

Незважаючи на складність вказаних в статті проблем управління поведінкою виробничих організацій методичного та практичного плану, слід вірити, що вітчизняні учені знайдуть шляхи їх вирішення. Подальші дослідження слід розвивати у напрямках: формулювання системи гіпотез, принципів дослідження організаційної поведінки, концептуалізації та операціоналізації понять і категорій, розроблення програм емпіричних досліджень.

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УДК 65.012.43

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## THE INCREASING SIGNIFICANCE OF CORPORATE CULTURE IN THE FORMATION OF THE NEW PHILOSOPHY OF MANAGEMENT

The formation of market economy in the Ukraine requires the new principles of management to be applied at the enterprises, firms, and organizations. Such a task has to be deeply connected with the formation of qualitatively different system of corporate cultural values. A lot of scientists and experts pay great attention to this problem. Regrettably, so far it has not become priority for the most of our home manufacturers and businessmen. But with time the comprehension of what corporate culture means in the light of the new philosophy of management formation is rising. The modern concept of management is being called to mobilize material and intellectual recourses of enterprise in order to win a success in the market rivalry. This end is inaccessible without unique system of corporate values as a spiritual basis of the new philosophy of management.

The source of corporate (or organizational) culture is in the nature of organization, in the heart of any work collective trying to reach the common goal. Employee's interrelations and their contacts within business and social environments (with the clients, suppliers, consumers, state agencies, etc.) form the human, spiritual basis of enterprise's activity. Strong corporate culture is more favorable to ideological, structural and staff changes in the course of the new principles of management formation.

This article set a goal to study the mechanism of influence that corporate culture has on the formation of new management philosophy directed at the improving enterprise's economic performance.

The development of production relations and management has led scientists to the conclusion that any individual must have a clear notion of his position at the concrete enterprise and share honored collective values and cultivated models of behaviour.

There are many definitions of corporate culture rather supplementing than contradicting each other. Here are the most spreading ones. Corporate culture is a unique combination of rules, values and convictions which are shared by organization's employees and make it functioning [1]; business atmosphere and social climate in organization [2, p. 686].

As a rule, some researchers in order to reveal the full spectrum of corporate values and to point out at the possibility and necessity of their regulation subdivide corporate culture into groups of elements [e.g., 3, p. 36].

Based on analysis of different works the following structure is shown in fig. 1.

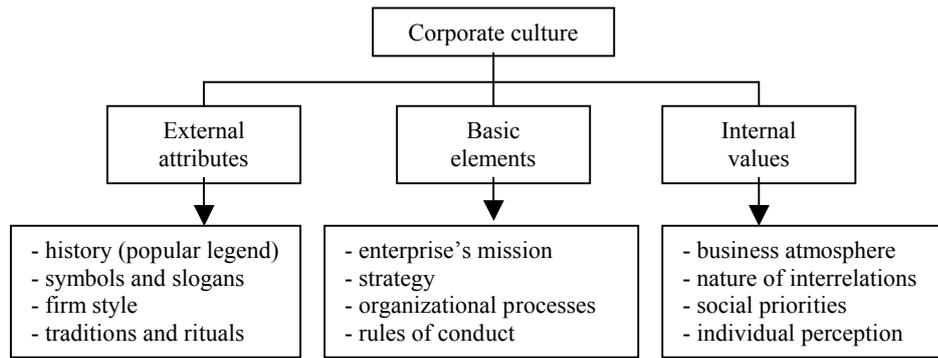


Fig. 1. Elements of enterprise's corporate culture

Each of these elements is related to the enterprise's cultural values. Their distinctions for the individual and for the staff lie in the ways and terms of perception, types of influence on the behaviour model. It's easy and quick enough to get acquainted with the external attributes. To comprehend basic elements the major intellectual efforts are needed because just at that level the unified system of views, rules of conduct and practical skills of employees is taking form.

As for the internal values there are neither time limits nor intellectual bounds to learn and realize them. These elements compose the unique collective «aura» of enterprise that remains invisible from outside. Hardly it may be subjected to forced formation or correction although in itself of course it influences setting-up and realization of the basic and external values.

Corporate culture is basically forming through informational influence upon individual. Personal and social (or corporate) values are maturing in the certain informational space. They aggregate in the man's mind (such as in his subconscious) certain "model of world" characterized by the system of knowledge, personal experience, cultural priorities, etc. The life of individual is moved by that model in the following social (corporate) rules and in the satisfying personal needs [4, p. 41].

