LEADING TO MOTIVATE IN AN IT PROJECT MANAGEMENT ENVIRONMENT

Pettö, Andrej

Master's thesis / Specijalistički diplomski stručni

2019

Degree Grantor / Ustanova koja je dodijelila akademski / stručni stupanj: **Algebra University College / Visoko učilište Algebra**

Permanent link / Trajna poveznica: https://urn.nsk.hr/urn:nbn:hr:225:387166

Rights / Prava: In copyright / Zaštićeno autorskim pravom.

Download date / Datum preuzimanja: **2024-03-28**



Repository / Repozitorij:

Algebra Univerity College - Repository of Algebra Univerity College





ALGEBRA UNIVERSITY COLLEGE

Master's Thesis

LEADING TO MOTIVATE IN AN IT PROJECT MANAGEMENT ENVIRONMENT

Andrej Pettö

Zagreb, September 2019.

„Pod punom odgovornošću pismeno potvrđujem da je ovo moj autorski rad čiji niti jedan dio nije nastao kopiranjem ili plagiranjem tuđeg sadržaja. Prilikom izrade rada koristio sam tuđe materijale navedene u popisu literature, ali nisam kopirao niti jedan njihov dio, osim citata za koje sam naveo autora i izvor, te ih jasno označio znakovima navodnika. U slučaju da se u bilo kojem trenutku dokaže suprotno, spreman sam snositi sve posljedice uključivo i poništenje javne isprave stečene dijelom i na temelju ovoga rada“.

U Zagrebu, 30.09.2019.

Andrej Pettő

Acknowledgments

This thesis is an outcome of the comprehensive work and research in multiple areas and topics, as well as of my entire education in eLeadership MBA.

I would like to use this opportunity to thank my mentor Keith GeLarden Dayton, PhD for the support, advice and inspiration from the very beginning of the study and during the development of my thesis.

My sincere gratitude goes to the entire academic team in the Algebra institution for allowing me to participate and gain knowledge, education, insight and wisdom in the realm of the Business Master study.

I also feel appreciative to my esteemed colleagues and classmates with the help of whom I was able to perform part of my surveys and research and thus improving my thesis.

Finally, a big personal thank you to my partner Valentina and my friends, family and parents for their personal support without which the making of this thesis would never have been possible.

Sažetak

U ovom završnom radu usporediti ću rad u tradicionalnim timovima u odnosu na rad u agilnim timovima. Kako suvremene tehnologije, noviji načini rada te organizacijske promjene potiču transformaciju kompanija. Rad u projektnim timovima je izazov i za voditelje projekta i za članove tima, posebno u matričnoj organizaciji. Ovim radom planiram istražiti elemente koji utječu na ljudsko ponašanje, radnu učinkovitost i motivaciju za vođenje i sudjelovanje u projektnim timovima. Sve je veći naglasak na upravljanje projektima kao poslovnoj funkciji i stopi uspješnosti projekta. Sposobnost vođenja i motiviranja bez autoriteta karakteristika je koja postaje sve važnija svakoga dana. Stoga je inspiriranje osoblja kroz učinkovitu komunikaciju i stvaranje okruženja intelektualne stimulacije od najveće važnosti.

U okviru teze planiram istražiti kako različite metode motivacije funkcioniraju u privremenim projektnim timovima te kako ih treba prilagoditi u različitim radnim okruženjima i različitim vrstama projekata.

Ključne riječi: motivacija, rukovodstvo, tim, projektni menadžment, agilno, transformacija, tehnologija

Abstract

In this master thesis I will compare working in traditional teams versus working in agile teams. How modern technology, newer ways of working and organizational changes drive the transformation of companies. Working in project teams is a challenge for both project leaders and team members, especially in a matrix organization. Through this thesis I plan to research elements that affect human behaviour, work efficiency and motivation to lead and be part of project teams. There is an increasing emphasis on project management as a Business Function and the project success rate. The capacity to lead and motivate without authority is a characteristic that is becoming more important every day. Thus, inspiring staff through effective communication and by creating an environment of intellectual stimulation is of paramount importance.

Within this thesis I plan to research how different motivation methods work in temporary project teams and how they should be adapted in different work environments and different types of projects.

Key words: motivation, leadership, team, project management, agile, technology, transformation.

Table of Contents

1 Introduction 1

1.1 Objective 2

1.2 Motivation in business environment 3

2 Types of projects 4

2.1 Business 5

2.2 IT 5

2.3 Service and product development 6

2.4 Manufacturing Projects 7

3 Necessary skills in managing projects 9

3.1 Team development 11

3.2 Motivation and encouragement 12

3.3 Decision making 13

3.4 Delegating 15

3.5 Conflict management 18

3.6 Communication management 21

3.7 Negotiation 25

4 Organizational culture and structural types 29

4.1 Project organization 32

4.2 Matrix organization 33

4.3 Virtual Teams 34

4.4 Decentralized and self-managed teams 35

4.5 Agile teams 36

5 Agile workforce management 37

5.1 Leadership in an agile organization 37

5.2 Collaboration tools 39

5.2.1 Slack 39
5.2.2 Microsoft Teams 39
5.2.3 Jira 40
5.2.4 Trello 40
5.3 Impact of technology on project communication 41
5.3.1 Improved Communication- moving to the Cloud 41
5.3.2 Real-Time Updates and Reporting 42
6 Leadership types 43
6.1 Transformational leadership 43
6.2 Transactional leadership 44
6.3 Servant leadership 44
6.4 Laissez-faire leadership 45
6.5 E- leadership 45
6.6 Differences between traditional and modern leadership styles 46
7 Employee motivation and motivation theories 48
7.1 Herzberg's Two-Factor Theory 48
7.2 Expectancy Theory 49
7.3 Equity theory 50
7.4 Goal-Setting Theory 51
8 Research 52
9 Conclusion 53
10 References 59

1 Introduction

Technology has never had a deeper impact on people's lives and also on companies. Increased productivity, access to information, knowledge sharing, new types of collaboration, keeping company secrets have gained a new dimension with the development of technology

New emerging technologies like 5G, artificial intelligence, augmented reality, virtual reality, internet of things, enable companies to distribute their product more easily, faster and at less cost to an increasing number of users. At one time, big companies were very slow in adopting new technologies, but the new era also brought new business trends. With small businesses first earning huge profits, it is no longer questionable how every business today is inextricably linked to new advances in technology and science. Companies should be guided by the idea of using new technologies to gain an edge over the competition. The technology that the company chooses can also be a kind of engine that will launch them into a market they might not otherwise reach. As the introduction of new technologies into the business can be a huge expense for the company, it can also be an eliminator of past costs.

A prerequisite for the implementation of new technologies in a company is a change in the organizational culture, introducing new ways of working and changing the mindset of people. A good platform for the above-mentioned changes is the agile approach and way of working. An agile mindset entails a culture of collaborative complementary knowledge and skills, as well as individual but shared responsibility in decision making.

Every organization needs do evolve in order to be competitive in the market. Change is not always easy, especially for a big companies that have a several decades old corporate culture that spas from a totally different social and economic ideology. Although not every department within a company interacts with its or has a direct connection with customers shouldn't mean they don't have to adapt to new surroundings. The point is that anyone with the company can directly or indirectly, improve the user experience. A shift in strategy is not empty words on a piece of paper and cannot be successfully implemented unless every employee truly understands and carries it out in their daily work.

Time to market is the length of time it takes a product or service from being conceived until it becomes available for sale. Unless a company optimizes its processes, systems and organization their time to market is going to be so long that they will become uncompetitive

in the market. So why are companies shifting from a traditional way of working and implementation of projects- waterfall to Agile?

Today in Croatia- agile is foremost a buzzword. Most companies claim they are using it, but few are truly carrying it out. In its core agile is a mindset, a collaborative culture that uses different processes and methodologies in its implementation. It enables constant improvement and development of people, processes and products, and therefore has a huge impact on a company.

For example, through Agile Product Development, which brings together many people from different departments and formalizes an agile culture and way of working to drive the transformation of an entire company and its products and services. It is up to them to instil an agile way of working throughout the company to make the agile work culture an everyday occurrence. At the beginning the teams work with coaches, they embrace an agile work culture and learn how to use the tools they have at their disposal. It is of utmost importance to have the support of the upper management. They are responsible for raising awareness and promoting the culture of cross-functional teams, togetherness, collaboration and customer orientation, removing obstacles for teams in their work, and supporting teams and organization in the overall transformation.

The goal is to deliver quality products that customers really want and services that will help the frontline departments in their daily work with customers. It is a process in which both team members and management must be prepared for a change. Team members face a change where they do not have to wait for answers and decisions but have to give answers and make decisions. Management must learn how to delegate the problem, with confidence in delivering a quality solution without interference and co-decision. And it's up to the teams to make the decisions themselves.

1.1 Objective

The objective of this thesis is to compare the traditional way of working within a corporation, with the new agile models and see what the advantages and shortcomings there are when transitioning to a new way of working. Does the agile way of working really boost productivity and how do different leadership styles and collaboration tools fit in an agile way of implementing projects.

The challenge with agile is that not all cross-functional teams within a company can be full of seniors who are independent in their work. Agile mode and methodologies do not always

imply managing individuals and coordinating people. What to do when someone needs to delegate the work that team members should accept on their own?

Today's companies are faced with the need to transform and adapt their businesses to the modern business environment. Such transformation requires technological an organizational change, but also a different outlook on the business and future. In this thesis, I will present how new ways of working and changing the way of thinking creates the foundation for successful digital transformation of companies. Managing people in teams is of upmost importance in projects and companies, the way people work together are a primary determinant of success. Through this thesis I'll try to show how to manage without authority, inspire a "never give up attitude", enable cultural and structural fit, motivate and above all support people.

1.2 Motivation in business environment

Motivation and management are two inseparable terms whereby the approach to motivation, the way of motivating, the type of motivation system define the management itself and its interest in achieving organizational goals.

Motivation refers to the reasons for human behaviour, the factors that drive it, guide it, and determine its duration. It answers the question of why one behaves a certain way, whether or not one achieves work performance to a certain level. Motivation is a complex of forces that initiate and keep a person in the organization.

Motivation is a state that causes a person to put in a lot of effort and dedication to achieve organizational goals. Motivation is measured depending on how much effort and dedication it takes to meet their individual needs. Motivation can also be defined as a psychological state that exists when internal or external factors encourage, direct, or sustain behaviour, or simply as stimulating, directing, and maintaining behaviour. It should be emphasized that motivation refers to goal-directed behaviour, that is, all forms include subconsciously directed activities.

The motivation of project members is an extremely important element in managing a project. Motivated employees create a positive work atmosphere and increase the overall team productivity. The project manager should have an awareness of the skills, experiences, attitudes, circumstances, motivation of the members of his team.

The project manager must know what management methods exist and decide which type is appropriate for a specific project and team.

2 Types of projects

A project is a temporary venture that creates a unique product, service or result. The temporary nature of the project indicates a specific beginning and end. The end is reached when the project objectives are achieved or when the project is interrupted because its objectives will not or cannot be achieved or when there is no longer a need for the project. Temporary does not necessarily mean short-term. The temporary feature does not generally apply to the product, service or result created by the project; most projects are initiated to achieve a lasting outcome.[1] Each project is unique and requires the unique approach that is required to complete an individual project. More complex projects are usually divided into easier-to-manage components or subprojects, a separate subproject can also be managed as a project. For each project the goals and KPIs are clearly defined and apart from time constraints, there are also clearly defined project resources, that can be: employees, equipment, space and materials that will be used. A financial budget is also set in advance, which is one of the most important items to define when planning a project.

In today's modern business, projects are often operational implementations of a previously defined strategy. Implementation of the strategy through the projects gives the companies flexibility and significantly increases the success of the strategy execution. Projects are inevitable in the future of any modern organization. With the existing core functions and processes of each company, new service or product development will become increasingly significant as carriers of much-needed cash inflow .

Projects are the result of the process of formulating strategies within a company. Therefore, the strategy should be broken down into several projects, which are then executed by business units/teams over a period of time. It is then necessary to formulate a strategy and prepare to implement and execute it through various projects. Because of that, it is necessary to link strategic management with project management in a unique and constantly active process, in order to achieve the set of strategic goals as quickly as possible and thus gaining strategic and competitive advantages.

