ECONOMIC AND MANAGEMENT IN ENTERPRISES

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CORPORATE CULTURE AS A FOUNDATION FOR EFFECTIVE ENTREPRENEURSHIP

The article discusses the concept of "corporate culture". Its key features and hallmarks have been examined. The emphasis is laid on a strong effect of corporate culture on the competitive performance and efficiency of a company. It also describes the relationship between leadership and the corporate culture formation. Regarding corporate culture as a strategically significant intangible resource of entities, modern researchers note the need to identify and study this phenomenon. The sustainable nature of culture makes it possible to distinguish one culture from another. Culture tends to bring momentum with it that guides the patterns change. Corporate culture is expressed in behaviour, for instance, cleanliness, helpfulness and friendliness in a company. The best organizations have a culture that emphasizes serving the others, especially clients. Such cooperatives underline high moral and ethical values such as honesty, reliability, fairness. The development of integrated approaches to the exploration of corporate culture, the use of new methods for collecting and analysing information that allow measuring the impact of corporate culture on employees' motivation, the efficiency of business processes and the outcomes of a company's economic activities are gaining increasing relevance and set the direction for the development of this academic field. The strategy provides for clarity and purposefulness of collective actions and decision making. It relies on plans and sets of solutions to mobilize people and can often be backed by both specific rewards for achieving goals and the consequences of failing to meet those goals. Ideally, it also includes adaptive elements that can scan and analyse the external environment and sense when changes are required to maintain continuity and growth.
Keywords: corporate culture, staff member, leadership, efficiency, governance, management.

Formulation of the problem. One of the main topics that is often discussed in the literature on management and business is the impact of corporate culture on the efficiency of an organization. Corporate culture is a management philosophy and a way of managing an entity in order to improve the efficiency and effectiveness of its activities. Understanding corporate culture is essential inasmuch as it can affect the thoughts, feelings, interaction and performance of an entity.

The understanding of the importance of corporate culture becomes evident when most organizations admit the fact that a well-founded culture of an entity can facilitate the achievement of outcomes in all aspects of activity, whether this be it in the economy, economic growth or finance.

The entities have to be productive, competitive, and grow their market share to meet the challenge of overcoming difficulties with changes in the environment. The need to achieve their goals made managers look for cultural means to achieve their goals, to motivate employees for productive work. Considering that the structure plays an important role in defining individual duties within the workflow, corporate culture ensures that people fulfil those duties with minimum resistance. More importantly, a strong culture dictates the way things should be done and creates expectations shared by group members that are not explicitly a formal structure.

Analysis of recent research and publications. Yu.G. Semyonov notes that "corporate culture refers to the goals that have to be achieved and the standards of behaviour that have to be maintained by staff members"[1]. There have been several studies carried out over the past two decades on the way to optimize performance. It has been found that a strategic group membership and associated collective behaviour are the main sources of long-term differences in profitability of a firm and organizational effectiveness. T.O.Solomanidina notes that "the collective behaviour of members of an organization, which culture helps to control, is important for its efficiency"[2].

Cultural strength and reliability depend on the way strong firms respond to their own experiences and environmental changes. In relatively stable environments, the culturally oriented companies have more reliable performance properties. Culture is evidently a complex element, and its influence within an entity is pervasive. A.V. Kolesnikov notes that "over the past decade, a lot has been written about corporate culture and the important role it plays"[3].

M. Armstrong, A. Baron point out that "although organizational culture has been a subject of social science study for some time, the publication of the book "Quest for Excellence" (Peters and Waterman) has raised deep concerns about industrial leaders and managers"[4]. Afterwards, many studies have shown that the industry shares different cultural values. To achieve their goals, the entities are guided by their own kind of culture, known as "corporate culture", which has a significant impact on the behaviour of the group members. I.V. Groshev, V.M. Yuriev noted that "the culture of a company provides a structure that organizes and guides the behaviour of people in the workplace"[5]. Corporate culture influences individual behaviour about what it is needed to be in good standing and directs appropriate actions, behaviour for every circumstance. Culture is an important quality of entities.

