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LAND FORCES ACADEMY OF SIBIU**

**The 32nd International Conference
Knowledge-Based Organization**

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**ECONOMIC, SOCIAL
AND ADMINISTRATIVE APPROACHES
TO THE KNOWLEDGE-BASED
ORGANIZATION**

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**The 32nd International Conference
Knowledge-Based Organization**

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TABLE OF CONTENTS

ECONOMIC AND FINANCIAL CHALLENGES IN FOSTERING RESILIENCE

<i>Determinants of the Transition towards Sustainable Energy in Romania (2007–2024): A Principal Component Analysis Approach, Cristina Maria BĂTUȘARU, Alina BABOȘ, Andreea Simina PORANCEA-RĂULEA, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania.....</i>	<i>1</i>
<i>Professional Ethics in Accounting and the Protection of the Public Interest, Alina CIUHUREANU, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania.....</i>	<i>9</i>
<i>Deficits and Defense: How Fiscal Imbalances Shape Military Spending in NATO Countries, Marian DOBRANSCHI, Valentin PÎRVUȚ, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania</i>	<i>15</i>
<i>War, Budgets and Resilience: Economic and Financial Challenges of Defence Financing in a Volatile Strategic Environment, Adrian IURA, “Lucian Blaga” University of Sibiu, Romania</i>	<i>23</i>
<i>Visual Representation of Industrial Brands: Landscape, Identity, and Industrial Memory in Commercial Imagery, Florentina-Cristina MERCIU*, Cornel PĂUNESCU**, George-Laurențiu MERCIU*, *University of Bucharest, Romania, **Romanian Technical Academy, Bucharest, Romania</i>	<i>31</i>
<i>EU Anti-Money Laundering Measures as a Potential Source of Human Rights Risks, Petko PALAZOV, South-West University “Neofit Rilski”, Blagoevgrad, Bulgaria</i>	<i>39</i>

Consequences of the Disruptive Transformations on the Resilience of the National Financial and Banking Sector, **Leontin STANCIU, Ioan-Gabriel POPA**, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania 46

Practical Study on the Impact of Local Tax Indexing in January 2026 at UAT Q88 in the AI Era (First Part), **Mariana Rodica ȚÎRLEA**, “Dimitrie Cantemir” Christian University, Bucharest, Romania..... 54

Practical Study on the Impact of Local Tax Indexing in January 2026 at UAT Q88 in the AI Era (Part Two), **Mariana Rodica ȚÎRLEA**, “Dimitrie Cantemir” Christian University, Bucharest, Romania..... 59

BUILDING ORGANISATIONAL AND INDIVIDUAL RESILIENCE FOR COMPLEX AND UNPREDICTABLE WORKPLACES

Revisiting Authenticity in Post-Truth Era: Building Skills as Social Infrastructure for European Resilience, **Sever AVRAM***, **Eric GILDER****,
*CIO-SUERD, House of Europe, Bucharest, Romania, **Papua New Guinea
University of Technology, Lae, Papua New Guinea 66

Building Resilient Human Capital through Steam Education in the BANI World: From Early Education to Adaptive Educators in Civil-Military Contexts,
Muşata-Dacia BOCOŞ*, **Adriana Cosmina VANCEA****, **“Babeş-Bolyai”
University, Faculty of Psychology and Educational Sciences, Cluj-Napoca, Romania,
**Independenţa Technological Highschool Sibiu, Romania..... 79

Securitizing Russian: Implications for Language Teaching, **Diana
BORIMECHKOVA**, Rakovski National Defence College, Sofia, Bulgaria..... 85

The University in the Age of Generative Artificial Intelligence: Transformations in Pedagogy, Assessment, and Epistemic Authority,
George BUCĂȚA, **Constantin ANDREI**, “Nicolae Bălcescu” Land Forces Academy,
Sibiu, Romania 91

Extraversion, Conscientiousness and Neuroticism as Predictors of Sport Motivation in Military Physical Education: A Theoretical-Conceptual Framework with a Salutogenic Perspective, **Dumitru Cătălin COHAL**, “Nicolae Bălcescu”
Land Forces Academy, Sibiu, Romania..... 103

Digital Resilience and Human-Technology Interaction in a BANI Context: The Impact of Social Media on Psychological Functioning in Military Environments, **Maria Emanuela DELEANU**, “Lucian Blaga” University of Sibiu,
Romania..... 112

