

# LEADERSHIP FRAMEWORKS AMIDST CRISIS-INDUCED EVENTS

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**Abstract:** The paper argues the standpoint that each crisis process requires individual and organizational adaptation, as well as behavioral and rational responses from management directed towards the recovery and adjustment of the organization. The foundational basis is a new approach to the analysis of human resources, knowledge, skills, and interpersonal interactions within the organization aimed at effectively responding to a crisis. Effective crisis management leaders involve key stakeholders to reshape reasoning, shared thinking, and roles individually and collectively. The beginning of the 21st century globally revealed the vulnerability and incapacity of systems to predict and respond to events caused by a pandemic. Decision-makers faced a high degree of uncertainty at the state level, as well as within organizations and their management. They had to deal with the consequences and new behavioral patterns in response to the crisis. The main idea of the paper is that each crisis process requires a series of decisions, activities, and interactions of the entire organization, considering that no organization responds in a way that is completely efficient or entirely inefficient. Even when an organization poorly communicated with the media, ignored stakeholders, or misunderstood the regulators of issues, some elements of crisis management were done well. Also, even if the organization managed to suppress the crisis and overcome challenges, adopting a “learning organization” approach to systematically solve situations of high uncertainty requires further improvement. Today’s global situation emphasizes that change management and preparedness for crisis situations should be high priorities for any organization. During a crisis, decision-making is under the pressure of perceived time constraints and colored by cognitive limitations. Employees, in crisis conditions, are the most significant source of new value, requiring management to align the work of employees with the organization’s goals and thereby minimize potential risks before the triggering event occurs. The authors of this paper wanted to emphasize that an effective response to a potential risky event requires an assessment of system performance in a way that allows managers to pave the way for ideas and capabilities of employees at all organizational levels. The general philosophy of crisis management approach is that there is, to a certain extent, a unique form of planning and coordination to enhance the reactivity, effectiveness, and efficiency of crisis management. In this paper, the authors aim to highlight the importance of flexibility through learning components and the application of a holistic approach in the strategic and operational environment of the organization, considering overall managerial policies, organizational specificities, and crisis management practices.

**Keywords:** holistic management, change management, business process reengineering (BPR), human resources, learning organization

**Field:** Social sciences (Management)

## 1. INTRODUCTION

Since the outbreak of the pandemic COVID19, nothing has been constant or predictable. Constant changes caused the principle of business stability to depend on management’s analysis of the economy and the general impact on business, labor availability, concentration of customers, collection of receivables, analysis of potential “stress tests”, etc. As a result, new and dynamic goals and strategies were compulsory. Every business had to plan possible scenarios and cash flows, regardless of whether the pandemic had a positive or negative impact on their business. These scenarios are often based on intuition, not on logic, and are often based more on experience than on analytics, thus required major changes at all organizational levels. As an answer to the managerial search for mechanisms for defining and achieving ambitious goals with new strategies, new managerial concepts and management tools appeared, such as the reengineering of business processes in the context of placing the role of human resources as a key element of success.

The review of the literature in the first part of the paper determined the factors that affect the position of human resources in different areas during the pandemic. Using the method of comparative analysis, different approaches to human resources in various areas were presented. Additionally, a comparison was made with neighboring countries, parallels were drawn, and suggestions were made as to which models and methods could be used in Serbia.

The research assumptions are set in a way that each one is individually significant and that proving them represents the confirmation of the core of this work, which is that quality management and investment in human resources, as well as an organization based on knowledge can lead to a reduction of uncertainty

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in business, to adequate management changes and ensuring the continuity of operational business.

The basic assumption in the article is: **The management style in the conditions of the pandemic is based on the management of human resources as a key factor of competitiveness.** The auxiliary assumptions are H1: Relationship management: investment in human resources, knowledge-based organization, achieving competitive advantage implies a complex analysis of factors that are critical for the success of the organization in crisis situations; H2: An adequate way of economic and organizational dimensions of business implies a management style in function of speed and response to risks that will be affected through successful and timely actions on the market.

