DESCRIPTIVE STATISTICS IN CORPORATE MANAGEMENT AND EMPLOYEE ENGAGEMENT IN RURAL DESTINATIONS

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ABSTRACT

Organizations that hope to achieve a competitive advantage through employee engagement will be most successful by incorporating and including employee engagement in the performance management process. Therefore, essence of the performance management must to be convergence to employees and establish communication with each one. The aim of this study was to determine the relationship between employee engagement (assessment of employee competencies and preferences of the engagement mechanisms), and performance management process in rural destinations. In this paper, the assumption is that the employee are more engaged if they feels belonging to the organization and see the value of their work and that this can be achieved through rewards and recognition system and effective communication channels. The research was conducted on 79 employees in the Fruška Gora National Park, Serbia.

Keywords: rural destinations, employee engagement; descriptive statistics, corporate management, Fruška Gora mountain

JEL: E24, C10, O15, R11

Introduction

The motives are the engine of human activity. They are directed a human activity in a certain direction. Motivation is often defined as the process of excitation of its

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activities and other activities in order to achieve personal goals, and the goals of the system. It is believed that motivation is the result of the following hierarchy of needs: the need for self-actualization, the need for self-esteem, social needs, security needs and physiological needs. Motivation is an important factor which actuates a driving force for our actions and work. Baron (1983) explains that motivation represents a cumulation of various processes that impact and direct our behavior in order to achieve some specific goal. It explicitly creates and contains a positive effect on job, as it is such a dynamic in today’s environment.

In a particular organization, it is possible to achieve the best performance with the most dedicated employees through employee motivation. Motivation and satisfaction of employees become the basis of modern organization. Emphasis is placed on the active management of their resources, and in the context of improving the use of human factors are developed various schemes to increase the motivation to work. Thereby it focuses particularly on job satisfaction as a significant indicator of employee motivation, the job stimulating and the total dimensions of the work.

This brings us to the concept of engagement. Engagement means that a person is psychologically present when he or she performs a certain role in an organization (Kahn, 1990, Kahn, 1992). People will be attentive, connected, integrated, and focused if they are psychologically present (Kahn, 1992). Therefore, it could be said that the roots of all human motives lie in pleasure. This paper started from the main hypothesis H: employee engagement is a key item for productivity. Based on the fact that the goals of every business enterprise are achieving better business results, the concept of a performance management process is arrived at. In order for a company to be successful it must respect the economic principles that define business success as the ratio between the target and the invested resources.

Therefore, in order for a company to be successful it must have “satisfied” employees by which are entitled some of the most important principles of success: productivity, efficiency, profitability and financial stability. The aim of this study is to determine the relationship between employee engagement and performance management process in the Fruška Gora National Park, Serbia. Keeping in mind specificity of national parks as an institution, in this case, the proposed engagement of employees is much more pronounced.

For the purposes of this research, survey was used as a method, whereby 79 questionnaires were analyzed. The participants were employees in the Fruška Gora National Park.

**Theoretical Background**

One variable that has been receiving increasing attention as a key determinant of performance is employee engagement (Macey et al., 2009). Employee engagement enables employees to completely fulfil job requirements while expressing their preferred selves (Kahn, 1990). This means that people who are engaged keep their selves when performing their professional duties. In other words, engagement means that employees show a high level of energy and identification with their work, but do not reach a point of
burnout, because that involves a low level of both energy and identification (Demerouti, Bakker, Nachreiner & Schaufeli, 2001; Schaufeli & Bakker, 2004; Bakker, Demerouti & Verbeke, 2004; Schaufeli & Salanova, 2007). People who are engaged are committed to their tasks, cognitively alert, and passionately connected to others in ways that show their individuality (e.g., how they feel, what their thoughts and values are, etc.).

Different factors in the work environment are related to employee engagement. The question is how organizations can improve employee engagement? Due to the economic challenges in the modern world, organizations have tried to improve employee engagement by focusing on performance management (Buchner, 2007). Performance management is a crucial aspect of the effectiveness in an organization (Cardy, 2004). Due to the fact that performance management is an important process through which work is accomplished, it is the “Achilles Heel” of human capital management, which is why it should be managers’ main priority (Gruman & Saks, 2011).

