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CORPORATE CULTURE OF AN ENTITY AS A FACTOR FOR THE ORGANIZATIONAL CULTURE DEVELOPMENT OF AN INDIVIDUAL

The article discusses the concept of corporate culture, its functions, and activities that contribute to the more active development of the corporate culture of a company. Careful consideration is given to the factors that affect the company's staff and its organizational culture, in particular, subjective, objective, economic factors, etc. The author examines the process of forming the company management structure and its relationship with corporate culture. The elements of corporate culture and the main features of the organizational culture of an individual are considered as well. There is a comparison of the corporate culture of the US and European companies. It is established that the effectiveness of management depends on the organizational structure, a systematic approach to making management decisions, a leadership style, the level of staff professionalism, the strategy, shared values.
Keywords: corporate culture, organizational culture, staff member, company, management, impact factors, structure.

Formulation of the problem. Corporate culture is a social climate in the company and a new concept in the field of corporate management. Quite a large number of researchers speak out on the essence of the corporate culture of an enterprise. It includes the beliefs and behaviour of the company staff members, and the ability to develop and adapt the corporate culture depend on the abilities and efficiency of the company's team. The article distinguishes characteristic functions of the company's corporate culture: security, integration, regulatory, substitutionary, etc. The main problem that is worth attention in this study is the impact of corporate culture on the organizational culture of an individual. At the same time, there are events that can improve the corporate culture of the company. They are represented by setting high standards and mandatory monitoring of their implementation; media relations; transparency regarding achievement of even small victories for the moral support of staff members, etc. As part of the development of the organizational culture of the individual, it is also required to actor in the process of building the organizational structure and the specific features of the management structure. These factors will influence the organizational culture of the individual through the peculiarities of the hierarchy and interactions in the business processes in the entity.

Analysis of recent research and publications. The works of domestic and foreign authors, who outspoke on this topic, were used in the course of the study of corporate culture as a factor in the development of the organizational culture of an individual. W. Braddick, A.G. Farrakhov in their work examine the concept of "corporate culture" and its functions in sufficient detail[1]. D. Ravasi and M. Schultz identified the actions that contribute to the development of corporate culture[2]. In addition, P. Schroth determined the content of objective and subjective factors that affect the organizational culture of the individual[3].

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[1] Брэддик, У. (2015). *Менеджмент в организации*. Москва: ИНФРА; Фаррахов, А. Г. (2013). *Менеджмент. Учебное пособие. Стандарт третьего поколения*. СПб: Питер.
[2] Ravasi, D., Schultz, M. (2006). Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal, 49 (3)*, 433-458.
[3] Schrodt, P. (2002). The relationship between organizational identification and organizational culture: Employee perceptions of culture and identification in a retail sales organization. *Communication Studies, 53*, 189-202.

E. Shane also identifies the factors affecting people in a modern company: economic; psychological; social; end-target, are represented by the degree of compliance with an employee's goal and the goals of the enterprise [1]. T. Deal and A. Kennedy considered the entity's management system and stages of its construction in conjunction with the corporate culture of the company[2].

Highlighting unresolved parts of a common problem. There is a totality of problems that need to be addressed in the development of the organizational culture of the individual. The category of "corporate culture" plays a crucial role in the development of an individual's organizational culture. First of all, the company needs to strengthen the corporate culture of the company and work to strengthen the organizational culture of the individual at the same time. The development of corporate culture should be accompanied by specific actions: a positive and stimulating workplace; attention of the chief executive to the interaction of staff members and their participation in resolving problems of all levels of importance.

The aim of the article. The purpose of the article is to review the concept of corporate culture of an entity as a factor in the development of an individual's organizational culture.

Basic results of the research. Corporate culture is a relatively new concept in the management science. Since its discovery in the 80s. of the XX century, it has become an important tool in understanding and assessing an entity by analogy with living systems[3]. Corporate culture refers to the beliefs and behaviours that determine the way the company and management staff members interact in terms of business operations. Often, corporate culture develops organically over time from the cumulative peculiarities of the people working for the company. The culture of the company will also be reflected by dress code, opening hours, office settings, employee benefits, goods turnover, a decision of client request acceptance, customer satisfaction, and any other aspect of the work.

