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CHANGING PARADIGMS IN MANAGEMENT

PARADIGMAVÁLTÁS A MENEDZSMENTBEN

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ABSTRACT

This paper delves into the dynamic landscape of contemporary management, investigating the profound shifts in paradigms that have redefined the principles and practices guiding organizational leadership. In a rapidly changing world marked by technological advancements, globalization, and evolving societal expectations, traditional management models are undergoing unprecedented transformations. The research begins by tracing the historical evolution of management paradigms, from classical theories to modern frameworks, and subsequently examines the catalysts propelling the current paradigm shift. Key focus areas include the impact of technological innovations, the rise of remote work, and the imperative for sustainable and socially responsible business practices. Through a comprehensive review of scholarly literature and empirical analysis, the study aims to identify key trends and patterns characterizing the new paradigms. Furthermore, the paper explores the practical implications of these evolving paradigms on organizational structures, leadership styles, and strategic decision-making. It considers the role of innovation, collaboration, and inclusivity in fostering success amidst the complexities of the modern business environment. In conclusion, the findings of this research contribute valuable insights for leaders of contemporary management. This paper offers valuable insights for leaders, managers, and seeking to navigate the challenges and leverage the opportunities presented by the ever-changing landscape of organizational management.

ABSZTRAKT

Ez a tanulmány a dinamikusan változó modern menedzsment paradigmákban bekövetkezett változásokat vizsgálja, amelyek újra definiálták a szervezeti vezetést vezérlő elveket és gyakorlatokat. A technológiai fejlődés, a globalizáció és a változó társadalmi elvárások által jellemzett, gyorsan változó világban a hagyományos vezetési modellek példátlan átalakuláson mennek keresztül. A kutatás a menedzsmentparadigmák történelmi fejlődésének nyomon követésével kezdődik, a klasszikus vezetési elméletektől a modern nézőpontok áttekintésével, majd megvizsgálja a jelenlegi paradigmaváltást ösztönző katalizátorokat. A fő fókuszterületek közé tartozik a technológiai innovációk hatása, a távmunka terjedése, valamint a fenntartható és társadalmilag felelős üzleti gyakorlatok iránti igény. A tudományos szakirodalom átfogó

áttekintése és empirikus elemzése révén a tanulmány célja, hogy azonosítsa az új paradigmákat jellemző legfontosabb tendenciákat és mintákat. A kutatás további célja, megvizsgálni e változó paradigmák gyakorlati következményeit a szervezeti struktúrákra, a vezetési stílusokra és a stratégiai döntéshozatalra, valamint az innováció, az együttműködés és a befogadás szerepét a siker előmozdítása érdekében a modern, komplex üzleti környezet közepette. Összefoglalva, e kutatás eredményei értékes meglátásokkal járulnak hozzá a modern kor vezetői számára, támogatva azt, hogy eligazodjanak a szervezeti menedzsment folyamatosan változó kihívásaiban és kihasználják a benne rejlő lehetőségeket.

INTRODUCTION

In the fast-changing world of businesses, the way people lead and manage organizations is undergoing a big transformation. Current paper explores how the traditional ideas and practices of management are evolving. Imagine it like a journey through time, looking at how things were, how they are now, and where they might be going. We'll dive into how new technologies, the way we work together, and the things we care about are all shaping how managers lead their teams. This research aims to make these changes easy to understand for everyone, offering insights that can help leaders and anyone interested in how organizations are run in this ever-changing landscape.

By analyzing historical theories, identifying current trends, and discerning the implications for organizations and leaders, the study seeks to provide a comprehensive understanding of the multifaceted transformations shaping the future of management practices.

The aims of the research are to comprehensively understand, analyze, and contribute insights into the transformative shifts occurring in the field of management. I would like to identify those paradigms shifts, that will determine the management styles of the digital era. This research seeks to investigate the evolving principles, strategies, and structures the main historical management

theories, also characterizes contemporary approaches helping to contribute to organizational leadership.

