: their

proportion within the respondents is around twice as high as of those with more drastic material aspirations.

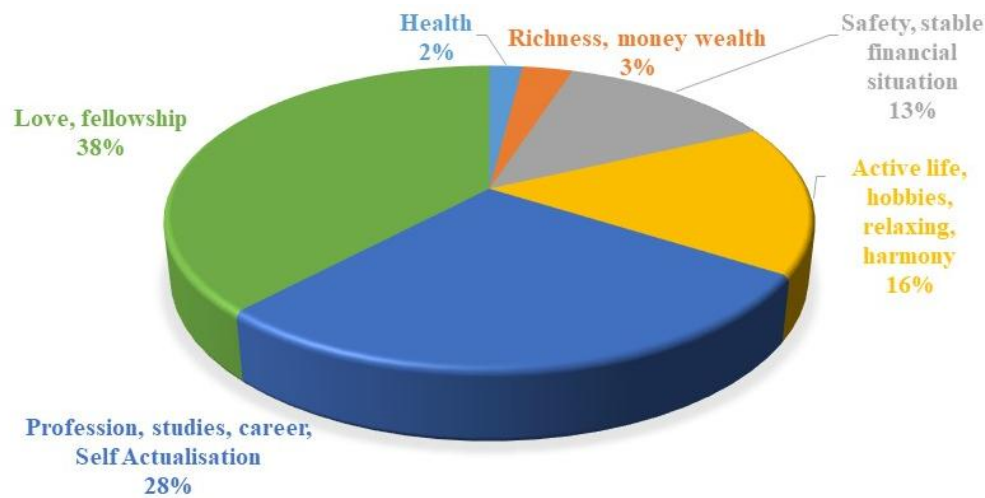


Figure 24: Aspirations 10 years from now (source: own ed.)

The response types in the category of *Profession, studies, career + self-actualisation* tend to target the top of Maslow's pyramid: in addition to the explicitly self-actualisation plans, professional- and career ambitions are also included to this group (which – among others – are also driven by the desire for status and esteem). This category is highly represented in the future plans (28%). As shown in Figure 25, within this group, career-plans and inner self actualisation aspirations represent 43-43%, while goals for getting the necessary professional competences by studies got a further 13%.

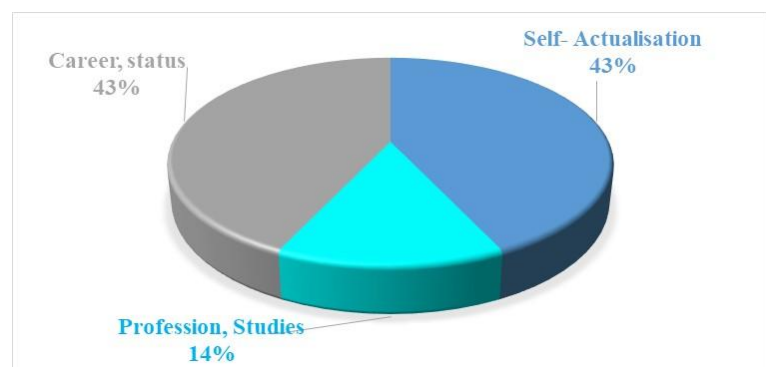


Figure 25: Profession, studies, career, self-actualisation: (source: own ed)

The most important inspiration behind medium/long-term plans and desires comes from the desire for love/community (38%). Humans are inherently social creatures and its importance

seems to live in them as a need strong enough to play the most important role when imagining their desired future.

Figure 26 shows how this most important group of categories covers several specific

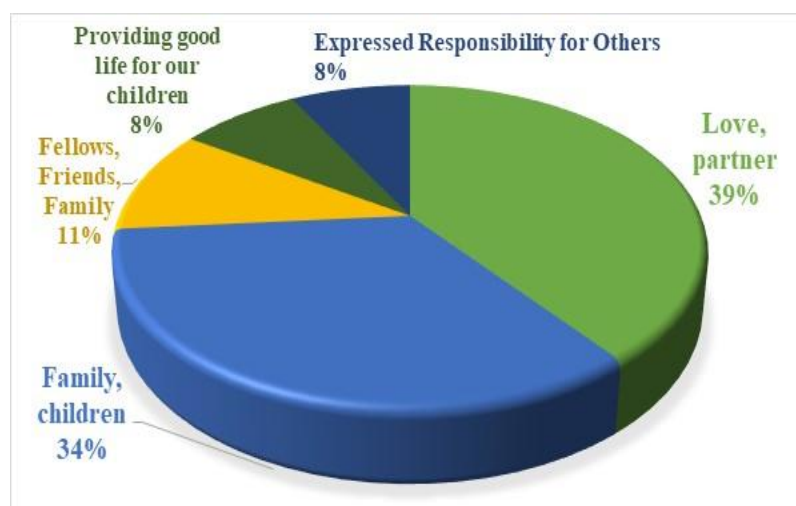


Figure 26: Love and fellowship (source: own editing)

wishes behind: the need to *find* love and a *partner* is the strongest of them, with 39%. This is closely followed by the need for *family and children* (34%). "Other partners": *friends*, partners, family members are the next category with 11%. *Providing safety and good life conditions for the children* and *wanting to do something for others* with 8-8%% are need groups that show a particularly high level of altruism and responsibility.

Analysis of variance of basic sociodemographic indicators and desires/values

After the baseline distributions for the last open question about plans/desires 10 years later, let us now look at the analysis for each sociodemographic indicator: are there typically different desires for each group?

- In the gender distribution, using the f-test, *health* was significantly more important in men's plans for future than in women's, for whom plans related to *love* and *family* represented remarkably high importance.
- When looking at marital status categories, *health* as a desired value is significantly higher for married and divorced people and lower for single people (those in a long-term relationship with a partner have an average value). The most likely explanations for this are either age (married people have a higher average age than the singles in the sample surveyed: and the increased frequency of health problems associated with older age can put a higher value on health in evaluations of relative importances). The other explanation can be that the experience having a family increases the sense of responsibility for each other and so the care for health, too.
- There is an interesting dichotomy between financial and marital status: among those who want *security and stable financial resources*, there are significantly more people in long-term relationships with a partner, while there are fewer people from the single-,

married and divorced groups. In contrast, among those with a *particularly high level of material* aspirations, we find significantly higher proportions of married and divorced people, lower proportions of single ones, while those living in a relationship show average interest in their long-term plans for outstanding wealth. *Financial security* is likely to be just the next desired step for those in long-term relationships, who are certainly at the gateway to financial independence - married people may have already achieved financial security at a higher rate, so it is not at the top of their wish list. And the unmarried are presumably even further away from this state: getting a degree, finding a partner, etc., are presumably more important and closer to their goals than financial security, the urgency of which many of them may not be even felt yet, beyond the security of their parents' home. *Outstanding wealth* is an even less immediate goal for singles. Those in long-term partnerships show an average interest in lavish material wealth – since most of them may dream about modest, but secure finances. In this category, married/separated people have a significantly higher level of desire: some of them have probably already experienced the pleasure of modest, but secure finances and now they want more (perhaps with more opportunities due to the longer time that they have probably spent in work/profession); others may seek to increase their wealth- level further, perhaps due to their increased responsibilities (e.g. to ensure that their children could have a higher level of education or a better standard of living).

- According to autonomy of residence, we find a significant difference in the category of *health* as a desired value: those living in a separate household (from their parents) are significantly more concerned about health (as a planned, desired value) in the future than those living in a household with their parents. The higher sense of responsibility for oneself among those who are on their own after moving out is quite understandable. Among workers/non-workers, the significantly higher desire for *health* for those who are already employed can be interpreted according to a similar logic.
- There were significant differences between the childless/ children groups in terms of health and high material well-being, both in favour of those with children. For those with children, *health* as a priority is understandable. The desire to ensure stable material well-being for their offspring as well as for themselves is a plausible explanation for the increased interest of those who have children in *superior material well-being*.
- The distribution by age group showed significant associations with the ideal situation desired 10 years from now along the following characteristics: health and greater wealth

were more important for those aged 41 and over than for other age groups. The same age group had significantly lower distribution for the desired goal of secure financial security (while all other age groups had similar high preferences). People over 41 are likely to have already overcome the challenges of starting a life and starting a family: their more daring financial ambitions are fuelled either by the status they have already achieved or by the growing financial needs of their growing families. Living/working abroad was similarly important for all age groups, except for 27-40 year olds, who were less attracted to this goal. This is understandable from the viewpoint that the age group of those starting a family presumably focuses on other goals at this age: the pursuit of security and stability does not typically coincide with seeking challenges abroad.

Summary

The main purpose of the question "*What do you want to do in 10 years?*" was to further nuance the answers to the open-ended questions (about intrinsic motivations to seek out pleasure-seeking actions and their deeper meaning) by the respondent's values, in this case by the relative importance that the individual attaches to each goal. It is important for the manager of a learning organisation to know as precisely as possible these relative values not only to design appropriate motivation policies but also to identify the drivers that have a strong influence on the behaviour of individual employees. From the analysis of the questionnaire survey responses, the following main findings can be drawn:

(1) The desire for *community and for belonging*, leads the field with an outstanding 38%: this does not only mean the need for normally functioning relations between the individual members of the learning organisation – in this case it also draws our attention to *the importance of family background*. In the light of this high rating, it is in no way advisable for the head of a learning organisation to see his subordinate as someone whose family matters are strictly 'private matters' throughout his or her career in the organisation. In its detail and intimacy, of course, it is a private matter, but we cannot underestimate either *the attachment focus of family members/couples* (who they worry about, who they feel responsible for, etc.) or the gap that may be the natural focus of attention for single people.

(2) "*Profession, studies, career, Self-Actualisation*": this area, which also received a very high score (28%), is complex at first reading, but if we think of it under the heading of "*getting on in life*" we have successfully summarised its most important elements. – As a learning organisation leader, the easiest way to address this issue is to be aware that for the individual, his or her present (learning) organisation status and time here is a *stage in* his or her life journey.

The harmonisation of the goals of the organisation and the goals of the individual is a promising area that can also have a major impact on organisational effectiveness.

(3) "*Active life, hobbies, relaxing, harmony*" (16%): while the previous point emphasises the importance of a future-oriented approach, the elements of this group highlights that the leader of the learning organisation should also focus part of his attention *on the opportunities and sometimes the shortcomings* and dangers of the "*here and now*". Recognising in time the lack of balance and energy needed for everyday life, and providing supportive help to resolve such situations, can not only save the intended results of the present projects, but can also very seriously increase the level of *loyalty* in some individuals, which can be a highly valuable element of the intangible assets of the learning organisation.

(4) *Material security*: this was the form in which most of the material desires were expressed by the respondents. For the learning organisation, as an institution (that in most of the cases provides financial resources to its members (employees)), it is worth considering that the unfairly low remuneration starts to erode the employees' sense of security; and the insufficient satisfaction of *security* as a *basic need* is likely to have a negative impact on all further processes.

The most important differences in the distribution of desires were found by age groups: health and greater material resources were valued significantly higher for the mature adult age group (41+) compared to other age groups, who rather preferred to have a decent financial security. There is also a pattern of lower ambitions to go abroad for the age group of 20-40 years (family establishers) which may be explained by their higher need for stability at this stage of their lives.

3.2.5 Summary of the results of the 1st questionnaire survey

At the end of the analysis of the responses from our sample of over 1 000 people, it is worth briefly summarising the key consequences.

Our sample was surprisingly large, which is positive despite the non-representative nature of the survey. The main findings of the questionnaire are the responses to the three open-ended questions, which were first coded into a number of categories and then grouped into summary classes for each of the three questions. With the question of (1) *What type of activity gives you pleasure?* we aimed to enumerate the types of self-rewarding actions in order to identify as many types of intrinsic motivation as possible. With the question of (2) *Why do you enjoy the activity?* we wanted to find out the conscious part of those positive values that the respondent

identifies for him-/ herself behind these types of self-rewarding actions. Finally, with the question of (3) *What (ideal) life situation do you want to have in 10 years' time?* we wanted to gain insight into the internal values behind the respondents' longer-term plans and to further nuance the results of the answers to questions (1) and (2) with these values.

In the classification of *the type of enjoyable activities* according to the answers to question (1), the activities of the types "**Creative work and learning**" and "**Focusing, attention and affiliation**" came first, with 26-26%. In both categories, the aim of *endeavour towards entirety* is expressed: in creative work, we try to develop ourselves to a higher level, while in the activities of focusing/ attention/ affiliation, we try to better understand the wonders of the world representing higher values and thus to raise ourselves to them. The *active movement* - activities try to follow a more direct path towards these higher values, while the community-type activities focus on being with others. It is a telling result that the group of '*relaxation*' activities, which represent the most self-serving actions that merely provide recreation for the individual, scored lowest among the pleasure activities. This distribution of the joyful activities *suggests a high value-orientation*, which seems to go beyond the categories of plain consumption and simple relaxation.

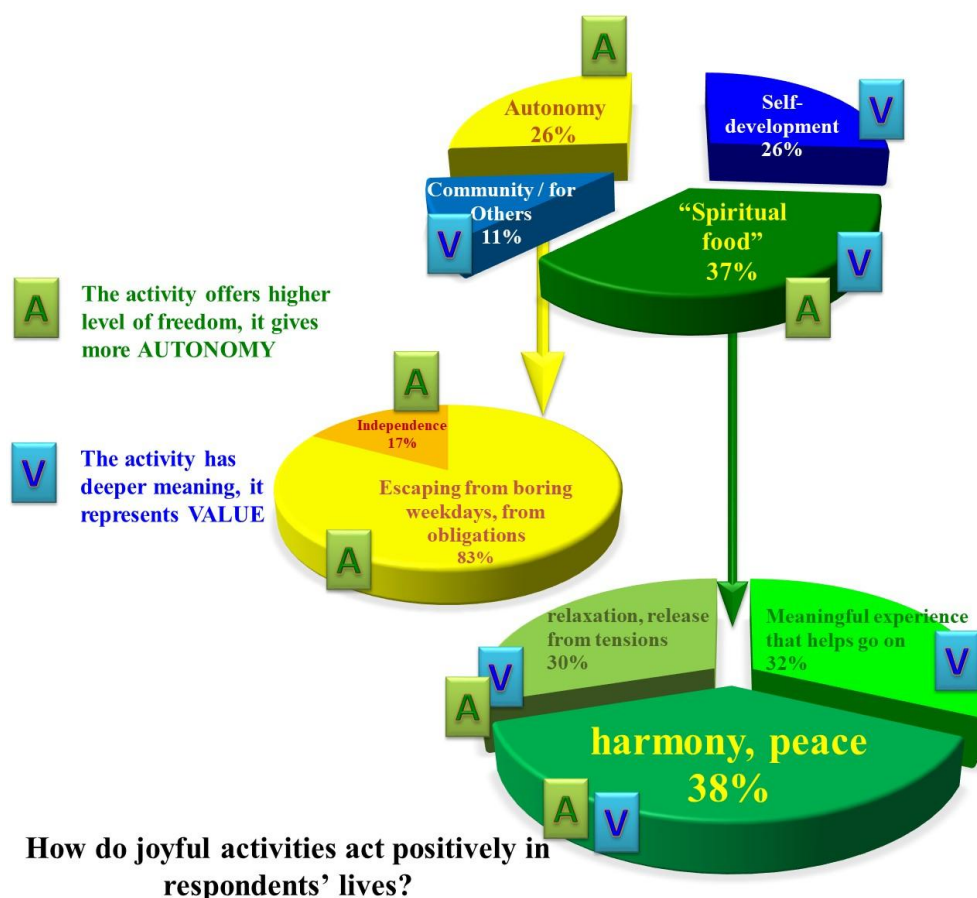


Figure 27: Analysis of the value processes behind intrinsic motivations (source: own ed.)

Question (2) asked about *the nature of the real source of pleasure behind the pleasurable activity*: in simple terms, the answers here can be interpreted along two main lines: the joyful activities *either carry a real, deep meaning or they give freedom*.

After coding the numerous responses to the pleasure-giving activities into categories, 37% of the response items to the question of "*why does the activity bring you pleasure?*" were classified as "*Spiritual food*": these mechanisms in some way *enhance the psychic energies of the individual*; thus these pleasure-giving activities bring happiness to the individual mainly through these energizing processes.

As can be seen in Figure 27, a part of the *spiritual food* (32% - about one third) acts in such a way that *it provides a decisive, particularly powerful and positive experience for the person who performs the given activity, which has such a strong surplus value that it offers the person energy level to give him/her strength for longer time*.

The mechanism here is therefore the experience of a higher *value/ meaning* through the given action (I have marked this type of relationship with "V" in the figure) - a similar "V" type i.e. facilitating the experience of a higher **value/ meaning**) of procedures are the involvements of a social experience through the given action (11%), and self-development (26%). The "A"-type relationship works by *increasing autonomy*: either by increasing the *sense of independence* in the individual, or by *simply breaking them out of the constraints of the usual, repetitive situations* that they perceive in their lives.

In addition to the experiential component of *spiritual food*, the other two components *combine value-based and autonomy-based processes*: both the tension-relieving relaxation and the experience of harmony/peace provide both the experience of higher values and the experience of increased freedom, too.

The processes behind the pleasure-seeking (joyful) activities have strong similarities with many of the ideas of Csíkszentmihályi's flow theory (Csíkszentmihályi, 2009) and the Ryan-Deci authors' SDT theory (self-determination theory) (Ryan & Deci, 2000) (Ryan & Deci, 2017). The three cornerstones of the Self-Determination Theory are as follows: (1) the *need for autonomy*, (2) the *desire to be connected to higher values*, and (3) the *desire to develop our competences and skills* are all reflected in the analysis of our sample's responses.

The responses to the question about the desired life in 10 years' time further nuanced the picture on two ways: (1) respondents evaluated social relationships even more precious than self-actualisation/self-development values and that (2) material desires were mainly for security rather than wishes for unlimited wealth.

The extract of the results of the questionnaire survey for a given learning organisation (and for its leader) can therefore be captured below:

- *A high value-orientation on the part of employees can definitely be noticed: this is a significant resource that the organisation can effectively exploit when designing its motivation strategy.* Moreover, a high value orientation is an effective support not only for the use of individual motivation tools, but also for the group incentives.
- One of the areas of high value orientation at the employees is the *need for self-development*: for a learning organisation that can effectively harmonise individual and group learning cycles, this is a very important aspect. While the highest possible level of implementation of the permanent cycles of perception and learning processes is key to the effectiveness for the learning organisations, such a high level of awareness of *the need for self-development of individuals* (employees) provides the opportunity for a very powerful motivational/inspirational strategy in the hands of the management.
- Individuals *have a strong need for autonomy*; the living conditions of our time tend to give them a sense of deficit in this area. Ensuring an appropriate degree of autonomy at each level of staff can therefore provide them with increasing inspiration to work more consciously and more effectively.
- Employees *have strong ties to their background communities* (typically to family and/or to partner). This means that on the one hand, ignoring community ties when designing the workload of employees can be a serious mistake, while on the other hand, many elements of these ties are *strongly linked to the need for security*, which the learning organisation cannot ignore in terms of financial rewards, too.

The questionnaire survey explored the nature of intrinsic motivations. The next subchapter of the thesis summarises the findings of interview-analysis. The main aim of the in-depth interviews was to explore the interplay of cognitive factors in more depth and detail: are there emotional factors that can catalyse positive cognitive-affective processes and, if so, can they be identified so that the management of each learning organisation can apply them with increasing confidence in their operations? Can emotional influences be observed which, on the contrary, may lead to negative processes of cognitive understanding? Can these processes be identified so that the learning organisation can consciously avoid them?

3.3 Cognitive and emotional factors of tacit knowledge – the interview analysis

The primary research base of the thesis - in addition to the two questionnaire surveys - was provided by *in-depth interview and focus group research*, in which I wanted to get to know as broad range of typical patterns of relationships between cognitive and emotional factors of knowledge as possible (Marczellné, 2015). Interviews with specialists (e.g. psychologists, teachers, senior managers) was discouraged because their summaries (through their typical approaches in their own fields) would predictably not provide the narratives that the research was originally planned for. Managerial summaries would be an exception to this, as the aim of the present research is to gain a deeper understanding of the cognitive and emotional processes of members/employees of learning organisations and how these operational procedures interact with each other. However, senior managers have a number of organisational goals and expectations to meet, so and I considered it unlikely that they could provide sufficiently detailed raw material for my research topic.

In the case of non-expert interviews, of course, the increasing the number of cases can provide a wider range of narratives and thus more credible research raw material. However, I could not use the random selection method for the selection of interviewees due to the limited resources of the research; however, in selecting the 72 interviewees, I did try to achieve as a wide range of respondent age groups as possible, with the clear requirement of persons' willingness to respond – and to collect answers from a sufficiently large number of subjects of both genders. Of the total of 72 interviewees, 27 were interviewed in a focus group survey (organised in 3 sessions), while the others were interviewed individually. The youngest interviewee was 14 years old and the oldest 74 years old: a remarkably wide range of ages. The average age of interviewees was 35.2 years - the specific distribution of age groups is shown in Figure 28.

The 3% of teenagers is a negligible proportion, but due to their young age and therefore their relatively immature and easily influenced personalities, their low participation among the interviewees is not a particular problem for the research. Interviewees in their 20's are the largest group of interviewees, accounting for 49% of the total: they represent both young people who haven't started their careers yet, and those young ones who are at the beginning of their employment but are still very young in the labour market. Their high share in the sample allows us to gain a more detailed picture of the emotional-cognitive processes of the new generation of employees.

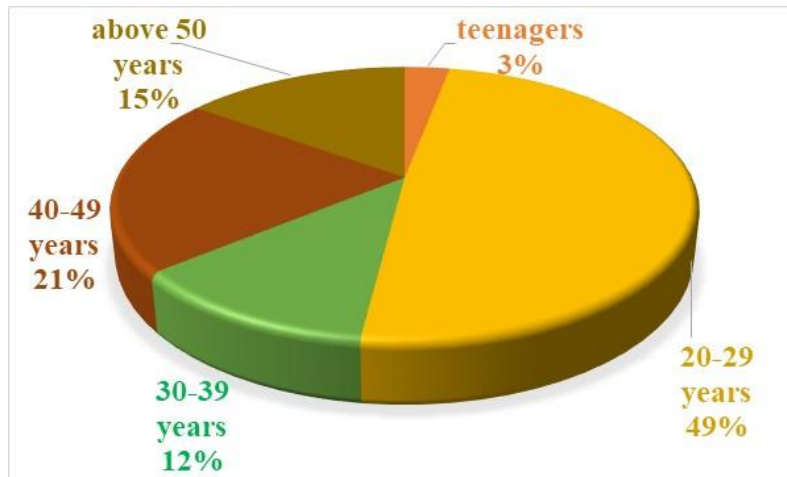


Figure 28: Age distribution of interviewees (source: own editing)

A further 48% of respondents were in their thirties, forties and fifties – this shows, that I could achieve a wide range of respondents in terms of age.

The gender distribution of the interviewees was 56%-44% in favour of women (see Figure 29), which also does not show a marked disproportion.

