Strategic management

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in Strategic Management

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Contents

Assessing the impact of employee-centric digital transformation initiatives on job performance: the mediating role of digital empowerment

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Abstract
Background: The wave of digital disruption has been experienced across different industries in the fourth industrial revolution, altering processes and procedures as well strategies of many industries.
Purpose - As businesses strive to attain supremacy in their respective industries, reliance on technology has become an inevitable tool for sustainability and competitive advantage. Firms are employing novel business strategies and streamlining their operations by adapting to technology in order to transform digitally. Based on the theory of structural empowerment, we assess, from employees' perspective, the efficacy of key employee-centric digital transformation initiatives, namely, digital skills training and access to digital platforms on employees' performance through the mediating role of employee digital empowerment.
Design/methodology/approach - Survey data was collected from a sample 214 employees and their 89 direct supervisors across four banking institutions in China for the purpose of this study. Correlation and regression analysis were conducted to test the hypotheses.
Findings - The result of the study showed support for the positive impact of both digital skills training and employees' access to digital platforms at the workplace on job performance and also for the mediating role of employee digital empowerment. This study contributes to the empowerment literature by identifying key structural empowerment initiatives in an organization that enhance employee digital empowerment and performance at the workplace as firms transform digitally.
Practical implications - The results of the study suggest that firms should view digital transformation as an employee empowerment tool which, when implemented properly, could help enhance employees' performance and the overall organizational goal achievement potentials. Hence, organizations should align their digital transformation strategy with the needs of its human resource in order to ensure overall success of such transformations.
Limitations/future research – The study focuses on the banking sector only. Further research could focus on other industries that are equally affected by the waves of digital disruptions.

Introduction

In today's ever-dynamic business world, digital transformation is regarded as critical and it necessitates the development and integration of digital innovation into all areas of business from products to organizational processes and business models, with the ultimate goal of enhancing organizational effectiveness, business operations, and customer value (Nambisan, 2017; Ceipek, Hautz, De Massis, Matzler & Ardito, 2021). Faced with this reality, organizations are compelled to adapt and modify their operations continuously (Ubiparipović, Matković & Pavlićević, 2023). Organizations worldwide are prioritizing investment in digital technologies as means for dealing with digital disruptions effectively, ensuring sustainability and gaining competitive advantages, as evident by the surge in the global direct digital transformation investments (Carosella et al., 2021). These transformations require complete integration of digital technology across all aspects of businesses' operations and procedures, hence, having significant influence on organizations, and their stakeholders (Ubiparipović et al., 2023; Matt, Hess & Benlian 2015).

Key among organizational stakeholders affected directly by such transformations are the human resources. This is because digital transformation takes place in exceedingly human establishments with employees as the core of these organizations. It is therefore an undeniable fact that such transformations have significant consequences on the human resources of every organization (Rezaei, Rezaei, Zare, Akbarzadeh & Zare, 2014) since they play pivotal roles in equating, rethinking, and redefining human resource skills and capabilities of various organizations (Lerch & Gotsch, 2015; Leao & Mira da Silva, 2021). In the words of Westerman (2016), "digital transformation needs a heart", emphasizing that, "it is the human resources that make an organization work"; hence, careful alignment of an organization's digital transformation strategy with employees' needs is required for organizational effectiveness (Kozanoglu & Abedin, 2020). For this reason, firms are adopting key employee-centric digital transformation initiatives to help their employees adapt to various changes that come with technological advancements at the workplace.

Digital skills training has been adopted by most firms as a key employee-centric initiative for developing, empowering and enhancing employees' digital abilities at the workplace (Galazova & Magomaeva, 2019; Leao & Mira da Silva, 2021). Such training aims at re-skilling, upskilling and enhancing the digital competences that are needed for improved task delivery and overall employees' performance. Additionally, in the quest to enhance communication and effective knowledge and information sharing at the workplace, firms are providing readily available and easily accessible digital platforms to employees as part of their employee-centric initiative to adapt to various digital transformations (Forbesinsights, 2017; Bartczak, 2021; Verhoef et al., 2021). The primary objective of this initiative is to expedite communication and facilitate the exchange of knowledge among employees at the workplace. This will result in accelerated decision-making processes, enhanced collaboration and improved accessibility to resources for employees (Singh, Bala, Dey & Filieri, 2022), with the ultimate goal of empowering and enhancing the performance of employees in their professional endeavors (Ghani, Ali, Musa & Omonov, 2022).

Kanter's (1977) theory of structural empowerment describes contextual organizational factors and work conditions needed for an effective work environment, empowerment, task accomplishment and organizational effectiveness (Hagerman, Högberg, Skytt, Wadensten & Engström, 2017). According to Kanter's (1977) theory, there are four key structures that employees need to have access to at the workplace in order to enhance their empowerment and task accomplishment at the workplace. These are: *opportunity* to grow and advance within the organization; *support* in terms of timely and effective feedbacks from subordinates, colleagues and management; *information* regarding the work and organization; and *resources* in terms of communication tools, platforms, materials and sufficient time (Hagerman, Högberg, Skytt, Wadensten & Engström, 2017). Based on Kanter's (1977) theory, we argue that digital skills training at the workplace is an effective and efficient way of providing access to opportunity and support since it aims at reskilling, upskilling, learning and

developing of employees so as to meet their digital transformation needs at the workplace. We also argue that access to digital platforms at the workplace is in line with Kanter's (1977) access to information and resources. This is because, by providing a common communication platform at the workplace, it is easy for employees to share relevant organizational information both amongst themselves and management, which is the surest path to enhancing task accomplishment at the workplace. Hence, digital skills training and access to digital platforms are key employee-centric structural empowerment initiatives that are embraced by most firms as they transform digitally.

Despite the growing adoption of digital skills training and access to digital platforms as key employee-centric digital transformation strategy by most firms, the effectiveness of such initiative has not seen much exploration especially from the perspective of employees (Kozanoglu & Abedin, 2020). It is for this reason that this study aims to assess from employees' perspective, the impact that these key employee-centric digital transformation initiatives have on the performance of employees. We therefore draw from the theory of structural empowerment to examine how digital skills training as well as access to digital platforms influence employees' job performance through the mediating role of digital empowerment.

Our study makes the following contributions to literature. Firstly, with massive digital transformations in various organizations, our study contributes to literature by identifying key employee-centric initiatives needed to enhance employees' job performance as organizations transform their businesses digitally. We identify digital skills training and access to digital communication platforms as key contextual organizational (structural empowerment) factors that enhance employee digital empowerment and performance at the workplace. Secondly, the study adds to empowerment literature by examining from employees' perspective how their organizations' digital transformation initiatives influence their digital empowerment which eventually enhance task accomplishment at the workplace. This is important since such initiatives are aimed towards accomplishing a positive outcome among employees and as such, their firsthand assessment of these initiatives are noteworthy. Finally, as the theory of structural empowerment is mostly applied in the healthcare (nursing) setting, the study adds to literature by examining the theory in

a setting outside the healthcare field by testing the relevance of the theory in the banking setting. By doing so, we tend to contribute towards the generalize application of the theory in settings other than the healthcare arena.

1. Theoretical background and hypotheses

1.1. Theory of structural empowerment

Kanter's (1977) structural empowerment theory focuses on contextual factors that enhance healthy working environments for individuals' effectiveness and organizational efficiency. According to Kanter's (1977) theory, the employees' task accomplishment would be greatly enhanced in an empowered work environment; thus, employees who are empowered with faceless work pressure and burnout, and are therefore more likely to complete their tasks successfully and be satisfied with their jobs (Yang, Liu, Chen & Pan, 2014). Thus, structural empowerment is at the heart of the work environment and includes organizational strategies for individuals to work in an empowered environment and accomplish their tasks effectively (Lautizi, Laschinger, & Ravazzolo, 2009).

Kanter (1977) argues that there are four main sources of empowerment structures, namely, access to information, access to resources, access to opportunities and support (Yang et al., 2014). Kanter (1977) explained that, access to information requires employees to be updated with all relevant information regarding the organization and also equipping employees with the required technical knowledge and expertise for effective goal attainment in an organization. Access to resources refers to the ability to obtain all relevant work-related resources for task accomplishment. Also, work conditions that enhance knowledge and skills development, training and learning are referred to as access to opportunity. Finally, when there are timely and effective feedbacks being offered to employees from their co-workers, subordinates and superiors, they are said to have received support. These four sources of empowerment structure influence employees' task accomplishment at the workplace significantly (Kanter, 1977). Furthermore, Kanter (1977) adds that as an organization provides its employees with access to conducive conditions at the workplace (i.e., structural empowerment), an improve sense of control and empowerment can be accomplished.

1.2. Digital skills training and job performance

Digital transformation necessitates firms to upgrade their workforce's skills and capabilities in order to remain competitive (Ostmeier & Strobel, 2022). Aligning organizations' digital strategies and initiatives with the needs of their employees has become inevitable in the fourth industrial revolution, hence, the need for the adoption of digital skills training at the workplace (Montero Guerra, Danvila-del-Valle & Méndez Suárez, 2023). Digital skills refer to the ability to use information and communication technologies (ICTs) to increase productivity and discover novel approaches to running a business (Drydakis, 2022). Achieving these skills requires re-skilling or upskilling employees through digital skills training (Karacay, 2018). We define digital skills training as the acquisition and mastery of the knowledge and abilities necessary to use digital resources at the workplace effectively, and argue based on the human capital theory that digital skills training of employees goes a long way to strengthen the employees' competence base, which ensures effective and efficient job performances on the parts of employees.

According to the human capital theory, investments in employees' training will lead to an increase in their stock of human capital, which will in turn lead to greater performance. Thus, training makes employees more productive, effective, and adaptive in their responsibilities due to the new information, knowledge and abilities acquired during training. Several studies (Drydakis, 2022; Fawehinmi, Yusliza, Mohamad, Noor Faezah & Muhammad, 2020; Munawar, Yousaf, Ahmed & Rehman, 2022; Pham, Vo Thanh, Tučková & Thuy, 2020; Karacay, 2018) have highlighted the significant influence of training on employees' productivity and performance.

We therefore argue that, as firms transform their operations digitally, digital skills training is certainly an effective remedy to addressing skills mismatch in the changing work trends in organizations and a surest way to improve and enhance employees' digital ability and their overall job performance at workplace. Hence, we hypothesize that:

Hypothesis 1: Digital skills training has a positive impact on employees' job performance.

1.3. Employees' access to digital platforms and job performance

With digital transformation leading to intelligent organizations and knowledge revolution, reliance on digital platforms has become inevitable if organizations are to ensure effective knowledge and information flow among their employees at the workplace (Bartczak, 2021; Sousa & Rocha, 2019). Sedera, Lokuge, Grover, Sarker & Sarker, 2016) described digital platform as "a technology architecture that allows development of its own computing functionalities and allows the integration of information, computing, and connectivity technology platforms available to an organization". Digital platforms have the ability to connect people, organizations and resources with the aim of facilitating the core interactions between businesses and consumers as well as assuring a greater efficiency for the business management (Ruggieri, Savastano, Scalingi, Bala & D'Ascenzo, 2018). In the banking industry, digital banking platforms have revolutionized the banking sector (Levy, 2022), and are viewed as organizational innovations with the potential to generate new ideas, making it readily available and easily accessible to employees to help develop employees into knowledge employees, enhancing their decision-making ability and ultimately improving their productivity at the workplace (Mariani, Wamba, Castaldo & Santoro, 2023; Ahmad, Lodhi, Zaman & Naseem, 2017). Such banking platforms enable knowledge sharing among employees at the workplace, ensure company-wide collaboration and enhance knowledge management in an organization (Bartczak, 2021; Slack, 2019). The interdependence and interconnectedness among firms' branches and departments have heightened the need for making digital platforms easily available and accessible to employees in order to ensure timely communication and knowledge sharing within and among employees belonging to different firms, branches and departments (Sousa & Rocha, 2019). Through these platforms, employees are able to identify, access, create, organize, share and use information and knowledge effectively to improve their performance (Bartczak, 2021; Sousa & Rocha, 2019).

A study by Forbesinsights (2017) revealed that there are faster decision making, better collaboration, higher job satisfaction and increased productivity among employees who have easy access to digital communication platforms and tools at the workplace. The research further

revealed that workers exposed to such platforms mostly outperform their counterparts who do not have such access in the sense that there are reduced levels of errors and better decision-making ability on the part of employees exposed to various digital communication platforms at the workplace, which ultimately help improve their tasks fulfilment and their overall job performance. This eventually goes a long way to ensure sustainability and competitive advantage on the part of the organization. In view of this, we hypothesize that:

Hypothesis 2: Employees' access to digital platforms has a positive impact on their job performance.

1.4. Mediating role of employee digital empowerment

Empowerment has attracted considerable attention in the fields of psychology and social science due to its influence on individual and organizational outcomes, as well as on groups and societies at large (Ochoa Pacheco & Coello-Montecel, 2023). While there are several perspectives of empowerment, key amongst them are the structural empowerment and psychological empowerment. Structural empowerment represents the social structures that organizations put in place to aid employees' task fulfillment while psychological empowerment refers to productive outcomes that employees achieve directly from tasks when their cognitions of meaning, competence, self-determination and impact are satisfied (Amor, Xanthopoulou, Calvo & Vazquez, 2021; Spreitzer & Quinn, 2001). As organizations provide social conditions, policies and environment that facilitate access to opportunities, information, support, and resources at the workplace (structural empowerment), it goes a long way to influence employees' psychological empowerment which ultimately influence employees' wok attitudes and behavior as well as their task accomplishment (Kanter, 1977). Thus, in a supportive working environment, employees with a sense of support feel positive about themselves and are therefore more likely express themselves and feel empowered for task accomplishment (Hsieh, Lee & Tseng, 2022; Monje Amor, Xanthopoulou, Calvo & Abeal Vázquez, 2021).

In the present era of rapid digital transformation, digital empowerment is key to competitiveness and efficiency at the workplace (Baptista, Stein, Klein, Watson-Manheim & Lee, 2020). According to Wu, Sun, Chang, Zhang and Qi, (2022), digital empowerment refers to the use of and the reliance on digital technology as a means of empowering every aspect of an organizations' operation in order to ensure sustainability and competitive advantage. It is essential in achieving efficiency, motivation and overall productivity of grassroots employees in this digital age (Peng & Tao, 2022). Employee digital empowerment requires providing and enabling workers with the digital resources, skills, and tools they need in order to use digital platforms and technology in their job efficiently so as to ensure tasks accomplishment at the workplace (Lingling & Ye, 2023). Based on several studies that have found significant mediating role of employee empowerment between structural empowerment and employees work effectiveness and productivity outcomes (Monje Amor et al., 2021; Hagerman et al., 2017; Hagerman, Skytt, Wadensten, Högberg & Engström, 2016; Meng, Jin & Guo, J. (2016), we argue in the digital age that, as organizations put structural empowerment initiatives in place (digital skills training and access to digital platforms) as they transform digitally, employees' digital empowerment is enhanced, which ultimately translates into efficient and effective task accomplishment. Thus, employees' digital empowerment is the outcome of organizations' structural empowerment initiatives which eventually results in enhanced performance at the work place. We therefore propose that:

Hypothesis 3a: Digital empowerment mediates the relationship between digital skills training and employee's performance.

Hypothesis 3b: Digital empowerment mediates the relationship between access to digital platforms and employees' performance.

2. Methodology

2.1. Sample and procedure

We collected data from employees of four banks in Shanghai, China. The banks are Merchant Bank (Bank 1), Construction Bank (Bank 2), Bank of Communications (Bank 3) and Industrial Bank (Bank 4). These banks were chosen because they serve diverse customers nationwide and are constantly adapting to the rapid technological changes, providing their employees with relevant digital training, tools, and platforms to help them perform at their best.

We developed and administered separate questionnaires to 240 subordinates and their 106 direct supervisors for the purpose of this study.

Respondents serve in different roles as well as in different departments. Subordinates' questionnaires were designed to collect data relating to demographic information, digital skills training, access to digital platforms and employee empowerment. Their direct supervisors provided ratings regarding job performance of each subordinate. Through the help of the HR department of each bank, we chose randomly, through systematic sampling, three subordinates for each supervisor in order to ensure objectivity in the assessment of job performance. Also, respondents were assured of confidentiality of their responses in order to ensure objectivity and to reduce appraisal apprehension. Respondents completed and returned the questionnaires to our team with the help of the HR department.

Out of the 240 subordinate questionnaires that were administered, 214 questionnaires representing 89.2% response rate were retrieved. Also, 89 questionnaires representing 84% response rate were retrieved from their respective supervisors. This represents an average of 2.40 employees per supervisor. Within the final sample, 49.5% were female and 50.5% were male, and the average age of respondents was 28.36 years. Also, 24.3% were employees of Bank 1, 27.1% were employees of Bank 2, 26.2% work for Bank 3 while the remaining 22.4% were with Bank 4. In terms of departmental affiliation, 36% were from Sales and Marketing department, 26% were from the HR department, 10% were from the Compliance department, 8% were from Research and Development, 12% were from Operations, whiles 8% belong to other departments. As for educational background, 5.1% had college diplomas, 44.9% had bachelor's degrees and 50% had master's degrees.

2.2. Measures

The variables used in this study were measured using multiple items from different studies in extant literatures. All items were measured using a five-point Likert-type scale; respondents had to indicate their level of conformity with the different statements (5= strongly agree to 1= strongly disagree).

Digital skills training (DST) was measured using 5 items previously used by Sicilia et al. (2018). Items were adapted to assess employees' satisfaction and effectiveness of their organizations' digital skills training. Sample items include "digital skills training is crucial for adapting to technological changes in my line of

work". Cronbach's alpha for this scale was 0.783

Access to digital platforms (ADP) was measured using 6 items from the work of Bartczak (2021) and Forbesinsights (2017). Some modifications were, however made in order to suite the current study. Sample items include "access to digital platforms help me get relevant and timely work information". Cronbach's alpha for this scale was 0.786

Employee empowerment was measured using 6 items from the work of Kirti and Singh (2015). Some modifications were, however, made in order to suite the current study. Sample items include "I am mostly encouraged to rely on my bank's digital resource to solve work-related issues". Cronbach's alpha for this scale was 0.819

Job performance as a dependent variable was measured using 6 items adopted from previous research by Tahir, Yousafzai, Jan and Hashim, (2014). The performance variable covers employees' efficiency, creativity and innovation, work-desired behaviors and normative measures in achieving individual objectives. This questionnaire was filled out by the participants' immediate superiors, and the results were afterwards matched with the employees' self-reported ratings for digital skills training, access to digital platforms, and digital empowerment as done in Ochoa Pacheco and Coello-Montecel (2023). Sample items include "ability to execute assigned tasks in a reasonable amount of time and at less cost". Cronbach's alpha for this scale was 0.791

Control variables. Respondents' age, gender, and tenure were used as control variables in the study. This is in line with past studies (Islam & Jawad, 2018). Additionally, considering that data for the study was taken from employees of four different baking institutions, we controlled for the effect of bank affiliation. Three dummy variables were created for bank affiliation (Bank 1, Bank 2 and Bank 3) with Bank 4 serving as a referent group. Respondents' gender was dummy coded with male = 0; and female = 1 as done in Liang and Gong (2013).

2.3. Confirmatory factor analysis

We carried out a confirmatory factor analysis (CFA) using the AMOS software to test the validity and the overall fitness of our research model. The CFA shows an acceptable model fit. The respective values of Normed-$\chi2$, CFI, IFI, TLI, RMSEA, and SRMR were used for the assessment. The model fit indices showed values that are within various satisfactory thresholds. The Normed-$\chi2$ ($\chi2$

to df, $\chi 2$ =639.789, df=446) is 1.435. The SRMR is 0.067, which is below the desired cut-off value of 0.10. RMSEA is 0.045, which is lower than 0.08, thereby indicating a good fit. CFI = 0.936; IFI = 0.952 and TLI = 0.940, are all greater than the 0.90 threshold and hence showing a sufficient goodness of fit of the model. In sum, these CFA results confirm the discriminant validity of our variables. Additionally, the Cronbach's alpha values of the constructs range from 0.783 to 0.819, all of which are equal to or greater than 0.70, thus demonstrating the study's sufficient internal consistency.

3. Result

Table 1 presents the means, standard deviations and correlations of our study variables. The table shows a positive correlation between digital skills training and access to digital platforms at significant level of 0.01 (r = .385; p < .01). Also as predicted, both digital skills training and access to digital platforms were positively related to employee empowerment (r = .312, p < .01, for digital skills training and r = .345, p < .01, for access to digital platforms); and employees' job performance (r = .248, p < .01, for digital skills training and r = .334, p < .01, for access to digital platforms). The latter results show support for Hypothesis 1, which predicts a positive relationship between digital skills training and employees' performance; and Hypothesis 2, which predicts a positive impact on employees' access to digital platforms on their performance respectively. Moreover, employee empowerment was positively related to job performance (r = .476, p < .01).

Table 1 Means, Standard deviations and Correlations

	Mean	SD	1	2	3	4	5	6	7	8
1. Gender	0.50	.501	1							
2. Age	1.29	.838	-.035	1						
3. Bank Affiliation	1.47	1.090	-.073	.116	1					
4. Tenure	0.71	.757	.194**	.599**	.176**	1				
5. Digital Skills Training	4.08	.576	.026	-.003	-.061	.075	1			
6. Access to Digital Platforms	4.19	.435	.083	-.008	-.090	-.061	.385**	1		
7. Empowerment	4.42	.460	.046	.009	-.069	.086	.312**	.345**	1	
8. Job performance	4.28	.437	.004	-.004	.084	.016	.248**	.334**	.476**	1

Note: Employee N = 214; Supervisor N = 89; for gender, 0 = male, 1 = female
*p < 0.05; * * p < 0.01

Source: the authors

To test Hypotheses 3a and 3b, which predict the mediation role of employee empowerment on the relationships between digital skills training and job performance; and access to digital platforms and job performance respectively, a hierarchical regression analysis was performed. Firstly, the mediator variable was regressed on the two independent variables in order to ascertain the strength of their relationships. As shown in Model 2 of Table 2 below, employee empowerment showed a significant positive relationship with digital skills training (β = .198; p < .01) and access to digital platforms (β = .275; p < .01). The model also recorded an R2 value of 0.176. The total effects of the control variables were, however, not significant (p-value > 0.05).

We then carried out a regression analysis in order to determine the strength of the mediation. As presented in Table 3 below, Model 1, which recorded an R2 value of .008, showed the entire effects of the control variables were not significant

(p-value > 0.05). In Model 2, both the independent variables (digital skills training and access to digital platforms) were incorporated. An R2 value of 0.143 was recorded with both digital skills training (β = .140; p < 0.05) and access to digital platforms (β = .293; p < 0.01) recording significant values. In the third model, the mediator variable (employee empowerment) was incorporated. The direct effects of only access to digital platforms and employee empowerment were significant. Also, the model recorded an R2 value 0.283. Beta values for predicting and mediator variables were: digital skills training (β = .059; p > 0.05), access to digital platforms (β = .180; p < .01) and employee empowerment (β = .412; p < 0.01). These results indicate that employee empowerment fully mediates the impact of digital skills training on employees' performance and partially mediates the impact of employees' access to digital platforms on employees' performance.

To confirm the indirect effect of employee empowerment on the relationships between the independent variables and the dependent variable, Model 4 in Hayes' (2021) PROCESS macro for SPSS with 5000 bootstrap sample was used. As presented in Table 4 below, digital skills training had a significant indirect effect on job performance through employee empowerment (thus, effect = .1044, SE = 0.0602, 95% CI = (.0041, .2316)). This suggests that employee empowerment fully mediates the relationship between digital skills training and employees' job performance.