Corporate culture is the atmosphere or social climate in the company. As W. Braddick notes: "herewith, the process of forming a corporate culture is a complex and multifaceted task. The success of entrepreneurial activity largely depends on its solution (that is, on the success of the corporate culture)"[4].

The culture of an enterprise (also called organizational culture, corporate culture) is not only an original mixture of values, attitudes, norms, habits, traditions, forms of behaviour and rituals, but the environment of the enterprise as well: the style of relations and behaviour. The culture of an entity is a well-coordinated total of relationships, represented by organizational, managerial, technological, and informal interpersonal relationships. The organizational culture is achieved at a certain level of managerial activity and managerial knowledge development. The theory of corporate culture, which is widespread in the world now, can be deemed a kind of combination of Japanese and American management styles. The main purpose of the culture of the entity is to create a sense of identity of all members of a company, the image of a collective "we".

The functions of an entity's culture are numerous and are represented by:

1. Security function (culture is a kind of barrier for undesirable trends and negative phenomena of the outside environment, neutralizes negative influence).

2. An integration function (by implanting a certain value system, the organizational culture forms in employees a sense of equality of all team members, which makes it possible for everyone to: be aware of the company goals; gain a favourable impression of the company wherein he/she works; feel a member of a single team and define his/her own responsibility to him/her).

3. Regulatory function (the culture of the company is characterized by informal, unseen rules of behaviour for employees. These rules determine the work sequence, the nature of work contacts, etc.).

4. Substitutionary function (the corporate culture has the ability to effectively substitute for formal mechanisms and reduce the flow of information and management orders). One can see a decrease in management costs, because most of its elements do not require special efforts and costs. We have listed only some of the functions[5].

Abuse of the management administrative component leads to the loss of communication with the outside world, the relations with it, or rather, with its target groups, become strained, since decisions often cannot be explained to others.

[1] Schein, E. (1992). *Organizational Culture and Leadership: A Dynamic View*. San Francisco, CA: Jossey-Bass.

[2] Deal, T. E., Kennedy, A. A. (1982, 2000). *Corporate Cultures: The Rites and Rituals of Corporate Life*, Harmondsworth, Penguin Books, 1982; reissue Perseus Books, 2000

[3] Брэддик, У. (2015). *Менеджмент в организации*. Москва : ИНФРА.

[4] Ibid.

[5] Фаррахов, А. Г. (2013). *Менеджмент. Учебное пособие. Стандарт третьего поколения*. СПб: Питер.

D. Ravasi and M. Schultz point out that "in order to facilitate the corporate culture development, it is needed to carry out certain activities, represented by:

1) setting high standards in the company and mandatory control over their implementation;

2) competent media relations, including in-house media relations;

3) publicity regarding the achievement of even small victories for the moral support of staff members;

4) obligatory reward of those who make a significant contribution to the achievement of a predictable future, and punishment of those who do not do that;

5) the presence of a leader with the gift of knowledge of the future"[1].

The development of the organizational culture of the individual depends on the corporate culture of the entity, as well as a large number of factors. In particular, a person in a company is affected by a large number of factors that impact his/her motivation to work activities. The influencing factors are the total of organizational-economic, socio-political, psychological relations, conditions and subjects that implement them within the entity.

The objective factors of influence on the staff in the entity are represented by: the conditions of the organizational mechanism, the company activity type, the dynamism or non-dynamism of the external environment wherein the entity operates, the type of organizational structure and its flexibility, the level of the company's strategic orientation; the rules for the functioning of the entity that affect the company employees, they are represented by a labour regime, a combination of physical and mental labour, labour automation, the ergonomics of the workplace; increasing role of the intellectual component of human abilities in the production process, escalation of the company staff members' cultural level; an increase in the costs of education and professional training for a person, an expansion of the opportunities range for professional self-fulfillment of an individual, a gain in the level of competitiveness of professionals, a professional mobility of a person, recognition of a specialist's professional experience as one of the main values of an enterprise, development of the practice of highly-skilled specialists poaching[2].

