



ΠΟΛΥΤΕΧΝΕΙΟ ΚΡΗΤΗΣ
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Evaluation of the dynamics of a working environment focusing on the organizational climate

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Diploma Thesis

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Acknowledgments

I would like to express my heartfelt gratitude to all those who have supported me throughout my academic journey. Without their encouragement, guidance, and unwavering belief in my abilities, this dissertation would not have been possible.

Foremost, I express my heartfelt gratitude to my mother, Stella, whose boundless love, guidance, and sacrifices have been the bedrock of my academic pursuit. Her unwavering belief in my abilities, coupled with the tireless encouragement, has been my source of strength in times of doubt. Your presence in my life is a cherished blessing beyond measure.

To my dear siblings, Elsa and George, I am profoundly grateful for the bond we share and the encouragement you have offered throughout this journey.

I also want to thank my beloved friends, Kostas, Alexandra, and Eirini, from the bottom of my heart. They've been there for me throughout this dissertation journey, bringing happiness and friendship. Their support and encouragement have made the tough times easier and the good times even better. I'm truly grateful to have them by my side.

To Dr. Maria Bakatsaki, I am deeply grateful for your mentorship, expertise, and encouragement throughout this journey. Your insightful feedback, constructive criticism, and commitment to my intellectual growth have been instrumental in shaping this dissertation. Your guidance has not only enhanced the quality of my work but has also inspired me to push the boundaries of my research.

Lastly, I would also like to express my gratitude to Prof. Stelios Tsafarakis for serving as my thesis supervisor.

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Abstract

(Ελληνικά)

Η παρούσα διπλωματική εργασία εξετάζει σε βάθος την δυναμική του σύγχρονου εργασιακού περιβάλλοντος με επίκεντρο το οργανωσιακό κλίμα των επιχειρήσεων. Από ηγετικά στυλ και εφαρμοσμένη συναισθηματική νοημοσύνη έως την επίδραση αναπόφευκτων οργανωσιακών αλλαγών και την διαχείριση αυτών, το εκπόνημα αυτό προσφέρει μια συγκεντρωτική και λεπτομερή ανάλυση όλων των παραγόντων που συντελούν στην βελτιστοποίηση του οργανωσιακού κλίματος. Με την εξέταση θεμάτων όπως η εργασιακή δέσμευση και ικανοποίηση αλλά και η επαγγελματική εξουθένωση, η εργασία στοχεύει να συμβάλει όχι μόνο στον ακαδημαϊκό διάλογο αλλά και στη βελτίωση της ευημερίας και της παραγωγικότητας των εργαζομένων σε πραγματικές συνθήκες.

Η μεθοδολογική προσέγγιση είναι η ακόλουθη: Θα γίνει αναλυτική βιβλιογραφική ανασκόπηση για το οργανωσιακό κλίμα των οργανισμών και τις σχετικές παραμέτρους που την επηρεάζουν (ηγεσία, συναισθηματική νοημοσύνη, εργασιακή εξουθένωση, εργασιακή δέσμευση, θεωρίες αλλαγών και κινητοποίησης των εργαζομένων) ώστε να προκύψουν οι κλίμακες που διαμορφώνουν το κλίμα ενός οργανισμού και πρακτικές που θα μπορούσαν να συμβάλουν στη βελτίωσή του. Ως αποτέλεσμα θα προταθούν στρατηγικές για μείωση της εργασιακής εξουθένωσης και γενικότερα πρακτικές για βελτίωση του οργανωσιακού κλίματος αλλά και την αύξηση της αποτελεσματικότητας και της ευημερίας των εργαζομένων.

Abstract (English)

The present thesis thoroughly examines the dynamics of the contemporary work environment, focusing on the organizational climate of businesses. From leadership styles and applied emotional intelligence to the impact of inevitable organizational changes and its management, this study provides a comprehensive and detailed analysis of all factors contributing to the optimization of the organizational climate. By exploring issues such as work commitment and satisfaction, and professional empowerment, this work aims not only to contribute to academic dialogue but also to improve the well-being and productivity of employees in real conditions. The methodological approach is as follows: a literature review will be conducted on the organizational climate and the relevant parameters influencing it (leadership, emotional intelligence, work engagement, burnout phenomenon, theories of change, and mobilization of employees) to derive scales that shape the climate of an organization and practices that could contribute to its improvement. As a result, strategies will be proposed to reduce work empowerment and, more broadly, practices to improve the organizational climate and overall increase the effectiveness and well-being of employees.

1. Organizational Climate and Culture

Much of the literature in this field often uses these terms interchangeably. This interchangeability may stem from uncertainty regarding whether these terms signify distinct phenomena or instead represent closely related constructs examined from different perspectives (Denison, 1996). Additionally, defining and conceptualizing both constructs has been challenging. Although they are interconnected, it is crucial to consider them as distinct terms.

Organizational Culture refers to the shared values, beliefs, and assumptions that shape the behavior of the individuals within an organization. It is the collective mindset and identity that influences how employees interact and make decisions. Culture includes elements like values, stories, symbols and language that defines an organization. It is often deep-rooted and can be very challenging to change. Getting deeper we would study about the artifacts that represent these values, and how they influence the employee behavior and decision-making.

Organizational Climate refers to the prevailing atmosphere or mood within an organization. It reflects the employee's perception of their work environment, policies and practices. Climate is more about the immediate and observable aspects of the workplace, including leadership styles, communication patterns and overall morale. It is more subject to change than culture and can be changed by management practices. Researching more about organizational climate we will investigate employee perceptions of their work environment, levels of job satisfaction, leadership styles, and the impact of policies and practices on the overall workplace atmosphere.

1.1 Common Points

- Awareness of values: Both concepts reflect the aspects that are considered important for the organization. Whether they are encouraged and promoted or rejected, they shape the organizational reality.
- The sense of belonging to the organization is something that is shaped by both the organizational climate and the organizational culture.

1.2 Points of Difference

- Organizational culture defines the deep behavioral expectations and norms of an organization. Climate determines the behaviors of employees at specific times
- Organizational culture comes from the founders/owners of the company. The behavior, beliefs and values of these people shape the intellectual legacy we call culture. Organizational climate on the other hand comes from and is shaped by the attitudes of employees towards each other and their performance, communication channels and norms, and leadership styles

2. Leadership Styles of 21st Century

Leadership styles play a vital role shaping the organizational climate because leaders profoundly impact the work environment and employee perceptions. The way leaders lead influences decision-making, communication, and employee morale.

Bourantas (2002) defines leadership as a "process of influencing the attitudes and behavior of a small or large, formal or informal group of people by an individual (leader) in such a way that they voluntarily, willingly and with appropriate cooperation strive to implement goals arising from the group's mission with the greatest possible effectiveness".

Let's delve deeper into the various leadership styles and their potential impact on employee perception and overall organizational climate.

2.1 Transformational Leadership

Characteristics: Transformational leaders inspire and motivate employees by emphasizing a compelling vision, encouraging creativity, and fostering innovation. They often lead by example and promote a positive organizational culture. The definition of transformational leadership, originally introduced by Downton (1973) and further developed by Burns (Burns, 1978). Burns, transformational leadership can be distinguished when the leader and his "followers" carry each other along to a higher level of moral and motivation. Through the power of their personality and vision, the transformational leaders can inspire their followers with a purpose to change their mindset and perceptions, and motivate them to achieve a common goal. Transformational leaders, according to Bass (1985), must inspire respect, admiration and trust in their followers.

Effect on Perception: Employees working under transformational leaders often perceive them as visionary, supportive, and inspiring. This leadership style tends to enhance employee motivation, job satisfaction, and commitment. The focus on individual development and a shared vision can contribute positively to the organizational climate. Specifically, during pandemic period, as Figure 1 shows, employees expected further from their leaders to provide them intellectual stimulation,

individualized consideration and idealized influence (Mitropoulou, 2022). As an example, Steve Jobs, co-founder of Apple Inc., is often cited as a transformational leader. His vision, charisma, and ability to inspire innovation transformed Apple into one of the most influential and innovative companies in the world.



Figure 1 –Expectations of employees from their leaders during pandemic period (Source: Mitropoulou, 2022).

2.2 Transactional Leadership

Characteristics: Transactional leaders focus on maintaining order, ensuring tasks are completed efficiently, and using a system of rewards and punishments to motivate employees. Clear roles and responsibilities are emphasized.

Effect on Perception: Employees may perceive transactional leaders as task-oriented and focused on achieving specific goals. While this can lead to efficiency, the rigid structure may hinder creativity and innovation. Transactional leadership may be effective in routine and structured environments but may not be as conducive to a positive organizational climate in dynamic or creative settings. From the other hand, Transactional leadership, with its emphasis on adherence to established procedures, may be perceived as inhibiting creativity and innovation. Employees might feel constrained in proposing new ideas or alternative approaches. The focus on achieving specific goals and meeting expectations can create a high-pressure environment. Employees may feel stressed or pressured to constantly perform to avoid negative

consequences. For example, Jack Welch, former CEO of General Electric, is known for his transactional leadership style. He implemented performance-based management, setting clear expectations and rewarding or penalizing employees based on their performance against predetermined targets.

2.3 Servant Leadership

Characteristics: Servant leaders prioritize the well-being of their employees, emphasizing empathy, humility, and a commitment to their development. They focus on serving the needs of the team.

Effect on Perception: Employees tend to appreciate the supportive and caring nature of servant leaders. This leadership style fosters trust, collaboration, and a positive work environment. Servant leadership can contribute significantly to a healthy organizational climate by promoting a culture of mutual respect and shared responsibility. However, some employees may perceive servant leaders as weak, encounter potential for exploitation, experience decision-making delays, witness conflict avoidance, face a lack of clear direction, encounter challenges in enforcing discipline, and feel an overemphasis on individual needs. Indra Nooyi, former CEO of PepsiCo, exemplified servant leadership. She focused on employee development, diversity, and sustainability. Her emphasis on serving the needs of employees and stakeholders contributed to the company's success.

2.4 Laissez-Faire Leadership (Ηγεσία Αδράνειας)

Characteristics: Laissez-faire leaders adopt a hands-off approach, providing minimal guidance and allowing employees to make decisions autonomously. This style is characterized by a high degree of delegation.

Effect on Perception: Employee perceptions of laissez-faire leadership can vary. While some may appreciate the autonomy and empowerment, others may feel a lack of direction or support. In certain contexts, this leadership style can lead to a positive organizational climate, especially when employees are highly motivated and self-directed. However, it may lead to challenges in less autonomous environments. Google's co-founders, Larry Page, and Sergey Brin, are associated with a laissez-faire

leadership approach. They fostered a culture that encourages innovation and creativity, allowing employees the freedom to explore ideas with minimal interference.

2.5 Authoritarian Leadership

Characteristics: Authoritarian leaders assert strong control, make decisions without much input, and expect strict adherence to established rules.

Effect on Perception: Employees under authoritarian leadership may perceive their leaders as decisive and assertive. However, this style can lead to decreased morale, stifled creativity, and a lack of employee engagement. The overall impact on the organizational climate may be negative, as employees may feel disempowered and less motivated to contribute their best. This type of leadership has been identified as a method with short-term results. This is why attention is drawn to the fact that it should only be applied in critical/emergency periods, where immediate decision making and execution is required. In order to deal immediately and effectively with serious problems of the organization.

Elon Musk, CEO of Tesla and SpaceX, is known for his authoritarian leadership style. He is decisive, sets clear expectations, and has a hands-on approach to decision-making, often driving the vision and direction of his companies.

2.6 Democratic Leadership

Characteristics: Democratic leadership involves democratic procedures or decisions made by a leader after consulting with members (Spillane, 2006).

Effect on Perception: Employees working under democratic leaders often appreciate the participative nature of the decision-making process. This style can lead to increased job satisfaction, a sense of ownership among team members, and a positive organizational climate. The leader's main focus is gaining acceptance and consensus, spending time securing trust. While this approach fosters flexibility, accountability, and pragmatism, experts note a disadvantage: revisiting known issues may waste valuable time, hindering trust and commitment, leading to team disorientation from goals. Angela Merkel, the former Chancellor of Germany, is often cited as a democratic

leader. She encouraged collaboration, sought input from advisors, and valued consensus in decision-making during her tenure.

2.7 Coach-Style Leadership

Characteristics: Coach-style leaders focus on developing and mentoring their team members, providing guidance and support to enhance individual and collective performance.

Effect on Perception: Employees working with coach-style leaders often perceive them as mentors and guides. This leadership style can improve employee skills, foster a culture of continuous learning, and positively impact the organizational climate by promoting personal and professional development. Workers are being encouraged to take the initiative by dividing up the work of the company and delegating the execution of the project to team members, with the risk of delaying the completion of the project. In this way they invest in training and broadening the knowledge of the employees with an eye to long-term results, taking the risk of short-term failure. Bill Gates, co-founder of Microsoft, is known for his coaching leadership style. He mentored and provided guidance to employees, fostering a culture of continuous learning and improvement within the company.

2.8 Charismatic Leadership

Characteristics: Charismatic leaders use their charm and personality to influence and inspire others. They often have a compelling vision that attracts followers.

Effect on Perception: Employees under charismatic leaders may be inspired and motivated by their leader's vision and passion. Charismatic leadership can contribute to a positive organizational climate by instilling a sense of purpose and enthusiasm. However, there are potential risks, including dependency on the leader and the possibility of charismatic leaders acting in ways that may not be conducive to the organization's long-term success. Richard Branson, founder of the Virgin Group, is considered a charismatic leader. His magnetic personality, communication skills, and ability to inspire enthusiasm played a significant role in the success and brand image of Virgin.

2.9 Collective Leadership

While “leadership” often connotes an image of a single heroic leader, now leadership is a collective achievement.

One way of looking at collective leadership is through what is known as distributed leadership. Another way of looking at collective leadership is through the lens of relational leadership. In this case leadership is produced inside collectives through the interactions between individuals and ‘processes by which certain understandings of leadership are created. If some of the team members have a totally different understanding of leading, or if the whole of the team does not agree that their interactions constitute a form of leadership, it becomes impossible to say that leadership is being practiced

To put it simply, the distributed leadership approach focuses on multiple individual leaders, whereas a relational leadership approach sees leading as a practice emerging from the process of organizational collaboration.

Collective leadership focuses on gathering people (stakeholders) with different knowledge and working together in creating value and solving pressing challenges. The success of this team depends on the leadership within the entire group rather than the skills of an individual member.

