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Analysis of Human Resource Management in The Administration of Food Barns during the COVID-19 Pandemic in East Java, Indonesia

C. I. Gunawan†, A. Q. Pudjiastuti‡‡, Yulita‡‡‡

Purpose: This study aims to analyze the evaluation of human resources in managing food barns and how to maximize human resources in managing food barns as a form of service to meet community needs during a pandemic.

Design/Method/Approach: The research method uses a literature review study design and a descriptive qualitative approaching method.

Findings: The results of the research show that in order to improve the effectiveness of human resources, it can be done through trainings that require community and government participation.

Theoretical Implications: This study contributed especially in the existence of literature about the management of food barns in rural area during the time of economic crisis and COVID-19 Pandemic.

Practical Implications: Rural area apparatus in the region of East Java, Indonesia must improve their skill about the information system to manage food barns not in traditional way.

Originality/Value: This study is different from any other studies in term of human resources, this is because this study has a characteristic about the use of technological information on how to manage the food barns at the moment of COVID-19 Pandemic.

Research Limitations/Future Research: Further research to analyze options to optimize human resources in food barn management.

Paper type: Empirical

Keywords: Human Resources, Management, Food Barn, East Java.

Reference to this paper should be made as follows:
Аналіз управління людськими ресурсами в адміністрації продовольчих комор під час пандемії COVID-19 у Східній Яві, Індонезія

Мета роботи: Це дослідження має на меті проаналізувати оцінку людських ресурсів у управлінні продовольчі коморами та дослідити як саме максимізувати людські ресурси в управлінні продовольчими коморами як форми обслуговування для задоволення потреб громади під час пандемії.

Дизайн / Метод / Підхід дослідження: Як методи дослідження використано літературний огляд та метод описового якісного підходу.

Результати дослідження: Результати дослідження показують, що для підвищення ефективності людських ресурсів можна використовувати технології та інформацію. Окрім оптимізації людських ресурсів, це можна зробити за допомогою тренінгів, які потребують участі громади та уряду.

Теоретична цінність дослідження: Дане дослідження забезпечило особливий внесок у існування теоретичних праць щодо управління продовольчими коморами в сільській місцевості під час економічної кризи та пандемії COVID-19.

Практична цінність дослідження: Адміністратори сільських районів в регіоні Східної Яві, Індонезія, мають поліпшити власні навички роботи з інформаційною системою задля управління продовольчими коморами в нетрадиційний спосіб.

Оригінальність / Цінність дослідження: Дане дослідження відрізняється від інших досліджень в сфері людських ресурсів, оскільки має характеристику використання технологічної інформації щодо управління продовольчими коморами під час пандемії COVID-19.

Обмеження дослідження / Майбутні дослідження: Подальші дослідження будуть спрямовані на аналіз варіантів оптимізації людських ресурсів в управлінні продовольчими коморами.

Тип статті: Емпіричний

Ключові слова: людські ресурси, менеджмент, продовольчі комори, Східна Ява.
1. Introduction

Food shortages and poverty are still major problems in Indonesia. The focus of agricultural development is in addressing the problem of a food shortage and poverty through increasing food availability (Sawitri, & Sudarma, 2017). Efforts that can be made are strengthening community food reserves by revitalizing and developing food storage institutions. Based on the BPS (2020), since the COVID-19 pandemic economic growth has negatively been impacted by the agricultural sector which was only able to grow by 0.02 percent annually. Therefore, there is a need for necessary interventions.

Under normal conditions in Indonesia, a food shortage is more than enough to cause problems for society. This condition was further worsened by the COVID-19 that impacted the world. To reduce the impact of a national food shortage, regional food must be mobilized to the maximum. One of the methods is through the empowerment of food barns even though it is still categorized as a minimum effort. In fact, people are still experiencing difficulties in empowering food barns mainly in distributing aid to those affected by COVID-19 and lack of funds in managing food barns.

Against the background of the problems above, this study was conducted to understand the condition of food barns in East Java, Indonesia. Other than that, this study was conducted to propose information on barn management that can overcome food shortages during and after COVID-19 without any assistance from government funds (based on cooperation). The urgency of the research is that Indonesia is currently facing a food crisis that is getting worse due to the impact of COVID-19.

The government’s efforts to empower food through the provision of national food barns have not been maximized. Regions that support national food have not empowered food availability yet. If this condition continues, it will have a great impact on the national food chain, hunger, food and national decline. Thus, this research is needed to support the study of human resource management.

The role of a village food barn that accommodates farmers’ crops before being sold to the market plays an important role in maintaining the fulfillment of food availability (Sawitri, & Sudarma, 2017). Efforts to develop human resources have objectives related to improving business performance management. Several previous studies have explained how to control human resource management (Mohar, Manikandun, & Abdullah, 2016; Muke, & Nilesh, 2017; Waridan, Dzulkhijiana, & Mafruhah, 2018; Mamu, Yunus, & Allorante, 2020; Zhu, 2020).

However, the research on the effectiveness and optimization of human resource management has not been significantly carried out. To fill the gap, the purpose of this study is reviewing the latest literature providing recommendations to increase the effectiveness and optimization of human resource management that manage the barns.

2. Data and methods

Due to its exploratory characteristics, a qualitative approach was adopted for this study. This research is a type of literature study research using the Literature Review method. Literature review is based on published materials that provide examination of recent or current literature. It can cover a wide range of subjects at various levels of completeness and comprehensiveness (Umar, 2004; Myers, 2019). This study uses a literature review method as a research strategy. Literature review is research based on studies or criticism of topics and research problems that are based on previous studies, study reports that are based on critical perspectives and identification of topics in developing ideas (Brouard, 2020).

Sources of data used in the study are secondary data based on research results published in the form of books or articles in journals. The data of this study was taken from international and Indonesian journals in the period of 2016-2021. Literature researches were searched by using Google Scholar and repository databases, such as JBCI, EJEM, JURESTIS, IJSR, IJCC, and the Government Annual Report related to literature search keywords including human resourcing, a food barn, and East Java.

Based on the search for articles in this literature review study, data collection techniques review sources that are based on research abstracts, full research papers and articles from research journals. It was found that of the 65 articles reviewed, there were 55 articles that met the criteria, namely those that deal with human resources that manage food barns. Most of the content of the articles touches upon the benefits of barns and how the development of management needs to be improved, focusing on human resources for managing them. Most journals come from abroad and as many as 12 journals are from Indonesian studies.

3. Results

3.1. Management of Food Barns in East Java During the COVID-19 Pandemic

In the Strategic Plan by East Java Food Security Agency for 2014-2019, there are several strategies to increase food availability in terms of increasing and stabilizing food availability, namely:

a. Strengthening community food storage institutions
b. Development of community food barns

Based on the program plan, this study is in line with supporting theoretical studies in the plan to increase food availability by the East Java Government. Based on the explained data from the Department of Agriculture and Food Security of East Java Province in 2019, East Java has the potential to become a national food barn because of the Productivity of Rice Field in East Java (Fig. 1).

![Figure 1: The Productivity of Rice Field in East Java, tons/ha](image)

**Source:** Badan Pusat Statistik (Central Bureau of Statistics), 2021

In the last five years, rice productivity has fluctuated. Uncertain, the highest productivity was recorded in 2016 at 5.98 tons per hectare and the lowest productivity was recorded in 2019 at 5.63 tons per hectare. East Java Province rice productivity in 2020 has increased compared to productivity in the previous year.

3.2. Impact of the COVID-19 Pandemic on Food Security in East Java

Aptanti, and Qonita (2017) found that food barns play an important role in helping people who experience food shortages. The food constraint also refers to market access constraints as an aspect to support the growth and development of regional food granaries. The role of the government is also needed to achieve the effectiveness of a granary. Food barns can be a means of village economic growth. Food Security Agency (2019) stated that the development of community food barns needs not only the role of the government, but also full participation of members of farmer groups in its management.
East Java area has the potential to become a national food barn because of the availability of food crops and horticultural commodities, but there are several basic problems, including:

1. Low public understanding of healthy plant management;
2. Lack of optimization of the application of cultivation technology (intensification) of food crops and GAP on horticultural crops, post-harvest technology and product processing;
3. Farmers’ access to technology, information, markets, and capital, as well as farm protection;
4. Lack of knowledge and public awareness of the importance of food quality and safety standards.

COVID-19 has shown how important it is to optimize human resources in every sector. Increasing digitalization can help agricultural businesses, such as food barns that have been intensified by the government as a forum for providing useful food for the community, especially during the pandemic.

3.3. Human Resource Management in Management of Food Barns During the COVID-19 Pandemic

Food barns are considered effective in overcoming food insecurity communities in chronic food insecure areas, but not enough to overcome transient food insecurity due to unfavorable conditions or unexpected events such as disasters and instability in prices. To tackle transient food insecurity, the central government and the government area require backup food provision. However, human resources need to be improved (Bijantti, & Qontu, 2017; Hardjono, Widiputranti, & Dorojati, 2019; Azizi et al., 2021).

According to Government of Manitoba (2015), it is stated that management of food barns is generally still very scarce, and the activeness of members and membership sustainability are still major problems in the management of food barns. Moreover, during the COVID-19 pandemic, as quoted by Ikhisan, and Virananda (2021), human resource (HR) has drastically decreased due to staff reductions, and there are no guidelines that systematically regulate an HR mechanism in the barn. An extension program becomes important for the dissemination of agricultural technology information to support knowledge, technical skills, managerial skills in agricultural development by rural farmers, especially in the COVID-19 pandemic era (Bidarti, 2021).

The role of human resources is important in the implementation of barns as explained by Mardiyati and Natsir (2017). During the COVID-19 pandemic, there was a change in the behavior of human resources that had an impact on the outcome of activities. This condition has badly affected the Asian economies in service sectors and human resource management (HRM), thus leading to negative consequences on employment and employees’ work performance (Dissanayake, 2020).

This phenomenon leads to lack of optimal human resources in terms of modern and manual administration. This is supported by the study by Gunawan (2020) that states that during a food crisis, there will be a shift in macroeconomic behavior and human resource management in state management. Further handling is needed to maintain the performance of human resources as program supporters.

Facing a new normal era, transition is needed to optimize human resources for food barn administrators, in line with research by Sahusilawane, and Sahusilawane (2021) stating that the handling of food shortages is not merely related to direct aspects in the field of food production and supply. For this reason, supporting elements such as the availability of infrastructure and improvement of human resources are needed.

3.4. Optimization of Human Resources in the Implementation of Barns

A deeper study of the management of human resources in barns is considered to be still not optimally discussed, so specific interventions are needed as a form of implementation of increasing effectiveness. As reported by Arathoon, Raliththa, and Tricarico (2021), recommendations need to be provided by the government to minimize the negative impact of the pandemic on rural economies.

The proposed suggestion aims to develop human resource management to be more productive, effective, and reliable in managing food barns. The strategy implemented by the Community Food Pantry Development Programme is to provide support to facilitate activities in the form of training, mentoring, socialization and monitoring evaluation. This is done to strengthen the group’s ability to secure and manage food supplies so that they are always easily accessible and available to its members on an ongoing basis (Simu, Gheorghe, Subi, & Nancu, 2020).

The role of human resources in food barns can be increased by empowering the community. This empowerment has the potential to be useful for identifying the capabilities of each individual as a sustainable productive economic effort (Dissanayake, 2020). The training was carried out for groups by the province in the context of empowerment to increase the group’s capacity in the management of barns. The purpose of performance management is to improve the ability and quality of employees and create more value for an enterprise (Azizi et al, 2021).

The results of the analysis show that the main actors in the community empowerment program are the community followed by the local government and academicians. Contributing actors help them to maintain sustainability and maintain projects built by the government actively (Waridin, Dzulkhiqia, & Majfriah, 2018). That is the reason for optimizing the management of human resources, and local government assistance is needed to achieve optimal results. This is supported by Gunawan (2020) stating that the village government requests assistance from the central government in the provision of human resources. Collaboration between public and private sectors seems to be some of the key success in developing human resource management in an agricultural sector (Rozaki, 2020). In order to do that, some suggestions can be given as a form of optimizing human resource management in the management of barns, including 2 types of intervention below.

Increasing Effectiveness by Utilizing Information Technology

In the era of the continuous development of information technology, enterprises can achieve their own healthy development only by keeping up with the pace of society. Other than that, it can be achieved by combining information technology with human resource management to sort out the human resource operation system under internet management (Razak, 2020).

During the pandemic period, the use of internet information provides scientific information support for information and communication operations. Muke and Nileshe (2017) explains that technology can be availed to the people living in rural areas to help in improving their lifestyle. Other than that, technology can help them to enable quantitative management of human resources, establish an enterprise employee database, expand more data sources of enterprises, provide more digital data for enterprise human resources decision making, and improve the scientific accuracy of decision-making (Zhu, 2020).

The results show that farmers are adapting modern agriculture technologies that have increased their productivity and profitability. The livelihood of the farmers also has been improving satisfactorily (Pusa, 2017). The pandemic has led to increased cross-border distance problems, it needs to be anticipated with Emphasis on Performance (dominant variable of measurement of work performance), Competence Development (dominant variable of organization of
Organizing Training to Improve Human Resource Performance Management

During the transition to a new normal era, it requires the application of technology and information. Implementation requires preparation by conducting trainings and providing information about management and agricultural assistance. The training held needs to have substance in the activities of increasing competence in the implementation of technology and information in the granary management sector as a form of improving performance management.

There is still a lack of participation from village officials and a local government in the current condition of the implementation of human resources (Muhyydin, & Nugroho, 2021). With the support of the government and the participation of the community, it will achieve the optimization of good human resources as in the research which explains that some villages have been successful in terms of empowerment activities.

4. Discussion

4.1. Impact of COVID-19 on Human Resources

Human Resource Management is part of organizational management that focuses on a human element (Hernández, Osorio-Londoño, & Serna-Gómez, 2021). According to Hariandja (2017), HRM’s main focus is to contribute to the success of a company. Human resources need to develop following the development of a company. It is supported by (Kusuma, & Kautsar, 2020) that Change Management is a structured and strategic approach to manage individuals’ teams’ behavior and attitude towards the change to transition in the field of business processes, technology implementation of any other policies of an enterprise.

Recently, the COVID-19 pandemic has created demanding conditions for human resource managers. Human resources before and after the pandemic, the difference is visible, when covid can use technology to improve human resource skills (Giurge, & Bohns, 2020). In the context of dramatic changes around the world due to the pandemic, organizations need to respond and adapt to the alterations and accordingly manage the workforce (Carnevale & Hatak, 2020). HRM has a significant role in helping employees to overcome the difficulties brought by unexpected changes in the workplace as well as in the society (Carnevale, & Hatak, 2020). Besides, the digital and collaborative skills of a workforce are required to move to the virtual work (Sheppard, 2020).

Moreover, increasing unemployment due to the recession imposes more pressure on people. The International Labour Organisation (ILO) estimates that 195 million of full-time workers will lose their jobs worldwide this year (ILO, 2020). Therefore, employees need to learn new skills that increase their employability in the digital space (Sheppard, 2020).

In this regard, HR managers should elaborate strategies enabling employees to use advanced technologies as well as update their digital skills (Farry, & Bottisito, 2019). In addition, lifelong learning and developing talents are still important, but training sessions take place online (Narayandas, Hebbbar, & Liangliang, 2020). Interestingly, the leaders of the surveyed Chinese companies did not conserve resources but invested intensively to increase their competitiveness (Narayandas, Hebbbar, & Liangliang, 2020).

4.2. Human Resource Management in the Management of Food Barns During the COVID-19 Pandemic

In the management of barns, several aspects need to be considered as factors driving the significance of the progress of output as stated by Giurge & Bohns (2020) where the management of food barns must be supported by a well-organized management structure, starting from the structure of the organization, the experience of the managers, educational background and also the tasks and the authorities of each division.

This means empowerment by increasing the capacity of managers, with the management of granaries being part of rural economic community’s efforts (Hardjono, Widiputrandti, & Dorojiati, 2019; Syahza, Bakir, Iriant, & Asmit, 2020; Sana, Jayawarsa, & Saputra, 2021).

In the management of barns, there are several aspects that form the basis for supporting the sustainability of its implementation, which is the focus of the study, namely aspects of management, facilities, infrastructure, business scale and cooperation (Presnyakova, & Khruchikina, 2020; Rathmayke, & Udaya, 2020). Management aspects include organizational devices, experience in developing a business, the nature of management, control, management, and an annual work program (Hardjono, Widiputrandti, & Dorojiati, 2019). One of the aspects, which is foundation, is human resources of support to direct and become an institutional device with the role described by Mohan, Manikandan and Abdullah (2016) which is to establish and maintain a system and procedures for structured program planning.

In an effort to increase the efficiency of food storage, community economic empowerment can be carried out on the basis of mutual cooperation (Chikmawati, 2019). The importance of cooperative work was also emphasized by Widistuti, Putra, Utami and Suryanto (2019). In their research, they revealed that cooperative work is capital that will bring trust between community members.

The application of technology and information in the field of food production in several countries is still not optimal. For instance, in Nepal, they are still using traditional and indigenous technology in an agriculture sphere. That traditional and indigenous technology is not able to produce food in large quantity. Besides that, the use of technology also emerges in processes such as recruitment and selection or training and development (Gonçalves et al., 2021). One of the implementations of development is the application of information technology for the effectiveness of work. Before that, it is necessary to identify what kinds of digital information with messages and platforms are actually needed for administrators to be more conducive to agricultural development in the new normal era (Dharmawan, Muljono, Hapsari, & Purwanto, 2020).

Examples of development of improved technologies, such as improved varieties of seeds and inorganic fertilizers in particular, are regarded as the indication of an agricultural change towards the path of commercialization. Seeds, fertilizers, pesticides, farming techniques and use of agricultural tools and instruments and trained human resources have contributed largely to agriculture production (Mamu, Yunus, & Allorante, 2020).

The obstacle to optimizing human resources is described by Eryana (2018) and states that the level of village officials’ understanding of knowledge about human resource management and technical capabilities of village officials is still lacking. In addition, empowerment policies are still difficult to implement in the field, and the fluctuating situation is triggered by several things, including target group’s interests (Rathmayake, & Udaya, 2021). Meanwhile, organizations outside the government such as village community associations have not made a major contribution to realizing community empowerment activities in the village (Zhong, Li, Ding, & Luo, 2021).

4.3. Organizing Training to Improve Human Resource Performance Management

Performance management is important after a crisis when businesses need to exceed the expectations of their customers and win back their business (Ngoc Su et al., 2021).

The training held focuses on the activities to increase competence in the implementation of technology and information in the granary management sector as a form of improving performance management (Kumar, & Kapoor, 2021).
While HRM practices have improved dramatically in today's digital world, the outbreak of COVID-19 has also required companies to accelerate the integration of digitalization into HRM (Cigaraui, 2020). There is a growing need to focus on improving the efficiency of various HR dynamics, including recruitment, employee engagement, performance management, and separation processes (Yadav, Dubey, Chawla, & Jhu, 2020).

