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## Article

# Innovation capability of the company : the roles of leadership and error management

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## INNOVATION CAPABILITY OF THE COMPANY: THE ROLE OF LEADERSHIP AND ERROR MANAGEMENT

**Abstract.** Extensive research has been conducted promoting empowerment, inclusive decision making, and self-determination by employees. However, where does an organization initiate change if employees stay in their comfort zone and rather have a work-to-rule mentality? They just do not take over responsibility and the power they are given. The inductive case study involved first-hand data about leader-member exchange and corporate culture. A qualitative research approach was selected by employing personal construct psychology to receive an unbiased cultural view of employees and leaders interacting. A sample of 61 repertory grid structured interviews with 21 leaders and 40 employees produced 782 unique personal assessment criteria. The applied methodology allows a quantitative analysis of these assessments in association with leadership, error management, and employees' proactive behavior. This unusual psychological-based approach chosen as intuitive interviews predicated on personal construct psychology is unlikely to provoke socially desirable or questionnaire-driven results. Based on the case study findings, a systematic review of contemporary scientific literature was conducted to generate broadly applicable results. The final qualitative synthesis included 41 research articles relevant to the investigated topic. Theoretical and empirical results allowed concluding that leadership vulnerability supports error management and employees' psychological safety. These combinations are prerequisites to proactive behavior. Additional preconditions to proactivity are employee resilience and organizational commitment. This article's results could give practical recommendations in case organizations lack the proactive behavior of their workforce. Finally, this article advocates further research on vulnerability in leadership and managers communicating their own weaknesses and mistakes as it is an underrepresented area in current scientific literature.

**Keywords:** employee resilience, empowerment, organizational engagement, organizational learning, proactive behavior, psychological safety.

**Introduction.** In times of COVID-19, changes happen especially fast in the economic environment, such as political decisions or changing consumer reactions. In such a context, employees' proactive behavior is significant to ensure that organizations react quickly to new requirements. In literature, the common answer to this demand for proactivity is empowerment. What happens if the employees receive additional authority and decision power but react reluctantly to take these?

An organization that incorporates error management and organizational learning approach is likely to create a work environment that stimulates innovation and constant improvement of services (Van Dyck et al., 2005; Maurer et al., 2017). The advantage in such an environment is that employees openly admit errors or search for help to rectify their mistakes (Van Dyck et al., 2005). Hence the environment supports proactive employee behavior. But what is about leaders? Don't they make mistakes the same as any employees, and doesn't a turbulent time like in 2020's Covid-19 pandemic increase the likelihood of errors

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in leadership decisions? Aren't leaders as vulnerable as employees although is it acceptable to show them openly in a business environment?

This research paper aims to analyze possible cultural influences on the corporate level that led to employee reluctance to authority and empowerment. To find a new path in corporate culture research, a psychological theory was employed. It allowed an unbiased view of a leader-member-exchange (LMX). The underlying cultural case error prevention with missing involvement was present. It pointed into a first direction as preconditions leading to missing proactivity. Thus, the employee culture is closely associated with missing adoption of responsibility and a lack of recognition. Rather, contrary to employees' proactive behavior is attitudes like staying in the comfort zone and organizational silence. The latter describes missing feedback and withholding of ideas upward.

This research had its starting point in a single organization to have interrelated results of the leader-member exchange (LMX) because a special focus on leadership was pursued. As the methodology is explorative, a literature review allows a wide applicable range of scientifically supported conclusions. The PCP method based on the repertory grid enables the visualization of corporate culture in a three-dimensional sphere as, during the interviews, quantitative and qualitative data is produced. In the chapter methodology and research methods, the exact proceeding and data processing behind is explained in more detail. The visualization of the data set revealed that managers perceive themselves as representing an open error culture. Indeed, the entire leadership culture, an element that the employees and managers rated, is located relatively distant from this characteristic, meaning the culture rather stands for error prevention than an open approach to manage errors. Cooperative leadership and organizational engagement are additional relevant clusters.

The study approach revealed that clear and distributed responsibilities combined with honest and critical feedback are associated with ideal leadership. Furthermore, an open error culture is considered very positive, while the organization's employee culture is far from inheriting this attribute as it represents a large spatial distance. It seems that employee development and growth, similar in semantic meaning to inclusion. In this case, closely associated with ideal leadership, but the company shows no close linkage to these semantic clusters.