But less than a third of employees think that their performance depends on their company’s performance management process. In addition, employee satisfaction surveys show that employees regularly rank performance management among the lowest topics (Gruman & Saks, 2011). Due to modern challenges, many organizations have decided to refocus their attention on performance management systems (Buchner, 2007) and find ways to boost employee performance. Employee engagement was described and measured as satisfaction, commitment, and discretionary effort in a paper that was recently published (Fine, Horowitz, Weigler, & Basis, 2010).

Kahn (1992) and Macey et al. (2009) models of employee engagement indicate the following: there is a state and behavioral dimension of employee engagement, the state of employee engagement precedes the behavioral dimension and leads to it. Performance outcomes directly depend on engagement behaviors. There are several theories and models in the literature which suggest how to improve employee engagement. Mone and London (2010) advise to design the performance management process that will stimulate employee engagement and trigger better performances. Factors that improve employee engagement may differ from those that were related to traditional employee outcomes such as job satisfaction and organizational commitment (Macey et al., 2009), since this is a relatively new concept (Macey & Schneider, 2008).

Much attention has been given to employee engagement in the last five years, especially in consulting firms and the popular press. Many consider it to be a crucial factor when it comes to the success and competitiveness of an organization. Schaufeli and Salanova (2007) suggest that engagement is “essential” for contemporary organizations because they are facing a lot of challenges. Macey et al. (2009) believe that organizations’ competitive advantage depends on employee engagement. Many researchers note that employee engagement is the leading factor that influences attitudes, behavior, and performance of employees, as well as performance, productivity, retention, financial performance, and even shareholder return of an organization (Bates, 2004; Baumruk, 2004; Harter, Schmidt, & Hayes, 2002; Richman, 2006).
Macey and Schneider (2008) state that this concept has many definitions, but it is a
common opinion that employee engagement is beneficial, it has an organizational
purpose and combines psychological and behavioral factors since it involves energy,
enthusiasm, and focused effort. Harter, Schmidt, and Hayes (2002) define employee
engagement as “the individual’s involvement and satisfaction with as well as enthusiasm
for work” (p. 269). Leiter and Maslach (1998) define engagement as the opposite pole
of burnout (Demerouti, Bakker, Nachreiner & Schaufeli, 2001; Schaufeli & Bakker,
2004; Bakker, Demerouti & Verbeke, 2004). The definition of engagement that they
provided is “an energetic experience of involvement with personally fulfilling activities
that enhance a staff member’s sense of professional efficacy” (Leiter & Maslach, 1998;
Gruman & Saks, 2011) and they believe that engagement is a combination of energy,
involvement, and efficacy (Maslach, Schaufeli, & Leiter, 2001).

Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002) believe that the concept
of engagement is the opposite of burnout. However, they believe that these concepts
are independent states which do not have a similar structure, so different instruments
are used to measure them. They view engagement as “a positive fulfilling, work-
related state of mind that is characterized by vigor, dedication, and absorption” (p.
74). Rothbard (2001) also states that a key component of engagement is absorption
(attention is the other component). Schaufeli and Salanova (2007) state that being
completely absorbed in a role is similar to the concept of “flow” which was introduced
by Csikszentmihalyi (1990) (Gruman & Saks, 2011). They believe that these concepts
differ in a way that engagement is a persistent work state while flow is more complex
as it involves momentary peak experiences which do not have to take place at work.
According to Schaufeli and Salanova (2007), engaged employees are energetically and
effectively connected to their work. Investing one’s “self” in work-related activities can
lead to this (Gruman & Saks, 2011).

It is stated in Kahn’s (1990) paper on personal engagement that engagement includes
“the harnessing of organizational members’ selves to their work roles; in engagement
people employ and express themselves physically, cognitively, and emotionally during
role performances” (p. 694). According to him, there are three psychological conditions
of personal engagement which show that people enter contracts when they see clear
benefits (psychological meaningfulness), protective guarantees (psychological safety),
and resources to honor (psychological availability). Employees have implicit and/or
explicit expectations from an organization (Rousseau, 1990; Gruman & Saks, 2011).
Those expectations can be the basis of psychological contracts between employees and
employers which includes reciprocal obligations (Rousseau, 1990). Banks and May
(1999) claim that for stable jobs which include following procedures that are easily
observable, it is possible to apply the traditional approach to performance assessment.