Table 2 Regression Analyses predicting Employee Empowerment by Digital Skills Training and Access to Digital Platforms

Variables	DV: Employee Empowerment			
	Model 1		Model 2	
	β	t	β	t
Control Variables				
Gender	.010	.144	-.016	-.241
Age	-.060	-.680	-.062	-.761
Bank 1	.124	1.400	.087	1.064
Bank 2	.100	1.126	.083	1.009
Bank 3	.116	1.324	.123	1.512
Tenure	.142	1.553	.145	1.697
Independent Variables				
Digital Skills Training			.198**	2.843
Access to Digital Platforms			.275**	3.938
F	.788		5.491	
R Squared (R^2)	.022		.176	
Adjusted R^2	-.006		.144	
R^2 Change	.022		.154	

Note: Employee N = 214; Supervisor N = 89. $* * p < 0.01$

Furthermore, access to digital platform had a significant indirect effect on job performance through employee empowerment (thus, effect = .1415, SE = .0816, 95% CI = (.0086, .3187)). This also suggests that employee empowerment partially mediates the relationship between access to digital platforms and employees' performance. These findings support the predictions of employee empowerment as a mediator between digital skills training and employees' job performance; and between access to digital platforms and employees' job performance. Hence, hypotheses 3a and 3b are supported.

Table 3   Results of Regression Analysis for Mediation

Variables	DV: Job Performance					
	Model 1		Model 2		Model 3	
	β	t	β	t	β	t
Control Variables						
Gender	.010	.139	-.019	-.274	-.011	-.181
Age	-.016	-.186	-.025	-.301	.005	.062
Bank 1	-.106	-1.192	-.140	-1.676	-.176[*]	-2.286
Bank 2	-.091	-1.023	-.109	-1.305	-.143	-1.863
Bank 3	-.067	-.756	-.063	-.763	-.114	-1.489
Tenure	.008	.085	.021	.244	-.041	-.513
Independent Variables						
Digital Skills Training			.140[*]	1.970	.059	.885
Access to Digital Platforms			.293[**]	4.125	.180[**]	2.658
Mediator Variable						
Employee Empowerment					.412[**]	6.306
F	.285		4.287		8.949	
R Squared (R^2)	.008		.143		.283	
Adjusted R^2	-.021		.110		.251	
R^2 Change	.008		.135		.140	

Note: Employee N = 214; Supervisor N = 89.
 * $p < 0.05$; ** $p < 0.01$

Source: the authors

Table 4   Results of PROCESS Mediation Analyses

Indirect effects of Employee Empowerment:	Coefficient	SE	Confidence Interval (CI)	
			Lower	Upper
Digital Skills Training	.1044[*]	.0602	.0041	.2316
Access to Digital Platforms	.1415[*]	.0816	.0086	.3149

Note: Employee N = 214. *$p < 0.05$

Source: the authors

4. Discussion

Given the widespread influence of digital disruption in various sectors, the implementation of digital transformation has become an essential strategy for attaining sustainability and competitive advantage (Höyng & Lau, 2023; Marsh, Vallejos & Spence, 2022; Amankwah-Amoah, Khan, Wood & Knight,, 2021). Hence, due to the swift progression of technology and heightened digital disruptions, organizations are compelled to endure substantial transformations in their operational procedures and strategic approaches (Chen, Li, Wang & Wu, 2023; Llopis-Albert, Rubio & Valero, 2021; Kraus et al., 2021). As part of the transformation, key employee centric digital transformation initiatives, namely, digital skills training and access to digital platforms have been adopted by various firms so as to improve employees' adaption to these transformations. We therefore examine the efficacy of the two initiatives on employee empowerment and job performance.

A primary contribution of this study lies in understanding from the perspective of employee, the impact of key employee-centric digital transformation initiatives on their performance through the mediating role of employee empowerment. Based on Kanter's (1977) theory of structural empowerment, we argued and proposed that employee-centric initiatives namely; digital skills training, and access to digital platforms influence employee empowerment, which eventually leads to better job performance. A test of our hypotheses found support for the positive

relationship between digital skills training and employees' job performance and also on the relationship between access to digital platforms and employees' job performance. We also found support for the mediating role of employee empowerment on the relationships between the two independent variables and the dependent variable.

The findings of our study offer empirical evidence that aligns with Kanter's (1977) theory of structural empowerment. Specifically, we found a statistically significant and favorable impact of employee-centric digital transformation initiatives on employee empowerment. Thus, we argued and found support based on Kanter's theory that, empowerment is achieved and enhanced at the workplace when employees are provided with access to opportunity and support (digital skills training), as well as access to information and resources (access to digital platforms) which ultimately leads to improved job performance. This is also in line with Spreitzer's (2008) argument that employees' psychological empowerment is the outcome of organizations' structural empowerment, which ultimately results in improved performance among employees. Thus, these employee-centric initiatives significantly influence employees' empowerment and task accomplishment at the workplace. Furthermore, our findings are in line with existing research highlighting the relevance of digital skills training on employee empowerment and job performance (Lingling & Ye, 2023; Cirillo et al., 2023; Straub et al., 2023; Sam et al., 2022; Drydakis, 2022; Munawar et al., 2022; Monje Amor et al., 2021; Fawehinmi et al., 2020; Pham et al., 2020; Karacay, 2018). Also, the results of our study are in line with extant literature that highlights the importance of employees' access to digital platforms at the workplace on empowerment and job performance (Anderski et al., 2023; Jiang et al., 2023; Wang, Wan, Ma, Zhou & Chen, 2023; Bartczak, 2021; Sousa & Rocha, 2019).

Additionally, in transforming and streamlining their operations and processes in order to conform with various technological changes in the banking industry, our findings suggest that organizations should align their policies with the needs of their human resources in order to ensure overall success of digital transformation (Lerch & Gotsch, 2015). This is because human resources are regarded as the most important resource of every organization and, as such, careful management approach is required in order to get their full potentials (Rezaei et al., 2014). Thus, firms should communicate their

digital transformation strategy to their employees in a clear, objective, simple and unambiguous manner and also create various initiatives in order to make them conversant with changing processes and procedures at the workplace.

Finally, findings in this study suggest that firms should view digital transformation as an employee empowerment tool which, when implemented properly, could help in an organization's objective achievement potentials. By providing employees with the appropriate digital skills training and the right digital communication platforms, employees feel more empowered and proactive in their decision making, tasks delivery and objective attainment (Hsieh et al., 2022). Hence, employees become more results driven, more satisfied with their jobs and more productive, which translates to increased revenue, reduced cost, increased market shares, sustainability, dominance and above all competitive advantage (Hagerman et al., 2017; Hagerman et al., 2016).

5. Implications of the study

In terms of the theoretical implication, this study adds to the empowerment literature by identifying digital skills training and access to digital communication platforms as key contextual organizational (structural empowerment) factors that enhance employee digital empowerment and performance at the workplace in the era of rapid digital transformation. Also, by examining the relevance of the theory of structural empowerment in the banking setting, this study contributes towards the general application of the theory.

In terms of the practical implication of this study, this study suggests that management should recognize digital transformation as an important and powerful strategic tool for industrial dominance and sustainability. However, organizations could only recoup its benefits if it is properly implemented. Proper implementation requires aligning these transformational strategies with the needs of employees in the sense that employees understand and can relate to various digital strategies that are been implemented in an organization. This, therefore, focuses on the effectiveness of training and development that seeks to improve and perfect the digital abilities and potentials of employees; and access to digital platforms that seek to enhance communication as well as knowledge and information sharing at the workplace. These initiatives do not only improve the knowledge, skills and abilities of employees, but also go a step further to empower, motivate and

enrich the potentials of employees which is in effect a healthy recipe for improved performance, goal attainment and task fulfillment for employees and the organization at large.

Finally, policy makers should acknowledge that digital disruptions are unavoidable in the fourth industrial revolution and that these digital disruptions have a socioeconomic and political implications on every economy. When managed properly through effective implementation of digital transformation policies, these disruptions could be used as a weapon for sustainability, competitive advantage and development. Therefore, policy makers just like managers should consider the workforce as core to their digital transformation strategy and implement favorable policies that would help harness the digital potentials of the labor force.

Conclusion

Based on a survey of 214 employees and their 89 direct supervisors in four banking institutions in China, this study found support for the positive impacts of key employee-centric digital transformation initiatives, namely, digital skills training and access to digital platforms on employee performance. Support was also found for the mediating role of employee empowerment on the relationships between digital skills training and employee performance and access to digital communication platforms and employee performance. The results of the study suggests that it is imperative for the digital needs of employees to be given the utmost attention as an organization digitally transforms. Thus, organizations must align their digital strategy with the needs of employees in order to ensure the fruition of such digital transformation strategies.

Our study has a number of shortcomings that need to be addressed in future research. First, the study was conducted among employees of just four banking institutions only. Notwithstanding this limitation, efforts were made to minimize this limitation by selecting banks with national coverage and also with global digital transformation practice. Further research could include several other banking institutions for easy generalization of the study. Secondly, since digital transformation takes place not only in the banking industry, further research could focus on other industries that are equally experiencing the full impacts of digital transformation in the fourth industrial revolution. These industries include but not limited to the insurance industry, the automobile industry, the healthcare industry, the fashion industry, the legal services industry, the hospitality industry among others. Finally, future research could examine the influence of employee-centric digital transformation initiatives on other dependent variables such as employee engagement, customer satisfaction, employee creativity and innovation, employee inspiration, organizational effectiveness etc., as well as the roles of other moderators like learning orientation, reward systems, morale and among others.

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Risk language barriers in a globalized world: insights from female managers from Slovenia

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Abstract

Background: In today's interconnected and globalised business environment, effective risk management is essential for organisations to achieve sustainable success. However, communication and understanding risks across cultural and linguistic boundaries pose significant challenges. This paper explores the concept of risk language barriers and their impact on corporate management and performance.

Purpose: This research examines the causes, consequences, and potential solutions to overcome risk language barriers in a globalised world. By shedding light on the importance of effective risk communication in a diverse and interconnected business environment, the study seeks to provide insights into the significance of addressing these barriers for successful management outcomes.

Study design/methodology/approach: The study conducted in Novo Mesto, Slovenia, in February 2023 uses data from in-depth interviews and a focus group to investigate risk language barriers. The participants are women entrepreneurs with prior experience in cross-cultural communication and managing people in different countries, e.g. a Slovenian sales guru with a penchant for transcending borders and a Maltese digital strategist who, through global collaboration and expertise, ensures that every corner of the Slovenian organisation aligns with its overarching goals. Their experiences explore the challenges of risk language and the need for intercultural communication skills.

Findings/conclusions: The research findings indicate that addressing risk language barriers is a strategic imperative for achieving successful management outcomes in a globalised business landscape. Overcoming these barriers requires a collaborative and proactive approach to risk communication. Developing intercultural communication skills allows individuals to navigate diverse environments effectively, provides them with more excellent networking opportunities, broadens their horizons, and fosters personal development. Furthermore, managers can strengthen relationships with clients and partners worldwide by addressing risk language barriers effectively.

Limitations/future research: The study has limitations regarding its focus on women entrepreneurs. Future research should include diverse demographics and industries, conduct quantitative analyses, and explore technology's role in bridging the risk language gap and associated challenges.

Keywords

cross-cultural competence, globalized world, intercultural communication, language disparities, yield risk

Introduction

Effective risk management is crucial for organisations to achieve sustainable success in today's globalised and interconnected business landscape. However, communicating and understanding risks across cultural and linguistic boundaries present significant challenges. The aims, purpose, and objectives of this study are as follows. The first aim is to explore the concept of risk language barriers in a globalised world. The second is to examine the influence of risk language barriers on corporate management and performance. The last one sheds light on the

importance of effective risk communication in a diverse and interconnected business environment.

This research investigates the causes, consequences, and potential solutions to overcome risk language barriers. By examining these aspects, the study seeks to provide insights into the significance of addressing these barriers for successful management outcomes. Lastly, the objectives identify the challenges and barriers to risk communication across cultural and linguistic boundaries. Second, to understand the impact of risk language barriers on corporate management and performance. Third, to explore potential solutions and strategies to overcome risk language barriers in a globalised business environment. Lastly, it highlights the importance of effective risk communication in fostering networking, personal development, and stronger relationships with clients and partners globally.

The research utilises in-depth interviews and a focus group with women entrepreneurs experienced in cross-cultural communication and managing people in various countries (Freund, & Hernandez-Maskivker, 2021; Jogulu, & Franken, 2023; Rath, Mohanty, & Pradhan, 2019; Tabassum, & Nayak, 2021; Tlaiss, & Kauser, 2020). The findings emphasise the strategic imperative of addressing risk language barriers and highlight the opportunities for networking, personal growth, and enhanced relationships that effective risk communication can provide in a diverse and interconnected business landscape.

The paper follows the following structure. The next section provides an examination of recent literature on risk language assessment. Subsequent sections outline the methodology employed in the study. The main section presents the results obtained from the interviews conducted. The penultimate paragraph engages in a thorough discussion of the findings. Lastly, the conclusion section summarises and incorporates the study's limitations and proposes avenues for future research.

1. Literature review: drivers of risk language barriers

In today's increasingly interconnected world, risk language has emerged as a vital aspect of human interaction (Zinn & Müller, 2022; Gill et al., 2022). It is pivotal in bridging the gap between the Internet of Things and cultures and driving success in international business ventures (Filzen, McBrayer & Shannon, 2023). Risk language is a complex and dynamic process that encompasses

the exchange of verbal and nonverbal messages and the sharing and exchange of knowledge, ideas, beliefs, attitudes, customs and perspectives between individuals and groups with distinct cultural backgrounds (Bori & Block, 2023; Prahalad, & Ramaswamy, 2004; Breazeal, Kidd, Thomaz, Hoffman & Berlin, 2005; Jackman, 2004). Effective risk language becomes paramount as globalization erases geographical boundaries and fosters multicultural environments (Hámori, 2021; Ahmad, & Saidalavi, 2019). Understanding and navigating the complexities of intercultural diversities can help businesses build strong relationships with clients and partners worldwide and avoid costly misunderstandings and conflicts that can harm business success (Braslauskas, 2021; Patel, Li & Sooknanan, 2011).

Driven by advancements in technology, the accelerations of globalisation, the increased interconnectedness of nations and the aspirations of societies to transcend the limitations of physical boundaries, our home is now a borderless world (Ivanovič, & Marić, 2021) and e-world (Kasneci et al., 2023). Adler and Aycan (2018, 2020) claims that constant global contact has transformed society into one world, and if, in the past, we could refer to countries and cultures as independent and isolated entities demarcated by national borders, this is no longer the case. Although people still differ in behaviour, norms, beliefs and values based on age, gender (Milikić, 2019), language, cultural background, religion, and socioeconomic class, we share a common bond that, in the end, brings us together. Every person equally contributes to the mosaic of multiple cultural characteristics, with a distinctive attribute stimulated by the situation in which we find ourselves and the kind of people we are collaborating and interacting with (Benet-Martinez et al., 2002).

Embracing a multicultural society offers many benefits that enrich individuals, communities and the nation. Societies gain an incredible wealth of cultural heritage, allowing for the preservation and appreciation of various traditions; they experience economic advantage due to the diverse skill set, knowledge and perspectives that foreigners bring and navigate international relations better and foster cultural diplomacy. However, when it comes to global business, it faces numerous challenges due to the diverse backgrounds of its employees and customers, which can lead to disputes in corporate management and reduced or poor business and economic performance.

Conducting this study, the closed research path is therefore to identify the causes of risk language barriers, what consequences they might have on corporate management and performance and how women leaders deal with risk management, as well as highlighting the importance of people's awareness of their existence, and their role in bridging the gap between cultures. Overall, Zinn and Müller (2022) state that global risk communication is vital for risk studies since the management of risk not only requires decision-makers and experts to communicate risk well and understand how risk is debated (Circi et al., 2021). Therefore, this study researches and discusses the latter with women managers.

1.1. Language barriers

Effective intercultural business communication depends upon applying a mutually understandable language, an almost non-existent prerequisite in numerous businesses (Adanlawo, Reddy, & Rugbeer, 2021; Bargiela-Chiappini, & Nickerson, 2003; Mangla, 2021). Therefore, language is a critical means of smooth business transactions, and using a common language can be crucial in building trust and creating meaningful relationships. Fan et al. (2015) support that language allows individuals to express opinions, views, decisions or feelings while indicating cultural identities. In the same way, Ai and Wang (2017) identify language as a symbol of identity in which the speakers are proud. Thus, the researchers agree that how individuals articulate their thoughts and ideas varies across languages, and the language of each individual significantly influences their interactions and relationships in diverse situations or contexts.

The international business field has recognised the importance of language barriers in firm internationalisation and in conducting empirical research, yet the interplay between languages in the daily activities of global management remains opaque and poses a critical challenge to international business theory and practice (Welch, Welch & Piekkari, 2005; Harzing, Köster, & Magner, 2011). As individuals from diverse linguistic backgrounds interact, lacking a common language can impede effective communication, leading to misunderstandings and hindering meaningful connections. Ai, Cui & Wang (2019) indicate that the language barrier remains critical across borders and seriously threatens business activities among people of different languages. In the case of a common language absence, Bodomo

and Che (2020) write about its effect and influence on business communication, which may mar business achievement and growth.

Resorting to translators and interpreters may also not be the best option in every situation since several factors can influence the quality of translation, and as Phillips (1960) states, some may be beyond the individual's control. Individuals who use translators need to acknowledge their independence from the translators "not just for words but to a certain extent for perspective" (Temple, 1997). The same author continues how important it is for individuals to constantly discuss and debate conceptual issues with their translators to ensure that conceptual equivalence has been achieved. Furthermore, Vulliamy (1990) claims that the translator's knowledge of the language and the culture of the people under study influence the quality of translation even in similar languages (Velki, Šolić, & Žvanut, 2022).

When communicating with others, especially people from foreign countries, Kecskes (2015) suggests that everybody involved in the risk language agrees upon a common language that everyone understands and will help them reach their business goals. However, different cultural backgrounds can cause misunderstandings even when speaking the same vocabulary. Adanlawo et al., (2021, p. 6284) write that "failure of some intercultural business revolves around the lack of intercultural skills and competence, the inability to communicate effectively in a global setting, and the failure to apply appropriate manners in business communication".

Ethnic diversity is part of every society (Dinesen, Schaeffer, & Sønderskov, 2020), and although it contributes to the richness of the culture on the one hand, it may also lead to interethnic misunderstanding due to the different characteristics of each ethnic group (Nisa, Kholil, & Zulkarnain, 2017). Despite their enriching role, diversity in ethnicity and differences in values and perceptions of each nationality in the form of stereotypes and prejudices may lead to problems in intercultural communication (Othman, & Ruslan, 2020). One might believe that there is no space for prejudice in the business world (e.g. prejudice against gender) and that stereotypes are only a made-up story with no foundation. Yet, the personality factor is associated with the emergence of prejudice (Nisa, et al., 2017), so in case of competition in the business world, they are very likely to appear. Gender discrimination based on stereotypes has surely been one of the most

common forms of prejudice. Nowadays, the situation is different, and women are "transforming from less valued domestic species to vital faction well-equipped with a strategic mindset to fit in any level of organisation from clerical to the top executive positions and capable enough to compete with the opposite gender" (Khuwaja, Akhtar, Qureshi & Shah, 2020; Turesky, & Warner, 2020).

1.2. Cultural values

Cultural values can also significantly impact the risk language. They serve as the bedrock of societies, shaping norms, beliefs and behaviours. These values are deeply ingrained in individuals and are passed down through generations, providing a lens through which people perceive the world and engage with others. When people from different cultural backgrounds come together, their unique cultural values influence how they communicate, interpret and respond to what has been said. Even though we might think all people are the same, this is not the case. Going abroad and making decisions based on how we function at home might lead to misunderstandings and bad corporate decisions.

Hofstede's (2011) research on cultural dimensions provides crucial information about differences between countries and their cultures and how to manage these differences successfully. He found that different cultural values, such as individualism vs. collectivism, power distance and uncertainty avoidance, can impact communication styles and preferences. Applying this to practice can result in more effective interaction with people from other countries and can undoubtedly reduce anxiety and stress during an interaction.

Furthermore, cultural values are important in shaping perceptions and interpretations of nonverbal communication cues. According to Mehrabian and Ferris (1967) communication model, 55% of personal communication lies in our body language. Personal space, gestures, facial expressions and eye contact can hold different meanings in different cultures. While maintaining long eye contact may be seen as a sign of respect in one country, it may be perceived as disrespectful in another. Recognising and correctly interpreting these nonverbal cues within the context of cultural values is essential for accurate risk language. To be able to communicate across cultural boundaries effectively, it is necessary to understand and respect cultural values and norms, which can be done with open-mindedness and empathy.

1.3. Different communication styles

Risk language, as an intricate process that involves the exchange of information and ideas between individuals from different cultural backgrounds, is also influenced by communication styles used by the interlocutor (Nordin, Rizal, Rashid, Che Omar & Priyadi, 2021; Stanford, 2019; Zhao, Segalowitz, Voloshyn, Chamoux & Ryder 2021). By using risk language, individuals engage in a process where everyone needs to adapt to each other's communication style (Roberson, & Perry, 2022), including nonverbal messages (Andersen, 2000). These nonverbal cues can be misinterpreted or even go unnoticed by individuals from other countries who are not used to paying much attention to body language. Furthermore, cultural variations in communication styles can create conflicting expectations and norms. Direct communication styles, where individuals express their thoughts and opinions explicitly, may clash with indirect communication styles, where individuals rely on subtle hints and nonverbal cues to convey their message (Gabbott, & Hogg, 2001).

Active listening is undoubtedly one of the most important communication skills. According to Shahzad, Asim and Hassan (2021), effective communication encompasses four main points: choosing the best possible communication channel and enough technical knowledge to use that channel properly. Therefore, lacking good conversation skills and the ability to lead an effective conversation can pose the first problem. Moreover, each nationality has its specific style of listening, which in an international context presents an additional problem. That is why it is strongly advisable for people engaged in global business to familiarise themselves as much as possible in advance with the traditional expectations of the audience to be addressed, where content and style also need to be adapted accordingly (Lewis, 1999; Pikhart, 2014).

Additionally, individualistic and collectivist communication styles can pose challenges in intercultural interactions. Hofstede's (2011) research revealed that culture profoundly influences communication patterns, providing a crucial framework for understanding cultural differences in the business context. Individualistic cultures prioritise personal achievement and autonomy, valuing assertiveness and self-expression. On the other hand, collectivist cultures accentuate group harmony and cooperation, respecting balance and avoiding confrontation. When individuals with these disparate

communication styles interact, conflicts can arise due to conflicting priorities and expectations.

Time is often perceived as a valuable and limited resource in today's world. But not for every nation, so differing time orientations in communication can create problems. Some cultures place great importance on punctuality and adhering strictly to schedules, while others emphasise the value of collectivism and have a more flexible and relaxed approach to time. The United States managers, for example, want people to respect the time and in case someone arrives late at the meeting, they view it as an insult or disrespectful (Grosse, 2010), while in South America, time is more flexible. In Usunier, Lee and Lee (2005) opinion, people's relationship with time changes concerning periods of history and levels of human development, the technology available for measuring time, the emphasis given to natural and social rhythms, and the prevailing metaphysical views. Understanding and respecting these differences can help us communicate and work effectively across cultures and build more inclusive and respectful societies.

The motivation for this study stems from the recognition of the persistent globalisation of the world, even in the aftermath of the pandemic. As a result, the study aims to propose advancing risk language in the context of business performance, irrespective of the organisation's size, be it a large corporation or a small business (Graafland, 2020). The ongoing enhancement of this language is regarded as a critical aspect to be integrated into the strategic plans of all companies, regardless of their public or private nature (Raff, Moore, & Raff, 2023; Višić, 2023).