These above-outlined results advocate conducting a systematic review of the current scientific literature bringing error culture, leadership attitudes, and proactive employee behavior into a context. The focus was given on vulnerability in leadership as it is closely linked to how leaders handle and communicate their own mistakes (Meyer et al., 2017). Consequently, the following research question was formulated: How does vulnerability in leadership and error management influence employees' proactivity?

**Literature Review.** The notion of vulnerability in leadership involves mutual trust between managers and their followers (Meyer et al., 2017). The truthful and transparent results in a leadership style are characterized by accepting responsibility and exposure to one's own mistakes and weaknesses (Chen et al., 2018). This principle means that vulnerable or humble leaders create an environment for workers to speak up and take over responsibility (Meyer et al., 2017). Central elements of proactive behavior can be defined as recognizing potential problems and opportunities resulting in initiation to improve the situation (Vough et al., 2017; Dedahanov et al., 2019). This concept is closely linked to commitment, which needs empowering leadership styles and an organizational culture incorporating a tolerance for errors (Thomas et al., 2018). There has been extensive leadership research on how ethical leadership impacts employees' voice or proactivity (Cheng et al., 2019; Maurer et al., 2017). Voice, in this case, means the expression of ideas. It is part of the desired outcome of proactive employee behavior. In general, employee voice is associated with positive organizational performance. In return, Cheng et al. (2019) showed that an error management climate (EMC) impacts employee voice. EMC is considered to be a culture with open communication about errors which ensures that errors are tolerated whilst learning from errors is encouraged (Cheng et al., 2019; Ye et al., 2018). That partially contradicts Cranmer et al. (2019) 's

findings, who found proactivity to influence organizational commitment among newcomers only. As their conceptual framework is limited to new employees, only Cheng's findings are incorporated in this paper's model. Jokisaari and Vuori (2018) showed that the influence of proactivity being rather connected to job satisfaction as an outcome instead of a higher commitment. Nevertheless, it can be concluded that there is a mutual mediating factor between proactivity and organizational commitment (Cranmer et al., 2019; Cheng et al., 2019).

It could commonly be argued that the solution to mistakes that can be either error management or error avoidance has a normative guideline for workers' leadership motives (Maurer et al., 2017). Conclusively, organizational learning is closely linked to employees' psychological safety and emotional attachment (Tak et al., 2019). In their conceptual model, Cheng et al. (2019) integrate organizational commitment as a mediator from error management to employee voice. It is necessary to indicate that the authors spoke about workers' voices instead of proactive behavior. It is an overlapping feature, but it must be translated into this study's theoretical conception. According to Parker and Collins (2010), proactivity is characterized by a «self-initiated, anticipatory action that aims to change and improve the situation or oneself». Consequently, proactive behavior must be persistent while being focused on change and improvement (Parker and Collins, 2010). Caniels and Baaten (2019) added employee resilience in their concept of the linkage between error management (in their framework stated as learning-oriented organizational climate) and proactive behavior. They observed that employee resilience supports proactive work behavior in an environment with an organization's learning culture and error management (Tak et al., 2019; Caniels and Baaten, 2019). The findings are explained by employees' capabilities to recover after failure (Caniels and Baaten, 2019; Kuntz et al., 2017). Combining the two results in proactive work behaviour like taking charge, preventing problems, and expressing voice is only possible in a culture in which there is no reason to fear consequences (Caniels and Baaten, 2019; Kanfer et al., 2017; Parker et al., 2019). In return, this is in line with Javed et al.'s (2020) conceptual framework that integrated «perceived psychological safety» as a mediator between error management culture and organizational learning. In return, it supports innovative behavior and organizational performance (Wang et al., 2020). Further studies prove psychological empowerment as a mediating factor which was conflated in the meta-framework as it was reassured as a positive factor for individual and organizational outcomes (Mansoor and Ali, 2020; Schermuly and Meyer, 2020; Young et al., 2020; Guerrero et al., 2018; Zhang et al., 2018; Chen et al., 2018). As proactive behavior is a basic requirement for innovation and performance at work, it closes the circle to organizational learning (Javed et al., 2020; Guerrero et al., 2018). The identification with leaders is essential. It can be reinforced through vulnerable or humble leadership. In this sense, humble means approachability, recognition of other talents and achievements, and proper self-awareness (Chen et al., 2018). The latter is achieved through openness to feedback.