Training can have a beneficial effect on work. Training is a way for employees to learn knowledge, skills and behaviors and become effective and productive employees (Ruhoyu, Ruhaeni, & Nurcahyo, 2019). With the outbreak of COVID-19, companies have consistently worked to develop integrated software programs that are suitable for employee involvement to ensure employee satisfaction and work-life balance (Wunderlich, & Lekke, 2020).

Training helps integrate employees into a cultural organization and become productive workers. Training also helps employees work smarter and safer, impacts job performance, and improves productivity and safety (Santi, Sarastiani, Wijaya, & Anggiani, 2021). At the current level of human resource development, the involvement of village officials and local governments is still lacking (Muhyiddin, & Nugroho, 2021).

With government support and community involvement, it will achieve excellent talent optimization, as shown in some studies explaining that some villages are successful in terms of empowerment activities. There is an urgent need for community and government participation as a form of support in the implementation of personnel optimization (Wahaj, 2021).

4.4. Technology For Optimizing Human Resources

Information technology will be a better solution to the problems during training of employees and human capabilities that are combined and thus develop and improve productivity (Wahaj, 2021). Through information technology, a firm or organization can improve capacity building locally and can train their staff from abroad as well as through IT (Murtiskova, & Svec., 2020).

There is considerable interest in training and further education to acquire the innovative HR management systems that currently exist. As new technologies bring new skill requirements, companies should always consider their training needs when planning their employees (Zaragan, & Sukarsi, 2017).

Therefore, HR professionals play a supportive role in this transformation, and are also responsible for retaining employees by improving their skills and abilities (Parry, & Battista, 2019). Not only is workforce retraining or further qualification essential, but resilience must also be a corporate strategic priority (Van der Lippe & Lippényi, 2019; Kirby, 2020). In addition, employee well-being and health affect their outcomes. As a result, combining work and personal life while working away from home can be a central challenge facing talent (Peasley et al., 2020).

While technology has had a positive effect on a company's internal processes, it has also changed the way HR management works. Technology can help HR experts to make workforce planning easier, make decisions faster, clearly define jobs, evaluate performance, and cost employees want. We will be able to provide effective benefits (Zaragan, & Sukarsi, 2017).

5. Conclusions

In the era of the COVID-19 pandemic, food barns are the solution to the food crisis. In the management of food barns, one aspect that can support the optimization and effectiveness of activities is human resource management. During COVID-19, human resource management has not been optimally organized as indicated by the lack of community and local government participation in supporting the operation of barns. To improve the effectiveness of human resources in the implementation of barns, the proposed solution is integration of information technology, preceded by providing training. It is shown that the application of technology and information can run well with government support and active community participation. It is hoped that the proposal in this research can help realize the benefits of food barns as a provision for community needs during the COVID-19.

6. Funding

his study received no specific financial support.

7. Competing interests

he authors declare that they have no competing interests.

References


The Role of Internal Audit, Leadership Effectiveness, and Organizational Culture in Risk Management Effectiveness

I. Praise‡, Rapina Rapina‡‡

Purpose: To determine the extent to which the role of internal audit, leadership effectiveness, and organizational culture influence the effectiveness of risk management.

Design/Method/Approach: This study uses an explanatory research method with a quantitative approach.

Findings: The results of this study explain that effectiveness of risk management is needed in organizations to achieve organizational goals, especially those related to the role of internal audit, leadership effectiveness, and organizational culture.

Theoretical Implications: This study concludes that to improve the effectiveness of risk management, it can be seen from the role of internal audit, leadership effectiveness, and organizational culture. All variables are measured through the dimensions and indicators of the existing theory.

Practical Implications: This study obtained the results which show that internal audit, leadership effectiveness, and organizational culture have a significant effect on the effectiveness of risk management.

Originality/Value: The originality of this research lies in the dimensions and indicators used to make research questionnaires which were distributed to respondents.

Research Limitations/Future Research: The data collection technique used a survey method at private universities in Bandung and Cimahi which were registered in the List of Higher Education Region IV only.

Paper type: Empirical

Keywords: Internal Audit, Leadership Effectiveness, Organization Culture, Risk Management Effectiveness.

Reference to this paper should be made as follows:
Роль внутрішнього аудиту, ефективності лідерства та організаційної культури в ефективності управління ризиками

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Мета роботи: Визначити, якою мірою роль внутрішнього аудиту, ефективність керівництва та організаційна культура впливають на ефективність управління ризиками.

Дизайн / Метод / Підхід дослідження: У цьому дослідженні використовується пояснювальний метод дослідження з кількісним підходом.

Результати дослідження: Результати цього дослідження показують, що ефективність управління ризиками необхідна організаціям для досягнення організаційних цілей, особливо тих, що стосуються ролі внутрішнього аудиту, ефективності керівництва та організаційної культури.

Теоретична цінність дослідження: У цьому дослідженні робиться висновок, що підвищити ефективність управління ризиками можна за рахунок внутрішнього аудиту, ефективності керівництва та організаційної культури. Усі змінні вимірюються через виміри та показники існуючої теорії.

Практична цінність дослідження: Результати дослідження показують, що внутрішній аудит, ефективність лідерства та організаційна культура мають значний вплив на ефективність управління ризиками.

Оригінальність / Цінність дослідження: Оригінальність цього дослідження полягає в розмірах та показниках, використаних для складання опитувальників дослідження, які були роздані респондентам.

Обмеження дослідження / Майбутні дослідження: У техніці збору даних використовувався метод опитування в приватних університетах у Бандунгу та Сіматі, які були зареєстровані лише у Списку вищих навчальних закладів регіону IV.

Тип статті: Емпіричний

Ключові слова: внутрішній аудит, ефективність лідерства, організаційна культура, ефективність управління ризиками.
1. Introduction

Very organization has a purpose. However, in the process of achieving these goals, the organization has uncertainty constraints called risks that can hinder the achievement of organizational goals. Effective risk management is needed to minimize the risks that occur so that organizational goals can be achieved optimally. There are still many organizations that have not carried out risk management effectively and do not even fully understand what the function of risk management itself is, so they are forced to face risks that can have an impact on achieving organizational goals that can be minimized or even avoided. According to Hidayat (2020), Education Observer, the procurement of learning by educational institutions or managers during the COVID-19 pandemic has faced serious challenges, especially private schools that must be financially independent.

This is different from state schools, where technical instructions for using funds from the Government to assist schools throughout Indonesia should already cover the issue of financing online communication for education during this pandemic. “The problem is that private schools have to support themselves” in terms of finances, as stated by the Chairman of the Association of Indonesian Private Universities, Putra (2020); universities, especially private universities (PTS) are higher education institutions that feel the most impact because most of the income of private universities comes from student funds. The financial difficulties of most of students’ parents in the midst of the pandemic were the cause of the late payment.

Previously there were several researchers who had conducted research on management effectiveness related to the role of an internal audit, leadership effectiveness, and organizational culture. Coetzee and Lubbe (2011) in their research show that chief audit executives are still not sure what to expect from an internal audit in relation to risk management and the incorporation of risk into internal audit activities. The reason could be due to differences in terminology and methodology used by organizations (those in Standard IIA and those used in the literature); these differences are confusing to some people. This can be seen from the fact that the role of an internal audit in the risk management framework is not properly discussed in the IIA guidelines, therefore, the role of an internal audit related to risk issues must be researched and defined more clearly. Campbell (2013) found that the effectiveness of risk management, in the perspective of the national government, is largely driven by 2 (two) latent factors, namely leadership and governance. Furthermore, the research conducted by Cooper, Faseruk, and Khan (2013) found a significant relationship between the elements of risk management and organizational culture.

Therefore, this study aims to determine how big the role of an internal audit, leadership effectiveness, and organizational culture in risk management effectiveness is.

2. Theoretical background

**Internal Audit Role**

IIA (The Institute of Internal Auditors) (2013) defines an internal audit as an independent objective consulting and assessment function within an organization. This function is designed to provide added value to improving the company’s operations to evaluate the effectiveness of risk management and control, as well as corporate governance processes in accordance with the company’s vision and mission with a systematic approach (Pickett, 2013: 313). Meanwhile, according to Anderson et al., (2017: 2) an internal audit is a driver to improve the efficiency and activities of an organization by providing recommendations and knowledge based on assessment and analysis of data and business processes. Johnstone-Zehms, Gramling, and Rittenberg (2019: 9) argue that the function of an internal audit is to provide assurance to management regarding internal control and reporting. According to Pickett (2013: 315), the audit role will be between these two dimensions:

1. Ensure, first, the board, audit committee, and senior management about the state of risk management;
2. Consult business management to help them make appropriate improvements (Pickett, 2013: 315)

**Leadership Effectiveness**

Effective leadership is needed in organizations. Hewison and Holden (2015) define effective leadership as the ability to combine verbal (oral) power with practical innovation to: 1) create a sustainable, resilient, and well-networked organization, 2) be able to grow its own capacity for action, and 3) deliver high quality results for customers, staff and funders. Situational leadership theories have grown out of the realization that there is no one “best” leadership style. The situational theory states that the effectiveness of a particular leader’s behavioral style depends on the situation, and the oldest situational theory was developed by Fred Fiedler (Kinicki & Fugate, 2016: 454).

According to Lussier and Achua (2015: 112), Fiedler’s contingency model shows that leader effectiveness depends on how well the leader’s style fits the work context used to determine whether a person’s leadership style is a task or relationship oriented, or the situation, namely:

1. Leader-member relations, reflecting the extent to which the leader has the support, loyalty, and trust of the work group.
2. The task structure is related to the number of structures contained in the tasks carried out by the working group.
3. Position power refers to the extent to which the leader has formal power to reward, punish, or obtain compliance from employees.

**Organizational Culture**

Organizational culture, according to Harrington (2018: 34), is a basis that encourages loyalty, decision making, how to do work, creativity, leadership, communication, and collaboration between people in the organization. This is one of the main impacts that has a direct bearing on how organizations are affected by change. According to Robbins and Coulter (2018: 262), organizational culture is described as the principles, shared values, ways, and traditions of doing things that have an influence on the way organizational members act and that distinguish the organization from other organizations. Kail (2005: 458) states the seven main characteristics of organizational culture, as follows:

1. Innovation and risk taking. The level of employees who are encouraged to be innovative and take risks.
2. Attention to detail. The degree to which employees are expected to demonstrate accuracy, analysis, and attention to detail.
3. Result orientation. The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those results.
4. People orientation. The degree to which management decisions consider the impact of outcomes on people in the organization.
5. Team orientation. The degree to which work activities are organized around teams rather than individuals.
6. Aggressiveness. The degree to which people are aggressive and competitive rather than relaxed.
7. Stability. The extent to which organizational activities emphasize and maintain the status quo is different from growth.

**Risk Management Effectiveness**

IIA defines risk management as a process to assess, identify, manage, and control situations or events to provide reasonable assurance regarding the control of organizational objectives. According to Fraser, Simkins, and Narvaez (2014: 238), risk
management is the responsibility of everyone in the organization, from the board and executive management to individual employees to ensure that risk management is effective and becomes a core business competency, as well as measuring performance in facilitating the tracking of that level of competency exactly achieved. According to ISO 31000:2018, the purpose of risk management is the creation and protection of value. It supports goal attainment, improves performance, and drives innovation. Effective risk management requires characteristics that can be further described as follows:

1. Integrated. Risk management is an integral part of all organizational activities.
2. Structured and comprehensive. A comprehensive and structured approach to risk management contributes to comparable and consistent results.
3. Customized. The risk management process and framework are proportionate and adapted to the organization’s internal and external context in relation to its objectives.
4. Inclusive. Timely and appropriate stakeholder engagement allows their perceptions, views and knowledge to be taken into account. This results in increased risk management information and awareness.
5. Dynamic. Risks can arise, disappear or change as the external and internal context of the organization changes. Risk management detects, anticipates, responds to and recognizes such changes and events in a timely and appropriate manner.
6. The best information is available. Inputs to risk management are based on historical and current information, as well as future expectations. Explicitly, risk management takes into account any uncertainties and limitations associated with such information and expectations. Information must be clear, timely and available to relevant stakeholders.
7. Human and cultural factors. Human culture and behavior significantly influence all aspects of risk management at every level.
8. Continuous improvement. Risk management implements continuous improvement based on learning and experience.

2.1. The Influence of the Role of Internal Audit on the Effectiveness of Risk Management

According to Pickett (2013: 1), the internal audit activity should assist the organization by evaluating and identifying significant risk exposures and contributing to the improvement of control systems and risk management. Vallabhaneni (2015: 192) explained that the board of directors has a supervisory role so that the proper risk management process already exists, and that this process is adequate and effective. In this role, they can direct internal audit activities to assist them by recommending, examining, reporting, and/or evaluating the increased adequacy and effectives of management risk processes.

The relationship between the two has been proven by several studies, namely the research conducted by Ojo (2019) showing that there is a significant relationship between an internal audit and risk management, and that internal audits have a role to play in the risk control and risk financing of an organization, which therefore, confirms that internal audit activities have a significant impact on risk management. Supporting this, the research conducted by Coetzee and Lubbe (2011) shows that the relationship between the role of an internal audit and risk management is getting increases. Dragaras, Eleftheriadis, Pazaris, and Anagnostopoulou (2014) found that risk-based internal audits, internal auditor involvement in risk management, and top management support contribute positively to effective risk management. Based on the explanation above, the following hypothesis can be drawn:

H1: The role of internal audits has a positive effect on the effectiveness of risk management.

2.2. The Effect of Leadership Effectiveness on The Effectiveness of Risk Management

Opkin (2017: 41) stated that strong leadership exists because of relationships with organizations that embed risk management into strategies, tactics, operations and compliance. Furthermore, Campbell (2013: 17) stated that the effectiveness of national government risk management is largely driven by two latent factors: good leadership and governance. The relationship between the two variables has been proven by several studies, one of which is the research conducted by Inayah and Balqish (2017) which states that strong leadership will be needed for success in risk management. This means the leader must be involved in several activities such as identifying, assessing, and actively responding to risks, also monitoring the elements of supervision and culture that will support risk management activities. This statement is also supported by the research conducted by Syahwani (2019) where the results of the study show that facing an external environment that can increase company risk requires entrepreneurial leaders who provide direction and motivation to employees. The same thing was also found in the research conducted by Debele and Birbirsra (2019) which show that a leadership style significantly affects the company’s risk management. Based on the explanation above, the following hypothesis can be drawn:

H2: Leadership effectiveness has a positive effect on the effectiveness of risk management.

2.3. The Influence of Organizational Culture on Risk Management

Jodds (2008: 135) states that risk management is embedded into organizational culture, with members and managers at all levels recognizing that risk management is part of their job. In line with that, Pickett (2013: 1) said that risk management discusses changing organizational culture to make people accept their responsibilities because they realize that it will help them overcome problems and can encourage businesses to achieve the desired goals. The research conducted by Cooper et al. (2013) also found a significant relationship between the elements of risk management and organizational culture. Mir (2014) in his research found that organizational culture has an influence on risk management. In line with that, Aslam and Jamii (2019) in their empirical study found a significant relationship between the elements of risk management and organizational culture because organizational culture has a strong relationship with the implementation of Enterprise Risk Management. Based on the explanation above, the following hypothesis can be drawn:

H3: Organizational culture positively affects the effectiveness of risk management.

The research model is shown in Fig. 1.

3. Research Hypothesis

The formulation of the problems in this study is as follows:

1. How big is the influence of internal audits on the effectiveness of risk management?
2. How much does leadership effectiveness influence the effectiveness of risk management?
3. How big is the influence organizational culture has on the effectiveness of risk management?
4. Data and methods

The type of research used in this study is explanatory. Explanatory is a type of research that explains the cause of the problem (phenomenon) studied. According to its method, the survey method was used in this study to obtain data from certain places that are natural (not artificial), but researchers perform treatment in data collection, for example by circulating questionnaires, tests, structured interviews, and so on (Sugiyono 2019: 6). The research method used in this study is quantitative with the aim to test a predetermined hypothesis (Sugiyono 2013: 8). The population in this study is Private Universities in Bandung and Cimahi as many as 112 private universities registered in higher education service institutions (LLDIKTI) region IV. The sampling technique used in this study is nonprobability sampling (purposive sampling: judgement sampling). The following is the criteria for selecting a sample of research:

1. Private university accredited at least C
2. Private university willing to participate in research
3. Private university conducts internal audits.

Universities that do not have the criteria as above will be selected or subtracted from the population, so that a sample will be produced that can be studied according to the criteria that have been determined. The independent variables used in the study are the role of internal auditing (X1), leadership effectiveness (X2), and organizational culture (X3). The dependent variable used in this study is the effectiveness of risk management (Y). The data source used in this study is the primary source. The data collection technique in this study used a closed questionnaire, where respondents must choose the answers that had been provided. Thus, the answers selected by respondents will be in accordance with the needs in the research. This study uses the Rating Scale to scale its measurements in the form of statements. In this study, the observation unit is the head of the university (rector, vice rector, director, deputy director, dean, chairman of the study program, chairman of the Internal Quality Assurance Institution, internal auditor, or at least equivalent manager) in Private Universities in Bandung and Cimahi registered in LLDIKTI Region IV in 2021. This study used a technical data analysis with a Structural Equation Modeling (SEM) model, namely Partial Least Square (PLS) using smartPLS program 3.2.9.

5. Results

The total population and sample are shown in Tab. 1. Based on Tab. 1, the obtained results show that the population in this study is 112 Private Colleges consisting of Universities, Institutes, Colleges, Academies, and Polytechnics. Selection of the population was carried out by several criteria as outlined in table 1 above. Based on the selection, the population of 112 private universities was reduced by the number of private universities that were not accredited at least C amounted to 37 private universities so that the number of questionnaires distributed was as many as 75 questionnaires. The readmitted questionnaires were 52 (69.3%) of the total 75 (100%) questionnaires distributed because there were 23 private colleges that were not willing to participate in the study. Furthermore, from the questionnaires that were received back, there are 2 respondents who did not apply an internal audit so that a sample of 50 (96.15%) was obtained which is a sample that can be processed according to the criteria determined in this study.

**Table 1: Research Sample Selection Results**

<table>
<thead>
<tr>
<th>No.</th>
<th>Criteria</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The number of Private Universities in Bandung and Cimahi registered in LLDIKTI Region IV in 2021.</td>
<td>112</td>
</tr>
<tr>
<td>2.</td>
<td>The number of Private Universities that is not accredited is at least C.</td>
<td>37</td>
</tr>
<tr>
<td>3.</td>
<td>The number of Private Universities that were not willing to participate in the study.</td>
<td>23</td>
</tr>
<tr>
<td>4.</td>
<td>Private Universities that do not conduct internal audits</td>
<td>2</td>
</tr>
</tbody>
</table>

**Samples collected**

50

**Descriptive Analysis**

Descriptive analysis focuses on analyzing the identity of respondents, such as gender, job title, and length of work. Based on data processing, Tab. 2 shows the information of respondents who participated in this study.