Subjective factors are featured by the existence of physiological and psychological characteristics of the staff that affect or motivate their behaviour within a certain company (marked by the desire to build a career, win the recognition of others or satisfy certain personal ambitions).

In practice these factors are rarely used separately. The economic situation in the company depends on which of them is given priority.

E. Shane highlights the factors influencing people in a modern company, that are also presented as:

1) economic ones, which are represented by the existence, level and prospects of increasing financial incentives, which may include, first of all, salaries and wages, allowances, compensation payments, bonuses, benefits, etc.;

2) psychological ones, represented by the prestige value of the entity, its status in society and its image position, the possibility of career growth, self-affirmation and self-expression;

3) social ones, which are featured by the nature of business links acquired by a staff member during work activities, a social position of the company, which contributes to the creation of a favourable attitude of the society towards it;

4) end-target ones, represented by the degree of correspondence between a staff member's goal and goals of the enterprise, that is, the degree of contact of their target fields. Targets are stipulated by its motivational core and may or may not correspond to the goals of the enterprise. In the event of a mismatch, the process of interaction between a person and an entity may lead to negative consequences, but, on the contrary, matching may be regarded as the key to the success of the entity and a high degree of a staff member's satisfaction with the outcomes of his/her own activities[3].

Any modern entity (commercial company, industrial enterprise or budgetary institution) may be characterized by the existence of an understandable and clear management structure. The management system of the entity is a total of interconnected and interdependent business units and some individuals who occupy certain positions that are not only in the position of "boss – subordinate", but directly affect the development

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[1] Ravasi, D., Schultz, M. (2006). Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, *49 (3)*, 433-458.

[2] Schrodt, P. (2002). The relationship between organizational identification and organizational culture: Employee perceptions of culture and identification in a retail sales organization. *Communication Studies*, *53*, 189-202.

[3] Schein, E. (1992). *Organizational Culture and Leadership: A Dynamic View*. San Francisco, CA: Jossey-Bass.

of the enterprise as well. The entity's management system is not created overnight. This process is "rather lengthy, including certain stages, and we will describe these stages"[1].

Stage one. The managing core determines exactly what management structure will be formed and makes a choice between: hierarchical structure, functional or direct subordination.

The second stage process includes formation and empowerment of the main structural components, such as a direct administration apparatus, programs, and business units.

Stage three. There is a final redistribution of powers, duties and responsibilities. Please note that all these powers should be consolidated in the form of Regulations on certain business units and job descriptions.

Let us note that now there are a large number of types of management structures, but the most popular one may be called the hierarchical management structure by right. The hierarchical management structure was theoretically substantiated and tested experimentally at the early XX century. These processes were carried out by F. Taylor, an American sociologist. Then most of the researchers were mainly involved in finding more and more new strong points of that system. The hierarchical management system is based on certain principles: the entire management system is a pyramid, each lower level of which is subordinate to the higher one and is controlled by it[2].

The hierarchical management structure may be characterized by a clear division of powers between the levels. The higher level has a higher responsibility than the lower level. Labour in any enterprise that is managed according to the hierarchical principle must be clearly subdivided among its staff members, who specialize in the framework of their functions only. Any activity in an entity with a hierarchical management structure needs to be standardized and formalized. As a result, better coordination of personnel activities will be achieved, and the level of their controllability will increase. Hiring should be performed as per the qualification requirements for an employee only. In this case, in addition to professional attributes, it is needed to take into account how well the employee is managed and to what extent he/she is ready for the role of a manager. The hierarchical structure is characterized by the fact that all company staff members may be assigned to one of the main groups represented by managers, experts and activity owners[3].

Corporate culture is a common system of values and norms, based on a common perception, which is implemented by the entity members. Corporate culture dictates norms and therefore implies some loss of freedom. Corporate culture is a coordination tool that is effective and based on self-control and is often a formal and strategic choice of leaders.