Guchait et al. (2018) expanded the study on error management. Thus, it showed that gender additionally had a mediating impact on job participation. Gender implications are omitted in this study model because of the rationale for consistency and readability. Eldor and Harpaz (2019) verified the general effect of organizational learning and error prevention on constructive job behavior. Besides, they performed a cross-sectional analysis which is omitted as a mediator as it will restrict the context in the same way as gender influences would. In this research, the findings showed that the contemporary scientific literature in error management had a general approach without a clear statement regarding managers' error. In uncertain times like 2020's Covid-19 pandemic, leaders cannot plan and foresee the future. Consequently, vulnerability, openness, and self-reflection have become core leadership qualities (Chappell et al., 2020; Kim and Beehr, 2019). That implies a self-disclosure of leaders who embrace that they are also vulnerable. Couris (2020) highlighted that vulnerability combined with authentic leadership became a key factor for leadership through the pandemic crisis. Leadership traits of being transparent and honest while letting go of one's ego are part of the process (Schermuly and Meyer, 2020). Admitting

mistakes and willingness to learn closes the circle to error management and organizational learning (Couris, 2020; Zhang et al., 2018). The pandemic confronted many leaders with a situation for which no proven plan or available formula. Economic turbulence caused by short notice lockdowns asked for an agile and adaptive approach to rapid change (Yeo, 2020; Parker et al., 2019). In turn, the creative solutions require proactivity from employees, which can be fostered by supervisor support as a mediator (Caniels, 2019; Zhang et al., 2018). Yeo (2020) revealed enablers for leadership resilience which all lead to cultivating the core of oneself. That encompasses traits of vulnerability while an open-minded approach towards committing errors. It implies that there are no immediate and logical solutions for uncertain and volatile situations. Instead, leaders need to focus on their core strength and weaknesses and approach new situations with flexibility and positivity (Clare, 2018; Chappell et al., 2020). Inevitably they need to encompass a realistic self-evaluation which includes self-esteem, generalized self-efficacy, emotional stability, and locus of control (Zhang et al., 2018; Wang et al., 2020). Self-efficacy and psychological safety are positively related to learning behavior for which error tolerance is indispensable (Wang et al., 2020). Showing vulnerability supports employees' emotional attachment to their leaders, which is especially crucial in volatile economic circumstances (Ito and Bligh, 2016). That allows vulnerable and authentic leaders to alter their followers' thinking and behavior to effectively navigate through organizational challenges (Avolio et al., 2004). Additionally, there is a strong connection between proactivity and employee engagement, which both impact motivation (Kanfer et al., 2017). Avolio et al., (2004) laid in his work already a fundamental linkage between authentic leadership, leaders' self-awareness, and the work attitudes of followers without a special focus on vulnerability or proactivity attitudes (Avolio et al., 2004; Avolio and Gardner, 2005).

Certainly, avoidance of uncertainties and risk-taking are strongly interconnected with an error culture which Farnese et al. (2020) contemplated. Their research focused additionally on the stress factor of errors, reinforcing resilience in leadership and employee level as a mediator (Farnese et al., 2020; Caniels and Baaten, 2019). Another highlighted leadership trait is empowering leadership, which positively affects the psychological capital of employees, resulting in a positive work behavior characterized by proactivity (Kim and Beehr, 2019). As psychological factors, resilience and efficacy are incorporated as mediators into the model as several studies indicate them as prerequisites for proactivity at work (Kim and Beehr, 2019; Caniels and Baaten, 2019; Kuntz et al., 2017). The leadership style advocated for positive organizational citizenship is transformational leadership. It incorporates the attributes of individualized consideration, intellectual stimulation, and idealized inspiration (Mansoor and Ali, 2020). Additional studies have supported positive influence by transformational leadership (Xenikou and Simosi, 2006; do Nascimento et al., 2018) while elements can be described as vulnerability traits. That underlines the positive effect of vulnerability in leadership towards proactivity. Closely associated is inclusive leadership, including openness, accessibility, and availability, especially when interacting with employees (Ye et al., 2018). They define this as admirable, trustworthy, and respectful leaders (Mansoor and Ali, 2020; Oc, 2018; Rhee et al., 2018). The latter is in close association with vulnerability in leadership. Several studies highlight that trust is a key factor in the leader- member-exchange (LMX) (Schermyly and Meyer, 2020; Young et al., 2020; Jokisaari and Vuori, 2018; Rhee et al., 2018) and even has an impact on the entire organizational capabilities in terms of customer needs and the functioning of internal processes (Rhee et al., 2018). Further studies tested psychological empowerment as a mediator between paternalistic leadership and innovative behavior (Dedahanov et al., 2019). As paternalistic leadership includes benevolence and morals in the sense of showing concern for the familial well-being and employee needs (Dedahanov et al., 2019). It is not very far from the vulnerability approach to leadership (Ito and Bligh, 2016). Further findings show that mission and role features are combined as mediation for constructive work behavior (Oc, 2018). That is normally achieved by the delegation in the LMX process, seen as empowerment here.