Building Intercultural Leaders in BANI Military Contexts: The Evolution of ELT beyond Linguistic Accuracy, **Isabela-Anda DRAGOMIR**, **Brânduşa-Oana NICULESCU**, **Paul TUDORACHE**, “Nicolae Bălcescu” Land Forces Academy,
Sibiu, Romania 121

The Influence of Job Satisfaction in Military Service as a Factor for Organizational Resilience in a VUCA/BANI Environment, **Teodora GROZDANOVA**, Rakovski National Defence College, Sofia, Bulgaria 134

Teacher Resilience in a BANI World: The Interplay of Metacognitive Skills and Self-Efficacy Beliefs, **Ana Maria MADINA***, **Diana-Georgiana PALEA****, *West University of Timișoara, Romania, **Secondary School No. 2 Pre-school Structure No. 16, Sibiu, Romania 140

Rethinking Governance Resilience in a BANI Environment, **Sandor MAGYAR**, **Laszló HÓDOS**, **Sandor BABOS**, Ludovika University of Public Service, Budapest, Hungary 146

Theoretical Perspectives on Self-Regulated Learning, **Elena-Lucia MARA***, **Lucia-Larissa MORAR****, **“Lucian Blaga” University of Sibiu, Romania, ***“Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania 154

The Relationship between Anaerobic Exercise and Cognitive Performance in the Training of Future Officers, **Fabiana MARTINESCU-BĂDĂLAN**, **Crenguța-Mihaela MACOVEI**, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania 163

Teachers’ Well-Being in a BANI World: A Key Resource for Fostering Resilience in Knowledge-Based Educational Organizations, **Mădălina-Ioana MILITARU***, **Ana-Maria MADINA****, **“Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania, **West University of Timișoara, Romania 168

Gender Awareness in English Language Teaching as a Resilience Strategy for Complex and Uncertain Professional Environments, **Corina MITRULESCU**, **Alina-Elena ONET**, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania .. 177

ESP for Cadets in a BANI Workplace: Language Training as a Tool for Digital Resilience, **Alina Gabriela NEGOESCU**, **Gabriela MIHĂILĂ-LICĂ**, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania 183

From Orders to Understanding: Developing Communication Capability for Adaptive Leadership among Military Cadets in BANI Environments, **Tudorică PETRACHE**, **Rareș-Andrei PĂUNA**, “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania 191

<i>Leadership-Followership Dynamics in Military Organizations: Followership as a Vector of Organizational Balance</i> , Alexandru-Marius RIZESCU , “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania	199
<i>Between Uniform and Stereotype: Women Perceptions of Gender Roles in Operational Contexts</i> , Raluca RUSU , Aniela CORLĂTEANU , “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania	205
<i>Instructor-Grounded Agentic AI for Continuous Learning and Career Alignment</i> , Samuel SETSOFIA* , Carolyn KMET* , Samson QUAYE** , *Northwestern University, Illinois, United States of America, **Illinois Institute of Technology, Illinois, United States of America.....	213
<i>Digital Twins in Education: Conceptual Foundations, Applications and Challenges</i> , Fabiana-Georgiana ZEICU*** , Ilie GLIGOREA* , Hortensia GORSKI* , * “Nicolae Bălcescu” Land Forces Academy, Sibiu, Romania, *** “Lucian Blaga” University of Sibiu, Romania.....	220

RETHINKING GOVERNANCE RESILIENCE IN A BANI ENVIRONMENT

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Abstract: *The transition to a BANI world has fundamentally disrupted the foundational principles of public administration. Traditionally centered on stability and predictability, public sectors now face unprecedented leadership challenges stemming from systemic brittleness and nonlinearity. This paper explores the inherent friction between rigid regulations and the urgent necessity for adaptive leadership in modern governance. By analyzing how bureaucratic structures struggle with incomprehensibility, the study identifies systemic barriers to organizational agility and decision-making. The research argues that true resilience in public service is no longer found in maintaining the status quo, but in fostering iterative learning. Ultimately, this publication provides a framework for leaders to navigate anxiety-driven environments, transforming rigid hierarchies into responsive, adaptive systems capable of enduring the volatility of the 21st century.*

Keywords: BANI, public sector, leadership, governance

1. Introduction

In recent years, the operating environment of the public sector also has become increasingly Brittle, Anxious, Non-linear, and Incomprehensible (BANI). Consequently, traditional bureaucratic methods are often insufficient to ensure organizational adaptability. Within a BANI environment, public institutions are required to uphold the rule of law, legal certainty, and accountability, while simultaneously providing rapid, learning-oriented, and flexible responses to unpredictable social, technological, and political challenges.