In a situation where the crisis caused by the pandemic is evident, but also the unfavorable position of employees in general, this paper should provide data and point out the possibilities, advantages, and benefits of establishing an organization based on knowledge and continuous learning of employees to improve the quality of human resources. Consequently, that can open perspective of the economy of Serbia, and not only as an analysis of the current situation yet as an assessment of the reaction in the period of crisis.

In the case of Serbia, the turbulence was enormous, given that the vulnerability of the economy is extremely high. The main goal of this paper is to indicate that complex and consistent changes on the macro and micro level are necessary for proactive and intelligent management. The essence is shifting the focus from static economic stability (macro level) to dynamic management (micro level), which allows turbulence to become an advantage, that is, to turn chaos into order. To achieve this, the essential is a management system that ensures the construction of different scenarios for possible alternative future, as well as the selection and implementation of the strategy that leads to the desired position for changed circumstances.

## 2. THEORETICAL BACKGROUND

The study of management, like the study of leadership styles, is a story of change - the evolution of ideas about the way business is done, the nature of human beings and the functioning of organizations (Džubur, 2003). Numerous terms are used to denote events with adverse effects on the organization, which can also be defined as changes in a certain set of circumstances, such as the crisis caused by the COVID-19 pandemic. The ability to manage change determines the business success of an organization, its growth and prosperity. Fundamental changes in business processes have implications for many parts and aspects of the organization (Birchall et al., 1995). In such conditions, the quality of management that implies focus on all activities and processes of the organization and the involvement of all employees reflects. Requirements for continuous training of employees represent a significant dimension, especially for organizations that are focused on digitalization as a new quality management concept characterized by numerous opportunities and exponential growth (Milovanović et al., 2021). In this context, the most important component of the economic and organizational mechanism for creating the competitiveness of the company is quality management. Employees are oriented more towards the needs of customers, rather than towards the needs of employers. Attitudes and values change in response to new demands and incentives. Intellectual capital, i.e., knowledge-based organization, provides key support for these processes and for responding to environmental risks that we are directly witnessing and are a key source of competitive advantage and drivers of competitiveness (Bontis et al., 2015).

Organizations operating in the global market implement specific tools and methods for improving quality directed at customer and market requirements in terms of satisfying these requirements on the one hand and reducing costs and time on the other. For these reasons, the way of performing work is the essence of quality management. (Weckenmann et al., 2015).

The tool that companies use to achieve their goals in the direction of quality improvement is the quality management system (Quality Management System-QMS) as a working principle in the performance of all business activities (Maljugić et al., 2021). In general, QMS includes the appropriate organizational structure, business processes, planning processes, human resources management, management of documentation systems and the fulfillment of requirements towards all interest groups (Gal et al., 2020). Following the literature, numerous authors note that quality management is focused on people and on intelligent quality management to improve quality management (Weckenmann et al., 2015).

In the context of change management, managers no longer act as chief executives but as instructors. Attitudes and values change as responses to new demands or as a response to changes. Practically all aspects of the organization are changing. Instead of an organizational structure in which employees are closely tied only to their business activities and are not organizationally connected, teaming appears. Process teams are groups of people who work together to complete a total job - a business process. The

mentioned changes refer to business units - from functional structures to process teams (Babić et.al., 2010).

Functional sectors lose their meaning, employees who carried out orders now have the power to make decisions. When a business process is redesigned, the job evolves from a narrowly oriented task to a multidimensional one. In case of the emerging crisis, there are numerous situations in which it is possible to see that even among similar organizations there are differences in the business culture and communication of employees (Vlašković et.al, 2021). Searching for the reasons for these differences, it can be concluded that leadership style is one of the crucial factors for creating a microclimate.

Managers have a strong influence in directing employees in a certain direction. Seen from the company's point of view, managers are successful if the organizational units they manage are aligned with the mission and vision of the whole company. Seen from the employees' point of view, the tools and means that managers, depending on their management style, use in achieving the company's goals, are successful if their relations with colleagues are on the satisfactory level.