The Nagel model proposes a 7-dimensional corporate culture:

– the degree of perfectionism: staff members are expected to be accurate;
– innovation and risk;
– stability: search for the status quo;
– outcomes: only the outcomes matter irrespective of what methods are used;
– social orientation: a democratic culture of the company, since employees take part in a process for decision-makings and taking note of the impact of decisions on staff members;
– collective achievements: promoting cooperation, teamwork;
– inter-individual competition: highlighting individual achievements; opposition to each other.

Stability and innovation always contradict each other: innovation must take risks and thus give up a certain stability.

There is always a dominant culture and dominant subcultures. The dominant culture expresses the core values shared by all employees. The dominant culture may develop over time.

Let us name four main advantages of having a strong corporate culture:

– communication options of business sense: they make it possible to ensure that staff members accept and share the values of the company, thus, it is a controlled mechanism;
– a social stability system: culture carries clear and consistent messages so that employees know what is expected in terms of behaviour;
– collective participation: involving all employees jointly in a story that will surpass a personal history of the company;

[1] Deal, T. E., Kennedy, A. A. (1982, 2000). *Corporate Cultures: The Rites and Rituals of Corporate Life*, Harmondsworth, Penguin Books, 1982; reissue Perseus Books, 2000.
[2] Папкова, О. В. (2013). *Деловые коммуникации. Учебник*. Москва: ИНФРА-М.
[3] Армстронг, М. (2013). *Основы менеджмента. Как стать лучшим руководителем*. Ростов-на-Дону: Феникс.

– a sense of identity: identification with the company, the employees want to link organizational outcomes and failures.

To find out if the company is a weak or a strong culture, it is sufficient to compare these 4 components. The companies that have a strong culture have better performance than those with a low culture, because a strong culture allows for better coordination and control of performance, therefore it is a competitive advantage. But there are negative consequences for a too strong corporate culture as well:

– a barrier to change;
– a barrier to diversity.

Also, there are levers of corporate culture:

– artefacts: stories, symbols, languages, ceremonies, formal and externally observed aspects, but they need to be understood / deciphered.

The artefacts are:

– logos: the symbols of the company that identify it;
– workplace planning;
– ceremonies / rites;
– stories: fit into the collective and individual memory and enable to simplify and preserve corporate values;
– language: a powerful way to convey the organizational culture values;
– the values associated with the entity: communicated both internally and externally, the object of choice, specific strategies that are easy to find on company websites;
– main hypotheses: the fundamentals on which the company culture is based.

Any company, even a small one, benefits from establishing an organizational culture. Its performance will only become better and its staff will be more motivated and productive. The corporate culture has to reflect the company's expectations and the way it rewards expected behaviour. A mission statement, goal, brand strategy, and even a logo are good vectors. The corporate culture is critical to the success of a business, including accounting, finance, operation, sales and marketing. It directly affects recruitment, retention, cooperation and communication, as well as change management. A positive and stimulating workplace can help a company overcome the effects of economic downturns, staff changes, advancements in technology and market fluctuations.

To create a positive corporate culture, a chief executive can include all members of his/her team when they communicate their short and long term goals. Staff members who have a good understanding of the company's strategic goals will be more motivated to participate in their implementation. But sharing own vision is not sufficient. The chief executive has to show his/her employees the way their individual contribution benefits the company and enables it to achieve its goals. Even young and fast-growing companies that are still developing their vision have to communicate their original goals to their team and keep them regularly informed of the progress made in achieving them. This strategy may also improve retention rates: an employee who has a good understanding of his/her contribution to the entity may feel more valuable.

A person is the basis of any company that is made for a person itself. The range of corporate culture that a person brings to the entity is quite wide; it may be determined by the uniqueness of each individual. The specific feature of an individual's organizational culture lies in the fact that he/she depends on factors such as the personality of the individual and environment. Along with that, behaviour, personality and environment have mutual influence. The individual's organizational culture is affected by habits and trends, needs and interests, political views, professional interests, moral values and temperament[1].

The most important individual attribute is honesty and decency, which have a significant range of manifestations. It is believed that a person who is more honest about paying income tax will also be more honest in exams when filling out a job application. The more roles a person can master, the higher level of his/her organizational culture is.