These expectations are particularly evident in the generationally diverse public sector. Distinct age groups contribute varied experiences, work attitudes, and expectations regarding change, while simplistic generational narratives can intensify organizational tensions. The primary challenge is not simply to manage generational differences, but to foster leadership and institutional conditions that enhance adaptive capacity through age

diversity.

This study is premised on the view that the public sector's strength derives not from rigid regulatory logic, but from institutionalizing iterative learning. It integrates the BANI framework, rule-of-law principles, and theories of adaptive and transformational leadership. The study aims to examine how public institutions can become psychologically safe, learning-oriented, and intergenerational systems that respond effectively to BANI challenges while maintaining democratic and rule-of-law legitimacy.

The following research questions arose during the study.

RQ1: How does generational diversity contribute to adaptive functioning in the public sector under BANI conditions?

RQ2: How can rule-based bureaucratic governance be reconciled with the requirements of flexible leadership in a BANI environment?

The objectives of the research were as follows.

RO1: To explore how psychologically safe and flexible leadership practices reduce intergenerational tensions in public-sector organizations.

RO2: To examine how institutionalized iterative learning enhances public-sector resilience while preserving the rule of law, accountability, and legal certainty.

1.1 Methodological Approach and Scope

Methodologically, this article is a conceptual study rather than an empirical one based on primary data collection. It builds on and connects four main areas of literature: the BANI framework, public administration and rule-of-law theory, adaptive and transformational leadership, and generational diversity in organizations. The aim is not to test empirical hypotheses, but to develop a clear conceptual framework for understanding how public institutions can combine legal-rational stability with adaptive learning in brittle, anxious, non-linear, and incomprehensible environments. The analysis follows three main steps. First, it examines why fixed and oversimplified generational explanations are insufficient for understanding public-sector organizations. Second, it links BANI conditions to the way bureaucratic governance traditionally relies on predictability, hierarchy, and rules set in advance. Third, it develops conceptual propositions on psychological safety, adaptive leadership, and institutionalized learning as ways for public organizations to become more resilient while still preserving rule-of-law principles.

2. Generations in a BANI Public Sector: From Rigid Hierarchies to Adaptive, Anxiety-Resilient Systems

The transition from a relatively stable, rule-driven administrative order to a BANI world has fundamentally altered how generations experience work in the public sector. In brittle, anxious, non-linear and incomprehensible environments, age-diverse bureaucracies confront not only external turbulence but also internal frictions between inherited hierarchical logics and the

adaptive behaviours different cohorts bring into organisations. Generational narratives are often invoked to explain these tensions, yet contemporary evidence shows that the picture is far more nuanced than popular discourse suggests [1].

2.1 Generational differences: Small effects, big narratives

Over the past decade, several large-scale reviews have examined whether generations differ meaningfully in work-related attitudes and behaviour. Meta-analyses synthesising tens of thousands of employees across cohorts report few systematic, practically important differences in job satisfaction, commitment, turnover intentions or stress once age and period effects are taken into account [2, 3]. At the same time, qualitative analyses of the same literature show that authors and practitioners tend to over-communicate generational contrasts, reinforcing the impression of deep divides even when effect sizes are weak [3, 4].

This mismatch gives rise to what some scholars call “generationalism”: treating generational labels as if they were robust causal explanations, which can legitimise differential treatment and stereotyping at work [4]. For public-sector leaders operating in anxiety-driven contexts, this is a double risk. On the one hand, it may justify rigid, one-size-fits-all HR policies that ignore individual trajectories. On the other, it can fuel deficit narratives about younger or older staff (“resistant Boomers”, “fragile Gen Z”) that undermine trust and cooperation across hierarchical levels.

A more empirically grounded view treats generational membership as one contextual layer among many, interacting with life-stage, socio-economic background and institutional culture [4]. In a BANI administration, the practical implication is that leaders should avoid building interventions on essentialist generational typologies alone. Instead, they need to focus on designing systems that can leverage heterogeneous experience – including age-linked experience without hard coding

stereotypes – into procedures and expectations.

2.2 Bureaucratic brittleness and anxiety across cohorts

Public administration has historically sought resilience through standardisation, formal rules and clearly defined hierarchies. In BANI conditions, these very strengths become sources of brittleness. Small shocks can cascade through tightly coupled systems, and non-linear dynamics make it difficult to predict which regulations will fail under pressure. Younger employees, socialised into fast-changing, digitally mediated environments, often experience traditional bureaucratic structures as slow, opaque and misaligned with their expectations of feedback and autonomy. Older cohorts, in turn, may derive psychological safety from the familiarity of procedures and formal authority structures, perceiving rapid change as a threat to hard-won expertise.

