The Role of Management Teams in Business Success: Evidence from Serbia

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This paper aims to increase understanding of the role and identify a model of a successful management team under the conditions of domestic economy in Serbia. The research problem is connected to the scientific valorization of the importance and prospects of the management teams through research of their effects and the creation of more effective models. The functioning of the management teams is determined according to subjective perspectives of managers, effective communication quality, and problem solving and conflict resolution.

This paper seeks to identify and analyze the success factors of management teams in both public and private sector organizations. The main goal is determining ways to overcome and resolve conflict situations, degree of cooperation and openness in communication, leadership styles in relation with management tools and innovative solutions in business. The results show that most of the respondents think that well-functioning management teams represent a significant business potential of an organization, supporting the basic hypothesis. Also, the results of the study indicate several problems in the functioning of management teams related to behavioral aspects of the investigation.

This study, both in social and economic terms, reflects the projected potentials for the region’s future development, based on the part of the reality, which is statistically the best representative of certain aspects of our past and present.

Keywords: Management Teams, Success Factors, Transition, Communication, Conflicts, Teamwork.

Introduction

The success of business organizations and institutions is strongly related to their ability to establish mutual work and effectively manage the teamwork. This new synergy requires different teams and groups working together to create a new corporate responsibility through different kinds of activities, such as constant learning, increasing enterprise’s innovativeness and problem solving skills. If it is assumed that the management team is responsible for the success of an organization, then it can be concluded that it might be considered a true business potential which can and should initiate, but above all, facilitate the growth and development of the organization. It is common for such a team to use different procedures and business policies in order to gain support from their employees and direct them towards desired objectives. Using a sequence of procedures, plan documents, rules and regulations, the management team defines what is expected from the employees, constantly trying to make such data acceptable both for the employees and the management. This especially refers to the basic assumptions and beliefs which form the very essence of the corporate culture.

The research problem is connected to the scientific valorization of the importance and prospects of the management teams through research of their effects on the domestic economic environment and the creation of more effective models and greater managerial efficiency. This paper aims to increase understanding of the role and identify a model of a successful management team under the conditions of domestic economy in Serbia. The main goal is determining ways to overcome and resolve conflict situations, degree of cooperation and openness in communication, leadership styles in relation with management tools and innovative solutions in business. Corresponding with this objective, the following specific objectives are formulated:

- Determining the connection between the evaluation of the existing work of the observed management teams with regard to gender, age, level of education, work positions, members’ total years of service and years of service in executive positions, and consequently, the development of different elements of behavior that contribute to gaining competitive advantage;
- Determining the relation between communication tools and good interpersonal relations and solving problems in the organizations.
The authors gathered 160 responses from the members of managerial teams in 19 organizations from Serbia, and the descriptive analysis, canonical correlation and discriminant analysis were used to explore proposed hypotheses.

This study, both in social and economic terms, reflects the projected potentials for the region’s future development, based on the part of the reality, which is statistically the best representative of certain aspects of our past and present.

Theoretical Background

Teams are made from a small number of people who have complementary skills and commitment to a common purpose, set of performance goals, and approach for which they hold mutually, with clearly defined roles and responsibilities (Katzenbach and Smith 1993). According to many team leadership scholars, leadership is the most crucial element of team effectiveness and performance (e.g., Cohen & Bailey 1997; Colbert et al., 2014; Hambrick et al., 2015). Some basic leadership functions in teams are the following: team building, defining the mission of the team, establishing expectations and goals, defining structure and plan, team training and development, sense making and providing feedback to the team, team monitoring, managing team boundaries, challenging the team, performing team tasks, solving problems, supporting social climate, providing resources to the team, and encouraging team self-management (see Morgeson et al., 2010). Team leaders have the influence to build and develop teams and teamwork, and also the power to break the team (c.f., Day et al., 2004). Some studies indicate that communication technologies are effective in reducing task conflict; however, the team leader may also mitigate task conflict by assuming the role of monitor (Wakefield et al., 2008). Also, top management teams are very important in the implementation of the innovation process of the team. Nijstad et al. (2014) proposed that transformational leaders create a psychologically safe team climate, in which dissenting opinions are used effectively to create radical innovations.

There are a few fundamental characteristics of achieving effective team performance. Such a goal can be derived only from coordinated and synchronized actions of the team members who also share responsibility for the outcomes of the team. Complex and dynamic environment in which a team works often makes it perform better. Therefore, more complex and dynamic is the environment, more effective and higher is the team performance. The next characteristic is connected to the team leadership. Specifically, most teams, even self-managing teams implementing and practicing shared leadership among members of the team, have certain individuals occupying leadership roles, who take more responsibility for the team effectiveness than other members do, defining goals and developing and structuring the team to accomplish its tasks (Zaccaro & Klimoski, 2002; Zaccaro et al., 2001; Menz, 2012).