2.9.1 Drawbacks of Collective Leadership

- For example, in a moment of crisis which requires a very quick and major decision, it can be more efficient to have one specific individual in charge. Sometimes, though, collective leadership actually works better, for instance if the operational leader is simply clueless about how to solve the crisis, or to prevent one individual from making a mistake.
- Furthermore, with collective leadership there is a danger of promoting a leadership ideology that would help manipulate employees through telling them that if they are not leaders it is their responsibility

2.9.2 Facilitating Collective Leadership: Focus on Space, Dialogue, Listening

The individual office or desk symbolizes how each employee is supposed to work, mainly on their own, and accordingly how they would also be evaluated individually. In contrast to individual office spaces, open-plan offices are supposed to facilitate collective leadership. These are more contemporary work spaces than traditional offices, which commonly use individual and separated offices.

In open plan offices, it is easier to see if a co-worker is present or not and if they are busy. As a result, the intention is that workers are supposed to interact more on an everyday basis. Of course, it can have negative effects by creating a form of both distraction and peer surveillance.

An alternative illustration of the use of space is provided by co-working spaces in which a variety of workers – either self-employed or from different organizations come to work physically closely to each other, while not being affiliated to the same institution. This brings about a sense of collaboration or sharing, for instance, through bringing about fruitful conversations between workers from different backgrounds.

Sharing the same space should create the potential for more relations and innovative ideas to emerge through co-user interactions (Cunliffe & Eriksen, 2011). It can be noted that co-working spaces tend to be associated with entrepreneurship, which mostly exists in the private sector context, although there is also not-for-profit social entrepreneurship.

Listening is not only about influencing followers and thereby using them instrumentally, it is also about being empathic and considering them as people.

Ivesson and Sveningsson argue that listening and chatting are essential to leadership as:

People feel more respected, visible and less anonymous, and included in teamwork. Rather than certain acts being significant in themselves, it is their being done by

managers that gives them a special, emotional value beyond their everyday significance.

This '**extra-ordinarization of the mundane**' means that being listened to may enable followers to feel recognized by their managers as well as forming an emotional attachment to their work (arguably another way of culturally controlling employees).

Accordingly, this allows them to feel that they have a value for the organization and thereby leads them to become more confident (and committed) on an everyday basis. Organizations can create a culture of listening, for instance, through consultations or other formal or informal ways for employees to share their views.

2.9.3 Dialogue

Facilitating collective leadership can be brought about by dialogue. Individual leaders listening to their followers can be beneficial but perhaps the most value lies when dialogue contributes to the creation of a leaderful organization in which "*members determine together what needs to be done and how to do it*" (Raelin, 2011, p. 204).

In conclusion, understanding and mastering various leadership styles are crucial for effective leadership. Each style, from the transformative and servant-oriented to the more authoritative and laissez-faire approaches, offers a unique set of advantages and challenges. The choice of a leadership style should be a thoughtful and informed decision, considering the leader's personality, the organizational context, and the needs of the team. It is essential for leaders to recognize that a blend of styles or a flexible approach may be the most effective strategy, allowing for adaptation to diverse situations. The study and application of leadership styles empower leaders to navigate the complexities of their roles, fostering a dynamic and responsive leadership environment.

3. The Role of Emotional Intelligence in Shaping Leadership Practices

Award-winning Daniel Goleman (2000) introduced emotional intelligence into the skills of modern management. He introduced emotion as a key component of successful management. Goleman states that 'it is not enough to know the subject (of the work) and get the job done, if eventually the relationships within the work group are destroyed. You need a spirit of collaboration. Teams that don't share this emotional bond are more likely to find themselves in a state of dysfunction or paralysis, or to break up under pressure'. As he says, it is not the intelligence quotient or specialized studies or technical expertise, but the emotional intelligence that makes someone stand out.

Emotional intelligence refers to the ability to recognize our own and others' emotions, to create motivation for ourselves and to manage both our emotions and our relationships appropriately. The term describes abilities that are clearly different from academic intelligence, i.e. purely cognitive abilities.

In his studies and based on the work of Howard Gardner, a psychologist and intelligence scholar at Harvard University, he concluded that emotional and social skills often play a more important role in achieving excellent performance than technical and cognitive skills, he named them 'soft skills'.

Emotional intelligence includes individual skills such as self-awareness, self-confidence and self-control, commitment and integrity, communication and influencing skills, a spirit of innovation and acceptance of change. Individuals possessing these skills demonstrate the capacity to work proficiently within teams and engage in collaborative efforts with others. In essence, they are individuals capable of optimizing team performance.

Concluding, emotional intelligence, also known as Emotional Quotient (EQ), pertains to an individual's skill in recognizing, comprehending, managing, and reasoning about emotions. This competency is crucial in interpersonal communication and is a contemporary concern not only in psychology but also in the business realm.

3.1 Importance in the workplace

Above we established the definition of emotional intelligence, although its impact into the work environments is enormous.

3.1.1 Emotional Intelligent Leader

Leaders with high EQ possess self-awareness enabling them to understand their own emotions and how they impact their leadership style. They can also recognize and empathize with the emotions of their team members, fostering a positive and collaborative leadership approach. These types of leaders usually inspire and motivate their teams. They can connect on an emotional level, fostering a sense of loyalty, commitment, and shared purpose. This, in turn, contributes to the overall effectiveness of leadership.

3.1.2 Enhanced Communication

Emotional Intelligence contributes to effective communication by helping individuals express themselves with clarity and empathy. Individuals can pick up on nonverbal cues, understand the emotional tone of a conversation, and respond appropriately, promoting a culture of open and transparent communication.

3.1.3 Conflict Resolution

In emotionally charged situations, individuals with high emotional intelligence can manage their own emotions and navigate conflicts more productively. They also understand the perspectives of others, facilitating the resolution of conflicts through compromise and understanding.

3.1.4 Team Collaboration

Teams benefit from emotional intelligence as it fosters a positive team culture. Team members with high EQ build strong relationships, communicate effectively, and contribute to a supportive environment where collaboration and cooperation thrive.

3.1.4 Increased Productivity

A workplace characterized by mainly positive emotions and strong interpersonal relationships, fostered by emotional intelligence, contributes to higher employee morale. The positive work environment can lead to increased job satisfaction, engagement and ultimately, higher levels of productivity.

3.1.5 Adaptability to change

Emotionally intelligent individuals are more adaptable to change. They can navigate uncertainty and ambiguity with resilience, maintain a positive attitude, and inspire confidence in their colleagues during periods of change.

3.1.6 Employee Engagement and Satisfaction

Numerous studies conducted across various industries consistently highlight the positive correlation between emotional intelligence and job satisfaction. Notable instances of such research encompass investigations into school administrators, call center representatives, and university educators. Employees experiencing satisfaction in their roles contribute significantly to organizational benefits, such as heightened productivity, decreased turnover rates, and enhanced loyalty and engagement. Job satisfaction, influenced by diverse factors like recognition and growth opportunities, finds a facilitator in emotional intelligence. It fosters emotional well-being, elevates self-esteem, and cultivates positive moods, collectively contributing to an individual's contentment in their professional capacity. Conversely, the impact of emotional intelligence extends to mitigating detrimental outcomes, notably stress. By addressing stress, emotional intelligence serves as a protective factor against burnout and job dissatisfaction.

3.1.7 Stress Management

Emotionally intelligent people are adept at managing stress. They have a high level of self-awareness, recognize their stress triggers, and employ effective coping mechanisms. This not only benefits their own well-being but also contributes to a more resilient workplace culture.

3.1.8 Innovation and Creativity

Emotional Intelligence supports an organizational climate of innovation by creating an environment where individuals feel psychologically free to express themselves and their ideas. E.I. leaders encourage diverse perspectives, fostering creativity and contributing to a culture of continuous improvement.

3.2 How to measure EQ

After research 8 assessment methods/questionnaires have been found and are listed below with some of each details.

1. Wong's Emotional Intelligence Scale (WEIS)
2. Emotional and Social Competence Inventory (ESCI)
3. Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)
4. The Emotional Quotient Inventory 2.0 (EQ-i-2.0)
5. The Trait Emotional Intelligence Questionnaire (TEIQue)
6. Profile of Emotional Competence (PEC)
7. The Multidimensional Emotional Intelligence Assessment – Workplace (MEIA-W-R)
8. The Work Group Emotional Intelligence Profile (WEIP)

3.2.1 Wong's Emotional Intelligence Scale (WEIS)

The first assessment tool is the Wong's Emotional Intelligence Scale (WEIS), created by Chi-Sum Wong and Kenneth S. Law in 2002, featuring two distinct sections.

In the initial part, respondents encounter 20 scenarios and select the option that best represents their likely reactions in each situation. The second part involves 20 pairs of abilities, with participants choosing the type of ability that most accurately reflects their strengths.

This test encompasses four dimensions:

1. Self-Emotional Appraisal (SEA): Tests how well someone can understand and express their own deep emotions.

2. Others' Emotional Appraisal (OEA): Evaluates the skill in recognizing and comprehending the emotions of others.
3. Regulation of Emotion (ROE): Measures the capability to manage emotions effectively, aiding in a smoother recovery from psychological distress.
4. Use of Emotion (UOE): Determines the ability to utilize emotions for productive activities and personal growth.

3.2.2 Emotional and Social Competence Inventory (ESCI)

The Emotional and Social Competence Inventory (ESCI) is a derivative of an earlier assessment tool called The Self-Assessment Questionnaire. In this method, someone familiar with another individual rates their skills across a range of emotional competencies.

Designed to emphasize the social and emotional skills essential for successful leadership, this assessment fulfills several objectives:

1. Assess emotional intelligence in leaders and professionals within an organization.
2. Increase awareness through meaningful 360-degree feedback.
3. Focus coaching and development efforts on critical competencies.
4. Identify and showcase exceptional qualities in individuals and teams.

3.2.3 Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT)

An assessment grounded in Mayer and Salovey's emotional intelligence model, which encompasses four branches. In this skills-oriented test, individuals engage in specific tasks aimed at assessing their capacity to manage, perceive, understand, and identify emotions.

The evaluation is structured around scenarios representative of everyday life, gauging individuals' proficiency in executing tasks and resolving emotional challenges.

3.2.4 The Emotional Quotient Inventory 2.0 (EQ-i-2.0)

This online self-rating assessment tool serves as a valuable resource for individuals seeking to evaluate their emotional intelligence. This tool furnishes test takers with a comprehensive analysis of their strengths while identifying areas with potential for improvement. It offers an understanding of one's emotional operations, highlighting areas of excellence and suggesting aspects that might benefit from future development. These insights are instrumental in fostering personal and professional growth, contributing to enhanced leadership skills and stronger teamwork.

3.2.5 The Trait Emotional Intelligence Questionnaire (TEIQue)

K. V. Petrides developed the Trait Emotional Intelligence Questionnaire (TEIQue) to assess general trait emotional intelligence, aligning with the Trait Emotional Intelligence Theory. This questionnaire plays a significant role in emotional intelligence research.

This theory posits that emotional intelligence is a stable trait inherent to individuals. This theory suggests that people exhibit consistent patterns in how they perceive, manage, and utilize emotions across various situations. Unlike other models that view emotional intelligence as a set of skills, this theory emphasizes that emotional intelligence traits remain relatively constant over time and influence an individual's overall emotional functioning. The focus is on the enduring and inherent nature of emotional intelligence as a personal trait.

There are two versions of this questionnaire:

1. TEIQue-Long Form (TEIQue-LF): It has 153 questions and covers 15 different areas. It takes about 25 minutes to complete.
2. TEIQue-Short Form (TEIQue-SF): Comprising 30 questions, this variant is derived from the longer form. It selects two questions from each of the 15 domains of the TEIQue for evaluation.

Key areas covered include adaptability, emotional expression, self-esteem, social awareness, and stress management.

3.2.6 Profile of Emotional Competence (PEC)

The Profile of Emotional Competence (PEC), developed by Brasseur and Mikolajczak, assesses intrapersonal and interpersonal emotional intelligence as separate components. This assessment focuses on five core emotional competencies:

1. Identification: Evaluates your ability to recognize both your own emotions and those of others.
2. Understanding: Measures your comprehension of both your emotions and the emotions of others.
3. Expression: Examines how effectively you express your emotions and attentively listen to the emotions of others.
4. Regulation: Assesses your capacity to manage and control your emotions, as well as those of others.
5. The Use of Emotion: Explores how you apply your emotions and navigate the emotions of others.

3.2.7 The Multidimensional Emotional Intelligence Assessment – Workplace (MEIA-W-R)

Comprising 144 concise items, this evaluation aims to appraise 10 distinct facets of emotional intelligence:

- Self-Recognition of Emotion
- Self-Regulation of Emotion
- Recognition of Emotion in Others
- Regulation of Emotion in Others
- Nonverbal Emotional Expression
- Empathy
- Intuition versus Reason
- Creative Thinking
- Redirected Attention in Mood
- Motivating Emotions

This assessment offers a personality-based gauge of emotional intelligence. According to the researchers behind its development, this measure is particularly well-suited for employees and leaders seeking to enhance essential interpersonal skills, qualified professionals aiming to identify individuals with strong emotional intelligence, and those in search of a straightforward and convenient testing method.

3.2.8 The work Group Emotional Intelligent Profile

This assessment comprises two scales, each with its own set of subscales:

Self-Emotional Management Skills:

- Recognizing One's Own Emotions
- Discussing One's Own Emotions
- Managing One's Own Emotions

Interpersonal Emotional Management Skills:

- Recognizing Others' Emotions
- Managing Others' Emotions

These scales provide a self-report evaluation, consisting of 30 items in total, to gauge emotional intelligence in team members.

3.3 How to develop EQ

3.3.1 Awareness Raising

Regular workshops or seminars to educate employees and leaders about the importance of mental health, emotional wellness, and self-care.

3.3.2 Culture of cooperation - Employee's Voice

Improved collaboration among employees can contribute to decreased employee turnover and absenteeism. When employees feel acknowledged and understood, it can elevate morale, enhance productivity, and foster a sense of belonging. When their

opinions are valued, they develop a stronger connection with the organization and its objectives. Strategies to foster a culture of cooperation in the workplace include:

- Offering opportunities for employees to socialize outside of work through team-building exercises or casual gatherings.
- Encouraging employees to engage in company-sponsored community service initiatives.
- Frequent conversations between staff members and employees is a great way to understand what both side's emotions are and for work environment development issues to be discovered.

3.3.3 Regular and Evidence-Based 360-Degree Feedback

Feedback, whether positive or negative, serves as a valuable tool for employee and manager development. However, for it to be effective, individuals throughout the organization must possess the emotional intelligence to offer and receive feedback candidly, without passing judgment on the individuals involved. Implementing 360-degree feedback—from leaders to employees and vice versa—is essential. There should be a stage where routine feedback grounded in factual evidence aids in everyone's improvement without inducing feelings of attack or personal criticism. This necessitates a designated time and space for feedback sessions, conducted with respect. Negative feedback, aimed at fostering improvement, should be normalized and welcomed from both parties, provided it is delivered appropriately. Constructive feedback should always initiate a dialogue, offering suggestions for enhancement rather than presenting as a lecture.