In matrix organizational structures, vertical lines of communication and authority are combined with horizontal (lateral) lines. This is the advantage of this structure because it combines the stability and efficiency of the hierarchical structure with the flexibility and informality of the organizational structure. Conflicts in such organizations can be in the possible excessive independence of research teams or in the situation of allocation of human resources among research teams. Regardless of these weaknesses, the matrix structure best resolves the conflict between the striving of individual sectors for differentiation on the one hand and the need for integration of complex activities of the organization on the other (Vojnović, 2014).

The crisis caused by the pandemic lead to a widespread caution and expectations that economic conditions will be even worse. There is almost no industry that does not suffer the consequences of the recession. Meanwhile, the gap in performance between strong and weak competitors is widening. This situation allows the strongest players to shape the branch and the rules of competition according to their own intentions.

In the new conditions, business strategists are required to play on two levels. Namely, new ways to respond to the challenges created by the crisis need to be find, especially in a relation to external growth strategies (offensive and defensive) while following the long-term evolution of the branch in which their predominant business should start strategic adjustments in time. The ways of performing tasks are changing, as are the people who need to perform them, the relationships between these people and their managers, their career path, the way of measuring the achievements of employees, the roles of managers and management.

Many questions arise: are there accepted goals for organization and business management, are employees involved in achieving those goals, does the existing organization and infrastructure support those goals, and what are the resistances to change?

The strategic imperative for most businesses today is to rebuild trust between employees and managers, as well as among other stakeholder groups. Business management need to show sensitivity to the pressure coming from civil society institutions regarding issues such as safety system for employees, risk management, attitude towards employees and attitude towards the environment. Modern organizations are not only accountable to owners but also to other interest groups. In defining their goals during the pandemic, companies start from a triple limitation (economic rationality, social requirements, and relationship to the environment).

Because comparative research on the effectiveness of different leadership styles did not yield unequivocal results, the idea arose that there is not universally good or bad leadership style, but that each of them should be applied in those situations where they are most adequate. It is not difficult to conclude that these attitudes were the basis for the development of situational leadership models. The idea of these models is simple. If any leadership style has no clear advantage over the others, then more complex, situational leadership models that combine leadership styles with situational variables are most likely to succeed. In other words, they precisely determine in which situations a certain leadership style should be applied. Author Fiedler (Fiedler, 1987) in his contingency model created a scheme according to which two leadership styles - oriented towards relations with associates and oriented towards the task should be applied depending on three situational variables: 1. the relationship between the leader and associates, 2. the structure of the task and 3. the power of the leader's position.

For example, relationship-oriented leadership produces the best results when it is applied to unstructured tasks and when leader-coworker relationships are good. Author House (House & Mitchell, 1974) in his "step-goal" model determines that four leadership styles: 1. achievement-oriented, 2. directive leadership, 3. participative leadership and 4. supportive leadership are applied depending on two

situational variables: a). characteristics of employees and b). characteristics of the task. Authors Wroom and Yetton (Wroom & Yetton, 1973) determine five leadership styles, ranging from autocratic to group, that should be applied depending on three situational variables: 1. the problem to be solved, 2. the amount of information available to the manager and 3. the level of participation of subordinates.

Empirical and research experiences with situational leadership models show that for the same situation, the three models do not predict the same leadership style. This is already a symptom that suggests that situational models do not solve the problem of the most effective leadership styles. The crisis requires a new type of leadership. Leaders in a crisis have two important roles. First, the role of a situation stabilizer to buy time with appropriate crisis management measures and find solutions for changes. Second, an adaptive role that develops the capacity to react in new conditions through realignment on the fly based on insight into the current situation and development trends. The adaptive role is particularly delicate. Specifically, individuals anticipate leaders to provide solutions to their unease with a sense of authoritative certainty. This expectation persists even when leaders, in fulfilling this role, alter the beliefs of their followers, resorting to methods they may not personally endorse.