The overarching objectives include:
- Identification of Paradigm Shifts: To identify and examine the key drivers and catalysts in management paradigms, encompassing technological advancements, societal changes, and economic dynamics.
- Historical Context: To trace the historical evolution of management paradigms, providing a foundation for understanding how traditional theories have evolved and adapted to the current global landscape.
- Trend Analysis: To analyze emerging trends in management practices, including the impact of technological innovations (Industry 4.0) and other challenges like generational differences, motivational factors, human-centric approaches (Industry 5.0).
- Inclusive Leadership: To explore the role of inclusive leadership in the context of evolving management paradigms, considering its impact on fostering innovation, resilience, and employee engagement throughout the mindset and attitude change of all management levels.
- Practical Guidance: To provide practical insights and guidance for leaders and managers on how to navigate and adapt to the complexities and opportunities presented by the changing paradigms in management.

By achieving these goals, the research aims to contribute valuable knowledge to the academic community and offer practical guidance to professionals in the field, enabling them to make informed decisions and implement effective strategies in the rapidly evolving landscape of organizational management.

Through an extensive literature review and empirical analysis (Fenyvesi & Vágány, 2020), the study aims to identify emerging trends, key challenges, patterns characterizing the new paradigms and opportunities inherent in the evolving
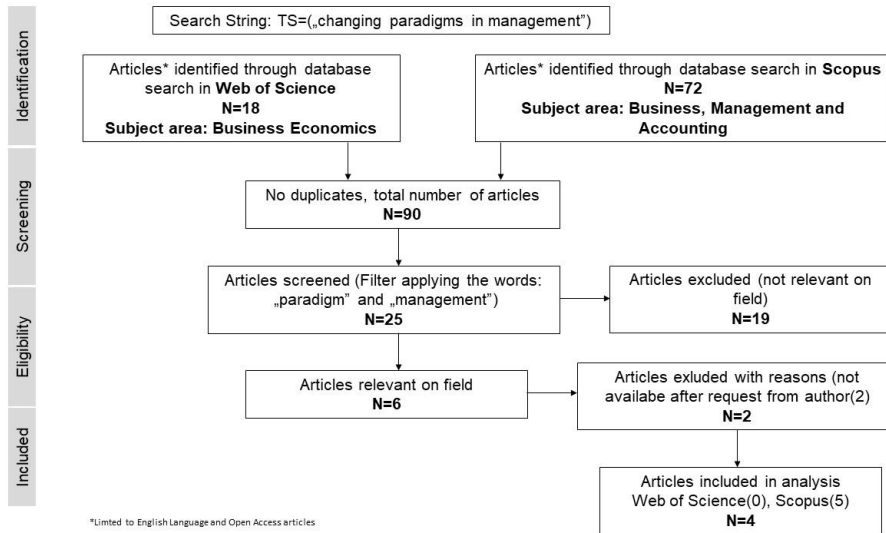
management landscape. The literature review and exploration extend to the intersectionality of diverse management styles and their effectiveness across various industries, considering the role of inclusive leadership in fostering innovation and resilience.

LITERATURE REVIEW

A systematic literature review has been performed using the PRISMA method, in order to find all relevant academic literature on the field. The search and selection of literature took place in several steps. A database search was performed through Scopus, and Web of Science. The search was not limited by a specific year of publication but documents till end of 2024 June were examined. Only studies in English were included. Full texts were read from start to finish.

Firstly, the search with the search string yielded 18 articles in Web of Science and 72 in Scopus (Figure 1). After extracting these into excel, applying a filter that removes duplicates received 90 results, as there were no duplicates. Articles were screened by filtering "paradigms" and "management" receiving 25. These have been reviewed for relevancy by analyzing the title and the abstract, 18 have been excluded, 7 were shortlisted. In total 2 were categorized as no full text received from author. Finally, 5 articles were listed as suitable, clearly containing management paradigms related text. Next step was to analyze the full text of the suitable articles.

In terms of limitations and risks, bias might be adopted from analyzed studies, being aware that this review relies on available content and context.

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│ Search String: TS=("changing paradigms in management") │
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Identification | Screening | Eligibility | Included

Articles* identified through database search in **Web of Science** N=18 Subject area: Business Economics

Articles* identified through database search in **Scopus** N=72 Subject area: Business, Management and Accounting

No duplicates, total number of articles **N=90**

Articles screened (Filter applying the words: „paradigm" and „management") **N=25**

Articles excluded (not relevant on field) **N=19**

Articles relevant on field **N=6**

Articles exluded with reasons (not availabe after request from author(2) **N=2**

Articles included in analysis Web of Science(0), Scopus(5) **N=4**

*Limted to English Language and Open Access articles

Figure 1. Systematic literature review process, result of findings in Scopus and Web of Science after data clean-up.
Source: Own Editing (2024)