On the other hand, contemporary jobs are not as static as traditional ones (Singh, 2008).
The definition of a job and good performance varies nowadays (Fletcher & Perry, 2001).
Fletcher and Perry (2001) claim that performance has a multidimensional and dynamic
nature which can be measured with the development of notions such as emotional
intelligence (Goleman, 1998; Gruman & Saks, 2011) and the difference between task performance and contextual performance (Borman & Motowildo, 1993; Gruman & Saks, 2011). Concepts that can also be used to measure performance are adaptability (Pulakos, Arad, Donovan, & Plamondon, 2000), creativity (Tierney & Farmer, 2002), and proactivity (Bateman & Crant, 1993; Grant & Ashford, 2008), as these are the outcomes of behavioral engagement (Macey et al., 2009).

The research methodology

Study area

Fruška Gora is a mountain in the northern part of Srem (South-western Vojvodina) i.e. south-eastern periphery of the vast Pannonian Plain. It is located between 45° 00’ and 45° 15’ north latitude and between 16° 37’ and 18° 01’ east longitude. The surface of Fruška Gora Mountain is 21,500 km², which makes 24.3% of the whole territory of the Republic of Serbia (Đurđev, Arsenović & Dragin, 2010). The mountain is mostly situated in Srem, in Serbia. But, as this part of Vojvodina lies between the Danube and the Sava rivers, there is a small part of Fruška Gora in the far west which is located in Croatia (Bukurov, 1978).

Fruška Gora is 80 km long in the west-east direction. It is very beneficial for the development of sport and recreational tourism (Jovičić 1962; Milić 1973; Vujko, Plavša; 2010), as it is a low island-type mountain with the peaks Crveni čot (539 m), Orlovac (512 m), and Iriški venac (490 m). It was declared a national park in 1960 in order to protect and enhance its natural beauty and natural values.

Sources of data

A public company Fruska Gora National Park, was founded in 02/10/1961 and based in Sremska Kamenica. It has 161 employees, led by the director. Financing the development and protection of national parks is regulated by the Law on National Parks and is performed from the Budget of Republic of Serbia, control activity, from the compensation for the use of protected natural resource and donations. Due to the protected areas, in accordance with the existing protection regime, forests are used systematically, as well as hunting and fishing fauna, soil, etc. public companies like guardians of the national parks are financed out of such activity. Systematically hunting is allowed, and the revenues are from hunting and fishing. The study included 79 participants, employees in the Fruška Gora National Park. The survey was conducted between January and March 2018.

Methodology

The management represent successful disposal of limited resources or funds, or ability to perform the specified work. Keeping in mind specificity of National Park as an institution as well as limited resources to achieve a certain profit, the paper put emphasis on employees and relationship between employee engagement and performance management process. In order to test the main hypothesis H: that the
employee engagement is a key item for productivity, it was necessary to answer the question: how to motivate employees to achieve their engagement at work?

The paper was composed of two parts. In the first part of the paper was used the model of Khan. Kahn (1990) claims that there are three psychological conditions: psychological meaningfulness, psychological safety, and psychological availability. They are precursors of personal engagement. Participants were asked certain questions, and they responded in accordance with their personal experiences.

Psychological meaningfulness is defined as one’s opinion on how meaningful it is to invest oneself into a role performance. It is connected to the motivation to engage and the belief that one will receive a return on investment of one’s “self-in-role.” When people feel appreciated, valuable, acknowledged psychological meaningfulness is achieved. Kahn (1990) believed that three factors influenced meaningfulness: task characteristics, role characteristics, and work interactions. According to this Khan’s statement, the participants were asked an open question: What makes you feel worthwhile, valuable, and that they matter?

Psychological safety is one’s belief of whether it is safe to invest one’s self into a role performance without fear of negative impact on self-image, status, or career. People feel safe to risk self-expression in reliable and predictable social environments which have clearly defined acceptable behaviors. The four factors that, according to Kahn (1990), affected psychological safety were interpersonal relationships, group and intergroup dynamics, management style, and norms. According to this Khan’s statement, the participants were asked an open question: How safe do you feel to express personal opinions?