Within the limits of enterprise's organizational culture its staff is continuously being under the influence of "firm" informational flow. Such environment favours to the shaping a specific ideology with certain system of values («pattern of world»). In principle, one can change or correct personal "patterns of world" of employees in accordance to enterprise's corporate culture. Thus, there is a possibility to foresight and plan employees' behaviour. It looks as if an individual «overprogrammes» himself under the firm influence to submit his professional activity to company's values and priorities. Hereby we have come to the conclusion that corporate culture formation is realizing in the process of staff's professional adaptation at the enterprise provided that appropriate informational space has been made.

So the corporate culture can be and must be regulated and managed. In the core of that process – various methods of staff management. G. Hofstede provides the advanced algorithm of organizational culture management in which changing of the policy of staff management is placed immediately after the stages of corporate values diagnosis, strategic choice, structural and organizational changes [5, p. 105-106].

Well known experts T. Peters and R. Waterman have studied practice of many effective companies with the purpose to single out decisive factors of their success. Giving due attention to such priorities as purposive and enterprising actions, comprehension of a customer and price orientation, organizational flexibility combining with structural simplicity, the scientists make an emphasis on the attitude towards staff which they qualify as the main source of efficiency [6]. Notably, the most successful firms prefer to cultivate so called "flexible" elements of organizational culture directly linked with the staff such as professional skills, style of management, relations, behaviour, etc. Quite natural that altering the system of staff management one can positively influence "hard" elements of corporate culture – structures, processes and strategy.

Data of another study conducted by the same experts are the most impressive ones. The 62 successful US companies were subjected to the research which has found that among highly profitable firms 88 percent have specialized departments answering for establishing morals, 65 percent of that same firms have programmes connecting the moral values' improvement with the measures meant to increase profitability, and 58% - programmes destined for cultural instruction of the staff. It is significant that companies with average or low profits have corresponding indices twice as little in general.

The situation in Ukraine is simply not bearing comparison. Suffice it to mention the results of sociological poll conducted among contemporary Ukrainian top managers. 25 percent of respondents finds no sense in the formation of corporate culture at their enterprises and another 35 percent don't have neither time nor resources for that [7, p. 89].

Besides it must be taken into account such negative factor as planned soviet economy's legacy meaning its total "equalization" in all spheres of activity, instructions getting down «from above» and formalistic attitude to initiatives. The latter ones being squeezed into the frames of so called "socialist competition" have rather been serving as instruments of "victorious" reports or propagandistic actions. It is obvious that nowadays the great part of our able-bodied population in varying degree is subjected to the negative psychological factors such as passiveness and panic fear of changes, absolute obedience to authorities and personal irresponsibility. All that is rather nourishing anticultural tendencies in the corporate activity what is manifesting in the employee's failure to comprehend his destination, disregard of corporate values, alienation from team interests.

That is why in the process of corporate cultures forming in the Ukraine one has to take into consideration both national peculiarities (customs, educational and religion traditions, etiquette standards) and those features of social conscience and people's psychology which in many respects are determined by this country's history and current phase of its development. So there cannot be universal model of organizational culture formation and blindly adopting even advanced technologies and models one may will not reach desired result.

Undoubtly, in any organization the key role in the corporate values settling is played by its leader (ideally, it should be charismatic person backed up by the team of allies). In this matter, he has to be some kind of a pioneer or a preacher possessed by the idea of a strong corporate culture in his organization. Afterwards the implementation of this idea and tracking down of how the corporate culture influences effectiveness of management and firm's performance must be delegated to the staff managers armed with the knowledge of various methods. Nowadays the mission of a leader is constantly increasing as the accents in the company management are gradually removing from production plans and organizational structures, i.e. material basis, to ideological values bearing by the staff.

Specific attitude towards staff – the most valuable asset of an enterprise – lies in the basis of new management philosophy at the famous Russian plant – Open Joint Stock Company GAZ [8, p. 40-41]. Setting a strategic goal to improve quality of manufactured cars the managers from Nizhniy Novgorod had analyzed the principles of production organization at the world leading motor - car works and taken as a model the experience of Japan Corporation TOYOTA. The JSC GAZ leadership had come to the conclusion that conception of uninterrupted quality improving requires establishing the new corporate culture. It has been defined as new methods of employee's involvement and motivation. The 14 main principles of enterprise management are being introduced Among them: working out the corporate strategy aimed at quality improving, the new management philosophy adoption and comprehension, using the reliable informational sources for the adequate reaction on market requirements, implementing the new approaches and methods of staff training. The atmosphere of general recognition towards work results stirring employee's inner satisfaction from that work has become the main factor of motivation at the enterprise. Manager's efforts are directed at the formation of quite different work environment changing the way of thinking of the whole staff. Today the priority maxim reads: "Think of a customer". The flexible system of interrelations under the scheme "Supplier - consumer" is being applied. These key approaches are the clear evidences of the optimal type of corporate culture with market orientation that means: both enterprise's management and employees profess the certain model of market activity oriented on client.