1

2.1 Business

A business project is a project specifically intended to achieve a business objective. For example, an IS or IT project may have as its objective implementing a new general ledger system. Because it is intended to achieve a business objective (the new general ledger system) it is a business project. A business may decide it needs to reorganize itself. The process of reorganizing is a business project, opening a new store or doing a marketing campaign are all examples of a business project. The design and implementation of the marketing campaign is a business project.

There are three basic types of business project. The first are strategic project- focused on high-level business strategy, this type of projects are focused on objectives determined during the business planning or strategic process. Example of strategic projects are: new commercial market strategy, growth strategy, e-Strategy, CX improvement, etc. Second types are operational projects- these are projects which are initiated for business reasons other than achieving a strategic objective. For example, a general ledger may have become obsolete, so a business project is initiated in order to implement a new release of the general ledger, introducing promo offers like "try&buy" on certain services, etc. The third type are the repeating or operationalized projects- these projects run so frequently that much of the regular project planning can be repeated.[2]

Business project management is the project management of internal business projects that are undertaken to further a company's strategy or objectives. The fundamentals are the same, however there are some aspects of business project management that may be different such as project returns.

2.2 IT

Information technology plays a large and important role in the implementation of projects, especially those projects that are intended to change business processes, its inadequate implementation can jeopardize the whole project. It is therefore important to coordinate projects with the development of information technology. We can look at IT from the aspect of support for projects that are not IT projects in their own right, but also from the aspect of a pure IT project that aims to digitalize a particular business process, like ERP, CRM, order management, billing etc.

[2] https://project-management.com/what-is-a-business-project/

Once a company decides to introduce a new IT solution and determines the goals and KPI's of that project, the attitude, willingness and determination of the company's management is of upmost importance. For a project to be deemed successful it has to be implemented in high-quality, fast and efficient, but the most important goal is for the project to achieve all of the intended goals. Resistance to IT changes is often unavoidable because practice has shown that many workers, especially older people, even some members of the project team, feel that the project is endangering their long-term workplace and way of working, which in some cases causes deliberate errors and downtime. One of the common mistakes in planning IT projects is that the duration is shorter than can be practically implemented.

Analysis and evaluation of launched IT projects on the basis of cost and investment indicate a high cost, but not always adequate return on implementation. The risks of spending a lot of money in vain are very high. The actual cost-effectiveness of implementing IT projects in most cases cannot be confirmed. Practice shows a high percentage of failed implementations. Indeed, any design in the IT field requires the participation of a skilled workforce, expensive equipment, time to understand the scope and most importantly, the principles of its development. Because applications and business requirements are unique the customization requires a large amount of time and resources, which significantly increases the scope and cost of the project. Also, poorly written requests and an overall lack of vision on the user part further complicates project implementation.

2.3 Service and product development

New product development is a process of taking a product or service from conception to market. The process sets out a series of stages that new products typically go through, beginning with ideation and concept generation, and ending with the product's introduction to the market. Occasionally, some of the stages overlap or vary depending on the nature of the business.

The process involves eight key stages:

1. Idea generation – brainstorming and coming up with innovative new ideas.
2. Idea evaluation - filtering out any ideas not worth taking forward
3. Concept definition - considering specifications such as technical feasibility, product design and market potential.
4. Strategic analysis - ensuring your ideas fit into your business' strategic plans and determining the demand, the costs and the profit margin.

5. Product development and testing - creating a prototype product or pilot service.
6. Market testing - modifying the product or service according to customer, manufacturer and support organisations' feedback. This involves deciding the best timing and process for piloting your new product or service.
7. Commercialisation – determining the pricing for your product or service and finalising marketing plans.
8. Product launch – a detailed launch plan can help ensure a smooth introduction to market.

In most cases, a phased approach to the product development process will help you keep schedule, resources and costs under control.[3]

Projects that support new product development efforts are among the most challenging. Design and other early-stage activities must be carefully orchestrated while maintaining visibility on future impacts and resource needs. Keeping the project on track as market conditions evolve adds to the complexity, creating an environment that could tempt organizations to shift the goal posts mid-stream.

Organizations are under tremendous pressure to bring new and innovative products to market quickly. This leads to compressed time schedules for nearly every project activity, from finalizing the product's specifications to establishing production requirements and developing marketing campaigns. Coordinating the efforts of so many disciplines in a very short amount of time is a huge challenge for organizations.

The complexity of each new product development project must also be considered. Depending on the size, maturity, and resources of the organization, heavy resource allocations could strain budgets, leading to staffing or funding shortages in other internal groups as people and money are funnelled into the project. This creates an environment of intense pressure where project teams may be saddled with make-or-break directives. It's difficult to make sound strategic decisions and successfully execute complex projects under these conditions.[4]

2.4 Manufacturing Projects

Manufacturing projects aim to produce a piece of equipment or machinery, ship, aircraft, land vehicle or some other item of specially designed hardware. The finished product might be

[3] https://www.nibusinessinfo.co.uk/content/product-development-process
[4] https://pm-alliance.com/industries-we-serve/new-product-development-projects/

purpose-built for a single customer, or the project could be generated and funded from within a company for the design and development of a new product intended for subsequent manufacture and sale in quantity.

Manufacturing projects are usually conducted in a factory or other home-based environment, where the company should be able to exercise on-the-spot management and provide an optimum environment.

Of course, these ideal conditions do not always apply. Some manufacturing projects can involve work away from the home base, for example in installation, commissioning and start-up, initial customer training and subsequent service and maintenance. More difficult is the case of a complex product (such as an aircraft) that is developed and manufactured by a consortium of companies, very possibly overlapping international borders, with all the consequent problems of risk, contractual difficulties, communication, coordination, and control.[5]

Collecting multiple production orders into one delivery requires focus on sequencing and time management. It is often difficult to get an overview of the many deadlines that need to fit into the general project plan. There are many interdependent elements, the emphasis in these types of projects is maximum efficiency while reducing costs. Companies can't afford the drive belt and assembly line to not work optimally because losses are measured in the millions. In order to maximize profits, PM tools are extremely important for the successful operation of the company.

[5] https://www.projectsmart.co.uk/project-management-the-3-major-project-types.php

3 Necessary skills in managing projects

Managing people in projects includes various types of communication depending on the situation, behaviour in conflict situations (conflict management), behaviour in times of crisis, how to delegate, how to coordinate team members, decision-making process, etc.

A certain skill set when managing projects is required regardless of the work style, corporate culture and type of organization within a company. Whether the projects are implemented in the traditional or agile way, certain things are the same and must be applied regardless of how the project is implemented.

The project manager is ideally assigned to the project at the outset. However, in some cases, it may only be awarded after the project has been approved. The manager can be an employee of the organization or be hired from outside. Subsequent selection can put the manager in a "no-win situation", in which he is responsible for what he did not plan for himself. Nevertheless, the project manager must show enthusiasm and support for the project. The sooner the team manager and team are involved in project planning, the greater their commitment will be. This also applies to other members of the organization whose resources and expertise the project needs.

Given the importance of a project manager for a project, the criteria for selecting a project manager may be different:

When hiring team members, the project may be joined by existing staff or by hiring new associates.

The selection criteria for an existing employee are:

- Knowledge - the competences, skills and skills at his or her disposal
- experience - whether he has already participated in similar projects, has he worked well
- interest - how much interest is shown in working on an ongoing project
- Features - what is the ability to fit into the team (more details below)
- Availability - Can be plugged in with other commitments

Selection criteria for new associates are:

- formal qualifications, diploma knowledge, certificates
- experience, proven by references (previous jobs and projects)
- Interest, characteristics - which can be verified by interview
- Additionally, there may be a recommendation (especially first-hand oral!)

Preferred characteristics of a team member are generally:

- Commitment - that is, dedication and commitment to the job. This is a key feature for the success of the project. The manager needs to know that particular team members give high priority to fulfilling their project roles and responsibilities
- Sharing responsibility among team members for both merit and error. There is no praise or fault for one team member but the entire team. No one should claim team success. If a team member has a problem, others approach him for help.
- Adaptability to an unexpected situation that may come up at the last minute (such as changing schedules). This is the reverse of the “it’s not my job” attitude.
- Task-oriented, that is, the ability to complete project tasks and result-oriented.
- Respecting the plan and limitations, i.e. meeting deadlines without excuses. Of course, there may be obstacles to completing the task, but a team member needs to work on how to solve them. The success of the team depends on the accomplished tasks of the team individuals.
- Willingness to trust and support (empathy) is an important feature of a successful team.
- Being focused on the team means putting the wellbeing of the team ahead of your own and is important to the success of the project. Team members who use the word "we" instead of "me" indicate team orientation.
- Open-mindedness, i.e. appreciation of other opinions and solutions
- Interdisciplinarity. Modern projects go beyond organizational boundaries, and team members need to be able to work with people in other business areas, some of whom have a different value system and way of solving problems
- Ability to use project management tools. Members should be familiar with the management techniques and tools that support them.

Project managers face the daily challenge of aligning project completion times, balancing costs and availability of resources. Multiple stakeholders need to be met at the same time, and knowledge in core project management areas certainly helps. The knowledge necessary to achieve the required level of quality and to combat all of the conflicting goals are project

coordination, timing, cost, human resources, information sharing, risks and procurement management for project purposes. While most problems can be minimised by timely and thorough planning, practice shows that the most difficult part of planning and managing is the human component.

In addition to the knowledge possessed by the project manager, the leadership style will be important for the success of the project. The requirements for the project manager change all the time and the competencies of person are no longer going through paperwork and statistics, Gantt charts, expenses and communicating solely on the phone. If project managers want to be successful, the must evolve along with the company and embrace new trends and ways of working.

3.1 Team development

The project manager is the initiator of the project team. Even if there is resistance in the team members' collaboration with the manager, he is the authority of the project and he should direct the team and provide leadership.

There are five types of project manager methods, the so-called power types:

- Expertise - experience in project management, technology use, etc.
- Rewarding - the ability to value members
- Formal - Promulgated by management
- Coercive - penalty power
- Referral - The team knows the manager in person or the manager refers to whoever enthroned him ("the director set me up, this is how we")

The problem with establishing authority may be the lack of control over members, due to the type of organization. For example, a problem with a functional organization is a strong line manager / weak project manager, and with a matrix organization a “two- boss problem”.

For the success of a project it is important to have a balanced team. There are multiple ways to measure how well a team is balanced and how a team can balance themselves.

One of the key factors in balancing the team are the knowledge acquisition styles:

- assimilating, adopting - directing "sense" rather than practical values
- diverging - a preference for alternatives and a different perspective
- accommodating - result oriented and practical

- converging - gathering information needed to solve a problem, tendency to choose a proven (technical) solution

The project team may need refinement to complete the intended project work. Training may include Formal education, Classroom training, and On-the-job training.

Good project managers should be tasked with achieving mutual trust, interdependence, an appropriate level of responsibility, appreciation of each other's differences, transparency of activities and mutual recognition of success within the project team. Achieving these types of behaviours will be possible if the project manager is oriented to the needs of each team member and fulfils their expectations.

3.2 Motivation and encouragement

Based on a survey conducted in 1988 by the Colorado State University's Computer Science Department at Computer Science at Colorado State University, the following were identified as motivators for work ranked from highest to least motivating:

- work (as such) - enjoyment of work (problem solving, innovations, creativity / creation…)
- opportunity for advancement
- pay and benefits
- recognition
- increased responsibility
- technical supervision
- interpersonal relations
- job security
- working conditions
- house policy, company policy - working hours (sliding, shift work, overtime), allow
- The project manager has a direct impact on the following motivators:
- Challenge- Bored or repetitive and routine jobs increase the number of errors. This is not to say that work should be challenging all the time, but 1-2 hours of work on a challenging task breaks the monotony of the work per day.
- Appreciation- or recognition of what has been achieved, which should not be monetary but in the form of praise (e.g. "Well done!") and may be followed by the setting of new challenges ("Could it be better?").