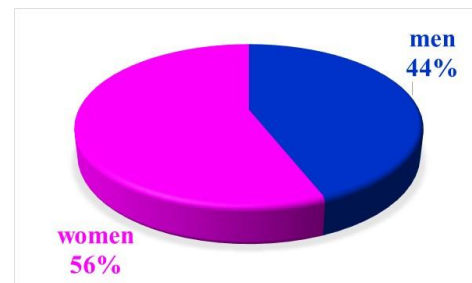


Figure 29: Gender of interviewees: (source: own ed)

The interviews are not considered structured, as the research focused on the subjective experiences of the interviewees and their understanding of their experiences and feelings. There was a *single initial question* that I used to start each interview, whether in focus group or individual form, and that was "*What events/ relationships have moved you forward in life and what have hindered you from moving forward/ from developing?*" - Such a highly subjective tone of the initial question not only did not hinder but actually helped the respondents to formulate answers with a broader spectrum and deeper, more meaningful answers. The fact that I, as the interviewer and moderator, was the first to give an example of my own life event, based on a particularly difficult personal experience, immediately after the initial questioning of the three *focus groups*, was a major factor in moving the process forward. This beginning "broke the ice": the interviewees freely and without any tension told me about a number of profound and significant life events, which were both valuable in terms of content and inspiring and thought-provoking for the other members of the focus group. Beyond asking the initial questions and giving the initial examples, my own participation in the focus group queries was limited to the role of moderator and to asking questions to clarify and further interpret the answers received, when I felt necessary. I took detailed notes to record what was said in the

interviews; I discarded the possibility of audio-recording due to the personal nature of the questions, as I did not want this to negatively affect the typically open and informative mood of the respondents.

I processed the notes in several stages - firstly, I combined the raw interview material into a detailed summarising document, which I tried to catch all the important motifs of the interviews. In the second round of processing, I tried to identify the common and specific narratives in each interview and to find characteristic "patterns" that could be used as typical relational elements for the subsequent modelling. I analysed the resulting raw material at all three typical levels of narrative analysis (Yancy, Hadley, & (Eds.), 2005) (Martin & Bickhard, 2012): (1) first, content analysis, then (2) formal-structural analysis, and finally (3) hermeneutic analysis, the results of which I summarise in the following subsections.

3.3.1 Content analysis: identifying the key elements of the interviews

As one of the narrative analysis methods, *content analysis* is predominantly a quantitative analysis of the narrative. For all interviews, I asked the interviewees to reveal the nature of events or relationships that they felt were particularly important in their life paths, as factors that helped or hindered their maturation and development in a broader sense. In this first stage of the analysis of the collected interview materials, I first *typologised the content of* the responses: using a method similar to Propp's syntagmatic narrative analysis (Császai, 2010) (McAllister, 2014). I simply collected function-type patterns of the narratives said. However, it was useful to collect these functional elements accompanied by definitions of the terms *as they were used by the interviewees in their own narratives*:

- **Autonomy:** autonomy was mostly understood by my interviewees as the freedom of choice "granted" to make their decisions, i.e. *independence*. Sometimes, a capability-based approach to autonomy was also mentioned (in this case, the competences of people who are skilful, who are able to "manage" themselves in many situations and solve the problems), but most often it is understood as *the freedom to* make a given decision.
- **Stress and fear:** these two words are typically associated with negative interpretations; however, a *more nuanced approach* emerges from the interviews conducted: *if fear/anxiety motivates the subject to take actions in time to avoid the negative consequences of a situation - or even to improve it in the long term in an absolute sense*

- *then* this fear has moved the subject towards *positive* outcomes. In contrast, the word fear, in the classical sense, means *mental suffering* that moves the subject towards *passive waiting* rather than active action - in this sense, of course, it is *clearly a negative* category. It is likely that there is a strong correlation between the degree of fear and the possible effect expected, which can of course be modified by the subject's previous experiences and learned competences (e.g. highly acquired stress management competences). However, the terms '*stimulating stress*' and '*paralysing fear*' are also good ways to illustrate that fear cannot be clearly classified as either bad or good: its induced *effect depends on the degree of its perceived* impact and on the subject's existing competences.

- **Security:** it is no coincidence that the category of security comes after fear - whatever type of security-need we are talking about, it is clear that this domain *interacts very closely with emotions*, in addition to cognitive content. In many cases, the deficit in the field of basic security needs is typically paralysing: a lack of a basic level of material or emotional security can trigger concentrated attention and effort to solve the current situation in question, which can leave other tasks or areas completely without attention or psychological energy.
- **Open communication:** the "tool", often mentioned very positively by interviewees, means not only the existence of equal positions between the parties involved in the communication, but also the *honest and accepting presentation of the widest possible range of factors* (both cognitive and emotional factors) that influence the situation, free of negative value- judgements.
- **Emotional foundations:** not only child psychology and developmental psychology theories (Vekerdy, 2013) (Cole, 2006), but also the narratives revealed in interviews, have repeatedly confirmed the now widely known and accepted correlation that the amount of love, recognition and support received (and perceived) in childhood has a strong impact on our personality development. Moreover, the positive or negative impacts of childhood experiences are explicitly highly evaluated in the individual narratives examined in the interviews compared to later effects. The analysis of the interviewees' reports usually suggests the operation of mechanisms of influence whereby the love/recognition received at an early age can be used as a kind of *psychic energy* in the further development of the subject's personality and in his/her mature life.

This kind of psychic energy is closely related to the categories of *self-esteem/ self-love, confidence and self-awareness*.

- **Values** (*basic/ fundamental values*): although a person's values can change throughout his or her life, the very *strong influence of the family* and of the wider sociological groups (community of friends, school, etc.) is undeniable in this area, and experiences *during childhood can also become a major influencing factor* in this topic. (Vekerdy, 2013) In this paper, we will not treat individual values as complex and closed religious or ideological systems, but we rather focus on such basic elements of it, as the forms of individual expression of interests and emotions (that can be supported or rather blocked by early education), the presumed level of trust when starting to cooperate with others, or the relative shifts in the weight of basic values (e.g. material goods, love, knowledge), etc.
- **Trauma**: unfortunately, traumas of all kinds occur in every life path, whether they are family problems, accidents, illnesses, other physical or psychological shocks, etc. – if not exclusively, but typically they are the results of negative experiences, and their very important characteristic is that *they have a strong impact*. (Giller, 1999) For the purposes of our model of the typical mechanisms of action between cognitive and emotional factors, it is important to treat them as a separate category because this strong influence can trigger *responses, both negative and positive*, that can produce long-lasting (even permanent) and profound changes at many levels of an individual's tacit knowledge.
- **Social relations**: whether they are present in our lives as separate sets of experiences, or as ongoing effects, social relations bring *a wide spectrum of types of experienced emotions* into our lives: when these effects are positive, they often become rich sources of *psychical energies for the individual*; negative effects often result either *loss of trust* or *trauma*. Peer relationships will represent a very broad category in our model, which are already well characterised *by their basic related key-categories: expectations* (towards others as well as towards oneself), *loneliness, openness /closure, community, conflict, patterns of behaviour, companion* (with different functions according to the actual relationship type; relations with partner, parent, child, friend, or mentor will be of highlighted importance).

- **Activity:** several types of actions belong here, including work-type, community-type, professional-self-development type and creative-expressive type of actions. All the joyful activity categories of chapter 3 can be included here. It is important, so that they should not become too dominant in the subject's daily activities that they finally keep him / her back from other important experiences. The importance and essence of "activities" can be understood by the fact that *experiences gained through direct, active participation of activities are of decisive importance in the individual's learning / understanding / maturing processes*. Both the low level of activities and also their distorted, one-sided structure can have serious negative impacts on the quality and development of the individuals' tacit knowledge (both cognitive and emotional).
- **Roles:** a role is a category having essentially social-psychological origin, which tries to capture both individual and communal perspectives in regular moments of individual behaviour. (Buda 2002) Its discussion as a separate theoretical category is based on the observation that the actor, in social interactions, cannot disregard the perspective of the subject *towards whom his/her action is directed*: he/she must typically *make assumptions about the expectations of this person and about the behaviours he/she accepts/tolerates* and those that he/she does not. (Eagly, 2012) These assumptions are forming the individual's *role perception*, which can change dynamically as he or she gains new experiences. Role as a research-category thus attempts to *address both the personal/psychological and the collective aspects of behaviour*. Among the interviews conducted, a large number of case studies emerged in which the given role concept had a positive/progressive/developing effect for the person, in other cases it was the contrary: it set back / it blocked the development and progress of his/her personality.
- **Habits:** regular repetition can turn many actions into habits; this means that the initially consciously chosen course of action can be performed over time in the presence of diminishing or even disappearing conscious control. (Duhigg, 2023) This *freezing / congealing of a given type of action* is the moment that makes it necessary to deal with habits as a separate category in the present work: it may happen that the reason that originally induced the action no longer exists, while the habit can still act as a strong bond to influence the individual's actions and decisions.

- **Understanding, processing:** *the understanding processing* left to the end of the definitions of the basic elements that make up our model is in fact the *active component* that connects the above elements by constantly changing/ renewing/ improving them. Its effectiveness will very often determine whether a given event has a positive or negative impact on the person's current or future quality of life: how it is incorporated into the complex system of his/ her tacit knowledge.
- **Defiance:** defiance, as a model component, was originally classified as a component of the previous category (*understanding, processing*). The reason why I eventually defined it as a separate model component is not fact that it was typically frequent in the interviewees' accounts: it could still be a typical member of the previous conceptual domain. I could not, however, ignore the aspect that *defiance does not really have the function of understanding, but it rather can be described as a highly emotionally-charged response-reaction* (Cole, 2006).

The narratives that have just been presented above (in the content-analysis phase) were then subjected to a formal-structural analysis in the next phase. This phase of analysis examines, (beyond the mere definition), the *role of the given narrative* in the creation of the concrete meaning, i.e. the *logic according to which the actual subject experienced the role of the given narrative* in the context of the life event as it was performed in his/her own reflection.

3.3.2 Formal-structural analysis: how the components generate their effects

In the following sub-chapter I will try to fill the basic patterns / basic elements outlined above with as much content as possible at the level of narratives – based on the content of the analysed interviews: I tried to leave out unnecessary details, but still to analyse the relations and *structures* in such detail that the *nature of the connection* can be typically identified.

The issue of **autonomy**: autonomy as a narrative was typically reported by respondents *with positive evaluations*. The outstanding impact of autonomous decision making on learning processes is reported in almost all knowledge management textbooks and studies dealing with effective learning and real knowledge transfer. (Gladwell, 2009) (Tomka, 2009) (Bencsik, 2009) (Kiss, 2016) (Noszkay, 2011) (Boda *et al*, 2009) (Bencsik & Juhász 2015) *Knowledge acquired through personal experience* offers the person the experience of understanding at such a high level and in so many ways that even the best theoretical textbooks cannot provide. An autonomously made decision is however not necessarily without external influence/ advice: the

key is that the person ideally *evaluates* these influences/ advices *beforehand and then uses only that advice that he/she already feels to be his/her own, supported by his/her full understanding* - now as his/her own opinion.

Traumas were defined in the previous subsection as states triggered by typically negative events that have a particularly strong impact on emotions in addition to cognitive knowledge. *A surprisingly high number of traumas were rated by interviewees as having a positive impact in the long term.* Overcoming trauma can authentically and permanently increase one's own *self-confidence and self-worth*, and the *support shown by those who stand by the sufferer* during the trauma can also be a very significant source of psychic energy on the long run. Unfortunately, in addition to the many positive cases, there *are also* examples of *the serious negative effects of trauma*, too: *unprocessed negative experiences* have led in some cases to excessive and *personality-destroying attempts to find a way forward*, and in other cases to *relationship crises with pointless defiance, denial of values and sudden relationship breakdowns* that occurred much later.

Again, the key is to be found *in understanding: unprocessed, misunderstood traumas can cause new crises*, while *overcoming deeply understood situations can become a source of psychic energy that can be of effective help to both the person and his or her environment in the future.* Similar findings on the possible positive consequences of trauma can be found in a number of national and international studies (McGrath, 2001) (Klemm, 2010) (Almási, 2020) (Bagdy, 2013) (Manchini, 2016).

As psychology and many developmental psychology textbooks (Vekerdy, 2013) (Cole, 2006) emphasise, early childhood experiences have a very strong influence on the development of an individual's personality in later life. In the interview analysis we have examined **childhood foundations** along two main lines: *emotional stability* and *core values*.

Analysing the effects and interactions of **social relationships** could fill a library of material, so it is not an easy task for our model to outline the most important interview-based interrelations clearly, yet concisely.

- As a positive effect of the **partner** and the **community**, the mutual possibility of providing *emotional security* and support should be highlighted first of all.
- *Communication* can be identified as a similar positive basic event as it offers the opportunity for *continuous learning* (e.g. *group problem-solving* practices and many other social skills).

- We encountered the “*role of mentoring*” in a large number of interviews: its most important functions were the *counselling-type orientation* and (again) the provision of *emotional security*.
- The development and strengthening of *responsibility* in social relationships is a great opportunity.
- The emergence of *conflicts* are constant features of social relationships; understood, *processed* conflicts are great sources of both learning and of making the social cooperation more effective. In contrast, *unprocessed* conflicts can lead to a complete lack of cooperation through a negative spiral of *increasing distance - increasing tensions - self-doubt and fears - even more serious conflicts* - and are highly destructive at both individual and group level.
- The strategy of *closing in* (in social relations) is dangerous because it deepens existing traumas, discourages their natural/healthy processing and can lead to increased self-doubt and worsening self-esteem problems.
- In relation to the practices of *competition versus cooperation*, the interviews/case studies reflect the basic experience that the motivating effect of competition is an existing and exploitable motivating force, but it also can produce a great many outcomes that can trigger a series of accumulating conflicts and negative spiral patterns without sufficient clarification and mutual understanding. It therefore seems useful to apply the principle that the *appropriate basis for social relations should be cooperation* - and that competition should always be used only with care and with continuous, feedback-oriented open communication.

The different **roles** (Béla, 2002) are formed on the ground of social relationships, which showed such strong (positive and negative) effects in the case studies of several interviewees that it is necessary to deal with them separately. Roles *with positive effects were mostly* found in the case of *task-like professions with responsibilities* (e.g. parenting, teaching, mentoring).

We found many examples of *roles as negative, inhibiting factors* in the different life situations in our interviewees' accounts. *In most cases*, the subjects' initial experience was *one of an expectation placed on them*, which, through a variety of processes, became for them an explicitly negative, multiply inhibiting factor (e.g. overacted parental expectations often resulted “killing” perfectionist self-expectations at the interviewees).

There can also be an interesting role of **habits** that have been picked up and ingrained. Just as good habits (e.g. regular exercise) can almost 'invisibly' bring extra energy into one's daily life, many habits can drain time and energy from people with otherwise sensible and good goals, making their lives increasingly monotonous – which in itself is a further energy-draining factor. In addition to the 'classic' harmful addictions (e.g. cigarettes, alcohol), many habits can drain so much time and psychological energy from an individual's daily life that they create explicit difficulties both for value-creating actions and for the breaking free from the habit itself, making it increasingly difficult to give it up - since changing any habit requires an additional energy investment in itself.

Both the development of a healthy self-awareness and personal learning processes are best facilitated **by the activities that** an individual experiences in life. Both *work in* a good sense, which challenges us in new and new real-life situations, and active *communication* (family life, socialising with friends, colleagues, etc.) place the individual into a context of constantly changing influences *to which he or she must constantly and meaningfully respond and react*. These reactions, *in the form of real experiences*, can then serve as *a credible basis for* the continuous development of the individual's self-awareness and his/ her broadening knowledge of the world.

Defiance (as we have already clarified in the previous subsection) cannot be classified as a conscious and effective processing mechanism. Typically, it is understood as a denial response to a certain phenomenon, characterized by a strong emotional charge. Several examples of its specific appearance were found in the analysis of the interviewees' case studies; in terms of the direction of its ultimate outcome, there was a high incidence of positive mechanisms of defiance, in addition to negative outcomes. Deciding to completely turn away from a negative *action by refusing to do it* (e.g., experiencing the sad example of an alcoholic parent, completely turning away from alcoholism) *can definitely be evaluated as positive*. A consistent standing by a decision that has proven to be bad (post hoc proof, defiant stay in a failed pattern) *is clearly a negative impact of defiance*.

A more complete and nuanced understanding of effective **processing of dramatic experiences** is essential to the key objectives of this work. It is clear from the interviews that major events, whether positive or negative, *after the stages of effective processing and acceptance, can positively enrich the tacit knowledge of the individual*.

After the formal-structural analysis, we shall move on to the third level of the examination of narratives: the hermeneutic context, focusing on the perspective of the more general context at the model level.

3.3.3 Hermeneutic analysis to explore model-level relationships

The third level of narrative analysis, the hermeneutic approach, goes further in understanding the given story by taking into account the social context and cultural background (László 2009). This perspective can no longer and does not wish to distance itself from the *receiver*; it seeks to capture the whole of the meaning directly by making it conscious from the perspective of the listener. This side is, according to the original purpose of the research, the interpretation in the form of a model. In this sub-chapter, therefore, I will seek to interpret the elements of the research (and analysed so far) for the unified model to be set up in the next chapter.

From the viewpoint of the leader of the learning organisation, two aspects are worth focusing on, if we wish to set up the model (clarifying the interaction between emotional and cognitive factors) to really support management decision-making: (1) **usability**; and (2) **influenceability**. In terms of *usability*, we examine to what extent, under what circumstances, and how a given emotional-cognitive interaction function can increase organizational effectiveness when applied. In the next chapter, this aspect will form the main toolbox of the model. The analysis according to the *aspect of influenceability* evaluates the functions (identified according to emotional-cognitive interactions) in terms of the extent to how the learning organization activity (and the leadership activity in it) can change the function and its effects to support the goals of the learning organization. In the present grouping, I first categorise the functional elements identified in the previous two sub-chapters in terms of *influenceability* (Figure 30):

- **Level 1: value-system basement, emotional background**

The value systems and emotional background, which are determined to a large extent by the individual's childhood experiences, are the *least changeable* categories for the leader of the learning organisation (as represented through the personality of the organisational members/employees). Therefore, they rather be treated as input variables of the model. (Recruitment / employee-selection will not be part of the model, as we will see at the beginning of chapter 5, so these two components are typically included in our analysis framework as fixed input factors and not as dependent variables (i.e. as changeable elements). within the model.) While there may be a high degree of employee loyalty and commitment to the organisation, whereby the values conveyed by the organisational culture

and management style may indirectly influence the individual's (employee's) emotional and value system, but this mechanism of action is only realised in highly optimal cases and therefore it should not be included in the model assumptions. At this level, the *usability* aspect can be interpreted from the viewpoint that, if the HR department have a sufficiently in-depth understanding and mapping of the values and emotional strengths of individual employees, they can then actively incorporate these strengths into the design of group-wide projects: by delegating the most appropriate tasks to the employees with the proper level of commitment.

- **Level 2: traumas, roles, habits**

The level of influence by the management on the employees' traumas, roles and habits of course, depends to a large extent on whether they are "brought" or "current" in the current workplace, i.e., employee's trauma was experienced in the learning organisation, the role/habit was taken actually in the learning organisation, or these have happened before. Current effects are easier to deal with: (1) because management has more information about the current situation (and the employee's position and role in it), and (2) because leaders also have more authority to intervene. The time factor can also help in dealing with the current case, as recent events are more accessible for effective treatment than traumas/roles/habits from the past (often already carried on at a non-conscious level). In cases where the 'acquired' habits, roles or traumas have a current impact on the performance of the employee in the learning organisation, there may also be an opportunity for the manager to try to intervene in these cases using a range of well-chosen tools, which can lead to a healthier procedures of the project or of the organisation and (in many cases), to a healthier, more effective employee-behaviour, which can lead to increased effectiveness at many levels. In most cases, however, the scope for this level of intervention is still quite limited and resource-intensive.

- **Level 3: stress and fear, defiance**

As we have already discussed in the previous part of this chapter, the positive or negative consequences of stress and fear are determined by whether the individual or the group takes active action to prevent or solve the problem, or whether – on the contrary – they only passively expect the negative outcome, while doing nothing to avoid it. The role of management is to motivate the members of the learning organisation to find, to develop and to implement active responses rather than inactivity, through a proper understanding of the risks, with the help of clarification of the actions to be taken and with effective

communication. The targeted implementation of such focus is most often needed in the complex planning- and operational phases of organisational change- or crisis management projects.

Defiance, as a strongly emotional individual- or group reaction, can be a powerful source of motivational energy for the individual or for the group, but it is an undeniable fact, that it is typically activated as a denial of an event, so the extra-energy that is freshly received, does not always serve the goals of the learning organisation, and can even often be destructive. It is the task of the leadership of the learning organisation to identify and understand the individual or group defiance – reactions, and to channel their energy towards achieving the organisation's goals, or to neutralise them if the former outcome is not a realistic possibility.