### **3. HUMAN RESOURCE MANAGEMENT: THE KEY ELEMENT OF SUCCESS**

The problem leaders faced in managing of human resources during the crisis caused by the COVID-19 pandemic is that almost all people in positions of authority didn't have the appropriate experience to manage such a crisis. Responsibility for the implementation of strategic decisions lies at all levels of management, the highest level, the middle level of management and the lowest level of management. Some approaches, especially the older ones, believe that the responsibility lies only with the top managers of the company. According to a broader understanding, their main responsibility is related to social responsibility (respect for social responsibility and other related issues) and the general strategy related to achieving the goals of the entire organization (Vujičić Stefanović Dragana et.al. 2023).

The main characteristic of the crisis was turbulence, unpredictability, interdependence, and destructive character. This does not mean that people in positions of authority have no chance to do the right thing in this crisis. The basic strength of the organization in this situation is the employees, and the key model of management is the so-called "adaptive leadership", which implies, on the one hand, stability, and on the other, innovation, that is, a series of targeted adaptations. Namely, in today's situation, leaders must develop solutions for the future while applying today's best solutions. This is not easy because developing adaptability changes loyalty to existing solutions, which can be the subject of attacks by employees who are used to existing solutions. Therefore, the key to ultimate success lies in the way organizations select and organize people. A small number of leaders in organizations have recognized the need for a philosophy that requires a focus on individual learning, that is, the personal development of the individual (Obeng & Crainer, 1996). People have their own will, their own desires, and their own way of thinking. If employees are not motivated enough to achieve goals and do not have a clear picture of reality, they can hardly have tendencies towards solving risky situations. Managers who plan changes must also communicate with employees and tell them the reason for the changes. Sometimes the first step in accepting the need for change is educating them about the state of the business and how to understand it. In fact, the very essence of human knowledge lies in encouraging and supporting creative effort in people. People with a high level of knowledge through their pursuit of constant learning achieve the results they really want in life, from which the spirit of a learning organization emerges.

The manager's task is primarily to plan human resources through a constant process of developing strategies that will enable the alignment of the number of employees with the needs of the organization. This process helps the organization to engage resources that will reach the organization's goals through the execution of their precisely defined tasks, using the necessary knowledge and skills. At the same time the organization must be aware of developments in the environment, the changes of which must be responded to quickly and efficiently. Many organizations, especially smaller ones, do not have a human resources plan at all. In the conditions of business dictated by globalization, due to dynamic changes in the environment and a decrease in the supply of specialists of certain profiles on the labor market, the number of organizations that implement the plan at least once a year is increasing.

Organizations that have more experience in planning and have more complex planning needs, make strategies for the next two to three years. This activity is largely related not only to the employment of people, but also to their further development. In this sense, the function of the human resources manager has a major role in the strategic management of human resources and represent a process that identifies the human resources and contains several complementary plans to meet the needs of the organization. Given that human resources planning is part of the overall strategic planning of the

organization's development, top management is included in the planning process. The achievement of the strategic goals of the organization presupposes having the optimal number of employees with appropriate skills and abilities. In this way, the organization achieves a competitive advantage.

From this perspective, organizations have the option to develop capacities of their own employees or to hire employees from external sources. Modern organizations are forced to invest more in the process of education and training of employees, to constantly review, improve, and adapt their knowledge, skills, and abilities. The "learning organization" is a concept that is becoming an increasingly widespread philosophy in modern organizations, from the largest multinationals to the smallest companies.

### 3.1. Organizational culture in establishing a "learning organization" system

The organization can be viewed according to culture, as Hofstede did (Hofstede, 2006):

- Individualism versus collectivism,
- High or low acceptability of status differences,
- Strong or weak uncertainty,
- Gender equality,
- Long-term versus short-term orientations,
- Permissiveness or mastery.