**Table 2: Sample Statistics**

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>33</td>
<td>66%</td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
<td>34%</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
<tr>
<td>Length of work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 1 year</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>1-3 years</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>44</td>
<td>88%</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
<tr>
<td>Job title</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rector</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>Vice Rector</td>
<td>20</td>
<td>40%</td>
</tr>
<tr>
<td>Director</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Deputy Director</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Dean</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Chairman of the Internal Quality Assurance Agency</td>
<td>6</td>
<td>12%</td>
</tr>
<tr>
<td>Internal auditor</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Chairman of the Study Program</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Manager</td>
<td>3</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Primary Data processed, 2021

Based on Tab. 2, there are the results regarding gender, length of work, and positions of respondents. Regarding the gender, it was obtained that female respondents numbered 17 (34%) and male respondents numbered 33 (66%), meaning that male respondents were more than female respondents. Regarding the length of work, it was obtained that respondents who worked less than 1 (one) year amounted to 1 (2%) respondents, respondents who worked 1-3 (one to three) years amounted to 1 (2%) respondents, respondents who worked 3-5 (three to five) years amounted to 4 (8%) respondents, then it can be seen that the majority of the respondents have more than 5 years of experience, which amounted to 44 (88%) respondents. Furthermore, regarding the positions of respondents, it was obtained that respondents with a rector position amounted to 4 (8%) respondents, the vice-chancellor amounted to 20 (40%) respondents, the director amounted to 5 (10%) respondents, the deputy director amounted to 1 (2%) respondent, deans are 5 (10%) respondents, heads of internal quality assurance institutions are 6 (12%) respondents, internal auditors are 5 (10%) respondents, heads of study programs
are 1 (2%) respondent, and managers are 3 (6%) respondents. Thus, it can be seen that respondents with vice-chancellor positions are the most respondents in this study, which is a number of 20 (40%) respondents.

The results show that the majority of the respondents are people who are able to analyze the organization under their leadership and are careful in knowing the environment well and understanding the conditions of the organization in which they work. This is related to the length of work experience and position held by the respondent so that the respondent is considered competent because it is in accordance with the needs in this study to test the effectiveness of higher education risk management.

**Structural Model Evaluation**

This study uses the analysis of an R-Square value of the associated endogenous variable (Y) to test the structural model (inner model). If the R-Square value > .67, this indicates that the model is strong (Ghozali, 2015:8). The endogenous variable in this study is the effectiveness of risk management (Y). Based on data processing using SmartPLS 3.2.9 program, the R-Square value is obtained as follows (Tab. 3).

**Table 3: R-Square Value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of risk management</td>
<td>.721</td>
</tr>
</tbody>
</table>

**Source:** Primary Data processed, 2021

The PLS evaluation model in Fig. 2 is based on predictive measurements that have non-parametric properties. The outer model or measurement model with indicators with reflective indicators is evaluated with composite reliability for the indicator block as well as discriminant and convergent validity of the indicators. Meanwhile, the outer model with formative indicators is evaluated based on its substantive content, namely by comparing the significance of the size of the weight and the relative magnitude of the weight. The inner model or structural model is evaluated by looking at the percentage of variance described, namely by looking at R2 for the dependent latent construct by looking at the magnitude of the structural path coefficient.

**Significance Test**

This study tested the hypothesis based on the T-Statistics value > 1.96 and the P-Value < .05. The following are the results of the T-Statistics and P-Value tests (Tab. 4).

Based on Tab. 4 the following explanation of the research hypothesis:

**H1: The Influence of Internal Audit (X1) on Risk Management Effectiveness (Y)**

Based on the results of hypothesis testing, the role of an internal audit has an influence on the effectiveness of risk management. The hypothesis testing is described through statistics, as follows:

1. Ho: $\gamma_{1.1} = 0$, “The role of an Internal Audit does not positively affect the effectiveness of risk management”
2. Ha: $\gamma_{1.1} \neq 0$, “The role of an Internal Audit positively affects the effectiveness of risk management”

If the T-value counts > t table value, then H0 is rejected. The results of the hypothesis testing showed a relationship between the two variables, namely that the value of t calculated $2.214 > t$ table $.05$ of 1.96. The original sample estimate value is positive at .474 which indicates that the direction of the internal audit role relationship towards the effectiveness of risk management is positive. Thus, Ha is accepted, meaning that the role of an internal audit with its indicators has a positive effect on the latent variable effectiveness of risk management significantly.

**Table 4: Hypothesis test**

<table>
<thead>
<tr>
<th>Relationships Between Variables</th>
<th>Original Sample Estimate ($\hat{O}$)</th>
<th>T-Statistics (T-Value)</th>
<th>P-Value</th>
<th>Relationship Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence of Internal Audit (X1) on Risk Management Effectiveness (Y)</td>
<td>.474</td>
<td>2.214</td>
<td>.002</td>
<td>Positive influence</td>
</tr>
<tr>
<td>Effectiveness of Risk Management (X2) on Risk Management Effectiveness (Y)</td>
<td>.249</td>
<td>2.146</td>
<td>.032</td>
<td>Positive influence</td>
</tr>
<tr>
<td>Organizational Culture (X3) on the Effectiveness of Risk Management (Y)</td>
<td>.309</td>
<td>3.087</td>
<td>.027</td>
<td>Positive influence</td>
</tr>
</tbody>
</table>

**Source:** Primary Data processed, 2021

**H2: Leadership Effectiveness (X2) on Risk Management Effectiveness (Y)**

Based on hypothesis testing results, leadership effectiveness has an influence on the effectiveness of risk management. The hypothesis testing is described through statistics, as follows:

1. H0: $\gamma_{1.2} = 0$, “Leadership effectiveness does not positively affect the effectiveness of risk management”
2. Ha: $\gamma_{1.2} \neq 0$, “Leadership effectiveness positively affects the effectiveness of risk management”

If the value of t counts > t table, then H0 is rejected. The results of the hypothesis testing showed a relationship between the two variables, namely that the value of t counts $2.146 > t$ table $.05$ of 1.96. The original sample estimate is positive at .249, indicating that the direction of leadership effectiveness relationship to risk management effectiveness is positive. Thus, Ha is accepted, meaning that the leadership effectiveness variable with its indicators has a positive effect on the latent variables of risk management effectiveness significantly.

**H3: Organizational Culture (X3) on Risk Management Effectiveness (Y)**

Based on the results of hypothesis testing, organizational culture has an influence on the effectiveness of risk management. The hypothesis testing is described through statistics, as follows:

1. H0: $\gamma_{1.3} = 0$, “Organizational Culture does not positively affect the effectiveness of risk management”
2. Ha: $\gamma_{1.3} \neq 0$, “Organizational culture positively affects the effectiveness of risk management”

If the value of t counts > t table, then H0 is rejected. The results of the hypothesis testing showed a relationship between the two variables, namely that the value of t counts $3.087 > t$ table $.05$ of 1.96. The original sample estimate is positive at .309, indicating that the direction of an organization’s cultural relationship to the effectiveness of risk management is positive. Thus, Ha is accepted, meaning that the organizational culture variable with its indicators has a positive effect on the latent variables of risk management effectiveness significantly.
6. Discussion

6.1. The Role of Internal Audit in the Effectiveness of Risk Management

The results of this study support the theory which states that an internal audit is a very important part of an overall governance structure, where an internal audit team must assess risk and audit everything in the company, including ERM (Enterprise Risk Management). An internal audit must be able to review a process independently and reach conclusions relative to its efficiency and effectiveness for its intended purpose, which is to fulfill its mission to accurately identify, manage, and report in a timely manner on the status of all important risks in the company (Duckert, 2011: 264). This research proves that an internal audit has a significant positive influence on the effectiveness of risk management. There are several things that can cause the role of an internal audit to have a positive effect on risk management at private universities in Bandung and Cimahi, namely because of the assurance service function and control activity in its internal audit role where the role of an internal audit is independent or impartial in collecting and evaluating evidence, and reporting the results to management, and carrying out its role to provide advice, suggestions, facilitation, and training to add value. Furthermore, to improve organizational governance by not assuming management responsibilities so that the risk management of private universities in Bandung and Cimahi becomes more effective as the role of an internal audit in higher education organizations goes.
6.2. Effect of Leadership Effectiveness on The Effectiveness of Risk Management

The results of this study support the theory which states that strong leadership will be associated with organizations that embed risk management, which is related to strategies, tactics, operations, and compliance (Hopkin, 2017: 41). The effectiveness of risk management is largely driven by two latent factors, namely good leadership and governance (Campbell, 2013: 17).

This study proves that leadership effectiveness has a positive effect on the effectiveness of risk management. There are several things that support the effectiveness of leadership influencing risk management at private universities in Bandung and Cimahi, namely the relationship between leaders and members of an organization. Leaders who have the support, loyalty, and trust of members of the private higher education organization they lead will influence the risk management of an organization. Risk management in private universities is becoming more effective because it is influenced by organizational leaders who are able to reward and punish employees so that they become obedient.

6.3. Influence of Organizational Culture on The Effectiveness of Risk Management

The results of this study support the theory that risk management can change organizational culture to make people accept responsibility because they realize that it will help them overcome problems (Pickett, 2013: 1). Risk management is embedded into organizational culture, where organizational members and leaders recognize that risk management is part of their work (Woods, Kujiter, & Linsley, 2007: 193).

This research proves that organizational culture influences the effectiveness of risk management. Several things that can support the statement that organizational culture has an effect on risk management at private universities in Bandung and Cimahi are because in private universities where respondents work, they know the culture of innovation and risk taking within the organization. Private universities in Bandung and Cimahi pay attention to detail with a focus on the best quality that is always an important thing the organization wants to achieve. Furthermore, the organization has results orientation where the ultimate goal of the organization is a successful project and is even required to exceed the results that have been targeted. Private universities in Bandung and Cimahi also have people orientation where they realize that the organization is made up of people and it is these people who make the project successful, and realize that the people who make the project successful are extraordinary people. They also realize that their organization has team orientation where the organization considers that organizational members are part of a team that results in loyalty and trust, aggressiveness where there is one person who can make a difference, and the stability of organizational culture in the organization where they believe that their organization is stable and will remain in the future. Thus, if the things mentioned above continue to be done better in the organizational culture of private universities in Bandung and Cimahi, the risk management will be more effective.

7. Conclusions

Based on the explanation of the determination coefficient value in this study, it can be concluded that the role of an internal audit, leadership effectiveness, and organizational culture has an effect of 73.1% on the effectiveness of risk management at Private Universities in Bandung and Cimahi. Then, 26.9% was influenced by other variables that were not studied in this study. It is recommended for further research to develop and expand a research sample area and utilize existing technology systematically and carry out planning so that it does not take a long time to collect the distributed questionnaires. The unit of analysis can be extended and not limited to private universities, such as banking organizations, insurance organizations and others.

8. Funding

This study received no specific financial support.

9. Competing interests

The authors declare that they have no competing interests.

References


Determinants of Social Media Marketing Adoption in Small, Medium and Micro Enterprises during the Covid-19 pandemic

Purpose: This study aims at assessing the determinants of Social Media Marketing adoption in small, medium and micro enterprises (SMMEs) during the Covid 19 pandemic.

Design/Method/Approach: The study seeks to understand the viewpoints and motives for employing social media campaigns. Thus, a structured quantitative questionnaire was provided to 150 respondents to assess social media marketing in their firms, using convenience sampling. A descriptive analysis of data was undertaken using the SPSS.

Findings: The study’s findings showed that most respondents agreed with items related to Social Media Marketing’s facilitating conditions, perceived ease of use, perceived usefulness and cost implications.

Theoretical Implications: The study contributes to the extant literature on Social Media Marketing during the Covid-19 pandemic in the developing world, wherein poor infrastructure, bureaucracy, and culture play an important role in business performance.

Practical Implications: SMME owners and managers should encourage their employees and customers to use social media regularly in order to drive traffic towards the business.

Originality/Value: The study is unique as it analyses Social Media Marketing during a turbulent time in which the Covid-19 pandemic is wreaking havoc on economies globally.

Research Limitations/Future Research: Researchers should consider analyzing the effect of Covid-19’s lockdown restrictions on specific sectors to facilitate tailor-made solutions to the problem.

Paper type: Empirical

Keywords: Small, Medium and Micro Enterprises, Social Media Marketing, Covid-19.

Детерминанты застосования маркетингу в социальных
мережах на малих, середних та
микропредприятиях під час
пандемії Ковід-19

Мета роботи: Дане дослідження спрямоване на оцінку визначальних факторів прийняття маркетингу в соціальних мережах малими, середніми та мікропідприємствами (SMMEs) під час пандемії Ковід-19.

Дизайн / Метод / Підхід дослідження: Дослідження спрямоване на розуміння точок зору та мотивів використання кампанії у соціальних мережах. Таким чином, 150 респондентам було надано структуроване кількісне запитання для оцінки маркетингу соціальних медіа в їх фірмах, використовуючи зручну вибірку. Описовий аналіз даних було проведено з допомогою SPSS.

Результати дослідження: Результати дослідження показали, що більшість респондентів погодились з пунктами, пов’язаними з умовами полегшення маркетингу в соціальних мережах, сприйняття простотою використання, сприйняття корисністю та витратами.

Теоретична цінність дослідження: Дослідження робить внесок у існуючу літературу з маркетингу в соціальних мережах під час пандемії Covid-19 у країнах, що розвиваються, де нерозвинена інфраструктура, біржочита культур на відіграють важливу роль в ефективності бізнесу.

Практична цінність дослідження: Власники та менеджери SMME повинні заохочувати своїх співробітників та клієнтів регулярно користуватися соціальними мережами, щоб залучити трафік до бізнесу.

Оригінальність / Цінність дослідження: Дослідження є уникальним, оскільки воно аналізує маркетинг у соціальних мережах у неспокійний час, коли пандемія Covid-19 завдає шкоди економіці у всьому світі.

Обмеження дослідження / Майбутні дослідження: Дослідникам слід розглянути можливість аналізу впливу обмежень блокування Covid-19 на конкретні галузі, намагаючись знайти індивідуальні рішення проблеми.

Тип статті: Емпірічний

Ключові слова: малі, середні та мікропідприємства, маркетинг у соціальних мережах, Covid-19.
1. Introduction

The Covid-19 pandemic is small companies getting online, which opens up new avenues for solving numerous problems. Indeed, the Internet remains a lifeline for many small enterprises, allowing them to stay viable throughout the pandemic (Engidaw, 2022). In this regard, SMMEs have adopted Social Media Marketing (SMM) to thrive during the pandemic. Thus, social media has become a critical component of small businesses’ marketing strategies due to its low cost, ability to reach targeted consumers quickly, and capacity to generate additional leads or purchases. Businesses may leverage social media efficiently with a small expenditure outlay whilst also providing valuable information and insight into the enterprise’s products and services (Ahmat, Ali & Hamid, 2017). Social media marketing is an easy way to develop a brand and improve business operations, according to Chatterjee and Kar (2020).

Several studies on SMM determinants in SMMEs have been conducted in different sectors (Ahmat, Ali & Hamid, 2017; Trawnih et al., 2019; Ali Abbasi et al., 2022). In South Africa, previous research has focused on analysing different social media platforms used by SMMEs to engage customers (Van Schoer, 2016; Urban & Mophathe, 2021), enabling factors of social media usage that are not related to the variables in this study except cost (Dos Santos & Duffett, 2021) and social media marketing and business competitiveness (Rambe, 2017). However, there is a dearth of research on the determinants of social media adoption in SMMEs during the Covid-19 pandemic in the South African context. Therefore, this study seeks to assess the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic.

2. Literature review

2.1. Covid-19 Impact on SMME’s in South Africa

The Coronavirus outbreak and subsequent lockdown measures have severely impacted the global economy (Maital & Barzani, 2020), prompting numerous businesses to close and causing enormous trading disruptions across major industries and sectors (Donthu & Gustafsson, 2020). In particular, lockdown restrictions have impacted South African enterprises. During this period, economic damage was inflicted on both small and large firms, resulting in layoffs and the closure of small businesses (Rogerson & Rogerson, 2020). In addition, the Covid-19 pandemic has exacerbated the difficulties that small businesses were already facing. These problems include insufficient networks or business support and red tape towards businesses (Jill, Masuku & Selepe, 2017). However, the challenge remains in that it is unclear how long the Covid-19 pandemic will persist, which could significantly impact daily life and industry. Consequently, in order to remain open and competitive during the Coronavirus outbreak, leaders of small, medium, and micro enterprises needed to adopt and implement technologies such as Web 2.0, Big Data analytics, machine learning, Social Business Intelligence, the Internet of Things (IoT) and blockchain technology (Akpan, Soopramian & Kwak, 2020). Unfortunately, some small firms that lacked the necessary infrastructure and experience to digitise their operations and marketing could no longer operate (Donthu & Gustafsson, 2020). Amongst other reasons, SMMEs’ adoption of Social Media Marketing has remained low because most SMMEs’ management are unfamiliar with the benefits of adopting technology to increase profits (Patma, Wardana, Wibowo & Namarditya, 2020).

2.2. Social Media Marketing

Social Media Marketing (SMM) refers to all marketing activities on social media platforms like Facebook, Snapchat, Pinterest and Twitter. More and more global groups consider social media applications a significant part of their daily lives, and the world’s largest population is frequently on their phones skimming through multiple web 2.0 social media platforms daily, which benefits social media marketers (Alalwan, Rana, Dwivedi & Algharabat, 2017). Social media has been widely acknowledged as a successful tool that helps a company’s marketing goals and strategy, particularly in consumer involvement, customer relationship management and communication (Alakwa et al., 2017). Modern businesses see social media advertising as the future for promoting business offerings and communicating successfully with targeted clients (Gao & Feng, 2016; Popp & Woratschek, 2016; Harrigan, Evers, Miles, & Daly, 2017). According to a survey conducted by market research firm Askafrika, 87 percent of respondents accessed social media platforms at least once a day during the lockdown period, with a substantial percentage of users using them to advertise commercial promotions (Fouire, 2020).

In today’s world, where people use technology in various ways, SMMEs must consider learning more about Social Media Marketing tactics to boost their chances of survival while retaining existing customers and recruiting new ones (Li, Larimo & Leonidou, 2021). Extant research suggests that when small firms engage in SMM, they become stronger market competitors by gaining vital market intelligence (Atanassova & Clark, 2015). Moreover, small firms are more likely to increase their viability and competitiveness if they adopt social media best practices into their operations (Lupo & Stroman, 2020). Nowadays, people use social media to access information, thereby allowing businesses to market their products by advertising on social media (Mahajan, 2015).