Table 1. Result of Articles

Authors	Article Title
Julien Pollack	The changing paradigm of project management (2007)
Man-Pil Han, Bong-Ihn Seok, and Joon-Ho Kim	Effects of six personality factors of CEOs at small and medium-sized enterprises on performance in business management: focusing on learning and growth (2017)
Aruna Dhamija	Relevance of Vedic Management in Contemporary Times (2019)
Nisbath Majnoor, K. Vinayagam	The ascendency of the paradigm shift from organizational change management to change agility (2023)

Source: Own Editing (2024)

Leadership and management

The main idea of leadership derives from influencing followers. In general, leaders influence followers by setting goals and task assignments as well as giving feedback that results in reward or punishment, which are highly salient when

defining followers' motivation to perform well (Sluss & Ashforth, 2008). Transformational leadership is defined as a leadership behavioral approach through which leaders influence follower behaviors, such that followers align their own values with those of the leaders to perform work beyond self-interest for the improvement of the organization (Yukl, 1998). In this process, leaders encourage, inspire, and motivate employees to innovate and create change that will help grow and shape the future success of the organization (Bass, 1999; Wadei et al., 2021). Transformational leadership has an implicit power to motivate employees to take the lead themselves, thus engaging in the role of shared leadership and collectively supporting the technology change at work (Bunjak et al., 2022). Change-oriented behaviors include monitoring the environment to identify threats and opportunities; interpreting events and explaining why major change is needed; articulating an inspiring vision; taking risks to promote change; building a coalition of supporters for a major change; and determining how to implement a new initiative or major change (Yukl, 2006).

Management is a multifaceted discipline that involves planning, organizing, directing, and controlling resources to achieve organizational goals. It encompasses decision-making, coordination, and leadership to ensure the effective utilization of resources, including human, financial, and technological, in pursuit of desired outcomes. The field of management has evolved over time, incorporating various theories and approaches to address the complexities of organizational dynamics.

„Principles of management are fundamental guidelines that provide managers with a framework for making decisions, organizing resources, and guiding their actions. These principles are derived from years of research, observation, and practical experience in the field of management. By following these principles, managers can enhance their effectiveness and contribute to the overall success of the organization." (talentedge.com, 2023)

Here are some key principles of management:

  – Unity of Command

  – Division of Work

  – Scalar Chain

  – Span of Control

  – Authority and Responsibility

  – Discipline

  – Unity of Direction

  – Equity

  – Initiative

  – Team spirit

Most management theories conceptualize tools, frameworks and guidelines to motivate employees and accomplish goals. I classify three main management theories (classical, neoclassical, modern) based on historical perspective, and identify a new hybrid management approach, that relates to project-focused organizations.

Very few articles have in scope discussing management paradigms, all of them are based in secondary literature analysis. One mentions and analyses specifically hard and soft paradigms of project management field, where paradigm is used in the context to refer to a general tendency for thought. (Pollack, 2007). "Hard" and "soft" terms are often used inconsistently, with "soft" vaguely indicating a focus on people or intangibles. However, in some related fields, these terms have more complex meanings, representing two distinct paradigms with specific values, worldviews, and practices. Pollack concluded that traditional project management is largely based on the hard paradigm, reflected in its core assumptions and roles. The soft paradigm's influence is growing, but it mainly manifests as critiques of current practices rather than widespread adoption.

One study analyzed how the six personality factors (honesty-humility, extroversion, conscientiousness, agreeableness, and openness) of CEOs in SMEs relate to learning, growth, and business performance. Conscientiousness and openness positively affect learning and growth, while agreeableness positively impacts business performance. The study highlights the significance of CEOs personality in SMEs and its influence on organizational innovation, change, and fairness (Han et al., 2017).

Dhamija focuses on vedic view related to management in contemporary times, which is a very surprising aspect to talk about management. "Vedic management refers to the usage of the knowledge and the invaluable insights as one finds in the ancient Indian scriptures popularly known as Vedas." (Dhamija, 2019). Her results show that it requires substantial effort from society and its institutions to recognize the significance of the Vedas, integrate their theories, and apply their principles in daily operations. Thus, the Vedas inspire managers to confront life's unknown challenges with ease and confidence.