Hambrick and Mason (1984) suggest the Upper-Echelons Model as an effective organizational model. This model implies that a management team represents a dominant alliance within a firm with the task to create, share and encourage further acquiring of knowledge. Such a model enhances an intellectual basis of different degrees of uncertainty with which organizations in the region deal with.

The role of managers has changed significantly over time. They are expected not just to be experts, but to make the business easier, to teach and to coach, creating the environment in which individuals and teams can reach their optimum performance. According to Evans (2003) the ability of a manager to coach is considered a key managerial skill in many organizations. Effective teamwork and decision quality, above all, depend on reliability and accuracy of the information received. When people work together, the effect of synergy increases the degree of the information verification. Therefore, the process of the organizational communication requires continual upgrade of the existing knowledge and knowledge relevance verification.

Certain authors define management teams as groups of employees that are above the level of Vice President in the organizational hierarchy. Others argue that management teams are made of all employees that are members of the Board of Directors (Haleblian & Finklestein 1993; Finkelstein & Hambrick, 1990).

In this paper, management teams are observed as groups of managers at the same or very similar organizational level, with all the necessary authorizations and resources that make them the management body of an organization as they represent the formal management structure.

Katzenbach and Smith (1993) argue that although teams have an advantage over individuals, some factors such as the time-consuming nature of teamwork and the fact that in some cultures individual effort is emphasized over collective endeavour, make it difficult for teams to form, particularly at the top management level (see also McKenna, 2004). Hackman and Morris (1975) are the first ones to study teams in the Team Effectiveness Theory, while Ensley, Pearson and Pearce (2003) and Cole, Bedeian and Bruch (2011) investigate the effects of task identity on team performance. In the last few years, the focus of team research has been moved towards leadership in teams and team leadership. Specifically, it is investigated how leadership can be conceptualized in team working structures in times of radical changes. Rational organization management styles and causes organizations to seek for new methods of revealing synergy between the rational and the spiritual dimensions, (Silingiene & Skeriene, 2016). Accepting spirituality as the context for purposeful behavior, the theory and practice of management development can be better understood and integrated into personal and organizational behavior (Pruzan, 2011).

Different studies prove that leadership in a team is a strong predictor of the team performance (Kozlowski, Gully, McHugh, Salas & Cannon-Bowers 1996, Kozlowski, Gully, Salas, and Cannon-Bowers, 1996; Kozlowski & Ilgen, 2006; Konradt 2011; Burke et al., 2006; Carson et al., 2007). Research indicated that cohesion may increase cognitive conflict while minimizing affective conflict. Also, teams whose members experience a high sense of belonging should be better able to manage conflict than teams with a lower sense of belonging. Moreover, that ability to manage conflict effectively is related to superior new venture performance (Ensley et al., 2000).
Management Teams in Serbia

If compared with the conditions of the domestic economy, it is noticeable that clearly defined stages in the development of management teams in Serbia are still not present. For a long time, one of the basic guidelines for choosing and appointing people to management positions, which included their activities in the management teams to a certain extent, has primarily been conditioned by political acceptability and nepotism and only after that by skills and qualifications. The rise in the number of private companies in Serbia today is what brings in additional confusion in otherwise rather vague situation on the market.

When presenting the Serbian national business environment it is important to underline that the national culture of Serbia. Based on Hofstede’s (1980) dimensions, Serbia is a country with high power distance (76), uncertainty avoidance (88) and explicitly individualistic (27) and feminine (27) values. According to Janicijevic (2003) the dimensions of national culture affects the organizational culture, as well, and results in authoritative leadership style, the high importance of informal relations – networking, and high bureaucracy. This is while the Anglo-Saxon management techniques could not be used directly, but only after studious adaptation (Slavic and Berber, 2016). Also, beside the national culture, Serbia (and Former Yugoslavia) had specific political and economic past, which was influenced by the Socialist model of development. In the years after the WWII and until 1990s, the development in Serbia was characterised as administrative, with planned economy and specific self-management approach in business (Estrin, 1991). The Communist Party representatives made all key decisions in the most of the areas in the state. After the fall of Socialist regimes in the most of the countries of the CEE region, in the 1990s, the wave of privatization and marketization of economies started. The entrance of the foreign multinational companies (MNCs) brought capital, technological and organizational know-how into Serbian economy.