Empirical work on work-values and attitudes suggests that all generations value meaningful work, fair treatment and competent leadership, but they may prioritise different aspects of the employment relationship. For example, younger cohorts tend to place more emphasis on development opportunities, flexibility and voice, whereas older employees place more emphasis on job security and the preservation of professional standards [1]. In a BANI environment, these priorities are not inherently incompatible, but they often collide with bureaucratic designs that assume a uniform response to stress and change.

Anxiety is thus not confined to younger generations; it is distributed differently. Early-career staff may fear being trapped in rigid structures that cannot adapt, while senior staff may fear the erosion of institutional memory and the devaluation of their expertise. Without careful leadership, these anxieties can polarise along generational lines, reinforcing the perception

that “the other cohort” is the source of dysfunction.

2.3 Psychological safety as a cross-generational stabiliser

Research on psychological safety offers a powerful counterpoint to generational fatalism. Psychological safety – commonly defined as a shared belief that the team is safe for interpersonal risk-taking – is consistently linked to learning behaviour, error reporting and innovation across sectors and age groups [5]. Studies of multigenerational teams show that age diversity enhances creativity and problem-solving only when psychological safety is high; otherwise, differences in communication style or expectations tend to escalate into affective conflict [6].

In BANI public administrations, psychological safety becomes the operational translation of resilience. It allows employees from different cohorts to voice concerns, challenge ineffective routines and experiment with new practices without fear of humiliation or disproportionate sanction [5]. For younger staff, this mitigates anxiety about speaking up in steep hierarchies; for older staff, it protects professional identity when their methods or tools are questioned. Building such climates requires explicit leadership behaviour inviting input from junior employees, acknowledging uncertainty, and visibly protecting those who raise inconvenient issues.

2.4 From rule-centric control to adaptive, intergenerational leadership

To transform rigid hierarchies into responsive, adaptive systems, leaders in public administration need to move beyond viewing generational issues as an HR niche topic. Evidence from leadership and generational research converges on two design principles.

First, adopt situational rather than generationally deterministic leadership. Situational leadership theories argue that leaders should adapt the balance of direction and support to followers’ competence and

commitment, not to their birth year [7]. In practice, this means that in anxiety-driven environments, early-career employees – often from younger cohorts – may require structured coaching, clear expectations and frequent feedback, while highly competent senior experts benefit from greater autonomy and delegating styles that respect their judgement [6].

Second, use transformational leadership to reframe volatility as shared mission rather than individual threat. Transformational leaders articulate a compelling vision, link daily tasks to higher-order public values and provide intellectual stimulation instead of mere compliance demands [8, 9]. In a BANI administration, this involves reframing reforms, digitalisation and AI-enabled tools not as assaults on particular cohorts (“this will replace older staff”, “this will overburden the young”), but as collective projects where each generation’s experience is explicitly needed. When senior officials model learning behaviour – admitting limits, engaging with new technologies alongside younger colleagues – they de-dramatise change and reduce anxiety across age groups.

2.5 Designing BANI-ready public institutions across generations

If resilience in public service is no longer found in maintaining the status quo, then generationally heterogeneous administrations must be deliberately re-engineered around iterative learning loops. In concrete terms, this means building routines where policy pilots and process experiments are evaluated jointly by mixed-age teams; feedback from frontline staff of different cohorts informs the redesign of regulations; and lessons from failures are codified in ways that are accessible to both long-serving and newly arrived employees.

Generational research suggests that when employees of all ages see that their input actually shapes organisational responses to volatility, commitment and trust increase, while cynicism towards top-down change

declines [2, 3]. For leaders, the central challenge is thus not to “manage generations” as separate blocks, but to configure structures and cultures where age diversity becomes a source of redundancy, creativity and adaptive capacity rather than a fault line.

In a BANI world, public administrations that succeed in this reconfiguration will be those where generational differences are neither denied nor dramatized. Instead, they are integrated into a leadership approach that combines situational diagnosis, transformational purpose-building and inclusive, psychologically safe practices. Such systems are better equipped to absorb shocks, respond to incomprehensible events and sustain legitimacy across age groups than those that cling to rigid hierarchies or simplistic generational narratives.