Highlighting unresolved parts of a common problem. Developing a corporate culture is a complex issue. It cannot be simplistically understood that corporate culture management issues will be resolved in an entity. The corporate culture is inherently more inert than many other objects of management. Therefore, the results of corporate culture management activities will not appear immediately, and the actions required to change it have to outpace other transformations. Despite all these challenges, the very ability to manage corporate culture cannot be denied. It is sufficient to mention at least that very successful examples of its management can be found in the history of the activities of such entities as craft societies, the officer corps, the church, etc.

The purpose of the article. The purpose of the article is to consider corporate culture as a control element.

Basic results of the research. It can be determined that corporate culture is one of the main elements that is in charge of organizational effectiveness. A strong corporate culture (that is, one in which everyone understands and believes in the purpose, priorities, and practices of a firm) that encourages participation and improvement by all members of an entity is identified as one of its most important assets. Corporate culture has been named as an explanation for differences as a product among American companies. The superior labour efficiency of the Japanese has consistently been attributed somewhat to better organization of production.

The hypothesis that strong cultures improve efficiency of a firm is based on the idea that strong cultures improve firm efficiency, organizations benefit from highly motivated staff members committed to the goals of a company.

By examining the impact of corporate culture on performance monitoring and optimization, the entities can develop stronger adaptive cultures that can enhance their competitive advantage and efficiency.

One can trace the origin of culture as an independent variable affecting an employee behaviour. Institutionalization functions to generate a common understanding among members about what is appropriate and what is a necessary fundamentally meaningful behaviour. As a rule, organizations and institutions have modes of behaviour that are largely self-evident. Culture is an important determinant of attitudes and practices, and really affects management practice. Cultural differences can often impact managerial expectations and styles.

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Dealing with other cultures and trying to understand why and how culture influences behaviour is one of the most important issues facing management. The influence of culture on entities is becoming increasingly important. The effect can be positive, as shown in the case of Wal-Mart and UPS. For example, staff members of South West airlines actually accept lower wages than their industry peers in order to be part of the "fun" working environment created by the people of the South-West. The department's motto is "hire for attitude, for skills". Cultures of obscurity and mistrust, however, can have a negative impact on an enterprise performance, such as seen at Enron and WorldCom.

The Starbucks coffee company, which has grown up from just two retail stores in the US to more than 2,500 stores worldwide over the past decade, is one of the most successful entities since they attributed their organization to a new corporate culture. This organization considered culture as a critical factor in organizational success and concluded that "the way we treat our people affects the way our employees treat our clients and, in turn, our success, which includes personnel efficiency". Such a point of view has led the entity to a series of human resource practices designed to enhance the employees' sense of being valued by the entity.

Corporate culture has been defined as "the way things happen here." It follows that the culture of one entity may differ from another, even in the same industry. Corporate culture can be defined based on the fact that culture seeks to fulfil two essential functions in entities: 1) integrate members to make them know how to treat to each other, and 2) help the entity to adapt to external conditions.

Internal integration refers to the collective identity that group members develop and that allows them working together effectively. External adaptation refers to the way an entity achieves its goals and deals with outsiders. Culture helps manage the day-to-day actions of staff members to achieve their goals. This enables organizations to quickly respond to client needs or competitor actions. Also, corporate culture was defined as widely spreading common values within an entity. This means that the corporate culture glues employees together and makes it possible for them to cooperate to achieve their goals.

Corporate culture has also been defined as a set of values, guiding beliefs, perceptions, as well as ways of thinking that are shared by members of an entity. This means that the culture is studied and not genetically inherited. The learning process tends to continue to unconsciously force the culture to melt from one generation to the next one. It suggests that culture can be changed if the dynamics of the learning process is known.

Most authors also agree that corporate culture refers to a set of values, beliefs and behaviour models that form the basic identity of an entity.