Regarding the research of management teams in Serbia, one research gained special attention. In 2008 there has been made one exploration of the competencies and the perceived competence gap of management personnel in public primary healthcare in Serbia. 14 management teams of Belgrade primary health-care centers were questioned before and after management training in six competency categories. Competency mean differences by gender, educational level, experience and position were analyzed. The authors concluded that female managers developed higher competency levels after training in communication skills and problem solving. Top managers rated assessing performance of higher importance, while chief nurses emphasized the importance of leading. The reduction in competency gaps can be significant through employee training, but the authors found that performance management remained weak among explored managers (Milicevic et al., 2011).

Based on the mentioned, there is evidence of the lack of this kind of researches in Serbian business environment, which is also one of the motivational forces for the exploration of the role of management teams.

Research Methodology

The research problem is connected to the scientific valorization of the importance and prospects of the management teams through research of their effects on the domestic economic environment and the creation of more effective models and greater managerial efficiency. The situation in Serbia is somewhat different from the situation in the developed countries that form their present point of view. Management teams in Serbia have often been perceived as negative phenomena because of their association with the autocracy, politically dictated behavior and, as such, could not represent the true business potential of an organization. Teamwork has not been perceived as a tool for achieving best results or as an opportunity to gain advantage against the competition. However, it is encouraging that there are increasing number of indicators showing that such attitudes towards management teams and teamwork have generally been changed in the last fifteen years since the Government started implementing market reforms having its intense focus on joining the European Union, and managers are now willing to be trained in order to work more efficiently and obtain the necessary knowledge.

The aim of the research is to scientifically elucidate the phenomenon of work potential of management teams as key segments in construction of an integrated system of corporate culture. The main goal is the diagnosis ways to overcome and resolve conflict situations, degree of cooperation and openness in communication, leadership styles in relation with management tools and innovative solutions in business, as a prerequisite for such a diagnosis.

The practical goal of this paper is to outline a model of successful management teams in Serbian transitional economic environment, together with the elements that could contribute to their creation and functioning in the best possible way.

Research Hypotheses

Three hypotheses are proposed for this research:

\( H1: \) Success of management teams is conditioned by a degree of cooperation and availability of the team members, their good interpersonal relations and ways of overcoming the problems in the team.

\( H2: \) There exist certain differences in team success regarding the functioning of the management teams and some general demographic characteristics.

\( H3: \) There exist certain differences in functioning of the management teams between the private and the public sector.

Instrument

The instrument is designed for the needs of this research in accordance with its goals and hypotheses. A certain number of questions are created for every indicator. There are offered answers for each question, so they denote, to a different extent, either the acceptance or the refusal of the question content. The questionnaire consists of 36 questions with Terston Estimation Scale. Each question leaves a possibility for respondents to add an answer if they think that something has been left out of the
suggested answers. Besides the basic demographic characteristics, the following characteristics are investigated: teamwork, communication, cooperation, overcoming the conflicts and leadership styles.

**Description of the Sample**

The sample is made of 160 random respondents, members of 19 business organizations from the territory of Autonomous Province of Vojvodina, in Serbia. The organizations are chosen according to their business success, i.e. they are the most successful organizations considering their solvency, business effects and willingness for cooperation.

The ratio between the production and service sectors is consistent with the municipality percentage ratio according to the data of the Regional Chamber of Commerce (Regional Chamber of Commerce Novi Sad 2011), with 41 % of the production sector and 59 % of the service sector. The research includes 62 % male and 38 % female respondents attaining managerial positions, employed in 11 public sector and 9 private sector organizations. The respondents’ age structure shows that 23.13 % is between ages 26 and 35; 36.25 % between 36 and 45; 20 % between 46 and 55; and only 10 % is between 56 and 65. The educational structure of the sample has 7 different levels with 58.75 % of university graduates, 20 % two-year college graduates, 8.13 % of high-school graduates, 6.88 % of PhDs and 4.38 % of MBAs. Specialist training and a three-year vocational school is present in 0.63 % of the sample. Based on the hierarchy positions of the organizations surveyed, the position of Department Managers comprises 47 % of the respondents, the position of Sector Managers 25 %, Assistant Directors 15 %, Section Managers 9 % and the General Managers 4 %.