Organizational culture is often said to be created through the process of social interaction of employees in the organization. Employees can reach common meanings of things, phenomena, beliefs, values, and common norms of behavior only through mutual interactions and communication during their work in the organization. Organizational culture is created through the common experience of the members of the organization, which they acquire by solving common problems (Shein, 1985).

A "learning organization" is one in which employees at all levels, individually and collectively, continuously increase their capacity (learning) to produce the results for which they are responsible. This implies developing a culture in which the goal of each employee is to develop through constant learning and knowledge exchange, and thus the organization progresses. On the other hand, the organization must provide employees with the opportunity for education and training, through which the necessary knowledge would be acquired. Developing and nurturing a culture of knowledge, opening communication channels, decentralization, training, and coaching are aspects in which the human resources manager can contribute with his knowledge and experience. The manager helps the organization to prepare the "convenient ground" for accepting the upcoming changes. If he prepare a culture and a climate in which change is desirable, the organization becomes flexible and creative, employee resistance decreases, and the organization manages to keep up with the changing reality.

Although leadership styles should be adapted to the organizational culture, in practice such a process is usually spontaneous. If major disruptions occur, such as the crisis caused by the pandemic, there may be a need for a conscious choice of leadership style. Radical changes in the way business are conducted lead to the definition of new jobs and require new skills, which requires an entirely new kind of people (Hammer & Champy, 1993).

The way to solve problems from the individual's point of view is to break them down mainly into simpler ones. This practically means that one complex task becomes solvable, but the real sense of connection with the whole is lost. If one were to try to see the "big picture", one would have to reassemble all the parts into one whole in everyone's head. It is necessary to break the illusion that the world is composed of separate, unrelated elements. When such an illusion is broken, then a learning organization is created - an organization where people continuously expand their creative capacities towards the results they really want to achieve, where a new way of thinking is supported, where common goals are freely set and where people constantly learn how to work together.

A learning organization constantly strives for continuous improvement, considering the five constituent disciplines (Senge, 1994):

1. **Systemic thinking**, which deals with changing the way of thinking from observing parts of the organization against the whole, from observing people as powerless individuals to people who are active participants in building their future, from acting in the present to creating the future

2. **Personal development**, which does not imply organizational learning, but without its organizational learning does not exist. Learning is not just about getting more information but increasing the ability to create the results we really want in life, and that process is long-term. A learning organization is not possible until there are people who learn at all levels of the organization.

3. **Mental models** are deep-rooted assumptions, generalizations or even images or preconceptions that influence one's understanding of the world and accordingly take certain actions. Very often people are

not aware of their mental models and the influence they have on their behavior. Mental models determine not only the way of understanding the world, but also the way of performing activities. In traditional authoritative organizations, the basic principles of functioning are leading, organizing, and controlling. In a learning organization, these are vision, core values and mental models. Healthy companies are those where people will manage to develop mental models for dealing with any situation.

4. **Creating a common vision** that creates a sense of connection between all activities in the organization. A common vision is the first step that allows people to start working together and creates a common identity of people who think differently. A shared vision is extraordinarily important for a learning organization. In fact, a learning organization cannot exist if there is no shared vision. Vision brings a new way of thinking and acting, while also supporting risk-taking and experimentation.

5. **Team learning** is the process of directing and developing team capabilities to achieve desired results. It rests on the disciplines of shared vision and personal development because successful teams are necessarily composed of talented individuals.

Many organizations today believe that the key to gaining and maintaining competitive advantage in the marketplace is the **development of intellectual capital**, which includes cognitive knowledge (knowing what), advanced skills (knowing how), systematic understanding and creativity (knowing why), and individually motivated creativity (understanding the importance). Employers will appreciate the general skills and adaptability of employees. With less job definition, the entire human resource management process will be subject to various changes. Specialists believe that workplaces in the future will be characterized by creative and flexible forms of work organization.

