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The involvement of employees as a flexibility factor of companies in the Republic of Serbia – empirical research

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Abstract: Adequate and timely response in terms of permanent changes is essential for the survival of any company. The capacity for such response is measured by degree of flexibility, whereby flexibility is the ability of the company to change itself or to be easily changed according to any given situation. The phenomenon of flexibility can be achieved by more complete involvement of employees in the system of organization functioning, including development of their resources, participation in decision-making and self-organization of work, freedom to undertake initiatives, a good system of information, and encouragement of team orientation and interactivity of employees in achieving organizational goals. The study's aim is to show, through empirical research, a degree of employees' involvement in companies in Serbia, to identify the factors that influence its development and analyze difference in involvement in domestic and foreign companies. The survey was conducted through a questionnaire based on Denison model of organizational culture whereby the sample size 1000 respondents. Data were statistically analyzed and interpreted. The results showed that companies in Serbia still need to work on improving involvement of employees in a company life, that there is difference between domestic and foreign companies in decisions making and that the team work is the main factor of involvement of employees.

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Uključenost zaposlenih kao faktor fleksibilnosti privrednih društava u Republici Srbiji –empirijsko istraživanje

Apstrakt: Adekvatno i pravovremeno reagovanje u uslovima stalnih promena od suštinskog je značaja za opstanak kompanije. Kapacitet za takvo reagovanje se meri stepenom fleksibilnosti pri čemu se pod fleksibilnošću podrazumeva sposobnost da se kompanija promeni ili da se lako menja u skladu sa situacijom. Fenomen fleksibilnosti može se ostvariti kompletnijim uključivanjem zaposlenih u sistem funkcionisanja organizacije, što podrazumeva razvijanje njihovih potencijala, participaciju u donošenju odluka i samostalno organizovanje posla, slobodu u preduzimanju inicijativa, dobar sistem informisanja, podsticanje timske orjentisanosti i interaktivnosti zaposlenih u ostvarivanju organizacionih ciljeva. Cilj ovog rada jeste da se kroz empirijsko istraživanje prikaže stepen uključenosti zaposlenih u organizacijama u Srbiji, da se identifikuju faktori koji utiču na njen razvoj i analizira razlika uključenosti zaposlenih u domaćim i stranim kompanijama. Istraživanje je sprovedeno putem upitnika baziranog na Denisonovom modelu organizacione kulture pri čemu je uzorak veličine 1000 ispitanika. Podaci su statistički obrađeni i interpretirani. Rezultati su pokazali da privredna društva u Republici Srbiji još treba da rade na unapređenju uključivanja zaposlenih u život kompanije, da kod donošenja odluka postoji razlika između stranih i domaćih kompanija i da timski rad jeste bitan faktor uključivanja zaposlenih.

Cljučne reči: fleksibilnost, uključenost zaposlenih, organizacija, privredno društvo, Denisonov model, Srbija

1. Introduction

In a time when environment changes make some businesses obsolete, an organization quickly becomes unsuccessful from successful. It seems that companies are now more than ever faced with risks and uncertainties of occupied positions. Chances for success are on the side of those organizations that develop an ability to adequately and timely respond to all challenges of the environment. Flexibility has become the most desirable trait of today as well as the significant part of organizational culture that brings success.

According to Denison model, phenomenon of organizational culture flexibility is consisted of employee involvement and of adaptability of a business entity. Achieving flexibility while preserving stability (consisting of mission factor and

work consistency) is an organizational culture formula, according to the mentioned model, now thought to be a key factor that brings long-term success and prosperity to organizations.

In an era of change, one of the first amendments that any organization needs to introduce is just that which involves an attitude adjustment towards its employees. More complex circumstances, speed, pace and working conditions require exceptionally intellectually strong and educated employees, skilled in communication that reinforces the need of organizations for giving more space to initiative of employees and for creating an environment that will allow people to express and promote their full potential. By converting employees in a team, the power of organization as a whole strengthens, simultaneously securing its competitiveness.

The significance of the research is in determining the real state about involvement in organizations in Serbia and a determining a way of improving of their functioning, especially of domestic companies, which after a period of transition, trying to integrate successfully into the European and world economy.