The primary objectives of this study are to explore the existing connections within risk language that can assist managers in their decision-making processes. Specifically, the study aims to uncover patterns among the participants' perceptions and experiences of risk language. To achieve these goals, the study has set two specific objectives, including conducting an extensive review of at least 30 relevant literature sources on the proposed approaches and discussing the research questions with a minimum of four female entrepreneurs.

The research question at the core of this study is focused on understanding the perspective of women entrepreneurs regarding key business performance within the context of risk language. Specifically, the study explores three prevalent dimensions influencing this perspective: language

barriers, cultural values and divergent communication styles. By examining these aspects, the study seeks to gain insights into how women entrepreneurs perceive and navigate the intricacies of risk language concerning their business performance.

The paper is organised into several sections to provide a comprehensive analysis. The first section presents a thorough literature review, establishing the study's existing knowledge and theoretical framework. Following that, the subsequent section delves into a detailed discussion of the methodology employed in the research. The presentation and analysis of the results in the next section follow this. Finally, the paper concludes with a final section summarising the key findings, offering insights and providing recommendations for future research.

2. Materials and methods

The research is based on qualitative methodology using in-depth interviews and a focus group. This allows us to define the form and content of human behaviour and analyse its qualities, in our case, how the interviewees view the challenges of risk language and how it is possible to overcome them. The interviews aimed to seek the opinion of different interviewees who are experts on cross-cultural communication, each in their field, about the most frequent challenges that arise in cross-cultural communication, how these challenges influence the efficiency of risk language, and what are some favourable outcomes of surmounting these challenges.

The sample was purposive since we wanted to include women entrepreneurs who are in any way connected with the business world and who have previous or continuous experience with cross-cultural communication. The aim was to include a Slovenian familiar with the business abroad, a foreigner acquainted with working with various cultures and an individual who deals in particular with a very different culture. The sample consists of a diverse team of experts who bridge continents and cultures to navigate the complex landscape of international commerce. Incredibly influential and exceptional is a Slovenian expert on Chinese business, fluent in the nuances of Chinese trade, serving as the vital link connecting two vastly different worlds.

Next is a Slovenian sales expert whose multifaceted expertise empowers Slovenian enterprises to navigate international waters, confidently achieving unprecedented growth and

expansion. Another valuable interviewee is a Maltesian digital strategist with a discerning eye for detail who partners with organisations to uncover unmet needs, untapped opportunities and the underlying challenges faced by all departments and facets of their business in Slovenia and broader.

Lastly, an outstanding participant, predominantly focused on the Balkans, is a Slovenian energy expert, standing as a beacon of knowledge and innovation in a region where energy demands and geopolitical complexities intertwine. Together with the rest of the interviewees, this unique assembly of professionals exemplifies the power of global collaboration and expertise. Their collective efforts transcend borders and boundaries, creating opportunities where none seemed possible.

A focus group was used for the research, and four in-depth interviews were conducted with nine interviewees. All semi-structured individual and focus group interviews were conducted face-to-face. In addition, the interviews were conducted through one-on-one meetings in February 2023. The key questions were formed based on the examined literature. Although the underlying theme was familiar to everyone, some of the questions were tailored to individual interviewees since each was an expert in their field. The interviews lasted 60 to 120 minutes and were recorded, with the interviewee's answers transcribed. A thematic analysis was carried out to analyse the transcribed text.

3. Results

3.1. Language barriers

Sharing a common language is a massive advantage in intercultural communication as it can significantly facilitate understanding, which was a shared opinion of all the interviewees. A typical statement from Interviewee 1 that not having to think about the language feels comfortable: "It's so much easier to work with your kind, you know because we get the same jokes /…/ and when you want to get things done, you can, without thinking of how you're going to express yourself. It's so much easier /…/ and I understand how much out of my comfort zone I was all these years."

In a situation when two interlocutors do not share the same language, it is considered an advantage if one has at least some basic knowledge of the other interlocutor's language. Interviewee 6 provided an example when she said that "the fact

that you know the language at least roughly, at least some local language, has an essential impact on how you will be treated." Interviewee 4 had a similar experience when she arrived in a country with a different first language. The people there "are very respectful and emphasise that we can say a few words even if we say them wrong. /…/ You could see very quickly that they started to give me respect that I wouldn't have got otherwise."

Similarly, problems can occur in a country whose language is not spoken by many foreigners (e.g. Romania or Bulgaria) and at the same time, people there do not possess a high knowledge of the English language, which is considered Lingua Franca of today's times. Interviewee 3 said that in a situation like this, "it's a big problem how to get the message across because a lot of people there do not speak English, and I also do not know their language." In such cases, it is paramount to know the language of communication well and be knowledgeable about the content itself; otherwise, it would be even harder to understand what her interlocutor was saying, which was confirmed by most interviewees. Not being able to communicate effectively in risk management can lead to overlooking and underestimating the potential impact of risks or turning off positive stakeholder relationships, which are two factors that may lead to "financial losses, operational disruptions and reputational damage", as was concluded by Interviewee 1.

In case of a common language absence, a favourable option would be to resort to a translator or an interpreter, which does not always bring a positive outcome. According to Interviewees 3 and 7, some companies or organisations "have policies not to summarise information or data coming from a translator because we do not know whether it is accurate or not". Furthermore, the experience of Interviewee 8 shows that many times, the information has been mistranslated: "The problem is, in particular, because if the event is, let us say, an energy event, energy terminology is used, which, if the translator is not specialised in that field, it is difficult to understand what is being translated. Exact figures have sometimes been mistranslated." This may lead to delivering inaccurate information that might have serious consequences for a business, e.g. "poor decision-making, increased risk exposure and operational inefficiencies" (Interviewee 9).

The interviewees, all women, have not reported the excellent discrimination they might have encountered in the workplace. Despite her high

position in a company abroad, Interviewee 1 said that she never felt any discrimination even though she "was the only woman in that kind of level of management." Another pointed out that the situation has changed significantly over the years and was not always like that. At the beginning of her business path, she experienced prejudice when "the Chief information officer we worked with at the time could not even talk to me; he only looked at my male colleague. And even though he asked a sales question and my colleague was an information technology expert, he asked him, not me. He asked him, and I answered" (Interviewee 2). According to the same interviewee, the situation is now different. Nowadays, all depends on how professional you are, if you "know what you are doing, if you are prepared for the meeting, if you know the material of everything you need to know. They will respect you whether you are a man or a woman." This was confirmed by Interviewee 3, who works in a male-dominated business field, where it is assumed that women cannot be familiar with this specific market. However, what she learned was "how important it is to be well prepared".

As for stereotypes and prejudice, Interviewee 2 believes there should be "no room for cultural or any other prejudice in the business world, but it is evident." She gives an example of the Arabs who are sensitive about Palestine, which is mildly noticeable in conducting business. Yet, it is good to "know these things so that you don't make a crucial mistake that can eliminate you before you even start doing business", she added. One stereotype about the Arab countries was refuted by Interviewee 9, namely that "women are not respected and that there are no female directors. This is no longer true."

In countries distinct from an individual's home country, building trust and creating meaningful relationships are immensely important for removing language barriers. All interviewees were unanimous about the positive effects of building trust with foreign cultures; in some cultures, it takes time for them to warm up and trust you, e.g. the Arab cultures, Iraqis, Egyptians and Syrians. But once you gain their trust, "you're one of the families/…/you're able to move mountains" (Interviewee 1). On the European side, "You're our friend and our buddy from day one", remembered Interviewee 5.

3.2. Cultural values

All the interviewees concur that accepting the norms, beliefs and behaviours of different cultures and treating them as equals takes a long way. Being politically correct, following the policies and procedures of a country you work in, finding different ways to communicate, and making an impact on a company and what you do all show respect and open-mindedness towards others' cultural values. Understanding different cultural values also means understanding and accepting how they conduct business. Interviewee 9 pointed out the Israelis and their negotiating techniques. She said that they "negotiate very hard, very knife-edged and very personal, they get on a personal level, which might make you feel incompetent at first." If one wants to win over the business, understanding and accepting their way of conducting business is unavoidable. Interviewee 9 continued: "Of course, you can bring it down to their level, but not by attacking them, but by how much you adore their country, how nice it is there, how good it feels, and they slowly start to melt away." When negotiation gets to the level of persuasion, who is going to be stronger in getting the deal done their way or getting a better price, "you have to find that one point that will lead you to get it your way", she added.

Non-verbal communication was referred to as an element through which all the interviewees often perceive cultural values. The Arab countries were pointed out again, as people there use distinct eye contact, almost a stare, which was perceived as "very aggressive" by one of the interviewees (Interviewee 2). She said this is uncomfortable, especially when "sitting very close to someone. Arabs speak very respectfully; they are very friendly with their words, but their facial expressions are different." She never felt threatened because of that, but it felt like she "lost the negotiating power". There are, however, cultures that do not put a lot of emphasis on non-verbal communication, which can be equally uncomfortable to some and lead to some negative consequences. Interviewee 6 described one of her interviews: "I came to his office, he told me his back was hurting and asked if we could interview him lying on the sofa. Sitting next to him, I didn't see his face, let alone his mimics, /…/. It's difficult because you cannot see their facial expressions, how they react". Interviewee 7 described a similar situation, where the absence of non-verbal communication led to "missing out to identify emerging opportunities. I couldn't see the shift in

his behaviour when I was presenting; /… / others did, and of course, they seized the opportunity. I left the company, unfortunately, without sealing the deal".

Even though business people know the importance of expanding their knowledge of different cultures and their values for a smoother risk language, one interviewee nicely referred to every encounter with different cultures and different habits as a cultural shock, especially if the person is a beginner in a specific culture. However, if "you are prepared for the difference, there are two paths you can take," said Interviewee 4. "The first one is to focus on the differences and consider them something negative, but the other path is more manageable; you focus on the positive and try to embody as much as possible, the culture, the language, the difference, try to understand the cultural particularities and adapt as much as possible to that environment."

3.3. Different communication styles

All interviewees agreed that communication styles are generalisations to a certain extent and that individuals within a culture may vary in their communication preferences. "Slovenians are pretty similar to Germans," explained Interviewee 9. "They are punctual, precise, arrive at the meetings tidy, precisely when the meeting starts, and talk honestly, openly and directly". She compared them to the Danes and gave an example of how they would buy, e.g. a bottle of water: "People want to hear only the facts, what they get, the price, they want to be talked to directly. Unlike the Americans, who want to hear everything else", so the entire story, all the background information. "The Arabs," she continued, "need to know the use of it and what they get out of it, but the Israelis go even further; they would probably want me to fill it up for them and take it to the fridge in the evening". Interviewee 2 agreed that "it is very important for a business person to adapt to the client because their way is the right way, period. If they want me to go out of my comfort zone to meet their needs and expectations, I will."

Conducting business across cultures requires exactly that. Stepping out of our comfort zone and adapting to other people's communication. Half of the interviewees experienced an awkward communication style when one was picked up by an assistant director, who "drove us around in a car that was falling apart, he was smoking cigarettes all the time and explaining things to us, it was so dangerous" (Interviewee 6). But as Interviewee 3 said: "That's all part of it. This business is exciting, but yes, you always have to be prepared for the unexpected because it never is as you thought it would be".

An individual's communication style sometimes also has to be adapted if they hold a leading position in a company and have many people under their management. The interviewees claim the manager has to be careful about what they can and cannot do because, in some cultures, employees "know exactly what they can or cannot get away with. The British work a lot with policies and procedures, and you always have to follow the rules to the T" (Interviewee 5). If in Britain, rolling your eyes can result in being called to the Disciplinary Board, the American style of communication is a lot more open: "If I come to a meeting in the United States, I can roll my eyes ten times, get on a plane and go home and nothing will happen. Well, I may not sell anything…" (Interviewee 2). The relationship between management and workers also plays a crucial role in the success and productivity of an organisation since it sets the tone for the overall work environment: "We hang out and talk, and you get that feeling we are all equal and that the purpose of working in this sector is also to get along, to establish a friendly relationship, to strengthen ties and I don't get the feeling that there is any superiority or whatever" (Interviewee 3). Every country, and every culture does business differently and "that depends on the way they communicate, on their style of communicating", concluded Interviewee 5.

4. Discussion

Risk language plays a vital role in the context of global business performance. As companies expand their operations and reach across borders, they encounter diverse cultural norms, values and communication styles (Canagarajah, 2020). The research has shown that risk language has many challenges; individuals and organisations must develop cross-cultural communication skills to overcome them successfully. All interviewees were faced with various problems and obstacles in their business communication in the past, the majority of which frequently appeared and were a topic of discussion in the reviewed literature. Interviewees emphasised the difficulties of understanding cultural nuances, language barriers and different communication styles, but also the importance of tackling and overcoming them for more efficient communication and personal

satisfaction on the one hand and a more enhanced collaboration and decision-making of the businesses on the other.

The study's results revealed that understanding, adapting and accommodating different communication styles are vital to overcoming risk language barriers. This involves being open-minded, flexible and willing to learn. By recognising and respecting various communication preferences, companies can establish trust, which the interviewees have continually mentioned as one of the most critical values in business. Furthermore, learning about and respecting cultural values can increase cultural awareness, as well as sensitivity and empathy of an individual. Interviewees pointed out the importance of being open to learning about and appreciating different cultural values, even if they differ from our own, because cultural values shape people, their perspectives and behaviour. Effective collaboration, enhanced understanding, increased innovation and creativity, and customer satisfaction are all facilitated when businesses recognise and adapt to diverse communication styles, leading to effective and meaningful communication with their clients and partners that drives success. Despite being different, it is essential to seek common ground by identifying shared values and goals that can serve as a foundation for effective communication and looking for areas of overlap to bridge cultural differences and foster meaningful connections Fglo.

Addressing language barriers requires self-initiation, and a way to overcome them would be by investing in language training programmes, which can empower individuals to bridge the gap. Different linguistic backgrounds can pose numerous problems to businesses in general, and helpful in overcoming them are the use of simplified language, active listening, building a diverse and inclusive workforce, but also a lot of patience and empathy from the employees, as well as cultural awareness and sensitivity. Although the literature researched allows translators and interpreters without a common language, the interviewees would be reluctant to use them due to their poor experiences unless they were professionally trained translators who could provide accurate and culturally sensitive communication in different contexts.

A collaborative and proactive approach to risk language can provide individuals with more opportunities for networking, horizon-broadening and enriching personal experience (Gudka, Gardiner, & Lomas, 2023). On the other hand, successful cross-cultural communication in global business leads to stronger partnerships and increased competitiveness and allows businesses to leverage cultural diversity as a source of innovation, creativity and adaptability (Morrison-Smith, & Ruiz, 2020). By implementing different strategies, businesses can effectively navigate risk language barriers, promote risk awareness and ensure a consistent and comprehensive approach to risk management across diverse linguistic and cultural contexts (Satizabal, Cornes, Zurita & Cook, 2022). This would undoubtedly result in building inclusive and prosperous communities worldwide. Continued research and dialogue on cross-cultural communication and risk language is, however, needed to improve business performance and better understand the complexities of the changing world (Vladušić, Rebić, & Hršum, 2016).

Conclusions

In conclusion, risk language is critical in global business performance, particularly as companies expand across borders and encounter diverse cultural norms, values, and communication styles. The study highlighted the challenges of risk language and emphasised the importance of developing cross-cultural communication skills to overcome these obstacles. The findings revealed that understanding and adapting to different communication styles is crucial in bridging risk language barriers. Trust, cultural awareness, and sensitivity were identified as essential elements for effective communication. Additionally, addressing language barriers requires proactive measures such as investing in language training programs and promoting active listening, patience, empathy, and cultural sensitivity. Collaboration and proactive approaches to risk language can lead to networking opportunities, enriched personal experiences, and stronger partnerships in global business.

Leveraging cultural diversity as a source of innovation and adaptability can enhance competitiveness. By implementing effective strategies, businesses can navigate risk language barriers and promote inclusive and comprehensive risk management. Continued research and dialogue are necessary to improve business performance further and understand the complexities of our changing world. Ultimately, these efforts contribute to building inclusive and prosperous communities worldwide.

Answering the research question

The study's findings revealed that women entrepreneurs face various challenges and obstacles in their business communication related to risk language. These challenges include understanding cultural nuances, language barriers, and communication styles. The research highlighted the importance of developing cross-cultural communication skills to overcome these challenges.

The study emphasised that understanding and adapting to different communication styles is key to overcoming risky language barriers. This involves being open-minded, flexible, and willing to learn. By recognising and respecting various communication preferences, women entrepreneurs can establish trust, a crucial value in business. Learning about and respecting cultural values can also increase cultural awareness, sensitivity, and empathy. Effective collaboration, enhanced understanding, increased innovation and creativity, and customer satisfaction are facilitated when women entrepreneurs recognise and adapt to diverse communication styles.

Addressing language barriers requires proactive measures such as investing in language training programmes. Using simplified language, practising active listening, and building a diverse and inclusive workforce is also vital. However, relying solely on translators and interpreters should be done cautiously unless they are professionally trained and can ensure accurate and culturally sensitive communication.

The study concludes that a collaborative and proactive approach to risk language provides women entrepreneurs with more significant networking opportunities, broadening horizons, and enriching personal experiences. Successful cross-cultural communication leads to stronger partnerships, increased competitiveness, and leveraging cultural diversity as a source of innovation and adaptability.

Limitations of the study, implications and further research

Limitations of the study are, first, sample size. The study focused on a specific group of women entrepreneurs and may not fully represent the diversity within this population. A larger sample size could have provided more comprehensive insights. Second, generalisability. The study's findings are based on a specific context and may not fully apply to different cultural or regional settings. Caution should be exercised when generalising the results. Lastly, Self-Reporting Bias. The data collected in this study relied on self-reporting through interviews, which may introduce bias or inaccuracies in participants' perceptions and experiences.

The delimitations of the study are, first, focus on risk language. The study specifically examined the role of risk language in women entrepreneurs' business performance, excluding other potential factors that may influence business outcomes—second, cultural and linguistic context. The study mainly focused on language barriers, cultural values, and communication styles within a particular cultural and linguistic context. Other cultural or linguistic contexts may present different dynamics and challenges.

The policy implications are focused on, first, cross-cultural training. Policymakers can promote and support cross-cultural training programmes to enhance entrepreneurs' communication skills and cultural sensitivity. This can facilitate better understanding and collaboration in diverse business environments. Second, language support programmes. Governments and relevant organisations can invest in language support programmes to help entrepreneurs overcome language barriers and improve their ability to communicate effectively in international business settings. And third, diversity and inclusion initiatives. Policymakers can encourage and incentivise businesses to foster diversity and inclusion, recognising the value of diverse perspectives, communication styles, and cultural backgrounds in driving innovation and business performance.

Whereas the managerial implications are foreseen as, first, training and development. Business leaders should prioritise training and development programmes that enhance cross-cultural communication skills and cultural awareness among employees, enabling them to navigate risk language barriers effectively. Second, building inclusive teams. Managers should actively promote and create diverse and inclusive teams that unite individuals with different cultural backgrounds and communication styles. This can foster a collaborative and innovative work environment. Lastly, leveraging technology. Managers can leverage technology solutions such as language translation tools or cultural intelligence platforms to facilitate effective communication and bridge language and cultural gaps in global business interactions.

Further research in this area could explore the following issues. Comparative analysis (conduct a comparative analysis of risk language and its impact on business performance among different demographic groups), longitudinal studies (to track the development of risk language proficiency and its impact on business performance over time), case studies (conduct in-depth case studies of successful businesses that have effectively navigated risk language barriers) and role of technology (explore the role of technology, such as artificial intelligence, machine translation, or cross-cultural communication plat-forms).

By exploring these areas, future research can contribute to a deeper understanding of risk language and its implications for business performance and inform the development of effective strategies and interventions to overcome language barriers and foster successful cross-cultural communication in the business world.

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Do employees benefit from employer branding strategy? The mediator role of affective commitment

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Abstract

Background: The modern business environment has caused a radical changes in all human resource management activities. In order to retain a competent and talented workforce, business organizations should manage job satisfaction, which imposes the need for a well–designed and implemented human resource management strategy.

Purpose: This study aims to examine the role of affective commitment as a mediator in the relationships between employer brand values and job satisfaction.

Study design/methodology/approach: Empirical research was carried out on a sample of managers from 146 enterprises in the Republic of Serbia, and data was collected using a questionnaire technique. After implementing descriptive and correlation analysis, we used simple and multiple regression to examine the mediator effects, and the Sobel Z test.

Findings/conclusions: Our findings present empirical evidence on the mediating effects of affective commitment in the previously listed relationships.

Limitations/future research: There are just three values relevant to the development of an employer branding strategy included in the study and this is acknowledged as a limitation. According to the models available in the literature, further research will contain other relevant components of the employer brand.

Keywords

employer brand, strategic human resource management, organizational culture, training and development, reputation, job satisfaction, affective commitment, Serbia

Introduction

Modern economics acknowledges that human resources and the knowledge they possess are the most important determinants of long-term business success. Providing an efficient strategic response to the increasing demands of a complex and volatile environment is one of the most important responsibilities for today's top management, which is largely dependent on locating and retaining high–quality employees (Garg & Rani, 2014; Fahim, 2018; Ekhsan et al., 2022). Due to the rapid development of information technologies, contemporary companies frequently hire individuals from outside of their home country.

This practice has intensified competition among employers on the labour market, prompting the implementation of various strategies to attract and retain candidates.

The application of branding techniques to human resource management (HRM) is a relatively recent phenomenon. Despite some academic scepticism regarding the incorporation of marketing terminology and methods into the HRM profession, the concept of the employer brand is recognized as potentially beneficial for organizations (Aggerholm, Andersen, & Thomsen, 2011) and as a significant intangible source of sustainable competitive advantage (Kucherov &

Samokish, 2016). Building the employer brand in particular encourages positive work attitudes among employees, resulting in enhanced business performance.

The employer brand is the result of creating a distinct and recognizable employer identity that differentiates the organization from its competitors (Backhaus & Tikko, 2004). In this sense, the employer brand represents the organization's appeal to current and prospective employees (Schlager, Bodderas, Maas, & Cachelin, 2011). It captures the overall advantages that the firm delivers to employees and provides them with a unique employment experience (Tanwar & Prasad, 2016a). As an outcome, the employer brand influences employees' expectations of the organization (Lievens & Highouse, 2003), affecting satisfaction and inspiring commitment to accomplishing organizational goals. Employer branding is regarded as an essential component of strategic human resource management (SHRM) (Figurska & Matuska, 2013). Furthermore, strategic HR managers' task is to recognize and accept the ultimate responsibility for the inside perception of the employer brand and to approach HRM functions, such as recruiting and training, as a set of activities to create an appealing employer brand (Cascio & Graham, 2016). HR professionals were engaged in branding as companies attempted to match employee actions and perceptions with the "external brand and reputation" required to ensure the success of the business strategy (Maheshkar, 2017).

While employer brand is a broad concept consisting of many dimensions, our research model is streamlined and comprises only three. There are two justifications for selecting these particular dimensions and "ignoring" the others. While exploring the impact on job satisfaction, Tanwar and Prasad (2016a) have structured the employer brand into six dimensions, namely "training and development", "reputation", "diversity", "organizational culture", "work-life balance", "ethics and corporate social responsibility". They have ranked these values, by the criteria of the strength of influence on job satisfaction. The results have shown that training and development and reputation are critical predictors of job satisfaction. This finding qualified training and development and reputation for structuring our research model. Same authors have examined the influence of employer brand dimensions on organizational commitment and concluded that only the development and social value of employer

brand predict organizational commitment (Tanwar & Prasad, 2016b), where the development value corresponds to training and development, while social value equals organizational culture. However, we applied the reduced employer brand model that involves the organizational culture, training and development and corporate reputation, as these features have emerged as the most important determinants of the two attitudes studied according to the previous research.