The structure of the sample with regard to overall years of service shows that 36.88 % of the respondents has 11 to 20 years of service; 26.88 % of them has less than 10 years of service; 21.25 % has 21 to 30 years and 11.88 % has 31 to 40 years of service. The structure of the sample with regard to the time spent on executive positions shows that 35.63 % of the respondents have occupied executive positions from 1 to 5 years; 21.25 % from 6 to 10 years; 13.75 % for less than a year; 9.38 % from 16 to 20 years; 8.75 % from 21 to 25 years; 1.88 % from 26 to 30 years and less than 1 % from 36 to 40 and 31 to 35 years.

**Data Processing Methods**

In the statistical analysis, the descriptive analysis, canonical correlation and discriminant analysis are used. The descriptive analysis gives an insight into certain indicators concerning the attitudes of the respondents about the teams, and business potential of their organizations.

**Results of the Analysis**

The results show that most of the respondents think that well-functioning management teams represent a significant business potential of an organization, supporting the basic hypothesis. In order to confirm such views of managers, concerning the importance of the management teams, the following issues are pointed out:

- The results indicate well-functioning of the teams in the surveyed organizations; in 74.9 % of answers, the respondents indicate that the results of the organizations are identified and resolved in accordance with the possibilities.
- The answers of 88.2 % of the respondents indicate the successful communication inside the management teams and their strong concern for the realization of the work tasks.
- In 42.5 % of cases the respondents understand the importance of motivation, i.e. they think lack of motivation and indifference of the managers lead to failures in accomplishing their business tasks.
- 66.2 % of the respondents think that the managers have consistent and fair relations with the employees and a clear approach to their work, which is fundamental for building trust in business relationships.

The discriminant analysis investigates importance and structure of the differences among the managers using the following variables: gender of the managers, their age, total length of service, the overall length of service spent on the executive positions, managers’ level of education, their positions in their organizations, and their affiliations to the production and service sectors.

Considering the gender of the respondents, the given discriminative factor is not statistically important. This tells us that no significant systematic differences between the answers of male and female managers are present in any of the investigated indicators. According to the discriminant analysis of the managers’ age, the managers are divided into four age categories. In other words, the age of the managers is not necessarily connected to the investigated indicators. The discriminant analysis, concerning the managers’ length of service, shows that the respondents are grouped into four categories. There is one statistically important discriminative factor which explains 51.59 % of the differences among the managers regarding the length of their service. A bipolar discriminative dimension is attained, with its positive pole determined by a respondent’s effort to build good business relations with the employees considering it as a prerequisite for success. Furthermore, the respondent assesses that never is a case when all the employees take part in the decision-making process nor their management teams make unitary coherence. In other words, this pole of the dimension demonstrates existence of bad cooperation and importance of the personal initiative of each individual in the management team.

The negative pole of this dimension highlights some completely opposite characteristics: the respondent does not try to build good relations with the employees because he thinks that the organization is monopolistic. Besides, he estimates that all the employees take part in the decision making process and that their management team demonstrates a coherent unit. In other words, this pole of the dimension demonstrates the feeling of good cooperation, but also collective responsibility.

The achieved discriminative dimension can be interpreted as an individual initiative in contrast to the team initiative with collective responsibility.
In order to determine the importance of the differences among the organizations through the indicators of the management teams’ success, a variance analysis for each subscale of the questionnaire is applied. The empirical grouping of the management teams is achieved with the help of cluster analysis, while the importance and the structure of the differences among the groups is verified with the discriminant analysis.

In this paper, hierarchical cluster analysis is used, based on the complete linkage technique. The similar management teams are joined in clusters and the most similar clusters are joined again at the next level. This method is particularly beneficial for creating global clusters that suit certain types of the respondents.

Using canonical correlation analysis, the importance and the structure of the linkage indicator for the three subscales of the questionnaire are determined:

- Means of communication in organizations (through the sets of variables which are bound to standards of the organizational functioning and the decision making process);
- Models of dealing with conflict situations and conflict resolution in organizations, and
- The degree of cooperation and freedom in communication as a tool of measuring the quality of human relations.

Depending on the size and omen of the centroid groups, the evaluations actually indicate, to a certain extent, the presence of the characteristics described and not their extremes. However, there are certain differences among the managers of different age categories. This is evident in their attitudes towards employee cooperation, the decision-making process and the cooperation within the management teams.

Managers with 11–20 years of service have significantly different attitude toward personal initiatives and responsibilities from “beginners” (up to 10 years of service) and managers over 20 years of service. The managers with 11–20 years of service have the tendency to assume that the management team does not function well and they personally initiate a concept that leads to better business relations with the employees and, therefore, to the success of the organization. The managers at the beginning of their careers pay more attention to the work processes than to interpersonal relations. They tend to avoid generalization of the harmony in the management team and shared responsibility with the rest of employees. Instead, they associate those evaluations with separate jobs or tasks.