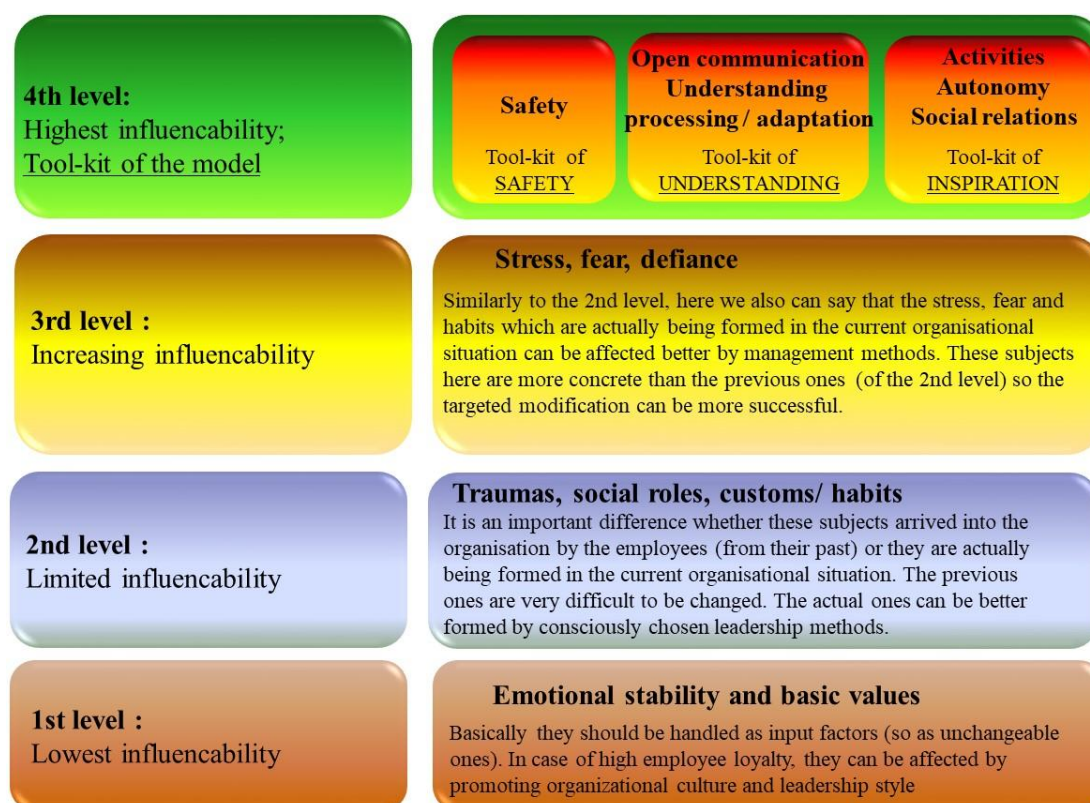


Figure 30: Different influenceability of groups of the identified model-elements (*source: own editing*)

- **Level 4: [safety], [open communication, understanding, processing/ adaptation], [activity, autonomy, social relations]**

Level 4 factors have a particularly high degree of influenceability by the management of the learning organisations. In addition, a manager who focuses on a particular area can (if

the right directions of influence are identified) induce really deep changes through these interventions. The six factors of level 4 are grouped according to the type of impact they induce as follows:

- **SAFETY / SECURITY:** As we have seen it at the beginning of this chapter, the need for security in individuals interacts closely with emotions: feelings of insecurity beyond a certain level can trigger strong emotional reactions (e.g. fear, defence-mechanisms), which in turn can lead to response actions that simply distract energy from other important activities – this is the main reason of the "paralysing" effect of insecurity. Thus, it is worthwhile for the management of the learning organisation to be aware of the areas where they can have the greatest impact on employees' sense of security and where such expectations of employees are the greatest. In addition to ensuring an adequate level of material resources, other resources of different nature can also be mobilised to increase the sense of security of the members of the learning organisation. All the tools to achieve, this are included *in the 'safety' toolbox*.
- **OPEN COMMUNICATION / UNDERSTANDING-DISCUSSION:** the main function of these two processes is *to clarify* external and internal conflicts and related issues. In the previous sub-chapter, we have seen several examples of the importance of the presence or absence of *understanding processing* in cognitive-emotional procedures. The impacts of traumatic events can become constructive lessons in the long term, and long-lasting individual- or group- conflicts can find quick and real solutions through *comprehending processing*, of which open communication is an obvious tool. It is not always easy to create the conditions for *open communication*, and *gaining true understanding of* complex situations is often a long and difficult task. Yet it is clearly well worth investing time and effort in the related tools, which we will summarise *as a toolbox of 'understanding'*.
- **AUTONOMY/ SOCIAL RELATIONS / ACTIVITY:** both autonomy and social relations emerged as strong needs not only in the analysis of the narratives of the interview research in this chapter, but also in the results of the questionnaire survey. Finding the right level of *autonomy*, both for individual employees and for specific groups of employees, is not an easy task. Too narrowly defined competences can disadvantage several learning processes and can also seriously reduce motivation. The converse-problem, i.e. offering too high degree of freedom can be interpreted as a situation where the given individual or group have too low level of experience and knowledge to take decisions or to manage the processes independently. In this case,

the consequence can insecurity and (if the project fails) even a complete loss of self-confidence, which can block several learning processes for a long time. Another interpretation of too much freedom is at group level: offering too high level of decision-making power to a too high number of individuals can lead to inability of making decisions or to a situation of long conflicts among the members of the given group, if the authorizations are not sufficiently clear. However, defining and applying the right level of individual- and group autonomy can give wings both to individuals and groups, too.

Peer relationships are so important to individuals that they were the top response to the question of "*desires in 10 years*" in the questionnaire survey. Emotional safety and a range of learning opportunities (e.g. conflict resolution, responsibility, cooperation), were the most important additional findings from the analysis of interviewees' responses. For the learning organisation leader, the knowledge of the increased importance of peer relationships is important in order to respect certain types of relationships on one hand, and to manage others in a promoting-moderating way on the other.

An essential consequence of individual and group *activities* is the effective experiential learning, as the individual has to react repeatedly to the continuously changing influences during the activity; the learning organisation leader must not only ensure that the appropriate activities are allocated to his/her company members, but he/ she also has to monitor the learning processes that take place.

Ensuring the appropriate level of autonomy, the effective coordination of peer relations, and the allocation and organisation of ongoing activities together constitute *a set of tools for inspiration*.

Together, *safety*, *understanding* and *inspiration* will be the three major areas of our model through which the leadership of the learning organisation can most effectively influence the constant interplay between emotional and cognitive processes, both at individual (staff) and group level. The full structure of the model is described in detail in the following subchapter.

3.4 Cognitive and the emotional elements of tacit knowledge – the model

Many aspects of the nature of the connections between emotional and cognitive factors have been discussed in the chapter summarising the results of the primary research. Before completing the synthesizing model, it is useful to clarify again its *purposes* and possible areas of use. As the present work is intended to contribute to the field of knowledge management, the

summarising model at the end of this research is wished to help *learning organisations* in particular by exploring the interrelationships between the various components of tacit knowledge.

In the chapters of the secondary research findings of this thesis, we first reviewed the new nature of the management needs required by the changed market and social environment. Already in the results of this section, the importance of motivation was emphasized in the success of effective management practices. (Subsequently, we have taken stock of the human resources available to organisations, both cognitive and emotional).

The results of the primary survey with a questionnaire base of 1,155 respondents were described in the previous chapter. The analysis of the responses to the open-ended questions on both the nature of the pleasure activities (intrinsically motivated) and the real sources of pleasure behind them revealed a *high value-orientation* of the respondents. (Together, the categories "*Creative work and learning*" and "*Focusing, attention, affiliation*" accounted for more than 50% of the pleasure activities, and the categories "*Spiritual food*" and "*Self-development*" for more than 60% of the main motivations behind the activity.) *Autonomy* is also of particular importance for the respondents: in addition to the 26% share of the total answers describing the main reason of joy behind the beloved activities, an additional 2/3 of the "*Spiritual food*" can also be considered as autonomy-related attractions (38% "*Harmony, peace*" and 30% "*Relaxation, release of tensions*").

The answers for the question of "*Aspirations in 10 years*" (which nuance the respondents' value system), are dominated by the need of *belonging to someone* ("*Love/ Fellowship*": i.e. love, partner, family, children, friends), which is also followed by ambitions related to *self-actualization* (profession, education, career, status, self-realization) with a considerable weight (28%). Among the aspirations, those related to material goals were most prominent in relation to *financial security*.

An important lesson from the face-to-face- and focus group- interviews (where a number of linkages and interactions between cognitive and emotional factors were already evident) was that the relationships between the two sets of factors can be multidirectional and can produce multiple outcomes (depending on the person and the situation). Thus, a given emotional factor may trigger a positive effect in one subject and a negative one in another, resulting in completely different learning/ comprehension/ response-action patterns. The complexity of the situation is further

increased by the fact that the two types of factors can often be linked through compound systems such as different roles, habits or basic value systems inherited from childhood.

As a result of the narrative analysis of the interviews, the three basic types of tools defined at the level most influenceable by organisational management are presented to provide the basis for a summarizing model that aims to capture the nature of cognitive-emotional interactions to offer an effective guidance in how to manage them on the best ways.

3.5 Model toolbar: 3 typical interfaces between emotional and cognitive processes

The first dimension of the model therefore identifies *the areas* along which the interaction of emotional and cognitive factors in a learning organisation are most tangible (and can be the best influenced by management tools):

- The foundational level is **Security** (Figure 36): of course, different types of organisations will have different responsibilities for meeting the security needs of their members at the appropriate level. However, as the results of both the questionnaire research and the interview analyses have shown, the strong emotional attachment to safety needs can in many cases lead to a situation where a strong deficit in this area can block other activities, and also the attention of the individual; this can also cause interruptions in the functioning of the learning organisation, sometimes even making it impossible to continue with the project.

As it can be seen from Figure 31, the middle level in the toolbar is the toolbox of **Understanding**. From the analysis of the research findings of the interviews, the importance of the moment of understanding has emerged again and again: even the experience of trauma can be turned into a positive direction (towards the acquisition of lived and struggled experiences as future resources) through understanding/ insightful processing. Similar conclusions were reached also from several other topics of the interview analysis: the success of the multiple roles that we live throughout our lives, and, in many cases, even the quality of our social relationships may also depend on our understanding of the complex emotional content of each situation.

(Among the main factors extracted from the narrative analysis of the interviews, "Open Communication" and "Understanding-Processing" were included in this group of tools.)



Figure 31: Groups of tools in the model (source: own editing)

In the meantime, we worry about the benefits that we are losing by making a particular choice, and our self-awareness is not sufficiently developed to be sure that the direction of our chosen goals fits to those types of tasks that our personality really requires. It therefore becomes of really high importance (in the constant pressure to adapt), to know from which sources we can draw the energy to take on new tasks and to complete and finish the old ones with proper integrity. This approach was reflected in the emphasis on motivation in Chapter 2, and it is further supported by the high value-orientation behind the self-rewarding action types in Chapter 3 (e.g. in the motivational reasons behind the “Spiritual food” category). Therefore, the inspirational potential of an organisation that can motivate its members in the right way also becomes a priority for leaders who take seriously the potential of the positive links between the human emotional and cognitive components. (Among the main factors extracted from the narrative analysis of the interview material in chapter four, ensuring an appropriate level of autonomy, the managing of peer relationships, and the assigning of inspirational activities and following them through on the action-learning processes triggered were included in the toolbox of inspiration.)

“Security”, “Understanding” and “Inspiration”, as the 3 typical areas where human cognitive and emotional procedures have strong interactions with each other and therefore where they can be influenced by the organisational management at the highest possible efficiency to

- The top level among the asset groups in the model built in Figure 36 is **Inspiration**. In our complex world, we are constantly exposed to so many different and rapidly changing influences, which can put a really heavy burden on our psychic energies.

Of the almost "unlimited" set of possibilities that are supposed to be open to us (since this is what is repeatedly broadcasted to us by public life and the media), we do not really know *which possibilities* we can utilize and, above all, *how*.

promote organisational effectiveness; these 3 elements were originally resulted by the thorough, 3-level analysis of interviews. However, at the same time we also have detailed results of the questionnaire research by which we originally intended to get information about the nature of intrinsic motivations which also were supposed to mean an important area where human cognitive and emotional procedures actively interact with each other. Before going on with the specific introduction of the model composed, it is worth examining how the framed-up groups of model tools are connected to the results of the questionnaire survey.

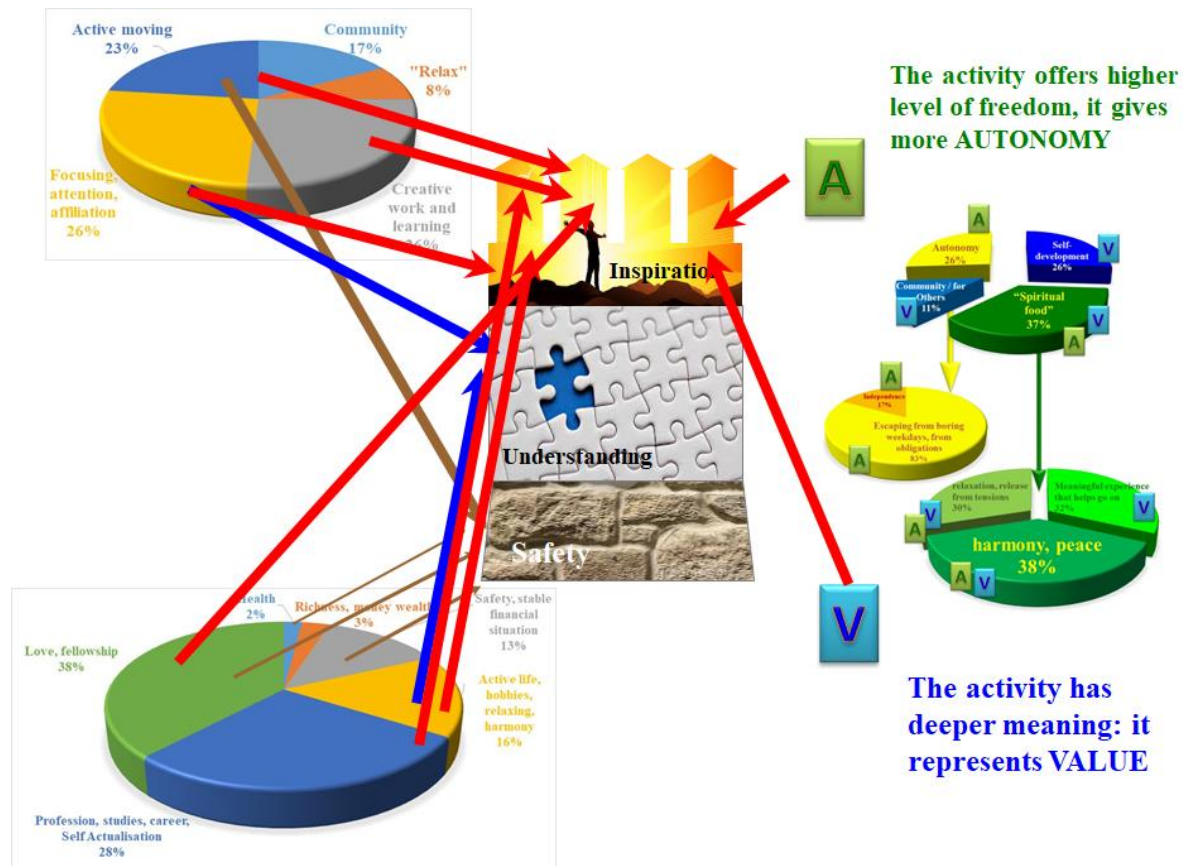


Figure 32: Model toolbar and the results of the questionnaire research (source: own editing)

Figure 32 shows how the pleasure-generating actions found by the questionnaire survey are connected with the defined toolbar of the model: most of the activity-groups which were found to offer happiness and satisfaction by themselves for the survey respondents, are naturally directed to the group of "Inspiration". The *Inspiration* toolbox originally was formed by (2) autonomy, (2) the managing of peer relationships, and (3) inspirational activities, so *community*-focused actions certainly have inspiring aspect. *Creative work and learning* and *Focusing, attention, affiliation* also belong to *Inspiration* based on the motivating aspect of the meaningful activity itself. *Community*-related activities on the other hand are also strongly related to the *Safety*-aspect considering the emotional security that well-operating peer-relations can offer to the individual. Finally, *Focusing, attention, affiliation* - based activities are strongly

related to the tools of “*Understanding*”, too, considering the fact that the activities belonging to this group can offer pleasure also because of their nature of being able to guide the individual of perceiving and realising important correlations about the world we live in.

As we can see it in Figure 32 too, the motivations behind the pleasure- generating activities were partly explained by the autonomy that they give and partly by the higher value they represent. From these viewpoints, the joyful activities create their impact through the *Inspirational* group of tools.

Finally, Figure 32 also shows how all the 3 groups of tools are interconnected with those motivations that questionnaire research respondents mentioned as their strongest wishes within 10 years of their lives. We can see that *Health, Stable financial situation* and harmonic connections of *Love and fellowship* can help the respondents to feel safety in their current life positions. The same group of *Love and fellowship* together with the *Profession, studies, career, Self Actualization-* and the *Active life, hobbies, relaxing, harmony-* groups represent important values that take affect through *Inspiration*, while the latter group of wishes can also have an effect through helping the individual of understanding some deeper interrelations of life.

Having identified the 3 main areas of positive influence from the emotional side, we shall now look at the *specific means* to catalyse learning-value creation processes in actual situations, by exploiting the interaction between cognitive and emotional factors. Before enumerating the concrete tools, however, let us look at the other dimension of the model: the levels of intervention.

3.6 The intervention levels of the model

Just as organisational human resource management does not only operate in the context of direct employee encounters, but the area also examined in more detail in this thesis: the toolkit for exercising influence along the cognitive-emotional dimensions does not only consist of elements that can be applied only at the individual (employee) level. Just as HR management has also dimensions at the strategic planning and strategic management levels in addition to the employee level, it is also worthwhile to represent these levels in the model that has been set up. Thus, in our model describing the more effective management of cognitive-emotional processes, it is worth defining 3 levels (Figure 33) through which management can have an impact on organisational effectiveness and company learning procedures:

1. *personal trainer level (employee level)*
2. *strategist (strategic planning level)*
3. *commander/ leader (strategic management level)*

1. *The level of the personal trainer* corresponds to the level of the manager-employee relationship in HR management. The coach (manager) "gets" the player (subordinate) and gets to know him/her from more and more sides as they work together; in this process, in addition to applying general coaching/ mentoring/ management principles, his/her development work is also realised in more and more tasks specifically tailored to the player.



Figure 33: Three levels of intervention in the model (source: own ed.)

The question naturally arises: why is this level not preceded by a level of selection (recruitment) of players from the applicants? The simplest answer is that this process is not covered by the current thesis-work. Despite the fact that recruitment/selection is one of the basic tasks of HR-activities at the enterprise level, it is not always included in the project-work at learning organisations (as the first stage of pre-screening the input of the human resources available). In many projects, for example, the manager is not given the right to assemble his/ her own team - so he or she has to deliver the highest possible results *with a given team*. Players/assignments are therefore given as input in this model but can be shaped and helped by the personal trainer using a variety of tools.

2. *The level of the Strategist*: in all areas where output depends not only on individual-, but also on group performance, to increase efficiency, not only the individual must be trained to the highest possible level, but also the group or organisational unit level tasks must be taken

seriously. At the strategic planning level, human resources must also be provided as part of the resource requirements to be assigned to plan variables: at this level, this *means not only selecting the right people for each task/status*, but also *defining the system of relationships between them*: both the structure of instructions/reports (i.e. hierarchy of subordinate/upper-level instructions) and also the appropriate channels of communication.

3. *The level of the General*: the acceleration of the changes in global markets in the late twentieth and early twenty-first centuries, which replaced strategic planning with the practice of strategic management (Barakonyi, 2002), has made *the constant monitoring of environmental changes and the practice of the continuous adaptation to them* the most important feature for effectively working organisations. The importance of the role of the war leader / General is best illustrated along this criterion, i.e. at the level of strategic management. Corporate adaptation to socio-market changes means rapidly anticipating constantly evolving situations, immediately developing responses to them and *coordinating* organisational resources (including *the activities of the employees*) *according to these new responses*. This reallocation of resources may involve giving some employees new tasks and changing the position of others, in addition to their current tasks, which may involve changing the structure of several subjects (power and/or communication systems) at the same time. Of course, the success of such complex adaptation actions depends to a large extent on taking into account the variable quality/diversified characteristics of the available human resources.

After defining and introducing the intervention levels of the model, now we are going to look at the concrete management tools along the three types of instruments and the three levels of intervention.

3.7 The individual as a given input variable

The "personal trainer" (direct manager) deals with the individual (employee). In the previous sub-chapter, it was clarified that the individuals available for a given project are to be treated as given (already decided) input factors, so the recruitment/selection process is not considered as an area to be investigated in the model.

Although we do not examine the process of selection, *at the level of the individual 'given'*, it is worth highlighting two factors *related to emotions* that may be relevant to its performance (Marczellné, 2011).

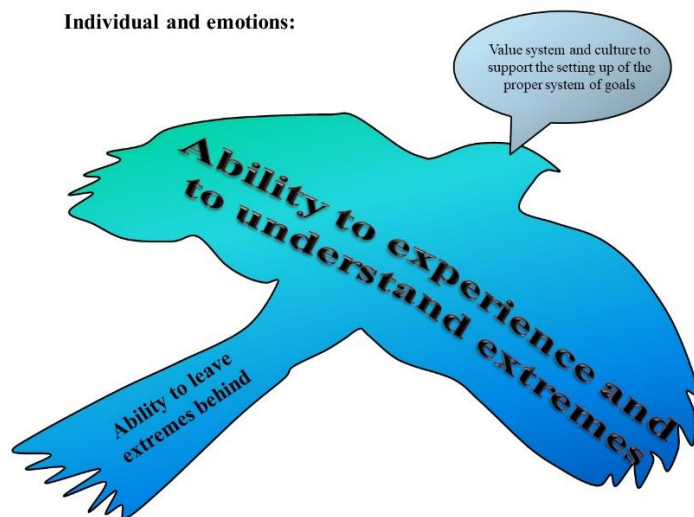


Figure 34: An important scale of an individual's emotional temper
(source: Marczellné, 2012(2))

As it can be seen in Figure 34, the bird in the figure has the feature of "Ability to experience extremes" on its wing. Individuals who *have strong empathy* tend to experience both positive and negative extremes *with intense emotional involvement*: that is, they

may experience high levels of enthusiasm, often almost euphoric joy, when positive events occur, and deep sorrow and shock at negative ones.

In addition to a high intensity of emotions, they often understand and comprehend a broad, often complex and diversified spectrum of emotions, which typically suggests their *high creative potential* (not by chance that this feature is on the wing of the bird: strong empathy competences can take you both high and low).

The ability to leave extremes has been put on the tail of the bird, with which it can navigate and steer: after a deep experience of emotions, the ability to start and continue tasks again, (already in the possession of new experiences) requires *discipline*. The understanding or meaningful experiencing of extreme emotional states can even mean increased value-creating abilities, if the person is able to use such deep and complex experiences. However, if one is permanently "stays inside" of the situation of extreme emotions (as if being 'stuck' in states of overheated pleasure or excessive depression), not only can one lose time that should have been spent on current tasks, but also the prolonged confinement to a given situation can lead to a negative spiral-like process in one's current life situation, from which it becomes increasingly difficult to escape, often only at the cost of investing considerable additional energy.

The two sets of traits associated with experiencing extremes deeply and then leaving them with a creative, but still sober mind is often characteristic of personality types with opposite poles, so in many cases a person is typically strong in one or the other set of skills. The manager exercising the function of *'personal trainer'* should be made aware of the advantages of the two sets of competences in terms of the emotional skills of the person he or she is working with, but should also make a conscious effort to develop the weak side of the

employee's skills to the minimum level required if one of the two sets of competences is too low (this is typically not an easy task).

The head of the bird represents the values that finally determine the direction of the use of psychic energies. The value system is typically personal, but can be influenced by the organisational culture, too. The ability to "experience extremes", marked with wings, is typically developed through the toolbox of inspiration. The skill set of "leaving extremes" should be strengthened by the tools of understanding. Finally, the influencing of the value system is possible through the organisational culture. After having clarified how the employee, as an "input-individual" can be placed within the model, now it is worth going on to the concrete tools of each group.

3.8 The specific tools of the model along the two dimensions considered

Of course, it is impossible to list all the potential tools that rely on the interactions of human emotions and cognitive processes. It is also important to note that the use of tools that rely on negative emotional influences should be avoided at the organisational level, even if the logic is to trigger a positive emotional-cognitive spiral. If, for example, the aim is to trigger *defiance* towards positive outcomes (either at individual or group level), it is NOT recommended to use such high-risk tactics, not even in all optimistic expectations and with the most careful planning of situations. It is true that we have seen several concrete examples in the interviews in Chapter 3, where defiance played a value-adding role in many cases in the emotional-cognitive reactions of individual subjects. Nevertheless, we can say that the effect and functioning of defiance reactions are so unpredictable that the use of defiance- triggering instruments in the management practices of learning organisations should be avoidable in any case.