Psychological availability is a concept that refers to one’s availability to invest oneself into a role performance. It refers to an individual’s belief that he/she can bring physical, emotional, and psychological resources to their roles. Kahn (1990) stated that there are four factors which can affect psychological availability: lack of physical and emotional energy, insecurity, and outside lives. According to this Khan’s statement, the participants were asked an open question: What gives you a clear boundary inside of which you feel safe?

The second part of the paper aimed to determine which mechanisms contribute to increased employee engagement and to what extent may contribute to increased employee engagement. The assessment is carried out through four key indicators on five-point scale from 1 (does not meet) to 5 (fully meets), by Likert type. Mechanisms were: relationship according to work; relationship according to work performance; initiative and innovativeness. The employees were given questionnaires with answers. It was necessary to round specific values. As the final result was calculated the average score on all criteria, that was an indicator of an adequate mechanism for engagement, i.e. evaluation of employee engagement in the Fruška Gora National Park.

Engagement mechanisms are included in the planning processes and organizational
environment, and not only the techniques of direct stimulation, which are mainly used in the research of motivation.

Results and discussion

The adequate engagement of the employees is usually measure by job satisfaction and represents a crucial condition for achieving quality goals and the path to business excellence. The satisfaction, i.e. job dissatisfaction is to some extent an indicator of incentives of work and the total work situation. There are two contributing factors that affect employees’ engagement at work, as can be seen in this paper. The first factor can be seen in Table 1 and Attachments 1, 2 and 3 (by Khan’s method), namely: rewards and recognition system (a, b, c, f, g, h, i, j, p, t and u). An important management instrument used to motivate employees is rewards and recognition system. This means that reward system attracts people to join the organization, motivates them to come to work and perform tasks at high levels (Mahazril, Zuraini, Hafizah, Adnan, Zaherawati, Nazni & Badrul, 2012).

Table 1. Engagement mechanisms

| Attachment 1. What makes you feel worthwhile, valuable, and that they matter? | Frequency | Valid Percent |
|---|---|---|
| a. Organize work so that employees feel that they are doing important and meaningful work | 10 | 12.7 |
| b. Delegate more rights and responsibilities of employees for the performance of the whole deal, so they have more autonomy and self-control | 10 | 12.7 |
| c. Introduce forms of participation of employees in decision-making | 15 | 19.0 |
| d. Introduce the practice of regular employees informed about important developments in the company and the possibility of permanent communication with the managers, with the obligation to return information | 10 | 12.7 |
| e. To encourage teamwork, organize teams for the completion of complex tasks | 5 | 6.3 |
| f. Introduce a system of special cash bonuses for the results of which would be periodically assign | 9 | 11.4 |
| g. Introduce the practice of contracting duties and salary of each employee individually | 10 | 12.7 |
| h. Introduce the practice of contracting duties and salary of individuals in key positions, salaries and others are regulated by collective agreement | 10 | 12.7 |
| Total | 79 | 100.0 |

Attachment 2. How safe do you feel to express personal opinions?

| Frequency | Valid Percent |
|---|---|
| i. Introduce the group incentives, equal for all members of the group, rather than individual | 13 | 16.5 |
| j. Introduce the appropriate types of rewards that would cover all employees, regardless of the results of conditioning | 15 | 19.0 |
| k. Ensuring the safety of the workplace for all | 15 | 19.0 |
l. Introduce the obligation of managers to develop good relationships 11 13.9
m. Transferred the powers of the directors to direct managers, managers and supervisors that they can largely affect the recruiting of 13 16.5
n. Invest in education and training, to create conditions for the application of knowledge and skills 12 15.2

| Total | 79 | 100.0 |

**Attachment 3.** What gives you a clear boundary inside of which you feel safe?

| o. Conduct a job analysis and description, standards, and procedures and to establish a system of performance measurement, and on this basis to build the system of distribution of earnings | 14 | 17.7 |
| p. Rewards and punishments applied consistently, depending on the results of work | 7 | 8.9 |
| q. Establish a system of strict control and direct working methods | 15 | 19.0 |
| r. Control only the results of work | 16 | 20.3 |
| s. Set clear goals and a strategy for enterprise development | 10 | 12.7 |
| t. Introduce the practice that employees participate in profit distribution upon the completion of periodical calculation (stocks, shares) | 10 | 12.7 |
| u. Key elements of the distribution of earnings for all employees regulated by collective agreement | 7 | 8.9 |