Managers with over 20 years of service prefer to take the side of the team initiative with collective responsibility. None of the discriminative factors are statistically important, which tells us that the managers are not very different from one another in their answers in regard to their length of service on executive positions, i.e. the length of service on executive positions is not related to any of the indicators that are investigated.

None of the discriminative factors regarding the respondents’ education level have any statistical importance in this research, which means that there is no significant difference in the answers of the respondents concerning their level of education. In other words, level of education of the managers does not have any statistically important connection with the investigated indicators. That underlies the fact that the experience in different teams, including the observed ones, is far more important than the level of education (according to the indicators of the research).

There are no statistically important discriminative factors which would help differentiate the respondents regarding their executive positions or their positions within the organizations. Therefore, their positions within the organizations show no statistically important relates with the questioned indicators.

There is one statistically important discriminative factor which completely explains differences among the respondents from the production and the service sector. The bipolar discriminative dimension is shown and its positive pole is clearly determined by the standards of reward and punishment in the process of work, thus presenting the management team as a unitary and positive whole which can be trusted. Managers try to build good business relations with the employees, so there are no confrontations between the managers and the employees or other bigger problems. In other words, satisfying cooperation is noticed both in management teams and between the managers and other employees.

Contradictory characteristics affect the negative pole of this dimension: no clear standards of reward and punishment in work process are determined, and the management team is neither presented as unitary and positive whole, nor it is trustworthy. In its functioning, the management team has a lot of problems and confrontations between the managers and employees, emphasizing the fact that inadequate teamwork of managers threatens the functioning of an organization.

The obtained discriminative dimension can be interpreted as the good cooperation opposed to the bad one.

Depending on the size and the omen of the centroid groups, the obtained evaluation shows relatively small or relatively considerable existence of the described characteristics, excluding the presence of their extremes. However, there exist significant differences among managers from different sectors depending on how they see cooperation with their employees or the cooperation within the management team. While the managers from the production sector agree that the cooperation within the organization is generally bad, the managers from the service sector believe that there is the good cooperation both in the management team and with other employees.

The statistically important discriminative factor is attained, completely explaining the differences among the managers from the public and the private sector.

The results show the bipolar discriminative dimension with its positive pole demonstrating the employees’ distrust of the management team, as well as constant confrontations between the management and the employees. According to the respondents, management teams do not function well without discussing the improvements of the work results. The belief that “positive work atmosphere excludes strict work discipline” does not function well, i.e. the cooperation within the management team and between the managers and the employees is of low quality.
The negative pole of the dimension is determined by some contradictory characteristics: the employees trust the management team because “managers have clear, consistent and fair relations with the employees,” which means that there are no confrontations between them. According to the respondents, management teams function well, they talk often about the improvement of the work results in the organization and the managers believe that “the right work atmosphere requires solely strict work discipline”. The obtained discriminative dimension could be interpreted as a dysfunctional cooperation within the organization, opposed to the functional one. Depending on the size and the omen of the centroid groups, the obtained evaluation shows relatively small or relatively considerable existence of the described characteristics, excluding the presence of their extremes. However, important differences between managers in the private and the public sector are noticeable concerning their views about success of the cooperation within the management team, the cooperation of the managers with the employees and the importance of the work discipline.

It is typical for public sector managers to have generally bad opinion about cooperation within organization, with specific resistance which refers to strict work discipline. On the other hand, private sector managers prefer organizations with functionally set cooperation, i.e. with good cooperation inside the management team and with the rest of the employees, including strict work discipline that is essential for good work atmosphere.

### Table 1

<table>
<thead>
<tr>
<th>Differences Among the Organizations in Success Indicators of the Management Teams</th>
<th>Sum of squares</th>
<th>df</th>
<th>Variance</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means of communication in organization</td>
<td>Between groups</td>
<td>33.57</td>
<td>18.00</td>
<td>1.87</td>
<td>2.15</td>
</tr>
<tr>
<td></td>
<td>Within groups</td>
<td>100.43</td>
<td>116.00</td>
<td>0.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>134.00</td>
<td>134.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Means of overcoming and dealing with conflict situations</td>
<td>Between groups</td>
<td>29.48</td>
<td>18.00</td>
<td>1.64</td>
<td>1.82</td>
</tr>
<tr>
<td></td>
<td>Within groups</td>
<td>100.52</td>
<td>112.00</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>130.00</td>
<td>130.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree of cooperation and openness in communication</td>
<td>Between groups</td>
<td>26.47</td>
<td>17.00</td>
<td>1.56</td>
<td>1.73</td>
</tr>
</tbody>
</table>