Majnoor & Vinayagam examines change management models and how those incorporate organizational agility. Research mainly involves theoretical-conceptual studies, quantitative research, case studies, and mixed methods, predominantly examining change management or agility separately, centered on the IT and banking industries due to their market-driven upgrades. Based on their result, integrating agility with change management can enhance transparency, efficacy, and productivity, providing a competitive advantage (Majnoor & Vinayagam, 2023).

Classical management approach theory

Frederick Taylor's Scientific Management Theory, developed in the late 19th and early 20th centuries, is centered on the principles of efficiency and productivity in the workplace. The key points of Taylor's theory include:

1. Each element of work can (and should) have a science to it.
2. Employers should select, train and develop employees using a scientific approach.
3. Employees and employers must collaborate.
4. Employers should divide work and responsibilities among employees.

As seen in the third principle, Taylor believed in the importance of collaboration among teams – with trust given to employees to carry out duties to the best of their abilities and the responsibility of training and optimizing processes given to managers.

Frederick Taylor's Scientific Management Theory aimed to optimize organizational efficiency through systematic analysis, standardization of work processes, and the implementation of incentive systems, laying the foundation for modern principles of industrial engineering and organizational efficiency (Peek, 2023).

While many management theories have come and gone since Taylor's, his method continues to have merit in several capacities. Even if all facets are not a fit for your company, small businesses can adapt parts of his theory to increase team collaboration and progress toward shared goals.

Neoclassical management approach theory

The First World War brought many changes into the life of organizations. Masses of workers, among them more and more women came to the workplace with greater demands and hoped for better working conditions. This was the beginning of the famous research project known as the Hawthorne Experiments, at Western Electric's factory in the Hawthorne suburb of Chicago. The main purpose of this study was to find out how social elements such as wages, time off, length of the working day impact on performance. The first of the two major schools of thought in the field of sociology known as human relations was based on the

findings of these studies. The other school, the behavioral school, drew on psychology, because its proponents tended to focus more on the human behaviour.

The Neoclassical approach began with the Hawthorne studies in the 1920s. It grew out of the limitations of the classical theory. Under classical approach, attention was focused on jobs and machines. After some time, workers resisted this approach as it did not provide the social and psychological satisfaction. Therefore, attention shifted towards the human side of management. George Elton Mayo (1890-1949) is considered the founder of the neoclassical theory (Gupta, 1992). He was the leader of the team which conducted the famous Hawthorne Experiments at the Western Electric Company (USA) between 1927 and 1932.

There are mainly three elements of neoclassical theory of management. They are Hawthorne Experiment, Human Relation Movement, and Organizational Behavior.

The Hawthorne Experiments, conducted between 1927 and 1932 at the Western Electric Company, revealed that productivity in the workplace is influenced not only by physical conditions but also by social and psychological factors. This marked a shift in management thinking, emphasizing the importance of considering the human aspect in organizational settings. The Human Relations Movement, inspired by the Hawthorne Experiments, explored interpersonal and social relations within organizations, emphasizing workers' responses to the social context of the workplace. Organizational Behavior, an extension of the Human Relations Movement, involves the study of attitudes, behavior, and performance of individuals and groups in organizational settings. It draws upon knowledge from behavioral sciences like psychology, sociology, and anthropology to address management problems, making it multidimensional and interdisciplinary (Sarker & Khan, 2013).

Modern management approach theory

Modern management theory is much focused on the complex employee's view when compared to its counterparts such as classical theory that centers on rational economic view and neoclassical theory that concentrates mainly on individuals as social beings.

The modern management theory emphasizes that organizations are comprised of individuals with diverse perspectives, aspirations, potentials, and needs. It suggests that custom-made principles tailored to individuals are essential, as opposed to uniform approaches that can lead to dissatisfaction and underutilization of potential (Kitana, 2016). In complex organizational settings, managerial strategies must adapt to the diversity of employees and their evolving motives. This theory contends that no single managerial strategy fits all individuals or situations. Managers should employ different strategies based on individual views, motives, and experiences, recognizing the dynamic nature of organizational dynamics and individual development.

The Modern Management theory encompasses two key approaches: the Systems Approach and the Contingency Approach.

