Management Studies, ISSN 2328-2185
May 2014, Vol. 2, No. 5, 285-298

Affect of Employees' Activities on Flexibility and Company's Controlling

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The purpose of this study is to investigate whether and to what extent the employees' activities affect flexibility and company's controlling during the performance of business processes. Employees' activity is monitored using following indicators: team innovation, team skills, goal setting within the team, resource utilization, quality management, sense of teamwork, work commitment and application of company's procedures and policies. There are 42 small and medium enterprises (SMEs) in Bosnia and Herzegovina chosen for sample and they have been sent a questionnaire. The questionnaire was answered by 240 employees from 22 companies. During the processing and interpretation of data, the following methods were used: principal component analysis, factor analysis, variance analysis, regression analysis, correlation analysis, *t*-test and *F* statistics. After analyzing the survey results, it can be concluded, to a large extent, that the employees' activities: team innovation, team skills, goal setting within the team, resource utilization, quality management, sense of teamwork, work commitment and application of company's procedures and policies, with the exception of the quality management system, affect the flexibility and company's controlling.

Keywords: flexibility, controlling, small and medium enterprises (SMEs), employees' activities, resource utilization.

Introduction

Dynamic market environment within which is continuous competition between companies for consumers' affection, more and more requires superiority from companies in the way of doing business and in the quality of the product. To help companies respond to market challenges, they must strike a balance between flexibility and controlling of business processes (Adižes, 2007). The company's flexibility can be viewed from a strategic aspect, the structural aspect, and operational aspect of the company (Carlopio, Harvey, & Kiessling, 2012). No matter what kind of flexibility you look for, their upgrade requires innovative solutions and practical application of new knowledge. As such, technological and market knowledge is focused on developing new products and services (Tidd & Bessant, 2009; Afuah, 2003) with aim of satisfying maximum consumer needs. Therefore, the company's flexibility contributes to successful conceptualization and placement of new products and services on the market (Cakar & Erturk, 2010), compared to the competition. If observed from a strategic aspect, flexibility imposes the company to undertake business activities substantially different in comparison to those undertaken by competitors (Porter, 1996). In this way, the constant competitions among companies shift their competitive edge by creating new company's activities in an effort to maximize profit (Hamel & Prahald, 1994).

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With proactive behavior in a dynamic environment the company builds hyper flexibility (Carlopio et al., 2012) that constantly pushes boundaries of their abilities forward. However, in such business environment, within which the company is trying at all costs to be different and more successful than its competitors, the cost of such activities is often ignored. Companies can be devoted to customer needs to such an extent that, due to its strategic orientations, e.g. conquest of certain market share, neglect structural part or operating part of the organization, it can cause negative financial and development aspects of company. For this purpose it is necessary to promptly establish controlling, or controlling within the company, which will establish control of all business processes to increase efficiency and effectiveness of all available resource within the company. The purpose of establishing controlling is based on the formulation of indicators, regular monitoring and measurement of the identified indicators and eliminating deviations, if their existence is determined (Weinrich & Koontz, 1994), which is why controlling can be called the functional instrument of management (Preisler & Peemoller, 1990). As a functional instrument of management, controlling examines the implementation of identified strategic directions of the company and carries an analysis of internal and external environment in order to determine possible environment deviations in respect with things that were actual during development of strategic directions of the company. Controlling identifies any deviations in the environment that may have an impact on the fulfillment of the objectives of the company on the basis of which alignment of structural part or operating parts of the company is achieved, if there is a need for that. In contrast to control process, controlling includes the whole process of business activities, starting with collection and processing of information, planning, coordinating, managing and ultimately implementation of controlling (Horvath, 2006), which is why it occupies an equally important role as well as the company's flexibility. Acknowledging above presented premises, a problem question is imposed: Whether or what employee's activities have an impact on building of flexibility and company's controlling?

The Research Methodology

The Research Sample and Measuring Instrument

There are 42 SMEs in Bosnia and Herzegovina chosen for sample and they have been sent a questionnaire with filling out instructions. The questionnaire was answered by 267 employees from 22 SMEs, of which $n = 242$ correctly completed questionnaires. The questionnaire is composed of nine parts. The first part is general information about subjects, and other parts are related to the more detailed independent and dependent variables. Questions have been created in the form of open questions, provided answers and agreement measurement level (Table 1).