2.3. Theoretical Background: Technology Acceptance Model

According to the Technology Acceptance Model (TAM), a person’s attitude toward adopting technology is governed by perceived usefulness (PU) and perceived ease of use (PEOU) (Davis, 1989). The TAM was created primarily to address the readiness to adopt and apply new technology or media in information system management (Ma, Gan & Banning, 2017). According to Serra, Storopoli, Pinto and Serra (2013), the ease of access to social media and the prospect of utilising it in marketing and as a client connection channel facilitates organisations’ use of SMM. Therefore, this study considered perceived usefulness, perceived ease of use, compatibility, facilitating conditions and cost as determinants for adopting Social Media Marketing in SMMEs.

2.3.1. Perceived Usefulness

Small or medium-sized enterprise (SME) will not hesitate to utilize technology (in this case, SMM) if the SME authority believes that using the technology (in this case, SMM) will significantly increase the SME’s productivity (Park, 2009). A study conducted by Sullivan and Koh (2019) found that the use of SMM might improve the performance of SMMEs. Michaelidou, Siamagka, and Christodoulides (2011) argue that businesses unconcerned about the difficulties involved with social media usage are more likely to embrace it. Those that expressed reservations about adoption were less likely to do so. The more complicated technology is thought to be, the slower its adoption will be. Negative attitudes about the value of new technologies, staff unfamiliarity and a lack of training may all contribute to the delayed adoption of new technologies such as social networking platforms (Michaelidou, Siamagka, & Christodoulides, 2011).
2.3.2. Perceived Ease of Use
Perceived ease of use (PEOU) alludes to the percentage of users who say that using technology is easy. Individuals will be more inclined to learn about a system’s capabilities if it is reasonably simple to use, and they will eventually plan to use it again (Hamid, Razak, Bakar & Abdullah, 2016). As long as the user believes that the technology or system is not complicated and can be utilized easily, the user will not hesitate to use that technology or system, assuming that it is otherwise beneficial to them (Venkatesh, Thong, & Xu, 2012). According to Park (2009), this view is related to the notion that it would be necessary for a person to put some effort in order to take advantage of a system or technological innovation.

2.3.3. Compatibility
The degree of compatibility between current and new technological goods is believed to be an effective and major assessment component of the users’ attitudes regarding that service (Yoon & Cho, 2016). Compatibility is seen as a critical component in adopting novel technologies such as SMM (Wang, Wang & Yang, 2010). If a small or medium-sized enterprise (SME) believes that the adoption of technology, in this case SMM mechanisms, is consistent with the system of work application, the SME will generally consider adopting that technology (Brown & Russell, 2007).

2.3.4. Facilitating Conditions
Facilitating Conditions (FCO) are defined as the degree to which a person believes that the necessary technical infrastructure and top-level managerial support are in place to use a new system (Venkatesh, Morris, Davis & Davis, 2003). The complexity of digital information impacts the management, processing, storage, security and disposal of such information, amongst other things. New technologies for gathering, finding and analyzing unstructured data are assisting enterprises in gaining insights from their unstructured information. These technologies will become indispensable instruments in overcoming the complexity of increasing digital information (Lee, 2020). If the staff are appropriately taught to utilize social media; if the firm has a low-cost internet connection; and if there is no opposition from any side to changing the system to accommodate social media, Hung and Lai (2015) posit that SMEs will not hesitate to implement SMM. Moreover, small and medium-sized enterprises (SMEs) will not be hesitant to embrace SMM if the environment is deemed otherwise favorable. Inadequate help, lack of timely support, insufficient knowledge and scarcity of resources may all deter people from embracing web-based technologies (Kamaghe, Luhanga & Kisangiri, 2020).

2.3.5. Cost
Social media is technological advancement that is relatively inexpensive, enabling small and medium-sized enterprises (SMEs) to connect with their customers at a reasonable cost (Zhang et al., 2019). As a result, if the costs associated with SMM are otherwise affordable, an organization will probably use it. Even though relatively few businesses have raised their marketing budgets, many people still believe that social media is a successful marketing tool. While maintaining social media sites may be costly, mainly if businesses employ social media workers, creating social media accounts is virtually free and easy (Chikanidwa, Contogianiss & Jembere, 2013). The issue of cost is seen as a critical technical aspect that may substantially impact SMEs’ intentions to implement Social Media Marketing strategies (Chatterjee & Kar, 2020), and is considered a vital technological factor (Genc & Öksüz, 2015).

3. Methodology
A descriptive research design is a strategic framework for action that links the research topic and the study implementation. According to Hunter, McCallum and Howes (2019), it provides a plan that outlines how the research is carried out to answer a research question. A descriptive research design was used in this study. A descriptive research design seeks to characterize a population, circumstance or phenomenon to explore one or more variables without modifying them but merely observing and measuring them (Siedlecki, 2020). Therefore, a quantitative and descriptive design was utilized to conduct the study. Quantitative research encompasses a variety of methodologies concerned with the systematic investigation of social phenomena using statistical or numerical data. Its goal is to analyze data for trends and correlations and validate the measurements (Watson, 2015). The questionnaire used in this study was created and digitized with Insyt Data Collection App. Esoko’s Insyt Data Collection App is an offline/online data collection app. The tool enables researchers to conduct surveys, monitor field activities, handle enormous amounts of data and perform data analysis from a single integrated platform. The App was installed on a mobile phone, where the survey questionnaire form was designed.

The digitized form was distributed in two ways: face-to-face and via a code. Respondents who opted to complete the survey in their own time and in their environment were given a code to help them access the questionnaire on the App. The questionnaire survey was completed by 150 SME directors, managers or chief executive officers in Durban. Convenience sampling was used because of time and Covid-19 constraints. Convenience sampling is a method used by researchers to acquire market research data from a pool of readily available respondents. It is the most commonly used sampling technique since it is quick, simple and inexpensive (Ellis, 2021). The data was analyzed using descriptive statistics through the SPSS.

4. Results
4.1. Socio-demographic characteristics
Table 1 further shows that the majority of respondents (61.3 %) completed secondary school, with a sizable proportion (32.67 %) having completed tertiary education. Only 4.67 % of the respondents completed just primary school, and 1.33% have no formal education. Further findings illustrate that 40% of the respondents were CEOs, 40% were store managers and 20% were managing directors. In addition, an accurate portrayal of the South African environment, specifically the Durban area, shows that 57.33 % of respondents were black, followed by 24.67 % Indians, 10% coloureds and 8% whites.

4.2. Reliability Analysis
Cronbach’s coefficient alpha was used to assess reliability in this study. The average Cronbach’s alpha for all data (five variables) in this study is .79, more than .70 as shown in Tab. 2, and therefore acceptable. According to Tavakol and Dennick (2011), good alpha values vary between .70 and .95.

4.3. The Perceived Usefulness of Social Media Marketing in SMMEs
The descriptive data for the perceived usefulness of Social Media Marketing in small enterprises is presented in Tab. 3. The findings of this study show that most respondents agreed or strongly agreed, with a mean score of > 3. The results show a significant agreement amongst the respondents that many firms feel that SMM is useful for the business, with a mean score of 4.05. Tab. 3 further shows the lowest mean score for the long-term use of Social Media Marketing, at 3.11. This implies that some firms have been using SMM for many years before the Covid-19 pandemic. The
results also show that most respondents agreed that their businesses started using social media for marketing after the introduction of lockdown restrictions, with a mean score of 3.17. It is clear that while businesses did utilise social media to advertise their products before the Covid-19 lockdown, they did not rely on SMM as a production tool or use it frequently for advertising purposes. Lastly, Table 3 shows that most respondents agreed that Social Media Marketing is valuable for their business, with a mean score of 4.00.

### Table 1: Socio-demographic characteristics and profiles of the participants

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age:</strong></td>
<td></td>
</tr>
<tr>
<td>Below 24 years</td>
<td>5%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>32.76%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>41.33%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>15.91%</td>
</tr>
<tr>
<td>Above 55 years</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Race:</strong></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>57.33%</td>
</tr>
<tr>
<td>Indians</td>
<td>24.67%</td>
</tr>
<tr>
<td>White</td>
<td>8%</td>
</tr>
<tr>
<td>Coloureds</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>46.67%</td>
</tr>
<tr>
<td>Female</td>
<td>53.33%</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td></td>
</tr>
<tr>
<td>Tertiary</td>
<td>32.67%</td>
</tr>
<tr>
<td>Secondary</td>
<td>61.33%</td>
</tr>
<tr>
<td>Primary</td>
<td>4.67%</td>
</tr>
<tr>
<td>No formal education</td>
<td>1.33%</td>
</tr>
<tr>
<td><strong>Position:</strong></td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td>40%</td>
</tr>
<tr>
<td>Store Manager</td>
<td>40%</td>
</tr>
<tr>
<td>Managing Directors</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Source:** Primary Data processed, 2021

### Table 2: Reliability of data

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of Items</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived usefulness</td>
<td>4</td>
<td>.836</td>
</tr>
<tr>
<td>Impact</td>
<td>4</td>
<td>.750</td>
</tr>
<tr>
<td>Perceived ease of use</td>
<td>7</td>
<td>.857</td>
</tr>
<tr>
<td>Facilitating conditions</td>
<td>5</td>
<td>.704</td>
</tr>
<tr>
<td>Cost</td>
<td>3</td>
<td>.747</td>
</tr>
</tbody>
</table>

**Source:** Research results, 2021

### 4.4. The Impact of Social Media on SMMEs

ab. 4 shows that the responses were generally agreed and strongly agreed, hence the scores were significant (>3). The results show that most respondents agreed that there is an increase in sales (mean score =3.90) and revenue (mean score =3.89) respectively after using Social Media Marketing. In addition, the results show an overwhelming agreement by the respondents that there is an increase in productivity (mean score =3.76) and that the number of customers patronising their business has increased (mean score =3.84). The average mean score (3.8) for the impact of Social Media Marketing on SMMEs suggests that most of the respondents agreed that social media has a significant impact on small businesses.

### 4.5. Perceived Ease of Use of Social Media Marketing

ab. 5 shows that most respondents agreed that businesses receive customer feedback on products using SMM (mean score =3.79), and that it is easy for SMEs to adapt to Social Media Marketing (mean score =3.71). The results further show that most respondents agreed that it is easy to identify customers using social media (mean score = 3.91), and that the business can meet customer needs using Social Media Marketing (mean score =3.81). Furthermore, the findings show that most respondents agreed that businesses survived by using SMM during the Covid-19 pandemic (mean score =3.74), and that they often use Social Media Marketing for advertising services (mean score =3.95). Lastly, the results show that the respondents agreed that they are sufficiently well informed to use social media for marketing (mean score = 3.73). The average mean score for perceived ease of using Social Media Marketing is 3.8. This means that most respondents agreed on the perceived ease of using SMM.

### 4.6. Facilitating Conditions for Social Media Marketing in the Company

ab. 6 deconstructs the facilitating conditions for Social Media Marketing in Durban’s SMMEs. The highest mean score registered for this variable (3.97) shows that most of the respondents agreed that their business has enough capacity to provide social media to advertise their businesses and that their business promotes the use of social media (mean score =3.85). Table 6 further shows that most respondents agreed that their businesses are compatible with Social Media Marketing (mean score =3.82) and have the infrastructure to support SMM (mean score =3.49). The lowest mean score (2.92) shows that most respondents disagreed that their business has educated their employees to use Social Media Marketing. This suggests that most of the businesses polled did not teach their managers how to use Social Media Marketing.

### 4.7. Cost of Using Social Media Marketing

ab. 7 shows the cost of using Social Media Marketing in SMMEs. The results show that most respondents disagreed that the cost of dealing with customer queries has been reduced due to SMM (mean score =2.74). On the other hand, most respondents agreed that their marketing budget has decreased since the adoption of Social Media Marketing (mean score =3.05). Lastly, Table 7 shows that most respondents agreed that getting new customers has been reduced due to SMM (mean score =3.73).

### 5. Discussion

The purpose of this study was to assess the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic. The findings of this study show that most of the respondents agreed on the perceived usefulness of Social Media Marketing. Previous research shows that SMM is beneficial for establishing and maintaining relationships between a firm and its clients (Ozturam & Karaagac, 2014). Similarly, several studies support the notion that organisations that do not embrace and apply technology will not be able to withstand the impact of Covid-19 (Akpan, Soopramanien & Kwak, 2020; Donthu & Gustafsson, 2020). Further analysis of the impact of Social Media Marketing shows that most respondents agreed that SMM has a significant impact on their businesses. Several studies have found that adopting and implementing Social Media Marketing can result in higher sales and revenue, particularly in small enterprises (Gekombe, Tumsifu & Juni, 2019; Rambe, Moswene and Dzunzi, 2019).

The findings also show that most respondents agreed on the perceived ease of using Social Media Marketing. Extant research suggests that social media are Internet-accessible programs that allow users to create, consume and share content (Vineran, 2017). This means that SMM may be implemented by simply using a smartphone in their company. More and more global groups consider social media applications to be a significant part of their daily lives, and recent events are likely to inspire people to shift their interactions to virtual or online platforms (e.g., Facebook, Instagram, LinkedIn and Twitter) (Alalwan et al., 2017). This type of an internet platform does not necessitate any training or education.
Odoom, Anning-Dorson and Acheampong, (2017) discovered that SMMEs could use social media to manage customer connections by enhancing customer communication, maintaining older customers, and creating solid relationships with new customers. SMMEs can also utilise SMM to promote their products or services, raise brand awareness and increase website traffic volume. Social media has been generally recognised as a successful instrument for creating business leads that may result in increased sales.

Research results, 2021

### Table 3: Perceived usefulness of social media in SMMEs

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find social media useful for business</td>
<td>150</td>
<td>4.05</td>
<td>.553</td>
<td>.306</td>
</tr>
<tr>
<td>We have been using social media for marketing for many years</td>
<td>150</td>
<td>3.11</td>
<td>1.090</td>
<td>1.188</td>
</tr>
<tr>
<td>We started using social media for marketing after lockdown restrictions were introduced</td>
<td>150</td>
<td>3.17</td>
<td>1.104</td>
<td>1.218</td>
</tr>
<tr>
<td>The value of social media marketing to our business is good.</td>
<td>150</td>
<td>4.00</td>
<td>.492</td>
<td>.242</td>
</tr>
</tbody>
</table>

*Source: Research results, 2021*

### Table 4: The impact of social media on SMMEs

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The use of social media marketing boosts the productivity of the business</td>
<td>150</td>
<td>3.76</td>
<td>.766</td>
<td>.586</td>
</tr>
<tr>
<td>The number of customers has increased since we started using SMM amid lockdown restrictions</td>
<td>150</td>
<td>3.84</td>
<td>.646</td>
<td>.417</td>
</tr>
<tr>
<td>The company has recorded an increase in sales after the use of social media</td>
<td>150</td>
<td>3.90</td>
<td>.588</td>
<td>.346</td>
</tr>
<tr>
<td>There is a change in revenue before and after the use of social media</td>
<td>150</td>
<td>3.89</td>
<td>.581</td>
<td>.338</td>
</tr>
</tbody>
</table>

*Source: Research results, 2021*

### Table 5: Perceived ease of use of Social Media Marketing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our customers give feedback on products using social media</td>
<td>150</td>
<td>3.79</td>
<td>.648</td>
<td>.420</td>
</tr>
<tr>
<td>It is easy for the company to adapt to social media marketing</td>
<td>150</td>
<td>3.71</td>
<td>.729</td>
<td>.531</td>
</tr>
<tr>
<td>It is easy to identify new customers through social media</td>
<td>150</td>
<td>3.91</td>
<td>.583</td>
<td>.340</td>
</tr>
<tr>
<td>The business can meet customers’ needs using SMM</td>
<td>150</td>
<td>3.81</td>
<td>.662</td>
<td>.439</td>
</tr>
<tr>
<td>The business is surviving well during Covid-19 lockdown restrictions due to SMM</td>
<td>150</td>
<td>3.74</td>
<td>.699</td>
<td>.489</td>
</tr>
<tr>
<td>We use SMM often to advertise our services or products</td>
<td>150</td>
<td>3.95</td>
<td>.632</td>
<td>.400</td>
</tr>
<tr>
<td>We are well informed to use social media for marketing</td>
<td>150</td>
<td>3.73</td>
<td>.730</td>
<td>.532</td>
</tr>
</tbody>
</table>

*Source: Research results, 2021*

### Table 6: Facilitating condition for Social Media Marketing in the company

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our business is compatible in using social media marketing</td>
<td>150</td>
<td>3.82</td>
<td>.556</td>
<td>.310</td>
</tr>
<tr>
<td>We have enough infrastructure to use social media marketing</td>
<td>150</td>
<td>3.49</td>
<td>.766</td>
<td>.587</td>
</tr>
<tr>
<td>Our business promotes social media marketing</td>
<td>150</td>
<td>3.85</td>
<td>.621</td>
<td>.386</td>
</tr>
<tr>
<td>We have enough capacity and employees to provide social media marketing</td>
<td>150</td>
<td>3.97</td>
<td>.484</td>
<td>.234</td>
</tr>
<tr>
<td>Our company has a trained team that works on social media marketing</td>
<td>150</td>
<td>2.92</td>
<td>1.090</td>
<td>1.188</td>
</tr>
</tbody>
</table>

*Source: Research results, 2021*

### Table 7: The cost of using Social Media Marketing

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our cost of dealing with customer queries has been reduced due to social media marketing</td>
<td>150</td>
<td>2.74</td>
<td>.979</td>
<td>.959</td>
</tr>
<tr>
<td>Our marketing budget decreased since we intensified the use of social media marketing in the business</td>
<td>150</td>
<td>3.05</td>
<td>1.073</td>
<td>1.151</td>
</tr>
<tr>
<td>The cost of getting new customers has been reduced due to social media marketing</td>
<td>150</td>
<td>3.73</td>
<td>.835</td>
<td>.697</td>
</tr>
</tbody>
</table>

*Source: Research results, 2021*

6. Conclusion

This study aimed at assessing the determinants of Social Media Marketing in SMMEs during the Covid-19 pandemic. Social media may be regarded as a phenomenon that has impacted the business environment in South Africa, particularly amongst SMMEs. Social media helps companies to engage with consumers in a timely and cost-effective manner. It also serves as a tool for developing strong customer relationships, market development and gathering information that can be utilised to create business leads that may result in increased sales.
The study’s findings have underscored the importance of facilitating conditions, perceived ease of use, perceived usefulness and cost implications in the adoption of Social Media Marketing amongst SMMEs. Consequently, SMME owners and managers may benefit from identifying enabling and hindering factors for technology adoption in order to develop new marketing communication methods and approaches. This study has contributed to the literature on SMM during the Covid-19 pandemic. The study’s scope was broad, including a wide range of small and medium-sized businesses. Therefore, future research should examine the effect of the Covid-19 pandemic on specific industries, such as tourism and alcoholic beverage industries, because they have been significantly affected by the Covid-19 pandemic in South Africa.

7. Funding

his study received no specific financial support.

8. Competing interests

he authors declare that they have no competing interests.