2. Literature review

Employee involvement is a complex process that, as per Denison's definition (Denison & Neale, 1999), involves strengthening the potential of employees by developing their skills and responsibility, and enhancing their feeling that they are parts of the team moving towards achieving a common goal. We can even define it as a „participatory process that uses the input of employees to increase their commitment to the success of an organization” (Robbins & Judge, 2009, p. 235).

The real importance of the human resources for an organization became clear in the period of the big oil crisis, when Japanese companies, despite the fact that they had imported techniques of production and productivity management from the United States of America (USA), grew to be absolutely superior to them. What has made an important difference between companies in Japan and the United States is the approach to human resource management. If we look, for example, at companies Toyota and Ford Motor Company, it is known that, unlike their American rivals, Toyota's administration has always firmly believed that “the first-line employee can be more than a gear in the production machinery” (Hamel & Breen, 2009, p. 42). They tried to get the most out of their people and to maximize their mental and intellectual potential on daily basis. In short, they considered their employees to be geniuses that would enable them to quickly and easily improve their business. In contrast, car manufacturers in the United States ignored the potential of employees and

contribution they could make. They had more confidence in various experts, additionally engaged, who helped them to improve their quality and efficiency. Contempt for workers' intelligence was so great that Henry Ford once grumpily asked, "Why do I always get a brain along with a pair of hands I ask for?" (Hamel & Breen, 2009, p. 42). Instructive in this case the company is increasingly becoming to invest in their employees and expect more of them.

During 1994 a survey was conducted among business people in different industries. They were asked, "What percentage of their time people in your organization spend thinking, learning and innovating? The responses obtained were in the range from 5 to 15 percent" (Goldman, Nagel, & Preiss, 1995, p. 190). It was certainly better than ever, but today it isn't enough. Learning and innovating have become the existential need and dominant process in life of organization or a man who today spends the bulk of his working hours overcoming innovations and other challenges.

Peter Drucker (2006) points out that current management has to enable a company and each of its members to grow and develop with the changing needs and opportunities, highlighting that every company is an institution that learns and teaches, and that training and development must be integrated into all company levels. By saying that, the author emphasizes that training is a continuous and never ceasing development. „Effective organizations empower their people, build organizations as teams, and develop human resources on all levels" (Denison, Haaland, & Goelzer, 2004, p.100). Bill Gates, one of the most successful managers in the world, says that "each morning, ninety percent of a company's value walks in, and walks out in the afternoon" (Jovičić & Jovičić, 2015, p. 196). Modern managers and companies have to try to motivate workers to participate in team-work in order to achieve quality and to carry out constant enhancements (Cvjetković, 2015). Adizes (2012) also points out that „people in every organization must be aware that all of them will rush into disaster if they fail to cooperate and fail to enable progress and development" (p. 232). Also, "the power of total quality management is greatly improved by the involvement of employees in teamwork" (Nadler et al., 1992, p. 141).

One more benefit that brings concept of involvement of employees is fact that "contrary to the traditional hierarchical organization, which seeks to have a standard policy and procedures when dealing with certain issues, organizations with high employee involvement can make more effective decisions on specific environmental issues or specific customer requirements, but also have the chance to be more flexible and faster in decision making" (Galbraith, Lawler III, & associates, 1993, p. 174).

In her work, *Organizational culture and entrepreneurship*, Krouse (2012) cites examples of companies Chrysler, Family Health West whose managers have succeeded to save their companies from doom just by changing the culture,

which now implies the inclusion of employees, focus on learning and emphasis on quality. However, the fear of employees' empowerment is widespread and totally unjustified. The power and success of every organization grow through the synergy of power and success of its employees. In other words, "the greatest potential of a company are its workers and hiring only the best employees, and the use of such workers in the best way, company can achieve a competitive advantage" (Perić, 2015, p. 36).

Using the empirical analysis, Batt (2002) has also come at a result which supports position on the importance of involving employees in an organization, presented in his study: "...The high involvement practices have a direct impact on the performance of employees as well as indirect impact on the performance of the lower rates of employees' departures" (p. 594-595). Simply, involving employees positively influences their motivation by meeting the need for self-actualization as the highest human need, which will make them more loyal and will have a positive impact on their results. According to Frank (2015), people will develop positively where there is an atmosphere of support or in a case they don't get enough attention and support, their abilities, talents and attitudes will be turn in a bad direction.