Each of the management team success indicators shows that differences among organizations are more considerable than differences within organizations. All indicators show that answers of the members from the same management team are more similar than those from the members of the management teams from different organizations. The statistically important discriminative factor is obtained which completely explains different answers of the management teams, based on their empirical classification in two big clusters (Table 1). The bipolar discriminative dimension is obtained in the analysis. High scores of this dimension show the malfunction of the management teams. Managers do not give clear and precise orders, but try to appoint various tasks to their employees. However, this leads to conflicts and big problems that are not resolved successfully. Neither clear system of allocation, nor clear standards of reward and punishment for the tasks done are noticed. There exist a lack of trust among the employees and mistrust within the management team, not to mention the belief that managers often deal with issues that do not have real importance for the organization. As opposed to this, low scores (the negative pole of the dimension) point out the very good functioning of management teams that is connected with the trust of the employees. Management teams are constant, applying the system of allocation based on the work results and skills, together with clear standards of reward and punishment for the tasks. Managers give clear orders and precise instructions to their employees avoiding any kind of confrontation. The given discriminative dimension can be interpreted as bad functioning in the organization, opposed to quality one (Table 1). Depending on the size and omen of the centroid groups, relative presence (smaller of larger) of the described characteristics is noted in the obtained evaluations, excluding the presence of their extremes. However, there are important differences among the management teams from different clusters regarding their views on how their organizations function. While the management teams from the first cluster think their organizations do not function quite well, the management teams from the second cluster think they are highly functional. In the period of various social changes which Serbia faces in the last couple of years, it is encouraging to know that larger number of organizations belong to the second cluster, i.e. there are more organizations which function better, according to the opinions of their managers at different levels of responsibilities. In the period following the troubled times of political and economic changes, regardless of any present doubts and dilemmas, it is good to see that the intellectual basis for further growth and development of the society can be deduced in Serbia.

One of the most important conclusions resulting from this discriminant analysis is that the evaluation of how well an organization functions, or how well the management teams function, together with good cooperation with the employees, underlies the need for management teams with clear standards of reward and punishment, where the employees are given clear orders and precise instructions instead of informal talk with team members.

With canonic correlation analysis the authors investigated the relation between the indicators of the communication tools in the organizations (through the groups of variables that are related to the standards of how well an organization functions or through the decision-making process) and the indicators of problems in the organizations and the ways of resolving them.

There is a very important pair of canonic factors obtained, where the coefficient of canonic correlation equals 0.74. The canonic factor obtained from the set of
variables concerning problems in the organizations defines successful and unitary functioning of the management teams without big problems and with constant discussion on work results improvements in the organization. There is the positive feedback relation between the managers and employees; the managers see the success of their team as a consequence of the extra efforts of employees, and try to build good interpersonal business relations. This factor can be interpreted as overcoming problems in organizations with the help of joined forces of management teams and employees.

According to this pair of canonic factors, the clear communication with standards directed towards encouraging efficiency of all the employees, is to a great extent positively related to the joined efforts of management teams and employees to resolve problems in their organizations. This means that if communication is clear and standards of reward and punishment based on the results and abilities of employees, there can be noticed fewer problems in organizations because the managers and the rest of the employees invest extra efforts to overcome them.

The connection between the means of communication and the quality of human relations in an organization: Canonical correlation analysis investigates the relation between the indicators of the communication tools of and those measuring the quality of human relations. Table 2

<table>
<thead>
<tr>
<th>F</th>
<th>$r_c$</th>
<th>$r^2_c$</th>
<th>$\chi^2$</th>
<th>df</th>
<th>p</th>
<th>$\lambda$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.81</td>
<td>0.66</td>
<td>186</td>
<td>99</td>
<td>0.00</td>
<td>0.10</td>
</tr>
<tr>
<td>2</td>
<td>0.55</td>
<td>0.31</td>
<td>98</td>
<td>80</td>
<td>0.09</td>
<td>0.30</td>
</tr>
</tbody>
</table>

The analysis results with a statistically important pair of canonic factors, in a Table 2, where the canonical correlation coefficient equals 0.81, which indicates the importance given to effective communication in organization. Factor 1 is presented as the means of communication; 2 - the quality of interpersonal relationships. Factors 1 interpreted as the clear communication about the standards in relation with the efficiency of all employees and Factor 2 is described as the quality of the human relations in organization.

Based on the content of the variables that are highly related with this factor, there can be interpreted the clear communication with the standards directed towards obtaining efficiency of the employees.