- Job design- Job itself is an important motivator, and structure makes it more or less motivating. There are five dimensions that define a business:
    - Job diversity gives you the opportunity to learn and learn new skills that break the boredom and monotony of work.
    - Determination of the task or clarity of the task, relation to other tasks. A member is much more motivated for a job if he or she has the overall picture of the job, or the whole project (then his job makes sense, contributes to the project).
    - The importance of the task. A business makes sense if it contributes to the project, so it is important to emphasize how the task contributes to the success of the project.
    - Independent work on the task. Although the task must be clearly defined, it must not contain a description of all the details of the task's performance, otherwise it becomes tedious. It is important to leave the freedom to express creativity in the task.
    - Feedback, good or bad. Give acknowledgment of the severity of the problem and the effect.

The modern project manager must make frequent visits to his team members to establish contact with them. He must have the ability to convey enthusiasm and project vision to project members. Although few are currently conducting this practice, project managers will essentially become micro-managers for human resources. The responsibility for selecting project team members will be shifted to project managers. In companies in Croatia, this responsibility is still shared between the project manager and the line manager, where in the vast majority of cases the team members are still being assigned by the line manager.

3.3 Decision making

Decision making is a process that involves identifying problems, preparing a decision, making a decision, and controlling the implementation of that decision. Decision-making is a process that can take longer or shorter time (a fraction of a second, hours, days, months, years, ...) but we meet with it daily.

Business decision making is the process of choosing one of the variants of problem solving in business situations

Types of managers by decision making preference:

- problem avoiders (ignoring problem information)
- problem solvers (when a problem occurs)
- Problem Seekers (proactive before problems occur)

Given the relationship and contribution of members, there are several decision models:

- Authoritative (directive). The manager makes the decision on behalf of all team members. The procedure is effective and appropriate for situations where a decision needs to be made quickly. The problem may be the uninformed decision maker (he or she does not know everything that he or she should). Another problem may be adoption, that is, implementation of the decision. Some members may not agree with the decision. Although seemingly consenting to it, they may be passive or even resist it.
- Participative, joint, divided (participative). The decision is made jointly by all team members, so support for the decision is greater than that of authoritative decision making. This method is considered to have a synergistic effect and to contribute to team building and team empowerment. (Empowered). It can be ineffective if team members cannot agree.
- Consultative. The best of the previous two ways. The manager decides after the advice of team members or experts in an area. The process is participatory in gathering opinions, and authoritative in decision making.

Consensus is a technique of group decision making. Team members agree to one of the alternatives. The decision is not reached by majority vote but by discussion and persuasion. In doing so, everyone is looking for an acceptable (least bad) solution.

There is also brainstorming- a problem-solving technique that can provide a basis for decision-making. Team members Give ideas in finding solutions to problems. Creativity is encouraged, by throwing ideas in and discussing suggestions. The "so we always did" attitude is avoided in order to find new solutions. It is concluded without haste.

Successful decision makers have the right information at the right time, create multiple variants of solutions to problems, seek advice from associates, consult a wider range of organization members, make easier decisions that flow from one another, take care that decisions are made, and monitor the execution of decisions.

The most common pitfalls in decision making are the failure to recognize priorities (long irrelevant decision making), not recognizing a mistake when making a decision, promising the

impossible, regretting the decisions made (whatever it is ...), and creating crisis situations around decision making.

Errors in decision-making can arise from cognitive biases that affect the way information is collected and processed, that can arise from interactions in an organizational environment where decision-making can bear a strong mark of self-interest. People tend to be over optimistic and confident when assessing the likelihood of a positive outcome, that is, they think the future will be bright, especially for them. Such optimism can be very dangerous when making strategic decisions because it creates unrealistic estimates and leads to an underestimation of situations. Problems occurs when subordinate employees know much more than a superior about a problem. The project manager must make a decision based on the benefits of a proposed solution, but also trust the person presenting the idea. Therefore, the process of defining associates and consultants is a very complex and sensitive job for every project manager. There will be risks when the project managers rely too heavily on the reputation of the person who proposes a solution - employees tend to adapt they viewpoint to the decision maker (usually high-ranking persons) because they believe that their views, will not influence the final decision and also can negatively affect their careers in future. This is why they “deceive” the decision maker by hiding what they really think. Due to the large number of different types of projects, the project manager is not able to go deeply into each and every topic and relies on his subject matter experts. Since the status of the project is regularly reported and team members know who are the main decision makers are, it is extremely important for experts to remain independent of external influences and views so that they can make the best possible recommendation and thus enable the project manager to make a quality decision that will satisfy all stakeholders in the company.

3.4 Delegating

Delegation is a management technique by which management distributes and assigns tasks to his subordinates. It is a process of delegating authority and responsibility from a project manager to a team member (employee). Delegation depends on the type and importance of the tasks, abilities and personalities of individuals in the team and the time and resources available.

Authority is the right of a person in a position within an organization to make, at its discretion, decisions that are relevant to other employees (the right or legal power to

command, order, decide, or act - depending on the organization). People closer to the top of the organizational structure have greater authority.

Responsibility is the obligation to perform activities with a satisfactory solution. Responsibility must be clearly defined (everyone must know the limits of their responsibilities). Each level of responsibility requires proper authority.

Successful delegation requires knowing what is being delegated, why it is being delegated, to whom it is being delegated, and what the expected outcome and consequences are.

All tasks should be delegated which, without undue interruption and delay, can be performed regardless of whether the manager is present for the job, for example:

- routine tasks
- jobs requiring technical expertise
- jobs that the other knows better to do
- motivational jobs (lucrative, enjoyable)
- stimulating tasks
- Tasks they teach

The positive effects of delegation are the backup of human resources, greater team involvement in project implementation, more planning time, team decisions (better acceptance) and reduced waiting time for decisions.

Delegation should be avoided when:

- Jobs that require secrecy
- Jobs that require strategic decisions
- Staffing decisions
- Key project oversight
- Motivation
- Evaluation and evaluation (of jobs, staff)
- Rewarding
- Own, personal commitments
- Crisis management
- Business policy

Tasks may be delegated but not the entire responsibility. Members are responsible for the tasks and the manager for the entire project.

Problems or limitations of the manager that delegates:

- quality - "I can do it better myself"
- efficiency - "It takes too much time to explain", "While I explain, I could do it myself"
- uncertainty - “I cannot allow this task to be done badly.

Team members can resist for many reasons, but mostly because: there is a fear of error, the person feels a lack of confidence or they assume it’s going to increase their work effort.

Prerequisites for effective delegation are a balance between authority and responsibility, good knowledge of team members, competence (knowledge and skills) of the delegated persons, sufficient authority of delegating person, progress check and information exchange.

Ineffective delegation is delegating without control, assigning a poorly done job to someone else, delegating constantly to the same persons and delegating upwards.

In delegation, it is important to select the right people for the appropriate tasks, so that you can delegate tasks to them and transfer jobs or assignments. When selecting a subordinate to whom you will delegate the tasks, you must have knowledge of their abilities and willingness to cooperate, but also have confidence in their personal qualities and attitude towards responsibility. By delegating effectively, you contribute to the achievement of the organization's goals and help develop and build a subordinate/team member, who by completing the task assigned to them, successfully refines their skills. This will also give you more time to manage and perform more creative tasks.

It should be emphasized that it is not enough to know the nature of delegation. It is necessary to want to and know how to delegate. The art of delegation is a set of aspirations, knowledge and behaviour. It is one of the most sought-after skills and one of the most desirable and fundamental qualities of a modern manager. Given that in addition to the task itself, the person receives responsibility for the quality of the task as well as the deadline for the task to be completed, the skill of delegation can become pretty complex. Delegation skill is not something a manager can gain overnight, especially if they have a team of associates whose work habits they do not know well.

The fear of delegation is justified in any case. There are many factors that can go wrong after a task comes from a manager to a member of his team. For this reason, many executives or managers do not delegate tasks, thereby risking the quality of the current tasks they are handling, given that they have multiple tasks and little time. Likewise, team members may get the impression that the manager does not trust them enough because they are not delegating to them.

In addition to the considerable time savings and the burden on managers, by delegating tasks to other team members, they get the sense that their work is valued and thus are motivated to continue working. Driven by this sentiment, the manager can rest assured that his team will continue to carry out all further tasks successfully. Or at least good enough. One of the most common dangers of inefficient delegation is the waste of time overseeing others. Where deadlines are not respected, some employees work harder than others, which inevitably leads to poor working conditions and dissatisfaction. Competent employees are either frustrated or bored. The team and individuals are demotivated because they do not receive the desired and acceptable responsibility and do not develop new skills.

Effective delegation is challenging as it is necessary to work out the balance between too much and too little delegation, that is, the balance between too much and too little control. Delegating is not only precise and clear tasks assigning and monitoring progress, but delegation can also be used as a development tool and to motivate team members. At first, delegation seems very simple: we just tell people what to do and then let them do it. But delegating is much more than that.

When considering delegating the following facts should be kept in mind: “a good manager delegates trust, delegates a sense of freedom and encourages the development of the creative abilities of subordinate individuals.”

3.5 Conflict management

Conflict (serious disagreement, dispute, conflict, strife) is a relationship between two or more opposing parties based on disagreement about needs, interests or goals. Conflict is an indispensable part of human activity and an everyday natural occurrence in the private and business environment.

Organizational conflicts are the conflicts of individuals with colleagues, superiors, subordinates, clients, business partners and others they encounter in the course of their business. They are the consequence of the different values and situations they cause

Conflict exists when individuals and groups feel that there is disagreement, whether or not the disagreements are real!

Causes of conflict can be:

- Communication- misunderstanding, wrong way of communication, too much or too little communication, insufficient listening skills. For example, some things are easier or better said than written because possible misunderstandings can be eliminated immediately during a conversation. In addition, different modes of communication can leave a different impression on their own (the written form is "official" and always stricter than "smileys" or live gestures).
- Structural- size of organization, degree of specialization, division of work, need for coordination, leadership and rewarding style, disagreements regarding goals, solutions, methods of execution and resource allocation.
- Personal Causes - Differences in education, behaviour, experience and other features that make an individual unique. The anecdote from the Alan Ford comic book is perceived differently by those who have not read the comic book, especially by those who are too old to understand the phrase at all.

Examples of conflict resolution:

- Problem solving is an approach that confronts the problem with the idea that there is a satisfactory solution (the solution can be further sought). This is the best way to resolve conflicts, but it assumes sufficient time for fact-finding and openness. The result of this approach is win / win, and the benefit of this approach is the establishment of trust.
- Forcing a person with power decides (by coercion, persistence) guided by his or her own judgment or interest and less concern for others. The decision may not be the best for the project, but it's quick. The consequence, however, is the dissatisfaction of at least one side which is bad for the development of the team. The result of this approach is win / lose. It is performed when the stakes (risk) are high, when there is not enough time or long-term relationships in the team are not crucial.
- Compromising requires that both parties sacrifice something for a common solution. The decision partly satisfies the interests and opinions of both parties. Since neither side wins, the result of this approach is no-win / no-lose. Used when

relationships are equal, and no one can really "win". This approach is also good for avoiding quarrels.

- Smoothing is an approach where the problem appears smaller than it is. This is a temporary solution and is acceptable in situations where there is not enough time, and the proposed solutions do not solve the problem or UP seeks to narrow the scale of the conflict. The result is considered to be bad / bad because no one really "gets it", Used to maintain relationships and when the problem is not critical.
- Withdrawal is not engaging in conflict, avoiding conflict, not expressing dissatisfaction, or delaying problem resolution. No one expresses problems, so they are not solved. This is the worst approach to solving a problem. It is acceptable when the problem is not significant, but it is a bad solution in the long run. The result of this approach is lose/lose.

Conflicts in the organization are very common. When two or more people work together on one or more projects, there is a good chance of conflict. Conflicts are a normal occurrence in the teamwork process. Every manager needs to know how to lead teams and manage employees and conflicts within the team. Conflicts can negatively affect business results, disrupt good relationships within the team, reduce the motivation of team members, and prevent the achievement of team goals. We can hardly prevent conflicts, but we must learn to manage them.