**Methodology and research methods.** In a contemporary work environment, this qualitative research utilizes an inductive approach to study corporate culture to identify new research paths. Kelly's (1955) personal construct psychology (PCP) supplied the theoretical method. Kelly (1955) suggested in his PCP postulate that humans incessantly try to make sense of their own humankind and their position within the world surrounding them (Cassell et al., 2000). That is performed by putting experiences, elements, and events concerning each other in various circumstances (Fromm, 2004). In this research, the theory is applied to individuals working in an organizational context to elicit corporate culture-related constructs. Hence, an originally psychological theory is utilized to research workers' subjective views about the company they are working for. The repertory grid technique exploited to carry out the interviews is regarded as a qualitative and quantitative method (Robertson, 2003) to evaluate which opinions come up in the context of corporate culture or the leader-member-exchange (LMX). This methodology is not a psychometric test. It can be described as a structured interview technique based on PCP (Fromm, 2004). The approach technically uses distinctions between elements that are used to characterize the entity to which they belong. The interviewees' expressions are registered in a data matrix to differentiate these elements (Scheer and Catina, 1993). The results relate ideographically to the subjective reality of the interviewee (Bourne and Jankowicz, 2018). 61 organized repertory grid interviews (all 21 managers and 40 staff in proportion to each department's scale) were performed within an institution as the basis for this study. The research target is a wholesale business with approximately 500 employees in the consumer sector. The program rep:grid (by sofistiq) was used to collect and analyze the data. For analysis purposes, the triad oppositional comparative approach was used as an interview environment. Consequently, three distinct components were introduced to probands to evoke their constructs. In a tetrapolar field, the evaluation approach was performed. After finishing the interview, the web-based tool produces the findings to validate them (Lohaus, 1982). Each face-to-face interview assisted by the software lasted 120 minutes and produced an average of 13 personal constructs per interview, totaling 782.

To ensure maximum coverage of research subjects, the determination of components must conform to certain specific guidelines. The basic principles for selecting elements are that they represent the same group in the sense that they are consistent. Besides, elements need to be distinctive and unique to the interviewee (Easterby-Smith et al., 1996). Wright and Lam (2002) propose additional heterogeneous elements that imply a detailed analysis of the research subject. To reflect the business holistically, a total set of 27 elements was applied to evoke culture-related measurements. The process of organized interviews with the repertory grid can be divided into three stages:

1. To induce their structures, interviewees equate a triad of three elements of the set of 27. When presented with three components, they were asked, «How are two of these components similar to each other and different from the third one?» Contextual structures are elicited because the elements all describe the organization and leadership.
2. The probands subsequently state a contrary to their originally constructed measurement.
3. As a tetrapolar field was chosen as evaluation methodology, all 27 elements are evaluated regarding the elicited construct, the opposite, and both/none of the two. That makes a varied range of potential tests possible. This process was reiterated until no additional constructs were elicited.

Elements such as «a highly motivated person» or «an efficient process» support imaginative reasoning to preferably produce a separate sum of qualitatively distinguishable images that characterize the ethos of the organization. The collection of these elements is intended to translate viewpoints on leadership, organizational culture, LMX, and personal constructs that explain how workers interpret and analyze the elements presented to them (Kelly, 1991). As a result, interviewees do not respond to questions and variables they did not consider before. Identifying each elements' and construct's unique coordinates is achieved by analyzing the collected data with Generalized Procrustes Analysis (GPA). GPA generates three-dimensional data matrices that facilitate to visualization of the corporate culture and make the data

interpretable (Mak et al., 2013). The GPA analysis uncovers how constructs are grouped together and in which mathematical context they stand to each other (Grice and Assad, 2009; Gower, 1975).