Based on the presented results of Chronbach Alpha calculation coefficient of internal consistency of the questionnaire, it can be concluded that the measurement characteristics of all batteries in the questionnaire are very reliable, because the lowest Chronbach Alpha coefficient is 0.793 and the highest is 0.909, indicating the extremely high level of reliability.

Table 1

Metrical Properties of the Questionnaire

	Measuring scale	Chronbach alfa	Number of particles
B	Goal setting	0.818	6
C	Team skills	0.817	8
D	Use of resource	0.796	6

Table 1 continued

	Measuring scale	Chronbach alfa	Number of particles
E	Team innovation	0.818	6
F	Quality management	0.923	8
G	Teamwork	0.889	12
H	Application of procedures and policies	0.909	12
I	Dedication to work	0.842	9
J	Flexibility	0.874	8
K	Controlling	0.793	8
	Total of measuring scales	8.479	83

The Aim of Research, Research Questions, and Research Hypotheses

The overall goal of this study is to investigate whether there is a correlation between employees' activity during the performance of business processes on company's flexibility and controlling. To check the existence of correlation of indicators that represent the result of employees' activities on company's flexibility, the following research hypotheses are proposed:

HA1: Team innovation significantly affects the company's flexibility.

HA2: Team skills significantly affect the company's flexibility.

HA3: Employees' teamwork significantly affects the company's flexibility.

HA4: Commitment to work significantly affects the company's flexibility.

Team innovation. During business activities, employees with their creative work significantly contribute to the competitiveness of the company, which is why this was chosen as a significant indicator of the company's flexibility.

Team skills. How employees perform their activities, in what way, and with how many resources, largely depend on the skills of the team. This indicator points to company's ability to meet the needs of consumers in an effective and efficient way.

Teamwork. The cooperation of employees within the company is based primarily on mutual trust and their sense of belonging. This indicator also affects the company to behave more flexible compared to companies whose employees do not have a sense of team affiliation.

Commitment to work. The quality of the work performed largely depends on the manner in which the work is done by employees. Commitment to work carried out by employees allows the company to quickly respond to dynamic market challenges.

In order to verify connectivity of indicators that represent the activity of employees in company's controlling, the following research hypotheses are proposed:

HA5: Goal setting within the team significantly affects the company's controlling.

HA6: Resource utilisation significantly affects the company's controlling.

HA7: Quality management significantly affects the company's controlling.

HA8: Application of company's procedures and policies affects the company's controlling.

Goal setting. It is necessary to set realistic goals so the team within the company could successfully respond to market demands in a timely manner. Objectives within the team represent teamwork challenge as well as the ability to monitor the performance of teams within the company.

Using resource. Material and human resource represent starting point for business activities of companies. Business results are affected by optimal and direct utilisation of available resource.

Quality management. It means application of procedures and policies of the company.

Interpretation of Research Results

Table 2 presents the output results of performed examination of correlation existence between the particles for all eight independent variables using the Bartlett's test and the KMO index (Kaiser-Meyer-Olkin).

Table 2

KMO Index and Bartlett's Test of Sphericity for Independent Variables

	Kmo	Bartlett's test		Kmo	Bartlett's test		Kmo	Bartlett's test
*X*1	0.790	0.000	*X*4	0.744	0.000	*X*7	0.650	0.000
*X*2	0.754	0.000	*X*5	0.862	0.000	*X*8	0.784	0.000
*X*3	0.787	0.000	*X*6	0.800	0.000			

Note. *X*1—Team innovation; *X*2—Team skills; *X*3—Goal Setting within the team; *X*4—Resource utilisation; *X*5—Quality management; *X*6—Teamwork; *X*7—Application of procedures and company's policies; *X*8—Dedication to work.

Based on performed examination of the existence of correlation between particles, it can be concluded that factor analysis can be applied, because statistically significant correlations between the particles exist. The results of Bartlett's test of statistical significance for all variables are 0.000, which satisfies the condition that $p < 0.05$. After checking the eligibility of the application of factor analysis, principal component analysis was conducted.