Although it is seen as the most logical and therefore the most popular approach, compromise as an approach has its advantages and disadvantages. Compromise is a solution-seeking style with some kind of waiver by both sides, it is often called a WIN: WIN situation. Balancing occurs when we give up our personal interests and accept common interests. But to succeed completely, we often need a mediator, a person who, as an external mediator, will influence the thinking of the conflicting parties. This is where the manager comes in, it is his job to resolve disputes. Compromise as a style is usually preferred by people who like quick and easy solutions, who are looking for a solution that will partially satisfy both parties and who believe that both sides have to give something up for a just solution. This style is appropriate for conflict resolution when the goals are opposite or rather different, when there is a balance situation and when the pressure because of time constraints is high. It is not appropriate if the conflicting parties have to relinquish essential requirements. Psychologically, although many suggest it as the best conflict resolution style for conflicting parties, there is a sense of success

and failure and it may be that neither side is completely satisfied and did not get what they want.

Probably there is no best style for conflict resolution, it depends on a number of factors: time, type of organization, personality of the individual or parties involved in the conflict, type of horizontal or vertical management, delegation and especially leadership style. Everyone needs to build their style and adapt it to the situation and individuals. In order for a project manager to successfully resolve a conflict, they must have a systematic approach to the problem. Must know when, how often, with whom, and in what format to approach the issue. A project manager must never try to resolve conflicts using written communication (e-mail, memo, etc.). It is not wise to give sudden, ad-hoc answers, answers such as "I will check" or "I will think" create a sense of trust, concern and calm the interlocutor and create a positive atmosphere.

Finally, a manager should always keep in mind "if you do not control communication then you are in a communication problem".

3.6 Communication management

Communication is the giving and receiving of information, or their exchange.

Project Communications Management contains processes that ensure adequate and up-to-date planning, collection, creation, distribution, storage, retrieval, management, control, monitoring and final scheduling of project information.

A project manager spends most of his time (as much as 80%) Communicating with team members and other stakeholders. Effective communication is a bridge between different stakeholders, their expertise, different interests, cultural and organizational differences, etc. It is not the primary goal of project team members to lead and coordinate people, but to do their part of the work for which they are hired, to the best of their knowledge, while it is up to the project manager to be the link between them all.

As in everyday life, there are different types people on projects. We can easily establish communication with some, but with others it is difficult or possible at all. In our private lives, we choose the people we want to spend our time with, those who have similar worldviews, similar energies, who are comfortable with us, etc. While those we do not want to spend our time with, we simply don’t let into our lives. Projects have a similar situation, we choose the people we will work with, but in this case, the expertise of the person we need to consider is

an important factor. Sometimes that expert is a person that you would never hang out with in your private life, but he is a great expert in his field. That is why it is up to each project manager to make the decision who they want in their team and bear the responsibility for their choice. Sometimes for the sake of communication and the atmosphere in the team it is better to choose a junior with good potential and a healthy approach than a expert that is hard to talk to and spreads negativity.

Communication is a key capability that, when properly used, connects all project team members to a common set of strategies, goals and measures. Organizations are aware of the positive impact that effective communication can have on projects, programs and portfolios. Directors and project managers around the world agree that poor communication contributes to project failure. Also, ineffective communication can significantly increase the risks within the project.

In order to be successful, organizations need to communicate better about key areas of a project, including goals, budget, schedule, scope, results, business benefit, and project alignment with the strategy. It is extremely important to communicate in a timely manner, providing sufficient clarity and sufficient detail, using the language of your audience and selecting the appropriate delivery media. Effective, consistent and agile flow of information should be ensured for quality communication.

Information sharing management includes:

- Communications Planning - identifying stakeholders and their information needs. The organization of distribution and the level of detail of information are determined, as well as the timing or frequency of information.
- Information Distribution - Deliver the necessary information to all stakeholders in a timely manner.
- Performance Reporting, Performance Reporting, ie status reporting (technological, financial, etc.), progress measurement and forecasting.
- Manage Stakeholders, including negotiation (meetings, presentations), problem solving and more.
- A good communication plan should include:
- Communication management approach - it gives an idea of the guiding principle, such as entering data at the point of origin, monitoring progress in "real time", transparency / availability of documentation and publicity of decisions, emphasis on collaboration, etc.

- Restrictions - deadlines, finances, legal and other regulations, technology, etc.
- Stakeholders and their communication requirements
- Project team directory - name, title, role, phone, mail, URL, etc.
- Methods and technologies - CPM / PERT, SharePoint, Primavera, MS Project, Jira, etc.
- Communication matrix
- Communication diagram
- Meeting recommendations - agenda, minutes, participant roles, etc.
- Communication standards - formats, templates, file names, etc.
- Escalation process - priority, problem, decision maker and deadline.

The distribution of information can take place in various ways:

Verbal communication- this type of communication is fast and efficient. These are, for example, meetings, sessions or presentations. It can also be informal such as banquets, lunches, dinners. Informal get-togethers are sometimes more informal than formal ones because people are more relaxed.

Written communication- this type of communication is detailed and structured. Formal documents have content, form (templates), and the frequency defined by the communication plan.

Electronic communication- communication by email, chat, telephone and video conferencing. E-mail is often the preferred medium because it leaves a written trace of communication (with the ability to inform stakeholders by sending carbon copy, background carbon copy). The downside is that it can be read / answered with retention, and it also serves as a collective memory. The downside is that some things are easier said than written, written sometimes sounds rude or can be misinterpreted (without direct gesture).

Project Management Information System- consist mostly often a web portal or groupware support system, which has the ability to automatically notify when content changes. An alternative or add-on is folders on a network drive or in the cloud.

- Regardless of the medium, it is recommended to create folders: Admin (for project administration, contracts, invoices, etc.), Materials (for work materials that are not delivered to the user but used in the execution of the project), Project (project documentation, to be distributed to other stakeholders), Sandbox (input and

unclassified materials, temporary copies of documents), Backup (backup, project archive), as needed, and others.

From a project reporting perspective, in a broader context, project performance reporting informs stakeholders about the use of resources to achieve a project goal. Project Performance Reporting includes:

- Status reports - where the project is based on the timing.
- Progress reports - achievements in the past.
- Project forecasting - an assessment of the future status of a project and its progress based on current information and trends.
- status review meetings - a presentation of the performance upwards, i.e. towards business management, the client, and more.
- Functions of verbal communication:
- Perilingual. It refers to pronunciation, intonation and emphasis. Pronunciation is the way voices and words are pronounced (pure pronunciation, correct pronunciation). Intonation is the tone of speech, its rhythmic-melodic side, raising and lowering of voice. Emphasis is the phonetic emphasis of a vocal or syllabic voice in a word or a specific way of pronunciation (e.g., split accent, foreign accent).
- feedback - the sender asks for a response, clarification or other response.
- Active listening - the listener acknowledges receipt of the message by feedback, by asking or asking for clarification.
- Effective listening - monitoring the messages and behaviour of the person presenting the information.
- Facial expressions, gestures, body language.
- Meetings can be
- informative - getting acquainted with the status, realization and future activities, may also be informing about the change in organization or change of business policy
- operating - considering problems, proposing ways and order of solving them

The frequency of meetings depends on the type of meeting. Operational meetings are held weekly or once every two weeks, on a pre-arranged day, preferably at the beginning of the week (user workshops, operational planning). There may also be daily stand-up meetings

within the team. Control meetings are held approximately once a month or at the end of the phase.

The composition and effectiveness of meetings also depends on the topic. If it is about creating an idea, it is better to have more people in the meeting (more people know more). If a problem is raised and resolved at a meeting, efficiency does not accompany the increase in attendance. The optimum number of meeting participants is 10 (there may be more for informative ones).

Effective meetings should be conducted with the following factors in mind:

- Preparing a meeting. Need to be notified of the date and location, topic, agenda and participants. Calls should be sent on time and in writing (electronically). Those expected to share information should know this.
- The beginning of the meeting should include a statement of the purpose and purpose of the meeting, and a review of the agenda (updating as needed) otherwise the meeting may start in an unwanted direction.
- Conducting a meeting. Avoid discussing generally known or irrelevant things (interrupt when the conversation is about off-topic topics). It is necessary to record the stated but certainly the conclusions. The minutes are desirable, but mostly and need to be distributed to the meeting participants.

3.7 Negotiation

Negotiation is a process in which two or more people with different interests interact to make a deal. It is performed when one party owns or controls something that the other party wants. Two or more parties exchange goods and services and seek to agree on the course of the exchange. It is a process of making a joint decision when the parties involved have different desires. It occurs in everyday life, such as washing dishes, choosing a movie, negotiating a paycheck, a raise or a stimulation.

There are two types of negotiation: distributive and integrative.

- Disruptive- the negotiating parties are focused on the initial negotiation positions and are not prone to yielding. Each side has its own aspiration zone. This approach is characterized by bargaining, competition and domination, with the final agreement reached between key negotiation points in which both sides relent and

define a common agreement zone found in both aspiration zones. This negotiation is short-term, that is, not aimed at maintaining relationships. It can be aggressive, humiliating and manipulative.

- The approach to integrative (principled) negotiation is win / win (we both win). This approach is collaborative and creative and encourages integration and growth. It is characterized by concern for both parties (more for me means more for others), cooperation and sharing (mild / female / blue). The focus in this approach is on bargaining goals. It is long-term and focused on maintaining relationships. It is supportive, confident and conciliatory.

Distributive and integrative bargaining are two extremes. In practice, it's not so black and white, but negotiation is somewhere between the two approaches.

There are multiple negotiation tactics. The choice of tactics depends on whether the relationship with the opposite party is short-term or long-term. Examples of negotiation tactics are:

- Fair Deal Tactics: is an objective technique in which the opposing parties jointly define a fair agreement and then share the roles therein.
- Low bid / extreme bid tactics- is a tactic in which one party makes the lowest (initial) rational offer or sets very high demands in order to encourage the other party to yield. It is most commonly used to gain a better starting position. If she is rational (rational), that is, if she has an argumentative justification, it is difficult to parry.
- Tactics of using deadlines / ignoring deadlines- is a tactic of creating pressure before the deadline, whereby the negotiator makes it difficult or makes the deadlines irrelevant. The negotiator actually forces a compromise or agreement, creates uncertainty and transfers responsibility to the other party.
- Standard practice tactics. This is the tactic of invoking standard negotiation procedures or rules, court decisions, scientific evaluations, tradition, equality rules, etc.
- Limited authority tactics- is a tactic in which the negotiator states that his / her hands are “tied” and that he / she needs permission from the superiors to change / accept the offer in order to avoid making concessions during the negotiations. In fact, he buys time to consult and consolidate before negotiations continue.

- Emotional tactics (focusing on the emotional destabilization of the opposite party) such as threat tactics ("something terrible will happen ..."), personal attack tactics ("shame on you ...") or "I need help" tactics ("then I will not be able ... so ... ").

Depending on the negotiator on the other hand, appropriate action can be taken. The negotiator's reputation may be:

- Liar / manipulator - Will do anything to gain an advantage. Some things will be silent, some facts distorted, ... which is hard to parry in an honest way but can be argued with arguments and facts. Therefore, it is a good idea to prepare (which should always be done).
- Tough but fair - makes some concessions but doesn't lie. It is difficult to dispute someone who is also well prepared and objectively argues, but a good compromise can be reached with such negotiators.
- Pleasant / prudent - ready to make concessions and conciliatory. Sometimes it is difficult to judge, sometimes the negotiator actually has nothing to offer. It is not some success to get a project or a job below the price simply because the client was indulgent.
- Mollusc - makes concessions and conciliation no matter what the other party does. Compared to the previous one, it is even less successful to get a job because the client is naive. In translation, a successful project implies that both parties have satisfied their interest.
- No reputation - not recognizable. He needs to be patient, prepared and enter into negotiations.

The bad steps to negotiate are:

- Insufficient preparation, i.e. unclear goals, inflexibility and lack of competition.
- Bad access to negotiations, i.e. hard negotiation, reluctance to make concessions, and separation of problems from persons.
- Bad conduct at negotiations such as impatience, recklessness, and emotional instability.