| Total | 79 | 100.0 |

**Table 2.** The estimates of which mechanism may contribute to increased employee engagement and what measure may contribute to increased employee engagement

| N       | Min. | Max. | Mean | Std. Deviation | Variance |
|---------|------|------|------|----------------|----------|
|         | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Execution of the work obligations within the prescribed period | 79 | 1 | 5 | 3.54 | 0.106 | 0.945 | 0.892 |
| Expediency | 79 | 1 | 5 | 3.24 | 0.099 | 0.880 | 0.775 |
| Orderliness | 79 | 1 | 5 | 3.30 | 0.113 | 1.005 | 1.009 |
| Efficiency | 79 | 1 | 5 | 3.70 | 0.092 | 0.822 | 0.676 |
| Compliance with all the rules of the employer | 79 | 1 | 5 | 3.61 | 0.104 | 0.926 | 0.857 |

**The relationship according to work performance**

| N       | Min. | Max. | Mean | Std. Deviation | Variance |
|---------|------|------|------|----------------|----------|
|         | Statistic | Statistic | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Respect of the working hours | 79 | 1 | 5 | 3.94 | 0.089 | 0.790 | 0.624 |
| Relationship with colleagues in a team | 79 | 1 | 5 | 4.04 | 0.093 | 0.823 | 0.678 |
| Teamwork | 79 | 1 | 5 | 4.29 | 0.087 | 0.770 | 0.594 |

**The initiative**
| Statistic | N | Min. | Max. | Mean | Std. Deviation | Variance |
|-----------|---|------|------|------|----------------|----------|
| Provision of proposals for improving the quality of work | 79 | 1 | 5 | 3.23 | 0.110 | 0.973 | 0.947 |
| Providing ideas and ways to improve the quality of work conditions | 79 | 1 | 5 | 3.71 | 0.122 | 1.088 | 1.183 |

A research on the effect of rewards and recognition system that was conducted by Rizwan & Ali (2010) showed that managers can provide recognition to employees by having informal talks with them, spending time with them having dinner or engaging in other activities such as talking about their families and other important parts of their personal lives. They also stated that reward and recognition in an organization can lead to favourable working environment which motivates employees to perform exceptionally well. Perry and Lois (1990) conducted a research that showed that that financial rewards were not the most important motivator. Different studies have showed that monetary incentives are not the biggest motivating factor for employees and some managers have even said that money has had a negative impact on their employees’ motivation.

The second factor can be seen in Table 1 and Attachments 1, 2 i 3 (by Khan’s method), namely: effective communication channels (d, e, k, l, m, n, o, q, r and s). In addition to rewards and recognition, one of the most important motivators for employee engagement is communication. Organizations use effective communication channels to motivate employees. Managers communicate with employees so that they would understand them better. They also motivate employees by providing relevant information and maintaining positive attitude in the workplace (Mahazril et al, 2012). Effective company communication increases motivation among employees and improves their understanding of work (Perry & Lois, 1990).

Open communication will make employees loyal to the organization and make them feel respected. In this way, the level of employee motivation will increase (Mahazril et al., 2012). The responses to the first question: What makes you feel worthwhile, valuable, and that they matter? (Table 1, Attachment 1), are confirmed lower-level hypothesis h1: that the sense of belonging to the company has a positive effect on better employee engagement. Namely, the most response to this question was that it was necessary to introduce forms of participation of employees in decision-making (19%), and the other answers were very uniform.

The responses to the second question: How safe do you feel to express personal opinions? (Table 1, Attachment 2), are confirmed lower-level hypothesis h2: leeway in designing various end products and the feeling that someone valued the work has a positive impact on employee engagement. The most response to this question was...
that it was necessary to introduce the appropriate types of rewards that would cover all employees, regardless of the results of conditioning (19%) and it was necessary to ensuring the safety of the workplace for all (19%). It allows freedom of expression because the employee feels undisturbed and unrestricted. In addition to these responses, and all the other responses were equally represented (Table 1 and Attachment 2).