- Systems Approach: This perspective sees organizations as unified systems with interconnected parts, stressing the importance of understanding how changes in one part affect the whole. Managers under this approach prioritize organizational coherence over individual departmental goals, emphasizing communication and flexibility in decision-making to adapt to diverse organizational needs.

- Contingency Approach: Rooted in the idea that management solutions depend on specific circumstances, this approach integrates various management theories to address real-life complexities. Managers must select techniques based on the unique context, recognizing that no single solution fits all scenarios. For instance, in addressing employee motivation, different

theories may propose different strategies, and managers must choose the most suitable one for the situation. This approach underscores the importance of adapting management practices to specific organizational contexts and aligns with the principles of modern management theory (Kitana, 2016).

The evolution of international business environment is inevitable, bringing cross-cultural management capabilities to the fore, especially in virtual environment, highlighting the importance of communication (Anglani et al., 2023). This phenomenon is enough to justify the paradigm shift of globalized work environments, which requires crossing digital frontiers with cultural intelligence, resulting in new management practices and competencies, inspired by continous changes and challenges.

Hybrid management
Global leadership is a relatively new area in research, that requires global leadership competencies and the global mindset (Storey, 2013). The exponential development of new technologies leads to new leadership challenges and requires traditional leadership to adapt to ongoing global changes (Bass & Bass, 2008; Carson et al., 2007). Management basics may be affected in case organizations go through an agile transformation, especially if they rely on project performance and functional managers depend on project managers, or there are cross-functional roles.

While traditional management functions include bigger teams and hierarchical structure, agile management is based on small teams of maximum 10 people, their operation is based on self-organizing individuals (McMahon, 2006). The number of software development projects are constantly increasing, where having an IT manager or IT project manager who understands the business and technological

considerations might be the key to successful projects, the real advantage of a so-called hybrid manager (O'Connor & Smallman, 1995). Not just in IT industry, but in any industry that combines working methods to increase performance (such as banking and insurance, business services, telecom, logistics, etc.), the manager will need to adept across boarder range of functions between business and IT, while having exceptional personality characteristics and necessary competences is also important. A hybrid manager should also have good communicational and problem-solving skills, organizational-specific knowledge, intuition and flexibility. Another aspect of leadership and management are the cultural differences and influences. Cultural and management processes might differ where the technical and socio-political implications are elicited, cultural communications styles and perceptions of risk dimensions can also be very diverse (Langeland & Pau, 2016). Overall, managing cross-cultural and multi-cultural teams or virtual teams can be a huge challenge in management roles.

The hybrid workplace is a trending concept driven by digitalization and accelerated by the COVID-19 pandemic. It emphasizes the need for workplaces to adapt and maximize innovation. While some businesses have shifted to hybrid or fully remote models, many are still transitioning (Iqbal et al., 2021). The pandemic highlighted the importance of flexibility and adaptability in work environments. Embracing the hybrid workplace model is crucial for shaping the future of work globally and requires huge efforts and strategic approach. I definitely want to highlight the aspect of AI in management, as this is the most recent challenge of management, especially in AI-driven businesses and innovation. Although limited literature is available, a paradigm shift affecting top management is already occurring (Jorzik et al., 2023). However, it can be concluded that the ability to adapt AI capabilities to innovate a business model or management strategies is becoming vital. AI is increasingly being integrated into various aspects of management, transforming how organizations operate and make decisions. Besides that, it can support processes such as human resources

management, customer relationship management, product development, etc. The paradigm related to AI adaptability in management is that it would be contrary to human-centered management, which is the main purpose of Industry 5.0 (Plooy et al., 2024). Human-centric management approach in my view is essential from an individual motivation perspective.

RESULTS

Key Differences between the classical and neoclassical theory:

– Classical theory focused on efficiency and structure, often considering workers as motivated primarily by economic incentives. Neoclassical theory, on the other hand, recognized the importance of social and human factors, viewing workers as influenced by social needs and interactions.

– Classical management emphasized centralized decision-making and formal communication channels, while neoclassical management advocated for decentralization and recognized the value of informal communication.

– Classical management theory laid the groundwork for organizational efficiency and structure, while neoclassical management theory introduced a more human-centric approach, emphasizing the importance of social factors and the well-being of employees within the organizational context.