Recommendations for successful negotiation are:

- Collect as much information as possible on the opposite side / topic
- Define negotiation tactics and strategies in advance
- Negotiations begin in a positive tone

- Pay attention to problems, not people
- Not responding to emotional attacks by the opposite party
- Insist on using objective criteria
- Initial offers do not require much attention
- Highlight the winner-winner solution
- Create an atmosphere of trust
- Accept third party assistance if necessary

Negotiations are a daily, but not an ordinary business activity. In business, you usually have no choice as to whether or not you want to negotiate, however you can decide how well you know to negotiate. Negotiation is a communication process of two or more parties that try to find a common solution for their needs and interests.

The essence of effective negotiation is to reach an agreement or some other type of arrangement in a way that will allow you to successfully represent the self-interest of the project you are working on, while ensuring that you do not jeopardize the prospect of repeated or future collaboration. This is especially important when negotiating about limited resources. In technology companies, this is often the case with IT resources. The project needs IT development or support, but the IT department is overwhelmed by a large number of projects, and it is up to you to find a way to secure resources for your project.

The basic guiding principle of negotiation is that “everybody wins”, so the outcome of the negotiation must satisfy every negotiating party. In order for the negotiations to be successful, each party involved in the process must bear in mind the well-being of the company. Negotiators must focus on what they have in common rather than differences, address needs and interests, integrate the needs of all parties and come up with opportunities where both parties can benefit.

4 Organizational culture and structural types

Within the organization and on projects involving a number of different stakeholders, cultural differences can emerge that need to be managed and used to improve the project and organization.

Organizational culture defines a set of values that helps an organization's employees understand which actions are considered acceptable and which are unacceptable. Schein considers OK “one of the most powerful and stable forces operating in organizations” (Schein, 1996).[6]

The second invisible level of organizational culture is organizational values, the so-called. supporting values, which include: strategies, goals and philosophies of leadership (Schein, 1985).[7] Organizational values express a preference for certain behaviours, as opposed to organizational norms that express behaviours that others have accepted. Once established, the values and norms in an organization constitute the permanence of the organizational culture of that organization.

Organizational culture is formed when a group of people faces a set of challenges and evolves and changes over time. It is generally strong enough to influence an individual's behaviour even when he or she is removed from the group (becoming part of his or her identity) and results in different criteria for success being established.

Every organizational culture is unique. Different cultures may suit different organizations and their environment, so they can differ OK among different departments or work units, professions, job groups, etc. Also, there may be more or less similarities between cultures of different organizations.

There is no "right" culture. For example, the desirability of a strong culture depends on how well it supports the strategic goals and needs of the organization. "The larger and more complex an organization is, the more likely it is that more than one type of culture will emerge in it." (Rose, 1988).

6

7

Employees who identify with the organizational culture of a unit or organization are usually more likely to contribute to better success.

Today, organizational culture is one of the key factors on which the success and survival of the company is based. Today's successful companies are those that believe in something, have a purpose like- Apple, Tesla. They are technically not much different from their competitors. But Apple centres around the “Why.” Apple’s “Why” is to challenge the status quo and empower the individual. Tesla’s “Why” is to create a sustainable environment and to make a better future. It is in the human nature to belong; this desire drives us to pursue others who share the same values. Identifying what is important and trying to put it into practice is the foundation of good governance and development. The company's ability to survive depends on its ability to adapt to changes in the environment, as well as its ability to create new technology that is incorporated into all products and processes.

In many organizations, projects are a key mechanism for implementing a company's strategy and adapting to a turbulent market. Where efficiency and implementation types are largely determined by the environment the organization creates for the projects. Projects as drivers of change often generate organizational conflicts, so it is extremely importance to manage organizational conflicts, develop an organizational culture that contributes to the success of projects and motivate and reward the employees who contribute to the success of the company within the project organization. Business culture, whether it is organizational/corporate culture or project culture is not tangible, but a set of different behaviours is noticeable. The guidelines of a project culture can be seen in the way we treat our customers, clients, their requests, the extent to which their requests are respected and how they are handled, but also whether there are elaborated procedures for determining priorities in the request resolution process.

Shown in the following figure are the elements that make up the organizational culture, where they can be seen and ceremonial (visible symbols, logos, slogans, ceremonies, media presentations, employee behaviour and dress code, organization placement, etc.). In this context, there is a noticeable difference between, for example, a developer's organization and a financial organization. Other elements of organizational culture are invisible for example values, beliefs and attitudes about business, attitude towards common goals and strategy of the company, attitude towards clients, associates and competition.

Factors that affect organizational culture are:

- Organizational history
- Type of business
- National cultures
- Organization size, organizational structures and ownership
- Objectives, strategy, environment, technologies
- Qualification structure and leadership trait
- Spatial accommodation
- Working group relationships and leadership style

The basic patterns of cultural differences are as follows:

- Communication styles
- Attitudes towards conflicts
- approaches to task execution
- Decision-making styles
- Attitudes toward opening up to others
- access to knowledge
- language and communication
- Relationship to management
- Human relationships at work
- work styles

Organizational cultural diversity should be balanced in projects in order to reach consensus on goals and methods, coordinate and share information, anticipate possible organizational problems and potential solutions, and share resources effectively.

It is necessary to balance different project cultures by creating common and agreed project goals, ensuring a clear understanding among partners and developing plans and strategies that will be accepted by both parties. It is also necessary to define group norms (ways of making decisions, resolving conflicts, developing trust, actively listening and communicating), as well as familiarizing team members with potential conflicts due to different org. culture.

In this context, it is the responsibility of the project manager to:

- Suggesting clear terminology and rules
- Ensuring information flow
- Good preparation for meetings
- Encouraging, determined, positive and dynamic action

- Anticipate problems before they occur.

The responsibilities of the other project participants are:

- Understanding, adaptability
- Adherence to the rules
- The desire for collaboration

It is extremely important not to mix the personal characteristics of project team members with the organizational culture or blame the members for the type of organizational culture and also avoid practices that threaten the beliefs and values of another organizational culture.

The most common organizational forms in a project-organized company are project, matrix, and multiproject organizations.

4.1 Project organization

A project organization is a type of organization that, in addition to existing functional units, also has project teams as a temporary or permanent organizational unit. A project organization is a temporary organizational form established for a specific task/project, oriented towards the realization of a specific project or goal. A project organization is actually a structure within a structure.[8] The main characteristic of the project organization is that project teams are formed in order to manage the project realization. The formation of project teams of permanent character arises from the need to realize long-term and complex projects. It is for this reason that this organization shows great efficiency in the implementation of complex projects because it has a separate project team that deals with the realization of only one project. A project organization can have multiple project teams at a time.

The advantages of a project organization are that the project manager has full authority over project management, all members of the project team are directly responsible to the project manager, communication lines are shorter and more frequent, and this way of structuring enables easy implementation of the organization.

The disadvantages of the project organization are: insufficient utilization of available resources in the company, limited transfer of human resources from one project to another, uncertainty of project team members regarding their status after project completion. Another important drawback in companies that handle multiple projects/programs is that in a project only orientated organization there is a low possibility of coordination between projects, so a

8

pure form of project organization is rarely used in a project-organized company. This can be addressed by the establishment of a PMO (project office) that assumes the role of coordinator among project teams.

4.2 Matrix organization

Matrix organization is the form most commonly used for the execution of multiple projects in parallel.[9] at the same time. The organizational units from the permanent structure of the functional organizational participate in the matrix organization. The project teams formed in accordance with the needs of individual projects. The matrix organization is designed in such a way that a functional organizational structure performs part of the tasks per project for which it is specialized, while the planning, monitoring and control of realization tasks are performed by project teams. The project manager in the matrix organization is in charge of a specific project and its successful implementation. A matrix organizational structure is the most complex and conflicting organizational mechanism. Hierarchies are established on a number of grounds, thereby relativizing the impact of a single hierarchical chain. Also, resource constraints and dual responsibility can affect the success of a project.

The biggest advantages of a matrix organization are in the simultaneous realization of several projects, efficient use of resources, increased flexibility, enhanced coordination, improved communication favourably affecting employee motivation, frequent coordination and complete insight enable personal development of employees. Hierarchical relationships are simply displayed in this organization, the structure is "flat".

The main drawback is the inability to coordinate between projects, as well as increasing organizational complexity. Project managers usually do not have adequate support from the organization, as well as the inability to coordinate between the projects as there is no department dealing with these tasks. Possible conflict due to multiple responsibility, slower decision making due to increased need for additional coordination. The project manager has multiple challenges managing without authority which specifically relates to multiple responsibility.

The “multiproject” organization is basically a matrix organization with a special department for management of multiple projects that coordinates the implementation of programs and projects, as well as the work of functional units. The multi-project management service is directly under the control of the top management and its task is to improve project

9

management in the company through coordination activities, to monitor and control programs and projects, to harmonize activities and available resources by priorities, to improve communication in the company, to collect data for needs of programs and projects in one place and proposes solutions to problems that arise. In this type of organization, there are also multi-project sub-teams that work on individual parts of the project that are common to several projects, thus linking the projects to the program, coordinating them, and making better use of time and resources. In this type of organization, the Project management office is of particular importance. The PMO is formed with the aim of making the implementation of projects and programs as efficient as possible. The role and importance of the PMO can differ and depends on the organization of the company, the complexity of the organization, the expertise of the members of the project office, also the number and size of the projects and programs being implemented.

4.3 Virtual Teams

One of the most critical aspects of project management is effective communication to facilitate team development and process management. In IT projects, there is one factor that is beginning to be very important- virtual teams. In an agile environment, we can no longer expect IT projects to be composed of members from one office or from just one country. Such projects are made by people from different countries and continents and one of the hidden skills that allows for the smooth functioning of projects is simple and quality communication. More and more companies are moving their businesses to the virtual space, which brings new challenges to the day-to-day functioning of teams.

There are a number of prerequisites that need to be fulfilled for virtual teams to function and successfully complete their tasks, but the technology and the right people to choose stand out as the most important. Choosing the right people not only applies to employees, but also to quality management, who will be able to manage a team that is not in the same location. Management is also required to recognize the ability of potential team members to fit into such a work environment. When selecting employees, it is important that the selected team members are open and communicative, independent in work, motivated and focused on a common goal.

Furthermore, the manager should choose the appropriate management style, which will suit all of the team members as well as the virtual communication. With virtual teams, it is more important to focus first on building team relationships than classic ones, since minor problems

in this area can also disrupt the execution of tasks. When setting up virtual teams, you should initially focus on the same things as traditional teams - selecting qualified members, developing a full-fledged relationship, and creating a positive atmosphere. But before virtual teams start working on a project, formal processes need to be developed to a greater extent, because working in virtual teams requires clearer structure, goal definition and role sharing. However, good communication among team members is crucial. In order to improve the effectiveness of virtual teams, project managers should pay the utmost attention to ensuring quality communication. This means creating an appropriate and clear communication network, making all team members aware of the required communication channels, working to improve team member relationships so that information arrives at the destination in a timely manner.

4.4 Decentralized and self-managed teams

In order for the organization and team to be as efficient as possible, the organization should be as flat as possible and the responsibility of the individual as high as possible. Employees cooperate with each other and are aware of the business environment and the limitations of the current organization. Unfortunately, they often get stuck waiting for approval or input from their superior. Depending on their seniority, team members should take on as many tasks as possible, including those of their manager. Information sharing, giving feedback on each other's work, etc. Decentralization creates many opportunities for personal and professional development of employees such as: increasing motivation, improving communication, mentoring, breaking down organizational silos, employee empowerment and engagement. Shifting the accountability from manager to employee accelerates and enables more direct and expert base/customer-oriented decision making. In addition, every employee wants to feel that he or she is contributing to the company's goals.

There are several challenges a decentralised team has to overcome: it needs to have a clear understanding of the project objectives and the firm's strategy. Communication is of paramount importance, all aspects of the project should be shared with the whole team. If there is a lack of transparency there is a big chance issues will surface and jeopardise the project. In a self- managed team, the roles and responsibilities have to be clearly defined, because everyone is responsible for their part of the work load, not doing your part of the job can compromise the deliverables, the timeline and corresponding work. Ultimately, if a

organizations has many experienced employees ready to take on greater leadership roles, decentralization can significantly boost their morale and capacity. Like with everything a company should balance between centralised and decentralised teams, because extreme decentralization is not necessarily better. In a flat organization where the possibility of advancement is slim to none can drive employees to leave the company.