References


Work and Espoused National Cultural Values of Generation Z in Austria

K. Aldjic†, W. Farrell‡‡

Purpose: Employers face the challenge of preparing for a new, upcoming generational cohort that is different in its expectations of the workplace, which goes hand-in-hand with its values. Therefore, Generation Z in Austria must receive detailed attention because it will make up a significant proportion of the workforce in the future. Questions will emerge about how to recruit this cohort or how to retain them. This research fills this gap by analyzing their espoused national cultural values and corresponding work values while considering the implications of the SARS-CoV-2 pandemic.

Design/Method/Approach: This quantitative research surveyed 137 Austrians from Generation Z.

Findings: The results show a low Power Distance score, concluding that Austrian Generation Z does not prefer unequally distributed power; a low preference for Collectivism, a higher preference for Uncertainty Avoidance, and lower Masculinity. In terms of work values, Austrian Generation Z demonstrated the strongest preference for intrinsic and social rewards and emphasized the importance of offering benefits such as remote work opportunities and flexibility in scheduling work.

Theoretical Implications: This study shows that espoused national cultural values impact work values in the context of Austrian Gen Z. Thus, both the espoused national cultural framework and the work values framework can be considered suitable for investigating value differences.

Practical Implications: Human Resources practices should be adapted to successfully recruit and retain Austrian Generation Z.

Originality/Value: This research is among the early attempts to not only understand how espoused national cultural values and COVID impact the work values of Generation Z in Austria.

Research Limitations/Future Research: The smaller sample size and the over-representation of females impact the extent to which findings can be generalized to all of Generation Z in Austria. Future research should expand the sample within Austria and internationally.

Paper type: Empirical

Keywords: Generation Z; Austria; Work Values; Espoused National Cultural Values.
Робота та сповідувані національні культурні цінності покоління Z в Австрії

Клавдія Алджик†, Венді Фаррелл‡

†Recruiting & Employer Branding Russmedia, Австрія
‡Центр менеджменту Інсбрук, Австрія

Мета роботи: Перед роботодавцями стоїть завдання підготуватися до приходу нового покоління, яке відрізняється своїми очікуваннями від робочого місця, і відповідає цінностям певного покоління. Тому до покоління Z в Австрії слід привернути увагу, оскільки у майбутньому воно буде зберігати значну частину робочої сили. Виникнення питання про те, як набрати цю робочу силою чи як її утримати. Це дослідження заповнює цю прогалину, як неоцінену для усіх компаній в Австрії, які планують найняти покоління Z.

Дизайн / Метод / Підхід дослідження: У цьому кількісному дослідженні було опитано 138 австрійців з покоління Z.

Результати дослідження: Результати показали дуже низький показник дистанції влади, з чого можна зробити висновок, що австрійське покоління Z не воліє нерівномірно розподілену владу; низька перевага колективізму; більш висока перевага унікальності та низький рівень маскулінності. Що стосується робочих цінностей, австрійське покоління Z продемонструвало найбільшу перевагу внутрішніх та соціальних винагороді та підкреслило важливість пропонування таких переваг, як можливість відвідування роботи та гнучкість робочого графіка.

Теоретична цінність дослідження: Дане дослідження показує, що затвержені національні культурні цінності спрощено впливають на робочі цінності в контексті австрійського покоління Z. Таким чином, як сповідувані національно-культурні рамки, так і рамки робочих цінностей можна вважати придатними для дослідження ціннісних відмінностей.

Практична цінність дослідження: Тому необхідно адаптувати практику управління персоналом, щоб успішно наймати та утримувати австрійців покоління Z.

Оригінальність / Цінність дослідження: Це дослідження є однією з перших спроб не лише зрозуміти, як національні культурні цінності та COVID впливають на робочі цінності покоління Z в Австрії.

Обмеження дослідження / Майбутні дослідження: Невеликий розмір вибірки та надмірне представництво жінок впливають на те, якою мірою результати можна узагальнити для всього покоління Z в Австрії. Майбутні дослідження мають розширювати вибірку в Австрії та за кордоном.

Тип статті: Емпіричний

Ключові слова: покоління Z; Австрія; трудові цінності; сповідувані національні культурні цінності.
1. Introduction

Generation Z is either entering the workforce or will be entering the workforce within the not too distant future. Accordingly, many researchers are shifting their focus to understand Generation Z better. Soon, this new generational cohort will outrun the Millennials as the most populous generation and therefore requires detailed attention (Moore, Jones & Frazier, 2017).

Several researchers define Generation Z as a generational cohort "born sometime between the early to mid-1990s through 2000s" (Farrell & Phungsoonthorn, 2020, p. 2), while other researchers specifically define Generation Z as individuals born between 1995 and 2010 (Prijporas, Stylos & Fotiadis, 2017). The starting point of 1995 coincides with the World Wide Web becoming openly accessible (Chicca & Shellenbarger, 2018). Thus, unlike other generations, Generation Z is the first generation to be born into a digital environment surrounded by digital communication (Reinkainen, Kari & Luoma-Aho, 2020; Smith, 2019). With access to technology throughout their life, this generation is also called "Digital Natives, The Post Millennials, The New Silent Generation, and The Next Generation" (Bussiouni & Hackley, 2014, p. 116).

Austria is "one of the most prosperous and stable EU Member States" (Embassy of Austria, 2022, para. 1). According to the World Bank (2022), Generation Z makes up approximately 40% of the Austrian population. This represents a significant demographic for which employers must prepare and adapt. To attract and retain employees from this generation, employers will need to understand their values and needs (Kapoor & Solomon, 2011).

In addition to generational values, past research has shown that there are also differences in espoused national cultural values (Hofstede, Hofstede & Minkov, 1984a). These attributes strongly influence work values and how business is done in Austria. Given the importance of Austria and this generational cohort to Austria and the corresponding dearth of research surrounding the implications of national and generational culture, this research aims to gain insights into the work values of Generation Z in Austria while considering the impact that COVID may have had on those values. Thus, this research aims to answer the question: What effects do the espoused national cultural values and generational values have on the work values of Generation Z in Austria?

To achieve this, the research covers the theoretical framework by providing an overview of generation Z, espoused national cultural values of Austria based on the Hofstede framework, and finally, work values based on the framework from Twenge, Campbell, Hoffman, and Lance (2010).

This research empirically investigates the impact generational and national cultural values may influence work values through the use of an online survey. Accordingly, this study offers a valuable contribution to the area of intercultural management.

2. Theoretical Background

People's values are shaped by their interaction with the world around them. Each generation experiences different formative life events resulting in generational differences in various aspects of life. Specifically, Strauss and Howe (1991) defined a generation as "a cohort-group whose length approximates the span of a phase of life and whose boundaries are fixed by peer personality" (Strauss & Howe, 1991). Building on this work, Gabrielaova and Buchko (2021), suggest the four diverse generations engaged in the labor market can be categorized as follows: Baby Boomers (born 1946-1965), Generation X (born 1963-1981), Generation Y (born 1981-1996) and Generation Z (born 1995-2012). As noted by scholars, every generation has had different formative experiences that are reflected in different ways of thinking and living (Corsten, 1999). Life events have a considerable significance and therefore influence the behavior and mindset of each generational cohort (Twenge et al., 2010).

2.1. Generation Z

Generation Z is the cohort that recently entered or is about to enter the workforce (Lupoint & Liprie-Spence, 2017). Academics also identified that different generations have different motivators within the workplace (Montana & Pettit, 2011). In contrast to other generational cohorts, Generation Z emphasizes personal growth, clear career paths, and multiple work formats (Adecco, 2015). Other studies suggest that for Generation Z, inclusion and diversity in the workplace play an essential role in their decision-making when deciding on a job (Deloitte, 2020). It has also been suggested that Generation Z is more intrinsically motivated than previous generations (Mahmoud et al., 2020). Moreover, researchers found that within the workplace, Austrian Generation Z is concerned with questions about how their team operates, what the typical workday looks like, and how varied and thrilling their job is or will be (Zehetner & Zehetner, 2019).

A significant characteristic dominating Generation Z is that they grow up as digital natives with unrestricted access to technology (Bussiouni & Hackley, 2014). While other generations needed to adapt to life-changing innovations like Google, Facebook, Youtube, or Smartphones, Generation Z simply never knew about a world without these gadgets. Therefore, the tech-savvy generational cohort feels comfortable in performing web searches through search engines to gain information, use the internet for content creation, and are said to prefer typing over handwriting (Berk, 2009).

However, internet penetration was not consistent worldwide, and generational cohort members may not have enjoyed the same access to technology. For example, in Thailand, internet usage was still at levels many western countries had experienced 10 or 15 years prior (Farrell & Phungsoonthorn, 2020). However, as seen in Tab. 1, Austria was at the forefront of internet penetration, with the percentage of internet usage in Austria consistently ahead of the EU as a whole and generally not far behind or at times even ahead of North America.

<table>
<thead>
<tr>
<th>Year</th>
<th>Austria</th>
<th>EU</th>
<th>North America</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>1.89%</td>
<td>1.51%</td>
<td>8.73%</td>
</tr>
<tr>
<td>2000</td>
<td>3.73%</td>
<td>19.65%</td>
<td>43.88%</td>
</tr>
<tr>
<td>2005</td>
<td>58.00%</td>
<td>48.30%</td>
<td>68.33%</td>
</tr>
<tr>
<td>2010</td>
<td>75.17%</td>
<td>68.70%</td>
<td>72.55%</td>
</tr>
<tr>
<td>2015</td>
<td>83.94%</td>
<td>75.65%</td>
<td>76.12%</td>
</tr>
<tr>
<td>2020</td>
<td>87.53%</td>
<td>84.74%</td>
<td>91.52%</td>
</tr>
</tbody>
</table>

Source: Data obtained from the World bank database (International Telecommunication Union, 2022)

Furthermore, as seen in Tab. 2, 100 percent of the younger population access the internet. Thus, supporting suggestions that this generation would be tech savvier than previous generations.

According to Kaiser-Joyv, Scheu and Greier (2017), media consumption is becoming an important leisure activity among children and young adults. They found that, on average, the children and young adults have five to six devices that they use on average up to 12 hours per day. Furthermore, the study found that young people tend to use their devices in parallel, meaning that it is common to use the television or computer at the same time as being active on a smartphone or tablet.

Even though Generation Z has a constant connection to technology, other scholars argue that they prefer face-to-face communication within the workplace as opposed to email, instant messaging, or other (Randstad, 2014). This highlights the relevance of the social environment within the workplace, which can have an impact on Generation Z's job satisfaction (Ozkul & Solmaz, 2015).
2.2. Austria

Austria is a small country in the heart of Europe. From Mozart to Falco, Austria is known for music and culture (Szabo & Reber, 2007). To understand the Austrian culture, it is important to understand its various influences.

2.2.1. Roots of Culture

A country's latitude has been shown to correlate with espoused national cultural values regarding the distribution of power and the extent to which people identify as an individual or as a group. A country's tendency toward the unequal distribution of power is inversely related to its distance from the equator, while preference toward group orientation has a positive relationship with distance from the equator (Dobson & Gelade, 2012). Given Austria's location of 47.20° North of the equator, it can be expected that Austrians will have a moderate tendency toward group orientation. Moreover, Hofstede suggests that societies once conquered by the Romans tend to have an unequal distribution of power while those with Germanic roots tended toward more equality. Austria is in the unique position of having been under Roman rule (Sheehan, 2003) while also having Germanic roots.

Finally, Austria is 57% Catholic (CIA, 2022), which, according to Hofstede et al. (2010), correlates with how the society distributes power and the extent to which individuals are comfortable with uncertainty. Hofstede suggests that Catholic societies are not comfortable with uncertainty and also tend toward unequal distribution of power.

2.2.2. Social Values

As seen in Table 3, data obtained from the European Values Study (EVS/WVS, 2022), Austrian values family, friends, leisure time, and work the most, although, during the lifetime of Generation Z, the value of work has declined while the value of friends and leisure time have increased.

### Table 2: Austrian Use in Households

<table>
<thead>
<tr>
<th>Value</th>
<th>16 to 24 years</th>
<th>25 to 34 years</th>
<th>35 to 44 years</th>
<th>45 to 54 years</th>
<th>55 to 64 years</th>
<th>65 to 74 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>95%</td>
<td>92%</td>
<td>86%</td>
<td>77%</td>
<td>53%</td>
<td>28%</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<td>2016</td>
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<td>2017</td>
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<td>2018</td>
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<td>2019</td>
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<tr>
<td>2021</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data obtained from Statistik Austria (2022)

### Table 3: Values in Austria

<table>
<thead>
<tr>
<th>Value</th>
<th>Descriptives</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important in life: Family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>1990</td>
<td>1442</td>
<td>1.16</td>
</tr>
<tr>
<td>1999</td>
<td>1511</td>
<td>1.13</td>
</tr>
<tr>
<td>2008</td>
<td>1509</td>
<td>1.25</td>
</tr>
<tr>
<td>2018</td>
<td>1642</td>
<td>1.20</td>
</tr>
<tr>
<td>Important in life: Friends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>1990</td>
<td>1450</td>
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<tr>
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<td>2008</td>
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</tr>
<tr>
<td>2018</td>
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</tr>
<tr>
<td>Important in life: Leisure time</td>
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<td></td>
</tr>
<tr>
<td>Year</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>1990</td>
<td>1437</td>
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</tr>
<tr>
<td>1999</td>
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</tr>
<tr>
<td>2008</td>
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</tr>
<tr>
<td>2018</td>
<td>1642</td>
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</tr>
<tr>
<td>Important in life: Politics</td>
<td></td>
<td></td>
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<td>1990</td>
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<td>1999</td>
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<tr>
<td>2008</td>
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</tr>
<tr>
<td>2018</td>
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<tr>
<td>Important in life: Work</td>
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<td></td>
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<td>2018</td>
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<td>Important in life: Religion</td>
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<td>N</td>
<td>Mean</td>
</tr>
<tr>
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</tr>
<tr>
<td>2018</td>
<td>1629</td>
<td>2.64</td>
</tr>
</tbody>
</table>

Source: Data obtained from the European Values Study (EVS) (EVS/WVS, 2022)
Furthermore, according to the EVS, Austrians indicated that feeling of responsibility, manners, independence, as well as tolerance and respect for other people were the top four most important values to teach children. Those values preferences remained consistently important throughout the lives of Austrian Generation Z.

### 2.2.3. Espoused National Cultural Values

According to Hofstede’s framework of national cultural values is arguably the most predominantly used in academic work, specifically in psychology, sociology, marketing, or management studies (Srite & Karahanna, 2006). Hofstede, Hofstede and Minkov (2010) suggested four original value dimensions and later expanded the values dimensions by two. Hofstede’s original dimensions are: Individualism/Collectivism, Masculinity/Femininity, Uncertainty avoidance, and Power Distance. Later the values dimensions were extended with Long-term orientation and Indulgence.

As the original dimensions are those most used in research, this research will focus solely on those original four dimensions.

**Individualism/Collectivism**

Individualism vs. Collectivism relates to how interdependent society is between its members (Hofstede et al., 2010b). It mirrors the preference of individuals towards a social framework and states that in societies that tend toward Individualism, members tend to prioritize their own interests and aims over the group, whereas in collectivist societies, members value the group, and loyalty towards the group is important (Zhang & Maruping, 2008).

Austria’s distance from the equator would indicate a moderate Power distance. Still, Austria would tend toward moderate power distance. Generation Z is stated to be even more self-centered towards their well-being (Pulevskia-Ivanovska, Postolov, Janeska-Iliev, Magdinecova Sapova, 2017).

### Uncertainty Avoidance

Uncertainty avoidance is the degree to which a society feels threatened and vulnerable by unpredictable and unknown situations (Zhang & Maruping, 2008). Societies that tend to avoid uncertainty feel an emotional need for rules, and correspondingly, decisions or choices are made after diligent analysis of all available information (Hofstede et al., 2010). Austria’s previously mentioned tie to Catholicism would indicate a lack of comfort with uncertainty. According to Hofstede et al. (2010b), there is indeed a preference for avoiding uncertainty in Austria.

### Power Distance

Power distance is the extent to which the less powerful members of a society accept power differentials and inequality (Zhang & Maruping, 2008). Given Austria’s latitude, history as part of the Roman Empire, and ties to Catholicism, it could be expected that Austria would tend toward moderate power distance. Still, Hofstede et al. (2010) consider Austria a low Power distance society and therefore argue that it is a society that values equal rights and, within the workplace in Austria, superiors that are accessible and empower their subordinates. Furthermore, this also means that Austrians tend to dislike control and embrace direct and participative communication (Hofstede et al., 2010b).

In this regard, Generation Z is said to place a particularly high value on equality and fairness in all situations (Goh & Okumu, 2020). Seemiller and Grace (2017) found in their study that Generation Z are considered masculine values while compassion and nurturing are considered feminine values (Hofstede et al., 2010b). According to Szabo and Reber (2007), Austrians tend to be assertive and performance-driven. These values are indicative of a more masculine culture.

Within the workplace, Austrian companies are strongly incentive-driven and focus on measuring success through reward and performance systems (Reichel, Mayrhofer & Chudzikowski, 2009). Therefore, employees working overtime hours are more likely to be considered engaged and enabled to rival their colleagues in terms of reward and promotion opportunities (Burke, 2001).

Although Austrian Generation Z is raised within a rather masculine society, scholars found that differences in generational values exist (Wey Smola & Sutton, 2002; Gibson, Greenwood, & Murphy, 2009). While the Millennials, for example, are among the first generational cohorts that strongly raised the need for a proper work-life balance, Generation Z is stated to be even more self-centered towards their well-being (Pulevskia-Ivanovska, Postolov, Janeska-Iliev, Magdinecova Sapova, 2017).

Consequently, Generation Z places a higher value on work-life balance as it allows them to smoothly combine work and private life while maintaining a healthy balance (Sánchez-Hernández, González-López, Buenadicha-Mateos & Tato-Jiménez, 2019).

**Masculinity/Femininity**

Masculinity vs. femininity is seen through the lens of traditional gender roles and stereotypes where aggression and competition are considered masculine values while compassion and nurturing are considered feminine values (Hofstede et al., 2010b). According to Szabo and Reber (2007), Austrians tend to be assertive and performance-driven. These values are indicative of a more masculine culture.

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students truly believe in their ability to change the world despite the frustration about the persistent injustices within society.

Having this belief demonstrates Generation Z’s readiness and desire to change current problems and ineffective systems that continue to oppress marginalized populations. For this reason, Generation Z is said to advocate for equal human rights and strive for social justice (Tanaid & Wright, 2019).

Austria’s Generation Z will follow this assertion as they are raised in a country with a low Power Distance index, and in general, Generation Z shows a tendency toward lower equality.

2.3. Work Values

Following the findings of Wey Smola & Sutton (2002), values refer to what people consider to be fundamentally right or wrong, and work values apply this question within the work environment. In accordance, work values can therefore drive decisions, attitudes, and goals (Erster & Roe, 1999).

Work values have been examined from different perspectives. Rhodes (1983), for example, examined whether work values are constant and suggested that work values, attitudes, and satisfaction change as employees pass through different career stages. Dose (1997) noted that work values enable the perception of employees’ preferences within the workplace.