The canonic factor obtained from the sets of variables presenting the quality of human relations demonstrates the high degree of trust and mutual respect both within the management team and through the attitudes of the employees towards their managers because they have “clear, consistent and fair relations with the employees”. The employees show trust and lack of fear when expressing their own opinions and they believe that “no job is too difficult with such colleagues”. The factor can be interpreted as good human relations in the organizations.

Based on this pair of canonic factors, the clear communication with the standards directed towards encouraging efficiency of all the employees is to a great extent positively related to good human relations in the organizations. This means that if the communication is clear and standards of reward and punishment based on the results and abilities of the employees, then human relations are also satisfactory.

With the canonical correlation analysis, the connection between the human relations quality indicator and the problem indicator within the organizations is investigated, including the ways of overcoming them. Table 3

| Results of the Canonic Analysis$^2$ |
|---|---|---|---|---|---|---|
| F | $r_c$ | $r^2_c$ | $\chi^2$ | df | p  | $\lambda$ |
| 1 | 0.87 | 0.75   | 211     | 90 | 0.00 | 0.07    |
| 2 | 0.55 | 0.30   | 97      | 72 | 0.03 | 0.30    |
| 3 | 0.50 | 0.25   | 68      | 56 | 0.13 | 0.43    |

The canonical correlation coefficient for the first pair of factors is equal to 0.87. It can therefore be interpreted as good human relations in the management teams and in the organizations (Table 3). Factor 1 is presented as the quality of interpersonal relationships; 2 - problems in the organization, and 3 - confidence in the management teams. Factor 1 is described as the quality of the human relations in management teams and in organization as a whole. Factor 2 is described as the overcoming the problems in organization through the extended efforts of management teams and Factor 3 is described as the difficulty of managing teams due to the constant conflicts with employees.

This canonic factor is very similar to the previous one from this set of variables. The only difference lies in the fact that it is more evident here how well the management team functions, without internal conflicts (thanks to very frequent conversations) and without conflicts with the employees (thanks to an extra effort of the managers). However, the fact that the success of the management team depends on the extra effort of the employees is not so evident here. This factor is thus interpreted as overcoming the problems in the organization with extra efforts of the members of the management teams. The canonic correlation coefficient for the second pair of factors is equal to 0.55. This canonic factor determines the managers’ feeling that it is easy to cooperate with some colleagues and not so easy with others (Table 3). The members of the management team spend time together even after working hours. The respondents also believe that the employees trust managers who have “clear, consistent and fair relations with the employees”. However, their argument for the lack of that trust is “low motivation and the indifference of the managers”.

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$^1$ $F$ - isolated pair of canonic factors; $\lambda$ - distinctive root of canonic factors pair; $r_c$ - canonic correlation coefficient; $r^2_c$ - canonic determination coefficient; $\chi^2$ - Wilks $\lambda$ significance test; df - index of the degree of freedom; p - the level of importance of canonic factors pair.

$^2$ $F$ - isolated pair of canonic factors; $\lambda$ - distinctive root of canonic factors pair; $r_c$ - canonic correlation coefficient; $r^2_c$ - canonic determination coefficient; $\chi^2$ - Wilks $\lambda$ significance test; df - index of the degree of freedom; p - the level of importance of canonic factors pair.
Based on the content of the variables that are largely connected to this factor, this could be interpreted as aloofness of management teams from the employees.

This canonic factor determines the managers’ feelings that the success of the management team mostly depends on the efforts of the employees in the organization and also the feeling that the cooperation between the management team and the employees is bad because of constant conflicts. Although the members of the management team often talk about how to improve the results of the work, their functioning faces with many problems. The factor could be interpreted as difficult functioning of the management team due to constant confrontations with the employees. The first pair of canonic factors points out that the quality human relations within the management team and the organization lead to problem resolving, with extra efforts of the management team members. The second pair of canonic factors shows that the management team distant from the employees leads to certain difficulties in the functioning of the management due to constant confrontations with the employees.

Discussion and Conclusions

The insight of the obtained results highlights the fact that there are no significant differences in the answers according to the highest number of general demographic characteristics, i.e. between females and males; according to respondents’ age, years of service in the executive positions, level of education or hierarchical position within the organization.

The results support the fact that there are evident differences in the answers according to the overall length of service. It is important to notice that managers with 11-20 years of service have very different relationship to the personal initiatives and responsibility from the “beginners” (with less than 10 years of service) and the managers with over 20 years of service.