3.3.4 Managerial Mental Health Support Training

Managers ought to undergo training to identify indicators of mental health concerns and to adeptly manage such scenarios with sensitivity. Additionally, they should foster a workplace culture that promotes candid discussions surrounding mental health.

3.3.5 Mental Health Training for all Staff

This training should endeavor to enhance comprehension of mental health, cultivate stress management skills, and bolster emotional resilience, thereby fostering a supportive workplace atmosphere

3.3.6 Emotional Wellness Initiatives

These programs may concentrate on honing abilities such as mindfulness, empathy, resilience, and problem-solving, all of which play pivotal roles in enhancing emotional well-being. Managers should be trained to recognize the signs of mental health issues and how to handle such situations sensitively. They should also promote a positive work environment that encourages open dialogue about mental health.

3.3.7 Active Listening/Listen to understand and not to answer

This form of listening entails a non-competitive, reciprocal exchange.

People often overestimate their listening abilities, akin to how they assess their driving skills, with most believing they're above average. Many assume that refraining from speaking while others talk and being able to repeat what's been said are the hallmarks of good listening. However, recent research indicates that these actions fall short of defining effective listening skills. Here are some fundamental steps for cultivating this crucial skill of active listening:

Step 1: The listener must establish a safe environment where difficult or emotional topics can be openly discussed.

Step 2: Clear away all potential distractions, directing full attention to the speaker and maintaining appropriate eye contact. This not only impacts how the listener is perceived but also immediately influences the listener's own attitudes and emotions.

Step 3: The listener should deeply seek to understand the substance of what the other person is saying, by capturing ideas and making on-point questions.

Step 4: It is very important for the listener to observe all the non-verbal cues as well as all the emotions that are unsaid or hardly expressed. He/She should empathize and validate those feelings in a supportive and non-judgmental way.

Step 5 The listener should ask him/herself the following questions: Why do I need to listen right now? (Thinking about what the other person might need from this verbal engagement can provide clues as to how you can best listen at that moment), Who is the focus of attention in this conversation? (The listener should be very careful not to lead the conversation on a personal issue and I therefore make the speaker feel unheard)

For a senior leader active listening is an imperative skill and as Kevin Sharer (former CEO and Chairman of Amgen) said: “If you walk around and see a bunch of smiling faces and say ‘Gee, everybody looks happy to me’ you are not listening”.

3.3.8 Dedicated time for Reflection and Debriefing

Skills such as self-awareness and self-management, which are integral to emotional intelligence, are honed through regular practice. Reflecting on daily experiences and debriefing on them is crucial for this development.

Here are some ways to incorporate reflection into your routine:

- Maintain a journal where you can jot down your work experiences, including those that evoke positive or negative emotions, as well as any instances of discomfort or awkwardness caused by others.
- Curate a playlist or mood board to document your emotions throughout the workday.

Emotional intelligence is a skill that can be cultivated and enhanced by every employee. Enhancing emotional intelligence in the workplace is vital for nurturing a positive and productive environment.

By dedicating time to comprehend how our emotions influence our work, we can establish healthier and more successful workplaces.

3.4 The Cost of Emotional Illiteracy

In exploring the depths of emotional intelligence and its applications within the workplace, we cannot overlook the pervasive impact it has on our lives beyond professional settings. Emotional literacy, or the lack thereof, extends its influence far and wide, permeating through various facets of our existence from an early age.

3.4.1 Emotional Illiteracy: Unveiling the Consequences

It is essential to recognize the perils of emotional illiteracy, a state where individuals struggle to comprehend, express, and manage their emotions effectively. In a society that is becoming increasingly interconnected and dynamic, emotional illiteracy can be likened to stumbling through a dimly lit room – navigating life's challenges becomes fraught with obstacles and missteps.

3.4.2 Nurturing Emotional Intelligence

As we strive to create emotionally intelligent workplaces, we must concurrently foster emotional literacy from the earliest stages of development. Imagine a world where children are equipped with the tools to understand and manage their emotions from the outset. This proactive approach not only cultivates a generation of emotionally intelligent individuals but also sets the stage for societal harmony. By integrating emotional intelligence education into early learning curricula, we pave the way for a future where emotional literacy is as commonplace as reading and arithmetic.

Concluding this exploration of emotional intelligence and its role in cultivating the organizational climate, we recognize that the journey towards a more emotionally literate society is ongoing and requires collective effort. Whether in our professional endeavors or personal relationships, the ability to navigate the intricate landscapes of human emotions is an invaluable skill.

4. Managing Organizational Change

Increased global competition is compelling companies to adapt or risk obsolescence. Consumers are demanding greater value at lower prices, while the pace of organizational and societal transformation is accelerating noticeably. A study involving 750 corporations found that each of them was engaged in at least one change initiative. Additionally, a survey of 259 executives revealed that 84% had initiated at least one change program, with nearly half overseeing three or more such initiatives.

Companies no longer have the luxury of choice; they must evolve to remain viable. However, change is inherently challenging, and resistance is a common response. Transforming an organization, let alone individuals within it, is a complex endeavor. The following sections explore both internal and external forces that drive the need for change, models of planned organizational change, and strategies for addressing and overcoming resistance.

4.1 Forces of Change

Robert Kreitner and Angelo Kinicki (1997) assert in their book (Organizational Behavior 4th Ed.) that organizations encounter many different forces to change and are specifically categorized in external and internal forces to change. While there aren't simple answers to questions like when organizations should change or what signs they should watch for, knowing these triggers can help managers decide when is the most appropriate time to initiate changes in their organization.

4.1.1 External Forces

- **Technological Developments:** Advancements in technology can necessitate organizational change to stay competitive. This may involve adopting new tools, systems, or processes to enhance efficiency and innovation.
- **Economic Downturns, Challenging trading conditions:** Recessions usually cause businesses to reevaluate their products/services and downsize as the consumer spendings decrease and unemployment rates rise. Financial markets can experience fluctuations affecting asset valuations and investors'

confidence. Economic downturns can also disrupt supply chains by increasing costs, productions delays.

- Growth Opportunities, especially in new markets: Organizations may choose to enter new, upcoming markets to diversify their customer base and reduce dependence on a single market. Expansion in new markets is also driven by the desire to increase revenue streams and positively impact an organization's brand image.
- Legislative Measures or Government/Initiatives: Changes in laws, regulations or government initiatives may lead organizations to modify their practices to comply with new legal requirements or take advantage of government programs.
- Black Swan Events: As named by Nassim Nicholas Taleb (is a Lebanese-American essayist, scholar, statistician, and former trader who is best known for his work on risk management and his philosophical writings), this term refers to highly improbable events with a massive impact. Events such as the global financial crisis (2007-2008), COVID-19 pandemic, wars and natural disasters. For example, COVID-19 pandemic has introduced a scenario characterized by swift transformation and upheaval for organizations, necessitating an ongoing requirement to react and adjust. This involves shifts in focus, adjustments to the scale of operations, and reconsideration of platforms, products, and services.

4.1.2 Internal Forces

Kreitner and Kinicki (2007) distinguish internal forces to organizational change into two categories: Human Resources Problems/Prospects and Managerial Behavior/Decisions.

- Human Resources Problems/Prospects: These problems stem from employee perceptions about how they are treated at work and the match between individual and organization needs and desires. Job dissatisfaction, low productivity and unusual levels of absenteeism can represent forces for change. Managers might respond to these problems by reducing employee's role conflict, overload and ambiguity.

- Managerial Behavior/Decisions: Shifts in strategic objectives, excessive interpersonal conflict between managers and their subordinates, inequitable reward systems are situations that constitute inevitable change.

4.2 Types of Change

Figure 2 shows a helpful three-way categorization of change.

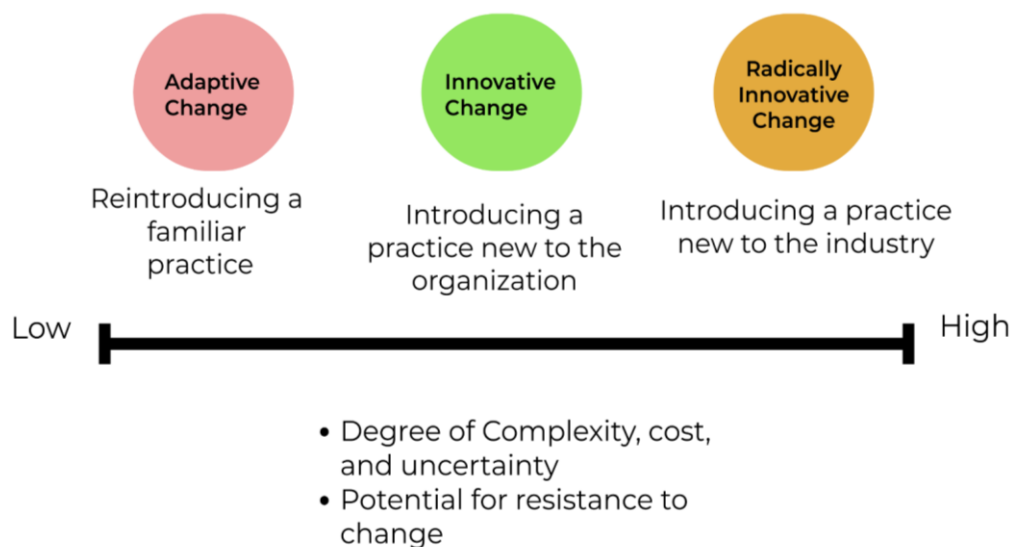


Figure 2 - A generic Typology of Organizational Change (Source: Kreitner, & Kinicki, 1997).

This categorization applies to all types of changes, including administrative and technological ones

- Adaptive change is the simplest and least uncertain. It involves repeating a change later or copying a similar one from another part of the organization. For example, a department store could extend its hours during inventory week, and the accounting department might do the same during tax season. Adaptive changes usually don't worry employees because they're familiar.
- Innovative changes are in the middle in terms of complexity, cost, and uncertainty. For instance, if a warehouse company tries flexible work schedules, it's an innovative change if other similar companies haven't done it before. These changes can be scary because they're new and uncertain.

- Radically innovative changes are at the highest end of complexity, cost, and uncertainty. They are the hardest to carry out and can make managers and employees feel insecure about their jobs. These changes can significantly alter an organization's culture. Resistance to change tends to grow as changes become more innovative.

4.3 Theories on Organizational Change Management

Here, we'll explore how altering important parts of a business, like its culture, strategy, and processes, affects both employees and the business's performance, depending on how people react to those changes. Various theories related to managing organizational change have been developed by psychologists and business consultants who have used different methods to improve management practices over time.

4.3.1 Kurt Lewin's Management Model

Let's start by delving into Lewin's theory, which consists of three stages: Unfreezing, Changing, and Refreezing. This theory acknowledges the necessity for change in the initial unfreezing stage, discards old behaviors to introduce the change in the changing stage, and then solidifies the newly changed behaviors in the refreezing stage.

Unfreezing: This stage recognizes the need for change. When something is "*frozen*," it means it's in a resistant, unmoving state. According to Lewin, successful organizational change can be planned, but this requires the system to unfreeze. As discussed earlier, there are various reasons for organizational change, which can divert it from its current position to a new direction. During this stage, group behaviors for change may increase, or leaders may apply more pressure for change at a higher level. Lewin suggests that the forces maintaining the status quo will generate less resistance and tension compared to the forces advocating for change.

Change Process: In this stage the transition of change takes place. New processes are being implemented and people start to react to the new setting. This is the period of disruption, so it is crucial at this stage to elaborate how employees can be convinced

enough of the benefits that these changes can bring. Lewin emphasizes Employee Involvement, Knowledge sharing and Leader's responsibilities as the factors that can determine whether this change is going to be easily implemented or not.

Employee involvement (EI) is defined as enhancing members' input into decisions affecting organizational performance and employee well-being, encompassing power, information, knowledge and skill, and rewards. To overcome resistance in organizational change, EI is a potent strategy. Vroom & Yetton (1973) assert that EI fosters high-quality change, overcoming resistance during implementation. Cummings & Molloy (1977) highlight the benefits of diverse ideas generated through participation, contributing to effective innovations and member commitment.

Post-status quo, leaders must support employee involvement to accelerate organizational change (Pierce et al., 2002). Effective leadership involves education, communication, participation, task and emotional support, incentives, manipulation, co-optation, and coercion (Pierce et al., 2002). Morgan and Zeffane (2003) emphasize that transparent leadership during change builds trust, encouraging employee opinions and control. Encouraging leaders foster task commitment and effectiveness. Active employee involvement generates positive feelings and acceptance of change (Furst & Cable, 2008), aligning changes with organizational support (Armenakis & Harris, 2009).

Empowering employees in authority and responsibility enhances the effectiveness of EI (Mathieu, Gilson, & Rubby, 2006). Leadership acts as a change agent in each step of Lewin's model, facilitating behavioral integration in tasks and social dimensions. Srivastava, Bartol, and Locke (2006) highlight knowledge sharing in teams, promoting information exchange across management levels. Employees sharing information, from task details to business plans, is crucial for organizational success (Cummings & Worley, 2003). This sharing includes everything from work methods to new ideas, skills, and problem-solving. It's not just about training; it's about people sharing their experiences and abilities .

The process spans individual, group, and organizational levels, starting with individuals, moving to groups, and finally involving the whole organization. This sharing of knowledge helps organizations stay competitive and sustainable. During

changes, it's about recognizing valuable knowledge and finding ways to share it, whether from outside sources or among colleagues (Wenger, 1999). This sharing is a big part of how organizations learn, including both written knowledge and the practical skills and experiences people have. In simple terms, during changes, it's about storing what we can easily write down and finding ways to share what's in people's heads.

The following Figure 3 explains the whole three-step methodology of Lewin's Change Management implementation. It is also important to note that in Figure 3, the arrows show different stages of Kurt Lewin's three steps model and not the relationship between variables.