Because workers increasingly serve as companies' word–of–mouth ambassadors, an employer's image is more dependent nowadays on its core principles and values incorporated in organizational culture (Kargas & Tsokos, 2020). In the strategy of being the preferred employer for existing employees and potential applicants, "inside–out" branding is essential (Yüksel, 2015). Employers must therefore consider not only internal factors, such as training and development opportunities, but also external factors, such as reputation, when attempting to attract and retain candidates.

Employer brand values may result in more positive outcomes, including employees' affective commitment. Figurska and Matuska (2013) stated that companies with stronger employer brand tend to achieve lower turnover rates, reduced rate of absenteeism and greater levels of commitment and employee satisfaction. Organizational commitment has three main forms according to Allen and Meyer (1990), namely affective, continuous, and normative, but affective commitment is viewed to be the most important component because it implicitly drives the other two forms of organizational commitment (Nazneen & Miralam, 2017). It is a construct that includes "a sense of belonging to the organization", a perception that the company's difficulties are also the employee's concerns and a sense that the organization represents something personal to its member (Allen & Meyer, 1990).

Botella–Carrubi, Gil–Gomez, Oltra–Badenes and Jabaloyes–Vivas (2021) found that affective commitment is influenced by activities related to professional growth and rewards, as well as actions aimed at promoting the work–life balance, regarded as employer brand components. Furthermore, Rana, Sharma, Singh and Jain (2019) discovered a strong association between employer brand and employees' affective commitment. Other studies have established the relationship between employer branding and job satisfaction (Tanwar & Prasad, 2016a; Bharadwaj, Khan, &

Yameen, 2022). Furthermore, Kaur, Malhotra and Sharma (2020) have found that affective commitment partially mediates the relationship between internal branding and job satisfaction. However, we concluded from an analysis of previous research that earlier studies missed taking into account the entire relationships of certain aspects of employer branding, affective commitment, and satisfaction.

In this study, we conceptualized employer brand as the integration of organizational culture, training and development, and corporate reputation. Although previous research has demonstrated the effect of employer brand on job satisfaction and affective commitment, the impact of these factors in the Serbian context has not been examined. Additionally, no previous research has examined the role of affective commitment as a mediator in the relations between these employer brand attributes and job satisfaction. Moreover, the mechanisms by which employer brand affects job satisfaction are understudied, although some previous research covered the moderating impacts of certain variables in this relationship. For instance, Tanwar and Prasad (2016a) examined the moderating role of gender in the relationship between employer brand and job satisfaction. Besides, Priyadarshi (2011) tested the impact of employer brand image on job satisfaction, affective commitment, and turnover, but without exploring any indirect effects between these constructs. Thus, our study aims to close the identified research gap. To the best of the authors' knowledge, this research model is unique and contributes to the originality of our study. This paper also provides valuable pragmatic implications for company managers. Managers are advised in this respect to engage in activities aimed at improving organizational culture, providing training and development for their personnel, and protecting the company's reputation.

The paper is divided into six sections. The introduction is followed by literature review, which includes explanations of basic concepts, prior study findings, and research hypotheses developed in response to those findings. The third section describes the methods used and the structure of the studied sample. Following a summary of the empirical findings and their discussion, we provided some conclusions, a paper contribution with study limitations, and future research options.

1. Background

Numerous companies adopt employer branding as a component of their overall corporate strategy (Kargas & Tsokos, 2020). On this point, the employer brand emphasizes the strategic integration of human capital with corporate objectives (Sullivan, 2004). Employer branding is carried out to incorporate various recruiting and retention initiatives into a cohesive HR strategy (Backhaus & Tikko, 2004). The significance of this notion in strategic management is also reflected in the work of Francois Koukpaki, Adams, and Oyedijo (2021), who stated that employer branding is a viable organizational strategy for increasing companies' ability to distinguish themselves from their rivals. Companies are progressively embracing employer branding to recruit new candidates and ensure that present staff members participate in the company's culture and strategy (Backhaus & Tikko, 2004). Therefore, the creation of the employer brand is of strategic importance for companies (Rampl & Kenning, 2014) and plays a significant role in the management of employee behaviour, which explains why many contemporary authors are interested in it. Tanwar and Prasad (2016a) investigated the effects of the employer brand on job satisfaction to determine if the characteristics of the employer brand, which were designed to attract candidates from the labour market, can contribute to job satisfaction. In addition, Tanwar and Prasad (2016c) developed a theoretical framework in which employer brand influences several constructs, such as organizational commitment and job satisfaction. The model they developed served as the basis for the research presented in this paper and inspired us to explore whether affective commitment, as the most important dimension of organizational commitment, mediates the relationship between certain employer brand dimensions and job satisfaction.

1.1. Job satisfaction

Job satisfaction is one of the key determinants of their behaviour in the organization. Apart from being a major driver of talent retention (Maurya & Agarwal, 2018), it is also related to productivity (Suher, Bir, & Yapar, 2017), and the quality of service provided (Raihan & Al Karim, 2017). Because of the tight relationship between employee performance, retention in the organization, and overall business results, satisfaction is currently the subject of extensive

research in a variety of fields, particularly HRM and organizational behaviour.

According to Raihan and Al Karim (2017), job satisfaction is a set of emotions and thoughts regarding one's present employment. In our study, job satisfaction encompasses different aspects such as relationships with co-workers and superiors, job features, working circumstances, remuneration and benefits, and prospects for promotion (Homburg & Stock, 2005; Sharma, 2017; Lepold, Tanzer, Bregenzer, & Jimenez, 2018).

Satisfaction is a complex psychological construct that is influenced by a variety of circumstances. Previous research has identified organizational culture, mentoring, and work environment as important organizational prerequisites for job satisfaction (Vermeeren, Kuipers, & Steijn, 2011; Ghosh & Srivastava, 2014; Jyoti & Sharma, 2015), while organizational commitment has been singled out among the individual predictors of this construct (Sahin, Akyurek, & Yavuz, 2014). Furthermore, job satisfaction is regarded as one of the most important outcomes of employer branding (Vinoth & Vasantha, 2015).

1.2. Employer brand

The employer brand is a contemporary idea developed by merging marketing and branding approaches into the science of HRM (Rampl & Kenning, 2014). It was established in the 1980s to assist organizations in their "war for talent" and to generate employee commitment to the brand they work for (Maurya & Agarwal, 2018). Despite the fact that it has been the subject of numerous research projects, there is no universally accepted definition. It was first defined as "the package of functional, economic, and psychological benefits provided by employment, and identified with the employing company" by Ambler and Barrow (1996, p. 187).

The majority of early studies in this field focused on the employer brand in terms of organizations' attractiveness to potential employees and recruiting talents from the labour market (Lievens & Highouse, 2003; Berthon, Ewing, & Hah, 2005). However, employer branding strategy is more than just a tool for acquiring talent; it is also a way of generating positive attitudes among employees and increasing their commitment (Kimpakorn & Tocquer, 2009), which increases the rate of human capital retention in a company that uses this strategy. Recognizing this fact, authors have concentrated their research

on analysing the effects of different aspects of employer brand on employees' work attitudes – on their satisfaction (Schlager et al., 2011; Vinoth & Vasantha, 2015) and organizational commitment (Hanin et al., 2013; Rana et al., 2019; Upadhyaya & Ayari, 2019; Alves, Santos, Reis, Marinho, F., Martinho, D., Sampaio, Sousa, & Oliveria, 2020). In these studies, employer brand is structured in many ways and consists of tangible and intangible benefits that the company provides to employees (Tanwar & Prasad, 2016a). Schlager et al. (2011) identified the "economic", "development", "social", "diversity", and "reputational" value of the employer brand. Similarly, Berthon et al. (2005) offered five employer brand values: "interest", "social", "economic", "development", and "application" value. Vinoth and Vasantha (2015) distinguish the following dimensions of employer brand: "job security", "compensation and benefits", "company culture & work environment", "quality of work life", and "career development". Given the necessity for an employer branding strategy that concerns both inside and outside factors of employee recruitment and retention, we adopted the Tanwar and Prasad (2016a) approach. The employer brand concept created for the purposes of this empirical study encompasses organizational culture, training and development, and corporate reputation.

Organizational culture refers to the common values, beliefs, and assumptions that exist among the company's employees and impact their perceptions and behaviour within the organization (Hartnell, Ou, & Kinicki, 2011). Employees' working attitudes, particularly their satisfaction, are influenced by organizational culture. According to Belias and Koustelios (2014), satisfaction is determined by a number of factors, such as wages, working conditions, and leadership, which together constitute organizational culture. Studies conducted by MacIntosh and Doherty (2010) and Sharma (2017) indicated that corporate culture is a significant predictor of job satisfaction. Lok and Crawford (2004) and Bigliardi, Dormio, Galati, and Schiuma (2012) showed that innovative and supportive organizational cultures have positive effects on job satisfaction in the fitness and pharmaceutical industries, respectively. According to the findings of Egan, Yang, and Bartlett (2004), an organizational culture that encourages learning is positively reflected in the level of job satisfaction among employees in the IT sector.

Training and development is regarded as a vital component of SHRM that should enhance

employees' skills and consequently improve their performance in their current and future roles (Khan, Abbasi, Waseem, Ayaz, & Ijaz 2016). It is a career assistance tool that may provide multiple benefits to both companies and employees (Szabo–Balint, 2019), establishing the necessary conditions for overall success (Atoko, Taylor, & Sichinsambwe, 2018). The implementation of training and development programs also increases employees' confidence in their ability to perform their jobs, which ultimately raises job satisfaction levels (Costen & Salazar, 2011). According to study by Schlager et al. (2011), the development value of the employer brand has a positive impact on job satisfaction. A similar relationship is also evidenced by empirical research conducted in the banking sector (Anwar & Shukur, 2015) and in companies operating in telecommunications industry (Khan et al., 2016). A direct positive relationship between job satisfaction and training and development opportunities provided by employers was also established through research by Choo and Bowley (2007), Thacker and Holl (2008), Nagaraju and Archana (2015), and Tanwar and Prasad (2016a). Sharma (2017) states that job satisfaction is shaped in part by the opportunity for personal growth within the organization. Došenović and Zolak Poljašević (2021) proved that both training and development, as HRM activities, contribute to job satisfaction in Serbian organizations.

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1.3. Affective commitment

One of the anticipated outcomes of an effective employer branding strategy is an increase in organizational commitment among employees. In the research framework developed by Backhaus and Tikko (2004), organizational commitment is equivalent to employer brand loyalty. These authors stated that organizational commitment in the context of employer branding denotes an employee's attachment to the organization perceived by its employer brand. Allen and Meyer's (1990) commitment paradigm, which separates commitment into three distinct dimensions: affective, continuous, and normative, is the most widely used conceptualization in the literature. Allen and Meyer (1990) defined affective commitment as an employee's emotional connection to and identification with the company, its objectives, and its core values. The relationship of the individual with the organization that is formed as a result of his perception of insufficient alternatives for employment and the perceived costs that would cause leaving the organization is described as continuous commitment, while, according to the same authors, normative is a reflection of the feeling of obligation to remain in the organization. Despite the importance of all three factors to the study of organizational commitment, affective commitment is thought to be its most useful indicator (Alniacik, Cigerim, & Bayram, 2011). According to Meyer, Stanley, Hersovitch and Topolnytsky (2002), and Meyer and Maltin (2010), affective commitment provides the greatest benefits to the employer and employees among the three types of commitment. It contributes more to employee motivation than continuous and normative commitment and is more strongly correlated with desired work behaviour (Kaur et al., 2020).

A limited number of studies have found a relationship between employer brand characteristics and affective commitment. In this regard, a corporate culture that promotes loyalty

and teamwork is positively associated with employees' affective commitment (Abdul Rashid, Sambasivan, & Johari, 2003). Furthermore, it correlates positively with organizational culture in a study conducted by Azizollah, Abolghasem and Amin (2016). According to Biswas and Challil (2013), organizational culture affects employees' affective commitment, which is also positively associated with participation in training and development programs (Grund & Titz, 2021). In accordance with Atoko et al. (2018) and Khan, Bashir, Nasim and Ahmad (2021), employee training and development predicts their affective commitment to the organization. Additionally to assuring high levels of satisfaction, perceived business reputation has positive effects on employees' affective commitment (Esenyel, 2019).

A close relationship between the dimensions of the employer's brand and the degree of job satisfaction with affective commitment is what led us to select affective commitment as a possible mediator variable in our research model. In this regard, previous empirical studies demonstrate the predictive role of employer brand in anticipating organizational commitment and satisfaction (Upadhyaya & Ayari, 2019). Fernandez–Lores, Avello, Gavilan, & Lopez (2015) state that positive work experience associated with the employer's brand contributes to the development of employees' affective commitment. Furthermore, Kaur et al. (2020) showed that affective commitment positively impacts job satisfaction. Also, a study conducted by Vinoth and Vasantha (2015) confirmed a significant relationship between employer brand, affective commitment and job satisfaction. Based on these findings, the following hypotheses were formed:

H1a: Affective commitment mediates the relationship between organizational culture and job satisfaction.

H1b: Affective commitment mediates the relationship between training and development and job satisfaction.

H1c: Affective commitment mediates the relationship between corporate reputation and job satisfaction.

Figure 1 represents the applied research model.
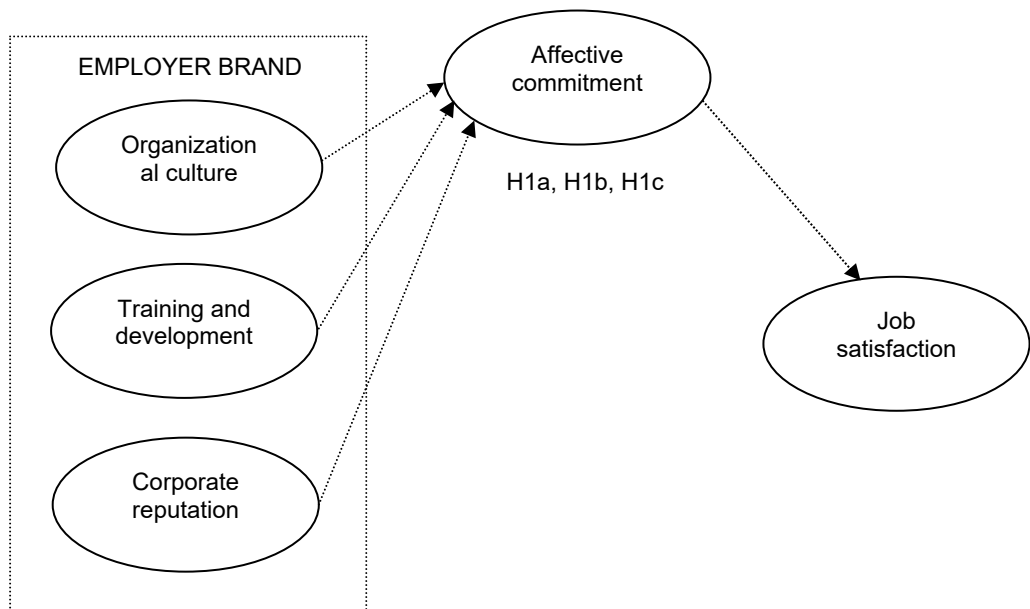
Figure 1   The research model
Source: the authors

2. Methodology

A survey approach was employed to gather primary data for the study. The questionnaire deployed in the research consists of four sections. The first segment contains items for measuring organizational culture (Jaghargh, Ghorbanpanah, Nabavi, Saboordavoodian, & Farvadin, 2012; Ghosh & Srivastava, 2014; Tanwar & Prasad, 2016a), training and development (Knox & Freeman, 2006; Zhu, Wang, Yu, Hu, Wen, & Liu, 2014; Tanwar & Prasad, 2016a) and reputation (Highouse, Lievens, & Sinar, 2003; Tanwar & Prasad, 2016a). With statements based on research by Sharma (2017) and Lepold et al. (2018), the second section of the questionnaire examines how satisfied employees are with their jobs. Three statements created by Allen and Meyer (1990) were used to estimate affective commitment. On a five–point Likert scale, respondents indicated how much they agreed with the items included.

The methods of the Social sciences statistical software program SPSS 26.0 were used to analyse the data. Based on Cronbach's alpha coefficient, the reliability of the measuring scale was examined. Green (1991) set the relevant sample size for multiple regression as 50+8k where "k" is the number of predictors. In this instance, the minimum sample size is 82 companies. We obtained one response from each company and we used the snowball sampling method. Snowball sampling is a sample acquisition approach in which initially sampled participants invite additional subjects to complete a questionnaire. We established two criteria for selecting companies: they must have at least 10 employees and operate in central or western Serbia. Before creating contacts for a further survey, all participants who were first sampled were also informed about the needed criteria. Finally, the sample included employees from 146 companies operating in the central or western part of the Republic of Serbia. The research period covered the first quarter of 2022. The respondents had access to the electronic form of the questionnaire; however, some filled it out by hand. Respondents also received instructions for participating in the survey in a cover letter that was sent with the questionnaire. Along with the instructions, the letter also included a notice of anonymity and an assurance that the respondent's data would only be accessed in absolute terms and not individually interpreted. The structure of the research sample is given in Table 1.

Table 1 Sample structure

Variables		Frequency	%
Number of employees	10 – 49	41	28.1
	50 – 249	45	30.8
	≥ 250	60	41.1
Activity	Production	70	47.9
	Service	76	52.1
Gender	Female	82	56.2
	Male	64	43.8
Age	< 25 years	32	21.9
	26 – 35	77	52.7
	36 – 55	23	15.8
	> 55	14	9.6
Education	High school	39	26.7
	College	21	14.4
	Bachelor	52	35.6
	Master	34	23.3
Working experience within the company	< 1 year	39	26.7
	1 – 3 years	46	31.5
	4 – 5 years	17	11.6
	> 5 years	44	30.1

Source: the authors

The sample structure is dominated by companies with more than 250 employees, with service businesses outnumbering manufacturing ones. Women participate at a higher rate in the study, while the age group between 26 and 35 is the most prevalent. University graduates constitute the majority of the sample. There is also a comparable number of respondents with work experience between one and three years and those who worked for the same employer for more than five years.

3. Findings

An analysis of the measuring scale's reliability was used to determine whether the items were internally consistent. Table 2 presents its outcomes.

If a variable's Cronbach's alpha value is greater than 0.7, it is considered reliable (Nunnally, 1978). According to the findings of the reliability study, all variables in the applied research model have a high level of internal consistency.

Table 2 Cronbach's alpha

Variables	Cronbach's alpha
Organizational culture	0.841
Training and development	0.896
Reputation	0.817
Affective commitment	0.807
Job satisfaction	0.861

Source: the authors

Table 3 Descriptive analysis

Variables	Mean	St. dev.
Organizational culture		
The management takes into account employees' suggestions and ideas.	3.52	1.35
The management appreciates and supports employees.	3.64	1.30
The company encourages teamwork.	3.79	1.33
When faced with a challenge at work, employees may rely on the support of their colleagues.	3.98	1.20
Employees can count on the help of their supervisor when they face a problem at work.	3.99	1.18
The company communicates openly and employees have access to all the necessary information.	3.71	1.26
Training and development		
The management of the company offers opportunities for improving knowledge and skills.	3.55	1.36
Management has developed structured training programs for employees.	2.94	1.45
Management provides information to employees about open positions in the company.	3.18	1.51
Management invests in the training and development of employees.	3.10	1.49
Corporate reputation		
My colleagues and friends think this company is a great place to work.	3.49	1.33
Many people are interested in working for this company.	3.53	1.37
The company's employees are proud to say they work there.	3.44	1.30
Affective commitment		
The company I work for means a lot to me.	3.74	1.33
I have a strong sense of belonging to the company I work for.	3.71	1.30
I believe that I share the problems this company is experiencing.	3.28	1.41
Job satisfaction		
I am satisfied with the working environment in which I do my work.	3.79	1.16
I am satisfied with how I get along with my superiors.	3.95	1.17
I am satisfied with the collegiality at work.	4.00	1.10

Source: the authors

The highest level of agreement among the respondents is present in the statement *I am satisfied with the collegiality at work* (M=4.00), while the lowest score was given to the statement *Management has developed structured training programs for employees* (M=2.94). At the same time, *Management provides information to employees about open positions in the company* has the greatest heterogeneity of responses (SD=1.51).

Table 4   Correlation analysis

Variables	1	2	3	4	5
Organizational culture	1	0.691**	0.669**	0.677**	0.784**
Training and development	0.691**	1	0.660**	0.610**	0.659**
Corporate reputation	0.669**	0.660**	1	0.587**	0.558**
Affective commitment	0.677**	0.610**	0.587**	1	0.672**
Job satisfaction	0.784**	0.659**	0.558**	0.672**	1

Correlation is significant at 0.01 (**)
Source: the authors

A summary of the findings from the correlation analysis is given in Table 4. The employer brand aspects, affective commitment, and job satisfaction all have a positive association. The most significant relationship was found between organizational culture and job satisfaction (r=0.784).

The mediation regression procedure was employed in order to evaluate the defined hypotheses. According to Baron and Kenny (1986), the following criteria must be met for the mediation effect to be assessed: the first step involves confirming the independent variable's direct influence on the dependent variable; the second involves demonstrating the mediator's significant influence on the dependent variable. Another simple linear regression test examines whether the independent variable influences the potential mediator. In the final phase, multiple linear regression is used to evaluate the combined effects of the independent variable and proposed mediator on the dependent variable. By validating these assumptions, the requirements for the final testing of the mediator effect are obtained. A partial mediator effect is achieved when the influence of the independent variable on the dependent variable is decreased by incorporating the intervening variable, and a full mediator effect is established when that influence becomes statistically insignificant. Furthermore, the validity of three multivariate assumptions was examined to ascertain if multiple regression was justified. In addition, we performed the Sobel Z test for the purposes of verifying the established mediating roles. The Sobel Z test was calculated using unstandardized coefficients (B) and coefficients standard errors in certain regression models. After providing these inputs, we used the interactive calculation tool for mediation tests.

Multicollinearity was assessed through the VIF coefficient (Field, 2000). All the VIF values were less than 5, indicating that multicollinearity is not an issue in these regression models (Field, 2000). The criteria for linearity were also met and there was no drastic deviation from the normality of the data distribution.

Table 5   Mediation regression OC – AC - JS

Var.	Dependent: JS		Dependent: AC		Mediation (Dependent: JS)		
	β	Sig.	β	Sig.	β	Sig.	VIF
OC	0.784**	0.000	0.677**	0.000			
AC	0.672**	0.000					
OC&AC							
OC					0.607**	0.000	1.848
AC					0.261**	0.000	1.848
R²	0.611		0.455		0.646		

p<0.01 (**)
Source: the authors

According to the mediation regression results presented in Table 5, organizational culture is a statistically significant positive predictor of satisfaction, where 61.1% of the variability of satisfaction is explained by the observed independent variable. Organizational culture also positively affects affective commitment (β= 0.677), with the coefficient of determination R^2=0.455, while affective commitment predicts job satisfaction (β=0.672). Finally, affective commitment partially mediates the relationship between organizational culture and job satisfaction, partly validating hypothesis H1a. The coefficient of determination in this model showed that organizational culture and affective commitment determine job satisfaction in 64.6% of cases. The β coefficient that indicates the influence of organizational culture on job satisfaction decreased from 0.784 in the linear regression to 0.607 in the multiple regression model, while the

impact remained significant. Therefore, we can conclude that the mediation effect is partial.

Subsequently, we computed the Sobel Z test to verify the mediating effect. The obtained result (Z=3.65) was statistically significant (z>1.96; p<0.01) and confirmed the intervening role of affective commitment in the relationship between organizational culture and job satisfaction.

