# СУЧАСНІ ТЕНДЕНЦІЇ РОЗВИТКУ КОРПОРАТИВНОГО МЕНЕДЖМЕНТУ: МІЖНАРОДНИЙ ТА УКРАЇНСЬКИЙ АСПЕКТИ

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## EMOTIONS IN ORGANISATIONS AND DYNAMIC MANAGERIAL CAPABILITIES

The outbreaks of SARS, swine flu virus, COVID-19 as well as the financial crisis of 2008 should have taught firms that dynamic managerial capabilities (DMCs) were necessary skills for handling those turbulent times successfully. However, many firms did not show dynamic adaptation and flexible massive resource reallocation during those external shocks: managers responded in the same way as other individuals – emotions hindered them in adapting their firms to new conditions.

In organisations, emotions can be approached on different levels, such as within a person (i.e., individual emotional response to organisational events), between-persons (i.e., between-persons differences in emotional response, such as the notion of emotional intelligence), interpersonal interaction (i.e., emotions appearing due to communication or interaction with other persons), groups and teams (i.e., group-level emotional tenor affecting all group members), and organisational culture and climate (i.e., emotions as a part of organisation-wide constructs) [1]. With regard to dynamic capabilities, there is a lack of research on most of the proposed levels of analysis.

Emotions can impact DMCs on different levels (Figure 1). At the organisation-wide level, organisational culture and emotional climate may help firms increase the quality of collective decisions and are important attributes that managers have to consider when pursuing their goals [2]. At the group level, positive and negative affect influence the leader-member exchange and can cause a decline in quality of the relationships in a group [3]. As DMC depends on social capital, such as social ties and the goodwill resulting from these social ties [4], the low quality of a manager's relationships might restrict that manager's access to resources from his or her social network and undermine his or her DMC. A similar consideration is applicable to interpersonal communication between managers or between a manager and his or her subordinates. Emotions might impact the interaction between individuals and, thus, the evolution of organisational routines or capabilities [5]. Despite some research on organisation-wide, group, interpersonal, and between-persons levels, the within-person level remains the focus of most scholarship investigating DMCs [6–9].

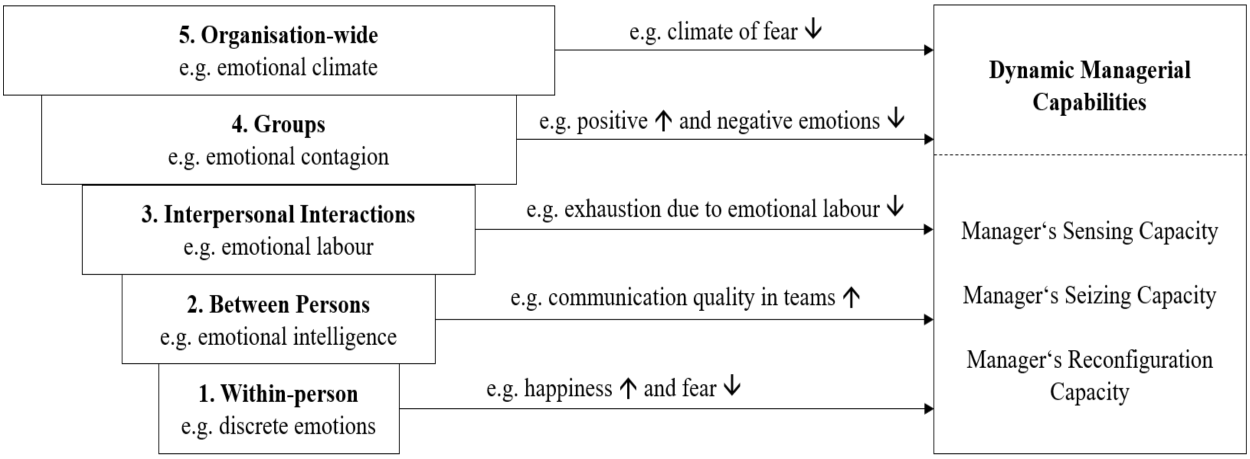


**Figure 1. The relationship between multi-level model of emotions in organisations and dynamic managerial capabilities**

Of course, researchers have to be aware of the multidimensional nature of DMCs – a manager's ability to sense opportunities and threats may be positively impacted by the emotion of fear as being afraid people have stronger analysing capacities [10]. However, fear is an inhibiting emotion which might become a problem when trying to establish control over the reconfiguration processes in a firm [11]. Consequently, we need a more granular approach with regard to each of the dimensions of DMC. Further research on all levels of emotions in organisations and their relation to each of the DMC dimensions is urgently needed.

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## INVESTMENT IN INNOVATION AND FINANCIAL SUSTAINABILITY IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT GOALS

In the current era of globalization and digital transformation, the agricultural sector faces major challenges related to ensuring financial sustainability and implementing innovative strategies. The success of companies increasingly depends on their ability to integrate the principles of sustainable development as defined by the United Nations Sustainable Development Goals (SDGs). Implementing innovative solutions has become not only a means of enhancing competitiveness but also a crucial factor for achieving long-term financial stability.

One of the central issues is the relationship between investment in innovation and corporate financial sustainability. There is no clear consensus as to whether investments in innovative projects immediately enhance financial results or whether