If we recognize defiance as an emotional reaction that moves the actual employee or group in (possibly) positive directions, it is certainly worthwhile to try to maintain the positive aspirations: however, self-induced defiance should be explicitly avoided.

3.8.1 The safety instrument group

Personal trainer (coach) level

Defining the tools for properly satisfying the safety needs should certainly be started with the optimal definition of *compensation packages*, which of course focus on material security first.

However, this is often not the responsibility of the direct manager of the employee, so this important tool will be discussed at the level of the "strategist".

In addition to the financial remuneration promising present and future security, another important factor in the employee's basic sense of safety is the *job security* that he or she perceives: at the level of the individual employee's direct manager, the promise of eternal employment cannot of course be expected, but *regular career-focused discussions with the employee* don't only develop his or her realistic self-assessment, but can also appropriately orient him or her by providing clearer information about the organisational expectations placed on him or her.

The "Safety" mechanism of action also includes a very important managerial attitude at the "personal trainer" level, which can have a major impact on the innovation potential of the organisation. If the organisation supports/embraces the innovation ideas of its employees, those can even become new pilot projects implemented at organisational level. In such cases, it is crucial for the management of the organisation to be aware that once the joint decision to launch a project has been taken, *the responsibility for its implementation is now shared by the whole organisation, and that from this point onwards, the responsibility no longer rests solely with the idea owner*. Why is this important? In the event that the responsibility for a less successful than expected project eventually "falls back" on the original idea generator, the possible punishments that the original idea-maker get at such cases, are extremely effective in teaching all future potential innovators in the organisation a very negative message. Namely, that— if the innovation projects originated from their new ideas are not successful enough— this could even pose a serious threat to their job security or promotion. Of course, the innovation potential of such organisations can immediately start to decline dramatically: the higher the novelty factor of an idea, the higher the risk of its implementation. An important principle should therefore be applied: if the innovating organisation is to be a potential beneficiary of the actual innovation, they must also collectively bear the risk of potential losses.

Finally, we also need to consider the *supportive behaviour in case of employee deadlocks* as a safety-type tool for the personal trainer level. As we have seen from the interview analyses in Chapter 3, individual traumas can affect the subject's future in several directions. If the organisation (e.g. the line manager) manages to support the subject in crisis (e.g. by offering an alternative form of employment or in a number of other ways), by providing a safe and supportive environment, this can, in addition to effectively resolving the crisis situation, strengthen the trust capital between the employee and the organisation to such an extent that they may even enjoy its significant positive multiplier effects in the future.

Strategist level

Financial security, i.e. the provision of financial compensation packages that ensure adequate and fair incomes, is essential in the organisation's incentive- and reward systems. Of the responses to the "*What do you want in 10 years' time?*" question in the Chapter 3 questionnaire, which asked respondents about their values, 15% had material nature, the majority (12%) of which were about "material security", 2% about more moderate aspirations for wealth, and only 1% about more serious wealth. For the average person, the need for material things therefore means *security for today and tomorrow*. Adequate compensation cannot be below the level that does not guarantee this security. In the interview results of chapter 3, where security needs were discussed after fears, we could see that fears could point in two directions. Where it induced *active* (e.g. safety) *interventions*, whereby the direction of expected negative consequences in the future could be turned positive, we spoke about incentive stress. On the other hand, we also identified passive waiting as a core element of real fear, described as psychological distress, which *does not seek a meaningful solution* because of the *inevitability* of negative consequences - *the lack of reasonable/ fair financial compensation material* can also lead to a degree of uncertainty in the subjects, that make them unable to be inspired to achieve the goals of the (learning) organisation. The existence of this level of compensation should therefore not be associated with a better/worse motivation but rather be seen as a basic requirement.⁵

The decision to lay off an employee can be taken at different levels of the organisation – it can be decided by the employee's own line manager, also at a higher level (e.g. in the case of collective redundancies). Whoever the decision-maker is, organisations can develop **fair discharging practices** that are effective, fair and supportive in all cases– and, of course, they are coherent with the principles of a supportive organisational culture and create an integrated framework of behaviour across all departments (especially the HR team).

The development of a *balanced portfolio of company activities and investments* is, of course, a common intersection between the strategy-making level and the security ambitions. However, since in our model we focus on the interaction of cognitive processes with emotional factors, this step must also be linked to the *active* mediation of human resources in the organisation, i.e.

⁵ Daniel Pink (Pink, 2010) also considers reasonable / fair remuneration as a basic organisational effectiveness-condition in his "Motivation 3.0" system. In this book, he writes about optimised motivation systems for the changing tasks and business environment of the 21st century. In his view, worthy financial incentives are essential: without them, there is no meaningful motivation in the organisation. However, he described financial incentives used for a different purpose and in a different way as dangerous, and as suppressing creative energies: in his view, *directly linking* additional financial rewards to performance enhancement, beyond the fairly high remuneration provided for a given job, reduces creative work to poor wage work, thus destroys the higher motivation of the employee who wants to create independently.

communication. Meaningful communication of the organisation (about its strategic objectives and the steps it is taking to achieve them) to its stakeholders (in this case, mainly its employees) can effectively strengthen their sense of safety and their commitment to the company and to its activities.

General level

The communication activity of the previous point is extended here in time, and also the feature of *credibility* is given a prominent role at this higher level.

In many cases, the communication of strategic objectives is implemented in the practices of organisations as a typically one-sided “broadcasting” (sometimes exaggerated repeating) of an initial set of messages, which, due to its slowly changing content and its typical disconnection from real situations, often loses credibility for a significant proportion of the workforce. Either managers and/or owners simply do not consider it important *to communicate updated information effectively to their employees*, or they even consider it undesirable (the many major change initiatives by narrow but powerful interest groups and the inadequate level of corporate communication accompanying major change- or crisis management processes are typical examples of this). In both cases, the underlying cause is the same: they do not evaluate their employees as being capable of reacting to real events (as they think they should), so they use the tactic of hiding information (sometimes even misinforming) to 'align' the real timeliness of tasks with the timing they see as ideal. In these cases, the message that is sure to get through is simply that the receiving staff are sure to sense the change, and they are also sure that they have not received a significant part of the necessary information (causes, expected events and their expected consequences). This in turn triggers reactions of loss of confidence and uncertainty/anxiety, the negative consequences of which are usually underestimated or simply ignored by management. Internal information transfer processes should therefore typically be (a) up-to-date, (b) understandable and (c) credible. To achieve these objectives, the use (and even the encouragement) of authentic management communication at each level could be a policy to be considered for many organisations.

	▪ Job-safety: regular and detailed career- discussions ▪ Innovations: even if its originated from an individual, the responsibility for the project is at company-level ▪ At employee crisis: offering alternative employment	▪ Optimal and fair compensation packages ▪ Job safety: fair conditions for employment, real supporting at redundancy ▪ Well-balanced company portfolio (risk management) ▪ Open, fair and regular information to the employees about any strategic changes (with the involvement of the employees)	▪ Regular and true reports to the employees about the current goals / results of the company ▪ In case of crisis communication: open and true information to the employees ▪ Employing trustworthy leaders
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Figure 35: Elements of the "Safety" toolbox at the three levels of intervention (*source: own editing*)

3.8.2 The Understanding Toolbox

The tools of the Understanding group either reveal causal connections not previously understood by the receiving medium, or "free" connections that already exist but are fraught with serious misunderstandings or inappropriate elements: they make them simple, uncomplicated and free of burdens.

At the **Personal Trainer** level, the common topics to be clarified can be the following ones:

- ❖ clarifying the links between the individual's work and the organisation's objectives (defining current tasks and their goals),
- ❖ making the links between individual and organisational goals more direct (regular, personalised career management discussions),
- ❖ solving conflicts between employees or groups of employees, or
- ❖ supporting conversations in case of individual crisis/ deadlock situations.

In concrete terms, within the tools of understanding, we can use *explaining- clarifying discussions* at individual or group level, and we can choose from the increasing numbers of modern and effective *training techniques*. Among the possible training methods, many versions use the approach that by putting a given situation/relationship or task in a different light and studying it in this way. At these cases, participants can discover many new aspects that have previously been hidden from them, but which can often be the missing link to a solution.

	Personal coach	* Strategist	General
Understanding	 ▪ Highly personalised and effective career management ▪ Effective support to solve organisational conflicts (if needed) ▪ Open and supportive behaviour in case of expert-deadlocks and personal employee crisis	 ▪ At organisational projects: ➢ Clear definition of goals ➢ Specifying goals and connected premiums – always at the right level (that can actually impact on the given output)	 ▪ Proper communication of change- and crisis management actions: ▪ Proper description of reasons ▪ Continuous and open communication of the Goals → Results → Premiums - cycle at all levels

Figure 36: Specific elements of the "Understanding" toolkit at the three levels of intervention (source: own editing)

At the strategist level, an important application of the understanding toolbox can be the development of an appropriate structure for each internal organisational "campaign" (multi-level mobilisation/activation actions designed to achieve a given goal): the proposed key principle to be used at these cases is the simple exercise of *giving all stakeholders* clearly communicated *project objectives and premium criteria on which have a real impact to improve*.

The level of the **General** continuously reviews all these well-established objectives and criteria and, if necessary, modifies the processes with the properly selected representatives of the respective level, so that they continue to operate in a direct context and on the basis of fair and transparent evaluation systems.

3.8.3 The toolbox of Inspiration

The personal coach level

At the level of the personal coach, the Inspiration toolbox includes *the providing of an appropriate level of autonomy*. In chapter 3, both at the results of questionnaire research and of interview analysis, the need for autonomy was a prominent feature. The development of the individual means one of the most important aspects in the establishment of the proper level of autonomy at each employee. At every case, we should set a level of challenge that still effectively encourages him/her to develop, but at the same time it does not place such pressure on the subject at which he/she is no longer able to perform the task at a high level.

Continuously *listening to employees' individual innovative ideas* and (if the idea is worthwhile) *supporting* their implementation will not only be an inspiration for the employee but will also be a beneficial boost to the innovation potential of the knowledge organisation.

Of course, the *creative tasks* to be given to employees can vary from one employee and task group to another. However, in addition to the clear benefits of increasing specialised knowledge, it is also worth *keeping the principle of diversity in the allocation of certain tasks on the agenda*: whether the principle is rotation or task enlargement, diversifying part of the workload can be a source of many benefits for the organisation (even through multiplied processes).

It is worth mentioning here a special kind of the diversity mentioned above as a tool of inspiration: *shaking off*. *Shaking off* refers to changes in an individual's or group's environment, tasks, life situation that are significant enough to cause changes in the individual's/ group's thinking/ attitude/ behaviour. In the primary research, this phenomenon was identified in the real attractions behind the pleasure-seeking actions of the questionnaire survey: the value of "*Relaxation, release of tension*" was identified in the category of "*Spiritual food*", while the value of "*Escaping from boring weekdays, from obligations*" was identified in the category of "*Autonomy*". In the interview-analysis part of the primary research, the phenomenon of *shaking off* was most intensively observed through case studies of trauma. In addition to solving of the

trauma situations that can arise in organisation; however, it is also worth considering the use of *shaking off* in cases where we want to change the thinking or behaviour of an individual or a group significantly. (The reason can be narrow thinking, a rigid, inflexible attitude that is maladaptive to certain situations, or pathological dysfunctions in thinking that put individuals or groups at risk of developing trauma). In the case of rigid, long-standing individual-, or group-conflicts, the assignment of radically new tasks or a sudden and major change in the environment (e.g. a team-building training organised in special and unexpected situations) often brings surprisingly rapid changes and positive renewal even in situations which the individual or the group or the management had tried to deal with unsuccessfully for a long time before – using traditional approaches. A similar tool to the *shaking off* -tool is to put things, events, or situations in a different perspective for individual employees, or even groups: this method has already been discussed at the "*understanding*" toolbox.

Finally, among the individual means of inspiration, it is worth mentioning the operation of an effective and employee-focused *career management system* that continuously monitors the career development of employees (and the possible modifications in their attitudes or even in their complex personality structure), which can both increase employee loyalty and improve the efficiency of HR's internal resource management, too.

Strategist level

As at the individual level, the key issues of ensuring the right level of task allocation and inspiration were (1) the match between the individual and the task, (2) the balance between the expected and the existing competences, and (3) finding the optimal level of autonomy and creativity, so at the level of the strategist, in addition to these factors, important areas related to task allocation will be issues related to *the coordination of activities of the* different units (individuals or departments), *communication* and cooperation.

Teamwork-to-individual performance issues of the organisation and the management of general performance evaluation also require comprehensive management competencies and constant review of system-effectiveness. In a world of increasingly complex market and social conditions, flexibility and complexity of problems constantly increase the value of teamwork, but the ability to solve problems effectively in a group is in many cases not a self-evident competence for employees, so it requires serious attention from both the strategic and also the general management levels in this area– whether it is the providing of appropriate levels of autonomy or the effective and equitable fine-tuning of performance evaluation systems.

General level

The continuous monitoring of teamwork and the interventions to be taken when necessary are the cornerstones of the performance evaluation system: if it is not working well, it has an immediate negative impact on both the individual motivation of the members and also on the overall performance of the group, so a high level of its operation is a key success factor, which works through the sensitive inspiration factor. While at the level of the strategist, the important issues are the definition of departmental autonomy levels and the development of fair and transparent performance evaluation systems, it is also advisable for the top-management (general level) to fine-tune these levels of autonomy and appraisal systems through continuous reviews; and to provide credible and well-communicated feedback at the level of both individual employees and also for their groups/units, which can form the basis of the development and consolidation of a *trust-based organisational culture*.

 Inspiration	 Personal coach	 Strategist	 General
	▪ Personalised career-planning ▪ Setting the right level of autonomy at individual level ▪ Encouragement of individual creative ideas and initiatives ▪ Creative tasks	▪ Delegating tasks: finding the optimal level of creative tension ▪ Group work: finding the balance between individual and group advantages ▪ Planning and building up of autonomy levels and performance evaluation systems at individuals and at groups / departments	▪ Trusted-based system of cooperation ▪ Offering positive, but always reliable feedbacks ▪ Continuous review and re-fining of autonomy levels and performance evaluation systems at individuals and at groups / departments
Applying „Shaking-Off“ techniques in individual-, or group-level			

Figure 37: Specific elements of the "Inspiration" toolbox at the three levels of intervention (source: own editing)

Figure 38 offers a united, summarising overview of the emotional-cognitive interaction tools grouped to the 3 types of topic-categories, along the 3 intervention levels.

The range of tools presented in the model can of course be extended. The main potential of the model is that the classification by tool groups and by intervention levels can serve as a useful framework for understanding the interconnections between emotional and cognitive factors when a more complex situation needs to be analysed and understood in more depth from multiple perspectives.

	Personal coach	Strategist	General
Inspiration	▪ Personalised career-planning ▪ Setting the right level of autonomy at individual level ▪ Encouragement of individual creative ideas and initiatives ▪ Creative tasks	▪ Delegating tasks: finding the optimal level of creative tension ▪ Group work: finding the balance between individual and group advantages ▪ Planning and building up of autonomy levels and performance evaluation systems at individuals and at groups / departments	▪ Trusted-based system of cooperation ▪ Offering positive, but always reliable feedbacks ▪ Continuous review and re-financing of autonomy levels and performance evaluation systems at individuals and at groups / departments
Applying „Shaking-Off” techniques in individual-, or group-level			
Understanding	▪ Highly personalised and effective career management ▪ Effective support to solve organisational conflicts (if needed) ▪ Open and supportive behaviour in case of expert-deadlocks and personal employee crisis	▪ At organisational projects: ➢ Clear definition of goals ➢ Specifying goals and connected premiums – always at the right level (that can actually impact on the given output)	▪ Proper communication of change- and crisis management actions: ▪ Proper description of reasons ▪ Continuous and open communication of the Goals → Results → Premiums – cycle at all levels
Safety	▪ Job-safety: regular and detailed career-discussions ▪ Innovations: even if its originated from an individual, the responsibility for the project is at company-level ▪ At employee crisis: offering alternative employment	▪ Optimal and fair compensation packages ▪ Job safety: fair conditions for employment, real supporting at redundancy ▪ Well-balanced company portfolio (risk management) ▪ Open, fair and regular information to the employees about any strategic changes (with the involvement of the employees)	▪ Regular and true reports to the employees about the current goals / results of the company ▪ In case of crisis communication: open and true information to the employees ▪ Employing trustworthy leaders

Figure 38: The complete model (source: own editing)

3.9 Questionnaire survey to validate the model

The model described here is the main research result of the thesis; therefore, as final primary research, I conducted a second questionnaire survey to validate the model. The questionnaire consisted of four sections: after the socio-demographic questions, I asked my respondents to evaluate the importance of the management tools of "safety", then "understanding" and finally "inspiration" (the full questionnaire can be found in the annex). In this questionnaire I did not use open questions, as this stage of my research was no longer exploratory, but rather to test the validity and practical applicability of my existing research (the model).

In my questionnaire, employee-type of work - experience was asked from the respondents: I asked for their opinion about their *current workplace*, and in the absence of this, I asked for opinions based on previous work experience where the respondent had worked for at least four months (or more). I designed the questionnaire in both Hungarian and English; I first completed

it with my Hungarian and international students; the questionnaire was then distributed through having been shared. All respondents completed the questionnaire online – because the responses were collected through non-random sampling, the survey cannot be considered representative. A total of 617 people completed the questionnaire between July 2 and August 11, 2024: 505 in Hungarian and 112 in English. The results of the analysis of the responses are presented by question groups.

3.9.1 Demographic characteristics of the sample

34.2% of respondents were male and 65.8% female, so women were over-represented in the sample.

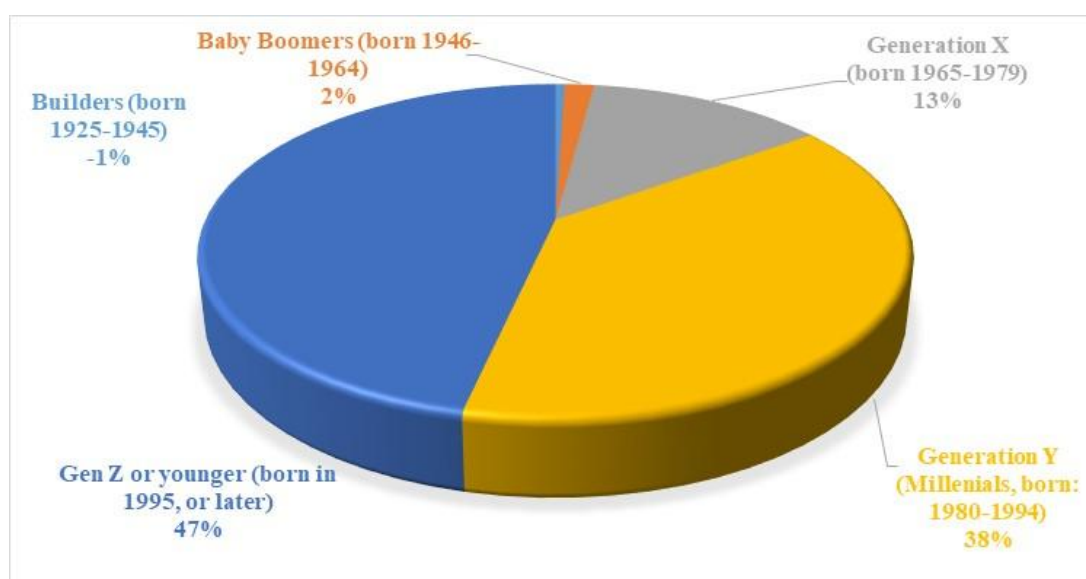


Figure 39: **Age groups** (source: own ed)

In terms of age groups, Generation Z leads with 46.5%, followed by Generation Y with 38.4%. Generation X respondents make up only 13% of all respondents, Baby Boomers 1.6% and Veteran- (Builders-) respondents account for only 0.5% of all respondents. Z and Y thus dominate the sample by age group, together representing 85% of all respondents. The predominance of Y and Z is advantageous from the viewpoint that their weight in the labour market will continue to increase in the future.

As we can see it in Figures 45-49, the distribution by place of residence is dominated by the capital with 56% - together with the regional centres and cities they account for 77% of the responses. Respondents are highly educated, with 92% of them either graduates or currently studying in higher education.

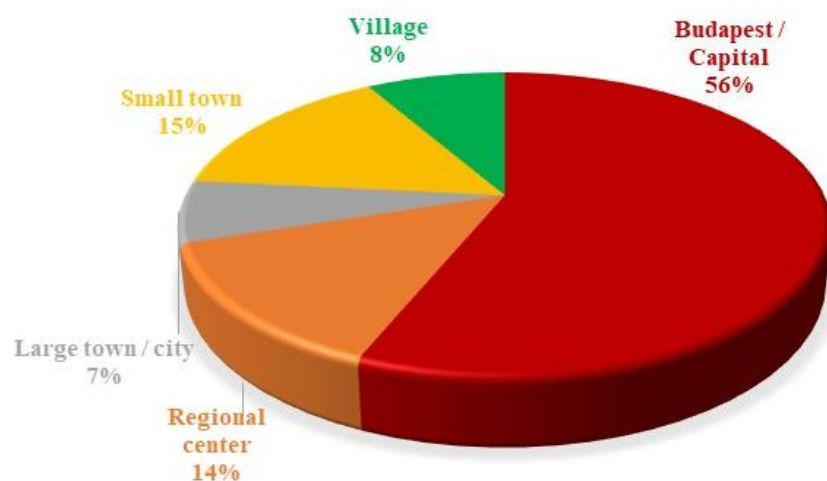


Figure 40: **Residence** (source: own ed)

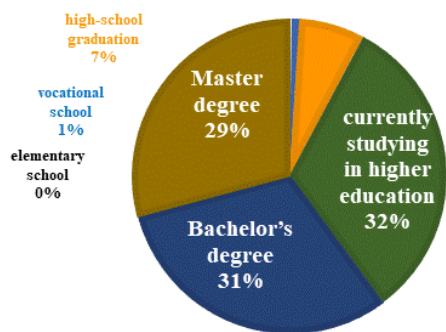


Figure 41: **Highest education**
(source: own ed)

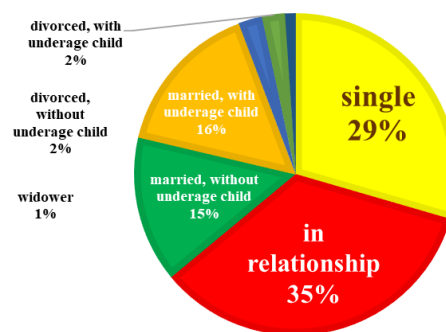


Figure 42: **Family status**
(source: own ed)

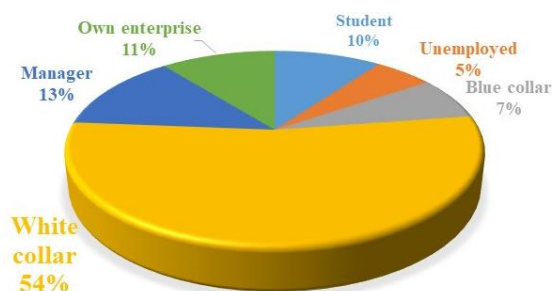


Figure 43: **Type of job** (source: own ed)

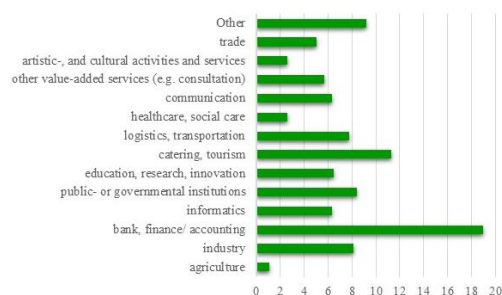


Figure 44: **Employers by sector (%)**
(source: own ed)

The high professional status of the respondents is reflected in the fact that more than half of them (53.6%) have a professional (white collar) job and a further 13% work in a managerial position. From the viewpoint of marital status, those living in relationship (34.5%) and married couples (30.3%) account for about two thirds of the sample, while singles account for 29.5%. The sectoral classification of the enterprises and institutions employing respondents is remarkably diverse.