Table 6   Mediation regression T&D – AC - JS

Var.	Dependent: ES		Dependent: AC		Mediation (Dependent: JS)		
	β	Sig.	β	Sig.	β	Sig.	VIF
TD	0.659**	0.000	0.610**	0.000			
AC	0.672**	0,000					
TD&AC							
TD					0.396**	0.000	1.592
AC					0.430**	0.000	1.592
R^2	0.430		0.368		0.544		

p<0.01 (**)
Source: the authors

The findings of the regression analysis that examined the mediating role of affective commitment in the relationship between training and development and job satisfaction are presented in Table 6.

The results show that, with a coefficient of determination of 0.43, training and development has a positive statistically significant impact on job satisfaction. Additionally, training and development has a positive relationship with affective commitment (β=0,610; R^2=0,368), and affective commitment is a statistically significant predictor of satisfaction. The affective commitment was found to partially mediate the association between training and development and job satisfaction in the mediation regression's last step, as β drastically decreased from 0,659 to 0,396. This indicates the partial mediating impact of affective commitment in the noted association. Therefore, hypothesis H1b was partly proven. Following that, we calculated the Sobel Z test to validate the mediating effect. We have found that the Sobel was significant (p<0.01) and greater than the threshold value of 1.96 (Z=5.08). Therefore, we validated the mediating effect of affective commitment.

Table 7   Mediation regression R – AC - JS

Var.	Dependent: ES		Dependent: AC		Mediation (Dependent: JS)		
	β	Sig.	β	Sig.	β	Sig.	VIF
R	0.558**	0.000	0.587	0.000			
AC	0.672**	0.000					
R&AC							
R					0.249**	0.001	1.525
AC					0.526**	0.000	1.525
R^2	0.311		0.344		0.485		

p<0.01 (**)
Source: the authors

The mediation regression's findings, which are presented in Table 7, demonstrate statistically significant positive impacts of reputation on job satisfaction and affective commitment. Additionally, the relationship between reputation and job satisfaction is partially mediated by the affective commitment of employees. Specifically, the inclusion of affective commitment in the regression analysis significantly reduces the predictive power of the employer's reputation in determining job satisfaction. The previously mentioned is seen from β value that indicated the strength of the impact of reputation on job satisfaction with affective commitment as a second predictor. However, β went from 0.558 in the simple regression model to 0.249 in the multiple regression. This result partly supported hypothesis H1c. Following the conducted mediation regression procedure, we performed the Sobel test, and with the Z value being far above 1.96 (Z=5.52)

and statistically significant (p<0.01), we additionally verified the indirect effect of reputation on job satisfaction through employees' affective commitment.

4. Discussion

Our findings validated that organizational culture has positive effects on job satisfaction. Such results demonstrate that an organizational culture that promotes cooperation, open communication, and teamwork results in a higher degree of job satisfaction. According to the findings of this study, an organizational culture that values learning and employees' suggestions and ideas is a key element in determining satisfaction. Out of all analysed employer brand aspects, its impact on job satisfaction is the strongest.

We also verified a positive association between training and development and job satisfaction. These findings show how important training and development activities are in determining satisfaction. They can be explained by the way that motivation works, which starts with a person's unsatisfied need for growth and progress and ends with an increase in satisfaction when the need is met. However, critical management support is required in training interventions, as these are frequently rejected by firm executives (Nemeth, 2017).

The analysis indicated that the employer's reputation is a relevant determinant of job satisfaction. Despite the fact that reputation–building activities are largely directed towards external interest groups, the findings of this study provide some support for the assumption that employees are also affected by the positively estimated employer's reputation. According to prior research that looked at how corporate reputation affects the attitudes and behaviour of organization members, employees' social identities and sense of pride are positively impacted by the company's reputation in the community (Primadini & Syaebani, 2017), which leads to an increase in their satisfaction.

Our set of hypotheses referred to the intervening role of affective commitment in the relationships between employer brand values and job satisfaction. Our study discovered that affective commitment partially mediates the relationship between each investigated employer brand value and job satisfaction, particularly. Accordingly, organizational culture affects job satisfaction partly through employees' affective commitment. This implies that the relationship between organizational culture and job satisfaction is partially dependent on affective commitment level.

The conducted study also determined that affective commitment partially mediates the relationship between training and development and job satisfaction, i.e. affective commitment of employees is an explanation for the main effect between these constructs. In this regard, affective commitment describes the process through which training and development is related to job satisfaction. This result implies that companies that struggle with providing expected training and development programs can still achieve high levels of job satisfaction among employees if these employees are emotionally linked and identified with their employers.

The main effect of corporate reputation on job satisfaction can partially be explained by employees' affective commitment according to the results of our study. This is especially critical for firms that have not been able to establish a solid reputation in their surroundings. But, regardless of how respectable the firm is, if their employees have high levels of affective commitment, they will be content with their positions.

Conclusion

A strong employer brand has many benefits for the company. It assists management in nurturing job satisfaction and employees' commitment to the organization, in addition to being a successful strategic instrument for bringing talent from the labour market. As an important segment of SHRM practice, employer brand enables companies to achieve positive outcomes among their employees, so they can complete their tasks effectively and support companies' objectives. The conducted study supported the mediating role of affective commitment in the relationship between employer brand aspects and job satisfaction. The overall conclusion is that employees' positive perception of the employer contributes to the growth of their affective commitment and job satisfaction.

As an emerging idea that hasn't been thoroughly investigated in the Republic of Serbia, the obtained scientific results constitute a special contribution to the domestic literature in the area of employer branding. It is unusual in domestic literature to consider how employees' perceptions as representatives of internal interest groups relate to the employer brand's outwardly focused aspects. Furthermore, the influence of these

specific characteristics defining employer brand on emotional commitment and work satisfaction has not yet been researched in the Serbian context. In addition, the research contributes by exploring the mediating function of affective commitment and identifying how and in which relationships affective commitment alters the strength of the causal relationship between employer brand attributes and job satisfaction. This addresses the perceived gap in the literature and offers a framework for making pertinent judgments regarding the nature of the relationships between the variables that have been observed. In this way, the study marks a particular sort of breakthrough in employer brand research and its results. A review of international and domestic literature revealed no studies that investigated the mediating effects of affective commitment in observed relationships, and the applied research model may be described as unique. A significant contribution is represented in understanding how reputation, as an externally directed dimension of the employer brand influences job satisfaction. Furthermore, this paper helps to elucidate the complex nature of training and development, affective commitment and job satisfaction relationships. An additional contribution was made by assessing the strength of the organizational culture effect on job satisfaction, which revealed that this component of employer brand had the most influence on shaping job satisfaction.

The research also offers a pragmatic contribution in the form of relevant practical implications resulting from the findings. Managers should promote the creation of an organizational culture that promotes concern for employees, teamwork, and cooperative behaviour. Establishing such an organizational culture requires management commitment and time investment, but it is still a cost-effective method for enhancing job satisfaction. Therefore, various ways of demonstrating care for employees on a daily basis, encouraging teamwork at all levels, providing support to employees, and promoting mutual support among them can have a significant positive effect on job satisfaction. The results of the study indicate that organizational culture has the greatest impact on job satisfaction, which should be an additional incentive for managers. According to our study, management should design and implement training and development programs since this would result in satisfied and committed employees who will perform better at work. Training and development

programs are not a cost-effective alternative for increasing job satisfaction because they account for a significant portion of total labour costs, but they have many additional benefits that justify their strategic importance. Consequently, it can be asserted that they represent an important dimension of the employer's brand despite the expenses they encounter. Furthermore, management efforts should be directed toward establishing a positive reputation and improving the company's image in the community. Corporate social responsibility (CSR) activities can play a significant supporting role in the development of a corporate's reputation. Linking CSR programs with actions aimed at developing reputation as a component of the employer's brand can result in a positive synergistic effect, cost savings, and a positive effect for both, including positive effects on job satisfaction.

Determining the mechanisms by which employer brand value impacts job satisfaction has special practical implications for companies that have not built a solid organizational culture, or strong reputation or have not established effective training and development programs. The partial mediation of affective commitment in the relationships between each employer brand dimension and job satisfaction has several implications for managers. Specifically, if managers struggled to create a positive organizational culture either to shape the strong reputation of the company, they can still have satisfied employees, but only if their affective commitment to the company is high.

This study has several limitations that require attention in interpreting and generalizing its findings. The first barrier of the conducted study, in terms of sample size, arises from the limited number of respondents, which is the result of companies not being interested in participating in scientific research. Another limitation is the sample structure, which included small, medium, and large companies with private and/or state ownership and different activities, which means that the results of the analyses cannot be used to draw conclusions about the size of the company, the form of ownership or specific activities. A further limitation concerns the study model structure, particularly the employer brand construct. In this research, a simplified model of employer brand was used with three dimensions evaluated, which the authors believe are the most important for the Serbian setting. However, the original employer brand construct consists of six

dimensions, thus the results obtained should be interpreted with caution. Additionally, due to the limitation of the research to companies operating in the Republic of Serbia, the conclusions drawn cannot be generalized for those operating in other cultural and socio–legal frameworks.

The limits indicated above provide the directions and frameworks for further research. The study should be undertaken in the private or public sector, on a sample of small, medium, or large companies, individually, or on a sample of companies in a certain activity, to identify the specifics of the employer brand's influence on job satisfaction in a particular area. In accordance with the models present in the literature, future research will include other relevant components of the employer brand and may investigate their influence on other types of organizational commitment. The study may be replicated on a larger sample of enterprises from multiple countries, providing a foundation for generalizing the findings. Furthermore, future research should explore the interaction of employer brand values in order to gain a holistic understanding of the relationships between the observed factors.

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Intercultural competence in marketing and sales recruitment advertising (evidence from Austria and Sweden)

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Abstract

The Background: The globalization of the business world and the ongoing internationalization of many organizations have profound consequences for societies and economies. National economies, the Austrian and Swedish being the examples in this study, are globally intertwined and export dependent. When businesses search for opportunities outside national borders, employees will engage with diverse groups of stakeholders while conducting daily business and pursuing organizational goals. Additionally, due to migrations, the available workforce is becoming increasingly diverse. Business schools have an obligation to educate graduates who are "ready for life." To stay relevant, business programs, specifically in marketing and sales, need to deliver not just subject-specific knowledge but also give students the chance to increase their intercultural competence.
Purpose: This study contributes to the discussion on business schools' role in improving students' intercultural competences and the necessity to align learning outcomes with future market needs.
Study design/methodology/approach: The content analysis of 240 qualified recruitment advertisements was conducted to investigate, in line with signalling theory, how employers' express their requirements and expectations in recruitment advertising.
Findings/conclusions: The empirical study shows that ads frequently describe work environments as culturally diverse. Most reviewed advertisements contain references to interactions with partners and customers across national borders. However, there is a weak connection between the work situation described in the ads and the skills required to tackle diversity. While foreign language and communication skills are frequently listed as requirements in those ads, intercultural competence is seldom a requirement. Even if not vocalized, evidence suggests that future graduates will increasingly need intercultural competence.
Limitations/future research: The study was conducted based on a limited number of recruitment advertisements. Future research could include a wider coverage of recruitment advertisements. The qualitative research would complement findings on the need for interculturally competent graduates.

Keywords

intercultural competences, recruitment advertising, future skills, marketing, sales, business schools, curriculum development.

Introduction

The globalization of markets presents a challenge for organizations that will, increasingly, have a need for employees who can thrive in such work environments and continue meeting organizational goals (Alon & Higgins, 2005; Deardorff, 2006; Early & Peterson, 2004; Podsiadlowski, Gröschke,

Kogler, Springer & van der Zee, 2013; Ramsey & Lorenz, 2016; Yadav & Lenka, 2020). According to Angouri & Piekkari (2018, p. 19), employees of various organizations "often operate at the interface of national, professional, and language boundaries when carrying out their daily routines". Seliverstova (2021, p. 4) states that workforce diversity "means heterogeneity and differences among employees in an organisation in terms of race, age, ethnicity, cultural background, physical abilities, religion, gender, sexual orientation, language, education, lifestyle, beliefs, appearance and economic status". Richter, Schlaegel, van Bakel, & Engle (2020, p. 409) claim that (inter)cultural intelligence has increasing importance in the contemporary globalized world and that "it is an important concept for international human resource (IHR) managers when selecting and training employees."

It could be expected that contemporary recruitment advertising reflects this significance, both in depicting conditions requiring intercultural intelligence and in corresponding competence, skills, and experiences that enable future employees to work in such an environment. In line with informational asymmetry, as discussed in signalling theory (Connelly, Certo, Ireland, & Reutzel, 2011; Hussain, Channa, & Bhutto, 2022), employers may carefully select the information to present to potential candidates. Employers' attractiveness and employer branding, in that context, can be valuable "to attract recruits and ensure that current employees are engaged in the culture and strategy of the organization," according to Eger, Mičík, Gangur, & Řehoř (2019, p. 520). The content of recruitment advertising becomes important not just by setting the attractiveness of the organization but also prevents jobseekers from searching for competing job openings and referring to alternative sources of information about job position, not controlled by the recruiting organization (Liu, 2020). Furthermore, Muruganantham, Suresh, & Esther (2021) explain that recruitment advertisement contains job attributes and organizational attributes, impacting intention to apply for a job position.

Heath, Carlsson, & Agerström (2023, p. 3) found out that "equality and diversity information in job advertisements has a positive impact on perceptions of potential job applicants". Therefore, portraying diversity can be seen as an important signal to send to future employees, especially if there is an expectation that effectively handling diversity from an employee's perspective

contributes to organizational goals. Literature does not lack accolades for the benefits of diversity; see Liu, Volcic, & Gallois (2019) or Stevens, Plaut, & Sanchez-Burks (2008). Dauth, Schmid, Baldermann, & Orban (2023) confirmed in their research that "diversity signal" increases employer attractiveness for foreign job seekers, and in a wider sense, there is a moderating effect on all job seekers through the effort of promoting diversity. According to Lauring, Butler, Paunova, Umans, & Zander (2021) benefiting from diversity depends on the ability to integrate future employees within a diverse team.

A decision was made to investigate these ideas by looking at two economies with relatively high export dependence: Austria and Sweden. The export strategies of these two countries are quite similar: Außenwirtschaftsstrategie (2018) and Sveriges export och investeringsstrategi (2020), reflecting the strategic decision to compete on global markets. Austria generates 51% of its GDP from exports, and Sweden generates 47%, according to World Bank data. Accordingly, many of the organizations operating in those two countries are well integrated in the global economy and have a need for globally competent employees (Hunter, White, & Godbey, 2006). Furthermore, Austria and Sweden are nations with similar demographic characteristics, particularly in terms of having a diverse population. According to The World Factbook, both countries have populations of approximately 80% belonging to what could be referred to as "natives", while 20% of the population are immigrants. Assuming the national workforces share similar characteristics, both countries would have work environments in which it could be expected that people with different cultural backgrounds interact, the importance of managing the diverse employees was emphasized in Vasić et al. (2023).

The purpose of the study is to contribute to the discussion on business schools' role in improving students' intercultural competences. Therefore, our first research question is aimed at understanding how companies describe, in recruitment advertising, the work context for positions that are likely to involve engagement with diverse groups inside and outside the organization. The question is aimed at understanding whether there is a need for intercultural competences. The second research question identifies the requirements and expectations of future employees related to engagement with diverse groups of stakeholders and/or colleagues. What kinds of experiences,

knowledge, and skills do employers find relevant for employees' intercultural interactions?

We chose to focus, in this study, on marketing and sales positions as these two business functions primary tasks are to interact with organizations' environments, and to fulfil organizational tasks, they are bound to collaborate with other business functions and people in the organization (Biemans, Malshe & Johnson, 2022). If found to be of quintessential importance for future employees, business schools (and not just business schools) need to assure the improvement of intercultural competences in their graduates, among other skills. By aligning the needs of employers with the output of educational institutions, education can sustain its relevance for all stakeholders.

We start by briefly reflecting on the role of higher education institutions (HEIs), particularly business schools, in creating "work-ready" (Ewing & Ewing, 2017) or "ready-for-life" graduates, as framed by Kreber (2010). The latter definition argues that the educational outcome of preparedness for life extends beyond the work context to broader societal roles, citizenship, and learning through life. Next, we discuss the current state of research on intercultural competence. Finally, we introduce an overview of methods for advancing the program and curriculum of HEI, with an emphasis on the analysis of job market requirements. Following previous research based on the content analysis of recruitment advertisements, we introduce our methodological approach. The content analysis of 240 recruitment advertisements on major job portals with national coverage in Austria and Sweden gave us a pretext to respond to our research questions and draw conclusions aimed at continuous improvement of the learning outcomes of business school programs. Furthermore, given the nature and purpose of intercultural competences, we can argue that their implications can be interpreted in a broader educational and societal context.

1. Business schools' mandate

Business schools are to provide a steady supply of employable graduates. Business schools are operating in an environment that is affected by the internationalization of the HEI sector and increased competitive pressures. Furthermore, there is a dilemma regarding the nature of the products delivered by HEIs. It might be argued that the main product is knowledge and skills transferred to graduates, placing the student as the key customer of HEIs. An alternative perspective is to view the

graduates themselves as the product of HEIs and view future employers as the key customers. These two views are not mutually exclusive but rather depict the complexity and different aspects of HEI educational processes and outcomes. Employability (and desirability) of business school graduates in the job market will be dependent on the value and demand for knowledge and skills in a given job market, according to Brewer (2013).

This setting leads to a need for constant adaptation and improvement of business school programs, courses, and curricula. Delpechitre & Baker (2017) argue that organizations nowadays require graduates to have a quicker transition to work-ready employees. Niel Braun, former dean of the Lubin School of Business, emphasized in an interview in 2015 that "businesses no longer have the patience to train students who are recent graduates", while historically technical and experiential learning would happen at the early stages of the professional career. Schlee & Harich (2010) confirm that business schools used to place emphasis on conceptual knowledge and the theoretical background of a discipline, leaving practical skills to be acquired after employment. In the conditions of increased mobility of students, internationalization of HEIs, and increasing competitiveness, the key question comes to be: How do business schools keep their programs (education) attractive to students, secure their entrance into the job market, and maintain the relevance of business graduates to employers?

2. Improving and developing educational programs

Business schools use several different approaches to improve and develop their programs. (A) The technical-scientific approach (Mitchell, 2016) to curriculum development is somewhat teacher-centric, defining what kind of knowledge students should gain from an academic perspective. We interpret this as disciplinary research being incorporated into the teaching process and learning outcomes. (B) Business schools connect with surrounding industry and appoint program or school-wide advisory boards, making sure that practice has a voice in continuous improvements and especially during major revisions of programs. (C) Sometimes formal research is conducted by either surveys or interviews with relevant industry representatives (see, for example, de Boer & van der Giessen, 2020; Sodhi & Byung-Gak, 2010; Yeoh, 2018). (D) A systematic assessment of recruitment advertisements (job ads) can be a

valuable source of information on current demand, requirements, and expectations from graduates (or a broader pool of applicants), as Tan & Laswald (2018, p. 405) emphasize that "job advertisements provide a window to the skills that employers are looking for and those which they believe are needed for the organisation to continue and thrive".

Capturing the market's expectations and requirements from future employees through content analysis of advertised job openings is not unknown in research. Sodhi, Byung-Gak, & Tang (2008) reviewed employers' demands for supply chain jobs; Sodhi & Byung-Gak (2010) analysed the industry requirements for graduates with an operational research background; and Schlee & Harich (2010) used content analysis of marketing job openings. More recently, Tan & Laswad (2018) and Ott (2023) used the same approach to determine the professional skills and professional identity for accountants. Verma, Yurov, Lane, & Yurova (2019) were looking at skill requirements for business and data analytics positions.

Content analysis of job opening ads is not exclusively employed in business education. For example, Hong (2016) investigates job advertisements for geographic information systems, and Zhang, Su, & Hubschman (2021) and Matsumoto (2022) use the same approach to assess skills knowledge and attitudes required for information professionals, more specifically librarians.

Inspired by these studies, we use content analysis to identify how companies communicate the conditions of cultural diversity internally, within the organization, and externally, with partners and customers outside the organizational boundaries. Furthermore, we investigated what kind of knowledge, skills, or experiences they particularly require as a response to these conditions.

3. Intercultural competence

According to Sinicrope, Norris, & Watanabe (2007), early research in the field of intercultural competence was mainly motivated by cross-cultural communication problems reported by westerners working in a foreign context. Arasaratnam (2015) reflects that in the past thirty years, research focus has shifted from narrower intercultural communication competence to more encompassing intercultural competence. It reflects increased interest in the topic but has also generated more ambiguity since authors are working with the concept from different

disciplinary perspectives (Deardorff, 2015). Nowadays, plural form is frequently used in literature to address the complex nature of the concept.

A definition of intercultural competence that serves our dual perspective well was formulated by Deardorff (2020, p. 5): "intercultural competences are about improving human interactions across the difference, whether within a society (differences due to age, gender, religion, socio-economic status, political affiliation, ethnicity and so on) or across borders". Our interpretation is that we should explore intercultural competence in diverse organizational contexts and across organizational borders. In relation to the former, we look for descriptions of diverse intraorganizational environments: interacting, communicating, and working with colleagues inside the organization that, in a broad sense of the concept, belong to different cultures. In relation to the latter, we are searching for context that describes cultural diversity in fulfilling organizational goals while interacting with constituents outside the organization, such as customers, intermediaries, and suppliers.

Drawing from the literature, we expect intercultural competence to be a set of skills with increasing significance in contemporary business settings that could become part of transversal learning outcomes and soft skills significant for graduates, like creativity, critical thinking, communication, and collaboration (Rohm, Stefl, & Ward, 2021).

There is no universal agreement on the name, definition, or measurement of intercultural competences, and numerous authors take on the task of assessing a rich scientific production in the field; see the works of Boyatzis (2008), Griffith, Wolfeld, Armon, Rios, & Liu (2016), and Leung, Ang, & Tan (2014). We adopt the view that intercultural competences are expressed as a complex set of individual attributes, attitudes, and skills that are put to use when there is a task (or role) to perform in the circumstances that assume cross cultural interaction and a diverse environment (Pantelic, Brandstaetter, & Florin Samuelsson, 2021).

4. Research methodology

Summative content analysis was used in the study, primarily addressing manifest content (Potter and Levine-Donnerstein, 1999), focusing on the easily observable appearance of certain words in a written text, in our case, recruitment advertisements. We

focused on job advertisements for marketing and sales positions requiring university education or the equivalent. An informed decision was made among the authors to search and review advertisements posted online on two of the major job search platforms. In the Austrian context, the decision was based on the long industry experience of one of the authors, while in the Swedish context, the decision was made after consultations with the university career counselling centre.

On the Austrian platform, ads were reviewed on the job portal (www.karriere.at), while in Sweden, the choice was made to review the job portal Platsbanken, (www.arbetsformedlingen.se) which is run by Swedish Public Employment Services.

In total, 113 job ads qualified to be analysed in the Austrian context (A) and 127 job ads qualified in the Swedish context (S); for the purpose of the study, 240 ads were analysed in total. Job ads were posted in German, Swedish, or English in the last quarter of 2021.

The authors decided to use the filtering function on web sites to narrow down the search. The key words used were marketing and sales. Further filters on the websites allowed us to access only job postings with a degree requirement. However, this function appeared not to be totally accurate, resulting in some jobs that were filtered out manually (excluded from future research) based on the fact that it was evident that the job position did not require higher education or that it was impossible to make a sound judgment about whether the particular recruitment ad qualified. Some recruitment ads were posted repeatedly, and in these cases, the redundant appearances were eliminated from the sample.

Our approach was qualitative and explorative and could be summarized as follows:

1. We explored job openings in marketing and sales on major online job search engines in Austria and Sweden.
2. We identified a list of key words anchored in previous research and devised a search strategy to shortlist job openings containing the key words.
3. We updated the key word list based on a systematic review of relevant job ads.

The relevant job ads were classified according to: a) employer; b) job position title; c) degree qualifications; d) description of job circumstances related to diversity and intercultural interaction; e) job requirements related to experience, knowledge,

and skills corresponding with intercultural competences (please see Table 1).