The human resources department will become increasingly decentralized in the future. Doing business in a global economy will increase the demand for leaders with global experience. This means that it will be extremely important for key people in organizations to have experience working abroad, to speak multiple languages and to know various cultures and business practices of foreign markets. The biggest changes in the coming period are expected in the field of global business and human resources. Management will be asked to be adventurers who gladly accept novelties. There is a prediction of the emergence of teams of human resources experts, who will provide advice on improving performance around the world. Employees will have to constantly enrich their knowledge and skills, and their value to the organization will be measured based on their willingness to learn. Organizations will turn into "learning organizations", with the increasing importance of teamwork. Adaptability will be the most important factor in determining the value of employees, and strategic thinking, leadership, problem solving, technology and interpersonal skills will be important criteria. Employees will have to be more flexible in accordance with the flexibility of the organization.

The job content will be even more broad, general, demanding, and independent. Employers will appreciate the general skills and adaptability of employees. With less job definition, the entire human resource management process will be subject to various changes.

The top management of every organization should understand that employees are their key resource-capital. Human resource management will change and develop from a service to an advisory function. The described forecasting is reflected in the fact that it provides a vision of the future, potential changes, and ways in which human resource management should react to them. CEOs cited "lack of analytical talent" -54%, "data warehousing" -51% and "insufficient data reliability" - 50% as the main reasons (PwC, 2019). From the viewpoints of Serbian leaders, 75% of them stated a problem with unreliable data, while 63% complained about the lack of analytical talent and the unwillingness of customers and clients to exchange information (56%) (PwC, 2019).

#### 4. DISCUSSION AND RECOMMENDATIONS

It is certain that the crisis of the COVID-19 pandemic caused a recession in all economic sectors. Stalls in business, production and the supply chain, difficult transport and delivery of goods, reduced movement of people, will certainly have long-term consequences for all economic subjects. The positive side of this crisis is that companies were forced to identify weaknesses in their operations, quickly find ways to overcome them and to find new opportunities to optimize operations without sacrificing efficiency. In this way, the negative effect is at least partially mitigated. In addition, it is necessary to point out that we live in a digital age to which both organizations and employees must adapt.

In the paper, authors analyzed the results conducted by the company PwC in 2019, among almost 1,400 directors worldwide, including those from Serbia, on the level of concern for further business. The survey provided significant data, given that business leaders in their answers highlighted their concern over the unavailability of talented staff on the one hand, while in the second part of the questionnaire they

highlighted the problem of different requirements and the lack of appropriate knowledge and emphasized that it is necessary to create conditions for development and encourage employees to improve. As the main reason why it is more difficult to hire staff today, the respondents both in our country and in the world cite the lack of a workforce with appropriate knowledge and skills - 50% (PwC, 2019). A smaller number of directors believe that the biggest problem is that today's requirements are different (19% in the world) and (8% in Serbia), as well as the growth rate of a certain economic branch (8% in the world) and 17% in Serbia (PwC, 2019). Speaking about the need to align employee skills with new business requirements, survey participants agreed that there is no quick fix.

Almost half of the respondents (46%) believe that the solution to this issue lies in retraining and additional training of employees, while 17% state the establishment of a base of quality potential candidates who are directly recruited from the educational system (PwC, 2019). The same opinion is shared by business leaders in Serbia, who emphasize that it is very important to encourage employees to improve and create conditions for their professional development, to survive on the market and improve their specific position. There is also a growing concern about digital skills since most organizations are preparing to automate and improve the experience of their users with the use of new technologies. The expectations of business leaders have certainly increased with technological advances, but CEOs are aware that their analytical capabilities are not keeping pace with the volume of data that has increased exponentially in the last ten years.