Table 2. Classical and Neoclassical Management Theories

Aspect	Classical Management Theory	Neoclassical Management Theory
Focus on Efficiency vs. Human Factors	Efficiency and Productivity	Human Factors and Social Dynamics
View of Workers	Rational Economic Beings	Social Beings Influenced by Social Needs
Division of Labor	Clear and Specialized	Flexibility based on Social and Psychological Aspects of Work
Decision-Making	Centralized	Decentralized, Involving Employees
Formal vs. Informal Organizations	Focuses on formal organizational structures and processes	Recognizes the existence and impact of informal organizations
Communication	Formal Channels	Formal and Informal Channels
Role of Management	Management is seen as responsible for planning, organizing, commanding, coordinating, and controlling	Management is perceived as having a more people-oriented role, with an emphasis on leadership, motivation, and understanding the social dynamics within the organization
Hawthorne Effect	May not explicitly consider the Hawthorne Effect	Recognizes the importance of psychological and social factors in influencing employee behavior

Source: Own Editing (2024)

In essence, while classical management theory prioritizes efficiency and formal structures, neoclassical management theory introduces a more human-centric approach, emphasizing the social and psychological aspects of organizational behavior. The neoclassical perspective encourages a more flexible and adaptive approach to management, recognizing the individual and social dynamics that contribute to organizational success.

Management theories, ranging from classical to modern approaches, complement each other and provide valuable insights for managers. To achieve successful

management, it is crucial for managers to learn and understand how these theories contribute to development. The growth in the management sector has significantly enhanced efficiency, productivity, individuality, and production quality. Managers can attain success by comprehending and applying these management concepts and theories. Management is described as both an art and a science, combining the scientific aspects of planning, organizing, directing, and monitoring with the art of shaping people's mindset towards work. The successful organizations blend both art and science, implementing effective management policies to stay competitive.

Challenges of modern management approach

Generational differences at workplace

Among the management challenges, we have already mentioned the general, demographic change worldwide, which poses the problem of an ageing population. A direct consequence of this is that the world of work is also older, therefore older workers are still present in the workforce, and generations are becoming more in the workplace. Coexistence and cooperation between generations is not a recent phenomenon in the world of work. The resulting conflicts have also long been a burden on organizational members. However, with the development of management theories, it has emerged the specialized body of knowledge that is the basis of generational management.

Organizational changes

In addition, all organizations know that change is needed, it is also necessary to encourage renewal and to develop an organizational culture that offers the opportunity to do so.

–   In order to implement change effectively, a leader must be results-oriented, internally driven, others-focused and outward-looking open to others.

- B2change (Built to Change) organizations: closely linked to the environment, reward new ideas, explore and master new practices and technologies, are spectacularly committed to performance and do "whatever it takes" (ethically) to improve to gain a competitive advantage.
- Creating a sense of urgency - acting every day as if we are in the last moment; seeing opportunities in a crisis; taking decisive action against the persistent naysayers.

Industry 4.0

For the past decade, Industry 4.0 has become the basis for building competitive advantage for business operations, especially on specific project-oriented businesses. This new technological frontier is revolutionizing value creation in businesses, altering job roles and required skills, and changing how individuals work, connect, and communicate (Tota-Miah et al., 2024). Many benefits of Industry 4.0 have been identified: increased productivity, improved working conditions, better product quality, unlimited access to information, resource savings, speed, precision and adaptability of production, optimized business planning, higher sales revenue, low equipment failure rates and increased plant reliability, product personalization, etc. I believe that the presence of a supportive learning culture and a technological growth-driven approach at higher managerial levels is more likely to lead to future effectiveness. Perhaps the most important impact of Industry 4.0 on project management is the availability of softwares that now provides project managers with highly accurate work planning, scheduling, assigning responsibilities, tracking, and monitoring features, which can be used to make immediate decisions in real time, moreover it helps the visualization of data, and provide real-time information to senior management.

In Industry 4.0, organizations can go for speedy decision making with the real-time data as it enables to control production arrangement, competency utilization and energy savings (Cimini et al., 2017). In general, the most important

requirements are mainly based on information- and automatization-related requirements, training-related requirements (Woschank et al., 2020).

The major challenges for digital transformation are the followings: limited experience with transformation, limitation in skills and resources, cultural limitation, complex relationships with many business partners, huge upfront investment. To deal with those problems, it is important to use an open innovation-based management approach. The conception of open innovation refers to a paradigm that assumes potential use by the organization of external ideas together with internal ideas and conceptions when the organization tries to implement a new technology, product or solutions (Gajdzik & Wolniak, 2022).