3.9.2 The safety instrument group

The next question-"package" of the questionnaire focused on respondents' safety at work. Starting with the topic of financial security, I first made the respondents assess the general financial situation of their households (families) in relation to the national average, and then the level of financial incentives provided by their own jobs. On average, respondents gave a score of 3.51 when asked to rate their own and their family's current financial situation on a scale of 1 to 5 (1 being particularly difficult compared to the average, while 5 being particularly/significantly better than the national average). The average score of 3.51 suggests that respondents typically feel that their financial situation is slightly above average, but still close to the national average.

On average, respondents gave a score of 2.96 for how satisfied they are with the financial incentives provided by their jobs (such as basic salary, bonuses and cafeteria.) A score of 1 indicates total dissatisfaction, while a score of 5 indicates maximum satisfaction.) The mean value of 2.96 is close to 3, suggesting that respondents overall rate the financial incentives they receive as average compared to jobs in similar categories in the current labour market situation.

The next question asked respondents to rate a hypothetical situation along four dimensions – in which *their job would be unfairly low paid, but they would like the work itself*.

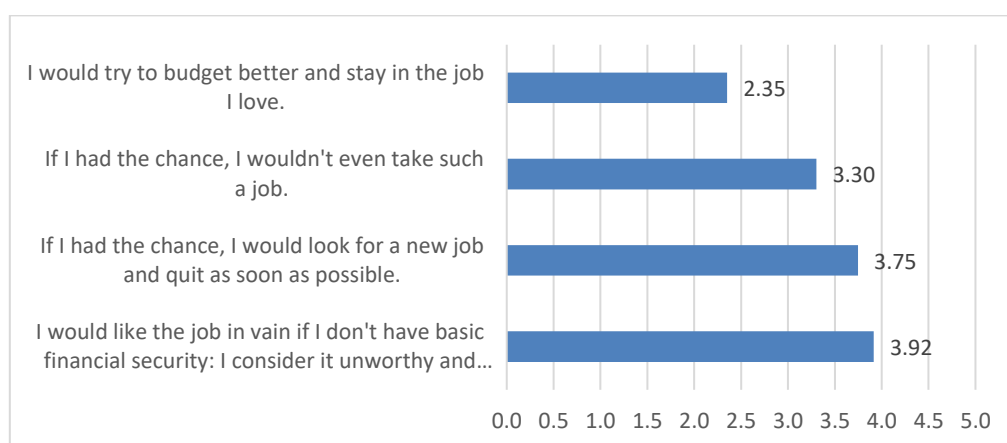


Figure 45: How important is the financial security provided by employment (source: own ed)

The second related statement, that they would not even take such a job in the first place, was slightly more agreed than average (3.30). The highest agreement among the related statements was that even if they liked the work itself, if there was no basic financial security, they would consider the situation derogatory and unworthy and they would try to leave the job (mean 3.92). There was similarly high support for the view that they would look for a new job and quit as soon as the opportunity arose (3.75). In contrast, respondents were less likely to stay in the job they loved despite low pay and would try to manage their money better (2.35), indicating that

most of them would not sacrifice financial security for the love of work. (1st response-alternative in Figure 45). This one was the control statement: while the previous three implied some rejection of undeservedly low financial security despite the job they loved, the latter "encouraged" the opposite: to persevere in the work they loved even in the face of poor financial security. The statements of this group of questions were thus coherent among the respondents: **the content / love of work is therefore not enough— because, if it does not guarantee financial security, it is not suitable to serve as a background for a worthy life** – Figure 45 also illustrates this result.

The next set of questions tested statements about the lack of *job security* - in the hypothetical case here, the job is good, the pay is OK, but there are no regular employment contract or no decent/ worthy terms of termination. Of the statements, the highest average score (agreement) here was the statement that the respondents would consider the situation to be undignified if there was no basic job security and would try to leave the job (3.66). A similar level of agreement was found for the statement that they would either not take the job in the first place or would look for a new job and quit as soon as possible (both with an average of 3.59). In contrast, respondents are less inclined to agree with the opposite meaning of control statement; i.e., that they would strengthen their own financial security in the absence of job security and would rather stay in the job because of their love for the work (2.98). These results show that stable working conditions are important to respondents.

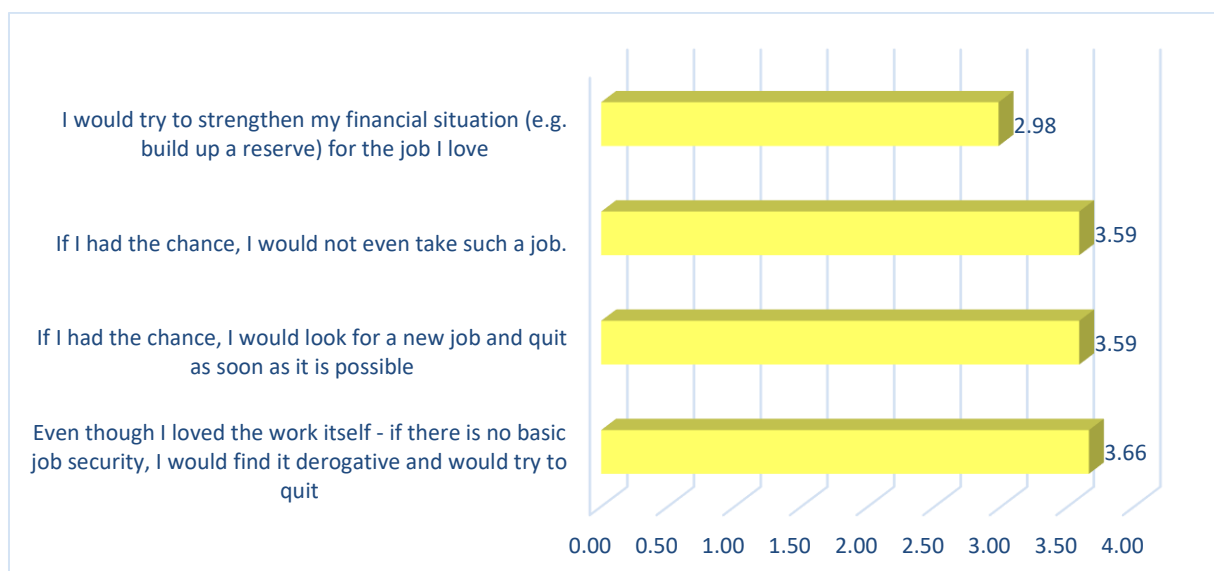


Figure 46: How important is job security provided by the employment (source: own ed)

In addition to the above, I asked about the safety toolbox under the topics of "straight leaders" // "straight communicators":

The answers suggest that the credibility and commitment of managers is essential for respondents to increase their own commitment to their work. The statement that credible and engaged leaders make it easier for employees to work with commitment had the highest average score (4.36), indicating its high importance.

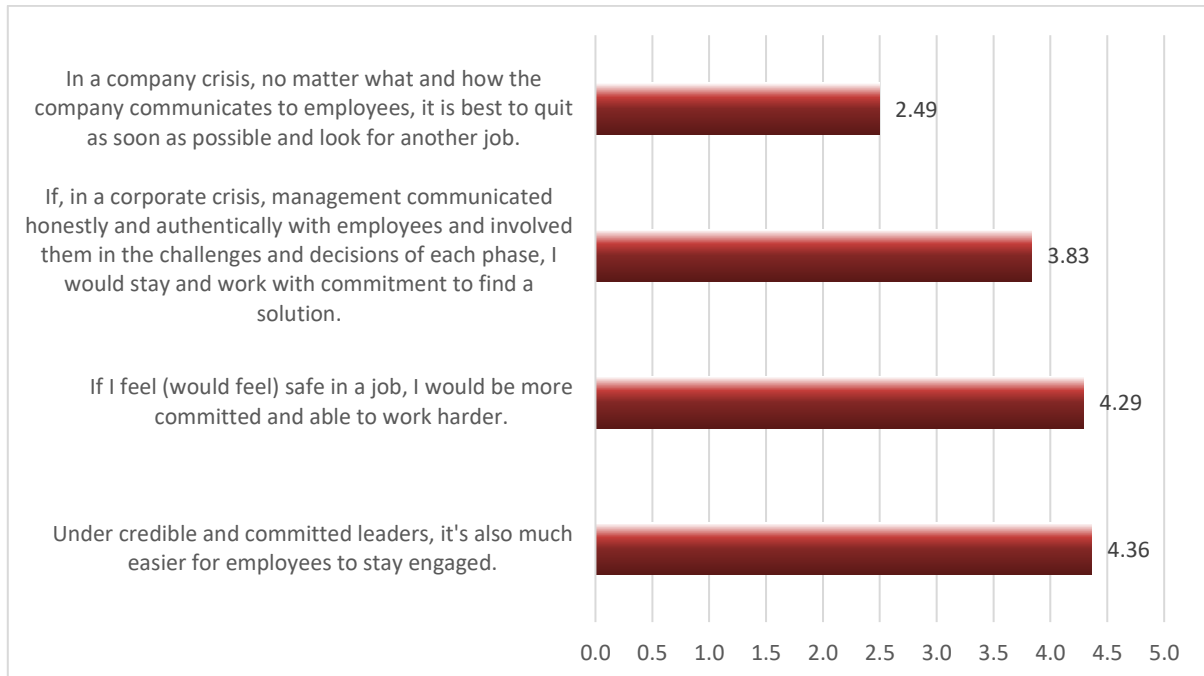


Figure 47: Job security and employee engagement with leaders who communicate authentically and directly (*source: own ed*)

Respondents are also relatively open to stay and work for a solution in the event of a crisis in their company, if management communicates with them honestly and credibly and involves them in the resolution process (3.83). Respondents typically disagreed with the control question with the opposite meaning (that no matter what management communicates, in a crisis it is best to quit immediately and look for another job) (2.49). These consistent results here also suggest that for respondents, the credibility of management and the quality of their communication are crucial factors in maintaining loyalty and commitment at work.

The summary statement of the safety topic, that a sense of job security increases employee engagement and motivation, was rated highly (4.29).

During the background analyses of the Security Toolkit questions, it was well-marked, that segmentation analysis along demographic background variables rarely showed significant differences for the safety- attitude questions. Where a significant relationship was found, the correlation was also not particularly strong (weakness was indicated by the value of the gamma coefficient). This suggests that different groups of people have very similar attitudes to the safety-values.

3.9.3 The understanding instrument group

In the focus question, here I first made the respondents evaluate how much their workplace loyalty and job performance would be enhanced by a company practice where they would be assessed on their performance in the past period in regular (e.g. annual / bi-annual) career meetings. I asked it not only about the importance of **receiving straightforward and clear feedback on their performance**, but also **about the real experience of a common alignment of interests**, since, in addition to highlighting their good results and helping with their difficulties, I also “offered the opportunity” of these hypothetical meetings, that during these discussions, their working conditions for the next period (e.g. work tasks, workload, work schedule) would be fully discussed and agreed with them, which would effectively support their future plans (not only the company's ones).

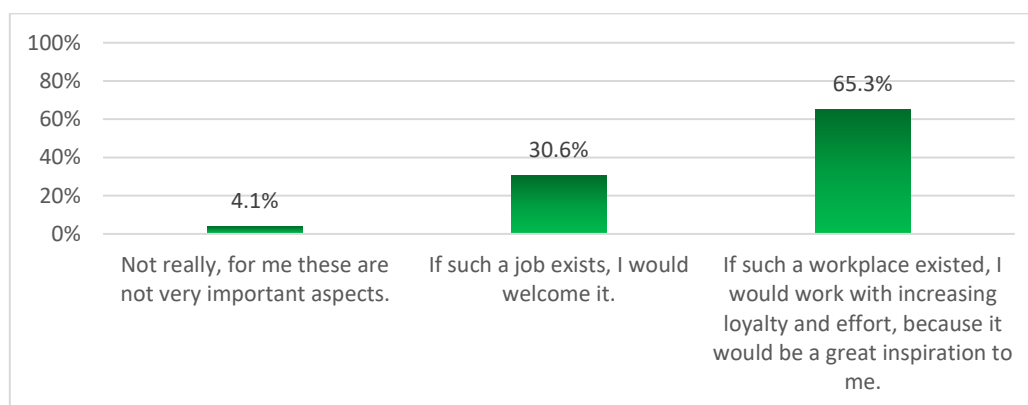


Figure 48: Straightforward and supportive feedback, real consideration of workers' interests in regular career discussions (*source: own ed*)

Based on the responses to the question, the vast majority of respondents believe that the above practice of regular career discussions would significantly increase their loyalty and job performance. 65.3% of respondents said that such an approach would be a major source of their inspiration and would increase their loyalty and commitment to their work. A further 30.6% were also positive and would welcome such a work environment. Only 4.1% said that these aspects would not be very important to them. These results show that for employees, regular feedback and joint planning can be key factors in fostering motivation and loyalty.

The analysis by type of residence shows that there are significant differences of how respondents evaluate the importance of career discussions. Among those living in the capital, only 2.6% say that they do not consider them important, while in smaller towns and villages this proportion is significantly higher: 15.7%.

Those who rate career meetings as particularly important are most likely to be in the regional centres (72.9%), while the proportion is lower among those living in smaller towns and villages with 60.2% and 58.8%. The results suggest that people living in larger municipalities assign

greater importance to career discussions, while those living in smaller municipalities feel less so (probably because career discussions providing appropriate feedback are not really common practice in the workplaces of smaller municipalities, so people living and working there have not really developed a need for them).

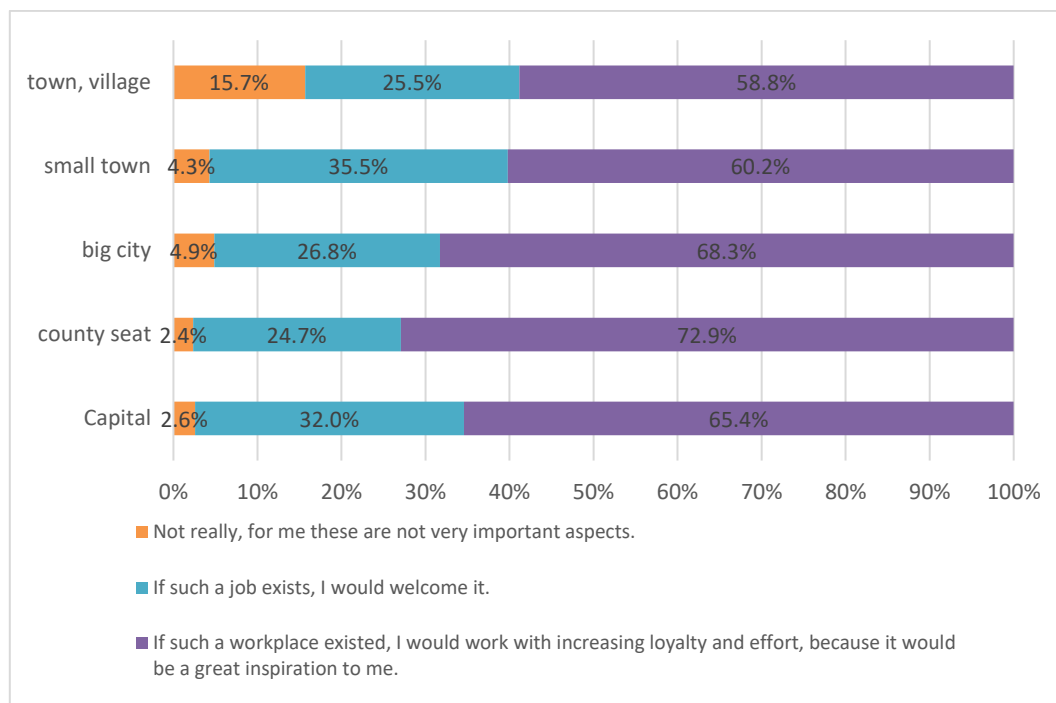


Figure 49: Importance of credible career discussions by type of settlement
(source: own ed.) (% distribution of responses, $N = 617$; $\chi^2=0.003$; $\text{Gamma}=-0.07$)

Within the topic of the 'understanding' toolkit, the next question focused on the expected behaviour of the employer organisation during personal employee crises.

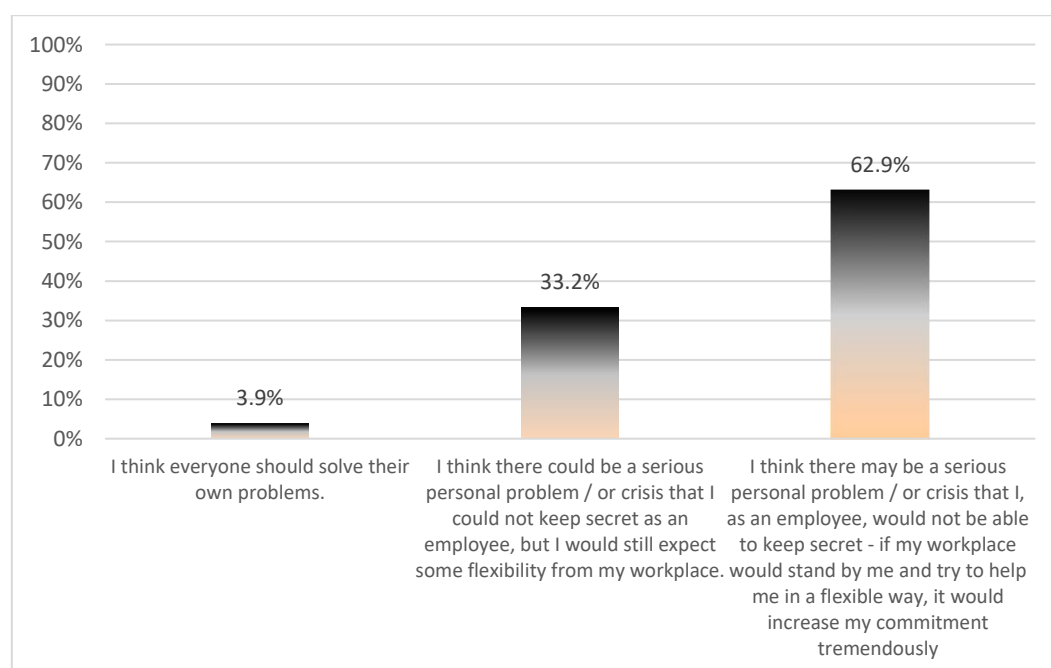


Figure 50: Importance of a support from the employer in case of personal crisis (source: own ed)

The majority of respondents (62.9%) believe that if a workplace were to stand by them in a supportive and helpful way during a serious personal crisis, it would significantly increase their commitment to the company. A further 33.2% believe that flexibility on the part of the workplace would be important in such a situation, but they would expect no more. Only 3.9% think that personal problems should be solved by each individual and do not need the help of the workplace. The results suggest that for most respondents, support and flexibility at work would be a critical factor in building loyalty, especially in times of crisis.

For this question, there were significant differences between age groups of respondents in the importance they attach to the supportive role of the workplace in the event of a personal crisis.

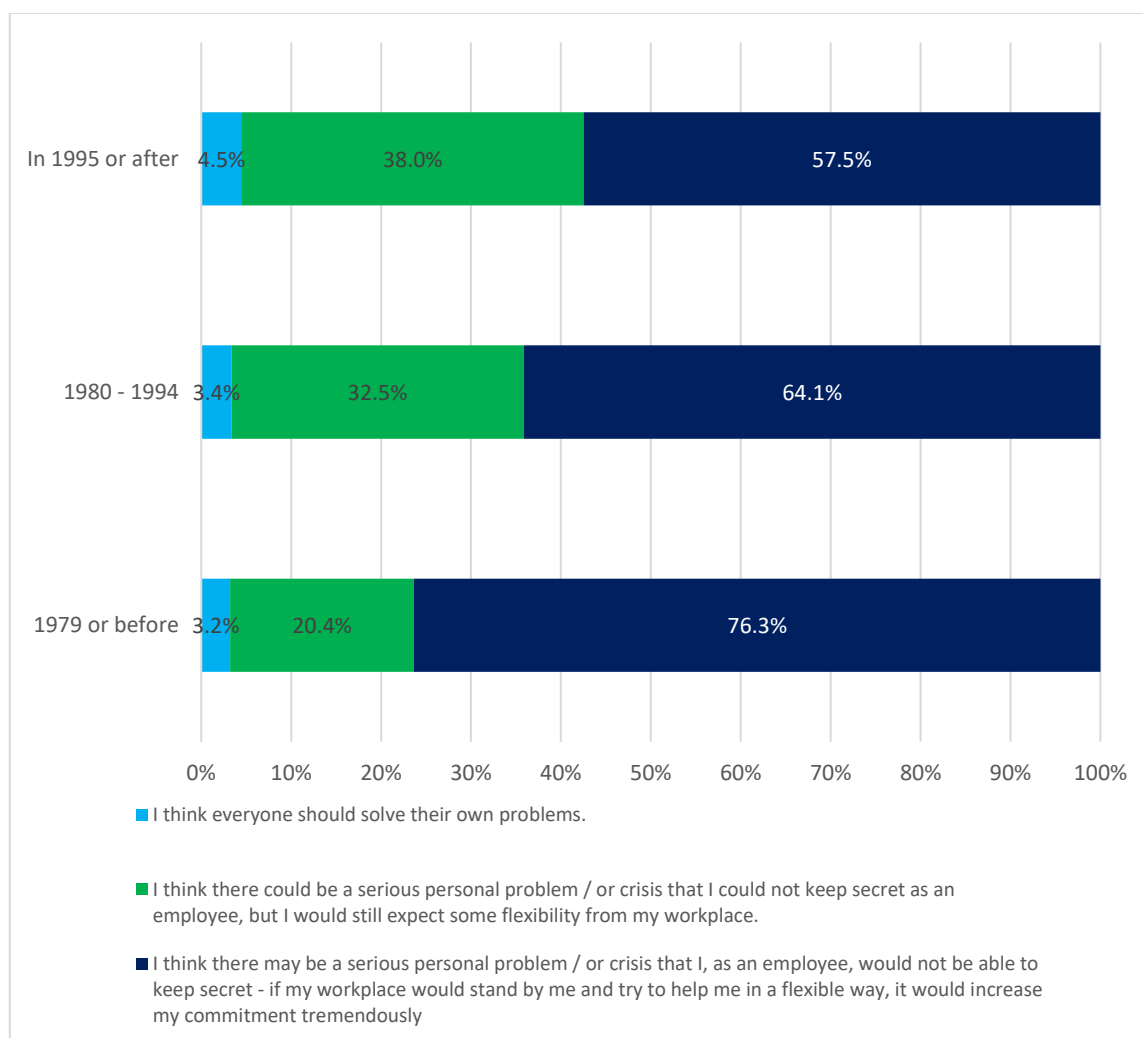


Figure 51: The importance of a support from the employer in a crisis and the correlation between age group

(source: own ed.) ($N = 617$; $\chi^2=0.024$; $\text{Gamma}=-0.214$)

Among the oldest age group (born in 1979 or before), the highest proportion (76.3%) believe that support at work in the event of a serious personal problem would greatly increase their commitment to the company. This proportion is 64.1% in the middle age group (born 1980-1994) and 57.5% in the youngest age group (born 1995 or later). Conversely, the youngest age

group has a higher proportion (38.0%) who would expect only some flexibility from their workplace in such a situation, while the proportion is lower in the older age group. In all the three age groups, the proportion of people who think that everyone should solve their own problems is low (3.2%-4.5%).