Creating and empowering smaller divisions with decision-making authority, while retaining centralized corporate oversight should be the best option for most large companies.

4.5 Agile teams

Agile teams mostly consist of a Product Owner, the Development Team, and a Scrum Master. Agile teams are self-organizing and cross-functional. Self-organizing teams choose how best to accomplish their work, rather than being directed by others outside the team. Cross-functional teams have all competencies needed to accomplish the work without depending on others not part of the team. The team model in Scrum is designed to optimize flexibility, creativity, and productivity. The Scrum Team has proven itself to be increasingly effective for all the earlier stated uses, and any complex work. Agile teams are structured and empowered by the organization to organize and manage their own work. The resulting synergy optimizes the Development Team's overall efficiency and effectiveness. Agile team is small enough to remain nimble and large enough to complete significant work. Fewer than five team members decrease interaction and results in smaller productivity gains, also smaller teams may encounter skill constraints Having more than nine members requires too much coordination, so large teams generate too much complexity for an empirical process to be useful. Agile teams heavily rely on transparency. Decisions to optimize value and control risk are made based on the perceived states. When there is a lack of transparency decisions can be flawed, value may diminish, and risk may increase.

One of the main benefits agile teams and projects is the ability to adapt and change at any step depending on various factors like: customer feedback, market conditions, corporate obstacles and to supply only customer- relevant products to the market.

5 Agile workforce management

Rapid changes in competition, customer requirements, technology developments and new regulations require companies to be responsive and adaptable. Organizational agility is the ability to quickly reshape strategy, structure, process, people and technology to create new values. Agility is based on continuous improvement through continuous learning and becomes a necessity for the sustainability and competitiveness of the organization.

The term agile approach comes from the field of software development, and usually refers to a range of methods in which requirements and solutions are developed by collaborating with multifunctional, self-organizing teams and collaborating with their stakeholders. Agile methods promote flexible planning, faster delivery of products and services, continuous development and communication, and prompt rapid and flexible responses to change.

Agility is often tied to using a specific methodology such as Lean, Scrum, Kanban, Disciplined Agile Delivery, Feature Driven Development etc. The methodology itself brings value only if put into practice in accordance with agile principles and principles, serves to gain insights about customer needs and satisfaction, and if used as part of an organization's development and growth strategy.

Agile is actually a way of thinking and structuring your entire organization based on the values and principles of customer access, product development and employees. The core set of agile principles are defined by the 2001 Manifesto and are a guide to agile access in any area.

An organization becomes agile when it adopts a model of continuous improvement through continuous learning. This enables it to constantly develop better quality products that will be introduced to the market faster, produced by satisfied employees and which will raise the level of customer satisfaction.

5.1 Leadership in an agile organization

An agile organization empowers and requires the individual to lead from the position they are currently in. Thus, a leader can be, everyone who strives to improve their business environment through knowledge, initiative and responsibility, with the fundamental respect for others.

In an agile organization, the workflow is accomplished as a team. Effective leadership is a dynamic, constructive group process with many directions of action, and we call it shared leadership. It is a form of distributed leadership, in which responsibility for leadership is assumed by all team members and guides each other according to the situation and their competencies. Success in a knowledge-based environment where employees solve complex problems depends on interdependent coordination within teams and across the organization, and participatory, distributed, collaborative, transformational and similar leadership models are most effective. These models are based on trust building, transparent communication, continuous development / change, and distributed decision making.

Leaders are inspirational, lead the workflow and enable their people to grow. Agile leadership requires lifelong learning, teaching and human development. Continuous monitoring, communication and exchange of feedback make it possible to identify areas for development and incentives to learn. Consistency in the cycle of learning and development through iterations is the key to the success of individuals and teams.

Transforming an organization to be more agile in its operations requires a complex and complex process, but at the same time, agility brings many benefits or benefits to organizations that enable them to be sustainable and competitive:

- ability to manage priority changes
- increasing team productivity
- improved project visibility
- increased team motivation and morale
- better predictability of deliveries
- increased quality of products and services

Each organization benefits from adopting an agile approach depending on what it focuses on and what issues it wants to address, but the adjustments every organization needs to make to bring its approach and culture in line with the agile methodology is a unique path for every organization. The necessary transformation for a successful business in the digital era also includes a fundamental change in the way of thinking and requires changes in the approach to managing and organizing, and also shaping the work environment and employee experience. The basis of success is talent recognition, but most importantly using agile principles, values and ways of working in obtaining knowledge and leadership.

5.2 Collaboration tools

Every organization could stand to improve the way they do certain things, with some behaviours persisting simply because it's the way it's always been done. New platforms revolutionized the way people stay connected in an office setting and makes workplace communication easily searchable and streamlined the mobile first approach to communication makes it much easier to communicate and reply to messages

When looking to persuade an organization to move to a new communications platform demonstrate sub-par practices and demonstrate how this new platform could do a better job. Don't expect everyone to start using new type of communication or another new collaboration platform overnight, it will take time for individuals to discover how it can benefit them.

5.2.1 Slack

Slack is a team messaging application used by more than 10 million users daily. From a project management term for float, slack is frequently used to describe how much time a project can absorb delays in milestones and tasks without consequence. Slack is an acronym for "*Searchable Log of All Conversation & Knowledge*". Built as an intra-office messaging system, Slack acts as a hub, one organized space where all your colleagues can communicate via instant messaging and live chat. This frees up your traditional inter-office email and keeps a clear record of what has been discussed, accomplished and what needs attention in real time.

With the spread of mobile devices, Slack makes it easy to upload files from anywhere including traditional desktop computers and access or edit spreadsheets and all the other usual things. Unlike average e-mail, Slack makes it easy to view and search information from other applications, anything like a corporate accounting system or cloud storage platform – all these areas can be pulled together in one place. Slack funnels messages into manageable streams that all team members can easily view. Allowing everyone to stay connected this way encourages business impact. Communication feels effortless, more like sending a text than a labour-intensive etiquette appropriate email.[10]

5.2.2 Microsoft Teams

Microsoft Teams is cloud-based team collaboration software that is part of the Office 365 suite of applications. The core capabilities in Microsoft Teams include business messaging, calling, video meetings and file sharing. Businesses of all sizes can use Teams. Teams enables

[10] https://biz30.timedoctor.com/how-to-use-slack/

local and remote workers to collaborate on content in real time and in near-real time across different devices, including laptops and mobile devices.

At its core, Teams is a chat-based workspace that features group and private messaging, with threaded and persistent conversations. Within each team, users can create different channels to organize their communications by topic. Each channel can include a couple of users or scale to thousands of users. Also, users can schedule voice and video meetings -- a workflow that provides contextual communications. Users can also edit PowerPoint files within the Teams app. The guest-access feature in Microsoft Teams allows users to invite people outside their organizations to join internal channels for messaging, meetings and file sharing. This capability helps to facilitate business-to-business project management.[11]

5.2.3 Jira

Jira is a tool developed by Australian Company Atlassian. It is used for bug tracking, issue tracking, and project management. The name "JIRA" is actually inherited from the Japanese word "Gojira" which means "Godzilla".

The basic use of this tool is to track issue and bugs related to your software and Mobile apps. It is also used for project management. The JIRA dashboard consists of many useful functions and features which make handling of issues easy.

There are plug-ins available for JIRA to work more effectively, some of these plugins are Zendesk, Salesforce, GitHub, Gitbucket etc. Some of them enables support team to report issues directly into JIRA, creates unlimited private repositories with full featured issue and test management support, etc.[12]

5.2.4 Trello

Trello is a task management app that gives you a visual overview of what is being worked on and who is working on it. It used the Kanban system, which was developed in Toyota as a system to keep production levels high and maintain flexibility. It is best represented as a whiteboard filled with post-it notes. Each post-it represents different tasks involved in the project. It is a versatile tool for project management, its flexibility allows for it to be a simple tool for personal organization or a powerful engine for product development with large teams.

[11] https://searchunifiedcommunications.techtarget.com/definition/Microsoft-Teams
[12] https://www.guru99.com/jira-tutorial-a-complete-guide-for-beginners.html

Trello has a variety of work and personal uses including real estate management, software project management, school bulletin boards, lesson planning, accounting, web design, gaming and law office case management.

5.3 Impact of technology on project communication

Technology has made a lot of things in life easier, advances in software, hardware, communication technology and other areas have greatly impacted the world of project management over the last couple of decades, and things are changing even faster today. While new capabilities often lead to heightened expectations from customers and senior management, the end result is that project teams are able to achieve more in less time than ever before.

5.3.1 Improved Communication- moving to the Cloud

Most project managers would tell you that communication is the key to project success. So, one of the most important uses of technology in project management is to ensure proper communication between managers, team members and other stakeholders. A few decades ago, when email first came into common use, project managers used it to replace interoffice memos, faxes, voice messages and other less-reliable forms of communication. Now, as social collaboration tools and other innovations have begun to replace email, successful project managers continue to use the latest technology to share updates, documents and other critical information with their project teams. When it comes to newer types of technology for PMs, the most influential is the effect of collaboration tools and project-based chat platforms. Recent innovations in social platforms reflect the growing need for team members who may not be working in the same space to keep updated in real time. To attract top talent companies in Croatia are offering benefits like working from home- "Friday in slippers". As this trend grows and becomes the more practical standard for businesses, chat software and social tools are becoming one of the most crucial types of technology used in project management. Rather than going through hundreds of emails, meeting notes and other documentation to find relevant information, project team members can use cloud collaboration tools to communicate in real time and organize all of their interactions and work documents together in a single location. Ideas get shared with a wider audience, tasks get completed faster and project managers can follow the action without disrupting everyone's day for unnecessary status meetings.[13]

[13] https://www.clarizen.com/5-ways-technology-has-changed-project-management/

Project management software is nothing new, but until recently, effective project management solutions were often too expensive and too complex to justify use by any but the largest and most profitable organizations. In the last decade, a revolution has taken place, as cloud-based project management software like Odoo and Open project has become accessible for companies of all sizes. Cloud project management technology is not only more cost-effective and easier to manage, but it allows for mobile access and interoperability in a way that on-premise PM solutions simply can't match.

5.3.2 Real-Time Updates and Reporting

In addition to cloud-based software that tracks teams progress and updates team members in real time, having technology that is constantly updating and adapting itself to the changing market is an essential component of team-based research and development. When data is always subject to change, it's of the utmost importance that data-based projects don't get caught with ineffective or outdated information. In the old days, it might take days or even weeks for a project manager to gather updates from stakeholders, update the project plan accordingly and distribute the latest reports and Gantt charts to the team. Today, thanks to cloud-based project management software, PMs can check on task status, update project documentation and alert the team of any issues in a matter of seconds. Many teams today are working across cities, countries and time zones to accomplish a specific time-sensitive goal. Because of this, the importance of scheduling software to successful project management cannot be underestimated. With the growing number of decentralized workforces, making sure that each team member is on the same page with group meetings, calls and deadlines, can mean the difference between a successful project outcome and a disastrous mess.

With workflow and reporting automation, you can free members of your team from ongoing administrative tasks so they can focus on what's really important. In doing so, they can respond faster to important queries and complete the task at hand. When seeking out workflow automation tools, be sure to adopt a flexible system that can quickly adapt to changing market conditions. Just as the cloud allows businesses to update and communicate in real time, modern scheduling software benefits from being built into certain social and chat platforms. This kind of technology is vital when it comes to team accountability, project progress tracking and advanced, team-wide communication.[14]

[14] https://www.clarizen.com/five-technologies-can-improve-project-management/

6 Leadership types

Leadership style is the way a person leads people. Research has identified different leadership styles based on the number of employees. The most appropriate leadership style depends on the leader's function, employees and situation.

Some managers may not work with a high degree of follower involvement in decision making. Some employers do not have the ability or desire to take responsibility. Furthermore, the specific situation helps determine the most effective leadership style. Sometimes leaders need to solve problems that require immediate solutions without consulting followers.

Leadership is the most important part of any process in the company especially in the high-tech industry where changes occur often and are rapid and the top talent is employed. There is a growing emphasis on the importance of successful leadership, the influence of leaders on employees. Leadership shapes the vision and the direction of a company and organization and can introduce major change, encourage cooperation, make a company an attractive place to work, etc.