The choice of the elements listed above does not allow any derived constructs to be predicted. However, the context dictates that the subject-related constructs are formed (Fransella, 2003). The matrix explanation focuses on building clusters with a similar context (Hauser et al., 2011). Furthermore, the positioning of elements in conjunction with construct clusters helps the researcher to understand the interviewees' perceived company culture. The GPA was carried out in three dimensions to ensure practicability and promote descriptive qualitative research with data presented in three-dimensional plots. An interpretation of the findings includes a mutual comprehension of the spatial representation seen in this study's three-dimensional graphics. The distances between constructs and element clusters and their grid allocation are quantitative figures that allow qualitative analysis of the data set in their interplay (Hauser et al., 2011). If the coordinates of constructs and components represent a small special distance (as a percentage of 100), the probands rated them equally. «The ideal company» and «Ideal Leadership» have a very similar location of 99.1 percent correlation, for instance, which was previously expected. In the case where two elements are evaluated contrary to all structures, the opposite holds. The consequence would be a proportional gap of 100%. The difference between «a negative company» and «the ideal company» is 74.5, reflecting a 25.5 percent degree of association. The two poles, «A negative company» and «The ideal company», provide orientation in this three-dimensional grid. The lengths to these two poles (with a maximum of 100) mean how positive or adverse a subject is assessed.

For the clustering process, the rep:grid software created a first draft collection of clusters based on the proximity of constructs. All 782 structures were included in this first collection. Concerning their coherence with the research topic, the preview cluster package focused on mathematical figures was reworked semantically. In this way, all constructs have been evaluated semantically and allocated to one of the original or new clusters. 36 clusters resulted from this qualitative assessment. The central location of these clusters was assigned through GPA again.

**Results.** Figure 1 shows some of the elements describing corporate culture in the three-dimensional space. The red and blue descriptions show the cluster of measurements consisting of 11 to 34 individual personal constructs.



**Figure 1. Visualization of the corporate culture case study**

Sources: developed by the authors.

The visualization shows a similar evaluation of error prevention with missing involvement in the underlying cultural case. Additionally, the employee culture is closely associated with missing adoption of responsibility and a lack of recognition. Rather contrary to a proactive behavior of employees are also the clusters of staying in the comfort zone and organizational silence. The later cluster describes missing feedback and withholding of ideas upward. Finally, it must be highlighted that an autocratic leadership style is rather associated with a negative company and that it is situated close to the cluster of work-to-rules. The systematic review was conducted by applying the PRISMA scheme (Moher et al., 2009). The article's publications were taken from the scientific databases ScienceDirect of the Elsevier publishing house and GoogleScholar on 30 November 2020. The following table indicates how the research question was translated into a systematic review.

**Table 1. Review protocol**

<b>Review question</b>	How does vulnerability in Leadership and error management influence the proactivity of employees? Sources: ScienceDirect, Google Scholar
<b>Literature search</b>	Search terms: «leadership» AND «proactivity»*; «error prevention» AND «proactivity»; «error management» AND «proactivity»; «proactive behavior» AND «vulnerability»; «vulnerability» AND «leadership»
<b>Filter criteria</b>	Type of work: Research articles; Years: 2017 - 2020 Publication type: all articles, no books
<b>Exclusions</b>	By title: Examination of a thematic reference in broader sense; exclusion of e.g. articles with medical or educational background.
<b>Evaluation</b>	By abstract: Exclusion of articles not related to business or management research. Full-text assessment: Inclusion of only those articles with specific references to the influence of leadership and error approaches to proactive behaviour.

Sources: developed by the authors.

To ensure that the latest scientific results are integrated into the model, the review was filtered by 2017 to 2020. Only papers marked as research articles were included in the systematic review. As the total results of two searched keywords were not possible to screen (>10.000 total results) and it was unlikely that all these titles are linked to the research question, the search was limited in these two cases to titles including at least one of the search as mentioned above terms (marked with \* in the table below). That proved to extract mainly papers relevant to the investigated topic.