The next question in the understanding toolbox asked respondents how much they would expect company management to regularly inform their employees about the financial situation of the company in a credible and sufficiently detailed way.

The majority of respondents (53.8%) believe that, although they would acknowledge that a company would provide its employees with regular and credible information about its financial situation, this would not necessarily lead to greater commitment or better performance. However, 36.5% believe that open communication would actually make employees more engaged and more identified with the company. Only 9.7% of those who would not be particularly interested in the financial situation of the organisation at all.

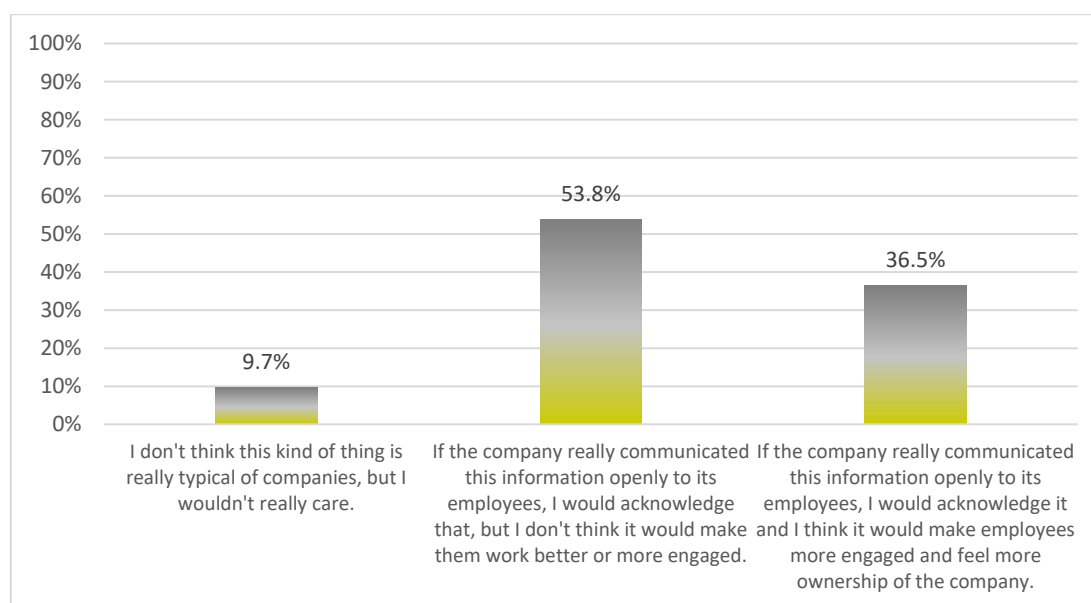


Figure 52: Open communication about the company's financial situation to employees (source: own ed.)

For this question, the distribution by type of job reveals significant differences in the extent to which respondents attach importance to having credible and detailed information on the financial situation of the company. The data show that those who are still studying and do not have a permanent job (43.5%) or work in a managerial position (42.5%) are more likely to think that open communication would increase employee engagement. More of those in manual jobs and the unemployed (55.9% and 54.5%) believe that although they would accept open communication, it would not have a significant impact on their engagement. Of those in manual work, 58.6% think that corporate communication should be recognised, but they do not think

that it would necessarily lead to greater engagement. The least engaged are the unemployed (20.6%) and students (17.7%).

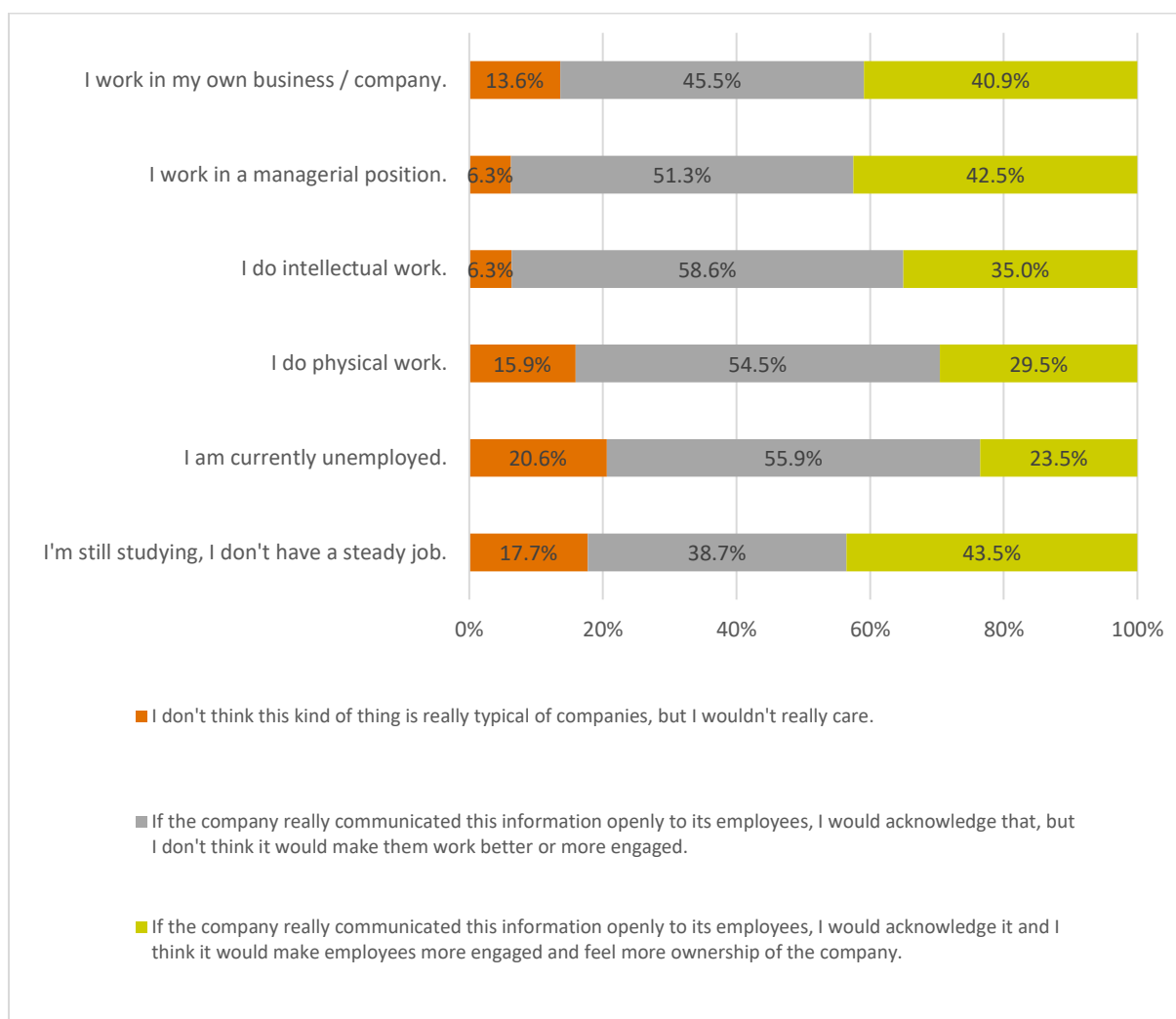


Figure 53: Open communication of the financial situation of the company to employees and the relationship between the nature of the work
(source: own ed.) ($N = 617$; $\chi^2=0.005$; $\text{Gamma}=-0.099$)

A higher form of understanding and of clear goal setting, was asked in the question in which I asked my respondents to evaluate the situation where managers involve their employees in the strategic decision-making process of the company. Regarding this situation, the majority of respondents (64.3%) believe that if the company actually involved them in decisions in which they could meaningfully participate through their experience, this in itself would have an inspiring effect on them, provided that they otherwise like their job and are satisfied with the financial situation. However, 27.6% of respondents would only consider it inspiring if they also received a direct share of the additional income generated by making the right choice. Only 8.1% indicated that this aspect was not really important to them.

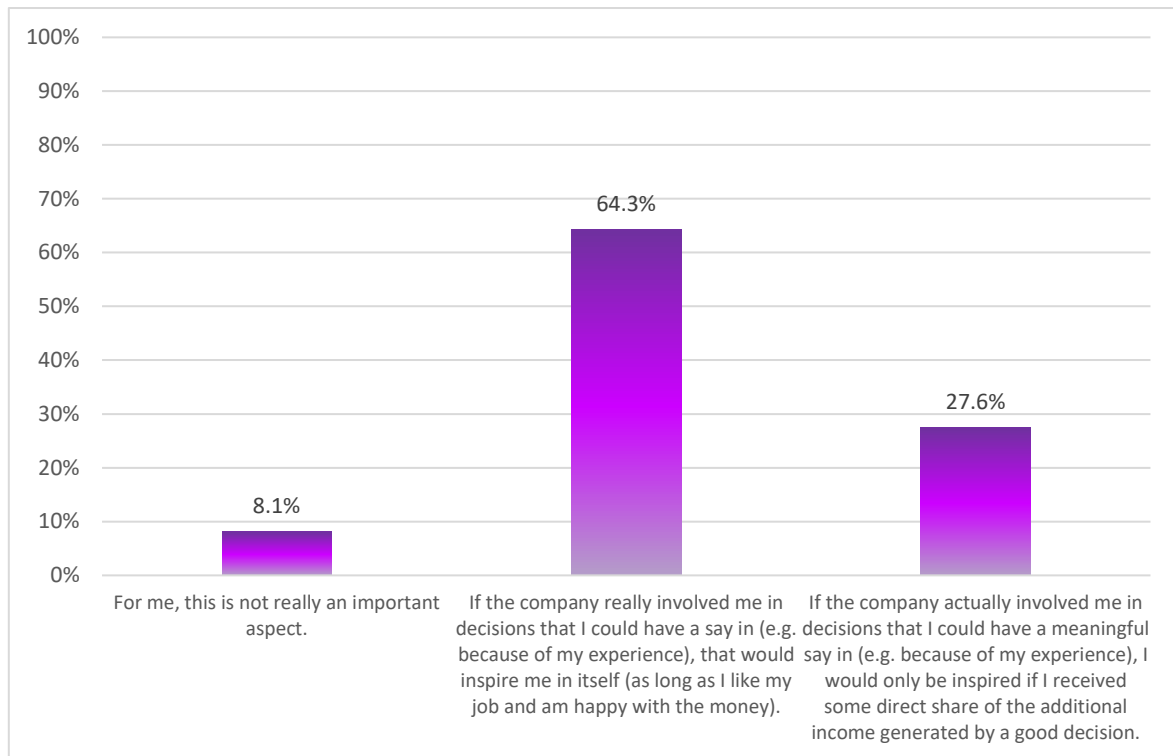


Figure 54: Involving employees in higher level (strategic) decision making (source: own ed)

There are significant differences in the importance of employee involvement in strategic decisions based on the relative subjective financial well-being of the respondents. Among those who perceive themselves to be living in particularly difficult circumstances compared to the

Hungarian average, 26.3% do not consider this an important aspect, while the proportion of those who perceive themselves to be a better level than the average, the rate of interest is significantly lower (at around 8%).

The majority (69.3%) of respondents with a perception of average income would find it inspiring to be involved in decisions in themselves, if they were competent based on their previous experience.

In contrast, a higher proportion (41.7%) of those who consider themselves to be in a particularly better financial position than average would only feel inspired to get involved in strategic company decisions, if they received a direct share of the outcome of these decisions.

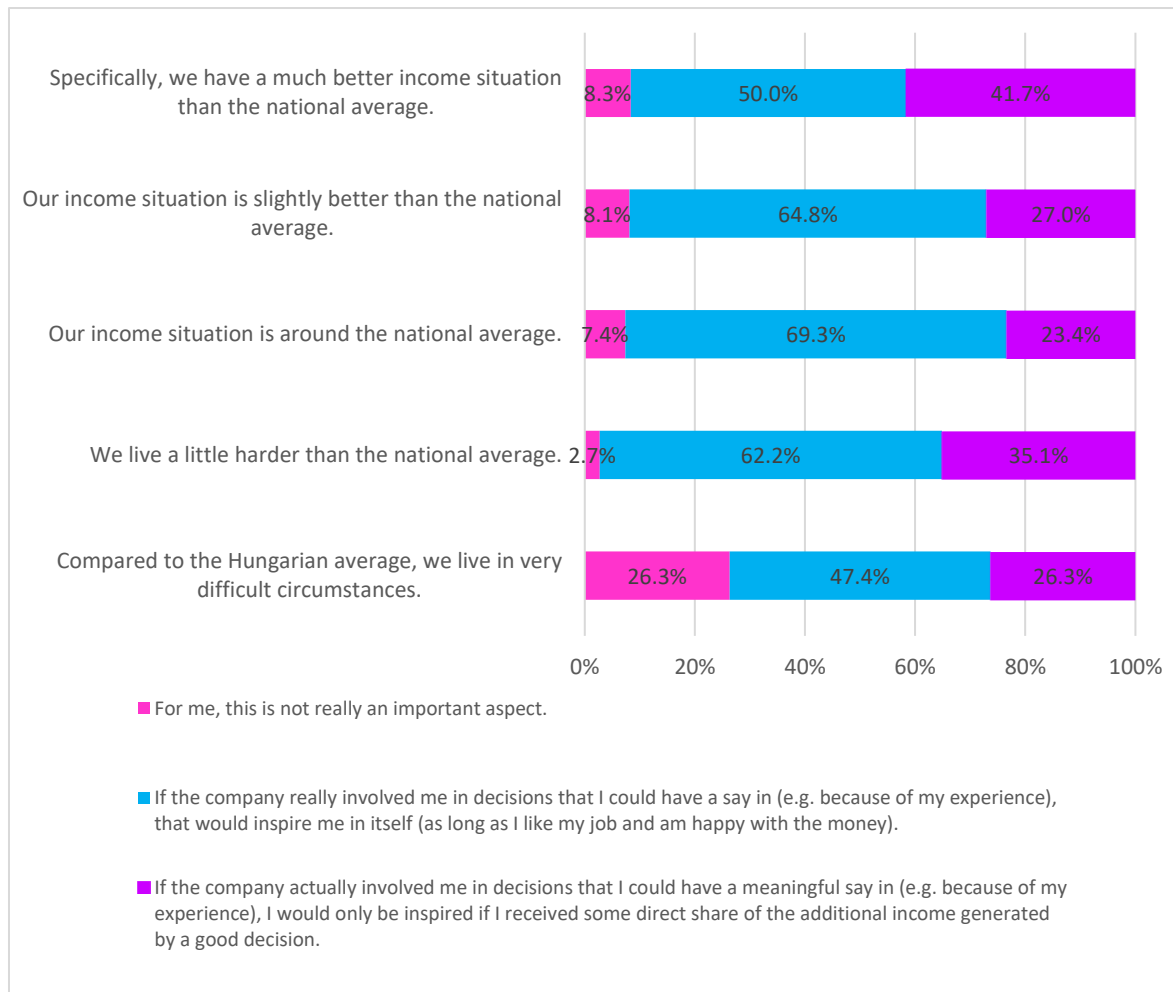


Figure 55: Employee involvement in strategic decisions and correlates of financial situation

(source: own ed.) ($\chi^2=0.012$; $\text{Gamma}=-0.086$)

At the end of the toolkit of understanding, I asked my respondents to think through / to evaluate a number of aspects of *what kind of performance appraisal/ and consultation systems they would like to work in*. Based on the averages of the responses to the statements, the features that respondents considered as being most important were that job expectations and responsibilities were clearly communicated to them by management (4.43) and that they could ask for help when they had difficulties (4.35).

There was also strong support for the view that premium-type rewards after successful projects can effectively increase employee motivation (4.24), and that it is important to understand the reasons for changes in company tasks or methods (4.23). In addition, personalisation of tasks and support for employees' own interest are also of high importance (4.19-4.21). It is also relevant for respondents to get open but fair feedback about their mistakes during company performance appraisals (4.18) and to have company evaluations based on multiple criteria system (4.12).

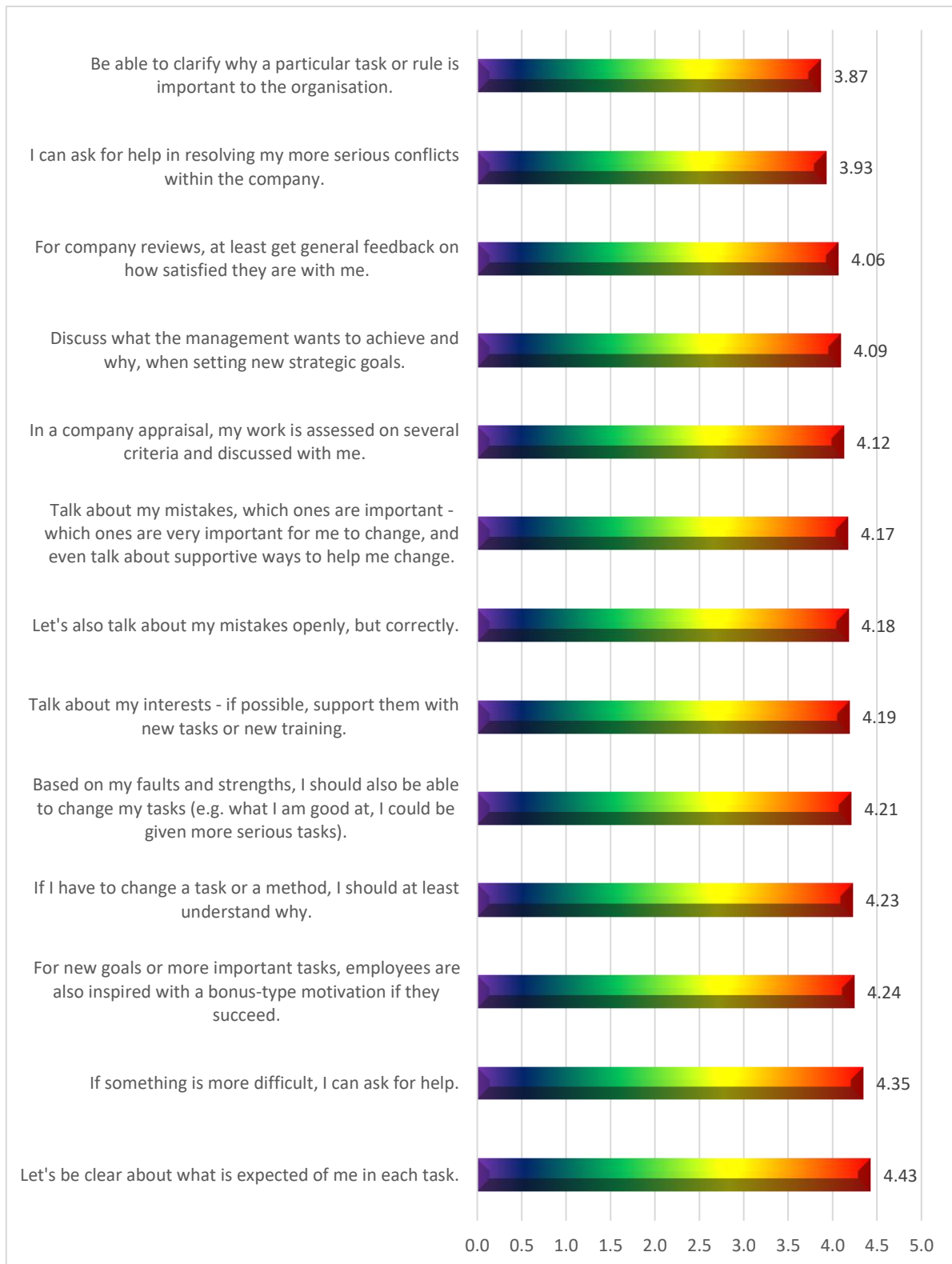


Figure 56: Wished content of corporate performance appraisal- and consultation systems (*source: own ed.*)

Discussing new strategic goals is also important (4.09), as is general feedback (4.06). The possibility of asking for help in resolving serious internal conflicts and clarifying the importance of organizational rules are slightly less emphasized, but still significant, both with a mean score above 3.8.

3.9.4 The inspiration instrument group

In my questionnaire survey, within the inspiration toolbox, I tested statements around the themes of (1) *autonomy*, (2) *novelty, creativity*, (3) *teamwork* and (4) *supportive atmosphere, trust* – through my respondents' evaluation of relative importance.