Elizur (1984) more specifically researched the different types of work values and identified that extrinsic work values (e.g., pay and job security) and intrinsic work values (e.g., motivations and challenges) exist. Building on this work, Ryan and Deci (2000) developed the self-determination theory, where a distinction is made between different types of values that influence motivational factors based on different causes or objectives that result in an action. There it was also noted that the most basic differentiation is made between intrinsic and extrinsic work values.

Scholars define intrinsic values as “doing something because it is inherently interesting or enjoyable” (Ryan & Deci, 2000), while extrinsic values have a strong focus on the outcome of a particular action. More recent studies explored the effect of altruistic work values, such as making a contribution to the well-being of a society or volunteering (Twenge et al., 2010), and identified that social characteristics provide a distinct outlook on work design beyond motivational factors (Humphrey, Nahrgang & Morgeson, 2007).

Furthermore, Twenge et al. (2010) investigated the effect of work values on different generations within the workplace and found that there are several additional work values, such as impact or autonomy in decision-making, social rewards linked to work relationships, and leisure values that address the possibility of time-off, absence due to vacation and freedom from supervision, which may have an influence on each employee's motivation.

Within their research, the scholars relied on validated and successfully used instruments that have been in operation since 1973, and accordingly, their work counts as one of the most frequently cited within generational value research (Farrell & Phungsoonthorn, 2020).

Therefore, this study will incorporate these rewards aiming to understand the degree of influence and preference of Generation Z in Austria.

2.3.1. Extrinsic Work Values

As Elizur (1984) noted early on extrinsic work values refer to a consequence of work, such as performing a certain action and thus expecting a certain output. Within research, rewards, praise and promotions are among the most commonly used examples to demonstrate extrinsic work values, which go hand in hand with the desire for financial success and prestige (Ku & Zaroff, 2014). Since the results are measurable and of practical use, those values can also be called material or instrumental values (Taris & Feij, 2001).

A study based on European countries has highlighted the differences in work values and specifically examined whether a country’s society would continue to work without a financial necessity. Austria was among the top countries where the majority of participants supported the idea of continuing to work despite having financial security (Kittel, Kaleidener, Tsuklingou, 2019). This behavior demonstrates that Austrian society is not motivated by extrinsic factors.

With regards to Generation Z, scholars report different opinions about their motivational factors. While Twenge et al. (2010) argue that this generational cohort is stated to place less emphasis on extrinsic rewards like money and therefore in accordance, Generation Z feels that for them, life is more than just a high paycheck, Iorgulescu (2016) found in her study among Romanian students, that career advancement and pay are high priorities for college students. One must mention that Romania indicates a high Power Distance index and therefore supports Hofstede et al’s (2010b) argumentation above.

Kirchmayer and Fratričová (2018) confirm Twenge et al’s. (2010) argumentation and found that this generation put a meaningful job at the top of their priorities. Several studies on meaningfulness within the workplace suggest that employees that perceive their job as meaningful are more willing to accept an unpaid job or a lower salary (Bunderson & Thompson, 2009; Dempsey & Sanders, 2010).

In line with the espoused national values, a positive relationship is reported between extrinsic work values and high Power Distance culture (Hofstede et al., 2010b). This implies that high Power Distance cultures tend to assign more importance to extrinsic work values. In the case of Austria, that would mean that the lower power distance would relate to the lower perceived value of extrinsic rewards.

It is consequently to be expected that Generation Z in Austria, preferring low power distance, will have a low preference for extrinsic rewards.

Hypothesis 1: Power Distance will have a positive impact on the preference for extrinsic rewards.

2.3.2. Intrinsic Work Values

The concept of intrinsic values states that a person is driven to action because of the pleasure or challenge of a task, not because of the external outcome or reward behind it (Ryan & Deci, 2000). Mitchell and Albright (1972) identified five different types of intrinsic valences that intrinsically motivated people share.

These are (1) feelings of self-esteem, (2) opportunity to think and act independently, (3) options for self-development, (4) feelings of self-realization, and (5) feelings of reasonable achievement. These can all be classified as intangible rewards (Twenge et al., 2010). Vansteenkiste et al. (2007) further argue that people who are driven by intrinsic values carry a natural desire for their growth and development.

Supporting empirical evidence can be found in research on the impact of individualistic societies and their need and desire for intrinsic values. Ahuvia (2002) makes the argument that individualistic societies can facilitate the establishment of one’s own lifestyle, which corresponds to personal preferences and is linked to the pursuit of one’s own intrinsic goals. Also, Schwartz (2017) highlights the fact that people from individualistic societies fulfill their own self through the achievement of their intrinsic goals and engage in behaviors where they have a chance for self-actualization.

With regards to Generation Z, Seemiller and Grace (2017) researched the career aspirations of Generation Z students and found that this generational cohort is strongly driven by intrinsic work values. Participants of their study revealed the importance of happiness and enjoyment in their future careers and shared that true passion
for a job outweighs the desire for a high salary. As it can be expected that Generation Z in Austria, tending toward individualism, will highly value intrinsic rewards.

Hypothesis 2: The cultural value of Individualism will positively impact the preference for intrinsic rewards.

2.3.3. Altruistic Rewards

Altruistic rewards involve the intention to be helpful towards fellow human beings and feeling the urge to make an active contribution to society (Twenge et al., 2010). Generation Z, in particular, is said to place a greater value on helpfulness than other generational cohorts (Oskun & Solmaz, 2019). For other generational cohorts, Twenge et al. (2010) report a shift away from altruistic work values.

Concerning Generation Z, the Varkey Foundation found supporting evidence in its study “Generation Z: Global Citizenship survey” that over two-thirds of the surveyed sample consider contributing to the community beyond oneself and one’s family members an increasingly important activity (Broadbent et al., 2017).

Linking altruistic values to the espoused national values, scholars found that people who hold altruistic beliefs are more likely to be rather collectivistic in their interpersonal relationships (Reulo, Allik, Vadi, 1997). Finkelstein (2010) also confirms in her study that altruistic values are strongly associated with collectivist societies.

Nevertheless, it is assumed that members of Generation Z in Austria follow their global cohort, and therefore the following hypothesis is formulated.

Hypothesis 3: The cultural value of Individualism will negatively affect the preference for altruistic rewards.

2.3.4. Leisure Rewards

Leisure rewards are benefits that relate to working time and therefore include the possibility of time off and the option to work at a reduced capacity (Farrell & Phungsoonthorn, 2020). Since 2013, some collective agreements in Austria allow employees to choose between additional leisure options or a statutory pay increase. This indicates that Austria as a society is open to supporting and promoting leisure rewards, and accordingly, a study was conducted to determine the preferences and motives behind the decision. Participants who chose the additional leisure option dedicated this extra time to gain more free time for their hobbies or to spend more time with their family. The study concluded that leisure rewards are strongly impacted by one’s values. For example, employees that attach a high value to high financial security did not choose the additional leisure option (Gerold & Nocker, 2018).

On the one hand, according to Hofstede et al. (2010b), Austria is classified as a rather masculine society, driven by success and competition, that goes along with placing a greater value on hard work. On the other hand, several researchers emerge generational differences within leisure preferences (Twenge et al., 2010) and Generation Z in Austria, for example, is said to place more emphasis on greater flexibility in the workplace, which includes an appropriate work-life balance that frees up time for possible leisure activities. This can also be seen in the previously mentioned Austrian values, where the preference for leisure increased during the lifetime of Austrian Generation Z and the value of work decreased.

Hypothesis 4: The cultural value of Masculinity will negatively impact the preference for leisure rewards.

2.3.5. Social Rewards

Social rewards refer to the opportunity to build friendships and collaborate with others (Farrell & Phungsoonthorn, 2020). This is strongly linked to the desire to build worthwhile relationships among colleagues. With regards to Generation Z, Barhate and Dirani’s (2021) systematic literature review concludes that while Generation Z seeks teamwork and social interaction in the workplace, they may also have difficulties with team collaboration, especially when goals are not met or inefficiencies are encountered.

This is consistent with the findings of another researcher, who found that teamwork even reduced Generation Z’s efficiency (Çora, 2019). Another study also suggests that Generation Z is not favoring teamwork (Adedco, 2015).

Research shows that social rewards tend to be preferred more in collectivist cultures (Kokubun, 2018), and given Austrians’ preference for individualism, it can be expected that social rewards will be less important. Therefore, the following hypothesis is formulated.

Hypothesis 5: The cultural value of Individualism will negatively impact the preference for Social rewards.

2.3.6. Autonomy

Work autonomy can be defined as the personal influence one has on a particular job in terms of freedom, independence, and discretion (Jehari, Vein Tan & Tijl Zulkarnain, 2018).

According to Inglehart and Oyserman (2004), Individualism and Autonomy tend to go hand in hand. As Austria tends toward Individualism, it can be expected that, in general, there is a preference for autonomy. That being said, greater autonomy brings about more uncertain work environments (Ollo-López, Boyo-Moriones & Larraza-Kintana, 2011). As Austria also tends to be more uncertainty avoidant, this could negatively impact the preference for autonomy.

Twenge et al. (2010) list the desire for increasing work autonomy among intrinsic values, and Wiedmer (2015) found that Generation Z puts great emphasis on a higher degree of autonomy at work, which also includes independence among colleagues. This fact is also confirmed by Kubčović (2016), who studied the work-related attitudes of Czech Generation Z and found that this generation has a deep desire for work autonomy and also expects this from their superiors. Given the fact that it is assumed that Generation Z in Austria will highly value intrinsic rewards, it is also expected that this generational cohort also strives for work autonomy within their careers.

Hypothesis 6: The cultural value of Individualism will have a positive impact on autonomy.

Hypothesis 7: The cultural value of uncertainty avoidance will have a negative impact on autonomy.

3. Research Hypothesis

As previously addressed, this study will focus on the following hypothesis.

Table 4: Overview of Research Hypothesis

<table>
<thead>
<tr>
<th>Number</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The cultural value of Power Distance will have a positive impact on the preference for extrinsic rewards.</td>
</tr>
<tr>
<td>H2</td>
<td>The cultural value of Individualism will positively impact the preference for intrinsic rewards.</td>
</tr>
<tr>
<td>H3</td>
<td>The cultural value of Individualism will negatively affect the preference for altruistic rewards.</td>
</tr>
<tr>
<td>H4</td>
<td>The cultural value of Masculinity will negatively impact the preference for leisure rewards.</td>
</tr>
<tr>
<td>H5</td>
<td>The cultural value of Individualism will negatively impact the preference for Social rewards.</td>
</tr>
<tr>
<td>H6</td>
<td>The cultural value of Individualism will have a positive impact on autonomy.</td>
</tr>
<tr>
<td>H7</td>
<td>The cultural value of uncertainty avoidance will have a negative impact on autonomy.</td>
</tr>
</tbody>
</table>

Source: Research results, 2022
4. Data and Methods

his study seeks to understand what effects the espoused national cultural values and generational cultural values have on the work values of Generation Z in Austria. As such, this study follows a quantitative research approach. Data collection was carried out online. The analysis was conducted with SPSS, one of the most commonly used statistical software packages (Greasley, 2008).

4.1. Data Collection and Sample

The quantitative research was conducted by using online questionnaires, specifically Google Forms, which enables all participants to access the questionnaire through their smartphone, tablet, or other electronic devices by following a short link. The questionnaire was available in German and informed consent was sought. Respondents were selected based on the target population, and each respondent was asked to share the link to the survey with others.

The final questionnaire was launched on February 26, 2021, and was open for data collection for a month. A total of 163 people participated in the survey. After cleaning the data and removing respondents who were too young and/or not from Austria, 137 respondents remained.

As shown in Tab. 5, the majority of the sample is female, 70.1%, while the remaining 29.9% are male. Looking at the age distribution, 30.7% were 16 to 18. Although still young, even at this age, the youth are preparing for the next steps and setting expectations for what they want when they enter the workforce. The respondents were distributed through Austria, with the majority coming from Vorarlberg and Vienna. Over 50% of the respondents are currently employed.

Table 5: Demographic Information

<table>
<thead>
<tr>
<th>Total respondents</th>
<th>137</th>
<th>100%</th>
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<tbody>
<tr>
<td>Gender</td>
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<tr>
<td>Female</td>
<td>96</td>
<td>70.1</td>
</tr>
<tr>
<td>Male</td>
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<tr>
<td>Age</td>
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<tr>
<td>16-18</td>
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<td>19-21</td>
<td>17</td>
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<tr>
<td>22-24</td>
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<td>27</td>
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<td>5.1</td>
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<tr>
<td>Region of residence</td>
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<td>Vorarlberg</td>
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<tr>
<td>Vienna</td>
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<td>27</td>
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<tr>
<td>Other Austria</td>
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<td>Employment status</td>
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<tr>
<td>Student</td>
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<td>39.4</td>
</tr>
<tr>
<td>Full-time employee</td>
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<td>33.6</td>
</tr>
<tr>
<td>Part-time employee</td>
<td>6</td>
<td>4.4</td>
</tr>
<tr>
<td>Currently unemployed</td>
<td>4</td>
<td>2.9</td>
</tr>
<tr>
<td>Full-time employee + student</td>
<td>9</td>
<td>6.6</td>
</tr>
<tr>
<td>Part-time employee + student</td>
<td>18</td>
<td>13.1</td>
</tr>
</tbody>
</table>

Source: Research results, 2022

4.2. Measures

This study builds on the existing work of Farrell and Phungsoonthorn (2020), who analyzed the work values of Generation Z in Thailand.

4.2.1. Cultural Values

To measure the scale of Power Distance, the scale of Farrell and Pasquaroni (2017) was used as it captures culture from an individual perspective and has demonstrated validity and reliability (Farrell & Phungsoonthorn, 2020). As already introduced in the literature review, Power Distance indicates to which extent members with less power are willing to accept an unequal distribution of power within a society (Hofstede et al., 2010b). Sample questions are "Once a decision of a top-level executive is made, people working for the company should not question it" and "when standing in a queue, if someone of higher status comes later, it is appropriate to let that person go first in line" (Farrell & Pasquaroni, 2017, p. 19).

Masculinity/Femininity was measured by using the scale development of Farrell and Eine (2019). Masculinity places high emphasis on an achievement-oriented and competitive mindset, while a rather feminine mindset values relationships, and achieving quality in life is seen as a success (Hofstede et al., 2010). Sample questions are "I judge my performance on whether I do better than others rather than on just getting good results" and "Success at work means," where participants were asked, based on a bipolar scale, to indicate if their idea of success as work is liking what they do or being the best.

Lastly, Uncertainty avoidance indicates to which extent individuals within society "feel threatened by ambiguous or unknown situations (Hofstede et al., 2010b). Accordingly, Srite and Karahan’s (2006) scale was chosen because it shows internal reliability (Farrell & Phungsoonthorn, 2020). Sample questions are "It is better to have a bad situation that you know about than to have an uncertain situation which might be better" and "People should avoid making changes because things could get worse" (p. 704).

4.2.2. Work Values

ork values are heavily researched, and in particular, the study of Twenge et al. (2010) "Generational Differences in Work Values" with over 1000 citations enjoys reliability and validity within literature (Farrell & Phungsoonthorn, 2020). The focus group of the study are students reporting work values that are perceived as crucial when reflecting on the ideal job, and the scales, therefore, include intrinsic, extrinsic, altruistic, social, and leisure rewards (Twenge et al., 2010). Sample questions of Twenge et al.’s framework include "a job where the skills I learn will not go out of date," referring to intrinsic values, "a job that has high status and prestige referring to extrinsic values, "a job that is worthwhile to society, representing altruistic values, "a job that gives me a chance to make friends" for social rewards and "a job that leaves a lot of time for other things in my life" referring to leisure rewards.

Additionally, since the reliability analysis indicated compelling adjustments in the questionnaire, two additional questions each for the variables leisure and social values with sample questions "a job that does not require working overtime" and "a job that allows for lots of social interaction" were added from Toskin and McCharthy (2021). The altruistic sample questions were extended by a question from Koecke, Król, Koecke, and Rauktis (1994) and indicated "the opportunity for really helping people."

4.3. Analysis

PSS was utilized to conduct descriptive analysis followed by correlation and then regression analysis. SPSS is a commonly used statistical package considered suitable for the analysis of questionnaire data (Prvan, Reid & Petocz, 2002) and one of the
more fitting packages for multiple regression analysis (Pfister, Schwarz, Carson & Jančzyk, 2013).

5. Results

his research aims to understand the work values and cultural values of Austrian Generation Z. This was accomplished through the distribution of a survey consisting of well-established scales. As seen in Tab. 6, the reliability analysis showed a value above .70 for all scales except for intrinsic rewards in work values at .681 and Collectivism in cultural values at .680. Although not optimal, both were still considered acceptable (Goforth, 2015).

Table 6: Reliability analysis

<table>
<thead>
<tr>
<th>Values</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>.719</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>.680</td>
</tr>
<tr>
<td>Collectivism</td>
<td>.705</td>
</tr>
<tr>
<td>Individualism</td>
<td>.842</td>
</tr>
<tr>
<td>Power Distance</td>
<td>.834</td>
</tr>
<tr>
<td>Masculinity</td>
<td>.718</td>
</tr>
<tr>
<td>Work values</td>
<td>.681</td>
</tr>
<tr>
<td>Leisure rewards</td>
<td>.845</td>
</tr>
<tr>
<td>Intrinsic values</td>
<td>.856</td>
</tr>
<tr>
<td>Extrinsic values</td>
<td>.762</td>
</tr>
<tr>
<td>Altruistic values</td>
<td>.868</td>
</tr>
<tr>
<td>Social rewards</td>
<td>.622</td>
</tr>
<tr>
<td>Autonomy</td>
<td>.622</td>
</tr>
</tbody>
</table>

Source: Research results, 2022

Table 7: Correlation Matrix

<table>
<thead>
<tr>
<th>Rewards</th>
<th>Mean</th>
<th>SD</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extrinsic</td>
<td>4.023</td>
<td>.806</td>
<td></td>
</tr>
<tr>
<td>2. Intrinsic</td>
<td>4.599</td>
<td>.414</td>
<td></td>
</tr>
<tr>
<td>3. Leisure</td>
<td>4.026</td>
<td>.622</td>
<td>2.27**</td>
</tr>
<tr>
<td>4. Social</td>
<td>4.073</td>
<td>.734</td>
<td>3.45**</td>
</tr>
<tr>
<td>5. Altruistic</td>
<td>3.908</td>
<td>.894</td>
<td>4.45**</td>
</tr>
<tr>
<td>6. Autonomy</td>
<td>3.823</td>
<td>.836</td>
<td>5.42**</td>
</tr>
<tr>
<td>7. Uncertainty Avoidance</td>
<td>3.501</td>
<td>.626</td>
<td>6.48**</td>
</tr>
<tr>
<td>8. Individualism</td>
<td>3.236</td>
<td>.799</td>
<td>2.105</td>
</tr>
<tr>
<td>9. Masculinity</td>
<td>2.986</td>
<td>.874</td>
<td>2.157</td>
</tr>
<tr>
<td>10. Power Distance</td>
<td>2.173</td>
<td>.953</td>
<td>2.283</td>
</tr>
</tbody>
</table>

N = 137
* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

Source: Research results, 2022

5.1. Descriptive Statistics

To assess the extent to which our Austrian Gen Z respondents matched our expectations, the means, medians, and quartiles were reviewed. As seen in Tab. 7, with a mean of 3.236 for the variable, Austrian Generation Z tends to have a slight preference for the value of Individualism. Furthermore, they show slight feminine tendencies with a mean of 2.986 and with a mean of 3.5, lean toward uncertainty avoidance. These findings fit with expectations surrounding Generation Z in Austria. Similarly, the mean of 2.17 fits with expectations set out by Hofstede et al. (2010) regarding Austria valuing low Power Distance.