Industry 5.0

Industry 5.0, an evolution from Industry 4.0, emphasizes the collaboration between humans and machines, focusing on personalization, sustainability, and resilience. This new industrial paradigm is reshaping management practices in several ways. „The application of technology in Industry 5.0 based on a constant flow of information provides an increase in opportunities for process efficiency" (Patalas-Maliszewska & Losyk, 2024, p2), therefore, it seems reasonable to review the related literature to examine the impacts of it on management. Several relevant articles (Hein-Pensel et al., 2023; Zuzek et al., 2021; Taboada et al., 2023; Gibbin et al., 2023; Gärtner et al., 2023) mention some approaches and objectives of Industry 5.0, highlighting its focus on holistic, sustainable, and human-centered value creation, bringing social and ecological objectives to the fore. Industry 5.0 is pushing management paradigms toward a more human-centric, sustainable, and resilient approach. Managers must embrace advanced technologies while prioritizing human collaboration, ethical practices, and continuous innovation. By adapting to these new paradigms, organizations can achieve greater efficiency, sustainability, and competitiveness in the evolving industrial landscape.

Individual and organizational performance orientation demands the commitment of the entire organization. Top leadership and management must be committed to using that orientation as a part of the company's strategy and having a culture that is conducive of the commitment of everyone. (Carvalho et al., 2023).

Inclusive Leadership and Motivation

The use of motivational tools is one of the most important factors of managerial competence, without which many other components of organizational behaviour cannot be built on a solid foundation. These include effective teamwork, organizational communication, effective leadership and conflict management, adaptability to change, etc.

In my view, the presence of motivation at the level of organizational culture and the approach adopted at higher levels of management are more likely to lead to individual and organizational effectiveness. The success of a leader and a team also depends on the degree to which the organization can successfully apply motivational factors and whether the agile transformation of the organization has resulted in a change of attitude among colleagues and management. In organizations that strive to use and develop motivational tools and take into account employee feedback, a working culture is created where the manager-employee relationship is based on stable trust and effective problem solving, making it easier to avoid stumbling blocks and to build team cooperation. The importance of managerial competences is increasingly emphasized alongside professional competence, this means possessing the extra skills needed to achieve goals, to motivate people and to inspire confidence.

Motivational tools can be very diverse. Of particular importance are the use of motivational factors set out in the strategy, the creation of a vision at individual and organizational level, and the setting of six-monthly and annual objectives, which team/company members need to understand in order to be clear about what is expected of them and to be able to work effectively with stakeholders

inside and outside the organization to achieve common goals. Organizational success is significantly influenced by the persistence, commitment and motivation of team members. We believe that as leaders, it is important to be sensitive to different personality types and to recognize that team members can react differently to the same life situation, work pressures and stress. Material motivation has been shown to be effective only in the short term, and it is also necessary to identify the personal motivational factors of the individual working on a project, such as increased autonomy, professional development, opportunities for progress, challenging personal tasks, self-fulfillment, verbal and/or written recognition, promotion, appreciation, taking into account individual life situations and needs, etc.

Changing paradigms in management reflect the evolution of principles, practices, and perspectives that guide organizational leadership. Several trends and shifts have been identified in the field of management.

While these are dynamic and context-dependent, some overarching themes include:

- *Digital Transformation:* The strong influence of technology has necessitated a shift in how organizations operate. Digital transformation involves leveraging technology to enhance efficiency, innovation, and customer experiences. This includes the adoption of data analytics, artificial intelligence, and automation.
- *Remote Work and Flexible Structures:* The rise of remote work, accelerated by advancements in communication technology, has challenged traditional notions of workplace structures. Organizations are increasingly adopting flexible work arrangements to attract and retain talent, fostering a balance between work and personal life.
- *Agile and Adaptive Management*: In response to rapid changes in markets and consumer preferences, there is a move towards agile management

methodologies. This involves being agile, responsive, and iterative in decision-making and project execution.

– *Emphasis on Employee Well-being:* Management paradigms are shifting to prioritize employee well-being, acknowledging its impact on productivity and organizational success. This includes initiatives related to mental health support, work-life balance, and holistic employee development.