Table 3

Principal Component Analysis of Independent Variables

	Initial eigenvalues			The sum of the (squared) loadings			The rotation of the (squared) loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
*X*1	3.197	53.285	53.285	3.197	53.285	53.285			
	3.560	44.503	44.503	3.560	44.503	44.503	2.295	28.688	28.688
*X*2	1.514	18.920	63.423	1.514	18.920	63.423	2.146	26.831	55.519
	1.054	13.179	76.602	1.054	13.179	76.602	1.687	21.083	76.602
*X*3	3.182	53.038	53.038	3.182	53.038	53.038	2.140	35.672	35.672
	1.004	16.741	69.779	1.004	16.741	69.779	2.046	34.107	69.779
*X*4	3.017	50.291	50.291	3.017	50.291	50.291			
*X*5	5.211	65.141	65.141	5.211	65.141	65.141			
	4.102	45.583	45.583	4.102	45.583	45.583	2.440	27.110	27.110
*X*6	1.602	17.805	63.388	1.602	17.805	63.388	2.247	24.971	52.082
	1.054	11.717	75.105	1.054	11.717	75.105	2.072	23.023	75.105
	3.359	41.991	41.991	3.359	41.991	41.991	2.328	29.096	29.096
*X*7	1.244	15.550	57.541	1.244	15.550	57.541	1.745	21.817	50.913
	1.057	13.216	70.757	1.057	13.216	70.757	1.588	19.844	70.757
*X*8	4.329	54.118	54.118	4.329	54.118	54.118	2.923	36.536	36.536
	1.328	16.596	70.714	1.328	16.596	70.714	2.734	34.178	70.714

Based on the results of (Table 3) principal component analysis, it can be seen that eight variances excreted 13 factors. Variable *X*8—Dedication to work explains minimum variances (70.714%), in contrast to the variable *X*2—Team skills, which explains the most variances (76.6%).

Table 4

Rotated Component Matrix *

		Component					Component				Component		
		1	2	3			1	2	3		1	2	3
*X*1	*C*1	0.899			*X*3	*E*5	0.802			*X*7	*K*1	0.901		
	*C*6		0.84		*X*4	*F*4	0.786				*K*5		0.878	
					*X*5	*G*7	0.837							
	*D*4	0.892				*J*1	0.871				*L*5	0.876		
*X*2	*D*7		0.889		*X*6	*J*7		0.850		*X*8	*L*2		0.852	
	*D*2			0.886		*J*4					*L*8			0.871

Notes. * : Rotation Converged in 3 Iterations. Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Table 4 presents the results of rotation factors in three iterations within which independent variables that have the most obvious correlation with separate factors were selected. The highest correlation with the first factor of the independent variable *X*8 has the original particle *K*1 (0.901) and the lowest value of correlation with the first factor of independent variable *X*5 has the original particle *F*4 (0.786).

Table 5

Reduced Original Particles of Independent Variables

*X*3	Goal setting	*C*1—for all team tasks there are clear financial goals.
		*C*6—finances and work tasks are fairly distributed in the team.
*X*2	Team skills	*D*4—the need for education and training are systematically identified.
		*D*7—team members are flexible and willing to perform other tasks within the team.
		*D*2—all team members are trained in the appropriate administrative tasks and procedures related to their work.
*X*4	Resource utilization	*E*5—we believe that the system of monitoring and equipment control is well organized.
*X*1	Team inventiveness	*F*4—problems related to the business or customers are quickly eliminated.
*X*5	Quality management	*G*7—team abides by organizational standards for resolving customer complaints.
*X*6	Teamwork	*J*1—I am an excellent team player.
		*J*7—my colleagues are always ready to help me at work.
		*J*4—all employees of the company are very dedicated to the work they perform.
*X*7	Application of procedures and company policies	*K*1—I always perform the business with due observance of procedures and the company's policies
		*K*5—I think that other employees are familiar with all company's procedures.
*X*8	Dedication to work	*L*5—my working hours are fully utilized.
		*L*2—other employees perform all the tasks and duties very well and professionally.
		*L*8—planning in the company is at a very high level.

After conducting statistical processing of data from a total of 67 original particles divided into eight batteries (*B*, *C*, *D*, *E*, *F*, *G*, *H*, *I*), which represent independent variables, it has been reduced to 16 particles that have the most obvious correlation with extracted factors (Table 5).