Gen Z Austria was expected to show a low preference for extrinsic rewards. Although, based on the means, it is valued lower than intrinsic, Leisure, and Social Rewards, the mean of 4.023 (Tab. 7) still suggests an appreciation for extrinsic rewards. Similarly, it was expected that Austrian Generation Z would highly value intrinsic rewards and the mean of 4.599 indicates that this is the case. Furthermore, with a mean of 3.908, altruistic rewards are valued but far below the value, Gen Z in Austria places on other work values.

Looking at leisure rewards, Austria Gen Z followed expectations with a mean of 4.026, indicating a preference for such rewards. Furthermore, with a mean of 4.073, as seen in Table 7, it can be concluded that the Austrian Generation Z highly values social rewards. In fact, social rewards are ranked as their second most appreciated. Finally, with a mean value of 3.823, although valued, work autonomy is the leased valued among the work values.

5.2. Regression

Regression analysis was conducted to test the hypothesis. Hypothesis 1 suggested that the cultural value of power distance will have a positive impact on the preference for extrinsic rewards. Controlling for age and gender, the regression model can explain 14% of the variance in extrinsic rewards. All VIFs are close to one, indicating no correlation. Looking at Tab. 8, with a regression coefficient of .321, Power Distance does have a positive impact on extrinsic rewards, and it is at a level that can be considered significant. The null hypothesis can be rejected. Accordingly, hypothesis 1 is supported.

Hypothesis 2 suggested that the cultural value of Individualism will positively impact the preference for intrinsic rewards. Here too, the VIF is near 1, indicating no collinearity (Tab. 9). Although this model, when controlling for age and gender, only explains 5% of the variance in intrinsic rewards, it can still be seen that Individualism has both a positive (B .132) and significant (p = .003) impact on the preference for intrinsic rewards. Accordingly, here to the null hypothesis could be rejected.

Hypothesis 3 suggested that the cultural value of Individualism will negatively affect the preference for altruistic rewards. As seen in Tab. 10, this regression model was only able to explain 1% of the variation in Altruism and Individualism neither had a negative impact (B .060) nor was it significant (p = .451). Thus, the null hypothesis could not be rejected. Interestingly, however, Gender had a positive impact (B .353) on Altruism. This indicates that females tend to value Altruism more than males. This is at a level that could be considered significant (p = .044).

Hypothesis 4 suggests that the cultural value of Masculinity will negatively impact the preference for leisure rewards. Again, here the model has limited explanatory power of 3%. As seen in Tab. 11, Masculinity does have a negative impact on leisure rewards (B = .101); however, this is not at a level that can be considered significant. Accordingly, here too, the null hypothesis cannot be rejected.
Table 8: Extrinsic Rewards Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coefficients</td>
<td>(Constant)</td>
<td>3.489</td>
</tr>
<tr>
<td>B</td>
<td>Power Distance</td>
<td>.321</td>
</tr>
<tr>
<td>Std. Error</td>
<td>Gender</td>
<td>-.099</td>
</tr>
<tr>
<td>VIF</td>
<td>Age</td>
<td>-.024</td>
</tr>
</tbody>
</table>

Dependent Variable: Extrinsic Rewards, Predictors: (Constant), Age, Gender, Power Distance

Source: Research results, 2022

Table 9: Intrinsic Rewards Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coefficients</td>
<td>(Constant)</td>
<td>4.022</td>
</tr>
<tr>
<td>B</td>
<td>Gender</td>
<td>.107</td>
</tr>
<tr>
<td>Std. Error</td>
<td>Age</td>
<td>.017</td>
</tr>
<tr>
<td>VIF</td>
<td>Individualism</td>
<td>.132</td>
</tr>
</tbody>
</table>

Dependent Variable: Intrinsic Rewards, Predictors: (Constant), Age, Gender, Individualism

Source: Research results, 2022

Table 10: Altruism Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coefficients</td>
<td>(Constant)</td>
<td>3.357</td>
</tr>
<tr>
<td>B</td>
<td>Gender</td>
<td>.353</td>
</tr>
<tr>
<td>Std. Error</td>
<td>Age</td>
<td>.002</td>
</tr>
<tr>
<td>VIF</td>
<td>Individualism</td>
<td>.074</td>
</tr>
</tbody>
</table>

Dependent Variable: Altruism, Predictors: (Constant), Age, Gender, Individualism

Source: Research results, 2022

Table 11: Leisure rewards Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coefficients</td>
<td>(Constant)</td>
<td>4.326</td>
</tr>
<tr>
<td>B</td>
<td>Gender</td>
<td>.207</td>
</tr>
<tr>
<td>Std. Error</td>
<td>Age</td>
<td>-.036</td>
</tr>
<tr>
<td>VIF</td>
<td>Masculinity</td>
<td>-.101</td>
</tr>
</tbody>
</table>

Dependent Variable: Leisure rewards, Predictors: (Constant), Age, Gender, Masculinity

Source: Research results, 2022

Hypothesis 5 suggested that the cultural value of Individualism will negatively impact the preference for Social rewards. As seen in Tab. 12, this model has no explanatory power. Furthermore, Individualism is neither negative (B .101) nor significant (p-value .189). Thus, the null hypothesis cannot be rejected.

Hypothesis 6 suggests that the cultural value of Individualism will have a positive impact on autonomy, and hypothesis 7 suggests that uncertainty avoidance will have a negative impact on autonomy. As seen in Tab. 13, this model can explain 22% of the variance in autonomy. Furthermore, the relationship between Individualism and autonomy was both positive (B .415) and significant (p-value .000). Accordingly, for hypothesis 6, the null hypothesis can be rejected. Finally, Uncertainty Avoidance does not have a negative impact on the preference for autonomy but rather a positive one (B .258), and that is at a level that could be considered significant (p-value .026).
The cultural value of Power Distance will have a positive impact on the preference for extrinsic rewards. **Supported**

The cultural value of Individualism will positively impact the preference for intrinsic rewards. **Supported**

The cultural value of Individualism will negatively affect the preference for altruistic rewards. **Not Supported**

The cultural value of Masculinity will negatively impact the preference for leisure rewards. **Not Supported**

The cultural value of Individualism will negatively impact the preference for social rewards. **Not Supported**

The cultural value of Individualism will have a positive impact on autonomy. **Supported**

The cultural value of uncertainty avoidance will have a negative impact on autonomy. **Not Supported**

### Table 12: Social rewards Regression Analysis

<table>
<thead>
<tr>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.009</td>
<td>.724</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Std. Error</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>3.767</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.181</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.037</td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>.101</td>
<td></td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>.258</td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Social rewards, Predictors: (Constant), Age, Gender, Individualism

**Source:** Research results, 2022

### Table 13: Autonomy Regression Analysis

<table>
<thead>
<tr>
<th>Adj. R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.226</td>
<td>.754</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>Std. Error</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.514</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.106</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.003</td>
<td></td>
</tr>
<tr>
<td>Individualism</td>
<td>.415</td>
<td></td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>.258</td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Autonomy, Predictors: (Constant), Age, Gender, Individualism, Uncertainty Avoidance

**Source:** Research results, 2022

Accordingly, as seen in Tab. 14, the results of the hypothesis testing can be summarized as hypotheses 1, 2, and 6 were supported, and hypotheses 3, 4, 5, and 8.

### Table 14: Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

**Source:** Research results, 2022

### 6. Discussion

This study intended to examine the cultural values and work values of Generation Z in Austria under consideration of the current SARS-CoV-2 pandemic.

Austrian Generation Z adhered largely as expected to the espoused national cultural values. They are moderately individualistic, low power distant, tend toward femininity, and also toward uncertainty avoidance. In terms of Masculinity, Austrian Generation Z does follow its global cohort in being more self-centered about their well-being and quality of life (Puleskavaivanovska et al., 2017), despite growing up in what has been considered a masculine society like Austria (Hofstede et al., 2016b). This is important to consider for human resources practices as Austrian Generation Z is showing slight feminine tendencies, suggesting that a supportive work environment will be valued slightly more than a competitive one. Companies that want to attract Generation Z as future employees but are highly masculine in their corporate culture by promoting competitiveness will have difficulties in retaining them. This is also consistent with the findings of Catanzaro, Moore, and Marshall (2010), who confirm that new hires who prefer a supportive environment but work in a masculine organization report lower job satisfaction and, consequently, higher turnover is to be expected. Therefore, supportive values should be properly addressed and made visible. Furthermore, the open-ended question "preferred benefits during the SARS-CoV-2 pandemic" revealed concerns of Austrian Generation Z in terms of supportive benefits during the pandemic, such as caring for mental stress by promoting healthy work structures and by offering lectures and exercises related to this topic. Furthermore, new hires wish for proper onboarding in the virtual working world, and others wish to have the dual burden of family and work acknowledged.

Gen Z Austria did show a preference for avoiding uncertainties. This was largely expected as Austria is already considered high on the Uncertainty avoidance index (Hofstede et al., 2010b). Furthermore, several researchers highlighted how growing up in turbulent political and economic periods made Generation Z more careful and concerned about emotional, physical, and monetary safety (Chicca & Shellenbarger, 2018). Also, the open-ended question "lessons learned from the pandemic" revealed that Austrian Generation Z places high value on job security. Comments like: "one should appreciate that one is not dismissed in such difficult times" confirm the concern with job security. Given these facts, recruiters trying to attract Generation Z employees should transparently explain the recruiting process so that uncertainties are eliminated. Especially delays in the recruiting process are found to be of negative impact in countries with a higher Uncertainty avoidance index (Ma & Allen, 2009).

The results indicating a low Power Distance score were no surprise. Generation Z in Austria is being raised in a very low power distant country (Hofstede et al., 2010), and equality and fairness are found to be an important values for the global Generation Z cohort (Tanaid & Wright, 2019).
Analysis of the literature review based on Generation Z’s global work values shows that they highly value intrinsic rewards (Seemiller & Grace, 2017), and some studies also suggest that they prioritize intrinsic over extrinsic rewards (Adecco, 2015). In terms of altruistic rewards, it is found that contributing to the community is considered very important for Generation Z (Brodtkorb et al., 2017). Furthermore, Jorgulescu (2016) found in her study that social rewards were also considered relevant among Generation Z, while leisure rewards were ranked last.

Comparing the results with the Austrian Generation Z, it can be concluded that intrinsic rewards are valued the most while autonomy rewards are ranked last. Social rewards are of second importance, which means that this is one of the most desirable values. This is also consistent with the findings of the open-ended question “lessons learned from the pandemic,” where the importance of face-to-face contact and socializing at work was strongly emphasized and therefore contradicts the findings of Adecco (2015). Furthermore, Farrell & Phungsoonthorn (2020) found in their study that intrinsic motivation is of the greatest importance for Thai Generation Z, which counts as a global cohort.

Leisure rewards are in the top three, representing a strong significance among Austrian Generation Z’s preferences. This strongly supports the argument that Austrian adolescents also expect enough leisure time outside of the work environment (Groväger, 2014). The fact that Scholz and Grotefend (2019) found that clear boundaries between private life and work are desired is consistent with the wish for a healthy work-life balance.

Surprisingly, extrinsic rewards were also ranked very high, which, although unexpected, is consistent with other findings suggesting extrinsic rewards such as career advancement or remuneration are highly motivating for students (Jorgulescu, 2016).

Moreover, despite having a positive attitude towards altruistic and autonomy rewards, Austrian Generation Z favors other rewards by far more, as altruistic rewards together with autonomy rewards rank last among their preferences.

Finally, it was surprising to see that uncertainty avoidance positively impacted the preference for autonomy. This is similar to findings from Farrell & Phungsoonthorn (2020), where Uncertainty Avoidance had a positive impact on the preference for Autonomy in Thailand. Although autonomy brings with it a certain amount of uncertainty, perhaps the added control allows individuals to perceive a clear way of dealing with uncertainty, even if no rules or regulations exist.

**Practical Implications**

This study offers several practical implications; first, it is crucial to understand that already previous studies confirm that Generation Z differs from other generational cohorts in its demands, expectations, perceptions, and aspirations (Seemiller & Grace, 2017).

From a practical point of view, it can be concluded that the Austrian Generation Z perceives all six work values very positively. Especially intrinsic rewards, which rank first, are highly favored and have been found to be of great importance in other studies as well (Farrell & Phungsoonthorn, 2020). Therefore, retaining an Austrian Generation Z employee requires employers to foster their inner drive by offering challenging or enjoyable tasks paired with opportunities for development and growth. It has already been validated that intrinsic employee motivation is an enabler of employee satisfaction, which is associated with increased rates of retention (Cho & Perry, 2012). Therefore, one practical consequence could be to make their career path visible and transparent so that Austrian Generation Z has a clear vision of what one could achieve. In contrast, Austrian Generation Z also scored high in the mean value analysis of extrinsic rewards, although it ranks fourth in the overall rating. This should not be disregarded as career advancement and an attractive salary package are still of high value. Therefore, a combination of both intrinsic and extrinsic factors is required to successfully retain Austrian Generation Z. Moreover, social rewards are the second most valued work value for Austrian Generation Z and were also mentioned as the biggest learning from the current pandemic. Therefore, a workplace where regular exchange among colleagues is supported is an appealing advantage. Particularly during the current pandemic, where home office options are available, and the team doesn’t see each other regularly, employers need to consider how networking events will still be held as the demand for them is strong. Some study participants view a combination of both remote working and office presence as the new world of work, and with regards to social networking, Generation Z has already proven to be very savvy in using these platforms (Turner, 2015). Hence, the results are a strong indicator that opportunities that allow for social interaction are highly valued.

Leisure rewards rank third, indicating that Austrian Generation Z put great emphasis on a proper balance between work and private life. Twenge et al. (2010) similarly found how the need for leisure rewards increased sharply across the different generational cohorts. Furthermore, the qualitative analysis of the open-ended questions revealed that Austrian Generation Z desires a high degree of flexibility within the workplace in terms of flexible work arrangements. Thus, a package of measures consisting of the desired flexibility and leisure rewards is crucial for employers to consider.

Given that extrinsic rewards and leisure rewards perform similarly in their outcomes, employers might consider tailoring their benefits to each individual’s preferences by letting them choose between extrinsic rewards in the form of a pay raise as an example or leisure rewards in the form of an extra day off instead.

Looking at the very low Power Distance score, the results suggest that Austrian Generation Z values a work environment in which not only the managers take the decisions but also the employees are included in decision-making matters. In addition, decisions made should be allowed to be questioned and challenged. From a managerial perspective, this means that a strongly hierarchical management style, in which control is vested in a few hands, is not favored by this generational cohort. This is also confirmed by the study of Ozskun and Solmaj (2015), which found that Generation Z is more likely to want managers to hear their thoughts and respect their opinion than other generational cohorts, and by Kubatová (2016), who argues that supervisors are required to also be Generation Z’s mentors to meet their needs.

**Limitations**

There are numerous studies relating to generational cohorts, which differ in the age range into which the respective generational cohort is classified. Accordingly, this research could be divergent from some that consider other birth years. Furthermore, the small sample impacts the study’s generalizability to Generation Z in Austria as a whole. Additionally, over 70% of the respondents were female, so a fair gender balance was not achieved. Therefore, it is recommended for further research to analyze whether gender influences the perception of culture and work values. Beyond that, the respondents are mainly located in Vorarlberg and Vienna, and therefore the other provinces of Austria represent a minority. Future research requires the inclusion of all Austrian states and a larger sample size to ensure diversity and representativeness.

**7. Conclusion**

This study aimed to investigate Austrian Generation Z’s work values by analyzing their espoused national cultural values and espoused generational cultural values by incorporating the current SARS-CoV-2 pandemic. Thus, this study aimed to fill the current gap in the literature around the values of Austrian Generation Z and serves as a potential roadmap for employers seeking to attract and retain Austrian members of Generation Z. Overall, it can be concluded that Austrian Generation Z is strongly low-power-distant and is about as inclined towards Collectivism as they are towards Individualism. Furthermore, they are reporting
low Masculinity and thereby indicating a preference in the feminine direction, and show preferences for avoiding uncertainties. In terms of the espoused generational cultural values, Austrian Generation Z confirmed a preference for all six work values, while intrinsic rewards are of greatest importance and autonomy rewards rank last among their preferences. Furthermore, a positive and significant relationship between Power Distance and extrinsic rewards and Individualism and intrinsic rewards was found, suggesting that respondents who tend toward greater Power Distance will show a higher preference for extrinsic rewards, and respondents who are inclined toward greater Individualism will show a stronger preference for intrinsic rewards.

Given the current pandemic, employers need to understand that offering a mix of remote work and office presence is a key benefit for Austrian Generation Z, as social contacts in the workplace are of utmost importance to them and are one of their biggest lessons learned from the pandemic. Beyond that, the study confirmed that the Austrian Generation Z shows a strong preference for flexibility in various forms in the work environment.

Considering these findings, employers must take into account that the Austrian Generation Z shows a strong preference for flexibility in various forms in the work environment.

8. Funding
his study received no specific financial support.

9. Competing interests
he authors declare that they have no competing interests.

10. Acknowledgements
his paper is the further development of the first author’s thesis. Thank you to all of those who contributed to and supported these efforts.

References


Purpose: The purpose of the study is to help firms use strategy as an important tool helping both management and employees in control and evaluation of whether or not the institution’s objectives are met.

Design/Method/Approach: The researcher used an exploratory study design, and the data was collected through organised interviews via telephone to gather everything that is relevant for the study. Qualitative data collected was thereafter analysed by finding out similarities and differences among the responses collected from different institutions and conclusions made.

Findings: The findings indicate that strategic management practices are useful predictor variables of performance. The composite R^2 value of .714 which indicates that 71.4% variation of performance in parastatals in Kenya is as a result of strategic management practices. Of these practices, strategy implementation had the highest impact on performance. The least was strategy evaluation.

Theoretical Implications: Strategic fit theory was used to analyse the performance of each parastatal. The researcher then presented the data using a descriptive approach by the use of illustrative quotes.

Practical Implications: The performance of parastatals is good with both employees and consumers reporting high levels of satisfaction.