– *Sustainability and Corporate Social Responsibility (CSR):* Organizations are increasingly integrating sustainability practices and corporate social responsibility into their management strategies. This involves considering the environmental and social impact of business operations and making ethical choices.

– *Customer-Centric Approaches:* With the rise of social media and increased connectivity, customer expectations have evolved. Management paradigms now emphasize a customer-centric approach, focusing on understanding customer needs and delivering personalized experiences.

– *Collaborative and Cross-functional Teams:* Traditional hierarchical structures are giving way to more collaborative and cross-functional teams. This approach encourages communication and collaboration across different departments, fostering innovation and problem-solving.

– *Continuous Learning and Development:* The rapid pace of change requires a workforce that is adaptable and continuously learning. Management paradigms now emphasize the importance of ongoing employee development and learning initiatives.

– *Data-Driven Decision Making:* The availability of big data and analytics tools has led to an increased emphasis on data-driven decision-making. Organizations are leveraging data to inform strategy, measure performance, and identify opportunities for improvement.

These changing paradigms collectively shape the modern management landscape, influencing how organizations operate, compete, and thrive in an ever-evolving business environment. Regarding Inclusive Leadership there is a growing recognition of the importance of diversity, equity, and inclusion in leadership. Inclusive leadership involves fostering a work environment where individuals from diverse backgrounds feel valued and can contribute their unique perspectives.

Direct and open communication facilitates information and knowledge sharing, it also helps in influencing and sharing tacit knowledge, which is crucial for the management to implement tasks effectively (Fenyvesi et al., 2013).

Adaptability is crucial in a constantly changing environment, especially when it comes to crisis management. Generally speaking, during a crisis situation, leadership reactions can be broken down into two distinct phases: the first is during the emergency, when there is a need to stabilize conditions and earn time. The second is the adaptive phase, when the causes of the crisis are dealt with, and the skills are developed to help management cope with the new reality. "Leaders who practice the so called "adaptive" leadership think differently: they use the upheaval of the present to close to the past period. During the process, they change the basic rules of the game, restructure parts of the organization and redefine the work that employees have to do" (Vágány & Kárpáti-Daróczi, 2011).

CONCLUSIONS

An organization's greatest asset and resource is its people, so 'good' organizations consider how to maximize the effectiveness of their employees, the knowledge they can develop and the return on their investment. Leaders who can effectively influence and motivate others will reach the top. Effective leaders are able to motivate their employees to take purposeful action, understanding exactly what motivates them. They listen to them, understand their inner motivations and needs. With an effective motivation system, managers are more likely to retain

their most talented employees. The better managers can retain, engage and motivate employees, the more successful the company will be.

Motivation and people management may seem like a simple task in books and publications, but in practice it is more challenging. Motivation is the process that triggers, guides and sustains goal-oriented behaviour and performance. It is the driving force behind human action. The qualities of a good leader include the ability to work with others, to treat staff as individuals, to monitor their personal development and to plan with them. You need to know their individual motivation in order to keep them on the move and in constant development. To achieve this, you need to think in terms of mini projects with each individual. You cannot neglect to give continuous feedback, regular appraisal meetings. Negative feedback may also be necessary. If you spot a mistake, you need to investigate what caused it, individual or organizational omission, accidental error, and deal with it accordingly. Positive feedback is very good for individual efforts, never fail to thank employees for their sacrifices. Employees should be treated fairly and equitably, and any grievances or obstacles they face should be dealt with promptly and ethically.

Benefits of AI are arising, including efficiency by automation of repetitive routine tasks, accuracy by minimizing human error possibilities and scalability by easily handling huge amount of data and complexity. It's challenges mainly are data privacy and avoidance of bias, but in my opinion, in conclusion, its role in management will continue to grow, offering new opportunities and challenges for organizations. Effective integration of AI into management practices can lead to significant competitive advantages and drive business success.

In my view, a management approach that compares motivation according to the view that work is done, and employee is paid, is no longer viable. Much more flexibility is needed, because organizations are constantly changing and growing, human factors are more important than ever, projects are colorful, varied and hectic. There are many elements of the agile methodology that can be leveraged

to facilitate task resolution and streamline processes. Being able to extract the most useful tools from different management methodologies that can be applied effectively in our own area of expertise, in a so-called hybrid way, will greatly help us as leaders to achieve individual and team success and to gain the trust and commitment of team members.

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