For the purpose of the reduction to smaller number of original particles of dependent variables, a statistical analysis was performed in the following order: descriptive statistics, testing the existence of statistically significant correlations between particles of independent variables, calculating the communality of original particles, principal component analysis and rotated *R* component matrix of dependent variables, after which the original particles of dependent variables are identified and which largely correlate with extracted factors.

Table 6

Reduced Original Particles of Dependent Variables

F	Flexibility	*H*2—we recognize and consider changes in market trends.
		*H*10—we quickly adapt to the jobs of different volume.
C	Controlling	*I*2—in our company, we perform adequate process control.
		*I*12—cost-effectiveness is analyzed on aspects of the production and/or utility program.

Out of 16 particles that identify flexibility and controlling it has been reduced to four original particles as shown in Table 6.

Testing Research Hypotheses

Testing the First Research Hypothesis

HA1: Team innovation significantly affects the company's flexibility.

In order to verify the existence of a statistical relationship, a regression analysis presented in Table 7 was conducted.

Table 7

Verification of Existence of Relationship Between Team Inventiveness and Company's Flexibility

Independent variable		*F*	Sig. *F*	Dependent variable	
*X*1	*F*4	12.514	0.001	*F*1	*F*
Team inventiveness		45.986	0.000	*F*2	Flexibility

Table 7 presents the results of the regression analysis on the basis of which it can be concluded that there is a statistically significant relationship between the original particles of team inventiveness and company's flexibility since $p < 0.05$.

In order to verify a statistically significant correlation of independent variable of team inventiveness and dependent variable of company's flexibility, the research used the *t* test (Table 8).

Table 8

Verification of Correlation Between Team Inventiveness and Company's Flexibility

Independent variable		*T*	Sig.	Dependent variable	
	Cons.	11.227	0.000	*H*2	
*X*1	*F*4	3.538	0.001	*H*2	*F*
Team inventiveness	Cons.	10.860	0.000	*H*10	Flexibility
	*F*4	6.781	0.000	*H*10	

Based on the results in Table 8, it can be seen that there is a statistically significant correlation between independent variable particle *F*4 and the dependent variable particle *H*2 and *H*10.

Table 9

Verification of Model Representativeness

Independent variable		*R*	*R*2	Sig. *F*	Dependent variable	
*X*1	*F*4	0.299	0.090	0.001	*H*2	*F*
Team inventiveness		0.516	0.266	0.000	*H*10	Flexibility

According to the results presented in Table 9, it can be seen that there is a weak link of correlation because the coefficient of determination *R*2 for particles *F*4 and *H*2 is 0.090, for particles *F*4 and *H*10 is 0266, and

coefficients of correlation R are 0.299 and 0.516, that also points to the existence of weak link of correlation. Based on the research results presented in Table 7, 8, and 9, it can be concluded that the first HA1 research hypothesis is verified.

Testing the Second Research Hypothesis

HA2: Team skills significantly affect the company's flexibility.

In order to verify the existence of a statistical relationship between the team skills as an independent variable and flexibility as a dependent variable, a regression analysis was conducted (Table 10).

Table 10

Verification of Existence of Relationship Between Team Skills and Company's Flexibility

Independent variable		F	Sig.	Dependent variable	
$X2$	$D4$; $d7$; $d2$	13.685	0.000	$H2$	F
Team skills	$D4$; $d7$; $d2$	5.942	0.001	$H10$	Flexibility

Based on the result of regression analysis presented in Table 10, it can be seen that there is a statistically significant relationship between the team skills as independent variable and company's flexibility as dependent variable, since $p < 0.05$. In order to verify the existence of statistically significant correlation between the team skills as an independent variable and company's flexibility as a dependent variable, the t test was used (Table 11).

Table 11

Verification of Correlation Between Team Skills and Company's Flexibility

Independent variable		T	Sig.	Dependent variable	
	Cons.	4.585	0.000	$H2$	
	$D2$	1.463	0.146	$H2$	
	$D4$	2.690	0.008	$H2$	
$X2$	$D7$	4.525	0.000	$H2$	
Team skills	Cons.	6.847	0.000	$H10$	F
	$D2$	0.097	0.923	$H10$	Flexibility
	$D4$	1.712	0.089	$H10$	
	$D7$	3.499	0.001	$H10$	

Model representativeness is verified in correlation analysis (Table 12).