However, statistics of the involvement of the workforce, either in Serbia or in other world countries is not at a high level. Gallup survey, presented in 2013, found that "only 13% of employees across 142 countries worldwide are engaged at work. Moreover, 'actively disengaged workers' – referring to those who 'are negative and potentially hostile' to their workplace – outnumber their engaged counterparts at a rate of nearly 2 to 1. In Australia and New Zealand, for example, 60% of employees are not engaged and 16% are actively disengaged on their job. In the United States, 52% of the workforce are disengaged" (Sowath, 2015, p. 309). "The current state of affairs in the Serbian economy reflects a situation in which corporate performance is influenced to a much lesser extent by certain specific knowledge and skills. In other words, the performance of companies still depends mainly on the physical assets of an enterprise, location value, and potential market position that have a tinge of monopoly (or oligopoly)" (Dženopoljac, 2014, p. 181).

It is more than obvious that in the modern work conditions, when is work reduced to a purely intellectual activity, favoring people, as the only resource that has the ability to learn and think, becomes the primary activity of innovative management. The reason is simple – everything owned by a company can be ruined, but if it has knowledge, it will again raise by the power of its productivity. "Firm's competitive advantage lies in its ability to create, recombine and transfer knowledge efficiently within the context of a dynamic competitive environment" (Buller & McEvoy, 2012, p. 48).

3. Research methodology and basic hypothesis

The survey was conducted by technique of written interviewing. A questionnaire in the form of Likert scale for measuring attitudes (1 – completely disagree, 2 – partly disagree, 3 – neither agree nor disagree, 4 – partly agree, 5 – completely agree), constructed according to Denison's model (Denison & Neale, 1999) with slight modification of attitudes, was used for data collection. The questionnaire was distributed in direct contact with respondents and via social network Facebook. Data were analyzed and interpreted using the program IBM SPSS Statistics 21.

The following attitudes were tested: Most employees are highly involved in their work, Decisions are usually made at the level where the best information is available, Information is widely shared so that everyone can get the information he or she needs when it's needed, Everyone believes that he or she can have a positive impact, Business planning is ongoing and involves everyone in the process to some degree, Cooperation across different parts of the organization is actively encouraged, People work like they are part of a team, Teamwork is used to get work done, rather than hierarchy, Teams are our primary building blocks, Work is organized so that each person can see the relationship between his or her job and the goals of the organization, Authority is delegated so that people can act on their own, There is continuous investment in the skills of employees, The capabilities of people are viewed as an important source of competitive advantage, Problems seldom arise because we have the skills necessary to do the job. Only key words that describe attitudes will be shown in the tables below.

In order to elucidate factors of flexibility in Serbian companies, we have conducted a research on a sample of 1,000 respondents employed in domestic and foreign companies in 29 cities in Serbia. The survey was conducted in the period from November 2014 to November 2015. The following results are part of the research on organizational culture in companies in the Republic of Serbia – made according to the needs of a doctoral thesis (Gavrić, 2016).

Basic research hypotheses are:

1. Employees in companies in Serbia are involved in the life of their companies.
2. There are some differences of opinion about the degree of involvement of employees in domestic and foreign companies.
3. Teamwork is the essential factor in the involvement of employees.

To test the hypothesis 1, which aims to analyze the involvement of employees in company life, a descriptive analysis was used. To test the hypothesis 3, which aims to analyze the similarities and differences in the degree of involvement in the organization of domestic and foreign companies, we applied the t-test for independent samples and to determine the important factors of involvement we used factor analysis, Extraction Method: Principal Component Analysis with Rotation Method: Varimax with Kaiser Normalization.

3.1. Research sample

Tables 1 and 2 provide a description of personal characteristics of respondents and the companies in which they work.

Table 1. Description of the personal characteristics of the sample

		Frequency	Percentage
Gender	Male	520	52
	Female	460	46
	Missing	20	2
	Total	1000	100
Age	18–30	340	34
	31–40	380	38
	41–50	190	19
	41–60	80	8
	Over 60	10	1
Level of education	High school / highly skilled workers	420	42
	College	270	27
	Faculty	200	20
	Master	90	9
	PhD	20	2
Years of service	to 5	350	35
	6–15	390	39
	16–25	160	16
	26–35	90	9
	over 35	10	1
Work position	Worker	640	64
	Low-level manager	190	19
	Middle-level manager	90	9
	Top-level manager	80	8