The corporate culture of the entity and the organizational culture of the individual is one of the most important factors in the effectiveness of entrepreneurial activity. The culture of the entity is largely determined by the personal belief, values and style of behaviour of the company chief executive. The formation, its content and individual parameters are affected by factors of the external and internal environment. A number of methods are used to maintain culture in the entity. And the following can be

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[1] Белов, И. В., Каплан, А. Б. (2015). *Математические методы в планировании на железнодорожном транспорте.* Москва: Транспорт.

distinguished among them: slogans; stories, legends, myths and ceremonies; external and status symbols; leadership behaviour; staffing policy, etc.[1].

Culture is the visible manifestation of identity, namely, a collective image of the company. The practice of diagnosing the company's culture requires observation of facts and practice and in-depth dialogue with the entity members. Once established, this verdict allows the chief executive better understanding his company's identity and ultimately developing it to accompany strategic choice.

The corporate culture of US entities can be called a culture of success. The American Dream is focused on self-made men, which can be clearly seen in the American corporate culture. Corporate culture is rooted in the American business traditions. Most researchers associate its conception with Henry Ford, who remembered the names of thousands of people who worked at his factories. He shook hands with everyone – thereby demonstrating his special trust. H. Ford was interested not only in the work of his subordinates, but in their personal problems as well. He believed that such an attitude towards people was the key to their good work. Nowadays in the United States, managers use the following methods to maintain the spirit of entrepreneurship: for example, arrange the adaptation of newcomers in the company so as to make them quickly integrate into the production process; set out in writing the values, slogans and rules of the company in brochures, oral communications; companies arrange regular speeches by management explaining the company's values, goals and rules, reports of key staff members highlighting the tasks assigned to the team[2].

A distinctive feature of American corporate culture is corporate universities; now this practice is being actively introduced in Europe as well. In general, the European corporate culture is regarded to be the most bureaucratic; most researchers believe that the vertical decision-making system existing in European companies makes it difficult to express personal initiatives, but the mandatory following of ethical standards, correct behaviour and politeness create a pleasant and friendly atmosphere.

Most European companies adopt and transform the "American experience", in particular, corporate universities are formed at the enterprises of Siemens, DaimlerChrysler, Heineken, but, unlike the United States, a European institution implies a "place for the exchange of knowledge and skills" or "the link between transfer of knowledge and its creation". In general, European companies are characterized by an effective knowledge management system, which simplifies the management system and makes it possible to significantly increase the social status of employees, their productivity on the one hand, and significantly raise the profits of enterprises on the other hand.

Understanding corporate culture allows explaining strategic decisions and interpreting the outcomes obtained as a result of their implementation. In reality, corporate culture is rarely united. There are subcultures (related to functions, professions, seniority) that can generate internal inconsistencies.

Corporate culture is usually regarded as a set of beliefs, values and attitudes of the company and the way they affect the behaviour of employees. This culture influences the experience of those who interact with the entity – the experience of purchasing from a client or a supplier's relationship with the company. It also regulates aspects such as workspace design and advantages for staff members. Typically, it is the company leaders who set the culture. Companies rarely define their culture in an explicit way. Culture usually arises from beliefs, ways of thinking, words and gestures of people. Culture shapes acceptable or unacceptable behaviour. Culture can help define the core values and principles that drive organizational behaviour.

Conclusions. Culture can be a helpful tool or a barrier in organizational adjustment. For example, a company that has adopted a culture of cooperation and adaptability will find it easier to accept changes, while a company with a less flexible and more bureaucratic culture may have a negative reaction to transformation. Chief executives need to be aware of that when they steer their business through times of change.

Thereby, the effectiveness of management depends on: the organizational structure, a systematic approach to making management decisions, a leadership style, the level of staff professionalism, the strategy, shared values (the goals of all staff members should coincide).

The activities of any enterprise cannot be carried out on the basis of technology or management hierarchy only. People act in an entity, and in their activities they are inherently guided by specific values, they individually build relationships with each other, carry out rites that are rooted amongst them. In this sense, every company is a cultural environment.

[1] Биннер, Х. (2010). *Управление организациями и производством: от функционального менеджмента к процессному.* Москва: Альпина паблишерз.
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