3. The Theoretical Framework: BANI, Bureaucratic Predisposition, and the Adaptive Leadership Imperative

The transition to a BANI environment poses a fundamental challenge to the foundational principles of public administration. This section develops the theoretical framework on which the analysis is based, drawing on three traditions that are rarely brought into dialogue. The BANI framework from strategic and organisational studies [10]; the Weberian theory of legal-rational bureaucratic authority and its post-Weberian reform waves [11-13]; and the literatures on adaptive leadership [14] and complexity leadership [15]. The argument posited here is that the contradiction between rigid regulation and adaptive leadership is not a design flaw that can be rectified through incremental fine-tuning, but rather a constitutive feature of democratic governance. Consequently, authentic resilience within the public sector does not stem from the maintenance of the status quo, but rather from the institutionalisation of iterative learning within the constraints of the rule of law.

3.1 BANI and the Bureaucratic Predisposition

Cascio's [10] introduction of the BANI framework was a response to the perceived inadequacy of the VUCA paradigm [16]. The term 'VUCA' is predicated on the notion of a world in which volatility, uncertainty, complexity, and ambiguity are manageable challenges. In contrast, the concept of 'BANI' delineates a condition in which systems are not only volatile but also brittle (i.e. subject to catastrophic collapse), actors are not only uncertain but also anxious (i.e. cognitive load exceeds processing capacity), processes are not only complex but also nonlinear (i.e. causal relationships are disproportionate and may reverse), and phenomena are not only ambiguous but also incomprehensible (i.e. no closed interpretive frame is available). The four properties are in direct opposition to the foundational predicates of bureaucratic rationality.

Weber (1922–1978) characterised modern public administration as the institutional realisation of legal-rational authority, which he described as predictable, rule-bound, hierarchical, and oriented towards calculable outputs. The legitimacy of bureaucratic authority is contingent precisely on these features. Subsequent reform waves modified the operational repertoire of public administration without dissolving its core predisposition toward stability. New Public Management [11] imported market-oriented mechanisms and performance measurement, while New Public Governance [12] emphasised network coordination and co-production. However, both of these approaches presupposed an environment in which regulated phenomena were sufficiently stable for *ex ante* categorization. This predisposition towards stability is not an accidental cultural inheritance. This is a consequence of the constitutional requirements of the rule of law — namely, legal certainty, accountability, and the separation of powers. Consequently, this is not a vulnerability of democratic public administration, but rather a constitutive

feature of it.

3.2 The Structural Contradiction: Rigid Regulation and Adaptive Leadership

The issue of constitutive stability is rendered problematic in circumstances where public administration is required to operate within a BANI environment. Heifetz et al. [14] propose a foundational distinction between technical problems, for which an established repertoire of solutions exists, and adaptive challenges, which require new patterns of learning, decision-making, and institutional response. Public administration, by virtue of its bureaucratic predisposition, is well equipped for the former and structurally underprepared for the latter. Uhl-Bien et al. [15] encapsulate this tension within their complexity leadership theory by delineating a productive opposition between administrative leadership (formal, hierarchical, *ex ante*) and enabling leadership (experimental, networked, emergent). The absence of institutional management of this opposition can result in systemic adaptive failure. Snowden and Boone [17] reached a comparable conclusion through their Cynefin framework, which posits that conventional command-and-control responses often fail in complex contexts, such as those characteristic of BANI environments, because cause-and-effect relationships can be discerned only retrospectively.

The temporal dimension of this contradiction is particularly acute. In democratic systems, regulatory cycles are measured in months and years; in contrast, BANI dynamics unfold more rapidly, measured in days and weeks. A particularly salient illustration is offered by the public-administrative response to information operations and hybrid threats. The European Union's Digital Services Act (Regulation (EU) 2022/2065) [18] was enacted after an extensive period of almost three years, whereas the typical duration of information operations campaigns is measured in cycles of days or weeks [19]. The temporal gap does not represent a contingent inefficiency

that can be eliminated through procedural optimisation; rather, it is a manifestation of the fundamental structural contradiction between the formal guarantees of the rule of law and the operational tempo of BANI-environment phenomena. Consequently, strategic responsiveness [20] is contingent not on the augmentation of regulatory inventory, but rather on the transformation of governance architecture itself.