Source: author's research

Table 2. Description of the company

		Frequency	Percentage
Company size	Micro	200	20
	Small	171	17.1
	Medium	338	33.8
	Large	291	29.1
Company activity	Services	204	20.4
	Public administration and mandatory social security	178	17.8
	Production	140	14
	Education	116	11.6
	Finance and insurance	84	8.4
	Transportation and storage	66	6.6
	Lodging and meals	47	4.7
	Health and social care	43	4.3
	Information and communication	39	3.9
	Administrative and support service activities	36	3.6
	Professional, scientific and technical activities	26	2.6
	Arts, entertainment and recreation	19	1.9
	Real estate services	2	0.2
	Company ownership	Domestic	860
Foreign		140	14
Ownership structure	Private	520	52
	State-owned	440	44
	Public	40	4

Source: author's research

4. Analysis of the employees' involvement

Table 3 presents data of the central tendency (mean) and standard deviation relating to attitudes that describe the involvement of employees, for a sample size of N = 1,000 respondents and Likert scale for measuring attitudes (1–

completely disagree, 2 – partly disagree, 3 – neither agree nor disagree, 4 – partly agree, 5 – completely agree).

Table 3. Reviews of the attitudes of the factor 'involvement of employees'

Descriptive Statistics		
	Mean	Std. Deviation
employees involved	3,45	1,281
decisions made	3,57	1,169
information widely shared	3,49	1,311
everyone believes	3,43	1,252
business planning	2,95	1,316
cooperation encouraged	3,37	1,225
people team	3,4	1,311
teamwork	3,42	1,331
teams building blocks	3,37	1,252
work is organized	3,45	1,207
authority	3,22	1,263
investment in the skills	3,01	1,293
capabilities	3,48	1,198
problems	3,08	1,185
average	3,335	

Source: author's research

According to the results, we can see that the average score of all examined attitudes related to employees' involvement, in companies in Serbia is approximately 3.34, which represents a slightly higher percentage compared to the attitude that respondents do not feel included or excluded from their company's life.

Table 4 shows mean values for all tested attitudes for the two groups of respondents:

- Employees in domestic companies, there are $N_{\text{domestic}} = 859$;
- Employees in foreign companies, there are $N_{\text{foreign}} = 141$.

In the third column in the table 4 is mean value of involvement, for all attitudes, in domestic and foreign companies. The obtained values are between 3 (neither agree nor disagree) and 4 (partly agree), except for attitudes "Business planning is ongoing and involves everyone in the process to some degree" and "There is continuous investment in the skills of employees". The fourth column shows standard deviation from mean value and fifth column shows standard error of mean value.

Table 4. Description of attitudes on the involvement of employees in domestic and foreign companies

		Mean	Std. Deviation	Std. Error
employees involved	domestic	3,43	1,31	0,045
	foreign	3,56	1,085	0,091
	Total	3,45	1,281	0,041
decisions made	domestic	3,54	1,186	0,04
	foreign	3,77	1,039	0,088
	Total	3,57	1,169	0,037
information widely shared	domestic	3,51	1,32	0,045
	foreign	3,41	1,26	0,106
	Total	3,49	1,311	0,041
everyone believes	domestic	3,45	1,257	0,043
	foreign	3,36	1,221	0,103
	Total	3,44	1,252	0,04
business planning	domestic	2,95	1,338	0,046
	foreign	3	1,177	0,099
	Total	2,95	1,316	0,042
cooperation encouraged	domestic	3,37	1,225	0,042
	foreign	3,41	1,225	0,103
	Total	3,37	1,225	0,039
people team	domestic	3,39	1,329	0,045
	foreign	3,51	1,193	0,1
	Total	3,4	1,311	0,041
teamwork	domestic	3,41	1,328	0,045
	foreign	3,43	1,354	0,114
	Total	3,42	1,331	0,042
teams building blocks	domestic	3,37	1,252	0,043
	foreign	3,35	1,254	0,106
	Total	3,37	1,252	0,04
work is organized	domestic	3,45	1,23	0,042
	foreign	3,49	1,06	0,089
	Total	3,45	1,207	0,038
authority	domestic	3,24	1,271	0,043
	foreign	3,13	1,214	0,102
	Total	3,22	1,263	0,04
investment in the skills	domestic	2,98	1,304	0,044
	foreign	3,17	1,219	0,103
	Total	3,01	1,293	0,041
capabilities	domestic	3,48	1,2	0,041
	foreign	3,5	1,187	0,1
	Total	3,48	1,198	0,038
problems	domestic	3,05	1,191	0,041
	foreign	3,22	1,147	0,097
	Total	3,08	1,185	0,037

Source: author's research

Table 5 shows mean value of employees' involvement, for all attitudes, in domestic and in foreign companies.