Table 1   Codes for the content analysis

Qualifying codes	Code category: work conditions	Code category: knowledge and skills
Marketing	International	Language (foreign)
Sales	Intercultural	
Bachelor	Global	Interpersonal skills
Master	Foreign	
University	Diverse	Intercultural competence
	Culture	
	Travel	

Source: the authors

Sodhi & Byung-Gak (2010) argued that manual analysis is superior to computerized analysis; we avoided using word frequency counting since we were in particular looking for links between described conditions of external and/or internal diversity and desired knowledge, skills, and experiences as a response to such an environment (similar to Chao & Shih, 2005).

5. Discussion

In our total sample, we found some recruitment advertisements that referred to working within the organization in a culturally diverse environment; however, this was not salient. On the other hand, in both countries, there are a substantial number of job postings in marketing and sales with a clear focus on international markets and/or customers. These job posts have a straightforward foreign language requirement, frequently expressed in both contexts as "native language skills", for example, "highly proficient in written and oral English with the ability to proof and advocate own positions" (A) or "ability to speak and write English fluently and idiomatically" (S). This is very much in line with findings from de Boer & Van der Giessen (2020), who concluded that businesses with an internationalization focus most often place foreign language knowledge as a desirable skill for future employees. Furthermore, foreign language command takes a central place in developing inter-cultural competence (de Figueiredo & Mauri, 2013; Peng, Wu, & Fan, 2015), and according to other authors, intercultural competence stems from intercultural communication skills (Valentine & Cheney, 2001).

According to Crossman and Clarke (2010), international experience has an impact on graduates' employability, and language acquisition is seen as important for developing interculturally competent future employees. Therefore,

universities, based on our findings and literature review, should consider offering international experience, as well as exposure to different cultures and languages, as a vehicle to create positive attitudes towards diversity.

We found that in both samples, there was a strong emphasis on interpersonal skills. Employers would expect a future employee to be a team player and cooperative; assertiveness is desirable; and in general, negotiation and communication skills are frequently emphasized. We found that cooperation and communication are referred to as both internal (in the organization) and external (with suppliers, partners, customers, and stakeholders). A job description for a position as key account manager for an Australian global company captures this perspective: "Excellent stakeholder influencing and relationship building skills and fluency in English, plus good listening and communication skills (additional European languages are a plus)." (A). De Boer and van der Giessen (2020), in their research, capture both the business perspective on the most valuable skills of future employees and the perspective of educators. Businesses emphasize knowledge of languages and cultures, flexibility, and communication skills, while educators stress communication skills, cooperation, and intercultural sensitivity. Despite using slightly different terminology, the points greatly overlap.

The intercultural dimension was not explicitly stated in the context of interpersonal skills, and we can only go by the assumption that it is implicitly included for job positions that require cross-cultural contact. There is support in the literature for this assumption, both in advocating the necessity to prepare future employees for a diverse workspace, where future employees are expected to work within culturally diverse intraorganizational stakeholders (e.g., Dias, Zhu, & Samaratunge, 2017; Ng, Tan, & Ang, 2011; Podsiadlowski et al., 2015) and with culturally diverse stakeholders outside the organization (e.g., Osei-Bonsu, 2016). Reichard et al. (2015) emphasize both aspects in their work.

Related to the aspect of working with culturally diverse stakeholders outside the organization, in the Swedish sample, half of the job ads referred to intercultural competence directly or indirectly, while in the Austrian context, only three job descriptions mentioned intercultural competence, and in all these cases, the employer's headquarters are outside of the German-speaking regions (the USA and Scandinavian countries). Most employers in the Swedish sample are headquartered in

Sweden, with the exception of three companies headquartered in the US, Finland, and Switzerland, respectively. We identified requirements like "experience from working across multiple markets" or the ability to "build relations and be responsive to people with different experiences and perspectives". There were also explicit links between language skills and the ability to handle diversity, e.g., "Our customers have a wide mix of age, nationality, and backgrounds, so mastering multiple languages is preferable," demonstrating a broader approach to diversity as defined by Deardorff (2020).

Working with culturally diverse stakeholders internally in the organization is mentioned in several job ads in the Swedish context, but substantially less than working with culturally diverse stakeholders outside the organization. One of the ads stated, "This is your chance to work for a meaningful company that encourages personal development and celebrates diversity. We do not discriminate on the basis of race, religion, colour, national origin, gender, sexual orientation, age, or marital status." (S). This is typical diversity clause as discussed by Andreassen (2021), which does not have necessarily in the focus diversity championship, but rather reflects complying with legislation. In the Austrian sample, there were no job requirements related to an intraorganizational culturally diverse workforce, and there were almost no statements of a diverse workforce to be found. Even though both countries have similar shares of foreign-born inhabitants, this seems not to be an issue worth mentioning from the perspective of Austrian recruiters. Either it is not seen as a relevant recruitment criterion or is not considered relevant for these job positions. This difference could potentially be explained by the differences in job profiles between Austria and Sweden. In the Swedish sample, jobs were more related to marketing than to sales, while in the Austrian sample, the numbers were balanced. Further, most marketing posts in the Austrian context were about online marketing. This led to the point that sales jobs were focusing on interpersonal skills, while in marketing jobs, due to the nature of the job, interpersonal skills appeared to be less relevant. Our assumption is anchored in the work of Gibson, Rimmington, & Landwehr-Brown (2008), who argue that in online marketing there is a perception of a global culture, placing less emphasis on geographical differences in behaviour and/or diversity. In the Swedish context, this can be recognized in an ad for a junior digital

growth marketer, where the question is addressed to a future employee: "Are you a collaborative team player who lives online?"

Conversationally, employers seek proficiency in multiple foreign languages, and this remains the strongest connector to intercultural competence. However, job ads in Sweden also indicate that experience from global organizations, diverse contexts, and multiple markets is valued for many positions in the field of marketing and sales. While being international organizations, the job ads of Austrian organizations follow mostly an ethnocentric approach to HR management. The required competencies in international business are clearly focused on languages, professional skills, and interpersonal skills. This does not mean that organizations ignore intercultural aspects; they may rather hire an international workforce if needed and often rely on bilingual employees who have already assimilated to Austrian work culture due to their long-time acculturation in the country. Cultural diversity may be an important dimension embedded in corporate mission statements, but it does not relate to daily operations as described in job ads. Based on our sample, it appears that Swedish organizations are more vocal about diversity.

The findings from our analysis of convenient sample of recruitment advertisements for sales and marketing positions, in Austria and Sweden, can be summarized as follows:

- Both in the Austrian and Swedish contexts, it is more customary to communicate cultural diversity in contacts outside the organization (working with suppliers, partners, and customers across cultures).
- Some organizations, from Swedish sample, mention that the workplace is culturally diverse (working with a culturally diverse team inside the organization), but this is not a widespread practice.
- Intercultural competences are rarely mentioned explicitly, and skills requirements relatable to this issue are communication skills, interpersonal skills, and knowledge of foreign languages.
- Given the nature of the assignments in job ads, it can be concluded that there are expectations that future employees should be capable of utilizing these skills across cultures, but this is not explicitly vocalized.

Conclusion

The importance of disciplinary knowledge and relevant primary (or "hard") skills in HEIs is not disputed; however, evidence from previous research supports also placing emphasis on secondary (or "soft") skills. According to Loehr & Schwartz (2001), secondary skills are supporting skills that facilitate effective utilization of the primary skills. The basic assumption is that an employee with deep knowledge and skills in sales and marketing, respectively, can be more successful if interpersonal, communication, and intercultural skills are added to their skillset.

The Hart Research Associates (2015) claim that 78% of the surveyed employers emphasize the importance of intercultural skills for future graduates and that "cross-cutting skills are more important to an individual's success at their company than his or her undergraduate major". According to the same source, cross-cutting skills are communication skills, teamwork skills, critical thinking, and ethical decision-making. According to Sodhi et al. (2008), the top broad skills required by employers in the context of supply chain management jobs are classified as soft skills," including communication, leadership, and team-related skills. In recapping the critical skills for the future, the World Economic Forum also puts two categories of skills, "working with people" and "self-management," under the spotlight. We would add that leadership and social influence, in the first category, or resilience, stress tolerance, and flexibility, are to be interpreted in contexts characterized by increased diversity, both in the organizational internal setting and in a complete set of ties with the external environment across organizational (and national) borders.

Maringe, Foskett, & Woodfield (2013) argue that globalization, as a force that leads to the integration of nations in multiple dimensions, accelerated the internationalization of the HEI sector, creating a new, culturally and linguistically diverse campus (Zhang, Xia, Fan, & Zhu, 2016). Our argument is that campus diversity needs to be put in relation to a purpose and respond to employers' expectations of culturally competent employees, and this is not true just for business school graduates (Davies, Zaugg, & Tateishi, 2015). A number of authors concluded that experiential learning and group work (Jackson, 2015; Li & Armstrong, 2015), as well as the introduction of different cultural viewpoints and intercultural training (Dias, Zhu, & Samaratunge,

2017; Ramsey & Lorenz, 2016), can be used for improving intercultural competence.

According to our findings and previous research in the field, intercultural competence should be integrated into the curricula at the program level as one of the transversal learning goals, parallel to goals related to communication, leadership, ethical decision-making, or sustainability. Agile business schools, in response to job market requirements and changing landscapes, should, beside professional knowledge, start assessing intercultural competence because internationalization of the education system is not a goal in itself but rather an asset that can, if used properly, enhance the quality of graduates and approximate better a "ready-for-life" approach because the programs and learning outcomes are anchored in understanding what contemporary "life" is. Programs developed with a strong focus on the employability of graduates should consider soft skills useful to navigate and thrive in the contemporary world described as globalized, integrated, and diverse. These kinds of skills go beyond foreign language command and should become a compulsory part of study programs.

Given the circumstances, we can refer to a number of authors who proved gains in intercultural communication for students working in culturally diverse virtual teams (Erez et al., 2013) or cross-cultural collaboration through virtual platforms (Duus & Cooray, 2014). The lesson learned from the COVID-19 pandemic is that we could rely more on technology for cooperation, and universities can benefit by utilizing partner networks to expose their students to more international experience, even with restricted possibilities for travel or restricted resources.

Our research was explorative in nature and focused on a broad assessment of marketing and sales job openings, thus capturing the "demand side" of the labour market. Broadening the scope of the research to other business areas would give a more holistic view or extend the scope of the research to other professions, given that diversity transcends business organizations. Furthermore, collecting deeper insights from HR managers or people involved in the hiring process by conducting interviews would complement the findings from job recruitment advertisements. Future research could also follow the "supply side," capturing the views of educators on the need

and purpose of embedding intercultural competences in the curricula.

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Changes in the fashion industry and consumer choices in the Portuguese context: strategic directions

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Abstract
Background: This study aims to identify the changes in the fashion industry, during the COVID-19 pandemic, specifically, within the context of online purchase of fashion products, the use of sportswear, the pondering moments before the purchase, and the importance of sustainability. Furthermore, we also consider sustainability as a fashion strategic factor and its impact in the decision-making process.
Purpose: The main purpose is to understand if the type of products and the way they are purchased by the retail consumer have changed, and to assess if the level of importance granted to sustainability is significant, in particular, by evaluating the way COVID-19 pandemic has influenced the online purchase of fashion products, the use of sportswear, the pondering moments before the purchase, and the importance of sustainability. Furthermore, we evaluate if the level of importance granted to sustainability, in the decision-making process, is still the same.
Study design/methodology/approach: Quantitative analysis was applied, through an observation data collection technique, using a survey by questionnaire. The sample is non-probabilistic, with the accidental and snowball sampling modalities.

Findings/conclusions: the companies must define new strategies to answer their consumers' real needs, because we verify that consumer behaviour changed. It was verified that there was a growth in the amount of online shopping of fashion products, the use of sportswear increased, the level of pondering before buying expanded, and the increasing importance of sustainability became evident.

Limitations/future research: A non-probabilistic sample was used, which prevents the possibility of extrapolating general conclusions.

Keywords
fashion, pandemic, COVID-19, consumer, sustainability

Introduction

Fashion has been an integral part of daily practices (Buckley & Clark, 2012), composed of innovation and a synergy between personal and social needs (Martin & Koda, 1995). As such, if daily routines and the populations' shortfalls may change, inevitably fashion can also suffer mutations.

In the first months of 2020, COVID-19 virus spread all over the world, with millions of people forced to remain in quarantine, in order to comply with physical and social distancing measures during the month of March. The "usual" way of living was interrupted due to the precautions adopted to alleviate the impact of the COVID-19 pandemic (Addo, Jiaming, Kulbo & Liangqiang, 2020).

The current COVID-19 pandemic has created a world crisis that has been affecting each and every one of us on a daily basis. The increasing number of isolated individuals, due to the confinement situations that are currently taking place in the world, implies a considerable change in their routines; therefore, the consumer behaviour patterns and their priorities will surely be affected by these changes (Ben Hassen, El Bilali & Allahyari, 2020; Butu et al., 2020; Grashuis, Skevas & Segovia, 2020; Hesham, Riadh & Sihem, 2021; Hobbs, 2020; Laato, Islam, Farooq & Dhir, 2020).

In this line of thought, if the consumers' behaviour is changing, brands should try to adapt to this new reality in order to keep the pace.

According to Japutra, Loureiro, Wang & Primanti (2023), the concept of brand centrality plays a decisive role in this context, considering that, in order to achieve this status, brands must increase their empathy levels toward the consumers. This means that new skills and updated marketing strategies will be necessary in this new environment. Nowadays, the most important factor for organizations is to be near their consumers, to provide answers and solutions to their needs and to strengthen the bond with them (Moss, Damais & Ansons, 2020), corresponding to the demands for a more sustainable commerce. This preference is clearly dominant among younger consumers. The Millennials and the Z Generation strongly believe in the connections that companies should establish with the environmental issues, in contrast to the casual attitudes which are typical of the Baby Boomers (Erez, 2019).

There is a shift in the consumer's conscience and a rising interest in sustainable fashion. Designers and fashion companies, like Stella McCartney and Nike, have been presenting fashion items that are environmentally sustainable (Kim & Oh, 2020).

The present paper will specifically research the changes that have been happening in the fashion industry during the COVID-19 pandemic. The main goal is to understand if the type of products inside this universe and the way they are purchased by the consumer has been modified, as well as trying to ascertain if the level of importance granted to sustainability, in the decision-making process, is still the same. Namely, we seek to verify how COVID-19 pandemic has influenced the online purchase of fashion products, the use of sportswear, the pondering moments before the purchase, and the importance of sustainability.

The internal structure of this paper starts with a literature review, thus allowing the theoretical framing of the topics under discussion, followed by a methodological analysis, which will in turn lead to the discussion of the results, in order to finally obtain the required general conclusions and implications.

1. Literature review

1.1. COVID-19 and online shopping of fashion products

Over time, several world events have influenced fashion and have interfered with its evolution. The first and second World Wars are obvious examples, which lead to a sudden increase in the financial independence of women, whose work became necessary and relevant. The fashion industry has been causing a lot of pollution, not only environmental but also social, thus implying changes in clothing, which became more practical and useful (Kim, Fiore, Payne & Kim, 2021).

It is noteworthy that what we buy and what we use is always in consonance with our reality at a particular moment. Consequently, this pandemic is no exception to the rule, even more so because it is a world-scale problem, which entails several changes.

The year 2020 will be recorded in history as one of the most challenging ones for the fashion industry, marked by a decline in sales, with almost three quarters of the companies losing money (Business of Fashion, 2021).

The way the world works will be reassessed, and online shopping and digitalization will expand (Kim et al, 2021). After a careful observation of the surrounding environment, it is possible to witness the fast pace of these phenomena.

Notwithstanding the growth in online shopping, it is important to notice that, in the past, the fashion industry was slower than other industries in the adoption of e-commerce applications, due to the difficulty represented by the need to replicate the experience felt inside a physical store to the online world (Alves, Ribeiro & Saravanan, 2020).

In fact, COVID-19 has turned the business landscape into a type of environment which is extremely favourable to changes. As a consequence, priorities, attitudes, and the consumer's behaviour have also changed. This has become an opportunity for brands to provide a sense of positivity, which in turn will strengthen their ties with the consumers (Moss et al., 2020). Companies just have to develop social experiences, more engaging and appealing, for their clients, thus allowing them to interconnect with brands.

Physical retail is currently under a descending spiral and the number of stores that are closing on a permanent basis will continue to rise, even in the post-pandemic period (Kannan & Kulkarni, 2022). Approximately half of the European consumers have bought less in physical stores since the beginning of the confinements (Business of Fashion, 2021), a clear contrast with the consumption patterns and indicators before the pandemic (Brydges, Henninger & Hanlon, 2022). On the other hand, most of the clients started asking for more medical kits and products related to personal care, instead of fashion products (Sharma & Jhamb, 2020).

The results of a cross-country research (involving the USA, the UK, Finland, Germany, Switzerland, Iran, Czech Republic, India, and Hong Kong) indicate that all forms of fashion consumption, including more sustainable practices, have decreased during the pandemic (Vladimirova et al., 2022).

It is widely acknowledged that the consumption of fashion clothing is the main component of the consumer's experience, which aims at satisfying not only the individuals' desire to be good-looking, but also the needs related to love and belonging, self-esteem and high levels of self-fulfilment (Cope, 2020; Rodrigo, Khan & Valaei, 2023). In some situations, the clothing consumption mirrors the mental health and well-being of people when they face stress driven scenarios (Pavia & Mason, 2004).

Tan (2020) has also enhanced that the use of online platforms and technologies has witnessed a significant boost during the confinement caused by the pandemic. In the same line of thought, Al-Hattami (2021) posited that it is becoming more important than ever to understand the basic motivations that lead consumers to online shopping.

Indeed, the utilitarian motive is the strongest predictor of online fashion shopping (Sumarliah, Usmanova, Mousa & Indriya, 2022).

However, the purchase of clothing is still a broadly discretionary activity, thus becoming more vulnerable to economic shocks caused by the pandemic. According to data from the Census Bureau, released in mid-April 2020, the clothing sales have dropped 50,5% (Callahan, 2020).

It is therefore expectable that brands will try to elevate the online experiences of the consumers even more, thus presenting solutions increasingly sophisticated and customized.

1.2. COVID-19 and the use of sportswear

The 'casual' trend was already active before the pandemic and has naturally evolved during 2020 (Business of Fashion, 2021).

Since the beginning of the pandemic in 2020, millions of workers around the world were forced to work from their houses, due to the level of restrictions determined by several governments. Before the pandemic, companies adopted working practices at home only for their own convenience or to provide more favourable working conditions. However, in 2020, most governments have imposed national confinements, which lead organizations to implement teleworking (He, 2020).

Working at home doesn't imply the same level of variety in the wardrobe. In these environments, it very likely that people will opt for more comfortable and relaxed outfits. Formal wear,

which was already declining before the pandemic, has been following an even more negative path since the beginning of COVID-19 (Business of Fashion, 2021).

As a result, design and product development must reflect consumers' new health concerns and changing needs, which were the result of working from home (Zhao & Kim, 2021).

The fact that we are living under a health-related crisis is also influencing some behaviour patterns. The population has become more concerned and conscious of its physical and mental state, which in turn leads to different consumer behaviours and a more complex approach to decision-making processes (Mandarić, Hunjet & Vuković, 2022).

The COVID-19 pandemic has significantly disrupted the clothing consumption patterns (Liu, Xia & Lang, 2021).

Consequently, the consumers have improvised some behaviour adjustments, in order to adapt to this new environment, which has included a change in their garments' styles, aiming at favouring comfort, simplicity, as well as online shopping (Liu et al., 2021).

Mobility restrictions and total lockdowns played a role in 2020, stimulating a greater interest in comfortable sportswear largely purchased online after the closing of many stores (Jaworek, Karaszewski & Kuczmarska, 2021).

Although not immune to the effects of COVID-19, sportswear is increasing sales, thus implying that all the promotions that are usually present in these contexts, were avoided in this particular segment (Business of Fashion, 2021).

Among all the products' categories, the year of 2020 was a milestone for sportswear, with a profit of 42% in the MGFI (McKinsey Global Fashion Index), considering this particular sector, in the scope of a significant growth of the Chinese operators (Amed et al., 2021). It is expected that the interest of the consumer on health and well-being will persist beyond the pandemic period, which means that the search for sportswear will keep on growing in 2021 (Amed et al., 2021; Business of Fashion, 2021).

1.3. COVID-19 and its effects on the decision-making process

After the surge of discounts, which took place in the initial stage of the pandemic, there was a price revision and a reduction of sales promotions, as a way of assuring the profit margins (Amed et al., 2021; Business of Fashion, 2021).

The events that were held last year clearly indicate that more is not necessarily a synonym of better. After confirming that more products and collections rarely translate into better financial results, this pandemic has also demonstrated the need for a change in the profitability paradigm. Companies have to lower their complexity levels and find new ways of selling their products for the full established price, avoiding promotions (Amed et al., 2021; Business of Fashion, 2021).

In a recent study released by McKinsey, 65% of the consumers said that they were planning the purchase of long-lasting and better quality goods (Amed et al., 2021; Business of Fashion, 2021). The attitudes of the buyers are changing, and many clients are embracing the motto 'less is more', thus implying that the organizations really need to adapt to this new reality.

The demographic variables of age, education, and marital status influenced consumer behaviour during a pandemic with regard to frequency of use of precautionary measures. Older adults, adults with higher education, and married adults used precautionary measures more frequently when shopping in retail stores than did younger adults, adults with high school or less education, and single adults (Workman & Lee, 2022).

Academic research that tried to provide a contribution to the understanding of the trends and impacts generated by the pandemic on the consumers' behaviour patterns, has concluded that the three main purchase motives of the consumers included in that study, were the quality, availability, and convenience of the products (Eger et al., 2021).

At the same time, the purchase decisions and the consumers' choices are the result of a thorough examination that weighs the pros and cons, besides being influenced by emotional and sensitive aspects of the selected products (Eger et al., 2021). These products are perceived as being susceptible to overcoming a risk or a specific hazard, thus being successful in the mitigation of that hazard's perception and in the decrease in their levels of fear, attracting bigger purchase orders (Eger et al., 2021).

Additional studies also state that nowadays it may be more difficult to marketing professionals to conquer the loyalty of their clients, due to a decline in their satisfaction levels (Mason et al., 2020). Cao (2023) posits that the consumers' buying process framework should integrate memorable experiences, thus allowing meaningful emotional connections with them.

1.4. Sustainability as a fashion strategic factor

Sustainable consumption has been identified as a key contributor drive to implement sustainable practices and foster sustainable development (Vargas-MErino, Rios-Lama & Panez-Bendezú, 2023).

In 2021, brands should apply more intelligent strategies, reducing their complexity and realigning the launching of new collections with the consumers' opportunities (Amed et al., 2021; Business of Fashion, 2021).

The fashion industry pushes the use of natural resources to its limits by mass production and a low-cost structure that motivates consumerism at large (Thorisdottir & Johannsdottir, 2020).

Due to the pandemic, consumerism began to be questioned and caused a great influence on sustainable behaviour and environmental awareness, thus enhancing the need to move towards more responsible working methods. The fashion world is constantly being confronted by new trends, and sustainability is one of those current tendencies (Mohr, Fuxman & Mahmoud, 2021). Zhou et al. (2023) even consider that sustainable policies should be increasingly aggressive, a type of strategy that could be determinant to gain the trust of the consumers.

The trends related to sustainable fashion are focused, mainly, in the reduction of pollution caused precisely by fashion (Woodside & Fine, 2019), which leads companies towards the introduction of more transparency in their websites and promotional materials, considering that the sustainability concept is becoming increasingly important to the consumers. In the same line of thought, Mesjar, Cross, Jiang and Steed (2023) consider that companies should even try to educate consumers, thus raising their awareness levels regarding sustainable behaviors.