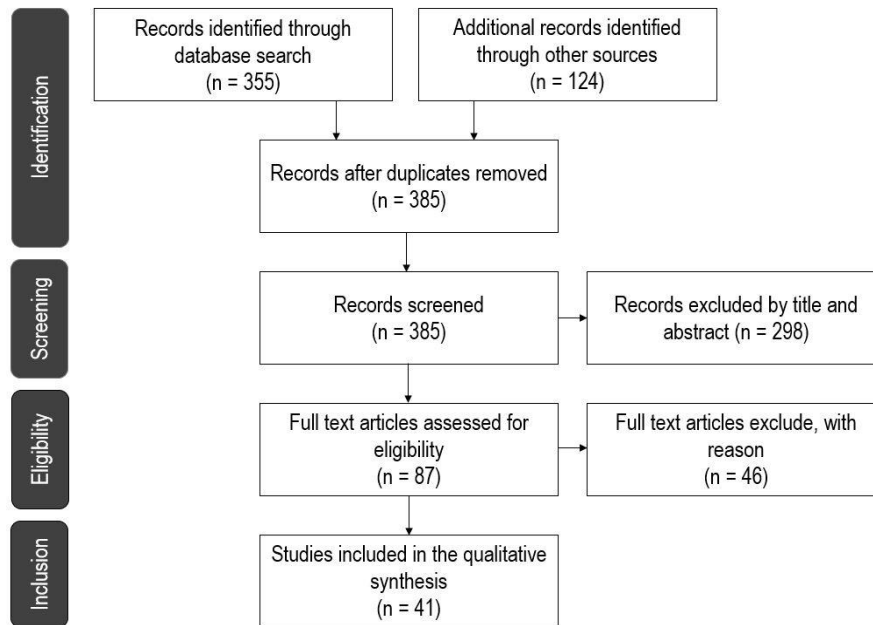
**Table 2. Results of the initial literature search on ScienceDirect**

Search phrases	Total results	2017 - 2020	Research Articles	Results after filtering
«leadership» AND «proactivity»*	1335	522	403	143
«error prevention» AND «proactivity»	288	81	42	5
«error management» AND «proactivity»	224	65	42	16
«proactive behaviour» AND «vulnerability»	350	161	114	57
«vulnerability» AND «leadership»*	2477	1053	759	134
<b>Total</b>				<b>355</b>

Sources: developed by the authors.



An additional search from GoogleScholar by the above filter criteria based on the title's keywords added another 124 research articles. Having removed duplicates, 385 of 479 entries remained in the literature database, which was checked based on the title and abstract. The employed criteria were the reference to the research question of this paper.



**Figure 2. PRISMA statement**

Sources: developed by the authors based on (Moher et al., 2009).

A successive assessment of 298 papers' abstracts and titles was excluded due to the research topic's missing reference. Consequently, 87 research articles were included in a full-text assessment, while in a final stage – 41 papers. To summarize the results highlighted in the last section, a new model was created that identifies the interlinkages and influencing factors mediating employees' proactive behavior.



**Figure 3. Model of influencing factors to proactivity**

Sources: developed by the authors.

The model emphasizes that error management functions as prerequisites in corporate culture to enable psychological safety and empowerment. If the organization's main objective is to prevent any errors, employees and even managers are less likely to take over responsibility and try new things. Consequently, it needs an approach that acknowledges that mistakes occur. The culture should support open communication of errors and possibilities to deal with mistakes. Only in such an environment the psychological safety is given. Thus, the empowered employees take over responsibility. Recognition, in this case, is another factor that needs to be in consideration. The literature review has shown that organizational learning will be part of the organizational culture if these prerequisites and attitudes are given. Herewith, the leaders need to communicate and stand for their errors as well. They need to be a part of the team showing their own vulnerability. Only that way full organizational commitment by employees can be achieved. Therefore, the vulnerability in leadership stands in contrast to the autocratic, heroic leadership style that is hardly possible in a volatile, ambiguous economic environment. Furthermore, it counteracts follower proactivity (Li et al., 2019).

Another prerequisite identified through the literature review was employee resilience to enable organizational commitment. Today's requirement to react flexible and agile puts a lot of stress onto employees resulting in the requisition that an organization supports building employee resilience. That way full organizational commitment is possible, resulting in a higher level of engagement. If either one is not given, be it resilience or commitment to the cooperation, full engagement is not present.