Table 5. Involvement of employees in domestic and in foreign companies

	Domestic company	Foreign company
Mean	3,33	3,3628571

Source: author's research

Table 6 shows the results of t-test for independent samples. The first part of the table shows the results of Levene's test of variances equality. The outcome of this test determines whether the t-value is used when it implies the equality of variance (Sig> 0.05) or t-value, when it does not imply the equality of variance (Sig<0.05).

The results of independent samples t-test showed no statistically significant differences in agreement on most positions related to the involvement of employees in domestic and foreign companies. There was a statistically significant difference in the attitude that "Decisions are usually made at the level where the best information is available".

Mean value of compliance with this attitude for foreign companies is 3.77, and for domestic companies it is 3.54. This means that, based on the results, we can say that better decisions are made in foreign companies.

Table 6. Employees' involvement: t-test for independent samples

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
employees involved	Equal variances not assumed	18,876	,000	-1,308	213,048	,192	-,133	,102	-,334	,067
decisions made	Equal variances not assumed	4,052	,044	-2,377	204,738	,018	-,229	,096	-,419	-,039
information widely shared	Equal variances assumed	1,005	,316	,807	998	,420	,096	,119	-,138	,330
everyone believes	Equal variances assumed	,694	,405	,750	998	,453	,085	,114	-,138	,309

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
s	assumed									
business planning	Equal variances not assumed	9,663	,002	-.501	204,193	,617	-.055	,109	-.270	,160
cooperation encouraged	Equal variances assumed	,211	,646	-.391	998	,696	-.043	,111	-.262	,175
people team	Equal variances not assumed	6,302	,012	-1,126	201,499	,261	-.124	,110	-.341	,093
team work	Equal variances assumed	,055	,815	-.160	998	,873	-.019	,121	-.257	,218
teams building blocks	Equal variances assumed	,017	,897	,168	998	,867	,019	,114	-.204	,242
work is organized	Equal variances not assumed	8,098	,005	-.441	207,114	,660	-.043	,099	-.238	,151
authority	Equal variances assumed	2,275	,132	,905	998	,366	,104	,115	-.121	,329
investment in the skills	Equal variances assumed	1,658	,198	-1,578	998	,115	-.185	,117	-.416	,045
capabilities	Equal variances assumed	,065	,799	-.241	998	,810	-.026	,109	-.240	,187
problems	Equal variances assumed	,016	,898	-1,534	998	,125	-.165	,108	-.376	,046

Source: author's research

4.1. Determining the major factors of employees' involvement

In order to determine the main factors influencing the employees' involvement in a company, factor analysis with the extraction method of the main factors was applied to 24 variables (Extraction Method: Principal Component Analysis, (PCA)).

Table 7. KMO and Bartlett's Test – involvement of employees

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,908
Bartlett's Test of Sphericity	Approx. Chi-Square	11400,753
	df	276
	Sig.	,000

Source: author's research

Table 7 shows the result of checking whether data set is suitable for factor analysis. Since KMO is $0.879 > 0.6$ and the level of significance $\text{Sig} \leq 0.000 < 0.05$, the condition for applying the method is justified. After the initial extraction, we applied:

Analysis of the main factors revealed the presence of six factors with the characteristic values, greater than 1, which explained 35.2%, 8.42%, 6.25%, 5.12%, 4.47% and 4.36% of the variance, Table 8.

Table 8. Total Variance Explained- involvement of employees

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8,448	35,201	35,201	8,448	35,201	35,201	8,161	34,003	34,003
2	2,023	8,427	43,628	2,023	8,427	43,628	1,986	8,274	42,277
3	1,500	6,250	49,878	1,500	6,250	49,878	1,626	6,774	49,051
4	1,230	5,124	55,002	1,230	5,124	55,002	1,344	5,602	54,653
5	1,073	4,472	59,474	1,073	4,472	59,474	1,102	4,593	59,246
6	1,047	4,362	63,836	1,047	4,362	63,836	1,102	4,591	63,836
7	,965	4,021	67,858						
8	,921	3,839	71,697						
9	,700	2,915	74,612						
10	,679	2,830	77,442						
11	,658	2,740	80,183						
12	,552	2,300	82,483						

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
13	,508	2,119	84,601						
14	,488	2,035	86,636						
15	,436	1,816	88,452						
16	,415	1,729	90,181						
17	,407	1,697	91,878						
18	,370	1,543	93,421						
19	,346	1,441	94,861						
20	,329	1,371	96,233						
21	,274	1,143	97,376						
22	,249	1,039	98,415						
23	,226	,943	99,358						
24	,154	,642	100,000						

Extraction Method: Principal Component Analysis.