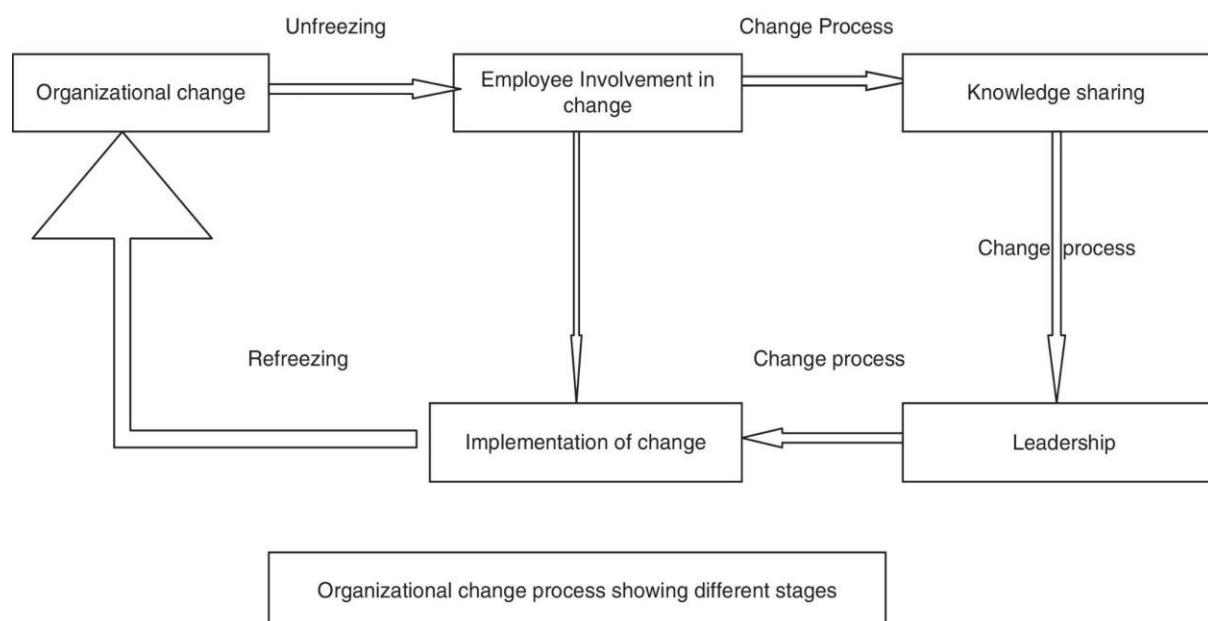


Figure 3 - Model of organizational change shows the Kurt Lewin's three steps model (Source: Hussain, 2018)

Cummings and Worley describe the key leadership activities in the change process, including motivating change, creating a vision, developing political support, managing the transition, and sustaining momentum. These activities correspond to different stages of Lewin's change model, reflecting unfreezing, moving, and refreezing states.

Two crucial factors in the change process are employee resistance (Stanley, Meyer, & Topolnytsky, 2005) and openness to change (Wanberg & Banas, 2000). Resistance can lead to negative outcomes, while openness is essential for successful change.

Leadership in the change context involves diagnosing the current state, formulating a strategy for the future, implementing change, and motivating followers.

Leadership styles hold a vital role in organizational change. Transactional leaders use rewards and punishments, while transformational leaders inspire and consider individual needs (Bass, 1985). Identifying stakeholders, including departmental managers, staff groups, and top-level executives, is crucial for gaining broad support and minimizing resistance. Stakeholders use methods like providing information, building alliances, and navigating around formal systems for motivation in the change process (Greiner & Schein, 1988).

Refreezing: This is now the time to ensure that everyone has accepted the change and adapted to all the new practices that come with it. Probably the most crucial stage as it is the one that ensures the change will last. This stage also requires a considerable amount of acknowledgement and positive reinforcement. Beckhard and Harris (1987) proposed three key activities for effective implementation: activity planning, commitment planning, and change management structures. Activity planning involves creating a roadmap for organizational change, outlining specific events and activities crucial for success. These integrated change tasks are aligned with the organization's priorities and goals. Commitment planning focuses on identifying individuals and groups whose support is vital for the change, including political backing, stakeholder plans, and commitment throughout the change process. Change management structures establish a clear direction and framework, incorporating resources, leadership structures, change consultants, and interpersonal and political skills essential for initiating the change process (Beckhard & Harris, 1987).

Kanter's (1983) study further categorizes these stages into information (expertise, technical knowledge, and political support), resources (personnel, materials, and funds), and support (legal considerations, backing, and endorsement).

4.3.2 Gene Dalton's theory of lasting change

Gene Dalton's theory of lasting change places significant emphasis on the behaviors and motivating factors of individuals undergoing change. According to Dalton, a crucial

element for change is a felt need, as he believed that without it, people would persist in their existing practices. He posited that change requires some form of pain or tension as a motivator, and individuals are more receptive to change when supported by someone they respect.

Dalton's model encourages a shift from old behaviors to new ones. Rather than setting general goals, he suggests establishing specific expectations tied to objectives. For instance, instead of expressing a desire to become a manager, an individual could set a specific goal to develop skills within two years to secure a managerial position. This transforms a generalized goal into a specific one with a plan and timeline.

Another aspect of Dalton's theory involves transitioning from old social ties to developing new relationships with like-minded individuals, which enhances the potential for lasting change. Additionally, the theory advocates eliminating self-doubt and boosting self-esteem. Addressing the felt need and tension required for motivation, individuals can overcome uncertainties and self-doubt by remaining intentional and building confidence in pursuing their goals.

Lastly, Dalton proposes seeking internal motives for change rather than relying on external motivations. If an individual's goal is driven solely by external influences, such as impressing a mentor, it may not align with their true desires and could be short-lived. While acknowledging the support of respected individuals in facilitating change, the emphasis is on encouraging change and goals, rather than having external parties set them.

4.3.3 The McKinsey 7S model

The 7s model serves as a tool for evaluating organizational effectiveness, particularly in assessing impactful changes like new leadership or mergers within a company. Comprising seven elements, the model emphasizes the need for proper alignment of these elements with business goals to facilitate effective change. If any areas are found lacking, adjustments must be made.

The 7-Ss encompass:

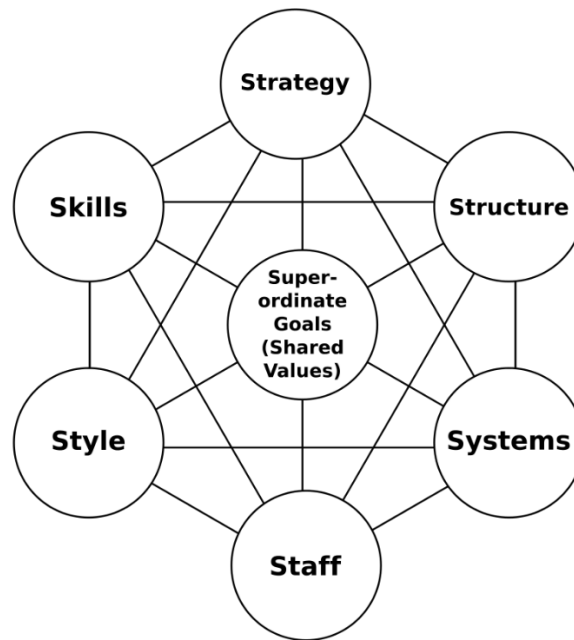


Figure 4 – *The Theory and Practice of Change Management*. London: Palgrave MacMillian (Source: Hayes, 2014).

These 7 elements are categorized in hard elements and soft elements. Strategy, structure and systems are hard elements and skills, style and staff fall under soft elements. To properly use this model there is a four-step method that's best to apply. First step is to identify ineffective alignment areas: The consistency in values, strategy and systems has to be evaluated and then gaps and inconsistencies among these elements should be identified, and necessary changes should be determined. Second step requires for top management opinions are consolidated to formulate a generic organizational design, enabling the establishment of realistic goals and achievable objectives. This step demands extensive research and analysis, as there are no predefined "organizational industry templates". Following the second step, changes are decided upon by creating a plan of action based on identified outliers. This plan involves implementing concrete changes to hierarchy, communication flow, and reporting relationships to achieve an efficient organizational design. Lastly necessary changes are implemented to realistically achieve the company's objectives. Potential hurdles in the implementation process are addressed through a well-thought-out plan.

This model's advantages are that it facilitates coherent and synchronized actions across different parts of a company and enables effective tracking of the impact of changes in key elements. From the other hand though it is widely considered a long-term model and its adaptability to the changing nature of business remains uncertain.

Moreover, it relies on internal factors and processes, potentially posing challenges in situations where external circumstances significantly influence an organization.

4.3.4 John Kotter's Eight Steps for Leading Organizational Change

John Kotter, a renowned authority in leadership and change management, posits that organizational change often falters due to several common mistakes made by senior management. These errors include:

- Not creating a sense of urgency regarding the need for change.
- Failing to establish a strong guiding coalition responsible for leading and managing the change.
- Neglecting to define a clear vision to guide the change process.
- Inadequately communicating the new vision.
- Not addressing obstacles hindering the achievement of the new vision.
- Not planning for and achieving short-term wins, which signify important milestones in the change process.
- Prematurely declaring victory, which can undermine the implementation of long-term changes.
- Failing to integrate the changes into the organization's culture, a process that requires years to accomplish.

To address these challenges, Kotter recommends organizations to follow eight sequential steps, as outlined in the figure 5. Each step outlined in the previous table corresponds to one of the eight key errors identified. Moreover, these steps encompass Lewin's change model: the initial four steps align with Lewin's "*unfreezing*" stage, steps 5, 6, and 7 represent the "*changing*" phase, and step 8 signifies "*refreezing*." Kotter's model offers precise recommendations on the behaviors managers should adopt to effectively lead organizational change.



Figure 5 - Kotter's 8 Step Model. (Source: Kreitner & Kinicki, 1997)

It's crucial to note that Kotter's research underscores the ineffectiveness of skipping steps and emphasizes that successful organizational change predominantly relies on leadership (70% to 90%) rather than management (10% to 30%). As such, senior managers are encouraged to prioritize leading change over managing it.

4.4 Resistance to Change

4.4.1 Causes

The enumeration of factors contributing to individual resistance to organizational change has expanded considerably since Zander's initial six, documented in 1950. While an exhaustive coverage of all these factors would necessitate voluminous literature, there exist several prevalent and commonly encountered reasons that form a foundational basis for comprehending this phenomenon.

One prevalent cause of employee resistance to change stems from the requirement to acquire new knowledge and skills. In many instances, this resistance is not rooted in a disagreement with the potential benefits of the proposed changes but rather in an apprehension towards an uncertain future and concerns about one's capacity to adapt to novel circumstances. As articulated by de Jager (2001), individuals often exhibit

reluctance to depart from the familiar, harboring suspicions about the unfamiliar. The prospect of transitioning from the old to the new, especially when it involves acquiring new skills and entails the risk of failure, elicits natural concerns.

Another prominent factor contributing to resistance is a low tolerance for change, defined as the apprehension that one might struggle to develop the new skills and behaviors demanded in a revised work environment. According to Kotter & Schlesinger (1979), individuals with low tolerance for change may find the increased ambiguity resulting from the necessity to perform their job differently as a significant source of resistance. While employees may cognitively acknowledge the necessity for change, emotional barriers may impede their ability to make the required transition, leading to resistance for reasons that may not be consciously understood.

Folger and Skarlicki's (1995) exploration of resistance to change delves into the employee reactions triggered by the treatment received during the change process. Specifically, their focus centers on resentment-based resistance, which manifests as disgruntled employees reacting to the perceived unfairness of the change. The authors assert that behaviors arising from resentment, ranging from subtle acts of noncooperation to instances of industrial sabotage, are often perceived by the perpetrators as subjectively justifiable. In their view, these actions serve as a means for individuals to "get even" for perceived mistreatment, allowing them to exercise their power in an attempt to rectify perceived injustices.

Kegan and Lahey (2001) introduce the psychological dynamic of a "*competing commitment*" as a fundamental reason for employee resistance to organizational change. Rather than challenging the change directly, resistance or non-implementation occurs because employees grapple with additional issues or concerns related to the change. When an employee's concealed competing commitment is revealed, behaviors that may seem irrational and ineffective suddenly appear sensible and masterful, albeit directed toward a goal conflicting with the desired organizational objectives.

It is essential to view competing commitments not as weaknesses but as forms of self-protection. Kegan and Lahey posit that these competing commitments serve as a mechanism for self-protection, guarding individuals against potential threats. The

underlying question arises: What are employees safeguarding themselves from? According to Kegan and Lahey, the answer often lies in "big assumptions" — deeply rooted beliefs individuals hold about themselves and the world. These assumptions, often unnoticed due to their integration into the fabric of existence, shape individuals' perceptions of reality. As the authors explain, these assumptions provide order to the world while also suggesting ways in which it can deviate from that order. Competing commitments emerge from these assumptions, driving behaviors that inadvertently aim to maintain the existing worldview.

The presence of distrust or a lack of confidence in the individual driving change can pose a significant obstacle to employees embracing the change. According to change advisor and author Rick Maurer the underappreciated factor contributing to internal resistance in large organizations is a lack of faith in those spearheading the change. Maurer's 3 Levels of Resistance to Change include: "*I don't get it*," "*I don't like it*," and "*I don't like you*." (see figure 6). Surprisingly, resistance may not be directed at the change itself but rather towards the person responsible for implementing it. The term "you" doesn't exclusively denote the change-maker but may extend to individuals represented by the change-maker, such as corporate headquarters or an anonymous CEO.



Figure 6 - 3 Levels of Resistance To Change (Source: Olmstead,2022)

At level 1, it's important for individuals to deeply understand why change is necessary. At level 2, the most important thing is that whoever is implementing this change manages to take fear out of it as emotions take over. Employees need to comprehend the exact benefits of the change as well as that they are going to be equipped with every available resource and tools. At level 3, it is all about the opportunity to change and not the person that's implementing it. Change needs to be completely depersonalized.

The complexity inherent in altering the status quo is evident, as individuals tend to respond emotionally to disruptions in their established routines. This emotional reaction is both natural and inevitable. Disregarding these emotional responses may exacerbate resistance. Employing change management models that specifically address the emotional dimensions of change, such as the Kübler-Ross Change Curve or Bridges' Transition Model (see Figure 7 and 8), becomes crucial in mitigating this widespread resistance to change. Both models acknowledge the potential for individuals to experience feelings of loss and grief during periods of change.

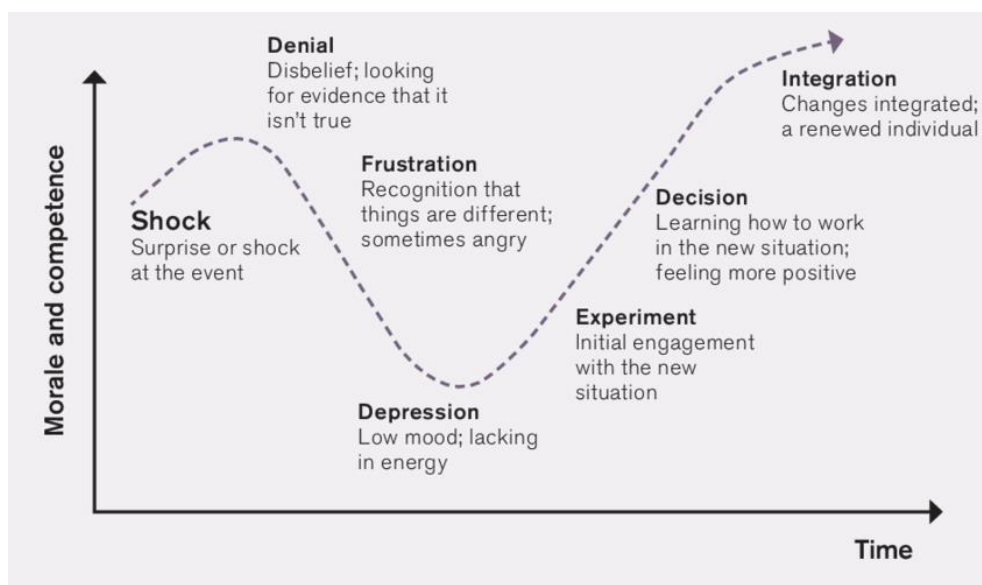


Figure 7 - The Kübler-Ross Change Curve (Source: Kübler-Ross, 1969)

Consequently, change leaders must be adept at managing these emotions to facilitate the progression of individuals toward acceptance of the impending change. This necessitates coaching change leaders to approach instances of resistance with empathy, recognizing the diverse range of emotional reactions individuals may exhibit. It is imperative to acknowledge that some individuals may deviate from the prescribed

stages of the Kübler-Ross Change Curve, revert to former habits, or manifest negative responses repeatedly throughout the transitional phase (Kübler-Ross,1969).