Culture refers to the predominant system of beliefs, values and norms that members of an entity adhere to. It appears that culture determines loyalty and commitment, the way staff members work and how far they are willing to go to assume risks. It is also an organizationally induced collective mentality that all members of the organization share. Organizations with a strong culture do not need manuals on organizational chart policies, procedures, and rules to obtain success. In these entities, this is the way people control the line, which they should do in most situations, because the total of guiding values is crystal clear. Staff members actions are integral to their company culture. Thereby, corporate culture tends to strengthen management in the coordination and integration of people with various personal and cultural value systems into the workplace. Staff members are motivated to internalize the dominant culture of the organization because it satisfies their needs for formal identification. This typically enables entities to attract new employees and retain top performers. As a rule, corporate culture helps staff members understand organizational events. This makes them rather cope with tasks than spend time figuring out what is expected of them. This allows staff members to communicate freely and effectively and each higher level of cooperation with each other, because they share common mental models of reality[1].

The sustainable nature of culture makes it possible to distinguish one culture from another. Culture tends to bring momentum with it that guides the patterns change.

Culture serves a number of functions in the organization process. First, it plays a defining role; that is, it distinguishes one entity from another. This makes it possible to differentiate between one organization and others. Second, it conveys a sense of identity to the entity members. People have a sense of entity. Third, culture facilitates the formation of a commitment to something greater than a person's personal interests. Culture forms consent between individuals regarding the basic values of the entity, and enhances the stability of the social system. It defines the rules of the game.

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[1] Грошев, И. В. (2013). *Менеджмент организационной культуры*. Москва: МПСИ, МОДЭК.

The role of culture in affecting employees' behaviour appears to be increasingly important in the workplace today. The common message provided by corporate culture is to ensure that staff members are led in the right direction in entities. The entity uses the culture supported by rules and regulations. Culture enhances organizational collaboration and enhances staff member's consistency of conduct[1].

Corporate culture is expressed in behaviour, for instance, cleanliness, helpfulness and friendliness in a company. This behaviour leads to successful operations. The best organizations have a culture that emphasizes serving the others, especially at clients. Such cooperatives underline high moral and ethical values such as honesty, reliability, fairness.

The climate is one of the friendly, caring, caring people who collaborate to provide a good product at a reasonable price. Good or organizational leaders create the culture that underlines cooperation and joy in serving clients. Controllable teams can develop under such a climate. Values are important because they establish a basis for understanding beliefs and motivation. They also affect our perception. Values arrays objectivity and rationality. Values tend to affect attitudes and behaviour. Values include cultural values as well as other values socialized by parents, friends, and personal events. Organizational values are widely and deeply shared by people within the entity. They include caring for staff members, clients and the quality of a company's work. This means that the purpose of the entity also largely determines the values of the entity.

Organizational values are important because they represent a management challenge. Managers are looking for ways to integrate, or at least coordinate people with diverse personal and cultural value systems. Globalization has enhanced awareness and sensitivity to differences in values across cultures. An organization needs to rely on individuals in making decisions and taking actions aimed at achievement of corporate goals. Organizational values represent a subtle, but potentially effective, alternative to the old, expensive direct command and control system[2].

Staff members whose values align with those of the entity are easier to manage. Values are usually an invisible magnet that pulls staff members in the same direction. Values foster common communication and assistance to ensure that members of the entity are performing the same job, irrespective of their tasks and ranks. Ethical values enable heads of an organization to define ethical behaviour.

Managers consistently report that action of a head is the most important factor affecting ethical and moral behaviour in their organizations. This means that the values of middle and senior management have a significant impact on the entire climate within the organization. Values represent what we want, as well as socially desirable ways of meeting those needs. Values dictate our priorities, our preferences and actions. Core values underlie the impact on staff members, the lifestyle motivation. When people's values conform with those of an entity, they are normally motivated and exhibit behaviours that enable the entity to succeed.

Organizational behaviour researchers tend to focus on instrumental values. It is also possible to distinguish values from generally accepted or accepted values. Values are socially desirable, and therefore people and entities create a positive social attitude and believe in the values that others expect.