Also, good leadership can encourage collaboration and self-development between employees, allow them to conduct business the way they seem fit as long as the results are in accordance with the direction of the manager. With a good leader, employees are motivated and encouraged to creatively carry out the vision, resulting in increased performance of the individual and the organization.

6.1 Transformational leadership

Unlike other leadership styles, transformational leadership is what drives change in organizations, groups, personal and others.

Transformational leaders encourage others to do more than they originally intended and often even more than they thought they could. They set more challenging expectations and usually achieve higher performance. Statistically, transformational leadership usually has more committed and satisfied followers. This is mainly because transformational leadership empowers followers.

All in-depth transformational change begins with a leader who is able to inspire other employees in the organization with a new purpose and mission. Transformational leadership, one of the latest and most comprehensive approaches to leadership, explores how leaders can shape and create a clear vision for their organization, inspire others to accomplish great things, and become agents of change. Exploring the nature of transformational leadership with the challenges of sustainability and social responsibility, and how it can be applied to individuals is a very important topic that is very often overlooked. Every organization, community, city, and state want to not only survive but prosper in the future, but the question is how.

The idea and practice of the future-fitness concept, which represents the organization's ability to create a better future, adapt to changing circumstances faster than ever, and be resilient to adverse future scenarios, should be explored.

Numerous studies describe predictions and propose scenarios if we are to achieve a sustainable and secure future. It is this understanding of the key megatrends of the future and the picture of the world in 2050 that can help decision makers to have a more holistic view of the challenges of doing business in the future.

6.2 Transactional leadership

Transactional leadership is a leadership that maintains or continues the status quo. It is also leadership that involves the exchange process, with followers receiving immediate, tangible rewards for executing the leader's orders. Transactional leadership can sound pretty basic, with an emphasis on sharing.

To be clear, focusing on expectations, giving feedback are all important leadership skills. Transactional leadership may include: clearly communicating what is expected by explaining how to meet such expectations; and awarding prizes that are contingent on meeting goals.

6.3 Servant leadership

Service leadership is an approach to leadership that starts with the needs of employees. It is based on the assumption that a job exists for employee development just as much as an employee exists to get the job done. It is most commonly used in learning organizations because it drives employee creativity, full confidence and natural impulses to learn.

This leadership style is dedicated to developing employees as well as the entire organization. Unlike traditional leadership styles, this style does not seek to dominate employees but to

direct and inspire them. One of the hallmarks of this leadership style is the shared power and participation of all members of the organization in making important decisions. The servant leader should have the following characteristics:

- vision
- honesty
- trust in employees
- ability to form a team
- respect for employees
- delegation of authority to subordinates

This model has the potential to fundamentally change relationships within the organization, as it encourages dialogue and mutual respect between the leader and subordinates, resulting in better organizational outcomes. The advantage of this model is the creation of a positive corporate culture and raising employee morale.

6.4 Laissez-faire leadership

Laissez-faire leadership gives authority to employees. Teams or subordinates may work with minimal or no disruption. According to research, such leadership is consistently considered to be the least satisfactory and least effective way of management.

This type of leadership creates the best conditions for innovation and flexibility. It works best for creative teams, that have self-motivated and experienced individuals who don’t require a big level of supervision and guidance.

6.5 E- leadership

E-leadership is also one of the contemporary styles of leadership. This style of leadership differs significantly from other contemporary leadership styles. A manager in this situation does not have direct face-to-face communication with his subordinates, but communication takes place through the use of technology. This is due to the fact that organizational units are geographically dispersed.

In virtual teams, competition between members occurs when split jobs are performed in different time zones, when local communication and infrastructure are not satisfactory, when hardware and software platforms are different and when some local work requires immediate attention of workers and managers.

Given the advancement of technology and the process of globalization, this leadership style is set to become one of the most important leadership styles in the future.

6.6 Differences between traditional and modern leadership styles

Traditional leadership theories have focused primarily on the leader, believing that a successful leader possesses specific abilities and skills. Contemporary leadership styles, on the other hand, place the focus on the relationship between the leader and his subordinate. In doing so, the power of the leader stems from the legitimacy given to him by his subordinates, and developing mutual trust becomes one of the most important factors. From this very fact, a clear distinction can be drawn between traditional and contemporary leadership styles, because in traditional leadership styles, the power of a leader stems primarily from his hierarchical position.

The second mayor difference between traditional and contemporary leadership styles is in the way they make decisions. Traditional decision makers usually make their own decisions. In addition, he creates a vision for the organization, sets strategies and plans. Once decisions are made, they are forwarded to subordinate employees for enforcement. The adoption of the vision by the employees is quite a long process. Modern leadership styles are characterized by shared decision-making, usually within specific groups and teams. Group decision-making techniques can also be used. In this way, the involvement of all employees in the decision-making process is achieved. The vision is made by aligning the vision of the leader and the vision of the employees. This shortens the time it takes to accept the decisions and direction you have set.

The relationship between leader and subordinates in traditional leadership styles is formal. A manager makes decisions, passes them on to subordinates, who are expected to make those decisions. In doing so, the leader monitors, directs and rewards or punishes them depending on the result. On the other hand, in modern leadership styles, a leader is a motivator, a teacher and a helper. The leader motivates employees, assists them in solving tasks, shows them ways of solving tasks, and in addition gives some flexibility in solving tasks.

Also, one of the characteristics of contemporary leadership styles is giving the employee the ability to make their own decisions regarding their workplace, which can result in increased employee motivation.

In traditional leadership styles, the emphasis was placed on efficiency and change management. Contemporary leadership styles, on the other hand, are characterized by a process of thinking that is focused on people and events outside the organization.

The application of information technology plays an extremely important role in modern leadership styles. It enables easier management of geographically dispersed parts of the company, faster flow of information between different organizational levels and parts of the enterprise, easier decision making, easier obtaining of necessary information and faster response to challenges and changes. The accelerated development of information technologies, the constant increase in the complexity of modern business and the strengthening of competition, will surly result in new leadership styles. On the other hand, the role of information technology in traditional leadership styles is not so pronounced, which due to the fact that no complex IT systems were developed at that time.

7 Employee motivation and motivation theories

Employee motivation is an extremely important function of managers within a company. If managers want to create an environment where each individual gives his or her maximum and contributes to the organization, they need to create a climate that will be able to influence employee motivation when needed. Employee motivation and satisfaction are becoming the main occupations of modern management, especially in times where retaining the best employee is becoming increasingly defficult and where millennials, as a dominant work group, tend to change jobs.

Times are changing faster than ever before, and with them the needs of employees. Employees are looking for better conditions, but are more determined to leave the employer, if they do not get it, which once seemed unthinkable and counterproductive. But in recent years it has been an extremely successful tool in creating an environment that is appropriate for the workplace and atmosphere. Motivation is not a simple concept, it refers to different desires, needs, aspirations and various other factors. It is up to the manager to create an environment that will encourage employees to contribute.

New generations know what they need and want and are confident enough with the right knowledge and skills set to get it. Therefore, if an organization wants to get the most out of its employees and thus make progress at all levels, it has to listen to the requests of the Millennials and Generation Z.

It is up to the manager to apply the appropriate motivational technique in order for the employees to be efficient and strive to achieve the company's goals.

7.1 Herzberg’s Two-Factor Theory

Herzberg's two-factor theory strongly influenced motivation theories and management practices. A number of scientific papers have been made on this concept, showing how new management styles influence the styles of managing and improving efficiency in the workplace.

Herzberg's theory is based on the work environment and the classification of factors for work. There are two key assumptions underlying the motivation model.

The first assumption is that pleasure and dissatisfaction are not opposite ends of one continuum; the opposite end on the continuum represents the absence of pleasure and the opposite end represents the absence of dissatisfaction.

The second assumption is that there are two different categories of motivational factors - extrinsic or hygiene and intrinsic or motivators. Extrinsic factors are related to the situation in which the person is acting, while intrinsic are related to the job that the person performs.

Intrinsic factors are motivators, which means that they lead to greater job satisfaction and thus greater work engagement. Therefore, it can be said that challenging work, achievement, success and responsibility are factors that directly affect job satisfaction and therefore work behaviour and productivity.

Extrinsic factors have the character of hygienists - they prevent job dissatisfaction but do not affect work engagement. This means that good interpersonal relationships, high pay are not motivating factors, that is, they do not affect job satisfaction but eliminate and prevent dissatisfaction. So, it can be seen that the increase in motivation for work can be followed by the redesign of the job to allow individual development. Therefore, Herzberg is committed to enriching the business and provides basic principles and practical advice on how to do it[15]

7.2 Expectancy Theory

Vroom's theory says that people's motivation is determined by value they attach to the result of their efforts multiplied by the confidence with which they believe their efforts will help them achieve their goals. Vroom believes that people will be motivated by actions to achieve a goal if they believe in the value of the goal and if they can see that what they are doing is helping to achieve it.

One of the strengths of Vroom's theory is that it recognizes the importance of different individual needs and motivations. Vroom's theory seems much more realistic. It fits into the concept of “goal harmony”: individuals have personal goals different from organizational goals, but these goals can be aligned.

Vroom's theory of expectations considers that the environment significantly influences the behaviour of employees (individuals) or the successful completion of all goals, with the individual's attention being first focused on determining the main goal, and then on the goals

15

for which value and instrumentality are determined, respectively. whether goals and performance are achievable or not.[16]

7.3 Equity theory

The significance of Adams' theory for the development of motivation theory is that it alerts managers to the importance of perceptions and attitudes, and in particular the perceptions of the fairness of rewarding work. It is the responsibility of managers to explain and substantiate their decisions regarding the distribution of work awards, and to provide employees with feedback on their work. Managers must be able to constantly monitor employee signals, especially the negative ones that implicate people's dissatisfaction, in order to reduce or eliminate their causes, and thus have a positive effect on employee motivation and performance.

An important motivating factor is whether individuals perceive the reward structure as fair. One way to approach this problem is through equity theory, which refers to the subjective judgment of an individual about the fairness of the reward he or she receives in relation to inputs, compared to the rewards received by others. J. Stacy Adams is largely credited with formulating Equity theory. If people feel they are being unfairly rewarded then they may be dissatisfied, reduce the quality or quantity of output, or leave the organization. If people think the rewards are fair, then they are likely to maintain the same level of output, so Equity theory implies that the relationship between investment and output is as fair as possible.

The term “input” represents what an individual gives to a company, namely: knowledge, age, experience, skills, abilities, psychic and physical energy, dedication, work contribution. While the term outputs represent: salary, benefits, achievements, satisfaction, prestige, recognition, promotion.