Bridges Transition Model

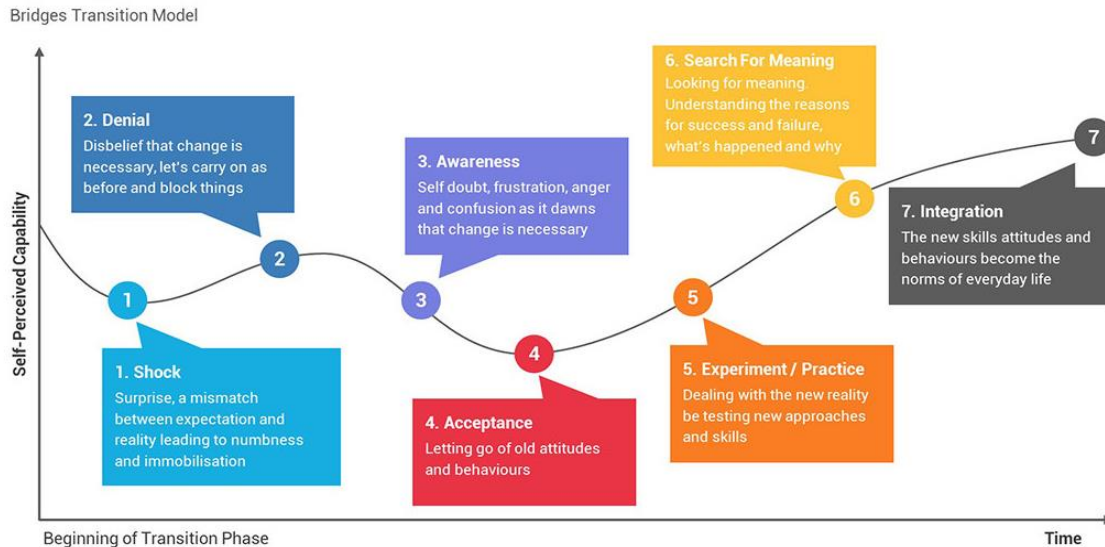


Figure 8 - Bridges Transition Model (Source: Olmstead,2022)

To address these emotional reactions effectively, change leaders should articulate a clear rationale for the change while actively soliciting and attentively listening to feedback from those affected. Establishing a platform for individuals to feel heard is essential, emphasizing the value of their opinions in informing the change process. Change leaders should maintain frequent check-ins to offer ongoing support, gather additional feedback, and guide individuals toward acceptance and successful integration of the change.

A foundational recognition in this initial and pivotal factor is the acknowledgment that any transformative change inherently entails the experience of losses. Transitioning to the neutral zone is characterized by guiding individuals through a transformative journey. In this phase, individuals embark on the exploration of novel approaches to existence. They acquire fresh knowledge, establish innovative procedures, and commence their trajectory toward novel beginnings. Emotions experienced during this transitional period may encompass a sense of disorientation, frustration, fulfillment, and excitement. The subsequent phase, marking a new beginning, centers on cultivating a commitment to a redefined future. Individuals assimilate the

understanding that they can actively contribute to the process of change, thereby effecting a comprehensive transition into a new reality. The principal objective in this stage is to optimize the outcomes of change, emphasizing the clarity of purpose and expeditious realization of objectives.

Resistance to organizational changes can also stem from employees feeling ill-equipped to adjust to and embrace new processes. This can result from inadequate onboarding, training to enhance skills, and support resources for end-users, which are crucial for navigating the initial learning curve and challenges inherent in a new process, team structure, or software implementation. When individuals lack confidence in their ability to adapt, they're less likely to endorse change. Feelings of insecurity about their abilities, whether real or perceived, can prompt employees to shield themselves from potential failure by resisting the change.

Piderit (2000) highlighted that employee resistance to organizational change is composed of three distinct dimensions: emotional (affective), cognitive, and intentional (behavioral). Oreg (2003) introduced a comprehensive Tridimensional Resistance to Change Scale, encompassing affective, cognitive, and behavioral aspects. Affective resistance pertains to an individual's emotions, such as anger or anxiety, in response to the change. The presence of negative emotions intensifies affective resistance. Cognitive resistance involves thoughts and reflections about the change, questioning its necessity and potential benefits. Behavioral resistance encompasses actions or the intention to act, such as expressing dissatisfaction with the change or attempting to persuade others of its adverse effects (Oreg, 2006). These dimensions collectively encapsulate both internal and external reactions that employees may exhibit in the face of organizational change.

According to Dent & Goldberg (1999), individuals aren't really resisting the change, but rather they may be resisting the loss of status, loss of pay, or loss of comfort. They claim that, *"it is time that we dispense with the phrase resistance to change and find a more useful and appropriate models for describing what the phrase has come to mean - employees are not wholeheartedly embracing a change that management wants to implement"*

According to a research article from Chung, Shao-Hsi; Su, Ying-Fang; Su, Shao-Wen, three personality traits play a vital role in shaping an individual's aspect of personality towards organizational change and these are: cognitive flexibility, insight, and self-reflection.

Cognitive flexibility refers to the ability of someone to adapt his/her thinking and mental frameworks when facing changing circumstances. According to Martin and Rubin (1995), cognitive flexibility refers to a person's (a) awareness that in any given situation there are options and alternatives available, (b) willingness to be flexible and adapt to the situation, and (c) self-efficacy in being flexible. Employees with high cognitive flexibility can more easily accept and adapt to new organizational structures, processes or strategies. On the other hand, employees with no or low cognitive flexibility struggle to break out old techniques and thought patterns ending to be way more challenging to adapt and perform under changing situations. Someone who is cognitively flexible will be able to learn more quickly, solve problems more creatively, and adapt and respond to new situations more effectively, which is why it's so important in both educational settings and the workplace. Cognitive flexibility is individuals' ability to change their beliefs or assumptions when confronted with new information or viewpoints which is a key component of industry 4.0.

Most people commonly exhibit a preference for predictability, finding comfort in established routines, planned schedules, and the ability to foresee upcoming events. This inherent inclination poses a particular challenge for individuals with attention deficit hyperactivity disorder (ADHD), as their cognitive processes operate differently. The unique wiring of their brains often presents difficulties in swiftly transitioning between tasks or adapting to sudden changes. In the context of ADHD, cognitive inflexibility can manifest as a struggle to pivot quickly between tasks or to recalibrate in response to unforeseen events. This challenge arises due to differences in neural connectivity and neurotransmitter regulation within the ADHD brain, impacting executive functions such as working memory, cognitive control, and attentional processes. Mastering flexibility, therefore, becomes a critical skill for individuals with ADHD. Cognitive restructuring techniques, behavioral interventions, and executive function training are often employed to enhance adaptability and ease the transition between activities. Implementing structured routines with built-in flexibility can provide

a balance that accommodates the need for predictability while allowing for adjustments when necessary. By fostering a comprehensive approach that combines therapeutic interventions, environmental accommodations, and skill-building exercises, individuals with ADHD can develop greater resilience and proficiency in navigating a world that often demands adaptability and quick adjustments.

Insight relates to employee's ability to comprehend the reasons behind the change, the potential impacts and the broader organizational goals. Individuals with better insight are better equipped to engage meaningfully in the change process offering valuable perspectives and suggestions. More specifically, people with heightened levels of insight have a clear understanding of external factors, internal challenges and strategic objectives. A clear comprehension of these, enables employees to connect dots between the current state, the need for change, and the desired future state. Understanding the potential challenges and benefits for the team, department and the organization as a whole, allows individuals to mentally prepare for the adjustments that may be occurred.

Self-reflection involves the process of examining and evaluating one's own thoughts, feelings and behaviors. It is an introspective activity aiming to gain self-awareness. Those who actively engage in self-reflection are more likely to identify personal biases or resistance behaviors and can work towards aligning their mindset with the goals of the organization. Additionally, this process of reflecting drastically enhances emotional intelligence. Individuals can better understand and manage their own emotions, improving the emotional dynamics of interpersonal communication. Through self-reflection people learn from their experiences, both successes, and challenges. This continuous learning process promotes personal and professional growth.

4.4.2 Positive Resistance

Managers frequently perceive resistance in a negative light, often viewing resisting employees as disobedient obstacles that must be overcome for the organization to achieve its new objectives. Nevertheless, there are instances where employee resistance can play a positive and constructive role in organizational change. Insightful debates, constructive criticism, or well-intended disagreement should not be automatically labeled as negative resistance; instead, they may be aimed at fostering

better understanding and generating additional options and solutions. De Jager (2001) contends that dismissing anyone questioning the need for change as having an attitude problem is not only inaccurate but also leaves the organization susceptible to indiscriminate and ill-advised changes.

Piderit (2000) highlights that what some managers interpret as disrespectful or unfounded resistance might be rooted in an individual's ethical principles or a genuine desire to protect what they perceive as the organization's best interests. Employee resistance has the potential to compel management to reconsider or reassess proposed change initiatives. It can also serve as a valuable gateway or filter, assisting organizations in selecting the most appropriate change from the myriad possibilities available, as noted by de Jager (2001), who describes resistance as "*a very effective, very powerful, very useful survival mechanism*".

Folger and Skarlicki (1999) assert that not all interventions are implemented appropriately, and the organization may be changing the wrong aspect or doing it incorrectly. They suggest that, similar to how conflict can be constructively employed for change, legitimate resistance has the capacity to instigate additional organizational changes.

4.4.3 Conclusion

The issue of employee resistance to change presents a multifaceted challenge for management in the contemporary and dynamic organizational landscape. Change processes have become inherent in organizational dynamics, and the resistance exhibited by employees plays a pivotal role in determining the success or failure of well-intentioned change initiatives.

Organizations often invest significant resources in guiding employees toward embracing new approaches to achieve desired goals. The inherent inclination of individuals to "defend the status quo" poses a formidable set of obstacles that management must navigate to effect the desired changes. Addressing resistance issues in the workplace is crucial, as neglecting them can lead to a plethora of problems.

Competence in effective change management is essential for organizations aiming to facilitate a seamless transition from the old to the new. This involves garnering acceptance for introduced changes among those involved and affected, while also adeptly managing any resistance that may arise.

It is also emphasized in Albert F. Bolognese - Employee Resistance to Organizational Change, that change inherently involves the individual psyche, making it a challenge with no one-size-fits-all solutions. Given the uniqueness of each individual, their perceptions and reasons for resistance vary. While researchers and scholars can propose theories on how to mitigate or eliminate employee resistance to change, the ultimate effectiveness lies in comprehending the distinct circumstances within each individual that underlie their specific resistance.

Without a doubt the ability to identify the right changes and implement them successfully is a prime task facing managers today. Whether change is small scale or large scale, strategic or operational, people-centered or technology-focused, it needs to be planned and implemented effectively.

5. Work Engagement

In the wake of the pandemic and global unrest, the way we work has undergone significant changes. Employees today have higher expectations from their workplaces, voicing their needs and emphasizing personal values and purpose. This has led to a Talent Uprising, contributing to increased employee turnover worldwide. We are currently in a unique moment where both employees and organizations are intensely focused on the future. Recognizing that change is inevitable, and there's no going back, successful organizations are those seizing this moment to revitalize. This means moving beyond feelings of helplessness, embracing a positive attitude towards change, and being adaptable.

The lessons from the past two years highlight the transient nature of circumstances. This moment in history is an unparalleled chance to reassess, rethink, and realign for long-term success. It's a time for experimentation, challenging norms that were once considered unchangeable, and reshaping organizational culture, strategy, leadership, and talent management. Importantly, it's an opportunity to connect with the essence of Employee Engagement, revitalizing employees through experiences and processes that inspire them in this new world.

5.1 Conceptualization

Traditionally, psychology has mainly focused on negative topics like disease, disorder, and disability (Schaufeli, Bakker, & Salanova, 2006). However, in recent decades, there's been a growing acknowledgment of the importance of studying positive aspects of human resource strengths and psychological capacities. These elements can be assessed, cultivated, and effectively managed to improve performance in today's workplace (Luthans, 2002, p. 698). As a result, there's been a shift toward positive psychology, which involves scientifically examining human strengths and optimal functioning (Csikszentmihalyi & Seligman, 2000). This shift has also influenced organizational psychology, where more positively oriented concepts have become prominent. One such positive state is work engagement, seen as the opposite of burnout.

One of the first challenges in the literature is that there's no clear, universal definition of employee engagement. According to Kahn (1990:694), employee engagement is when people fully connect themselves to their work roles. In engagement, individuals use and express themselves in three ways: physically, mentally, and emotionally while doing their job. The mental part involves what employees believe about the organization, its leaders, and the working conditions. The emotional part is about how employees feel about these three factors, whether they have positive or negative attitudes. The physical part is the energy employees put into their roles. So, according to Kahn (1990), being engaged means being both mentally and physically present when doing a job in an organization.

Employee engagement is also often described as the emotional and intellectual commitment that individuals have towards their organization (Baumruk 2004, Richman 2006, and Shaw 2005), or it can be seen as the extra effort employees willingly put into their jobs. While it's recognized that employee engagement is a complex idea, as Kahn (1990) previously suggested, Truss et al (2006) simplify it by defining it as a 'passion for work.' This psychological state is believed to cover the three aspects of engagement discussed by Kahn (1990) and captures the common theme found in all these definitions.

Schaufeli et al. (2002, p. 74) define engagement as "*a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption.*" They emphasize that engagement is not a fleeting, specific state but rather a more enduring and pervasive emotional and cognitive state not tied to any particular object, event, individual, or behavior.

As per Schaufeli et al. (2002), vigor involves high levels of energy and mental resilience while working, a willingness to invest effort, and persistence in the face of challenges. Dedication encompasses one's sense of significance, enthusiasm, inspiration, pride, and the acceptance of challenges. Absorption describes a state in which an individual is deeply concentrated and happily engrossed in their work, making it challenging to detach, with time seeming to pass quickly.