Finally, employees' proactive behavior, including continuous learning and engagement, will be the outcome if the prerequisites are inherent in the corporate culture. In the definition of this research proactive behavior includes employee voice, the forward-bringing of ideas, and critical feedback on all hierarchical levels. Furthermore, responsibility is taken over as there is no fear of committing errors and standing in for them. The organization is aware that errors happen where humans interact and manage errors with a positive basic attitude. Besides, employees are encouraged to forward-thinking, which becomes increasingly important in a complex world where leaders alone cannot foreseeing developments precisely anymore. The psychological safety arising from an open error culture and leaders showing their own vulnerability supports employees' self-efficacy as a proactive element.

**Conclusions.** This paper presented a deeper insight into the corporate culture, the vulnerability in leadership approaches to error management and subsequent employee proactive behavior through exploratory and literature review-based research. The paper attempted to explain the moderating roles of organizational learning and employees' organizational engagement as supporting elements to the workforce proactive behavior. The type of proactivity that results from the prerequisites error management and employee resilience combined with empowerment and commitment for the organization is proposed in a conducive cultural model in this study. The study can contribute to leadership practices. It highlights that vulnerability and error management is indispensable if managers seek empowered and committed employees who take over tasks proactively and think forward. Such behavior becomes key in an ambiguous, volatile, and increasingly complex economic environment as an organization's success is distributed onto more than one set of shoulders. That highlights that the study is especially relevant in economic crises experienced throughout the pandemic years 2020 and 2021.

Apart from supplying deeper and insightful understandings about the constructs and their relations, the proposed model tries to bring forth a pragmatic approach towards facilitating employee proactivity through enhanced organizational learning and engagement. Empowerment is a key element to a cooperative leadership approach and agile working structures, but what do companies do if employees do not take over the responsibility they are given. This paper's inductive case study approach contributed to these interesting research questions and sought to find answers by undertaking a rigorous scientific review. The formed corporate culture model highlights several attitudes and prerequisites that organizations need to challenge when experiencing that empowerment is not accepted by employees.

Vulnerability in leadership, error management, and employee resilience are studied as predictors of employee behavioral outcomes. There has been little research conducted to understand how an organization can change employees from staying in their comfort zone to enhanced proactive employees. This thorough investigation of compromising leadership styles, error management, and employee engagement fills the research gap on leadership and proactivity vulnerability. This research outlines the different criteria required in an organization to transcend from a work-to-rule mentality to a culture where employees want to develop and grow. That way, empowerment does not remain a hollow idea in the manager mind but a practiced way to react agile to economic challenges.

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**Інноваційний потенціал компанії: роль лідерства та ефективність управління помилками**

У статті висунуто гіпотезу, що рівень залученості працівників до прийняття рішень в компанії, їх самостійність та обсяг їх повноважень впливають на ефективність діяльності компанії. Авторами систематизовано бар'єри зниження ефективності впровадження організаційних змін у компанії, а саме: прагнення працівників залишатись у зоні свого комфорту, чітке слідування встановленим правилам, уникнення відповідальності та додаткових повноважень тощо. Метою статті є оцінювання впливу корпоративної культури на проактивну поведінку працівників. Змінними, що описують якість корпоративної культури обрано лідерство та ефективність управління помилками. У статті застосовано якісний підхід для аналізу взаємовідносин між керівництвом та працівниками на основі теорії особистісних конструктів, що дозволяє уникнути суб'єктивізму у результатах. Підґрунтям дослідження стали результати систематизації наукового доробку за даними напрямом (опрацьовано 41 публікацію) та структурованого інтерв'ю. У опитування залучено 21 представник менеджменту компанії та 40 працівників. За результатами проведених інтерв'ю, авторами виокремлено 782 унікальних критеріїв особистісного оцінювання поведінки працівників, для опрацювання яких застосовано кількісний аналіз. За результатами теоретичного та емпіричного аналізів, встановлено, що робота над слабкими сторонами та помилками в управлінні компанією сприяють забезпеченню психологічної безпеки працівників, що є передумовою їх проактивної поведінки. Авторами наголошено, що підвищення рівня залученості працівників у прийняття рішень є додатковою передумовою підвищення ефективності діяльності компанії. Результати дослідження мають практичне значення та можуть бути прийняті до впровадження організаціями з метою підвищення рівня ініціативності працівників. Авторами наголошено, що отримані результати можуть бути основою для подальших досліджень щодо ролі лідерства у підвищенні ефективності діяльності компанії.

Ключові слова: стійкість працівників, розширення повноважень, організаційна залученість, професійна підготовка, активна поведінка, психологічна безпека.