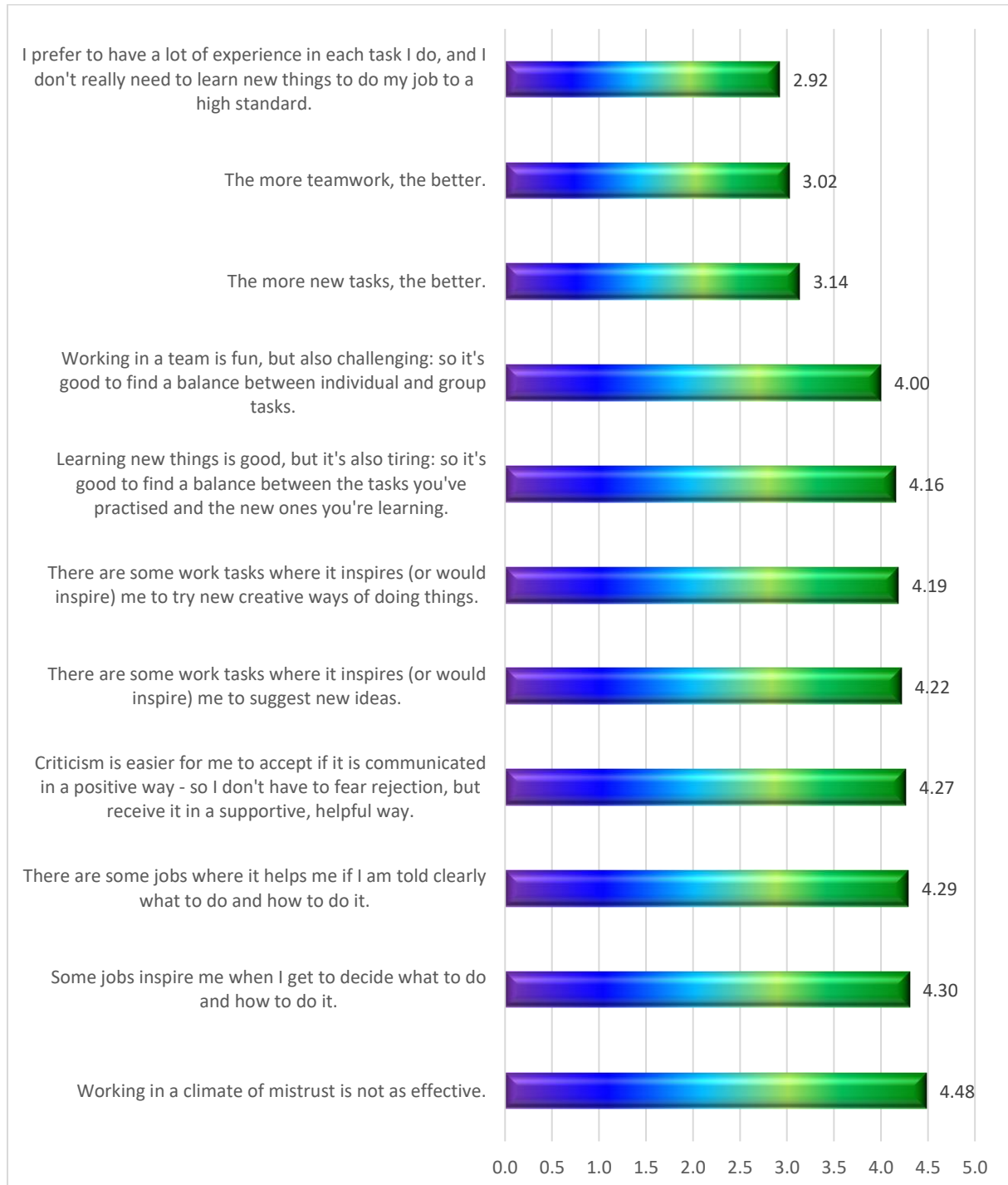


Figure 57: Relative importance of the tools of inspiration as rated by respondents (source: own ed)

Autonomy is important for respondents, especially in tasks where they can decide for themselves what to do and how to do it (4.30), but so is the need to have clear guidance in certain situations (4.29). These last two answers reflect a balanced and responsible attitude of

employees: respondents want more autonomy in matters where their competences and prior experience clearly enable them to make autonomous decisions in the field.

The importance of a trust-based, supportive workplace culture is demonstrated by the fact that, on a scale of 5, respondents strongly agree that an atmosphere of mistrust undermines work effectiveness (4.48). They find it easier to accept even criticism when it is received in a positive and supportive way (4.27).

Within the themes of **novelty/creativity** and **teamwork**, respondents typically find it inspiring to try new ideas and creative solutions (4.22; 4.19). While learning new things is important to them, maintaining a balance between the well-practised and new tasks is a key issue (4.16). Similarly, maintaining a balance between individual and group work is also of high importance (4.00). Respondents are less keen to have as many new tasks as possible (3.14) and to work in teams as often as possible (3.02). These statements show that constantly changing work tasks and eternal teamwork are not a one-sided value for them, which they prefer in all cases and regardless of the circumstances, compared to more familiar work activities and independent work. Finding the right balance between autonomous and team work and between routine tasks and new challenges therefore seems to be an optimal workplace criterion for them. In turn, the statement emphasising the importance of routine and a secure experience base (i.e. aversion to novel work tasks) functioned as the opposite control question and as such received the lowest mean score from respondents (2.92) as expected, again showing the coherence of responses within the inspiration instrument group.

3.9.5 Summary of the results of the second questionnaire survey

The evaluation of the results of the 2nd questionnaire survey clearly shows that employee satisfaction and effectiveness are closely linked to leadership tools related to emotional security, understanding, transparency and high levels of inspiration and motivation. Emotional safety, (such as creating an atmosphere of trust for reasonable and fair salary) is essential: when employees feel safe and they can work in a supportive environment, they are more engaged and more committed.

Tools for understanding and transparency also play a prominent role. It is important for employees to understand clearly what is expected of them and why certain changes are necessary. Measures such as open and credible communication about the company's financial

situation or involvement in strategic decisions increase employees' engagement, as they tend to feel organisation's goals as being their own ones in these cases.

High levels of inspiration and motivation are closely linked to emotional security and understanding. When leaders give employees the opportunity to try their new ideas and creative solutions, or they transparently reward their successful performance, people not only become more satisfied, but also work more effectively. Inspiration and motivation further increase employee engagement, especially when the company takes individual features and strengths into account.

Overall, the results of the second questionnaire survey show that *safety*, *understanding* and *inspiration* are key factors in making employees more satisfied and productive in the organisation. If managers use these tools well, it will have a positive impact on the organisation as a whole.

4 RESULTS OF THE RESEARCH – THESISSES

After presenting the results of the secondary-, and the primary research, and the model based on the synthesis of the results of these two studies, let us now examine the validity of the research hypotheses:

H1: Typical connections between the cognitive and emotional factors of human consciousness can be identified, which can be used to make both individual competence-building practices and learning organisation processes more effective.

The first hypothesis has been clearly confirmed: already the modern theories of intelligence in the interview analysis (chapter 2.3.5. – especially from page 46.) together with the introduction of the concept of emotional intelligence (chapter 2.3.6.), with the results of the interview analysis (chapter 3.3. ➔ especially chapter 3.3.2.) show how cognitive abilities develop through colourful and complex systems during individual life courses - these processes are clearly interwoven by cognitive-emotional interactions.

From the questionnaire survey of the primary research, both from the types of autotelic (intrinsically pleasurable) actions (from the reasoning systems mapped in their background) and from the results of the research about underlying values (chapter 3.2.4.), we also observed a variety of interactions between cognitive and emotional factors (e.g. complex mechanisms acting through orientations towards higher values, or attitudes towards communities and autonomy). The results of the individual and focus group interviews were also able to "catch" (even in more detail and in the most varied forms) a number of typical processes which were achieved through the interactions of emotional and cognitive factors (chapter 3.3). (The model captured only those of these multiple interactions that could be directly and simply applied in a learning organisation. (Chapters 3.3.3. and 3.4.))

Having confirmed Hypothesis 1 both by the secondary and the primary research results, it can be stated as the 1st thesis of the Dissertation:

T1: Typical connections between the cognitive and emotional factors of human consciousness can be identified, which can be used to make both individual competence-building practices and learning organisation processes more effective.

H2: The classic interactions between cognitive and emotional factors can be bidirectional: neither the cognitive → emotional, nor the emotional → cognitive direction of action is

exclusive, and often longer chain-like mechanisms of action can emerge between the elements of the two sets of factors.

This second hypothesis is also clearly confirmed. In the chapters presenting the results of both the questionnaire survey (chapters 3.2.4. and 3.2.5.) and the interviews (chapter 3.3.), we have seen several examples of the variable possibilities of the implementation of the bidirectional interactions. One of the most typical examples of the organic linking of cognitive and emotional factors was the complex process of understanding/ interpretation (p. 92. p. 95. p. 99.), but in the context of several other responses we have also seen that emotional factors are very quickly integrated into cognitive processes and vice versa: the complex mechanisms of action of different emotional processes can produce a very wide range of cognitive outputs (chapters 3.2.5. and 3.3.), which often become typical starting points for further individual (internal) or social interactions of cognition/processing.

Having confirmed Hypothesis 2 by the primary research results, it can be stated as the 2nd thesis of the Dissertation:

T2: The classic interactions between cognitive and emotional factors can be bidirectional: neither the cognitive → emotional, nor the emotional → cognitive direction of action is exclusive, and often longer chain-like mechanisms of action can emerge between the elements of the two sets of factors.

H3: Motivational processes represent a typical interface between cognitive and emotional factors.

The third hypothesis can be considered only partially confirmed. It is true, that in many processes, motivation is found as a link between emotional and cognitive factors (both in individual and group decision-making processes and other relationships). As motivation typically starts from needs in many descriptive/analytical models of motivation, in most of the cognitive-emotional interactions revealed in questionnaire and in-depth interview research, one or more underlying needs can be identified, so the process of motivation is already there as a parameter linking the two domains. (Examples include the social needs revealed behind the pleasure-seeking actions of questionnaire research (chapter 3.2.4.1.), or the self-actualization needs inherent in "Spiritual Food"-types of inspirations (chapter 3.2.4.2.) Also in the large number of emotional-cognitive interaction versions of the in-depth interviews (chapter 3.3.), the social needs behind the "need to belong" type of desire, or the need for recognition or self-actualisation in career advancement ambitions, could be all good examples.)

Thus, a significant part of the interactions between cognitive and emotional types of factors acts through motivational systems (chapters 3.2.4. and 3.3.). However, among the research results of in-depth interviews, we found several mechanisms of action that (although clearly interacting between cognitive and emotional processes) do not specifically act through motivation. For example, different *types of defiance-type* responses (p. 95.) may be explicitly characteristic links between cognitive and emotional factors, yet they cannot be considered as directly motivation-driven responses. The multi-level, complex emotional-cognitive interactions through *roles* and *habits* (p. 91., p. 94. and p. 95.) are also too complex to be explained by the presence or absence of simple motivations. Thus, the third hypothesis can only be accepted on the stipulation that motivation is a typical, but not the only interface between emotional and cognitive factors.

Based on the primary results of the dissertation, the 3rd thesis can be stated as follows:

T3: Motivational processes very often represent typical connecting interfaces between cognitive and emotional factors, but they are not exclusive: other types of psycho-social processes can also be identified as common conjugating elements between emotional and cognitive sub-systems of human thinking.

H4: Positive emotional inputs typically induce a positive (upward), whereas negative emotional inputs typically induce a negative (downward) spiral-like series of interactions between elements of an individual's cognitive and emotional processes.

We must reject the fourth hypothesis in this form. Despite the fact that the research findings from the in-depth interviews include many cases where the above correlations are true (i.e. positive emotional events triggered upward cognitive-emotional spirals, while negative emotional influences triggered downward cognitive-emotional spirals), there are also many examples of the opposite, so this hypothesis cannot be accepted because it does not represent an exclusive form of connection (Chapters 3.3.1. and 3.3.2.). A good example of cases that ultimately respond to positive emotional influence with a negative cognitive-emotional spiral is the type of damaging role-pattern that can be led by the one-sidedness parental (or even managerial) behaviour that initially was meant to be supportive (so absolutely good-intentioned) (p. 90., p. 93.). One possible outcome of this is the already self-defeating degree of perfectionism that emerged in the interview narratives, and in other cases a distorted role-conception of "*I must appear to be the winner in every situation*", which may lead to a pattern of behaviour that is not honest even with oneself, choosing increasingly easy (and thus more certain to win) challenges (pl. 94).

The best examples of the long-term positive impact of negative emotional exposure can be found in the in-depth interview findings at several cases of trauma: we saw highly, multifaceted chains of interaction with positive spiral-like procedure of trauma processing, in which even led to significant personality development and major improvements in quality of life in the cases of the individuals concerned as a result of the interaction of emotional and cognitive learning processes (p. 90. and p. 93.)

Based on the primary results of the dissertation, the 4th thesis can be stated as follows:

T4: Both positive and negative emotional inputs (as starter effects) can induce a series of interactions between elements of an individual's cognitive and emotional processes that can develop either positive (upward), or negative (downward) spiral-like mechanisms.

H5: In order to support leadership and management tasks, it is worthwhile to attempt to create a model that collects and systematizes the basic leadership tools that (based on the elements of emotional intelligence) are able to positively guide cognitive-emotional processes at different levels of the organization in such a way that they increase organizational effectiveness. Such model is also able to develop the immaterial capital of the organisations.

The model built in chapter 3.3.3. and in chapter 3.4. was designed to bring together the tools that can positively influence cognitive-emotional processes at different levels of the learning organisation. The hermeneutic analysis in subchapter 3.3.3 first classified the emotional-cognitive interaction features (obtained as a result of the first questionnaire survey and the interview analysis) according to the aspect of *influenceability*. For the model to be set up, only those features were selected as possible tools that had really high levels of *influencability*. Subsequently, three sets of tools were identified for the model according to *the usability criterion*, in order to make it more transparent how a given function of emotional-cognitive interaction can increase organisational effectiveness when applied. Rather than listing the specific tools in each of the three groups, Figure 61 shows the key impact mechanisms that act as main drivers of these positive changes in a broad sense.

For the "Security" tool group, the main focus is on ensuring that *various resources are available* in the organisation *in a reasonable volume* for the members of the organisation (e.g. employees). In addition to *material (financial) resources*, management is also responsible for the continuous monitoring of the availability of *emotional/social* resources for individuals (employees) and for their groups. In this context, it is not only important to have the constant supportive presence of the management in person, but also to regularly monitor the availability

of the right level of emotional and social intelligence factors for individual- and group activities, and to intervene appropriately, if any gaps are identified.

The most important tools of the model



Figure 58: Key asset groups in promoting organisational effectiveness
(source: own ed)

The tools of "Understanding" should be organised here, in the summary section, simply by supporting internal and external processes of understanding. In this context, the tools to increase the level of understanding of *internal processes* are intended to increase the levels of harmony of intrapersonal processes within each individual by clarifying individual internal conflicts. The harmonisation of (external) interpersonal relations between individuals is (1) a practice of effective conflict management at group- and at organisational level, (2) the clarification of goals and their relations to individual and group- tasks and (3) showing clear interrelations between employee efforts and the benefits offered for them by the employer organisation.

At the level of "Inspiration", the most important set of tools is of course related to motivation - in addition to the classic motivational tools, we can also complement the tools to be used here by giving creative tasks and involving stakeholders (i.e. employees) in the setting of goals. Also a precious tool here is the setting of the appropriate levels of autonomy, of showing new viewpoints for certain goals and situations and of using the tool of "shaking off" (introduced in the previous chapter). When setting organisational goals, it can be particularly

effective to create opportunities for linking these purposes to higher-level objectives (for example, by taking higher organisational responsibility for a major CSR- issue).

Instead of the (never-found) stable / fixed equilibrium in an organisation, we would prefer using the term *dynamic equilibrium* to describe the desired state to be reached for learning organisations – in scientific terms, dynamic equilibrium is a state where the rate of reciprocal reactions at the microscopic level is equal, so that the macroscopic state of the system is stable due to the many small reciprocations. – Well, the management of knowledge organisations cannot (of course) have control over parameters that would find a steady state of equilibrium by themselves without intervention. *Continuous active interventions* based on a constant external and internal assessment of the situation by the management must create the possibility of equilibrium and of development in learning organisations – in the context of constantly changing market conditions and human resources.

The thesis (and the model in it) aims to contribute to this practice of continuous adaptation by having researched the nature of the competence- and emotion-based components of human resources in knowledge organisations and the relationships between them, using both primary and secondary research methods. The model developed as a result of this analytical work (by taking into account the *positive influencing potential* of the interactions between cognitive and emotional factors) is intended to provide a practical framework that can be used effectively by learning organisation management in their HR- and general- management activities, at individual/employee, strategic and operational management levels. Although in chapter 3.3. in the section presenting the results of the in-depth interview research, I have tried to present a higher number of various emotional-cognitive connections in their higher level of complexity, I have sought to apply a more practical approach in the model, so my aim was mainly to systematically organise the tools of positive influence. The results of the 2nd questionnaire research showed clearly that employees had validated all parts of the model (in all its 3 tool-groups at all its 3 levels: they found the tools very important and appropriate to increase organisational effectiveness. In the light of the above, the fifth hypothesis was confirmed and can be stated in the following thesis form:

T5: The final model of the dissertation can offer several management tools by which organisational leaders can positively guide the cognitive-emotional processes at different levels of their organizations and can increase organizational effectiveness by applying them.

5 NEW AND NOVEL SCIENTIFIC RESULTS

Based on the dissertation results, the following statements can be phrased:

The resulted model contains Safety, Understanding and Inspiration as the areas in which the interaction of emotional and cognitive factors in a learning organisation are most tangible and can be best influenced by the three levels of management: by first line-, by middle- and by senior managers.

The conscious and professional application of the model and its tools can significantly increase organisational effectiveness.

It is not only proven by the results of the validating 2nd questionnaire research, but it also can be understood by the remarkable development that the adopted model can bring to the immaterial capital elements of the utilizing organisation. This statement will be demonstrated by the extended version of the production function (originally introduced on pp 28-29): $Y = F(T, I_1, I_2, L, N)$ (Boda & Virág, 2010) (Bacsur & Boda, 2017).

Table 6: How thesis results can improve factors of the extended production function (source: own ed)

		T	I_1^*		I_2^*			L	N
		T	I_1^E	I_1^I	I_2^C	I_2^S	I_2^M	L	N
Tools:	Intervention levels:	Tangible capital	(Organisational) External structures	(Organisational) Internal structures	(Employees') Competences	(Employees') Skills	(Employees') Motivation	No. of employees	Still not identified factors
INSPIRATION	Personal coach:				X	X	X		
	Strategist:			X	X				
	General:					X			
UNDERSTANDING	Personal coach:		X				X		
	Strategist:			X		X			
	General:						X		
SAFETY	Personal coach:						X		
	Strategist:			X			X		
	General:						X		

I_1^* : immaterial capital elements of the organisation which are not directly connected to the actual human workforce (employees) of the company (so these are the internal- and external structures).

I_2^* : direct human capital which cannot be separated from the actual organisational employees

Table 6 shows those immaterial capital elements of the organisation where the model tools can generate the highest improvement in the 3 interventional level. We can see that the properly

used tools of **safety** in all the 3 intervention levels can offer such a feeling of security for the members of the organisation that significantly can increase their motivation- (and loyalty-) levels. In case the strategist level is conscious enough to apply the principles of offering safety, they already can successfully be built into the internal structures, too.

The tools of **understanding** also can increase employees' motivation by showing them again and again why their efforts are needed for the company and how these same efforts will serve their own career goals, too. Effective conflict solving practices and techniques are able to develop effective communication skills; they can even help in the improvement of the client-connections (external structures) and can also be build to company routines (internal structures).

The tools of **inspiration** can mean a treasure-trove for organisations: at the personal coach level they successfully can increase the actual knowledge-, skills- and motivational level of the employees. In case the principles of continuous inspiration are already built up in organisational training-programmes (internal structures) at the Strategist's level, we can count on the effective increase of competences on the long run, too. When general-level management is able to establish flexible and supportive attitude in the organisation, then new skills can easily be developed e.g. in case of well-managed crisis situations.

6 CONCLUSIONS, PROPOSALS

In the complex and ever-changing social and market environment of our globalised world, it is especially challenging to run a business in a competitive and sustainable way in the long run; this is increasingly the case with the rise of VUCA environmental characteristics, and the challenge has only intensified with the advent of the BANI-type environment.

In a highly diverse and fast-changing competitive environment, only those organisations can operate successfully in the longer term, which are able to continuously detect, understand and process the variable environmental factors and also which can provide strategic responses to them at a high level of continuous adaptation. This task cannot be performed optimally by any single manager or small group of managers alone, because the diversity and speed of change in the parameters of our current environment have long since exceeded the scale of individual competences (even if they happen to be very high).

Therefore, if the problems to be solved go beyond the decision competences of the individual, then the extension of decision-capable organisational knowledge must be solved. The management sciences have provided a number of answers to this challenge: *delegation*, *knowledge management* and the strengthening of the role of *the leader* (in addition to the original managerial functions) are just some of the typical issues that these complex answers interpret and explain. The new results found are increasingly building on the findings of the human sciences (and on the recognition of the growing importance of the human factor in organisational decision-making), so today this complex topic can no way exclude the understanding of the nature and impact of emotional factors in addition to cognitive processes.

The aim of the thesis was to explore as many management tools as possible, which (based on the knowledge of the nature of emotional competences) are able to raise organizational efficiency to a higher level, so that companies can find and implement those processes that ensure long-term competitiveness in the world of hectically changing environmental conditions through continuous adaptation. By modelling a set of tools based on the nature of emotional competences, primary research has identified three topics along which basic leadership tools can be developed as a summation of simple and effectively applicable interrelationships, which actively build on the results that can be achieved through the impact on human emotions in order to increase organisational effectiveness.

These three themes are (1) *safety*, (2) *understanding* and (3) *inspiration*.

The management tools in the "**Safety**" group are aware of the fundamental context in which the lack of security can trigger a whole range of negative emotional reactions that make value-creating activities in many areas impossible. It is precisely in the light of this correlation that the management tools in this area seek to create, firstly, a minimum level of security for individual employees and their groups, and later an optimum level of security in all the basic areas of need: in addition to the areas of adequate working conditions and material/ financial security, the relevant management tools may also cover issues of emotional security and related smooth social interactions.

The main function of management tools in the "**Understanding**" group is *to clarify* external and internal conflicts and related issues. This area typically focuses on applying open communication and processing understanding procedures as efficiently as possible, being aware that the presence or absence of *understanding processing* in cognitive-emotional procedures determines the release (or, on the contrary, the denial) of such surplus- emotional energies that can significantly advance (or hinder) a number of important value-creating processes in the organisation.

The management tools in the "**Inspiration**" group are based on the observation that the right level of *autonomy*, positive *peer relationships* and optimal development of *employee activities* can be sources of high levels of emotional energy that can significantly (and through a number of processes) increase organisational effectiveness (either at individual or at group level). While too low level of autonomy can inhibit or block certain learning processes and seriously discourage motivation, too high levels of autonomy can provide too much decision-making power relative to the subject's experience and competence, leading to unnecessary failures that can result in conflicts between the people involved and, if poorly managed, a loss of self-confidence and wrong conclusions. Defining and applying the right level of individual and group autonomy can therefore be a major source of inspiration for the members of the organisation

The results of both the questionnaire- and the interview-based primary research show that *peer relationships* are of paramount importance to individuals; their proper functioning also offers many opportunities for learning, both at individual and group level. It is therefore important for the organisational leader to respect many of these relationships and to support others in a helping-, facilitative and moderating way.

Individual and group *activities* provide both the opportunity for effective experiential learning and an efficient way to meet the highest self-actualisation needs of individuals by triggering and sustaining high-level intrinsic motivational mechanisms. Based on a deeper understanding of individual competences and personality types, as well as on a sensing observation of organisational learning processes, organisational leaders can apply activity structures to the members of the organisation which (even through continuous modifications) can provide optimally high inspiration to maintain high levels of value creation processes and even to promise new and new results in terms of innovation.