Source: author's research

Hence, we took 6 factors into consideration. This solution, consisted of 6 factors, explained approximately 63.84% of the variance.

After applying varimax rotation with Kaiser Normalization (Rotation method: varimax with Kaiser Normalization), we got the results shown in Table 9.

Table 9. RotatedComponentMatrix – involvement of employees

Rotated Component Matrix ^a						
	Component					
	1	2	3	4	5	6
work is organized	,813	-,093	,009	-,019	-,028	-,009
people team	,810	-,048	-,080	,074	,012	,000
teamwork	,800	-,041	-,065	,005	-,013	,096
cooperation encouraged	,800	-,052	-,125	,039	,042	,044
teams building blocks	,799	,037	-,007	-,043	-,003	,063
decisions made	,762	-,095	-,070	,105	-,037	,072
information widely shared	,757	-,096	-,154	-,058	,008	,089
capabilities	,751	-,032	-,025	,066	-,024	-,068
business planning	,736	-,044	-,068	-,054	,096	,152
employees involved	,726	-,095	-,125	,076	,081	-,063

Rotated Component Matrix ^a						
	Component					
	1	2	3	4	5	6
everyone believes	,711	-,144	-,140	-,063	,150	-,046
investment in the skills	,709	-,033	,020	,122	-,189	,030
authority	,703	-,013	-,111	-,042	-,022	,004
problems	,692	-,006	,114	,068	-,159	-,005
Years of service	-,143	,916	-,027	-,049	-,003	,028
Age	-,143	,911	-,120	-,109	,047	-,008
Company size	-,199	,226	,735	,155	,056	,066
Work position	-,145	-,321	,646	-,063	,096	,084
Level of education	-,025	,164	-,454	-,008	,100	,178
Company ownership	,005	-,048	,165	,909	,050	,018
Ownership structure	-,184	,245	,540	-,641	-,041	,015
Gender	,015	,036	,000	,061	,874	,033
Company activity	,021	-,019	,017	,018	,275	,705
City	-,148	-,038	,075	,006	,360	-,704
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.						
a. Rotation converged in 5 iterations.						
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.						

Source: author's research

By the analysis of the results we have selected 6 main factors that affect involvement and that are shown on Fig. 2:

Factor 1: Development of employees and team orientation

Factor 2: Experience

Factor 3: Size of an organization and position in it

Factor 4: The origin of an organization and ownership

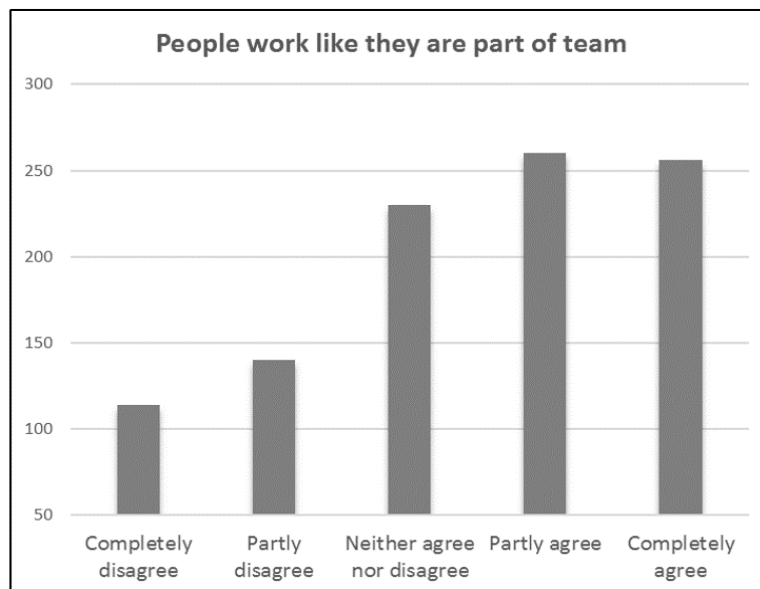
Factor 5: Gender

Factor 6: Activities of a company and city

The first component of 35.2% gives the largest contribution to explaining the variance interpreted as Staff development and team orientation.