As far as staff management is concerned the most successful firms give the primary attention to improving employee's professional skill and realization of their innovational potential. That process meant to stimulate creativity and develop professional qualities of employees has its succession. First of all, the negative factors which influence the corporate business environment must be exposed (diagnosed). Among the most spreading ones are: rigid subordination between managers hindered realization of ideas "from below" and required excessive number of concordance (a lot of visas); fear of punishment or even dismissal in the case of a blunder (repressive management); unnecessary control over the creative process; "opaqueness" of decision making on worthwhile ideas.

Naturally, such antivalues have to be eliminated. For the truly innovatory environment to be settled the following conditions should be secured [9, p. 70]:

- freedom of creative activity and top-managers' support;
- proper material (financial) and technical support;
- transparency of the new ideas introduction;
- direct exchange of views between employees of different structural departments and levels;
- atmosphere of trust and perceptivity to changes.

It should be noted that every particular enterprise (firm) can implement its own specific measures and apply appropriate methods of staff motivation. The only thing that remains unchangeable in this matter – motivation of employees to permanent training and improving their qualification.

Each of the modern companies has clear social orientation. In the recent past there were many soviet state enterprises which could be proud of their highly developed social spheres granted tangible benefits to the office and professional workers. Regrettably, far from all of these enterprises have proved to be able to maintain and increase that capital. It must be restored and subsequently developed because nowadays social guarantees and benefits are the important components of the system of staff stimulation at the leading world companies.

The experience of JSC «Mariupol Metallurgical Plant by the name of Illich» in realization of such corporate values as social priorities is a significative one [10]. Social programmes include maintenance of kindergartens, recreation of employees with their families at plant's sanatorium and rest homes, new jobs for youth, regular material aid to plant's 27 thousands veterans. In addition the enterprise extends funds for housing needs and for buying cars. Inexpensive and qualitative foodstuffs are realizing to employees by the plant's agro – industrial enterprise. Suffice it to say that for the last five years plant has allocated to social needs over UAH 1.2 billion of its own funds.

The results of enterprise's economic activity are also impressive. For the same period of time the number of employees has been raised twofold, average mounthly wages have become 2.5 times as high, increase in production has reached 70 percent. Here is a result of progressive management (being human is essence) combined with the broad spectrum of organizational culture's elements.

The positive experience of Ukraine's industrial giant confirms the above-mentioned thesis about removing management priorities to the ideological sphere, i.e. into the field of staff management. But securing to employees comfortable social environment with a lot of privileges and benefits one must understand that this is still not guaranteed highly efficient work.

In the process of analisys of corporate culture's elements, their variety and influence on the effectiveness of management and enterprise's performance it should be kept in mind that at all times the system of payments had been the basis on which cultural values have been forming. Without worthy and fair material stimulation of work the whole structure of corporate culture will be broken. First of all, it is system of wages and bonuses appropriate to company's goals that has to be laid down. Subsequently, cultural superstructure meaning "spiritual" motivation to work is erecting on this foundation.

Only acting by such a consistent way enterprises will be able to attract and hire the best professionals in the desired sphere of business.

On the basis of analysis being made the author has come to the following conclusions:

- 1) in the realities of market economy the companies armed with new philosophy of management win success;
- 2) formation of the new management philosophy is impossible without establishing the unique system of corporate values (corporate culture);
- 3) corporate culture can be regulated and must be managed. Various methods of staff management are in the centre of this process;
- 4) optimal corporate culture turns into an effective instrument of enterprise management;
- 5) development of employees' professional skills and stimulation of staff's innovational potential are the great sources of efficiency;
- 6) the system of social guarantees and benefits for the staff is an important component of motivational mechanism;
- 7) changing the policy of staff management within the limits of corporate culture formation one can bring changes to enterprise's organizational structures, processes and market strategy.

So, the realization of the new conception of management supposes the existence of the cultural environment adequate to firm's goals and economic realities of the market. Each employee should comprehend its nature, his place in its structure and rules of its existence and development. As a natural result it will be the more effective work of employees and whole organization.

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