According to the results presented in Table 12, it can be seen that there is a statistically significant correlation among all particles of independent and dependant variable, since $p < 0.05$, with the exception of particles $D2$ and $H2$ as well as particles $H10$, since $p > 0.05$.

Table 12

Verification of Model Representativeness

Independent variable		R	$R2$	Sig. F	Dependent variable	
$X2$	$D4$; $d7$; $d2$	0.497	0.247	0.000	$H2$	F
Team skills	$D4$; $d7$; $d2$	0.353	0.125	0.000	$H10$	Flexibility

Even that there is a weak link of correlation between particles, according to the results presented in Table 12, it can be concluded that the model is representative, because determination coefficients $R2$ are 0.247 and 0.125, and coefficients of correlation R are 0.497 and 0.353.

Presented research results in Table 10, 11, and 12, point to a conclusion that the second HA2 research hypothesis is verified.

Testing the Third Research Hypothesis

HA3: Employees teamwork significantly affects the company's flexibility.

In order to verify the third research hypothesis to determine the existence of a relationship between the teamwork as an independent variable and company's flexibility as a dependent variable, a regression analysis was conducted (Table 13).

Table 13

Verification of Existence f Relationship Between Teamwork and Company's Flexibility

Independent variable		*F*	Sig.	Dependent variable	
X6	*J1; j4; j7*	6.033	0.001	*H2*	*F*
Teamwork	*J1; j4; j7*	9.753	0.000	*H10*	Flexibility

Based on the presented results of regression analysis in Table 13, it can be seen that there is a statistically significant relationship between the employee teamwork and company's flexibility. In order to verify the existence of statistically significant correlation among the particles of employee teamwork and particles of company's flexibility, the *t* test was used (Table 14).

Table 14

Verification of Correlation Between Teamwork and Company's Flexibility

Independent variable		*T*	Sig.	Dependent variable	
	Cons.	3.390	0.001	*H2*	
	J1	2.246	0.026	*H2*	
	J7	1.856	0.066	*H2*	
X6	*J4*	1.229	0.221	*H2*	*F*
Teamwork	Cons.	3.287	0.001	*H10*	Flexibility
	J1	3.754	0.000	*H10*	
	J7	2.378	0.019	*H10*	
	J4	-0.308	0.759	*H10*	

According to the *t* test results presented in Table 14, it can be seen that there is a statistically significant correlation among all particles of independent and dependant variable, since $p < 0.05$, with the exception of particles *J7–H2*, *J4–H2*, and *J4–H10*, since $p > 0.05$.

Model representativeness is verified in correlation analysis (Table 15).

Table 15

Verification of Model Representativeness

Independent variable		*R*	*R2*	Sig. *F*	Dependent variable	
X6	*J1; j4; j7*	0.356	0.126	0.001	*H2*	*F*
Teamwork	*J1; j4; j7*	0.436	0.190	0.000	*H10*	Flexibility

According to the results presented in Table 15, it can be seen that there is weak link because the coefficients of determination *R2* are 0.126 and 0.190, while coefficients of correlation *R* are 0.056 and 0.436. Although, according to the Chadock, the scale of correlation is poorly expressed, this is why it can be concluded that the model is representative.

Based on the research results presented in Table 13, 14, and 15, it can be concluded that the third HA3 research hypothesis is verified.

Testing the Fourth Research Hypothesis

HA4: Commitment to work significantly affects the company's flexibility.

In order to verify the fourth research hypothesis, a regression analysis with a goal to verify a relationship between commitment to work as an independent variable and flexibility as a dependent variable was conducted (Table 16).

Table 16

Verification of Existence of Relationship Between Commitment to Work and Company's Flexibility

Independent variable		*F*	Sig.	Dependent variable	
*X*8	*L5; l2; l8*	15.150	0.000	*H*2	*F*
Commitment to work	*L5; l2; l8*	32.904	0.000	*H*10	Flexibility

As presented in Table 16, it can be seen that a statistically significant correlation between commitment to work and company's flexibility exists, because $p < 0.05$.

In order to verify the existence of statistically significant correlation between particles of independent and dependant variable, the *t* test was used (Table 17).