Originality/Value: To achieve any organizational goals, a parastatal needs to plan, formulate and implement. The document is to encourage top management in parastatals to practice strategic management as it will have a positive impact on performance in parastatals in Kenya.

Research Limitations/Future Research: Like many research studies, a small group of 14 parastatals was examined, and conclusions were made basing on the findings from this sample. This brought about a generalization that was applied to all other subjects in the field. This generalization appeared somewhat unfair judgement about other parastatals from where participants were not selected because different institutions may have different cultures and levels of professionalism, practice and performance when it comes to matters of strategic management.

Paper type: Empirical

Keywords: Strategic Management, Management practice, Parastatal, Performance.

Reference to this paper should be made as follows:
Мета роботи: Мета дослідження полягає в тому, щоб допомогти фірмам використовувати стратегію як важливий інструмент, що допомагає як керівництву, так і працівникам контролювати та оцінювати, чи досягаються цілі установи.

Дизайн / Метод / Підхід дослідження: Дослідники використовували пошукові методи дослідження, дані зібрано шляхом організованих інтерв’ю по телефону для максималного охоплення тематики дослідження. Зібрані якісні дані було проаналізовано шляхом виявлення подібності та відмінностей між відповідями, зібраними від різних установ і відповідних висновків.

Результати дослідження: Результати показують, що методи стратегічного управління є корисними прогностичними змінними ефективності. Зведене значення R² становить 0,714, яке вказує на те, що 71,4% варіації ефективності напівдержавних підприємств у Кенії є результатом практики стратегічного управління. З цих практик впровадження стратегії мало найбільший вплив на ефективність.

Теоретична цінність дослідження: Для аналізу результатів діяльності кожного напівдержавного підприємства було використано теорію стратегічної відповідності. Дослідниками було представлена дані за допомогою описового підходу з використанням ілюстративних цитат.

Практична цінність дослідження: Показники діяльності напівдержавних органів хороши, як співробітники, так і користувачі повідомляють про високий рівень задоволеності.

Оригінальність / Цінність дослідження: Для досягнення будь-яких цілей організації напівдержавного органу їх необхідно планувати, формувати і реалізовувати. Цей документ призначений стимулювати вище керівництво напівдержавними організаціями до практики стратегічного управління, осілки це показує позитивний вплив на ефективність роботи напівдержавних організацій у Кенії.

Обмеження дослідження / Майбутні дослідження: Як і в багатьох інших дослідженнях, було виявлено невелику групу з 14 напівдержавних установ, i на основі результатів цього вибору було сформульовано висновки. Це привело до узагальнення, яке було застосовано до всіх інших суб’єктів у цій області. Це узагальнення виявилося кількома несправедливими судженнями про інші напівдержавні організації, з яких не були відбрані учасники, осілки різні установи можуть мати різну культуру та рівень професіоналізму, практики та ефективності, якщо говорити про стратегічне управління.

Тип статті: Емпірічний

Ключові слова: стратегічний менеджмент, практика управління, напівдержавні установи, продуктивність.
1. Introduction

Strategic management is a concept that concerns making decisions and taking corrective actions to achieve long-term targets and goals of an organization (Gure, & Karugu, 2018). Strategic management practice consists of four basic elements: strategic planning, implementation, evaluation, and control (Makhanga, 2017). It is within these four elements that strategic management practices are manifested and are also described as a strategic management process. Strategic leadership is a component of strategic management practice that involves provision of direction and leadership toward implementation of a planned strategy.

Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats considering corporate strengths and weaknesses. Strategy must not regard competitiveness of a parastatal to be limited to specific and known forces of the market in which the parastatal operates, but competitive forces should be looked into in relation to competitive strategies the parastatal uses such as cost leadership, differentiation or focus strategies (Kumar, 2021; Pulladan & Adamu, 2018).

2. Theoretical Review

This study is premised on Strategic Fit theory. This theory proposes that like a line of best fit, businesses have to analyze their available opportunities, examine their own strengths and thereafter find out what works for them in terms of planning for their future engagements. This must also be related to the environment in which the business exists and operates. There are two types of business environments: internal and external (Rahman & Rahman, 2019). Internal environment includes all factors within the business entity that directly impact its success. The other major characteristic of this type of environment is that the business has control over it. For example, the number of employees the business should have, the types of equipment used, the departments that should be established and types of partners to work with. External environment, on the other hand, entails factors outside the business that affect its operations, but the business does not have direct control over them. For these factors, the business has to change its way of operations for it to succeed.

The examples of these are legal or political matters, competition, and demographic characteristics of customers to be served (Moses, & Ekwutosi, 2014). A strategy formulation process, to a great extent, matches the three major components of the theory. These components are matching, establishing a fit, and integration. Environmental scanning helps to identify relevant internal and external factors that affect business performance. Formulation establishes a fit, and implementation achieves the integration of all the ideas in a way that benefits the business. According to Katie (2021), advantages of using this ideology are that you end up with a strategy before beginning a business year. Those businesses that are keen on strategies will end up having a sense of direction, probably making wise investment decisions, having measurable success, and achieving a level of satisfaction for the company and for its partners, customers and employees.

Strategic management is a term coined from two words that are already rich in themselves when it comes to meaning and usage. Strategy is, in other words, a plan that is drawn after carefully forecasting the aims of a company, organization, group or individual, by drawing ways how to get there. Management is, on the other hand, a way of controlling people or activities in a way to get things done through them. Therefore, combining the two words brings the compound meaning of having a well-controlled plan to attain an organization’s objectives for existence. Hunger and Wheelten (2021) define it as a ‘set of managerial decisions and actions that determines the long-run performance of a corporation’. This definition is careful to include the important aspects of decision making which is a day-to-day function of management.

2.1. Process of Strategic Management

Everything that is as effective as strategic management evolves over time and ends up having clear-cut processes that can be studied and applied by anyone interested in it. The process involved here as described by Juneja (2015) is a way of clearly defining an organization’s plan of actions for a specified period in future. It is a continuous process that involves environmental scanning, strategy formulation, strategy implementation and strategy evaluation.

2.2. Environmental Scanning

This is an organization’s way of observing its own activities and identifying current trends that the business has in its internal and external environments. By doing so, the business ends up identifying ways to alter its current operations to ensure better success in the coming days. Salinus and Lozano (2019) found out that data collected in environmental scanning can help in identifying changes in the external environment especially competitors and consequentially in clearly defining potential business threats or opportunities that can be harnessed to benefit the organization. Some tools used to carry out these scans include SWOT analysis which is an acronym for strengths, weaknesses, opportunities, and threats. Another common tool is PESTEL analysis which stands for political, economic, social, technological, legal and environment.

2.3. Strategy Formulation

This is the tactical formation and documentation of intended actions for the coming specified period of time. In the recent past, most businesses have focused on external factors relating to competition in the industry but have had little or no focus on internal environment factors when laying down strategies. Guinot, Monfort and Chiva, (2021) in their study established that if employees actively participate in decision making, their job satisfaction is influenced positively because they perceive that they are trusted. Köseoglu, Altn, Chan and Aladag, (2020) also found out that one key factor that contributes to successful strategy formulation and implementation is active employee involvement.

2.4. Strategy Implementation

Most strategic plans often come with new ideas, methods and ways of doing things. If success must be realized, the following aspects have been seen to play an enhancing role: commitment to the vision, willingness to adopt the changes, ability to quantify or measure progress and setting priorities right (Köseoglu at all, 2020). Availability of resources is a key to fulfill new plans. A human resource as well as money as the main resource needed to purchase goods and services must be available when needed. Constraints on availability of equipment following a breakdown of existing tools and the need to have improved technological devices have to be addressed in good time. In most cases, parastatals often need to have long lasting machines which sometimes serve for a long time and become outdated or are too slow to keep up with the rising number of individuals who need the particular services (Makara, 2017). For countries in Africa, the main source of income for parastatals is the government (Buldo, 2021).

2.5. Strategy Evaluation

Judging how plans have worked out in terms of numbers or quality of outcomes is a key element of deciding which actions to keep, and which ones to let go.

In any company, individual evaluation of performance in terms of appraisal helps to identify the people who need help replacement or encouragement to keep working. It may also identify areas of
needed of training among employees. The same applies to every strategy that is formulated; there must be an established measurement of performance criteria that will give indicators of success or failure (Punt et al., 2016). It is easy to calculate, for instance, how many products were sold in a certain period in comparison with a similar period in a previous year. From here, it is known whether there is a positive or negative progress.

3. Problem of the Statement

Parastatals in Kenya are facing a rapidly changing market. The competitive business environment has forced organizations to engage in complex business decisions which require competitive strategies. The very well-known challenge for public organizations in Kenya in the past and currently is successful formulation and implementation of strategy (Nyangaki, Munga & Mungai, 2021). Studies indicate that 70% of strategic initiatives fail to be implemented, they assert that the failure include failure to understand the reason for the plan-unable to predict reactions from the environment, failure in coordination, resource competence overestimation, time requirement underestimation, lack of employee commitment, not following the plan and failure to obtain senior management commitment (Auka & Lungat, 2016; Muriuki, Cheruiyot & Komen, 2017; Mohammed & Rugami, 2019; Nduti, Karuki & Wanjohi, 2021). Majority of studies done have focussed on other areas, SMEs (Gure & Karuga, 2018; Maldeniya, Chaturanga & Marasinghe, 2022), Fintechs (Kimuni, 2018), Saccos (Daoudi & Mbugua, 2018; Sikihoya & Muteshi, 2020), Counties (Nyakundi, 2018; Mohammed & Rugami, 2019; Mutuku, 2019), Banks (Njambi, 2017; Mwakai, 2018; Gabow, 2019). Those done have not addressed strategic management practices and performance in a government sector. The few studies done in the public sector, NDSA (Karanja & Juma, 2020) sustainability in state corporations (Muriuki, Thomas & Joyce, 2017), Kenya Power (Nyongesa, Makokha & Namusonge, 2017), Corporate Social Responsibility (Sasakia, 2017). The aim of the study was to investigate the influence of strategic management practices and performance in parastatals in Kenya.

4. Data and Methods

4.1. Research Design

A study utilized an exploratory design since it sought to establish the relationships among the key study variables, namely strategic management practices, knowledge and performance of parastatals. This study design was seen to be the most relevant because of the scarcity of data on this subject. It helped identify the actual issues encountered by parastatals that will form baseline data for future studies (Denne, 2018). Organized telephone interviews were conducted to collect data from 14 parastatals. The information was analysed and presented in this document.

4.2. Study area

The study took place in Kenya, East Africa. The data was collected from individuals working in 50 parastatals distributed across the country.

4.3. Sampling method

A simple random sampling method was used where subjects that were available at the time of collecting data were picked to participate in the study after informed consent had been sorted.

4.4. Data collection tools and instruments

The data was collected on subjects from whom proper consent had been sorted. A structured questionnaire was preferred because it was easy to use, time saving and provided organized data for easier analysis (Jones, Baxter & Khanduja, 2013). It included relevant demographic and qualitative data. The participants were first called, requested to participate, and then the questionnaires were mailed to them. On receiving the questionnaire, sustained communication was established between the researcher and respondents to assist them in completing it successfully. Completed questionnaires were then mailed back to the researcher who kept them.

4.5. Data Collection

Quantitative data that was collected through structured questionnaires was analysed, and the conclusions about the patterns seen among the parastatals in similarities and differences were drawn. A total of 75 questionnaires were distributed to senior managers, supervisors and the general staff in 14 parastatals to get their responses about the items under study. Out of the 75 questionnaires distributed, 50 questionnaires were duly filled. This represented 66.7% response rate of the total questionnaires given out. According to Mugenda and Mugenda (2003), 50% response rate is adequate for descriptive surveys, while 60% is good and above 70% is very good. Based on such contention, the response rate for the study was rated as good. The collected data was edited carefully for purposes of correcting and adjusting any omissions, inconsistencies, irrelevant answers, and wrong computations from the study. After editing, the data obtained was arranged and classified according to common characteristics possessed by the distinct items in the questionnaire. Finally, the obtained data was arranged in columns and rows for absolute clarity in the data presented.

5. Results and Discussion

Strategic fit theory describes the degree to which an organization matches its resources and capabilities with the opportunities in the external environment (Teece, Pisano and Shuen, 1997). This means that each business could fit in certain environments much easier and well but find it difficult to thrive in another environment. This study focused on parastatals in Kenya, and the findings are herein.

5.1. Reliability

The reliability of the data can be defined as the degree to which the instruments of data collection give results that are consistent after repeated trials (Mugenda & Mugenda, 2003). According to Creswell and Poth (2016), a reliability coefficient estimates consistency by determining whether each item of the test relates to all other items to ensure internal consistency of the data. Thus, the higher the coefficient is, the more reliable the test is (Nunnally, 1978). To determine the reliability (internal consistency) of the data collected, Cronbach’s Alpha (α) coefficient was used. Table 1, the constructs of strategic management practices and performance of parastatals were tested for reliability using Cronbach’s alpha test which gave the results as shown in Tab. 1.

<table>
<thead>
<tr>
<th>Composite Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Scanning</td>
<td>.795</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Formulation</td>
<td>.871</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Implementation</td>
<td>.812</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
<td>.703</td>
<td>6</td>
<td>50</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>.894</td>
<td>6</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Research results, 2021

Therefore, based on Cronbach’s alpha coefficients for all the composite variables in the study, it was found that the research instrument used was reliable enough and that the data collected was equally reliable. This is because all the variable items gave a composite Cronbach alpha of .795 for Environmental Scanning, Strategy formulation, Strategy Implementation and Strategy Evaluation, all of which were above the acceptable .70 alpha coefficient value.
5.2. Correlation Analysis

Correlation analysis was conducted to determine the existence, strength and direction of a linear relationship between strategic management practices and performance. The correlation analysis was carried out using Pearson’s correlation coefficient technique. The study sought to investigate the influence of strategic management practices and performance (Environmental Scanning, Strategy formulation, Strategy Implementation and Strategy Evaluation) on the dependent variable (Performance). The results obtained were presented in Tab. 2.

<table>
<thead>
<tr>
<th>Correlation Matrix</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Environmental Scanning</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2 Strategy Formulation</td>
<td>.551**</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3 Strategy Implementation</td>
<td>.455**</td>
<td>.758***</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4 Strategy Evaluation</td>
<td>.122*</td>
<td>.220**</td>
<td>.206**</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>5 Performance</td>
<td>.469**</td>
<td>.768**</td>
<td>.665**</td>
<td>.327**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at 0.01 level (2-tailed).
* Correlation is significant at 0.05 level (2-tailed)

Source: Research results, 2021

5.3. Regression Analysis

This study further carried out a regression analysis by fitting linear regression models for the data. The regression analysis was conducted for each of the predictor variables and employee retention. This was purposely done to investigate the level of influence that each predictor variables had on the dependent variable. It helped the study to establish the nature of the relationship between strategic management practices and performance variable. The results obtained were presented in Tab. 3. The amount of variation obtained on the composite predicted variable (performance) as explained by the composite independent variables (Environmental Scanning, Strategy formulation, Strategy Implementation, Strategy Evaluation). The multiple regression analysis carried out yielded a coefficient R-value of .845 and the R² of .714, which means that 71.4 % of the corresponding variation in performance can be explained by strategic management practices. Furthermore, the adjusted R square (.709) attempts to give a more honest value that tends to estimate the R square for the entire population at 70.9 %.

Similarly, the ANOVA test gave the F value of (134.105, p < .001) which was large enough to support the goodness of fit of the model in explaining the variation in the composite predicted variable (performance) by strategic management practices. It also shows that with a p-value of less than 0.001, there is less than 1 in 1000 chances that the influence of strategic management practices on performance could be described by a flat line. Thus, this corroborates the view that strategic management practices are useful predictor variables of performance. Therefore, this model was found to be significant and fit, and expressed further in the regression coefficients as shown in Tab. 4.

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>R Square Change</th>
<th>F Change</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>.845*</td>
<td>.714</td>
<td>.709</td>
<td>.45067</td>
<td>.714</td>
<td>134.105</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Strategic management practices on Performance

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-1.807</td>
<td>.291</td>
<td>-.6218</td>
<td>.000</td>
</tr>
<tr>
<td>Environmental Scanning</td>
<td>.001</td>
<td>.022</td>
<td>.001</td>
<td>.031</td>
</tr>
<tr>
<td>Strategy Formulation</td>
<td>.742</td>
<td>.091</td>
<td>.452</td>
<td>8.133</td>
</tr>
<tr>
<td>Strategy Implementation</td>
<td>-.002</td>
<td>.073</td>
<td>-.001</td>
<td>-.022</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
<td>.243</td>
<td>.055</td>
<td>.147</td>
<td>4.379</td>
</tr>
</tbody>
</table>

Table 4: Coefficients for Strategic Management practices

The results obtained in Tab. 4 show the unstandardized regression coefficients β values of the computed (composite index) scores of strategic management practices as .243 (Environmental scanning), .459 (Career management), .742 (Strategy formulation), .001 (Environmental scanning) and .002 (Strategy Implementation). These coefficients show the fitted model with the inclusion of the constant (beta zero). Hence, the raw regression equation model given was as shown:

Y = α + β₁X₁ + β₂X₂ + β₃X₃ + β₄X₄ + β₅X₅ + ε and thus, the estimated model was given by:

Performance (predicted) = -1.807 + 0.243* Environmental Scanning + 0.742* Strategy Formulation + 0.001* Environmental Scanning - 0.002* Strategy Implementation

In the establishment of how useful the predictor variables could be, Cohen, West, and Aiken (2017) recommended that the t-values should be less than -1.96 or greater than +1.96 at 95% confidence level. Therefore, the results obtained in Tab. 4 present the t-values of strategy implementation (t=4.379), strategy formulation (t=8.133), strategy evaluation (t=0.031) and environmental scanning (t=0.022). This shows that the t-values of strategy implementation, strategy formulation and strategy evaluation were within the
range and hence, the variables were found to be significant predictors of employee retention in the multiple regression since all the three had p-values of less than 0.01. Thus, having achieved the set objective, the study rejected the null hypothesis that: How Strategic Management practices have no significant influence on performance in Parastatals in Kenya.

6. Conclusion and Recommendations

The public sector is bound to be affected by the uncertainty in the environment that may affect the performance of an organization. High competition and many other negative aspects in the external environment, which become threats to parastatals; to develop their business that need to be handled carefully through strategic management approach. The implementation of strategic management practices in parastatals can help them to enhance their performance through improved effectiveness, efficiency and flexibility.

To improve the performance, the implementation of strategic management must be conducted properly. There is need to analyse the external environment to obtain information in term of threats and opportunities and carry out the internal environment assessment to evaluate a firm’s strengths and weaknesses in order to cope with threats and opportunities.

In view of the findings, the study recommends that management of parastatals should show more commitment to firms. Managers need to spend more of their time planning and implementing strategy, the management of available resources and need to allocate more resources and provide training to the staff and seek employee input during the process of strategy formulation and implementation.

7. Funding

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8. Competing interests

he authors declare that they have no competing interests.

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