One of the most influential models for understanding work stress and well-being in organizations is the Job Demands-Resources Model (JD-R), which predicts work engagement or burnout among employees (Bakker & Demerouti, 2007). This model divides working conditions into job demands and job resources. It suggests that stress and burnout increase when demands are high and resources are low, while high levels of both demands and resources enhance work engagement and performance (Bakker & Demerouti, 2007, 2014; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001).

Job demands include challenging aspects of work that may lead to stress and burnout over time. These demands can be physical, psychological, social, or organizational (Garrosa, Moreno-Jiménez, Rodríguez-Muñoz, & Rodríguez-Carvajal, 2012). Conversely, job resources are aspects that can alleviate job demands and their effects, aid in achieving work goals, or promote learning, development, or personal growth (Salanova, Del Líbano, Llorens, & Schaufeli, 2012). These resources can also be physical, psychological, social, or organizational.

5.2 Connecting Line – Work Engagement and Organizational Climate

In literature Organizational Climate is found as the antecedent of Work Engagement. Bakker and Leiter (2011) found that when employees feel trust, respect, and mutual benefit in the workplace, their engagement levels go up. If employees believe the organization treats them fairly, equally, and offers growth opportunities, they're more likely to be engaged. Similarly, Albrecht (2010) noted that when employees trust and rely on their colleagues, they feel more confident taking risks and achieving their goals. This increased confidence leads to higher cognitive and emotional investment in their jobs, resulting in greater employee engagement.

Employees play a crucial role in helping organizations gain a sustainable competitive edge in today's fast-paced and evolving operational landscape. Establishing a positive and supportive organizational environment that prioritizes employee well-being is the initial and most critical step in boosting work engagement.

Employees become engaged when organizations foster a healthy work culture and effective communication practices. They need platforms to voice their concerns and

opportunities to nurture and realize their potential. Identifying the key drivers of engagement and actively addressing them can further enhance the level of engagement among employees.

5.3 Significance

Maintaining work engagement among employees during a change process could be pivotal for an organization. According to Bhola (2011), fostering and sustaining engagement throughout organizational change can significantly impact retraining efforts and boost performance levels. Therefore, integrating work engagement as an essential component of any change process is crucial for ensuring successful implementation (Bhola, 2011). Additionally, a Gallup report in 2013 highlights that employees who are engaged in their work are less likely to be adversely affected by organizational changes. Moreover, enhancing work engagement within the workforce increases the probability of successful implementation (Gallup, 2013). Previous research, such as the study by Matthysen and Harris in 2018, has also identified a practical and statistically significant connection between work engagement and readiness for change. In this context, higher levels of work engagement correlate with higher levels of readiness for change (Matthysen & Harris, 2018).

5.3.1 Effective Leadership and Collaborative Dynamics

Employee engagement stands as the cornerstone of effective leadership. This is not merely a hierarchical relationship but a symbiotic collaboration where engaged employees, deeply connected to the company's mission, cultivate a culture of trust and open communication. Leaders, in turn, find themselves at the helm of a proactive and collaborative team. The initiative shown by engaged employees goes beyond mere task completion – it becomes a driving force for organizational improvement. In this environment of mutual respect and shared purpose, effective leadership and collaborative dynamics seamlessly intertwine.

5.3.2 Nurturing Employee Well-being

The concept of employee well-being transcends the confines of physical health, delving into the realms of mental, emotional, and social dimensions. Engaged

employees, finding profound purpose and fulfillment in their work, experience an elevation in well-being. The organization becomes a proactive ally in this journey, implementing engagement initiatives that extend beyond professional realms. Access to mental health resources, options for work-life balance, and a culture emphasizing self-care all contribute to an ecosystem where employees feel genuinely valued and supported. The result is a workforce that thrives personally and professionally.

5.3.3 Elevating Customer Satisfaction

In the competitive arena of business, customer satisfaction emerges as a linchpin for success. Engaged employees, deeply connected to the values of the organization, become ambassadors of exceptional customer experiences. Their motivation to go the extra mile stems from a genuine belief in the company's mission. Employee engagement programs further amplify this dedication by instilling customer-centric values. The synchronized efforts of an engaged workforce create a positive brand image, driving customer loyalty and repeat business. The ripple effect of engaged employees transcends internal realms, impacting the external perception of the organization.

5.3.4 Harmony with Company Values

Employee engagement weaves a tapestry of harmony within the organizational culture, aligning individuals with the core values that define the entity. This alignment is not a superficial adherence but a genuine resonance that reflects in day-to-day activities. Engaged employees become more than contributors; they embody the values, becoming enthusiastic brand ambassadors. The positive work environment fostered by this alignment creates a self-sustaining ecosystem where organizational values are not just preached but lived. Through regular communication, recognition of exemplifying employees, and integration into various facets of the employee experience, the organization cements its values at the heart of its identity.

5.3.5 Empowering Employee Referrals

The engaged workforce becomes a powerful recruitment asset for the organization. Engaged employees, proud advocates of their workplace, naturally extend their

recommendation to friends, family, and acquaintances. Employee referrals, driven by a genuine belief in the organization's values and culture, become a formidable force in recruitment. Organizations, recognizing the impact of these referrals, can implement programs that incentivize and recognize employees for bringing in top talent. This not only strengthens engagement within the current workforce but also establishes a sense of ownership and camaraderie.

5.3.6 Building Resilience for Organizational Agility

In the face of rapid change and uncertainty, organizational resilience emerges as a critical factor for sustained success. Engaged employees, grounded in a sense of purpose and commitment, display higher levels of resilience. The open and transparent communication channels cultivated through engagement initiatives create an environment where employees feel empowered to voice concerns and collaborate on solutions. This collective responsibility, fueled by engagement, positions the organization to adapt swiftly and effectively. Change is not perceived as a threat but as an opportunity for growth and innovation.

5.3.7 Fostering a Culture of Innovation

Creativity and innovation stand as cornerstones for organizational growth and competitiveness. Engaged employees, feeling psychologically safe, are more inclined to express their creativity and share innovative ideas. A culture of engagement encourages open communication, providing dedicated forums for idea-sharing. Organizations that prioritize engagement create an environment where employees feel inspired to think beyond conventional boundaries. This collaborative approach to creativity results in a rich reservoir of innovative solutions to complex challenges. Through the synergy of diverse perspectives, the organization positions itself at the forefront of innovation in its industry.

In Conclusion, employee engagement, far from being a mere management buzzword, emerges as the linchpin for organizational success. It goes beyond traditional notions of productivity and job satisfaction, permeating every facet of the organizational ecosystem. From effective leadership to employee well-being, customer satisfaction, and a culture of innovation, engagement serves as the cohesive force that propels an

organization forward. In recognizing the transformative impact of employee engagement, organizations pave the way for sustained growth, resilience, and a culture that thrives on collaboration, purpose, and innovation.

5.4 Global Statistics

At table 1 we observe the latest updated data that Gallup has gathered on the Employee Engagement Global Report of 2023. Europe continues to be the region with the lowest employee engagement percentages from last year's report remaining in the 13%. From the other hand we can see that South Asia in the after Covid era, managed to increase its levels of work engagement by a significant amount of 7 points, reaching 33%.

Table 1 Global Employee Engagement in comparison with last year's data (Gallup,2023)

	Regional Ranking	%Engaged	
1	South Asia	33	[+7]
2	United States and Canada	31	[-2]
3	Latin America and the Caribbean	31	[+8]
4	Post-Soviet Eurasia	27	[+6]
5	Southeast Asia	26	[+2]
6	Australia and New Zealand	23	[0]
7	Sub-Saharan Africa	20	[0]
8	East Asia	17	[0]
9	Middle East and North Africa	15	[0]
10	Europe	13	[0]

Additionally, we see on Table 1 that in 2022, a record-high 23% of the global workforce reported being engaged in their work, marking the highest level since Gallup initiated its measurement of global engagement in 2009. Despite a decline in engagement observed in 2020, the trend has now reverted to its historically positive trajectory (Figure 9). A significant contributor to this improvement was a notable 7-percentage-point increase in engagement in South Asia, encompassing India. South Asia has emerged as the global leader in employee engagement, reaching an impressive rate of 33%.

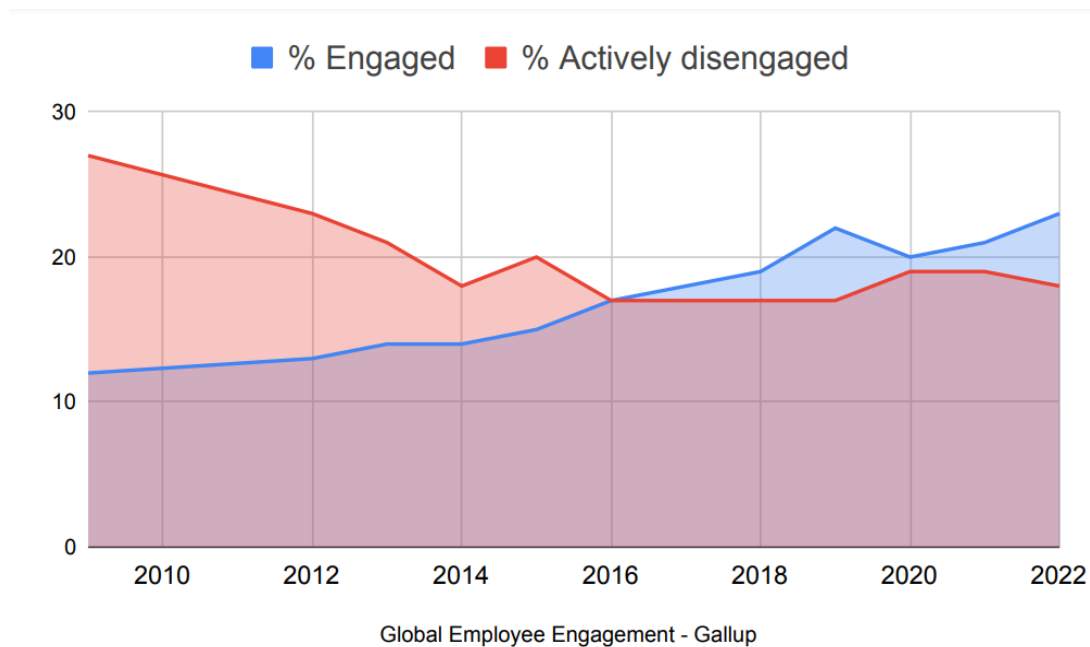


Figure 9 - Global Employee Engagement Index (Gallup,2023)

A closer look at Europe's Employee Engagement Rating reveals the Table 2. Employee engagement is the catalyst for transformative results within organizations, as evidenced by various studies. Companies with engaged employees outshine their counterparts across key performance indicators. Willis Towers Watson's global study involving 41 multinational companies revealed a remarkable fivefold increase in profit margins for organizations fostering high levels of employee engagement. Furthermore, companies prioritizing engagement witnessed earnings more than twice as high as those with below-average engagement levels. Aligning with these findings, Table 2 shows that Gallup's report on the global workplace emphasized a compelling 23% increase in profits for companies emphasizing high employee engagement. Gallup's extensive research on employee engagement also reveals compelling statistics demonstrating the positive impact of engaged employees. Business units with high engagement levels contribute significantly to organizational success, showcasing a 14% increase in productivity, a 10% improvement in customer ratings, an 18% boost in sales, a substantial 23% increase in profitability, and a 13% rise in organizational participation. This unequivocal correlation between employee engagement and increased profitability underscores the strategic significance of cultivating a workforce that is deeply connected and committed. In essence, employee engagement emerges

not only as a driver of **job satisfaction** but also as a pivotal factor influencing the financial success and sustainability of organizations.

Table 2 - Europe's Employee Engagement Table (Gallup,2023).



Europe

EMPLOYEE ENGAGEMENT

Gallup Q12 items; see "Appendix 3: Support Information" for item wording

Rank	Country	Change	% Engaged	Rank	Country	Change	% Engaged
1	Romania	+2	35	21	Slovenia	0	16
2	North Macedonia	+4	29	22	Croatia	-1	16
3	Iceland	+1	26	23	Germany	-1	16
4	Estonia	0	25	24	Czech Republic	-1	15
5	Albania	+2	25	25	Finland	+1	14
6	Lithuania	+1	25	26	Netherlands	+2	14
7	Kosovo	0	24	27	Poland	0	14
8	Latvia	+2	24	28	Greece	+1	12
9	Bulgaria	0	22	29	Ireland	0	11
10	Bosnia and Herzegovina	+1	21	30	Belgium	0	11
11	Sweden	+1	21	31	Switzerland	0	11
12	Hungary	0	21	32	Austria	+2	11
13	Montenegro	-1	20	33	United Kingdom of Great Britain and Northern Ireland	+1	10
14	Denmark	-1	20	34	Luxembourg	+2	10
15	Malta	-1	20	35	Spain	+1	10
16	Norway	+1	20	36	France	+1	7
17	Portugal	+1	19	37	Italy	0	5
18	Cyprus	-1	19	38	Northern Cyprus (Territory of Republic of Cyprus)	**	**
19	Serbia	0	18				
20	Slovakia	+1	17				

**This data point is not provided due to small sample size.

Conversely, the financial toll of disengaged employees is substantial, as indicated by Gallup's estimates. Actively disengaged and not engaged employees collectively impose a staggering cost of \$8.8 trillion on companies globally in lost productivity, representing 9% of the global GDP (Gross Domestic Product). This underscores the critical importance of addressing and improving employee engagement to mitigate financial losses associated with disengagement.

Furthermore, Gallup's research delves into the financial advantages tied to engaged business units. Highly engaged units are associated with a remarkable 21% greater profitability, showcasing the tangible economic benefits derived from fostering a culture of employee engagement. Importantly, the study establishes a positive correlation between employee engagement and employee retention. In organizations characterized by high turnover, highly engaged units experience a noteworthy 59% less turnover. Even in low-turnover organizations, the reduction is substantial at 24%. These insights underscore the strategic importance of cultivating a highly engaged workforce, not only for economic gains but also for the significant retention benefits it brings. The comprehensive impact of employee engagement on organizational success is evident, making it a key focus for forward-thinking and successful companies.

5.5 How to Improve Employee Engagement

5.5.1 Measuring

Embarking on the journey to enhance employee engagement is akin to setting sail on an exciting adventure. However, much like navigating uncharted waters, one must first ascertain their current position before charting a course for improvement. In the realm of organizational dynamics, this initial step involves the crucial task of measuring employee engagement.

Measuring employee engagement is comparable to gazing into a crystal ball that reveals invaluable insights into the organization's workforce. It serves as the foundation for understanding the current state of engagement, pinpointing potential areas for enhancement, and unveiling the hidden facets of employee satisfaction.