Table 17

Verification of Correlation Between Commitment to Work and Company's Flexibility

Independent variable		*T*	Sig.	Dependent variable	
	Cons.	2.119	0.036	*H*2	
	L5	4.659	0.000	*H*2	
	L2	1.621	0.108	*H*2	
*X*8	*L8*	3.344	0.001	*H*2	*F*
Commitment to work	Cons.	2.965	0.004	*H*10	Flexibility
	L5	9.284	0.000	*H*10	
	L2	-2.173	0.032	*H*10	
	L8	3.223	0.002	*H*10	

By applying nonparametric test in Table 17, research results were presented according to which can be seen that there is a statistically significant correlation between particles of independent and dependant variable since $p < 0.05$, with the exception between *L*2 and *H*2, since $p > 0.05$.

Model representativeness is verified in correlation analysis (Table 18).

Table 18

Verification of Model Representativeness

Independent variable		*R*	*R*2	Sig. *F*	Dependent variable	
*X*9	*J1; j4; j7*	0.516	0.267	0.000	*H*2	*F*
Commitment to work	*J1; j4; j7*	0.664	0.441	0.000	*H*10	Flexibility

According to the results presented in Table 18, it can be seen that there is a medium strong correlation between particles of commitment to work and particles of flexibility, since determination coefficients *R*2 are 0.267 and 0.441, and coefficients of correlation are 0.516 and 0.664, according to which it can be concluded that the model is representative.

Presented research results in Table 16, 17, and 18 point to a conclusion that the fourth HA4 research hypothesis is verified.

Testing the Fifth Auxiliary Research Hypothesis

HA5: Goal setting within the team significantly affects the company's controlling.

In order to verify the fifth auxiliary research hypothesis, a regression analysis with a goal to verify a relationship between goal setting as an independent variable and company's controlling as a dependent variable was conducted (Table 19).

Table 19

Verification of Existence of Relationship Between Goal Setting and Company's Controlling

Independent variable		*F*	Sig.	Dependent variable	
*X*3	*C*1; *c*6	9.941	0.000	*I*2	*C*
Goal setting	*C*1; *c*6	7.313	0.000	*I*12	Controlling

Based on the results of analysis presented in Table 19, it can be seen that there is a statistically significant relationship between the goal setting and company's controlling, since $p < 0.05$.

In order to verify the statistically significant correlation between particles of independent variable and particles of dependant variable, the *t* test was used (Table 20).

Table 20

Verification of Correlation Between Goal Setting and Company's Controlling

Independent variable		*T*	Sig.	Dependent variable	
	Cons.	4.559	0.000	*I*2	
	*C*1	0.412	0.681	*I*2	
*X*3	*C*6	4.291	0.000	*I*2	*C*
Goal setting	Cons.	4.381	0.000	*I*12	Controlling
	*C*1	2.918	0.004	*I*12	
	*C*6	1.998	0.049	*I*12	

According to the results presented in Table 20, it can be seen that particles of independent variable (goal setting) and particles of dependant variable (company's controlling) are statistically, significantly correlated, since $p < 0.05$, with the exception of particles *C*1 and *I*2, since $p > 0.05$.

Model representativeness is verified in correlation analysis of particles goal setting and particles of company's controlling (Table 21).

Table 21

Verification of Model Representativeness

Independent variable		*R*	*R*2	Sig. *F*	Dependent variable	
*X*3	*C*1; *c*6	0.369	0.136	0.000	*I*2	*C*
Goal setting	*C*1; *c*6	0.365	0.133	0.001	*I*12	Controlling

According to the correlation analysis results presented in Table 21, it can be concluded that the model is representative, because there is a weak link between particles of independent variable and particles of dependent variable, since determination coefficients *R*2 are 0.136 and 0.133, and coefficients of correlation *R* are 0.369 and 0.365.

Presented research results in Table 19, 20, and 21 point to a conclusion that the fifth HA5 auxiliary research hypothesis is verified.

Testing the Sixth Auxiliary Research Hypothesis

HA6: Resource utilization significantly affects the company's controlling.

In order to verify the sixth auxiliary research hypothesis, a regression analysis with a goal to verify a relationship between resource utilization as an independent variable and company's controlling as a dependent variable was conducted (Table 22).