The aim of this theory is to find a balance between what each individual invests in the company and what the company gives him, so that the employee is not dissatisfied and thus unmotivated.[17]

16

17

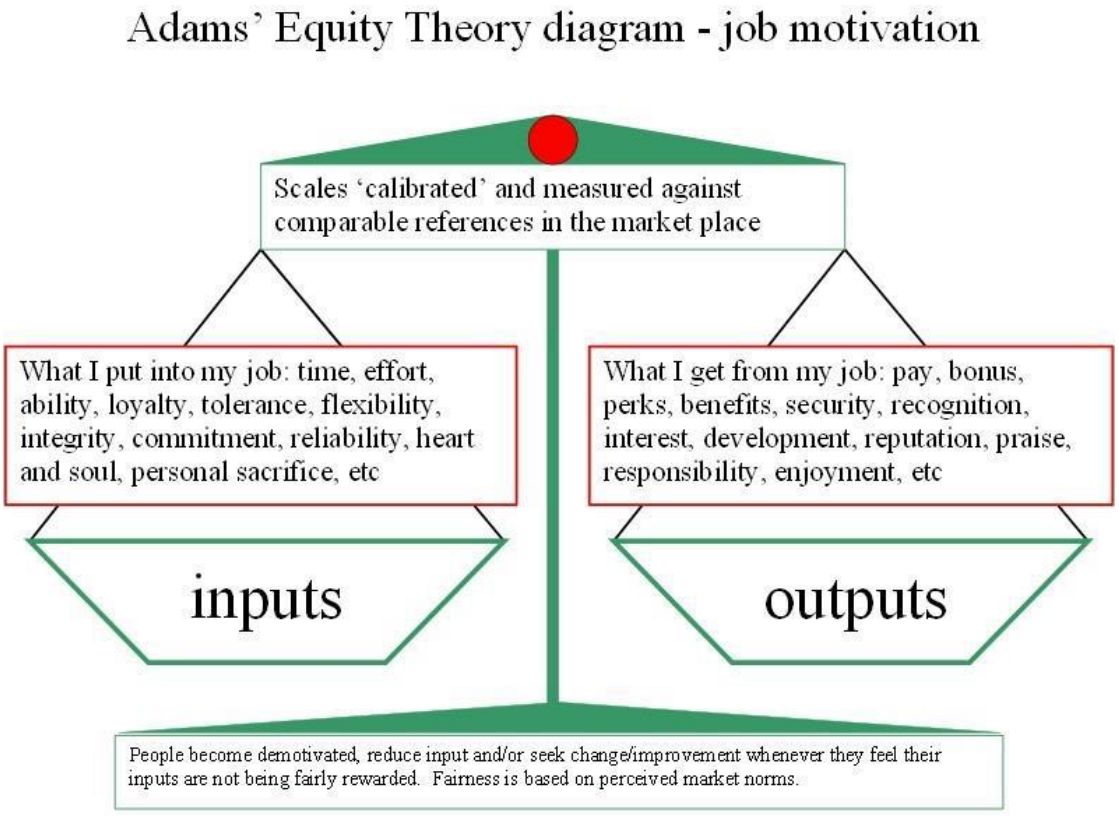


Figure 1

7.4 Goal-Setting Theory

The basic premise of goal theory, laid down by Edwin A. Locke (1968) and extended with Gary Latham, is that setting clear, well-crafted and achievable goals works motivationally and increases efficiency. The individual sets a goal for himself and acts congruently to achieve it. The individual evaluates the result of the behaviour according to the set criteria and their values. If an individual is not satisfied with the discrepancy between set and achieved, he or she will set a new goal.

Individuals also strive for greater effort to improve the task when there is a high achievement norm in the group. Goal setting draws attention. The more specific the goals, the greater the degree of control an individual has over them. This is especially pronounced in a competitive context when victory is set as a goal as opposed to the specific task to be accomplished. Goals must be matched with feedback. Merely knowing the results of achieving a goal is not as effective as applying concrete, specific goals and feedback at the same time. Locke, based on a review of the existing literature on goal theory, concluded that goal setting improves task performance is one of the best-established findings in management and psychology.[18]

18

8 Research

9 Conclusion

Digital transformation is the successful integration of technology into everyday business. It is not just words on a piece on paper, but a radical change of business which application and effects can result in immediate changes, now and in the future. The speed of adaptation to new technologies and their application in business processes bring companies the competitive advantage and innovation that is crucial to business success today. The digital transformation of business is one of the biggest opportunities and challenges currently facing companies.

A company will not succeed in its digital transformation just by purchasing numerous IT equipment and outfitting its offices, without a clear vision there is no room for change. Developing a strategy for a successful transformation is a challenge both for large companies as well as countries, so it should not be taken lightly. A major obstacle is the fear of change and this is most evident in the generations that have not grown up with technology. They still represent a great share of the work force and it is a great challenge for them.

For starters, it is necessary to involve all the major decision makers - they are the ones who will drive the rest of the employees and make sure that the strategy is working. Without the buy- in from the upper management the transformation is likely going to fail. Business are not easy to transform and reorganize, especially when it comes to digitization. Given the speed at which the business environment is changing today, thanks to technology, digital transformation requires bold decisions, often accompanied by sacrifices. Knowing how to deal with such decisions, prioritizing and knowing how to implement them is often exactly what makes the difference between a successful and an unsuccessful transformation. However, along with visible and tangible changes, those concerning relationships and views on business in general should be introduced. You need to find the methodology that best suits your workforce and delivers results on a business plan while enhancing collaboration. Digital transformation also applies to digital marketing and many other processes. The point is not having technology replace the workforce and doing the work in exactly the same way, but rather that it enhances the whole process and makes it more efficient. A good example is Airbnb and Uber, they have taken a specific need of the market and offered it in a way that suits both those who provide the services and those who use the services. Their business is

entirely digital, and the popularity they have gained in the short term speaks volumes about the success of the implementation.

There are numerous roadblocks for companies throughout the digitalization process. Today it is quite clear that the digitalization of society is the precondition for a successful future and digital transformation is a necessary process without which there is no sustainable development. But technology is only one element of transformation, which alone cannot guarantee its success. The key to any transformation lies in people, their acceptance of new technologies, ways of working and adoption to a new environment will determine whether or not the transformation will be successful.

Today's times also require new skill sets in managing people, because times are becoming more and more challenging. What leaders absolutely need today is the right mix of hard and soft skills. In addition to knowing the basics of economics and business, modern leaders and project managers are expected to have social skills, such as the ability to work in teams, inspire others, and be resilient of negative external influences, but also have basic IT knowledge for example in data analysis and programming skills…

If leaders and project managers want to be successful in the modern business environment, they must work on the following:

1. **Be a team player and open to diversity**

People who love to work alone are the past. This also applies to managers. Today, team players are expected to accept and use other people's knowledge. In this context, it is important to encourage heterogeneity - taking into account cultural, social, technical as well as other aspects of competences. Teamwork is becoming increasingly important to companies because there is no room for ego management today. Innovation and change are especially driven by different perspectives and the ability to take into account different opinions within a team.

2. **Have courage and a "fearless" attitude**

Change is necessary, but courage is required to implement change. So, businesses need leaders who aren't afraid to do something new and do things differently - even when they face resistance. Today, there is no longer obvious right or obvious wrong ways. It is therefore increasingly important for managers to be able to deal with inconsistencies and continue to make decisions - which inevitably involves entrepreneurial risks. Entrepreneurial thinking is in line with modern corporate strategies and is therefore essential for every manager.

3. **Complex problem solving**

The more the problem, the more complex it becomes to find a solution. In today's business world, complexity is an everyday part of corporate life. Managers are therefore expected to consider multidimensionality and to look at the bigger picture. The answers cannot be simple. Different scenarios need to be prepared and developed always have a Plan A and a Plan B.

Solving complex problems is an especially important skill but difficult to find because people naturally tend to micro-manage and find it easier to handle small projects, especially when transitioning from an expert to a leadership role. The emphasis is on the employer/upper management, they need to encourage managers to deal both with complexity and to leave micromanagement behind.

4. **Inspire and guide others**

Encouraging people's development instead of issuing orders is a characteristic of good managers. This philosophy is based on the realization that you cannot achieve goals without a motivated and functional team. Therefore, managers are expected to be leaders who enable and assist employees in coping with challenges in the best possible way. In addition to supporting the team, what is most important is to provide a realistic idea of what is achievable. This is a very demanding skill as it requires people with a thorough understanding of their own strengths and skills who are able to lead and handle good and bad feedback well. Only managers with these qualities can successfully lead others.

5. **Be extremely resilient and highly motivated**

The ability to work under pressure and not be discouraged by obstacles is one of the most important soft skills. As a manager, he or she should be prepared to adapt the strategy depending on changes in the environment. It is important not to be discouraged, but to take steps in a pragmatic and bold manner to achieve the set goals. Resilience also involves resolving disputes in a professional manner as well as allowing and expressing criticism especially within the team.

The development of these characteristics depends especially on the culture of the organization. Upper management should therefore ensure the conditions in which people are nurtured in the best possible way. Managers cannot be resilient and motivated if their organizations hinder the development of such qualities.

6. **Being able to prioritize**

Taking care of all the immediate requirements for managers can be daunting and extremely exhausting, especially for someone new in the management role. Those who do not set priorities will inevitably fail. Effectively managing your own time and that includes delegating some of the tasks is one of the most important skills today. Even distinguishing what's "urgent" from what's "important" can be very helpful when it comes to planning your day. Executives should be able to prioritize tasks with their team.

This is especially important for because companies need managers who have clear goals. This is the only way to avoid burnout. Experience has shown that organizations themselves often do not have clearly defined goals and a lot of ad hoc requirements, which makes it difficult for employees to organize and structure things.

7. **Networking**

Good networking has always been a career advantage, but today the focus is more on the mutual benefit of such contacts. “Networking beyond your own organization and industry is becoming increasingly important,” as best seen by LinkedIn and its acquisition by Microsoft. In order for both parties to benefit, they should equally invest in this relationship. Also, networking enables early identification and exploitation of trends. Because of the development and dependence on technology, interdisciplinary thinking is becoming more and more important and the borders between different industries are getting increasingly blurred. Business networks generally have many positive effects. In a business context, this means that there should be people in the organization who are aware of this, for example being synonymous with creating and nurturing networking and building effective and mutually beneficial collaboration.

8. **Strategic thinking**

Early recognition of trends is also the basis for strategic thinking and is something that managers need to do more than ever before. Those focused only on day-to-day business activities risk losing sight of long-term corporate goals and vision. It is therefore necessary to analyse different perspectives and how things are most likely to develop in the future. Managers are advised to regularly address key issues in the context of their business progress.

Only time will tell if managers have this ability. Generally speaking, the key is how the organization is structured and whether there are enough opportunities for people to realize their potential and develop their skills. Which would mean that it is not necessary to hire

managers who already have all the necessary qualities. Provided there is a proper environment, many things can develop at work. This is something that senior executives should take care of.

9. Developing an understanding of programming

Today, all companies are faced with information technologies and trends such as artificial intelligence, Big data and IoT. Therefore, managers are expected to have a basic understanding of information technology and programming languages. When it comes to interacting with experts in the field, it is extremely important for managers to be able to follow the topic and be able to ask the right questions. Dependency on the IT departments and developers is getting bigger every day. Knowing the difference between a frontend and a backend developer becomes the basis that every manager needs to know. The world is becoming more and more digital, and technological change is an everyday occurrence. Companies cannot change and adapt unless they are open to new topics and have the necessary technological know-how.

10. Ability to use Big data

Information and data are the greatest resources of the 21st century and can provide businesses with a decisive competitive advantage, provided the data is properly analysed and processed. Therefore, managers are expected to thoroughly understand the potential of Big data. Companies cannot capitalize on data unless the organization as a whole lacks the right mindset and this starts at the managerial level. There are companies in Croatia, mainly from the banking and telecommunications sectors, which are full of information but are not able to monetize it. A new approach to big data is a must for a modern executive.[19]

Changing is not easy and the times where you work for one company your whole career are long gone. Nowadays we constantly have to grow and adapt to new technology, market trends, customer demands… So, in order to do that, we have to change our way of working and thinking. Embrace responsibility, learn new skills, develop new techniques, use technology to make us faster, more flexible, digital. We have to change to grow and that change starts with every one of us.

An agile approach includes a new way of doing things, new way of thinking, new way of approaching challenges etc. In a company with over 5.500 employees it usually up to a team of 50 people to change the way a company works and develops products. In a company that

[19] https://www.ft.com/content/64b19e8e-aaa5-11e8-89a1-e5de165fa619

big change is not always easy or fast, but we are on the forefront of that change and it's up to all of us to convey the methodology, the best practises, ceremonies, way of working and thinking… so our companies can transform and run with the changes that are happening all around us.

But it's not just about working agile, it's about changing are corporate culture, taking responsibility, getting out of our comfort zones. Most big and famous companies are the incumbent now and in big part function like a traditional telecom company, but my belief is that we need to change/adapt to grow and challenge the likes of Apple and Google. You easily get lost in the corporate hierarchy and good ideas have trouble reaching the top management, but with taking ownership and embracing risk I believe we can achieve more. In my opinion agile working is much more than a "new" way of doing the same old tasks, it's a mindset, it's a disruption within a traditional company that has the ability to change how we operate, interact with customers and develop products and services.

So, I truly believe that change is necessary, that a growth mindset is necessary and that it's the only way to reconnect with customers and achieve growth. Some of us have to give up part of our responsibilities/burdens, some of us have to take on new ones and accept accountability, but together we can do it.

10 References