The fashion industry has been frequently associated to multiple examples of bad practices, namely environmental, economic, social, cultural and ethical (Rzyczycki, 2023). The truth is that the success of industrial companies with respect to sustainability depends on their ability to be sustainable throughout both the global supply chain and throughout the product life cycle. Sustainable fashion business requires integrating complex considerations into the company's business model, mainly through R&D and production from a long-lasting perspective (Daukantienė, 2023).

Some media have reported that environmental pollution (clothing wastes, dyes, and toxic chemical products) and ethical issues (excessive consumption, unfair trade, and child labour exploitation) are increasing due to fast fashion. In consonance with the growing concern of the consumers regarding these issues, the demand for sustainable fashion has rapidly increased (Kim & Oh, 2020). Nowadays people are more willing to pay more for sustainable products, as stated by the Accenture research, which indicates that half of the consumers would pay more for sustainable products, aiming at their future recycling and reuse (Cantwell, Nolan & Corser, 2019). Marketing managers should identify the preferences and needs of the consumers in relation to ethical practices that could be included in their positioning strategies (Javed, Yang, Gilal & Gilal, 2020).

Environmental and social sustainability has become a priority in the fashion industry, and it has been gaining importance among consumers and governments (Berg et al., 2019).

According to Köksal and Strähle (2021), despite the several massive reports on social complaints in the apparel industry, the adoption of private social standards remains the most critical practice for retailers to manage social risks with suppliers and communicate social accountability to stakeholders.

More than three out of five clients have stated that the promotion of sustainability by brands is a crucial factor in the decision making process (Amed et al., 2021; Business of Fashion, 2021).

Clear signs have converged to the conclusion that those who buy fashion products are demanding a better treatment regarding the collaborators included in the value chain. Thousands of consumers around the world are participating in the *#PayUp* campaign, conceived to get the attention of brands that didn't compromise with the payment of their orders during the pandemic, leaving millions of workers at risk (Amed et al., 2021; Business of Fashion, 2021).

According to (McMaster et al., 2020), companies that engage in sustainability practices, usually concentrate in the construction of sustainable supply chains, both upstream and downstream. On the other hand, (Galli & Bassanini, 2020) posit that there are different approaches regarding sustainability that depend on the geographical location of the companies. The involvement of the public in this process becomes clearly necessary, and brands should find a way of talking about this topic with clarity and simplicity.

Social media are, broadly speaking, the most important means to educate and involve the

consumers in the impact caused by the fashion industry, both environmentally and socially, allowing social media users to share information, thus contributing to maintain sustainability as a trend topic around the world (Schumann, Wied & Krahl, 2021).

The term 'sustainable fashion social media influencers' is used to describe influential content creators who discuss sustainable fashion on social media (Jacobson & Harrison, 2022).

This is also important when the purpose is to improve the conscience level of this type of fashion (Nayak, Panwar & Nguyen, 2020; Pandit, Annaldewar, Nautiyal, Maiti & Singha, 2020). Functioning as indicators of the growing concern of the public over this topic, internet research for 'sustainable fashion' has tripled from 2016 to 2019, and the use of the hashtag *#sustainablefashion* increased fivefold in that period, both in Europe and in the United States (Berg et al., 2019).

Consumers are not sure about the meaning of this term, and they don't know how to identify sustainable brands, therefore they are expecting improved enlightening information on this topic (Berg et al., 2019). Considering the difficulties felt by consumers and the related parties in the identification of the players in the supply chain, the brand owners become the main responsible drivers for the compliance with sustainability along the chain (Hartmann & Moeller, 2014; Zhou et al, 2023). The study of Nandkeolyar and Chen (2023) is in line with this perspective, as the authors state that more sustainable production practices should be induced, not only by governments, but mainly by all the stakeholders involved in the process.

A sustainable conduct may allow a greater competitive advantage and a better reputation and differentiation on behalf of the companies.

Sustainability is going to be a main drive, in terms of purchase decisions, and it is also likely that, in a near future, it may even become a critical success factor. Mandarić et al. (2022) have confirmed this assertion when they found a clear correlation between the importance of fashion brand sustainability and the consumers' purchase decisions within the scope of clothing related products. In this scope, ethics and responsibility are also key sustainability drivers that may be crucial to provide positive insights to the consumers' decision-making process (Ezell, Bush, Shaner, Vitele & Huang, 2023).

The Kering Group, which owns brands such as Gucci, Bottega Veneta, Balenciaga, and Yves Saint Laurent, was acknowledged by the World Economic Forum for its commitment with green production. The LVMH Group, which includes Dior and Fendi, has introduced a program designated as LIFE, with the purpose of reducing the CO_2 emissions. Prada supports the sustainability manifesto for Italian fashion and is a member of the Commission for Sustainability, Ecology, and the Environment. Valentino was one of the first brands to join the Greenpeace's Detox protocol, a campaign aiming at the removal of malicious chemicals from the production chain (D'Adamo & Lupi, 2021).

Nevertheless, current practices are oriented to the reduction of negative impacts associated with current operations, falling short of the radical strategies needed to address root causes and embrace sustainability at large (Karaosman, H., Perry, Brun & Morales-Alonso, 2020).

It has become clear that the consumers' pressure is crucial in this process, as well as a better industry related regulation, thus allowing the fashion industry to perform all the changes that are urgently needed.

2. Methodology

The present analysis traces the changes that have been happening in the fashion industry during the COVID-19 pandemic, namely within online purchase of fashion products, in the use of sportswear, in the pondering moments before the purchase, and in the importance of sustainability. In this sense, the hypotheses defined for our research are that COVID-19 pandemic led to: an increase in the online purchase of fashion products (H1); an increase in the use of sportswear (H2); an increase in the pondering moments before the purchase (H3); and an increase in the importance of sustainability (H4) (Figure 1)
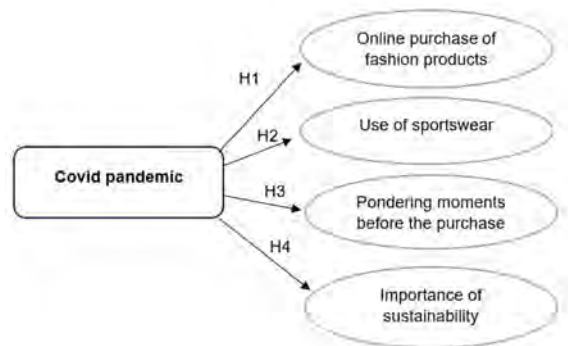

Figure 1 Methodological Framework
Source: the authors

This paper was focused on a sample of 107 valid answers, gathered during May 2021 through the dissemination on the social networks (Facebook and Instagram) of the survey (Annex I) elaborated in the format of the Google Forms. Before being applied, the questionnaire was tested online in a group of 15 people of different genders, levels of education, and ages between 18 and 65 years old. In this pre-test, the clarity of the questions and statements and the variability of the answers were checked. The non-probability sample included the accidental and snowball modalities.

We have performed a literature review, presenting a theoretical framework related to the main topic of the research and other specific aspects connected with our hypotheses, as well as an observational data collection technique through the application of a survey by questionnaire. For data analysis, we used IBM SPSS Statistics (version 28) and STATA (version 18) software.

2.1. Sample characterization

Within the context of the sociodemographic characteristics of the collected sample, we have analysed gender, age, marital status, educational level, professional situation, and country of residence (Table 1). All these variables presented a symmetric distribution, with the value of 0.46.

Table 1 Sociodemographic Characteristics

Variable	Percentage
Gender	
Female	59.80%
Male	40.20%
Age	
Average	
Marital Status	
Single	77.60%
Married	20.60%
Divorced	1.90%
Level of Education (complete)	
Superior	70.10%
Secondary	26.20%
Basic	3.70%
Working Conditions	
Student	33.60%
Self-employed	10.30%
Employee	49.50%
Unemployed	6.50%
Country	
Portugal	91.60%
Brazil	6.50%
Spain	0.90%
Netherlands	0.90%

Source: the authors

We have observed that 59.8% of the sample are females and 40.2% males. The average age of the respondents is around 29 years old.

Concerning their marital status, the singles were predominant, with a percentage of 77.6%, followed by the married with 20.6% and the divorced with 1.9%.

As far as education is concerned, most part has university education, with 70.1%, followed by secondary education, with 26.2%, and finally basic education, with 3.7%.

Regarding their professional environments, 49.5% work for an employer, 33.6% are studying, 10.3% are self-employed and 6.5% are currently unemployed.

Our sample is composed of 91.6% of residents from Portugal, 6.5% from Brazil, 0.9% from Spain and 0.9% from The Netherlands. Therefore, the sample mainly reflects the reality of the European socioeconomic context after living one year in the above mentioned pandemic conditions.

3. Results

3.1. Data analysis

When we questioned the individuals about their escalation regarding online shopping during the pandemic, 63,6% answered positively, confirming an increase in that specific behaviour. Considering clothing, footwear, or accessories, clothing obtained the highest level of frequency among the three of them (Table 2).

Table 2 Online purchase of fashion products

Questions:	Yes	No			
P1 During the pandemic, have you increased de habit of buying fashion products online?	63.6	36.40			
P2. Purchase frequency:	NEV (%)	RAR (%)	OCC (%)	FREQ (%)	V.FR (%)
P2.1 If so, what was the frequency of your purchases? [Clothing]	16.7	13.1	36.9	22.6	10.7
P2.2 1 If so, what was the frequency of your purchases? [Footwear]	27.4	27.4	22.6	20.2	2.4
P2.3 1 If so, what was the frequency of your purchases? [Accessories]	31.7	28	23.2	13.4	3.7

Note: NEV = never; RAR = rarely; OCC = occasionally; FREQ = frequently; V.FR = very frequently.

Source: the authors

The question about the habit of using sportswear before the pandemic was confronted with 73.8% of respondents who confirmed they already had that practice (Table 3). After performing an analysis between variables, we also concluded that those who already used sportswear have reinforced that use and purchase.

Table 3 Use of the sportswear

Questions:	Yes	No			
P3 Before the pandemic, did you use sportswear?	73.8	26.2			
P4. Indicate your degree of agreement with the following statements:	CDIS (%)	DIS (%)	INDIF (%)	AGR (%)	CAG (%)
P4.1. I make more online purchases of fashion products.	22.4	16.8	12.1	39.3	9.3
P4.2. I buy more fashion products.	19.6	21.5	17.8	33.6	7.5
P4.3. I buy fewer fashion products.	19.6	38.3	21.5	15.9	4.7
P4.4. I wear sportswear more often.	5.6	21.5	13.1	41.1	18.7
P4.5. I make more purchases of sportswear.	11,2	29,9	18,7	32,7	7,5

Note: NEV = never; RAR = rarely; OCC = occasionally; FREQ = frequently; V.FR = very frequently.

Source: the authors

Relatively to the current level of pondering before completing an online purchase of fashion products, 73.8% stated that they have improved their levels (Table 4). Analysing the variables, it was possible to observe that those who have increased that level of pondering had the tendency to consider this purchase as a very important one, thus granting a great deal of concern with that decision process.

Table 4 Pondering moments before purchase

Questions:	Yes	No			
P5 Nowadays, do you ponder more before purchasing fashion products online?	73.8	26.2			
P6. Indicate your degree of agreement with the following statements:	CDIS (%)	DIS (%)	INDIF (%)	AGR (%)	CAG (%)
P6.1. The decision to buy fashion products is very important to me.	9.3	21.5	21.5	32.7	15
P6.2. The decision to buy fashion products is not important.	17.8	31.8	23.4	21.5	5.6
P6.3. I am very concerned about the decision to buy fashion products.	12.1	25.2	22.4	30.8	9.3

Note: NEV = never; RAR = rarely; OCC = occasionally; FREQ = frequently; V.FR = very frequently.

Source: the authors

Regarding sustainability, 94.5% of the respondents mentioned that sustainability is a very important matter to them, 75.7% considered that its importance was enhanced, 75.7% highlighted the importance of brand sustainability, but only 53.3% mentioned they would prioritise sustainable brands (Table 5).

Table 5 Importance of sustainability

Questions:	Yes	No			
P7. In your opinion, is sustainability important?	94.4	5.6			
P8. Indicate your degree of agreement with the following statements:	CDIS (%)	DIS (%)	INDIF (%)	AGR (%)	CAG (%)
P8.1. The importance of sustainability has increased.	1.9	7.5	15	50.5	25.2
P8.2. Brand sustainability is important.	0	6.5	17.8	52.3	23.4
P8.3. I give priority to sustainable brands.	3.7	15	28	38.3	15
P8.4. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one.	0.9	14	15.9	49.5	19.6
P8.5. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one, for the same value.	0.9	5.6	15	50.5	28

P8.6. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one, for an added value.	5.6	21.5	23.4	38.3	11.2
P8.7. I am willing to change the product I intended to buy if the alternative is sustainable.	4.7	13.1	25.2	42.1	15
P8.8. I am willing to change the product I intended to buy if the alternative is sustainable, even if the value is increased.	6.5	21.5	29	30.8	12.1
P8.9. "Buy less, buy better".	0	7.5	15.9	35.5	41.1

Note: NEV = never; RAR = rarely; OCC = occasionally; FREQ = frequently; V.FR = very frequently.

Source: the authors

Concerning the purchase of a sustainable product instead of a non-sustainable one, 78.5% were favourable to this decision. However, considering the purchase of a sustainable brand rather than a non-sustainable one, adding some value to it, only 49.5% stated their agreement.

Considering the possibility of opting for another product in order to buy a sustainable alternative, 57% of the respondents said they would do it. However, if the very same operation implied a specific added value, only 43% stated their agreement. As for the statement 'buy less, buy better', 76.6% of the sample have agreed with this assertion.

Finally, after cross-checking the variables, we concluded that the individuals that stated they would assume sustainability as an important factor, were also willing to give priority to sustainable brands, to pay more for those products and to exchange the product for a sustainable alternative. However, when the question addressed the exchange of the product for an alternative one, but with an added value to it, despite some level of agreement, there was also an increase in the indecision levels. Finally, in what concerns the statement 'buy less, buy better', they strongly agreed with this notion.

3.2. Factorial analysis

The results obtained from the exploratory factorial analysis are presented in Table 6.

Table 6   Factorial analysis

Variables	Items	Factor Loadings		% Of the Extracted Variance	% Total Extracted Variance	KMO	Cronbach Alpha
		Factor 1	**Factor 2**				
P4		(Fashion products)	(Sports wear)				
	P4.1	0.838		F1 – 50.046	F1 + F2 = 85.166	0.522	F1- 0.850
	P4.2	0.701					
	P4.4		0.724	F2 – 35.120			F2 – 0.764
	P4.5		0.555				
P6		(Purchase decision)	-				
	P6.1	0.887		-	-	0.554	0.810
	P6.2	0.620		F1 = 72.715			
	P6.3	0.674					
P8		(Sustainable purchase: alternative)	(Sustainable purchase)				
	P8.2		0.718				
	P8.3		0.737	F2 – 17.659			F1 – 0.855
	P8.4		0,782		F1 + F2 = 77.623	0.757	
	P8.5		0.796				
	P8.6	0.736		F1 – 59.964			F2 – 0.871
	P8.7	0.832					
	P8.8	0.833					

Source: the authors

To proceed with the analysis of the variables, it is necessary to consider that each item should have a communality value over 0.500, in order to validate the item in the scope of the construct. Relatively to variable P4 (Online shopping), an item from the scale was removed, considering that its communality was below 0.5 (P4.3 = 0.489), lacking the necessary correlation to load in the P4 factors. The same happened with variable P8 (Sustainability), where items P8. 1 (0.377) and item P8.9 (0.456) were removed.

After applying the factorial analysis, we observed that variables P4 and P8 presented two factors. Consequently, it was necessary to identify the variables that supported these factors, which lead to the conclusion that variable P4 (Factor 1 – Fashion products) included items P4.1 and P4.2. On the other hand, variable P8 Factor 1 – Sportswear) is formed by items P4.4 and P4.5. As for variable P8 (Factor 1 – Alternative sustainable purchase) the items associated were P8.6, P8.7 and P8.8, while variable P8 (factor 2 – Sustainable Purchase) comprised items P8.2, P8.3, P8.4 and P8.5. On the other hand, variable P6 presented only

one factor (Factor 1 – Purchase decision), integrating items P6.1, P6.2 and P6.3.

Considering the analysis of the Kaiser-Meyer-Olkin (KMO) statistics, which varies between 0 and 1, it is necessary to posit that the factorial analysis will be more effective if the KMO value approaches the unit, i.e. value 1. We could observe that variables P4, P6 and P8 presented KMO values that ranged from 0.522 (P4) to 0.757 (P8), thus indicating that the exploratory factorial analyses of these variables are satisfactory, considering that the value is higher than 0.500.

Concerning the analysis of the Extracted Variance Percentage, it should be noted that, the closer the value is to 100, the higher will be the correlation level between the items of the variable under study. Variables P4 and P8 present two factors to analyse. When considering all the variables under study (P4, P6 and P8) it is possible to conclude that the total percentage of the variance extracted was positive in variable P4, while variables P6 and P8 presented a satisfactory percentage of the variance extracted, thus implying that all these variables present a good correlation between the items under study.

When we were analysing the Cronbach Alpha, we had to consider that the values may vary between 0 and 1, and the closer the values are to 1, the more the variable measurement will be reliable, thus granting more weight to this study. The analysis of the results related to variables P4, P6 and P8 allowed us to conclude that variables P4 (factor 1), P6, P8 (factor 1) and P8 (factor 2), present a value between 0.800 and 0.900, which implies that there is a good internal consistency in the scale, allowing us to trust in these variables. Variable P4 (factor 2) presents a reasonable internal consistency, meaning that there is a satisfactory level of trust concerning this variable.

3.3. Correlation

The analysis of the correlation was performed using three tests (Table 7). A parametric test (Pearson's correlation), and two non-parametric tests (Kendall's tau b and Spearman's rho). It was possible to confirm that the results of the parametric and non-parametric tests were similar.

The correlation level should be between 0 and 1, to provide an intensity in the positive association among the variables.

Table 7 Correlation and Pearson's Chi-Square Test

	Correlation				
	Tests	P1	P2.1	P2.2	P2.3
P1 During the pandemic, have you increased de habit of buying fashion products online?	Pearson's correlation		0.544	0.520	0.365
	Kendall's tau b		0.471	0.494	0.344
	Spearman's rho		0.520	0.543	0.377
P2.1 If so, what was the frequency of your purchases? [Clothing]	Pearson's correlation	0.544		0.647	0.573
	Kendall's tau b	0.471		0.578	0.503
	Spearman's rho	0.520		0.640	0.572
P2.2 1 If so, what was the frequency of your purchases? [Footwear]	Pearson's correlation	0.520	0.647		0.570
	Kendall's tau b	0.494	0.578		0.496
	Spearman's rho	0.543	0.640		0.560
P2.3 1 If so, what was the frequency of your purchases? [Accessories]	Pearson's correlation	0.365	0.573	0.570	
	Kendall's tau b	0.344	0.503	0.496	
	Spearman's rho	0.377	0.572	0.560	
Pearson's Chi-Square Test					
Variable	Item		Pearson's Chi-Square Test		
P1 During the pandemic, have you increased de habit of buying fashion products online?	P2.1 If so, what was the frequency of your purchases? [Clothing]		Value: 32.264 Gl: 4 Sig.: 0.000		
	P2.2 If so, what was the frequency of your purchases? [Footwear]		Value : 36.125 Gl: 4 Sig.: 0.000		
	P2.3 If so, what was the frequency of your purchases? [Accessories]		Value : 11.868 Gl: 1 Sig.:0.018		

Source: the authors

After analysing the Table 2, it is possible to confirm that in the three tests there's always an intensity in the positive association among all variables, which implies that those variables are not independent.

The Chi-Square test is used to confirm if there is a relation between two variables. After the analysis of the results, it was possible to conclude that: (1) there is a dependent relation between variable P1 (During the pandemic, have you increased the habit of buying fashion products online?) and item P2.1 (If so, what was the frequency of your purchases? [Clothing]); (2) There is a dependent relation between variable P1 (During the pandemic, have you increased the habit of buying fashion products online?) and item P2.2 (If so, what was the frequency of your purchases? [Footwear]); (3) there is a dependent relation between variable P1 (During the pandemic, have you increased the habit of buying fashion products online?) and item P2.3 (If so, what was the

frequency of your purchases? [Accessories]). This analysis confirms that during the pandemic there was an increase in the online purchase of clothing, footwear, and accessories.

4.4. Logits

Binary logistic regressions were performed (Table 8), to verify if the independent variables P4_F1_m (Fashion products), P4_F2_m (Sportswear); P6_m (Purchase decision); P8_F1_m (Alternative sustainable purchase) and P8_F2_m (Sustainable purchase) are forecasts of the dependent variables (P1) (During the pandemic, have you increased the habit of buying fashion products online?), (P3) (Before the pandemic, did you use sportswear?), (P5) (Nowadays, do you ponder more before purchasing fashion products online?) and (P7) (In your opinion, is sustainability important?).

Table 8 Logits

Variable	Item	Beta	Wald	Sig.	Exp (B)	95% C.I. to Exp (B)	
						Lower	Upper
P1 During the pandemic, have you increased de habit of buying fashion products online?	P4_F1_m (Fashion Products)	1.493	31.729	.000	4.452	2.648	7.484
	Constant	-3.505	22.308	.000	.030		
P3 Before the pandemic, did you use sportswear?	P4_F1_m (Fashion Products)	-.336	2.949	.086	.715	.487	1.049
	P4_F2_m (Sportswear)	.454	4.289	.038	1.575	1.025	2.422
	Constant	.633	.591	.442	1.883		
P5 Nowadays, do you ponder more before purchasing fashion products online?	P6_m (Purchase Decision)	1.342	11.500	.001	3.828	1.762	8.317
	Constant	-2.798	6.186	.013	.061		
P7 In your opinion, is sustainability important?	P4_F2_m (Sportswear)	-1.516	5.076	.024	.220	.059	.821
	P6_m (Purchase Decision)	2.239	7.971	.005	9.384	1.983	44.408
	Constant	2.367	.791	.374	10.662		

Source: the authors

Regarding variable P1 (intensification of the shopping habits during the pandemic), we observed that, for Wald's test, the independent variable P4_F1_m (Fashion products), is statistically significant ($x^2 = 31.729$; p = 0.001) and the Exp (B) (Odds Ratio - OR) has indicated that the independent variable is a significant forecast (OR = 4.452; IC 95% = 2.648 – 7.484), leading to the conclusion that during the pandemic, the habit of purchasing fashion products online is four times bigger, when comparing with the time before the pandemic, i.e. 35.4% ((4.452-1)×100%).

In relation to variable P3 (purchase habits

before the pandemic), we have observed that considering Wald's test, the independent variables P4_F1_m (Fashion products) and P4_F2_m (Sportswear) are statistically significant. Variable P4_F1 (Fashion clothing) tells us that ($x^2 = 2.949$; p = 0.086) and the Exp (B) (Odds ratio - OR) has indicated that the independent variable is a significant predictor (OR = 0.715; IC 95% = 0.487 – 1,049), thus confirming that, before the pandemic, the purchase of fashion products has decreased 24.9% (0.751-1)×100%). On the other hand, variable P4_F2_m (Sportswear) presented the following results ($x^2 = 4,289$; p = 0,038) and the

Exp (B) (Odds ratio - OR) indicated that the independent variable is a significant predictor (OR = 1,575; IC 95% = 1,025 – 2,422), which corroborates the fact that people, before the pandemic, were already using sportswear.