Table 22

Verification of Existence of Relationship Between Resource Utilization and Company's Controlling

Independent variable		*F*	Sig.	Dependent variable	
*X*4 Resource utilisation	*E*5	20.034	0.000	*K*1	*C* Controlling
		4.900	0.029	*K*2	

Based on the presented results of analysis presented in Table 22, it can be seen that there is a statistically significant relationship between independent variable (resource utilization) and dependent variable (company's controlling), since $p < 0.05$.

In order to verify the statistically significant correlation between particles of independent variable and particles of dependent variable, the *t* test was used (Table 23).

Table 23

Verification of Correlation Between Resource Utilization and Company's Controlling

Independent variable		*T*	Sig.	Dependent variable	
*X*4 Resource utilisation	Cons.	6.800	0.000	*K*1	*C* Controlling
	*E*5	4.476	0.000	*K*1	
	Cons.	8.710	0.000	*K*2	
	*E*5	2.214	0.029	*K*2	

According to the *t* test results presented in Table 23, it can be seen that there is a statistically significant correlation among all particles of independent (resource utilization) and dependent (company's controlling) variable, since $p < 0.05$.

Model representativeness is verified in correlation analysis (Table 24).

Table 24

Verification of Model Representativeness

Independent variable		*R*	*R*2	Sig. *F*	Dependent variable	
*X*4 Resource utilisation	*E*5	0.369	0.136	0.000	*K*1	*C* Controlling
		0.220	0.049	0.029	*K*2	

It can be concluded that the model is representative, even though determination coefficients *R*2 are 0.136 and 0.049, and coefficients of correlation *R* are 0.369 and 0.220.

Presented research results in Table 22, 23, and 24, point to a conclusion that the sixth HA6 auxiliary research hypothesis is verified.

Testing the Seventh Auxiliary Hypothesis

HA7: Quality management significantly affects the company's controlling.

In order to verify the seventh auxiliary research hypothesis, a regression analysis with a goal to verify a relationship between quality management as an independent variable and company's controlling as a dependent variable was conducted (Table 25).

Table 25

Verification of Existence of Relationship Between Quality Management and Company's Controlling

Independent variable		*F*	Sig.	Dependent variable	
X6	*G7*	0.397	0.530	*I2*	*C*
Quality management	*G7*	19.034	0.000	*I12*	Controlling

Table 25 presents the results of a regression analysis, in which a statistically significant relationship for particles *G7* and *I12* can be observed, since $p < 0.05$, unlike particles *G7* and *I2*, which are not statistically significant, because $p > 0.05$. In order to verify the statistically significant correlation between particles of independent variable (quality management) and particles of dependent variable (company's controlling), the *t* test was used (Table 26).

Table 26

Verification of Correlation Between Quality Management and Company's Controlling

Independent variable		*T*	Sig.	Dependent variable	
X6 Quality management	Cons.	9.463	0.000	*I2*	*C* Controlling
	G7	0.630	0.530	*I2*	
	Cons.	7.486	0.000	*I12*	
	G7	4.363	0.000	*I12*	

According to the results presented in Table 26, it can be seen that there is no statistically significant correlation between particles *G7* and *I12*, since $p < 0.05$, unlike particles *G7* and *I12* that are statistically, significantly correlated, since $p < 0.05$.

Model representativeness is verified in correlation analysis (Table 27).

Table 27

Verification of Model Representativeness

Independent variable		*R*	*R2*	Sig. *F*	Dependent variable	
X6 Quality management	*G7*	0.056	0.003	0.530	*I2*	*C* Controlling
		0.407	0.165	0.000	*I12*	

According to the results presented in Table 27, it can be concluded that model representativeness cannot be accepted, because there is a very weak link between particles *G7* and *I2*. The determination coefficient *R2* is 0.003 and coefficient of correlation *r* is 0.056. Correlation between independent variable particle *G7* and dependant variable particle *I12* is weak, because determination coefficient *R2* is 0.165 and coefficient of correlation *R* is 0.407.

Presented research results in Table 25, 26, and 27 point to a conclusion that the seventh HA7 auxiliary research hypothesis is not verified.

Testing the Eighth Auxiliary Research Hypothesis

HA8: Application of company's procedures and policies affects the company's controlling.