Every business has its own corporate culture. A company also has a corporate culture that should be managed to achieve maximum operational efficiency. Understanding what it is and how it relates to business can equate the difference between success and mediocrity for a company[3].

Business managers and owners have to recognize that corporate culture is unique to each company, eliminating the "one size fits al" management strategy. Corporate culture is often defined as a set of common values, opinions, customs, traditions and internal goals that facilitate making each company unique. The issues of corporate culture deliberately or unknowingly generated by business owners and/or founders, can promote or hinder the success of large and small companies by expanding or diminishing team efforts to achieve company goals.

Along with management of operations, marketing, and finance, small businesses have to manage, direct, control and maximize the positive components of corporate culture inherent to them. While every company and its corporate culture are individual, there are three important components in successful entities. First, the business owner's vision, mission and value definitions are clear and concise, allowing employees to better understand the focus of the company. Second, staff members understand their expected contribution

[1] Семенов, А. С., Сизов, Ю. С. (ред.) (2012). *Корпоративные конфликты. Причины их возникновения и способы преодоления*. Москва: Едиториал УРСС.

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to achieving the goals and objectives of a company, based on the leader's mission. Finally, employees have to adopt beliefs that support and focus on the company's goals and strategies.

Many companies develop a corporate subculture inasmuch as different groups of staff members are in line with their own values and visions. Company executives have to carefully identify, accept and properly manage subcultures, especially in small companies[1].

Conclusions. Strategy and culture are among the main levers at the disposal of senior executives in their never-ending quest to maintain the vitality and effectiveness of an organization. Strategy offers formal logic for the company goals and steers people around them. Culture expresses goals via values and beliefs and guides the activity through shared assumptions and group norms.

The strategy provides for clarity and purposefulness of collective actions and decision making. It relies on plans and sets of solutions to mobilize people and can often be backed by both specific rewards for achieving goals and the consequences of failing to meet those goals. Ideally, it also includes adaptive elements that can scan and analyse the external environment and sense when changes are required to maintain continuity and growth. Leadership goes hand in hand with strategy formation, and most leaders understand the underlying principles. Culture, however, is a more elusive lever because much of it is fixed in unspoken behaviour, mode of thinking, and social patterns.

For the better or for the worse, culture and leadership are inextricably linked. Founders and key leaders often set new cultures in motion and capture values and assumptions that persist for decades. Over time, the organizational leaders can also shape the culture through both conscious and unconscious acts (sometimes with unintended consequences). The best leaders we've seen are fully aware of the multiculturalism they are embedded in, can sense when change is needed, and can deftly affect the process.

An important and often overlooked aspect of corporate culture is that, despite its subconscious nature, people are effectively programmed to recognize it and respond to it instinctively. It acts like a kind of wordless language. Shalom Schwartz and E.O Wilson in their studies have shown the way evolutionary processes shape human abilities; inasmuch as the ability to feel and respond to culture is universal, it is to be expected that certain topics will be repeated in many models, definitions and research works in this area[2].

The managers have to:

– understand corporate culture of their organization and assess its supposed and unintended consequences;

– assess the level of consistency of the staff members' views on corporate culture;

– determine subcultures that may be associated with higher or lower group performance;

– identify differences between inherited corporate cultures during the course of mergers and acquisitions;

– quickly orient new leaders to the corporate culture they are joining to and help them determine the most effective way to manage employees;

– measure the dimension of agreement between individual leadership styles and organizational culture to determine what impact a leader can have;

– create the desired culture and communicate the changes needed to achieve it.

It is possible, in fact, vital to improve organizational performance through culture change using simple yet powerful models and techniques described herein. First, leaders have to be aware of the corporate culture that is in effect in their organization. Then they can identify the desired target corporate culture. Finally, they can master the basic practices for changing the wording for aspiration, leadership alignment, organizational conversation and organizational design. Leadership with a corporate culture may be one of the few sources of sustainable competitive advantage companies have preserved nowadays. Successful leaders will stop feeling discouraged about corporate culture and instead use it as their primary management tool.

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