3.3 Iterative Learning as the Governance Response

The argument advanced in this article is that, in the context of public service, resilience is no longer found in maintaining the status quo, but rather in the institutionalisation of iterative learning. Argyris and Schön [21] propose a distinction between two distinct learning processes: single-loop learning, which involves the correction of errors within a pre-established framework of assumptions, and double-loop learning, which entails a revision of the underlying assumptions themselves. Bureaucratic public administrations are well configured for the former; they are structurally inhibited from the latter, because their formal procedures presuppose the validity of the assumptions encoded in regulation. In the context of BANI environments, the governance response must facilitate double-loop learning at the institutional level while ensuring the preservation of legal guarantees that serve to prevent arbitrary rule.

Two adjacent literatures elaborate the institutional architecture of such learning. (Termeer et al. [22] identify five dimensions of adaptive governance — reflexivity, resilience, responsiveness, revitalization, and rescaling — that operationalize iterative learning across nested governance levels. Ansell and Trondal [23] advance the related concept of governing turbulence, which describes institutional configurations capable of handling unpredictability without surrendering legal-rational legitimacy. The prevailing traditions converge on the proposition that adaptive responsiveness and rule-of-law constraints are not zero-sum.

When appropriately designed, procedural flexibility, reflexive evaluation cycles and deliberate institutional capacity for hypothesis revision can complement, rather than displace, formal guarantees. The subsequent section will operationalise this proposition by specifying which institutional design choices transform rigid hierarchies into responsive, adaptive systems while preserving the constitutional foundations of democratic governance.

3.4 Limitations and Onward Logic

It is imperative to articulate two inherent limitations of the framework. Firstly, the dichotomy between rigid regulation and adaptive leadership is heuristic; in institutional practice, hybrid configurations exist, and a substantive analytical task is to distinguish productive from unproductive hybrids. Secondly, it should be noted that the framework under discussion is, at this stage, primarily conceptual in nature.

4. Conclusions

This study concludes that public sector adaptability in a BANI environment cannot be achieved solely through technological modernization or by reinforcing traditional bureaucratic structures. The conceptual framework indicates that the resilience of public institutions depends on two interrelated factors:

- the constructive integration of generational diversity and;
- the effective management of the structural tension between rule-based bureaucracy and flexible leadership.

Generational diversity enhances public sector adaptability only when it is leveraged through the diverse experiences, knowledge, and attitudes of all age groups as organizational resources, rather than managed through simplistic generational categories. The digital flexibility and development orientation of younger employees, combined with the institutional memory and regulatory expertise of older staff, can strengthen public institutions' learning and problem-solving capacity.

Achieving this outcome requires fostering psychological safety, reducing intergenerational mistrust, and enabling open expression of opinions within hierarchical systems. Regarding RO1, the study finds that flexible leadership practices rooted in psychological safety reduce intergenerational tensions in the public sector. Effective leadership tailors support to employees' competencies, experiences, and development needs, rather than relying on generational labels. Combining situational and transformational leadership can turn BANI-related anxiety into shared organizational learning and collective action.

Preserving the rule of law, legal certainty, and accountability remains essential. However, given the rapid, nonlinear, and complex challenges of the BANI environment, public institutions require operational models that offer reflexive, experimental, and learning-oriented responses in addition to established rules.

In relation to RO2, institutionalized iterative learning is essential for strengthening the public sector. Rather than relying on one-off reforms or top-down changes, organizations require learning cycles that facilitate error recognition, review of assumptions, and continuous improvement of regulatory and management practices. With appropriate institutional design, this flexible learning approach strengthens the rule of law by enhancing adaptability, transparency, and responsiveness in public institutions.

Overall, the study concludes that successful public sector transformation in a BANI

environment depends on adaptively reconfiguring, rather than rejecting, bureaucratic logic. Generational diversity, psychological safety, adaptive leadership, and institutionalized iterative learning together create an organizational framework that enables public institutions to maintain democratic legitimacy while responding effectively to complex challenges.

5. Future Research Directions

Future research should empirically examine the propositions developed in this article. A first research direction would be to test the framework in specific public-sector domains characterized by high uncertainty and rapid change, such as digital public administration, crisis management, cybersecurity governance, or disinformation response. These domains provide suitable empirical contexts because they expose public institutions to simultaneous pressures of legal accountability, technological acceleration, and organizational learning.

A second research direction concerns the operationalization and measurement of adaptive capacity in generationally diverse public organizations. Future studies could examine indicators such as perceived psychological safety, frequency of cross-generational feedback, participation in learning routines, tolerance for error reporting, and the extent to which frontline experience is incorporated into regulatory or managerial revision processes. Such indicators would allow the conceptual framework to be translated into empirically observable variables.

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