In order to verify the eighth auxiliary research hypothesis a regression analysis was conducted (Table 28)

with a goal to verify existence of a relationship between particles of independent variables *K*1 and *K*5 and particles of dependant variables *I*2 and *I*12.

Table 28

Verification of Existence of Relationship Between Application of Company's Procedures and Policies and Company's Controlling

Independent variable		*F*	Sig.	Dependent variable	
*X*7 Application of company's procedures and policies	*K*1	15.431	0.000	*I*2	*C* Controlling
	*K*5	6.617	0.002	*I*12	

Table 28 presents the results of a regression analysis in which a statistically significant relationship for particles *K*1 and *I*1 can be observed, since $p < 0.05$, as well as in the case of particles *K*5 and *I*12, which are also statistically significant, since $p < 0.05$. In order to verify the statistically significant correlation between particles of independent variable (application of company's procedures and policies) and particles of dependent variable (company's controlling), the *t* test was used (Table 29).

Table 29

Verification of Correlation Between Application of Company's Procedures and Policies and Company's Controlling

Independent variable		*T*	Sig.	Dependent variable	
*X*7 Application of company's procedures and policies	Cons.	7.033	0.000	*I*2	*C* Controlling
	*K*1	5.289	0.000	*I*2	
	*K*5	-3.259	0.001	*I*2	
	Cons.	5.819	0.000	*I*12	
	*K*1	0.307	0.760	*I*12	
	*K*5	3.441	0.001	*I*12	

According to the results presented in Table 29, it can be concluded that there is a statistically significant correlation between particles *K*5 and *I*2, since $p < 0.05$, as well as in the case of particles *K*5 and *I*12, that are also statistically significant, since $p > 0.05$. In the case of particles *K*5 and *I*12, a statistically significant correlation does not exist, since $p > 0.05$, unlike particles *K*5 and *I*2 that are statistically, significantly correlated, since $p < 0.05$.

In order to verify model representativeness, a correlation analysis is applied to determine the existence of correlation between particles of independent and particles of dependant variable (Table 30).

Table 30

Verification of Model Representativeness

Independent variable		*R*	*R*2	Sig. *F*	Dependent variable	
*X*7 Application of company's procedures and policies	*K*1; *k*5	0.444	0.197	0.001	*I*2	*C* Controlling
	*K*1; *k*5	0.350	0.122	0.007	*I*12	

Based on the results presented in Table 30, it can be concluded that the model is representative.

There is a correlation between particles of independent variable (application of company's procedures and policies) and particles of dependent variable (company's controlling) since determination coefficients *R*2 are 0.197 and 0.122, and coefficients of correlation *R* are 0.444 and 0.350.

Presented research results in Table 28, 29, and 30 point to a conclusion that the HA8 auxiliary research hypothesis is verified.

Conclusions

This paper aimed to investigate whether there is influence on employees' activities expressed through team innovation, team skills, sense of teamwork and work commitment to company's flexibility. Starting from the assumption that company's flexibility is a generator of proactive company's action, a verification of research hypotheses on influence of certain flexibility indicators was conducted. Therefore, on the basis of research results, the research hypotheses HA1, HA2, HA3, and HA4 were tested, after which set research hypotheses were verified. Therefore, team innovation, team skills, teamwork, and work commitment significantly affect the company's flexibility. Therefore, it is important that companies devote significant attention to the development of the above mentioned employees' activities.

Furthermore, the paper reviews influence of certain employees' activities expressed through following indicators: goal setting, resource utilization, quality management and application of company's procedures and controlling policies, that is, controlling within the company. After statistical analysis, research hypotheses HA5, HA6, HA7, and HA8 were tested. Research hypotheses HA5, HA6, and HA8 are verified, that is to say, goal setting, resource utilization and application of company's procedures and company's policies significantly affect company's controlling. It can be concluded that research hypotheses HA7 is not verified, since representativeness of the model is not confirmed.

In conclusion, employees' activities expressed through: innovation, team skills, teamwork and work commitment, goal setting, resource utilization, quality management and application of company's procedures and controlling policies, significantly influence strengthening of flexibility and company's controlling, which are imperative for every company to encourage these activities in employees' developing.

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