Concerning variable P54 (purchase pondering), we have observed that after performing Wald's test, the dependent variable P6_m (Purchase Decision) is statistically significant (x^2 = 11,500; p = 0,001) and the Exp (B) (Odds ratio - OR) confirmed that the independent variable is a significant predictor (OR = 3.828; IC 95% = 1.762 – 8.317), thus implying that people ponder up to three times more the purchase of fashion products.

In the case of variable P7 (the importance of sustainability in the purchase), we have observed that considering Wald's test, the independent variables P4_F2_m (Sportswear) and P6_m (Purchase Decision) are statistically significant. Variable P4_F2_m (Sportswear) tells us that (x^2 = 5.076; p = 0.024) and the Exp (B) (Odds ratio - OR) confirmed the independent variable as a significant predictor (OR = 0.220; IC 95% = 0.059 – 0.821), which ascertains that sustainability is an important factor when considering the purchase of sportswear. Variable P6_m (Purchase Decision) presented the following results (x^2 = 7.971; p = 0.05) and the Exp (B) (Odds ratio - OR) demonstrated that the independent variable is a significant predictor (OR = 9.384; IC 95% = 1.983 – 44.408), which implies that sustainability is an important factor in the purchase of fashion products.

4. Discussion

Comparing the results obtained in the present study with the main authors of our literature review, it is possible to scrutinise and discuss the results.

First of all, this study has confirmed that there was a clear increase in the purchase of fashion products (cf. 4.3 – Correlation), which in in line with the bibliographical sources (cf. 2.1 – COVID 19 and online shopping of fashion products), considering that from those contributions it became clear that approximately half of the consumers, since the beginning of the confinement situations, bought less in physical stores (cf. Business of Fashion, 2021). The current research, therefore, is consistent with the literature review, having in consideration that even before the pandemic, 24.9% of the consumers were buying less in physical stores (cf. 4.4 – Logits). The pandemic has clearly accelerated the pace of digitalisation, thus increasing online shopping of fashion products

such as clothing, footwear, and accessories. The present study goes even further, stating that the increment in online shopping of fashion products was four times superior in comparison with the time before the pandemic (cf. 4.4. – Logits).

Secondly, this study was able to ascertain that the COVID 19 pandemic has resulted in an increase in the online purchase of sportswear (cf. 4.1 - sample characterization). This makes sense, considering that, as previously stated (2.2) in the literature review, people were forced to remain confined, and many of them have shifted to a telework environment, searching for more solutions in terms of comfortable and relaxing clothing (namely sportswear), which contributed to a decrease in the use of formal clothing (Business of Fashion, 2021).

As a matter of fact, formal clothing was already experiencing a decrease before the pandemic, which was naturally enhanced by the outbreak of COVID-19 virus. This pandemic has even disrupted the consumption of fashion clothing (cf. 2.2, Liu et al, 2021).

It was also possible to confirm that this outbreak has led to a greater level of pondering before completing a specific purchase (cf. 4.4. – Logits), which once again is aligned with the contributions of the bibliographical sources. People aim at buying more durable and better-quality products, thus forcing companies to re-educate themselves in order to reduce the complexities inherent to the purchase processes and to redefine the appropriate strategies and methods to meet the real needs of the consumers (cf. Business of Fashion, 2021). We have also concluded that people ponder up to three times more in their decision-making processes regarding fashion products (cf. 4.4. – Logits).

Finally, through this research, it was also possible to understand that sustainability has been raising its level of importance. More and more people are willing to pay substantial amounts for sustainable products, to allow their future recycling and reusing (cf. Cantwell et al, 2019). The results of the study also confirm that sustainability is also a crucial factor within the scope of the decision-making process related to the purchase of sportswear (cf. 4.4. – Logits). The results have demonstrated that the outbreak of this pandemic has contributed to a fast growth in digital acceleration and a significant increment in online shopping (in line with Kim et al., 2021), which in turn represented a downturn in the context of purchasing at physical stores, thus implying that

some of these stores will have to close in the near future due to their lack of profitability. In its turn, the use of sportswear has increased, mainly due to the fact that people were confined inside their houses and under a telework environment, searching for more comfort at home, namely in the clothes they were wearing, which led to a significant decrease in the purchase and use of formal clothing (as stated by Amed et al., 2021), 2.2 in the literature review).

After the surge of the pandemic, people have become increasingly concerned with their purchases' decision-making processes, thus choosing products with higher levels of quality and durability (cf. 4.1). In these situations, companies had to define new strategies to answer their consumers' real needs. Finally, the present study has confirmed that sustainability is becoming a very important issue for the consumers, thus becoming a significant factor in the decision-making process of new products (cf. 4.4 – Logits). This is in line with the theoretical background (cf. 2.4 – Sustainability as a strategic factor in fashion): while the consumers were becoming more aware of the existence of these issues in the fashion industry, the search for sustainable fashion rapidly increased (Kim & Oh, 2020).

Conclusion

The COVID-19 pandemic has created a world crisis that demanded unusual measures. This global phenomenon has implied a sudden change in the individuals' routines all over the world, interfering with their behaviours and priorities, which have also changed in so many levels. In this scope, in order to keep track of their clients, brands must be well prepared and informed.

The present study's main goal was to understand the changes that have occurred in the fashion industry during the pandemic in the Portuguese socioeconomic context. The purpose was to evaluate whether the type of products and their consumption have shifted, whilst trying to ascertain if the level of importance granted to sustainability remained the same.

This paper was focused on a sample which included 107 valid answers, gathered during the month of May 2021. This particular time window allowed us to gather very significant data, considering that in the months prior to the survey, Portugal lived under two confinement periods: March 2020 and January 2021. Therefore, the data collected during this time range covered the pre and post confinement environments, thus

bestowing enhanced credibility to the results of the enquiry. We elaborated a literature review and used a quantitative methodology, through a survey by questionnaire. After considering the literature available on the subject and the results of the questionnaire, it became clear that due to the COVID-19 pandemic there was an increase in the online shopping of fashion products (H1), (which began in the first weeks of the first confinement period), that the use of sportswear has been rising (H2), that the level of pondering before purchase is higher (H3); and that the growing importance of sustainability is unquestionable (H4).

It is expected that the fashion industry has been somehow affected, thus becoming susceptible to changes. Brands must pay more attention to the consumers, their behaviour patterns, and shifts, in order to better adapt and grasp the new opportunities. This way, brands will improve their sales and the market will surely become more stable and refined. Mandarić et al., (2022) state that the fashion industry should consider the adoption of new sustainable business models to address the current market, thus assuring a co-creation process between the various stakeholders and the consumers. This approach is shared by Brydges et al., (2022, p. 367) who suggest that 'a robust understanding of sustainability should be participatory, informed by a practice-based approach that further outlines actionable tasks and is linked to consumer-centred strategies'. Finally, it would certainly be interesting to reproduce or even carry this study a little bit further in the future, namely after the pandemic, thus allowing us to understand more clearly the breadth of all the effects caused by COVID-19 in this particular industry.

Although this study provides some novel insights, which are in line with the topic's theoretical background references, the present research has some limitations. The first one is related to the non-probabilistic sample we used, which prevents the possibility of extrapolating general conclusions, statistically accurate, about the population in general.

At the same time, it could also be posited that a more balanced and stratified sample, regarding, for example, the segmentation variables concerning gender and age – cf. Generation X and Baby Boomers), would be relevant in future studies. These options could strengthen the robustness of these results and increase the pertinence of the conclusions. In addition, the scales used were inspired by the literature review, but validated

scales were not applied, since none of them followed the main objectives of the study. In the future, it is suggested to validate the scales. A 5-point Likert scale was used to describe the frequency of behaviour with regard to buying clothing, footwear, and accessories but it wasn't actually executed, which could cause some ambiguity. In further investigation, the frequency with which each scale item correlates is another possible avenue of research.

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Annex

SURVEY

P1 During the pandemic, have you increased the habit of buying fashion products online?
Note: ("Yes/No" answer)

    P2.1 If so, what was the frequency of your purchases? [Clothing]

    P2.2 1 If so, what was the frequency of your purchases? [Footwear]

    P2.3 1 If so, what was the frequency of your purchases? [Accessories]

Note: According to the scale: 5-very frequently, 4-frequently, 3-rarely, 2-occasionally, 1-never.

P3 Before the pandemic, did you use sportswear?
Note: ("Yes/No" answer)

P4. Indicate your degree of agreement with the following statements:

    P4.1. I make more online purchases of fashion products.

    P4.2. I buy more fashion products.

    P4.3. I buy fewer fashion products.

    P4.4. I wear sportswear more often.

    P4.5. I make more purchases of sportswear.

Note: According to the scale: 5-totally agree, 4-agree, 3-neither agree nor disagree, 2-disagree, 1- totally disagree

P5 Nowadays, do you ponder more before purchasing fashion products online?
*Note: ("Yes/No" answer)*P6. Indicate your degree of agreement with the following statements:

    P6.1. The decision to buy fashion products is very important to me.

    P6.2. The decision to buy fashion products is not important.

    P6.3. I am very concerned about the decision to buy fashion products.

Note: According to the scale: 5-totally agree, 4-agree, 3-neither agree nor disagree, 2-disagree, 1- totally disagree

P7. In your opinion, is sustainability important?
Note: ("Yes/No" answer)

P8. Indicate your degree of agreement with the following statements:

    P8.1. The importance of sustainability has increased.

    P8.2. Brand sustainability is important.

    P8.3. I give priority to sustainable brands.

    P8.4. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one.

    P8.5. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one, for the same value.

    P8.6. I am willing to buy the same product in a sustainable brand, to the detriment of another non-sustainable one, for an added value.

    P8.7. I am willing to change the product I intended to buy if the alternative is sustainable.

    P8.8. I am willing to change the product I intended to buy if the alternative is sustainable, even if the value is increased.

    P8.9. "Buy less, buy better".

Note: According to the scale: 5-totally agree, 4-agree, 3-neither agree nor disagree, 2-disagree, 1- totally disagree

Socio-demographic characteristics.

P9. Indicate your gender.

P10. Indicate your age.

P11. Please indicate your marital status.

P12. Indicate your level of education.

P13. Please indicate your working conditions.

P14. Please indicate your country of residence.

Manuscript requirements

The paper must be written in the template which can be found on the Submission of Papers page of the Strategic Management journal web site (https://www.smjournal.rs/index.php/home/about/submissions) and to be sent, together with the Copyright and Use Agreement.

Headings must be short, clearly defined, and numbered, except for Introduction and Conclusions. Apply at most three levels of headings.

All tables, graphs and diagrams are expected to back your research findings. They should be clearly referred to and numbered consecutively in Arabic numerals. They should be placed in the text at the appropriate paragraph (just after its reference).

Tables should be centered. All tables must have captions. The title of your table should follow the table number. Tables should not be wider than the margins of the paper.

Figures should be centered. All figures must have captions. The title of figures should appear immediately below the figure. The title of the figure should follow the figure number. Figures should not be wider than the margins of the paper. Figures will not be redrawn by the publisher. Figures should be high-quality grayscale graphics (please, do not use colors): vector drawings (with text converted to curves) or 300 dpi bitmaps.

Please do not supply any graphics copied from a website, as the resolution will be too low. In all figures taken or adapted from other sources, a brief note to that effect is obligatory, below the figure. One sentence at least referring to the illustration is obligatory.

Mathematical expressions should be numbered on the right side, while all variables and parameters must be defined.

Proof

Authors are responsible for ensuring that all manuscripts (whether original or revised) are accurately typed before final submission. One set of proof will be sent to authors, if requested, before the final publication, which must be returned promptly.

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The references should specify the source (such as book, journal article or a web page) in sufficient detail to enable the readers to identify and consult it. The references are placed at the end of the work, with sources listed alphabetically (a) by authors' surnames or (b) by the titles of the sources (if the author is unknown). Multiple entries by the same author(s) must be sequenced chronologically, starting from the earliest, e.g.:

> Ljubojević, T.K. (1998). Ljubojević, T.K. (2000a). Ljubojević, T.K. (2000b). Ljubojević, T.K., & Dimitrijević, N.N. (1994).

The DOI number or URL of a full text version should be added if it exists.
Here is a list of the most common reference types:

A. PERIODICALS

Authors must be listed by their last names, followed by initials. Publication year must be written in parentheses, followed by a full stop. Title of the article must be in sentences case: only the first word and proper nouns in the title are capitalized. The periodical title must be in title case, followed by the volume number, which is also italicized:

> Author, A. A., Author, B. B., & Author, C. C. (Year). Title of article. *Title of Periodical, volume number* (issue number), pages.

➲ **Journal article, one author, paginated by issue.**
Journals paginated by issue begin with page 1 in every issue, so that the issue number is indicated in parentheses after the
volume. The parentheses and issue numbers are not italicized, e.g.

> Seliverstova, Y. (2021). Workforce diversity management: A systematic literature review. *Strategic Management*, *26*(2), 3–11.
> https://doi.org/10.5937/StraMan2102003S

➲ **Journal article, one author, paginated by volume.**
Journals paginated by volume begin with page 1 in issue 1, and continue page numbering in issue 2 where issue 1 ended, e.g.

> Perić, O. (2006). Bridging the gap: Complex adaptive knowledge management. *Strategic Management, 14*, 654–668.

➲ **Journal article, two authors, paginated by issue.**

Dakić, S., & Mijić, K. (2020). Regression analysis of the impact of internal factors on return on assets: A case of meat processing enterprises in Serbia. *Strategic Management*, *25*(1), 29–34. https://doi.org/10.5937/StraMan2001029D

➲ **Journal article, two authors, paginated by volume.**

Ljubojević, K., & Dimitrijević, M. (2007). Choosing your CRM strategy. *Strategic Management, 15*, 333-349.

➲ **Journal article, three to six authors, paginated by issue.**

Marić, S., Uzelac, O., & Strugar-Jelača, M. (2019). Ownership structure as a measure of corporate performance. *Strategic Management*, *24*(4), 28–37. https://doi.org/10.5937/StraMan1904028M

➲ **Journal article, three to six authors, paginated by volume.**

Boškov, T., Ljubojević, K., & Tanasijević, V. (2005). A new approach to CRM. *Strategic Management, 13*, 300-310.

➲ **Journal article, more than six authors, paginated by issue.**

Ljubojević, K., Dimitrijević, M., Mirković, D., Tanasijević, V., Perić, O., Jovanov, N., et al. (2005). Putting the user at the center of software testing activity. *Management Information Systems, 3*(1), 99-106.

➲ **Journal article, more than six authors, paginated by volume.**

Strakić, F., Mirković, D., Boškov, T., Ljubojević, K., Tanasijević, V., Dimitrijević, M., et al. (2003). Metadata in data warehouse. *Strategic Management, 11*, 122-132.

➲ **Magazine article.**

Strakić, F. (2005, October 15). Remembering users with cookies. *IT Review*, *130*, 20-21.

➲ **Newsletter article with author.**

Dimitrijević, M. (2009, September). MySql server, writing library files. *Computing News, 57,* 10-12.

➲ **Newsletter article without author.**

VBScript with active server pages. (2009, September). *Computing News,57,* 21-22.

B. BOOKS, BROCHURES, BOOK CHAPTERS, ENCYCLOPEDIA ENTRIES, AND BOOK REVIEWS

Basic format for books

Author, A. A. (Year of publication). *Title of work: Capital letter also for subtitle*. Publisher.

➲ **Book, one author.**

Ljubojević, K. (2005). *Prototyping the interface design*. Faculty of Economics in Subotica.

➲ **Book, one author, new edition**

Dimitrijević, M. (2007). *Customer relationship management* (6th ed.). Faculty of Economics in Subotica.

➲ **Book, two authors.**

Ljubojević, K., Dimitrijević, M. (2007). *The enterprise knowledge portal and its architecture*. Faculty of Economics in Subotica.

➲ **Book, three to six authors.**

Ljubojević, K., Dimitrijević, M., Mirković, D., Tanasijević, V., & Perić, O. (2006). *Importance of software testing*. Faculty of Economics in Subotica.

➲ **Book, more than six authors.**

Mirković, D., Tanasijević, V., Perić, O., Jovanov, N., Boškov, T., Strakić, F., et al. (2007). *Supply chain management*. Faculty of Economics in Subotica.

➲ **Book, no author or editor.**

Web user interface (10th ed.). (2003). Faculty of Economics.

➲ **Group, corporate, or government author.**

Statistical office of the Republic of Serbia. (1978). *Statistical abstract of the Republic of Serbia.* Ministry of community and social services.

➲ **Edited book.**

Dimitrijević, M., & Tanasijević, V. (Eds.). (2004). *Data warehouse architecture*. Faculty of Economics.

➲ **Chapter in an edited book.**

Repa, V. (2019). Deriving Key Performance Indicators from Business Process Model. In M. Pańkowska & K. Sandkuhl (Eds.), *Perspectives in Business Informatics Research. BIR 2019. Lecture Notes in Business Information Processing, vol 365.* (pp. 148–162). Springer. https://doi.org/10.1007/978-3-030-31143-8_11

➲ **Encyclopedia entry.**

Mirković, D. (2006). History and the world of mathematicians. In *The new mathematics encyclopedia* (Vol. 56, pp. 23-45). Faculty of Economics.

C. UNPUBLISHED WORKS

➲ **Paper presented at a meeting or a conference.**
Ljubojević, K., Tanasijević, V., Dimitrijević, M. (2003). *Designing a web form without tables*. Paper presented at the annual meeting of the Serbian computer alliance, Beograd.

➲ **Paper or manuscript.**
Boškov, T., Strakić, F., Ljubojević, K., Dimitrijević, M., & Perić, O. (2007. May). *First steps in visual basic for applications*. Unpublished paper, Faculty of Economics Subotica, Subotica.

➲ **Doctoral dissertation.**
Strakić, F. (2000). *Managing network services: Managing DNS servers*. Unpublished doctoral dissertation, Faculty of Economics Subotica.

➲ **Master's thesis.**
Dimitrijević, M. (2003). *Structural modeling: Class and object diagrams.* Unpublished master's thesis, Faculty of Economics Subotica.

D. ELECTRONIC MEDIA

The same guidelines apply for online articles as for printed articles. All the information that the online host makes available must be listed, including an issue number in parentheses:

Author, A. A., & Author, B. B. (Publication date). Title of article. *Title of Online Periodical, volume number* (issue number if available). https://www.anyaddress.com/full/url/

➲ **Article in an internet-only journal**

Tanasijević, V. (2003, March). Putting the user at the center of software testing activity. *Strategic Management*, *8* (4). https://www.ef.uns.ac.rs/sm2024

➲ **Document from an organization**

Faculty of Economics. (2008, March 5). *A new approach to CRM*. https://www.ef.uns.ac.rs/papers/acrm.html

➲ **Article from an online periodical with DOI assigned.**
Jovanov, N., & Boškov, T. A PHP project test-driven end to end. *Management Information Systems*, 2 (2), 45-54. https://doi.org/10.5937/StraMan213302003S

➲ **Article from an online periodical without DOI assigned.**

Online journal articles without a DOI require a URL.

Author, A. A., & Author, B. B. (Publication date). Title of article. *Title of Journal, volume number*. https://www.anyaddress.com/full/url/

Jovanov, N., & Boškov, T. A PHP project test-driven end to end. *Management Information Systems*, 2 (2), 45-54. https://www.ef.uns.ac.rs/mis/TestDriven.html

REFERENCE QUOTATIONS IN THE TEXT

➲ **Quotations**

If a work is directly quoted from, then the author, year of publication and the page reference (preceded by "p.") must be included. The quotation is introduced with an introductory phrase including the author's last name followed by publication date in parentheses.

According to Mirković (2001, p. 201), "The use of data warehouses may be limited, especially if they contain confidential data".

Mirković (2001, p. 201), found that "the use of data warehouses may be limited". What unexpected impact does this have on the range of availability?

If the author is not named in the introductory phrase, the author's last name, publication year, and the page number in
parentheses must be placed at the end of the quotation, e.g.

He stated, "The use of data warehouses may be limited," but he did not fully explain the possible impact (Mirković, 2001, p. 201).

➲ **Summary or paraphrase**

According to Mirković (1991, p. 201), limitations on the use of databases can be external and software-based, or temporary and even discretion-based.

Limitations on the use of databases can be external and software-based, or temporary and even discretion-based
(Mirković, 1991, p. 201).

➲ **One author**

Boškov (2005) compared the access range…

In an early study of access range (Boškov, 2005), it was found...

➲ When there are **two authors**, both names are always cited:

Another study (Mirković & Boškov, 2006) concluded that…

➲ If there are **three or more authors** the abbreviation "et al." (Latin for "and others") is employed in APA in-text citations when referencing works with three or more authors. The format is to include only the first author's last name, followed by "et al.," a comma, and the year of publication. For instance, (Dakic et al., 2024) would be used as an example.

➲ **Unknown author**

If the work does not have an author, the source is cited by its title in the introductory phrase, or the first 1-2 words are placed in the parentheses. Book and report titles must be italicized or underlined, while titles of articles and chapters are placed in quotation marks:

A similar survey was conducted on a number of organizations employing database managers (Limiting database access, 2005).

If work (such as a newspaper editorial) has no author, the first few words of the title are cited, followed by the year: (The Objectives of Access Delegation, 2007)

Note: In the rare cases when the word "Anonymous" is used for the author, it is treated as the author's name (Anonymous, 2008). The name Anonymous must then be used as the author in the reference list.

➲ **Organization as an Author**

If the author is an organization or a government agency, the organization must be mentioned in the introductory phrase or in the parenthetical citation the first time the source is cited:

According to the Statistical Office of the Republic of Serbia (1978), …

Also, the full name of corporate authors must be listed in the first reference, with an abbreviation in brackets. The abbreviated name will then be used for subsequent references:

The overview is limited to towns with 10,000 inhabitants and up (Statistical Office of the Republic of Serbia [SORS], 1978).

The list does not include schools that were listed as closed down in the previous statistical overview (SORS, 1978).

➲ When citing **more than one reference from the same author**: (Bezjak, 1999, 2002)

➲ When several **used works by the same author were published in the same year**, they must be cited adding a, b, c, and so on, to the publication date:

(Griffith, 2002a, 2002b, 2004)

➲ **Two or more works in the same parentheses**

When two or more manuscripts are cited parenthetically, they must be cited in the same order as they appear in the reference list, separated by a semicolon.

(Bezjak, 1999; Griffith, 2004)

➲ **Two or more works by the same author in the same year**

If two or more sources used in the submission were published by the same author in the same year, the entries in the reference list must be ordered using lower-case letters (a, b, c…) with the year. Lower-case letters will also be used with the year in the in-text citation as well:

Survey results published in Theissen (2004a) show that…

➲ To **credit an author for discovering a work** when you have not read the original:

> Bergson's research (as cited in Mirković & Boškov, 2006)…

Here, Mirković & Boškov (2006) will appear in the reference list, while Bergson will not.

➲ When **citing more than one author**, the authors must be listed alphabetically:

> (Britten, 2001; Sturlasson, 2002; Wasserwandt, 1997)

➲ When there is **no publication date**: (Hessenberg, n.d.)

➲ **Page numbers must always be given for quotations**:

> (Mirković & Boškov, 2006, p.12)

> Mirković & Boškov (2006, p. 12) propose the approach by which "the initial viewpoint…

➲ **Referring to a specific part of a work**:

(Theissen, 2004a, chap. 3) (Keaton, 1997, pp. 85-94)

➲ **Personal communications, including interviews, letters, memos, e-mails, and telephone conversations**, are cited as below. (These are *not* included in the reference list.)

> (K. Ljubojević, personal communication, May 5, 2008).

FOOTNOTES AND ENDNOTES

A few footnotes may be necessary when elaborating on an issue raised in the text, adding something that is in indirect connection, or providing supplementary technical information. Footnotes and endnotes are numbered with superscript Arabic numerals at the end of the sentence, like this.1 Endnotes begin on a separate page, after the end of the text. However, *Strategic Management* **does not recommend the use of footnotes or endnotes.**