Measuring engagement provides the essential directional information needed to align strategies and initiatives effectively.

The process of measurement involves gathering feedback through employee surveys, interviews, or focus groups. This holistic approach grants a profound understanding of employee motivations, challenges, and sources of enthusiasm. Armed with this knowledge, organizations can tailor engagement strategies that resonate directly with the sentiments and aspirations of their employees.

The significance of measuring employee engagement extends beyond the creation of feel-good initiatives; it encompasses the art of making data-driven decisions to sustainably fuel engagement. The outcomes of this strategic approach are nothing short of enchanting. Performance levels, once perceived as reaching their zenith, will experience a magical transformation, soaring to unprecedented heights. The organization will pulsate with the positive energy emanating from a workforce brimming with passion and dedication.

But why select employee surveys as a method in the pursuit of measuring employee engagement? An employee engagement survey stands out as a powerful tool, enabling organizations to systematically collect feedback on various aspects of the job and workplace. From gauging employee sentiments towards their work, colleagues, and managers to understanding the organizational climate, the survey is a comprehensive instrument.

The benefits of conducting an employee engagement survey are manifold. Foremost, it aids in pinpointing areas requiring improvement, facilitating corrective actions. It also serves as a mechanism for recognizing and leveraging the strengths inherent in the workplace and its employees. The survey's impact extends to improving retention rates, enhancing employee satisfaction, and boosting overall productivity.

Moreover, the survey fosters a culture of transparency and open communication within the organization. By soliciting and valuing employee feedback, organizations create an environment where voices are heard and opinions matter. In essence, the employee engagement survey emerges as a potent instrument, empowering organizations to elevate workplace culture, retain talent, and ultimately achieve sustained business success.

5.5.2 Improvement Techniques

Cultivating an organizational climate conducive to employee engagement demands thoughtful consideration of various key factors. Among these, the establishment of psychological safety emerges as a crucial aspect. This involves creating a workplace environment where individuals feel confident expressing ideas, taking calculated risks, and voicing concerns without the apprehension of judgment. Facilitating open communication, leading by example through vulnerability and humility, and building trust through confidentiality and transparency are instrumental in achieving this psychological safety.

Recognition and appreciation assume pivotal roles in motivating employees and elevating engagement levels. The provision of timely feedback, the celebration of both individual and team milestones, and the encouragement of peer recognition collectively contribute to fostering a positive and supportive work environment. Equally essential is the empowerment of employees, granting them a sense of ownership and autonomy. Delegating responsibilities, fostering innovation, and offering professional development opportunities are key strategies that contribute to heightened engagement and productivity.

The establishment of a continuous listening mechanism is integral to comprehending employee needs. This encompasses the implementation of regular surveys, the organization of skip-level meetings to facilitate direct communication with higher-level managers, and the adoption of an open-door policy. These measures create avenues for employees to articulate their thoughts, thereby contributing to a culture of transparency within the organization.

Lastly, a strategic investment in employee growth stands as a tangible commitment to their professional success. This involves providing diverse learning opportunities, actively supporting career advancement initiatives, and offering mentorship and coaching programs. These initiatives collectively contribute to the creation of a culture of engagement, ultimately resulting in heightened productivity and the retention of valuable talent within the organizational framework.

6. Workplace Burnout

In the previous chapter, we delved into the realm of work and employee engagement in particular, dissecting its conceptualization, significance, and avenues for measurement and enhancement. Throughout our discussions, we often framed "disengagement" as the counterpoint to work engagement. However, current research challenges this binary perspective, suggesting that the true foil to employees engaging with their work is the pervasive experience of burnout.

In this chapter, we embark on a closer examination of burnout, starting with a precise definition. Firstly, our focus is on unraveling the intricate connection between burnout and engagement. Additionally, we turn our attention to the consequences burnout can have in an organization, exploring the magnitude of damage it inflicts on individuals and the collective workforce.

Will anyone meet the burnout phenomenon in a business with an ideal organizational climate business?

In this chapter, we embark on a journey to unravel the layers of burnout, addressing its roots, manifestations, and implications.

6.1 Definition of Burnout

Burnout emerges as a prolonged reaction to persistent emotional and interpersonal stressors in the professional realm. It is characterized by three primary facets: exhaustion, cynicism, and a sense of professional inefficacy. Positioned as a recognizable syndrome of job-related stress, burnout extends beyond an individual's experience, intertwining with the broader organizational dynamics. The consequences of burnout are far-reaching, impairing personal and social functioning, and incurring costs not only for the affected individual but also for those connected to them. Mitigating burnout and fostering work engagement necessitate interventions at both organizational and personal levels.

In the *Journal of Occupational Behavior*, Christina Maslach and Susan E. Jackson describe burnout as being characterized by emotional exhaustion and cynicism, often

observed in individuals working in roles that involve frequent interpersonal interactions. A key aspect of burnout is the heightened sense of emotional exhaustion, where workers feel their emotional reserves drained, leading to a reduced ability to engage psychologically.

Another component involves the development of negative and cynical attitudes towards clients. This negativity often arises alongside emotional exhaustion, indicating a close relationship between these aspects of burnout. This cynical perspective on clients can cause staff to view them as deserving of challenges.

The third dimension of burnout revolves around a tendency to evaluate oneself negatively, particularly in relation to one's work with clients. Workers may feel dissatisfied with themselves and their professional achievements, contributing to an overall feeling of discontent.

In May 2019, at the 11th Revision of the International Classification of Diseases (ICD-11), burnout was acknowledged by the World Health Organization (WHO) as an occupational phenomenon but is not classified as a medical condition. Within the ICD-11 framework, it is situated in the chapter titled 'Factors influencing health status or contact with health services.' This chapter encompasses reasons prompting individuals to seek health services that are not categorized as illnesses or health conditions.

According to the ICD-11, burnout is defined as a syndrome resulting from prolonged workplace stress that hasn't been adequately addressed. It's characterized by three main dimensions:

- Feelings of energy depletion or exhaustion.
- Growing mental detachment from one's job, coupled with negative or cynical feelings toward it.
- Decreased professional effectiveness.

The ICD-11 underscores that burnout is specific to the workplace and should not be generalized to describe experiences in other aspects of life.

While burnout was also recognized in the previous version, ICD-10, under the same category as in ICD-11, the current definition in ICD-11 is more detailed.

Notably, the World Health Organization is in the process of developing evidence-based guidelines on mental well-being in the workplace. This initiative reflects a growing recognition of the significance of addressing burnout and promoting mental well-being within occupational settings.

6.2 Ramifications

In the realm of organizational climate, the repercussions of burnout carry significant implications for both staff members, clientele, and the broader institutions with which they are engaged. Our preliminary exploration into this phenomenon, as evidenced by research conducted by Maslach (1976, 1978a, 1978b, 1979), Maslach and Jackson (1978, 1979), Jackson and Maslach (1980), Maslach and Pines (1977), Pines and Maslach (1978, 1980), and Freudemberger (1974, 1975), indicates that burnout has the potential to erode the quality of care or service provided by the personnel.

Moreover, it appears to be a contributing factor to issues such as job turnover, absenteeism, and diminished morale among the workforce. The correlation between burnout and self-reported indicators of personal distress, including physical exhaustion, insomnia, heightened alcohol and drug use, as well as challenges in marital and family dynamics, further underscores the multifaceted impact of burnout.

Jennifer Moss, workplace expert, international public speaker, and award-winning journalist, underscores in her comprehensive article (Burnout Is About Your Workplace, Not Your People, by Jennifer Moss December 11, 2019) the WHO's recent classification of burnout as an occupational phenomenon rather than a medical condition, signaling a pivotal shift towards organizational accountability in managing this pervasive issue. Moss articulates the staggering costs associated with workplace stress, citing Stanford researchers who reveal that stress-related health expenses in the United States amount to nearly \$190 billion annually, accounting for approximately 8% of national healthcare outlays. Furthermore, she highlights the WHO's estimate that depression and anxiety afflict 615 million individuals worldwide, resulting in a staggering \$1 trillion loss in global productivity each year. Drawing attention to the

heightened vulnerability of passion-driven professions, such as healthcare, Moss emphasizes the tremendous consequences of burnout, including elevated suicide rates among caregivers—statistics that underscore the urgency of addressing this crisis. Moss integrates, in her analysis, empirical evidence to illustrate the adverse impact of burnout on organizational performance, citing findings by the American Psychological Association (APA) revealing higher turnover rates, decreased productivity, and elevated healthcare costs in companies lacking robust support systems for employee well-being. Notably, she amplifies the gravity of the situation with data indicating that workplace stress exacts a toll of over \$500 billion on the U.S. economy annually, with 550 million workdays lost each year due to stress-related absences. Moreover, Moss underscores the APA's findings that burned-out employees are 2.6 times more likely to seek alternative employment, 63% more prone to taking sick leave, and 23% more inclined to resort to emergency room visits—a testament to the profound impact of burnout on both individuals and organizations. Against this backdrop, Moss interrogates the efficacy of conventional approaches to addressing burnout, questioning the emphasis on individual-level interventions in light of systemic organizational deficiencies. Drawing on insights from renowned burnout expert Christina Maslach, Moss challenges the prevailing narrative, advocating for a paradigm shift towards holistic, organization-wide strategies to prevent burnout. Maslach's seminal work, including the development of the Maslach Burnout Inventory (MBI) and the Areas of Work life Survey, informs Moss's assertion that burnout should be reframed as a symptom of organizational dysfunction rather than an individual failing. Highlighting Maslach's critique of the WHO's classification of burnout as a disease, Moss echoes concerns that such categorization may perpetuate a culture of blame and stigmatization, deflecting attention from systemic issues within organizations. Moss's incisive analysis culminates in a call to action for organizational leaders to prioritize proactive measures aimed at addressing root causes of burnout, such as workplace injustice, excessive workloads, role ambiguity, communication breakdowns, and time pressures. By heeding Moss's loud call and adopting a systemic approach to burnout prevention, organizations can cultivate healthier, more resilient work environments conducive to employee well-being and sustained productivity.

The early stages of exploration in this domain heavily relied on methodologies such as interviews, questionnaire surveys, and observations. Notably, stressors within the

work environment, such as workload and ambiguity, were identified as linked to burnout, with some of these stressors interacting with individual ego levels and personality traits (Gann, 1979).

The consistent patterns observed across these studies prompted the formulation of a specific burnout syndrome hypothesis, leading to the creation of an assessment tool. This instrument comprises three subscales designed to capture distinct facets of experienced burnout and has proven to be reliable, valid, and easily administered.

The development of the Maslach Burnout Inventory (MBI) faced initial rejection from a scientific journal editor who dismissed it as "pop" psychology without even reading it. Ironically, the MBI has now become the most widely used and thoroughly validated tool for measuring burnout. Initially, Maslach, Pines, and their colleagues focused their research on healthcare professionals before expanding to include other human service occupations such as teachers, social workers, police officers, and prison officers. They chose these professions due to the high emotional demands inherent in their work.

While traditional clinical approaches emphasized individual factors, early social-psychological research highlighted the interpersonal nature of burnout. Unlike other stress reactions, burnout's distinctive feature is that it stems from the social interactions between helpers and those they assist.

Other researchers emphasized the role of the organizational environment in burnout development. Organizational psychology research delved into burnout concerns, attracting attention not only from the scientific community but also from administrators, managers, policymakers, and organizational consultants.

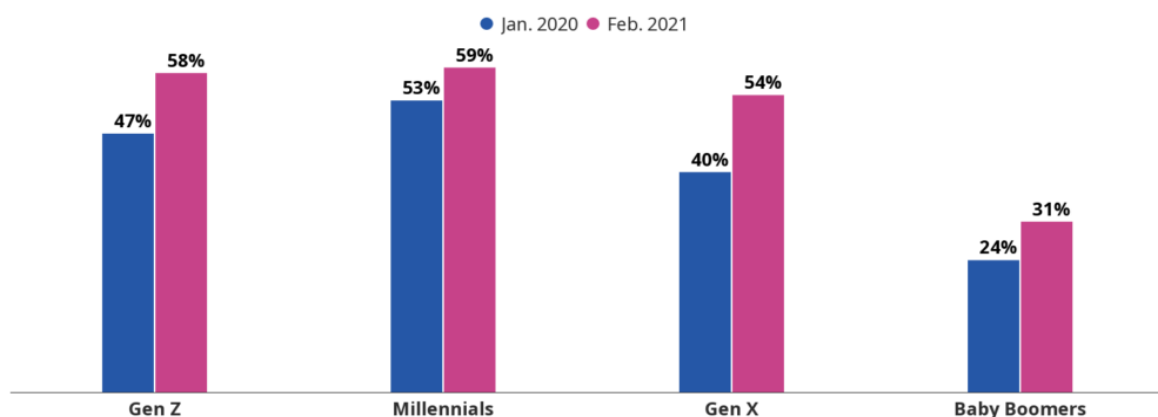
Christopher Dixon (2023c), Organizational Change Expert, categorizes the Burnout ramifications in his article "How Burnout Affects a Company's Bottom Line" into Direct Costs and Indirect Costs. In direct costs he encounters absenteeism, reduced productivity and high employee turnover. These are consequences that we have already examined above so they are not going to be elaborated once again. We will focus on the indirect costs of this phenomenon:

- **Loss of Knowledge:** When burned-out employees leave, they take their expertise and unique blend of knowledge and work experience with them, leading to a huge loss for the company.
- **Damaged Company Culture:** The existence of this phenomenon creates a toxic work environment. This can make it more difficult to attract and retain talent.
- **Negative Customer Service:** People are less likely to provide a good quality of customer care services and that can lead to customer and revenue loss.

6.3 Impact of the COVID-19 Pandemic on Employee Burnout

Amidst the ongoing COVID-19 pandemic, the issue of employee burnout has garnered significant attention as organizations navigate unprecedented challenges. In this thesis, we delve into the evolving landscape of workplace burnout, drawing insights from data collected by Indeed, a leading employment website.

How feelings of burnout have changed during COVID-19



Source: Indeed

indeed

Figure 10 - Employee Burnout: How feeling of burnout have changed during COVID-19 (Source: Indeed in VitaliTeam Workplace Wellness, 2021).

Examining the year-over-year data of the Figure 10, reveals a concerning trend: burnout among workers has seen a notable increase. Prior to the pandemic, 43% of respondents reported experiencing burnout, a figure that has risen to 52% in the current landscape. Millennials and Gen Z individuals, in particular, bear a significant burden, with 59% and 58% respectively experiencing burnout.

The pandemic's toll on burnout extends across generations, with Baby Boomers and Gen Xers experiencing notable increases in burnout levels. Interestingly, the shift to remote work does not necessarily alleviate burnout; in fact, virtual workers are more likely to report worsening burnout compared to their on-site counterparts. This underscores the challenges in maintaining work-life balance amidst remote work setups.