The three sets of tools should be actively used at several levels within the organisation. At the level of the **personal trainer / coach**, active communication and cooperation between members of the organisation and their direct superiors play the main role: this level is the most personal and (by its very nature) offers outstanding opportunities for the permanent exploitation of the results of continuous learning through immediate interactions. **The strategist** level focuses on the optimal allocation of resources (including human resources) within the organisation, while the **general** level constantly reallocates the organisation's human capital according to the new strategic responses to the constantly changing environmental conditions, so that it can always be best equipped to meet the challenges of the new situations.

The three sets of tools at the three levels of intervention offer both a number of concrete tools and a simple, easy-to-use theoretical framework to make management and leadership practices in organisations more effective. The aim of the thesis was to show that (with the knowledge of the identified correlations and by their active application) it is not necessary to ignore the possibility of applying management tools that act through human emotional factors on the grounds of a lack of serious psychological knowledge – on the contrary: by flexibly applying the model outlined in the research results of the thesis, leadership tools that act through emotions can be applied in a safe and secure manner with the promise of achieving significant increase in organisational effectiveness.

OUTLOOK - possible further directions for research:

A promising future direction for my research would be to validate the results obtained from the three open questions of the 1st questionnaire survey by using closed questionnaire with statements and related Likert-scales measuring the rate of agreement of the respondents.

Another important area of research would be a series of in-depth interviews at learning organisations. In the context of this research, it would be worthwhile to set up case studies, based on both managerial and staff interviews, in which it could be possible to study various patterns of interactions of emotional-cognitive factors at different levels of the organisation. A detailed analysis of these case studies would provide an opportunity to study the application of a further developed toolkit of the model of this thesis and to examine its effectiveness achieved by using it at different levels of the organisation.

7 SUMMARY

The thesis examined the interrelations among emotional intelligence, effective leadership and organisational knowledge-management (which can effectively support continuous organisational adaptation). The *literature review* summarised how the new social and business environment of the beginning of the 21th century (with its increasingly faster changes and growing complexity) needs more and more the leadership functions besides the original manager tasks. Leadership competences on the other hand are strongly based on the proper knowledge and skills of emotional intelligence.

The main research goal of the dissertation was to get more information and better knowledge about the typical interrelations between human cognitive and emotional procedures and to use this awareness for building up a model that summarises and systematizes those leadership tools which can manage the cognitive-emotional processes of the company to increase organisational effectiveness.

The first part of the primary research of the dissertation carried out a large questionnaire research, with more than a thousand respondents. This survey intended to get to know the nature of human intrinsic motivations better by three open-ended questions. Besides the basic socio-demographic factors, it asked for (a) the favourite autotelic activity of the respondents (b) the pleasure-generating motivations behind this activity and (c) the most important elements of the values of the respondents (by asking them to briefly describe the ideal life-situation where they wish to be in 10 years). After the coding of the large variety of the response-types and after having analysed the results with proper level of statistical analysis, the outcomes showed a significantly high level of value-orientation by the respondents (e.g. through their strong responsibilities for people's wellbeing in the World). People who filled up the questionnaire, showed high level of relatedness to social responsibility and to other highly valued goals; they also have remarkable need for strong autonomy and for real self-development. In the field of material-type goods, they mostly wish for financial safety, and they also evaluate their social connections (family, friends) as being very important for themselves as they wish to be somehow protected emotionally, too.

The next part of the primary research was an interview analysis in which I asked my 72 interviewees to briefly describe important events and/ or persons in their lives that meant remarkable help for them to develop (to go on) (or it meant just the opposite: a significant setting back). I analysed the answers in all the three typical levels of narrative analysis.

The management model (which was the original goal of my dissertation) was composed by the results of these 2 surveys. In this, I used especially those emotional-cognitive interactions (derived by the questionnaire and interviews) which can be applied by the highest efficiency and security in the organisations. As the toolkit of the model, I specified the summarising categories of *Safety*, *Understanding* and *Inspiration* which can be applied on three intervention levels of the management: (a) the *personal coach level* represents the direct leader, the *strategist* has the main task of resource-allocation in the company, while the *general* is responsible for the continuous monitoring of the continuously changing business- and social environmental factors and for regularly working out proper adaptation strategies for them. I assigned several concrete leadership tools to all the three toolkit-groups at each intervention level, but **I rather consider the structural definition of 3x3-category model as being my most important thesis result. Why? Because I think (and hope) that the clear understanding and interpretation of this structure can help any levels of organisational leaders to be able to apply several basic and highly effective management tools, which (because of their strong emotional nature) might have not been given proper attention yet, so they were applied only very rarely up till now.** An additional very important closing primer research result is that I further validated the model by an additional 600-member questionnaire survey: respondents in this research evaluated the three types of toolkits at each intervention level from the employees' point of view, and they valued the leadership tools of all the 9 category as methodological tool categories with high importance and with strong ability to increase organisational effectiveness. These results can further reinforce the statement that the consequent appliance of the model and its tools can result not only short-term increase of effectiveness, but (by building it into the knowledge-based assets of the corporation) the developing immaterial capital elements of the company can promote the long-term organisational effectiveness, too.

Összefoglalás

A dolgozat az érzelmi intelligencia, a hatékony *leadership* és a folytonos adaptációra képes szervezeti tudásmenedzsment összefüggéseit vizsgálta. A szakirodalmi áttekintés megmutatta, hogy a 21. század eleji üzleti és társadalmi környezet (extrém módon felgyorsult változásaival és növekvő komplexitásával) a klasszikus menedzsment-feladatok mellett egyre nagyobb mértékben igényli a *leadership*-funkciók ellátásához szükséges képességeket is, melyek aktívan építenek az érzelmi intelligencia-típusú kompetenciák megfelelő ismeretére és aktív használatára.

A disszertáció fő kutatási célja az volt, hogy minél jobban megismerje a humán döntéshozatali folyamatok mögött működő kognitív és érzelmi tényezők közötti tipikus hatásmechanizmusokat és e tudás birtokában a vezetési- és menedzsment feladatok támogatására olyan modell megalkotását kísérelje meg, mely összegyűjti és rendszerezi azokat az alapvető vezetési eszközöket, melyek az érzelmi intelligencia elemeire alapozva a szervezet különböző szintjein képesek oly módon pozitív irányba terelni a kognitív-érzelmi folyamatokat, hogy általuk növekedjen a szervezeti hatékonyság.

A primer kutatások keretében a dolgozat először egy több, mint ezer fős kérdőíves felméréssel egyének intrinzik motivációinak természetét igyekezett feltárni, melyben az alapvető szocio-demográfiai mutatók mellett három nyílt kérdéssel vizsgálta a válaszadók kedvenc autotelikus tevékenységeinek természetét, a mögöttük megfigyelhető örömszerző motivációs tartalmakat, és ezt egészítette ki a kitöltők értékrendje legfontosabb elemeinek megismerésével (a számukra ideális jövőbeli helyzet rövid összefoglalói útján). A nyílt válaszok kódolása, majd a kapott eredmények megfelelő mélységű statisztikai elemzése után a válaszadók magas érték-orientáltsága bontakozott ki: magasabb rendű értékek (pl. közösségek jól-léte, világ megismerése) iránti erős kötődésük, fejlett autonómia iránti igényük és kifejezetten sokrétű önfejlesztés iránti elköteleződésük. A válaszadók a materiális értékek terén főleg az anyagi biztonságra törekcszenek és nagyon fontosak számukra stabil és kiegyensúlyozott társas kapcsolatok (család, barátok). A primer kutatások következő részében 72 fős mélyinterjú-elemzés következett, melyben jelentős életesemények / illetve fontos személyek hatását igyekeztem minél több szempont szerint feltérképezni az interjú-alanyok életében, amelyek jelentős előre mozdító-, (vagy ellenkezőleg: gátló-) hatást jelentettek életútjukban. A kapott eredményeket a narratíva-elemzés mindhárom jellemző szintjén elemeztem.

A kérdőív és az interjú-elemzés eredményei alapján alkottam meg a dolgozat célját jelentő modellt: ebben a két primer kutatás alapján azonosított összefüggések közül azokat az érzelmi-kognitív hatásmechanizmusokat használtam fel, melyek szervezeti szinten is a legkönnyebben

és a legbiztonságosabban alkalmazhatók. A modell eszközkészleteként a *Biztonság*, a *Megértés*, valamint az *Inspiráció* összefoglaló kategóriáit határoztam meg, melyek három vezetői beavatkozási szinten is értelmezhetők: a *személyi edzői szint* a közvetlen vezető, a *stratéga* szint a szervezeti erőforrás-elosztó döntéshozó, míg a *hadvezér* szintje a külső piaci-társadalmi környezet változásait folyamatosan figyelő, az azokhoz megfelelő adaptációs szervezeti stratégiákat kidolgozó menedzsment-szintet képviselte. A három eszközcsoporthoz mindhárom beavatkozási szinten konkrét vezetői eszközöket is rendeltem, bár **a dolgozat fő eredményének inkább a 3 x 3-mas tagozódású modell-elemek általános strukturális meghatározását tekintem**, hiszen e szerkezet világos értelmezésével véleményem (és reményeim) szerint bármilyen szervezeti vezetői szint képes lesz magabiztosan alkalmazni olyan alapvető és magas hatásfokú menedzsment- eszközöket, melyek komoly érzelmi beágyazottságuk miatt eddig nem feltétlen kaptak megfelelő figyelmet, ezért alkalmazásuk is gyakran csak esetleges volt. Fontos záró primer kutatási eredmény, hogy a kapott modellt további 600 fős kérdőíves kutatással validáltam: a kitöltők e felmérés keretében munkavállalói szemszögből értékelték a három eszközcsoport három beavatkozási szintjéhez tartozó vezetői eszközöket és azokat mind a kilenc kategóriában magas fontosságú és a szervezeti hatékonyságot szignifikánsan előmozdító módszertani elemekként jellemezték. Ez az eredmény további megerősítésként szolgálhat arra, miszerint a dolgozat eredményeként kapott modell következetes alkalmazásával nemcsak rövid távú hatékonyság-növekedés érhető el, hanem (azt a szervezeti tudástőkébe építve) a vállalat fejlődő immateriális javai a hosszú távú szervezeti eredményességet is jó hatásfokkal mozdíthatják elő.

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- Eszter Marczell-Szilágyi (2017): **The optimal utilisation of employees' competences**; HASSACC; Conference on Human and Social Sciences; Volume: 5, Issue: 1, September 2017; Publisher: *EDIS - Publishing Institution of the University of Zilina*; Powered by: *Publishing Society, Slovakia*; ISSN: 2453-6075, CD ROM ISSN: 1339-522X; ISBN: 978-80-554-1374-7
- Eszter Marczell-Szilágyi (2016): **Effective learning – A simple approach**; UNIVERSITAS BUDAPESTIENSIS DE “METROPOLITAN” ANNALES TOMUS VIII; ISSN: 1789-879X (p. 255-261)
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10 ANNEXES

1. Annex 1: Questionnaire on intrinsic motivations

Dear Respondent!

Completing this questionnaire is voluntary and anonym – by your answers, You help me to prepare doctoral thesis - thank you!

Eszter Szilágyi

K1. Your gender (*):

1 – male

2 – female

9 – No answer

K2. Year of birth: _____

9 – No answer

K3. Your permanent address:

1 – Budapest

2 – other town in Pest county

3 – village in Pest county

4 – shire-town (not the capital)

9 – No answer

5 – other town

6 – other village

7 – abroad

K4. Where do you actually leave in most of the time of a year?

1 – Budapest

2 – other town in Pest county

3 – village in Pest county

9 – No answer

4 – shire-town (not the capital)

5 – other town

6 – other village

7 – abroad

K5. Your family status

1 – single

2 – in partnership

4 – married

5 – divorced

6 – other

9 – No answer

K6. Where do you live now?

1 –together with your parents in the same household

2 – together with your parents but having your own household

3 – in your own apartment having your own household

4 – in other place (e.g. in a rented apartment) but having your own household

5 – other

9 – No answer

K9. Do you have children?

1 – no

2 –  **K9a. How many children do you have?** _____

9 – No answer

K10. Do You currently work? (have a job?)

1 – n 

Go on to question **K11.**

2 – yes

9 – No answer

K10a. What is the form of your current job?

1 – full time job

2 – part time job

3 – by-job (occasional)

4 – own enterprise

5 – family enterprise

6 – other

0 – Does NOT Know 9 – No answer

K10b. What type of work do you do in your current job?

1 – unskilled worker (blue-collar)

2 – skilled worker (blue-collar)

3 – freelancer

4 – graduated employee

5 – manager

6 – other

0 – Does NOT Know 9 – No answer



Go on to question **K12.**

K11. In case you don't have a current job, what do you do now?

- 1 – university student
- 2 – currently seeking for a job
- 3 –maternity leave
- 4 – unemployed
- 5 – other: _____
- _____
- 0 – Does NOT Know 9 – No answer

K12. Your highest level of education:

- | | |
|--|---|
| 1 – Maximum finished elementary school studies (8 years) | 5 – professional course degree after secondary school |
| 2 – skilled worker’s certificate | 6 – Bachelor Degree (BA) |
| 3 – technical college | 7 – Master degree (MA) |
| 4 – final exam in grammar school | 8 – other : _____ |
| _____ | |
| 9 – No answer | |

B. Do you have activities in your life that you like doing just for the joy of the activity itself?

Please, briefly describe this activity!

_____ (0 – Does NOT Know 9 – No answer)

C. Please, briefly describe what this activity means for you!

_____ (0 – Does NOT Know 9 – No answer)

D. Please, briefly describe the circumstances of an ideal life-case in which You would like to live after 10 years!

_____ (0 – Does NOT Know 9 – No answer)

2. Annex 2: Questionnaire to verify/validate the model set up:

Dear Respondent!

With the following questionnaire you are a great help in finalising my PhD thesis - THANK YOU!

The questionnaire takes about 7-10 minutes to complete - **thank you again for your time and help** Eszter (Marcellné Szilágyi Eszter: mszilagyi.eszter@gmail.com)

Your Gender:

- Men
- Women

Your age group:

- 29 years or younger
- 30-44 years
- 45-59 years
- 60-78 years
- 79 years or more experienced ☺

Which sector you work (or have worked) in:

- agriculture
- industry
- banking, financial/accounting services
- informatics
- government or public institutions, public administration
- education, research, innovation
- hospitality, tourism
- logistics, freight forwarding, transport
- health
- social care
- communications

- other value-added services (e.g. legal advice, psychological advice, coaching, engineering services)
- artistic and cultural activities and services
- other, namely

Which job category is most typical for your activity?

- an employee in an administrative post
- an employee job with specific production work (e.g. agricultural or industrial production work, cleaning, non-organizational work in construction)
- service jobs that involve physical work (e.g. waiters, cooks, hairdressers, masseurs, receptionists, porters, or non-clerical police work)
- an employee in an intellectual services job (e.g. teacher, doctor, medical assistant, counsellor)
- employment in cultural activities and services (e.g. actor, musician, exhibition organiser)
- middle manager or team leader
- self-employed type of work
- senior management position (either in a company or an institution)
- ownership position (companies, institutions)
- other, namely ...

Which category do you feel is most representative of the current financial situation of YOU and your family (*i.e. not your job's wages, but your current overall financial situation*)?

- we live in particularly difficult conditions compared to the Hungarian average
- we live a little harder than the national average
- our income situation is around the national average
- our income situation is slightly better than the national average
- specifically, / we have a much better income situation than the national average

How satisfied you are with the financial incentives provided by your job (basic salary, bonuses, cafeteria, etc.)

- I am not satisfied at all; I find it unfairly low
- I am not really satisfied

- average in the current labour market (compared to jobs in a similar category)
- I think it's pretty good
- I am completely satisfied with it

How much do you agree with the following statements?

		1 I do not agree with him at all	2	3	4	5 I agree with him wholeheartedly
If the pay at your job is unfairly low but you want the job itself:	If I had the chance, I wouldn't even take such a job.					
	If I had the chance, I would look for a new job and quit as soon as possible.					
	I would try to budget better and stay in the job I love.					
	I would like the job in vain if I don't have basic financial security: I consider it unworthy and would try to leave.					
If the pay is pretty good and you like your job, but your contract is not right (or they don't pay you for a long time, or the basic conditions are not fair - e.g. no normal notice period, you can be dismissed at any time)	If I had the chance, I wouldn't even take such a job.					
	If I had the chance, I would look for a new job and quit as soon as possible.					
	I'd try to strengthen my own financial security (e.g. build up a reserve) and stay for the job I love.					

	I would love the job if there was no basic job security: I would find it undignified and would try to leave.					
--	--	--	--	--	--	--

How much do you agree with the following statements?

	1 I do not agree with him at all	2	3	4	5 I agree with him wholeheartedly
Under credible and committed leaders, it's also much easier for employees to stay engaged.					
In a company crisis, no matter what the company communicates to employees, it is best to quit and look for another job.					
If, in a corporate crisis, management communicated honestly and authentically with employees and involved them in the challenges and decisions of each phase, I would stay and work with commitment to find a solution.					
If I feel (would feel) safe in a job, I would be more committed and able to work harder.					

If you had a workplace where regular (e.g. annual / bi-annual) career meetings were held to assess your performance (highlight your good achievements and try to help you with your difficulties) and to agree on working conditions (e.g. work tasks, workload, work schedule) for the next period that would effectively support your plans as well as the company, how much would this increase your loyalty and performance at work?

- Not really, for me these are not very important aspects.
- If such a job exists, I would welcome it.
- If such a workplace existed, I would work with increasing loyalty and effort, because it would seriously inspire me.

If you are going through a personal crisis and your workplace is supportive and helpful:

- I think everyone should solve their own problems
- I think there could be a serious personal problem / or crisis that I could not keep secret as an employee, but I would still expect some flexibility from my workplace
- I think there may be a serious personal problem / or crisis that I, as an employee, would not be able to keep secret - if my workplace would stand by me and try to help me in a flexible way, it would increase my commitment to the company tremendously

To what extent do you think it is reasonable to expect management to provide its employees with credible and sufficiently detailed information on the financial situation of the company on a regular basis?

- I think that kind of thing is not really typical for companies, but I wouldn't really be interested in it.
- If the company really communicated this information openly to its employees, I would acknowledge that, but I don't think it would make people work better or more engaged.
- If the company really communicated this information openly to its employees, I would acknowledge that and I think it would make employees more engaged and feel more ownership of the company.

If your company's management really did (would) involve the wider workforce in a meaningful way in the preparation and decision-making of its strategic decisions, how would you feel about that?

- For me, this is not really an important aspect
- If the company really involved me in decisions that I could contribute to (e.g. because of my experience), that would be an inspiration in itself (as long as I like my job and am satisfied with the financial situation)
- If the company actually involved me in decisions that I could have a meaningful say in (e.g. because of my experience), I would only be inspired if I received some direct share of the benefits generated by the good decision

Which performance appraisal / or consultation systems / practices would you like to work in?

	I do not think this is necessary at all	it's all the same to me	may be useful	would be particularly useful	I would love to, because it would be very inspiring / helpful
At least get general feedback on how satisfied they are with me in a company review					
For a company evaluation, they can evaluate my work on several criteria and discuss with me					
Let's also talk about my mistakes openly but correctly					
Talk about my mistakes, which ones are important - which ones are very important for me to change and even talk about supportive ways to help me change					
Based on my faults and strengths, I should be able to change my tasks					

(e.g. what I know well, I could be given more serious tasks)					
talk about my interests - if possible, support them with new tasks or new training					
ask for help in resolving serious conflicts within the company					
be able to clarify why a particular task or rule is important to the organisation					
if I need to change a task or method, at least understand why I need to					
if something is more difficult, I can ask for help					
Discuss what the management wants to achieve and why, when setting new strategic objectives					
Let's be clear about what is expected of me in each task					
For new goals or more important tasks, employees are also inspired with a premium-type motivation in case of success					

How much do you agree with the following statements?

	1	2	3	4	5
	I do not agree with him at all				I agree with him wholeheartedly

There are some jobs where it helps me if I am told clearly what to do and how to do it					
Some jobs inspire me when I can decide what to do and how to do it					
There are some work tasks where it inspires (or would inspire) me to suggest new ideas					
There are some work tasks where it inspires me (or would inspire me) to try new creative ways of doing things					
learning new things is good but tiring: it's good to find a balance between what you've practised and what you're learning					
the more new tasks, the better					
I prefer to have a lot of experience in every task I do					
working in a team is fun but challenging: it's good to find a balance between individual and group tasks					
the more teamwork, the better					
work less effectively in an atmosphere of mistrust					
Criticism is easier for me to accept if it is communicated in a positive way - so if I don't have to fear rejection , but receive it in a supportive, helpful way					

Annex 3: Nyilatkozatok

EGYEZŐSÉGI NYILATKOZAT

Alulírott Marczellné Szilágyi Eszter nyilatkozom, hogy az értekezés és a tézisfüzet leadott **nyomtatott példányai és azok elektronikus változatai mindenben megegyeznek.**

Kelt: Budapest, 2025. augusztus 20.



doktorandusz aláírása

JOGI NYILATKOZAT

Alulírott Marczellné Szilágyi Eszter, jelen nyilatkozat aláírásával kijelentem, hogy a(z)
**Effective application of emotional intelligence tools in management practice to enhance
organisational effectiveness**

című PhD értekezésem önálló munkám, az értekezés készítése során betartottam a szerzői jogról szóló 1999. évi LXXVI. törvény szabályait, valamint a Széchenyi István Gazdálkodás és Szervezéstudományok Doktori Iskola által előírt, a doktori értekezés készítésére vonatkozó szabályokat, különösen a hivatkozások és idézések tekintetében.⁶

Kijelentem továbbá, hogy az értekezés készítése során az önálló kutatómunka kitétel tekintetében témavezető(i)met, illetve a programvezetőt nem tévesztettem meg.

Jelen nyilatkozat aláírásával tudomásul veszem, hogy amennyiben bizonyítható, hogy az értekezést nem magam készítettem, vagy az értekezéssel kapcsolatban szerzői jogsértés ténye merül fel, a Soproni Egyetem megtagadja az értekezés befogadását.

Kijelentem továbbá, hogy nincs folyamatban ugyanezen tudományágban általam kezdeményezett doktori fokozatszerzési eljárás, továbbá nem állok doktori fokozat visszavonására irányuló eljárás alatt, illetve 5 éven belül nem vontak vissza tőle korábban odaítélt doktori fokozatot.

Az értekezés befogadásának megtagadása nem érinti a szerzői jogsértés miatti egyéb (polgári jogi, szabálysértési jogi, büntetőjogi) jogkövetkezményeket.

Kelt: Budapest, 2025. augusztus 20.

doktorandusz aláírása

1.1.1.1

¹ 1999. évi LXXVI. tv. 34. § (1) A mű részletét – az átvevő mű jellege és célja által indokolt terjedelemben és az eredetihez híven – a forrás, valamint az ott megjelölt szerző megnevezésével bárki idézheti.

1.1.1.2 36. § (1) Nyilvánosan tartott előadások és más hasonló művek részletei, valamint politikai beszédek tájékoztatás céljára – a cél által indokolt terjedelemben – szabadon felhasználhatók. Ilyen felhasználás esetén a forrást – a szerző nevével együtt – fel kell tüntetni, hacsak ez lehetetlennek nem bizonyul.