Fig. 1 shows a level of agreement with the statement that an employee works in a company as a part of the team, on a sample of 1,000 respondents. It can be seen that over 50% of respondents have a sense of belonging to the team.

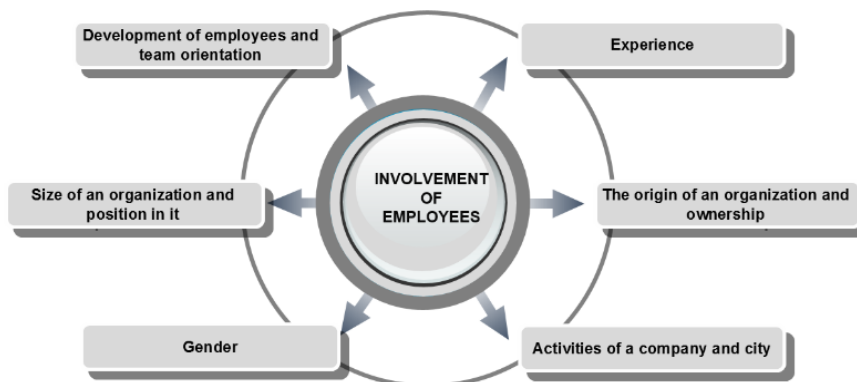
Figure 1. Team work



Source: authors

The next component, called "experience", explains 8.42% of the variance.

Figure 2. Factors affecting employees' involvement



Source: authors

5. Discussion and conclusion

The concept of employees' involvement (as a concept of encouraging the development of knowledge and skills of employees and their teamwork) becomes the dominant principle of management in circumstances where the majority of workers are engaged in the knowledge-based business.

The significance of the concept of employees' involvement is in strengthening the flexibility of companies. Kodak Company has held on its competitiveness thanks to the fact that their "leadership equipped themselves with the adequate flexibility needed to respond quickly to business environmental changes" (Jovanović, 2015, p. 147). Applying the concept of employees' involvement organizations modernize the organizational culture, a phenomenon that in a time when almost all resources are relatively equally accessible, provide companies with a truly unique competitive advantage (Arikan & Enginoglu, 2016).

Based on the results obtained by the conducted research, we can conclude that the first hypothesis, which states that employees of companies in Serbia are involved in the life of their companies, is only partially confirmed, since we get the average grade of all the parameters of employee's involvement– about 3.34, which represents a slightly higher value of neutral position (they don't feel involved in life of their company, or excluded from it). Since employees are holders of ultimate performance and competitiveness of organizations in today's market, it is also recommended for companies in Serbia to work on improving employees' involvement in the life of their companies.

The second hypothesis about the existence of opinion differences, related to the degree of employee involvement in domestic and foreign companies, is only to some extent confirmed, in the part that decisions are usually made at the level where the best information are available. Foreign companies care more about making good decisions. Seeing that the research was conducted in Serbia, on a sample of employees from Serbia, the resulting difference in decision-making is an outcome of different organizational culture implemented on the same national culture. Even the factor analysis yielded the result that work in a domestic or foreign company represents a factor that influences the involvement of employees.

It should be noted here that the significance of the research lies in the fact that it was conducted in a country that emerged from transition and where, until recently, foreign companies were absent. It was organized on a sample of 1000 respondents and that reinforces the strength of its conclusions. Differences among certain aspects, related to employees involvement and their flexibility, can be in the service of improving domestic companies functioning.

The third hypothesis, that teamwork is an important factor of employee involvement, is fully verified because, using the factor analysis, we obtained the most influential factor which we called "Employee development and team orientation."

According to the result of factor analysis, the most important factor of employees' involvement in the life and work of a company is their ability to develop and realize their own potentials. This result is significant because it indicates that the omission of workers in training is an important reason for them to feel excluded from the future of organization. In addition, the membership in work teams is of paramount importance for the sense of involvement in the life of a company.

The results obtained as the main factors of employees' involvement – employees' development and teamwork are generally applicable and represent a significant object for further research.

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