Financial concerns and health worries emerge as primary stressors contributing to burnout during the pandemic. Notably, Millennials cite a lack of free time as a leading cause of burnout, while Gen Z, Gen X, and Baby Boomers express difficulty in paying bills. Additionally, the absence of paid time off exacerbates burnout for on-site workers.

The transition to remote work has led to an increase in work hours for a significant portion of employees. Both virtual and on-site workers report working longer hours, with various pressures contributing to this phenomenon. While WorkFromHome employees often feel pressure from management, on-site workers primarily attribute their increased workload to self-imposed pressure.

The pervasive nature of technology has blurred the boundaries between work and personal life, making it challenging for employees to disconnect outside of office hours. A majority of workers, both remote and on-site, struggle to unplug from work, with a significant portion checking emails after hours on a daily basis.

The data presented herein sheds light on the escalating issue of employee burnout in the wake of the COVID-19 pandemic. Indeed's findings underscore the need for organizations to address the root causes of burnout and prioritize initiatives aimed at promoting employee well-being and work-life balance. As employers navigate the post-pandemic landscape, insights from this study can inform strategic efforts to mitigate burnout and foster a healthier, more sustainable work environment.

6.4 Employees Prevention

As mentioned earlier, a crucial step in preventing burnout is simply asking. Leaders and managers aiming to invest in burnout prevention strategies should start with small-scale initiatives, known as micro-pilots, to minimize budget and risk. Jennifer Moss recommends beginning with one or two departments or teams and posing a straightforward question: If given a specific budget and number of items, what would be the team's first priority? After gathering anonymous votes, share the data with everyone, discuss the prioritized items, and start addressing them. While employees may not have perfect solutions, their insights into what isn't working are often invaluable.

A larger-scale pilot could involve soliciting feedback on annual events through simple surveys. For example, ask employees about their preferences regarding the holiday party or annual picnic and whether they'd prefer reallocating funds to other activities. Utilizing digital tools and straightforward surveys can facilitate this process. However, it's essential to act on the gathered information. Neglecting to respond to employee input can lead to skepticism and reluctance to participate in future surveys.

Alternatively, managers can adopt the "management by wandering around" (MBWA) approach, which involves actively engaging with employees in their workspaces. MBWA fosters participation, spontaneity, and informality, enabling managers to connect with their teams, listen to ideas, gather information, and address issues. Effective MBWA requires active listening, observation, recognition, and follow-up actions. Managers must genuinely desire to understand their staff and operations and commit to addressing concerns and seeking continuous improvement. Failing to do so can erode trust and undermine the effectiveness of MBWA.

Christopher Dixon states the following oneself practices for preventing/avoiding being burned-out in a professional and personal environment:

- The prioritization of self-care is fundamental, as it serves as a vital component rather than an indulgence. Allocating time to engage in activities that bring personal fulfillment, such as writing or indulging in the thrill of horror movies, is imperative. Additionally, adhering to a regimen of regular exercise, maintaining

a balanced diet, and ensuring sufficient rest are essential practices. A well-maintained body and mind are better equipped to cope with the rigors of stress.

- The establishment of realistic boundaries is pivotal in maintaining equilibrium between professional obligations and personal life. Clearly delineating working hours and adhering to them is crucial. Straying from tasks such as checking emails or tackling projects outside of designated work hours aids in preserving a harmonious work-life balance.
- Acknowledging the limitations of individual capacity is essential. Delegating tasks when feasible and fostering collaborative efforts with colleagues are imperative strategies. Effective teamwork not only alleviates individual workloads but also fosters an environment of mutual support, thereby bolstering self-assurance and motivation among team members.
- Breaking down substantial projects into manageable segments is a pragmatic approach. This method, often referred to as "chunking," not only diminishes the daunting nature of large tasks but also facilitates a sense of achievement upon completion of each segment.
- Embracing mindfulness* practices, such as meditation and deep breathing exercises, are conducive to maintaining presence and alleviating stress. Consistent engagement in mindfulness techniques enhances the capacity to confront challenging circumstances with composure and clarity.
- Asserting personal boundaries by learning to decline excessive commitments is imperative. Politely refusing additional tasks when necessary and effectively communicating existing workloads to superiors are acceptable practices. The ability to articulate one's limitations is crucial in maintaining balance and preventing undue strain.
- Seeking guidance and support through regular supervision sessions with a mentor or supervisor is invaluable. Engaging in open dialogue regarding challenges and soliciting advice from peers within the field can be immensely beneficial. Supervisory support serves as a source of reassurance and guidance in navigating professional endeavors.
- Recognizing the necessity of taking periodic breaks from work is essential for rejuvenation. Utilizing allocated vacation time to unwind, recharge, and pursue personal interests is paramount. Whether embarking on a full-fledged vacation

or indulging in a leisurely staycation, it is imperative to refrain from succumbing to the temptation of work-related activities during time off.

In conclusion, the stresses that safeguarding against burnout in both professional and personal realms is imperative, rather than merely aspirational. Through the prioritization of self-care, delineation of boundaries, cultivation of collaborative efforts, and incorporation of mindfulness practices, individuals can preserve their mental and physical well-being. By averting burnout, individuals are better positioned to make meaningful contributions within their respective fields while pursuing personal and professional aspirations.

Mindfulness encompasses a form of meditation centered on cultivating heightened awareness of present sensations and emotions without attaching interpretation or judgment. Techniques such as focused breathing and guided imagery aid in relaxing the body and mind, thereby alleviating stress. Excessive engagement in activities like planning, daydreaming, or dwelling on negative thoughts can be emotionally draining and contribute to heightened stress, anxiety, and depressive symptoms. Practicing mindfulness exercises redirects attention away from such thoughts, fostering a deeper engagement with the present moment and the surrounding environment. Clinical studies have extensively explored the efficacy of meditation across various conditions, demonstrating its effectiveness in mitigating:

- Stress
- Anxiety
- Pain
- Depression
- Insomnia
- High blood pressure (hypertension)

Preliminary research suggests potential benefits for individuals coping with asthma and fibromyalgia. Through meditation, individuals can cultivate a balanced perspective towards their thoughts and emotions, fostering greater acceptance and equilibrium.

Turning now to the other side, leaders and managers have a great potential and responsibility to help avoid and prevent this phenomenon. As Jennifer Moss pointed out, it is not a problem that employees should be forced to solve for themselves but a problem that businesses and organizations have an equal share in, “Burnout Is About Your Workplace, Not Your People”.

To initiate the process of motivating burned-out employees, it is imperative to first recognize and validate their burnout experiences. Utilizing data-driven methodologies is essential for discerning signs of burnout within the organizational framework. This may involve conducting comprehensive surveys, gathering detailed feedback from employees, and meticulously analyzing relevant metrics to pinpoint areas of concern. Additionally, fostering an environment of transparent communication is paramount, wherein employees feel empowered to articulate their burnout concerns without fear of reprisal. This necessitates creating avenues for open discussions and ensuring active listening and empathy are demonstrated by management and leaders. Recognizing the individualized nature of burnout experiences is also critical, as it enables the customization of solutions tailored to address the unique needs and circumstances of each employee. This may involve implementing personalized support measures, such as flexible work arrangements or targeted interventions based on specific stressors identified through employee feedback. Moreover, setting realistic goals and expectations is essential for mitigating burnout risk factors. Collaborating with management to establish achievable objectives, prioritize tasks, and provide necessary resources helps prevent overwhelming workloads that can contribute to burnout. Advocating for work-life balance is another integral aspect, as it encourages employees to prioritize self-care and allocate time for rest and rejuvenation outside of work hours. Implementing policies that support flexible scheduling, encourage the use of vacation days, and discourage excessive overtime can help foster a healthier balance between work and personal life. Furthermore, offering professional development opportunities is crucial for enhancing employee engagement and motivation. Investing in training programs, mentorship initiatives, and career advancement pathways not only fosters a sense of progress and fulfillment but also demonstrates organizational commitment to employee growth and well-being. Lastly, implementing a robust recognition and rewards system is vital for acknowledging employees' efforts and accomplishments. Creating a positive reinforcement strategy

that celebrates achievements and milestones boosts morale and motivation, fostering a culture of appreciation and empowerment within the organization. By implementing these comprehensive strategies, managers and leaders can effectively support and rejuvenate their workforce, fostering a more motivated and productive organizational climate.

7. Conclusions

Reaching the end of this dissertation, we will analyze the main parts of the research and the corresponding findings, as well as what one should consider if aiming to establish a healthy, continuously evolving, and highly efficient work environment for the enterprise or organization they work for or are affiliated with.

At the beginning of this work, the distinction between organizational climate and organizational culture becomes clear, two concepts that have long been confused and mixed up. It is thus evident that the behavior, beliefs and values of people who have started the organization/company shape the intellectual legacy we call culture and it is something that's very difficult to change. On the other hand, the climate of an organization is everything connected with the current situation and prevailing atmosphere, from the leadership style that is being followed and the communication patterns to the employee well-being and work engagement, immediately connected with the organization's performance. Delving into the dissertation, the second chapter is dedicated to analyzing the main leadership styles that are nowadays usually implemented. Comprehending and mastering different leadership methodologies is vital for proficient leadership and efficient leadership is the first step in creating the "ideal" organizational climate. Each approach, spanning from transformational and servant-focused to authoritative and laissez-faire strategies, presents distinct benefits and obstacles. Later in the paper it is mentioned probably the most important characteristic a leader has to acquire, the emotional intelligence (E.I.). It is a characteristic of the leader that makes him or her adaptable and efficient, whatever style he or she deems appropriate. Nevertheless, selecting a leadership approach requires careful consideration, taking into account the leader's individual traits, the organizational environment, and the team's requirements. Further into the exploration of Emotional Intelligence (EI), the dissertation introduces a comprehensive array of assessments and surveys designed for individuals to gauge their own emotional intelligence proficiency. Moreover, these evaluations are commonly administered within group settings, such as among employees or executives, to assess the collective emotional intelligence within an organization, thereby facilitating the implementation of diverse developmental strategies. 360 fact-based feedback, mental health and emotional wellness training for both employees and executives and active

listening practice are some of the strategies that are suggested by psychiatrists and business consultants.

Deeper into the research, the dissertation delves into the inevitable organizational changes that businesses undergo. The study centers on identifying the primary internal and external catalysts for change, recognizing that some are within the organization's control while others are not. Three distinct categories of change—Adaptive, Innovative, and Radically Innovative—are examined in detail to provide a comprehensive understanding of the phenomenon. Given its ubiquity as a research topic, numerous experts have developed their own implementation theories, including notable frameworks such as Kurt Lewin's and McKinsey's models. Additionally, equal attention is given to exploring the factors contributing to resistance to change and strategies for mitigating this resistance as effectively as possible. Researching ways to create the ideal working environment through improving the organizational climate, work engagement realm plays, alongside with emotional intelligence and leadership, a vital role.

The past three years Covid-19 pandemic has created this global unrest, leading to a high volume of employee turnover. Employee demands have become very strict so managers and organizations have to study how to handle work engagement in depth. Europe continues to be the region with the lowest employee engagement percentages from last year's report remaining in the 13%. Thus, it is strongly emphasized in the course of this paper that the first step should be to assess work engagement in a closed circle and then apply appropriate methods such as daily open communication and appreciation in a place where people can voice their concerns without being judged.

Last but equally important, the phenomenon of burnout is being thoroughly investigated. A very hazardous phase that not only employees but executives and managers also suffer from, especially after the pandemic of the last few years. People initially believed that remote work could limit this problem, but data showed the opposite, driving the burnout rates especially in Gen X 14% up after Covid-19. Thus, a series of innovative methods, such as Managing from Wandering Around Leadership, proposed by experts in the field, are analyzed thoroughly in this last chapter of the paper.

This thesis has brought together much of the available literature on the new era of business management and has essentially created a practical guide for anyone who wishes to study to implement methods that will raise the level of employee satisfaction and lead an organization towards the full utilization of the potential of human resources. It can be used by leaders, managers as well as employees at lower levels.

7.1 Future Perspectives

By examining the intricacies of the work environment, with a specific emphasis on organizational climate, this thesis has investigated numerous elements affecting employee welfare, efficiency, and contentment. As we conclude this study, it is imperative to look towards the future and consider emerging fields of research that hold significant promise for shaping the trajectory of organizational management and societal well-being. One such area of burgeoning importance is the Human Functioning Revolution.

The concept of human functioning has its roots in various fields, including medicine, psychology, sociology, and public health. However, it gained prominence with the development of the International Classification of Functioning, Disability, and Health (ICF) by the World Health Organization (WHO). The foundational premise of the ICF is that human functioning is not solely determined by medical conditions but is also influenced by environmental factors and personal characteristics. It recognizes that individuals may experience limitations in functioning due to various factors, including physical impairments, social barriers, and environmental constraints. The Human Functioning Revolution represents a paradigm shift in how we understand and approach health and well-being. It emphasizes that health is not merely the absence of disease but encompasses the ability of individuals to engage in activities that are essential for their daily lives.

The concept of human functioning recognizes the dual significance of healthcare, highlighting its intrinsic and instrumental value, which suggests that investing in it can boost GDP per capita by enhancing productivity. Human functioning encompasses individuals' ability to perform activities crucial for their well-being, spanning physical, mental, and social aspects. When applied in organizational settings, prioritizing human functioning yields numerous benefits. Firstly, it fosters improved health and well-being

among employees, leading to reduced absenteeism, lower healthcare costs, and overall higher well-being levels. Secondly, it enhances productivity by fostering a healthy, motivated, and engaged workforce, thereby improving efficiency and output. Thirdly, it promotes better employee satisfaction and retention rates, as organizations that prioritize well-being tend to attract and retain talent. Additionally, focusing on human functioning contributes to cultivating a positive organizational culture characterized by trust, collaboration, and mutual respect, fostering higher morale and teamwork. Lastly, prioritizing human functioning ensures compliance with regulations, leading to safer and healthier work environments and mitigating legal risks.

According to scientists Bickenbach, Rubinelli, Baffone and Stucki (2023): *“Functioning constitutes WHO’s third health indicator of health. Avoiding premature mortality and controlling morbidity are obviously important to us, as individuals and as society at large, but only to the extent to which they are conducive to enhanced functioning and so better health. Population aging, adding more years to our lives, underscores the equal importance of adding more life to our years.”*

Lastly, functioning serves as a bridge between biological health and well-being, whether understood objectively as human flourishing or subjectively as happiness. The ICF's concept of functioning is essential for understanding the value of health in terms of individual well-being and societal welfare, aligning with the message of Sustainable Development Goal 3 that health is a fundamental public good.

If there's one thing to remember from this paper, it's this: paying attention to our emotions is way more powerful than we think. Until now, we haven't given much thought to our feelings or others', but after reading this paper, I hope everyone can realize how important it is. Managing our emotions can make a big difference in living our life to the fullest.

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