The solution is to establish a balance in the structure of employees in the organization, in terms of their creativity, educational profile and level of engagement. Those organizations that develop the appropriate knowledge and skills necessary for adequate analysis and use of data in their employees will succeed. The majority of business leaders in the world (85%), as well as in Serbia (93%), believe that artificial intelligence will dramatically change their business in the next five years, and almost two-thirds of directors in the world and 80% of them in Serbia predict that it will have a greater effect than internet applications. Despite the positive attitude about the advantages of artificial intelligence, 13% of directors in Serbia currently do not plan to introduce its use in their business processes, 32% plan to do so in the next three years, while a third of respondents expressed a reserved attitude (PwC, 2019). We can conclude that today the greatest comparative advantage is knowledge. It should be noted that this is not just any kind of knowledge, but knowledge that enables the creation and use of modern techniques and technologies (Dujanić et.al., 1997).

Modern human resource management is a new, challenging, and current concept of human resource management by which the organization achieves its strategic goals, while at the same time valuing people as its most valuable resource. To the extent that the human resources management, performing its basic activities, with special attention to the approach to the selection of employees, to that extent the employees will be more motivated and ready to contribute to the achievement of the organization's goals with their engagement. All this is especially important in crisis situations when the leadership style of the top management provides strategic and operational direction for the organization's response to the crisis. Under normal circumstances, the top management makes decisions related to risks that hinder the achievement of strategic goals, the middle level managers undertake activities related to program measures, project authorization and budget proposals to the top management so that the decisions made at the top level can be implemented (Keković, 2020). The lower, tactical level of management undertakes activities in the design of the environment, provides support in the implementation of plans and is the bearer of critical processes.

The challenges facing managers and the leadership style they will adopt in response to the crisis require leadership skills and the establishment of organizational culture in a way that encourages people's commitment to the organization and willingness to learn at all levels. In addition, they also face the necessity of time management, information management and encouraging teamwork, because almost all-important decisions, especially in crisis situations, are made by teams.

## 5. CONCLUSION

Organizations that have developed rules and procedures for effective crisis management use thoughtful measures to identify potential events that may have negative effects, make decisions about the measures they will take, and have built-in capacities for response - implementation of decisions. Even in the conditions of effective crisis management, the challenges faced by leaders in the crisis response phase are numerous, and the main ones that can be identified are time management, information management, leadership and organizational culture, and crisis team management.

The crisis caused by the pandemic which we empirically referred to, had negative consequences

for almost all aspects of the real economy. Companies and people had no choice: changes are imperative for survival. Implementing changes using an organized, structured methodology is the right choice for successful companies. In this way, changes are introduced faster, cheaper and with minimal losses and discord between people. In this paper, the authors emphasized that the response to the crisis and operational continuity requires the mutual interaction of the entire organization, the creation of a stimulating organizational culture and the ability of the organization and the individual to respond to the crisis adequately by establishing a system of "learning organization".

The opinion of business leaders from the presented research, that it is very important to encourage employees to improve themselves to achieve a competitive advantage and that the necessary conditions should be created for them, leads to the conclusion about the accuracy of the general assumption that the leadership style in pandemic conditions is based on human resource management as a critical factor of competitiveness. The same source highlights that the expectations of business leaders have increased, as well as their concerns about the digital skills of employees and the need to use new technologies. This proves the second assumption that relationship management: investment in human resources, knowledge-based organization and achieving competitiveness requires the analysis of complex factors that are critical for success in crisis situations.

Business leaders see the solution in employees developing appropriate knowledge and skills necessary for adequate analysis and usage of data, as well as in organizations establishing a balance in the structure of employees, in terms of their creativity, educational profile and level of engagement. The position on the application of artificial intelligence and the application of the Internet in business speaks of the justification of the third hypothesis that an adequate way of economic and organizational dimensions of business includes quick responses to risks that will influence successful business. The concept of organizational responsibility does not end only with the recognition of a crisis and a timely and adequate response but should be an integral part of post-crisis recovery. In this paper, the authors pointed out the importance of integrating the key values of the organizational culture into all aspects of the organization as an imperative and prerequisite for a successful response to any crisis. Crisis response measures present challenges for leaders at all levels of decision-making, but also serve as an opportunity to learn and develop new skills for potentially dangerous situations and change the way of thinking in situations of increased risk and uncertainty.

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