The responses to the third question: What gives you a clear boundary inside of which you feel safe? (Table 1 and Attachment 3), are confirmed lower-level hypothesis h3 - appointment of clear objectives of the company has a positive effect on employee engagement. Employees responded that they believed it was necessary to control only the results of work (20.3%) and establish a system of strict control and direct working methods (19%). Namely, by setting the clear boundaries of the company activity, employees can make freedom of expression within these boundaries. If we’re really going to motivate someone, we must understand their needs and goals. There is a big difference between the internal running of the employee and outside of employee’s efforts to move into action.

The second part of the paper was to determine which mechanisms contribute to increased employee engagement and to what extent may contribute to increased employee engagement. From employees were asked to critically evaluate individual engagement mechanisms to obtain the average evaluation. The results seen in Table 2 show that the employees of the Fruška Gora National Park meet the criteria that the average score of their engagement are 4, which is satisfactory. Individual scores are in the range 3.23 - 4.29 (Table 2), a grade point average in relation to its mechanisms are telling us that the worst is rated the initiative (3.230), and best is rated the relationship according to work performance (4.090). The analysis of the data confirmed lower-level hypothesis h4 – that the successful performance management process has a positive effect on employee engagement.

**Conclusion**

Contrary to popular belief, the primary reason why employees are not engaged at work are not salary and reward dissatisfaction. It has come to the conclusion that on the employees engagement affects their sense of belonging to the company, evaluation of their efforts, clear guidelines within which the company operates as well as successful performance management process, and best tool to achieve these results are rewards and recognition system and effective communication channels.

Maintaining and enhancing the level of employee engagement is affected by the way top management meets their needs and expectations. Likewise, and results from the minimum difference in engagement testifies to the fact that employers should not underestimate the older and experienced employees, but should consider different options to keep their most loyal and most engaged workforce (for example: part-time and other flexible forms of work).

Personal commitment to the organization’s main asset is the most important driver of employee engagement, while the second most important driver of employee engagement is a faith in the quality and competitiveness of products and services of company. These
findings confirmed the main hypothesis H - employee engagement is a key item for productivity. Employees who are engaged want work-life balance, flexible jobs, leaders that respect and trust them, they want to take part in the decision-making process, work with top management (customers, suppliers) and with inspirational people.

They want to be involved in important projects, manage people, have effective communication, work in a supportive environment, have international opportunities, and receive positive feedback. Also, they highly value the opportunity to advance in their career, employers that foster individual development, flexible financial benefits, etc. Employee satisfaction (as well as customer satisfaction) should be directly connected with the effective performance management and customer relationship management in order for a company to improve employee engagement and business results (Bakker & Demerouti, 2007; 2008). In this way, managers will acquire an interest in the implementation of various programs to encourage employee engagement and satisfaction.

Psychological contracts fulfillment is associated with both task-related and non-task-related performance (Turnley, Bolino, Lester, & Bloodgood, 2003) and can also result in higher levels of engagement. Therefore, employee engagement as a preferable result of the performance management process is an important but untested development in the related literature (Sparrow, 2008). In addition, organizational research takes on a positive approach to appreciating organizational phenomena, building on the positive psychology movement (Seligman & Csikszentmihalyi, 2000; Gruman & Saks, 2011).

Positive organizational behavior (Luthans, 2002a, Luthans, 2002b) and positive organizational scholarship (Cameron & Caza, 2004; Gruman & Saks, 2011) are the most important among these approaches. The application of this approach is employee engagement. Recent trends in performance management literature and organizational sciences show that employee engagement contributes to performance management (Stiles, Gratton, Truss, Hope-Hailey, & McGovern, 1997). Employee engagement in the performance management process can improve performance beyond that achievable by focusing on performance itself (Latham, Almost, Mann & Moore, 2005).

Performance management is made more difficult by certain changes in the workplace such as decentralization, insufficient experience, large spans of control, greater number of knowledge workers (Fletcher & Perry, 2001). Pulakos, Mueller-Hanson, and O’Leary (2008) state that employee management and employee goal-setting are difficult to achieve in economies dominated by knowledge. Therefore, modern processes in performance management need to give attention to creating conditions for knowledge workers engagement if they want to make enhanced performance, which is desired in advanced economies, easier. In other words, contemporary performance management deals both with managing performance and the context in which performance takes place (Dobbins, Cardy, Facteau & Miller, 1993; Jones, 1995).
Conflict of interests

The authors declare no conflict of interest.

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