Managers from 11 to 20 years of service tend to think that the management team does not function well and that it is important for them to take up the initiative which would then result in better business relations with the employees, and eventually lead to the success of the organization. This can be considered from the aspect of the initiative of young people who are willing to change both themselves and their business environment since they think that the atmosphere in the organization is an important factor which also influences the atmosphere in the organization.

Managers at the beginning of their careers (with less than 10 years of service) pay more attention to the work process than to interpersonal relations. They tend not to generalize the harmony in the management team or share responsibility with other employees in the organization, but consider those measures as individual jobs or tasks.

Managers with over 20 years of service prefer team initiative with a collective responsibility with the increase of their age, which is evident from the obtained results.

The obtained results indicate that there are differences among the managers from different sectors in their views of cooperation with employees and within the management team. While generally negative attitude towards cooperation within the organization is more typical for the production sector, this is not the case with the managers from the service sector who feel that there is quality cooperation in the management teams, and with the employees.

However, there are considerable differences when the managers from public and private sector are compared, from the point of view how successful they consider cooperation within the management team, cooperation between managers and employees and importance of the work discipline.

The managers from the public sector tend to have generally negative opinions about the cooperation within organizations with strong resistance towards work discipline, whereas the managers from the private sector typically feel that functional cooperation (both in the management team and with the employees) and strong work discipline are essential for the proper work atmosphere. The attitudes of the managers from the private and public sectors differ significantly.

In addition, most of the observed private business organizations foster good communication resolve their problems efficiently and overcome certain conflict situations successfully. This is not the case in public companies. The communication is not developed enough, employees are not open to cooperation and conflicts are rarely or never dealt with. The more precise analysis of the results according to the sector identifies the existence of two clusters. These clusters are used to represent the organizations that have the tendency either of good or bad functioning. The first cluster represents the organizations whose managers have negative views about how the organization functions, whereas the second cluster comprises those organizations whose managers have a more positive attitude towards such an item. Wiersema and Bantel (1992) found that the firms most likely to undergo changes in corporate strategy had top management teams characterized by lower average age, shorter organizational tenure, higher team tenure, higher educational level, higher educational specialization heterogeneity, and higher academic training in the sciences than other teams. The results suggest that top managers’ cognitive perspectives, as reflected in a team's demographic characteristics, are linked to the team's propensity to change corporate strategy.

Furthermore, for each of the researched indicators of the management teams’ success, the differences between organizations are more significant than the differences within the same organizations. This means that more similar answers are given by the members of the same management teams than by the members of management teams from different organizations. This encouraging fact indicates unified system of values, mutual attitudes and beliefs of the members of each organizational management team.

The success diagnosis of the management teams is based on the average values in each of the surveyed organizations through the questionnaire subscales that measure: tools of communication in the organization (with sets of variables related to the standards of organizational functioning and decision-making process), model of overcoming and resolving conflict situations in the organizations, degree of cooperation and openness within organizations as the standard for good human relations.
The research proves the existence of clear communication both within the management teams and with the employees. The reasons for such results could be found in the dominant system of values under the conditions of transitional economy and in the previously stated fact that the answers are based mainly on the perceptions of respondents.

In general the studies analyzed variables, the results show the importance and role of management teams for the successful functioning of the organization. A special role management teams have the conditions in which the research was conducted in Serbia, during the transition, economic and social changes.

The implications of the research show that managers from the private sector typically feel that functional cooperation, work and discipline are essential for the proper work atmosphere. Lechler (2001) explored the data of 159 German entrepreneurial teams and he showed that the effects of empirical interaction on new business success are empirically proven. The quality of the social interaction within entrepreneurial teams is crucial for the new venture success. Modern business challenges require rapid, dynamic and flexible organization. The private sector recognizes the importance of teamwork, because only in this way can provide flexibility, mobility and economic viability. In order to increase strategic flexibility, it is necessary to create a positive work environment that develops and fosters teamwork in which employees take responsibility for professional growth and development through active participation. Parayitam et al. (2010) showed that the data support the view that intra-group trust moderates the relationship between agreement-seeking behavior and collaborating responses such that high-trust groups will have greater collaboration than low-trusting teams. This study suggests that administrators need to focus on interpersonal trust while dealing with the outcomes of task.

In addition to the positive implications, it is important to point to the limitation of the study. The research was conducted at the level of Serbia, a country in transition, where old forms of business are still present and new ways of doing business are not clearly defined. Accordingly, teamwork is a challenge in terms of the acceptance of the realization of a new way of working in organizations. It is desirable that in future research include the wider region (Central and Eastern Europe countries).

References


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