

Volumen 6 - Número Especial - Enero/Marzo 2019

REVISTA INCLUSIONES

REVISTA DE HUMANIDADES
Y CIENCIAS SOCIALES

ISSN: 0739-4706

Homenaje a

Josep Vives Rego

MIEMBRO DE HONOR COMITÉ INTERNACIONAL

REVISTA INCLUSIONES

Portada: Felipe Maximiliano Escay Suárez

221 B

WEB SCIENCES

CUERPO DIRECTIVO

Directores

Dr. Juan Guillermo Mansilla Sepúlveda

Universidad Católica de Temuco, Chile

Dr. Francisco Ganga Contreras

Universidad de Los Lagos, Chile

Subdirectores

Mg © Carolina Cabezas Cáceres

Universidad de Los Andes, Chile

Dr. Andrea Mutolo

Universidad Autónoma de la Ciudad de México, México

Editor

Drdo. Juan Guillermo Estay Sepúlveda

Editorial Cuadernos de Sofía, Chile

Editor Científico

Dr. Luiz Alberto David Araujo

Pontificia Universidad Católica de Sao Paulo, Brasil

Cuerpo Asistente

Traductora: Inglés

Lic. Pauline Corthorn Escudero

Editorial Cuadernos de Sofía, Chile

Traductora: Portugués

Lic. Elaine Cristina Pereira Menegón

Editorial Cuadernos de Sofía, Chile

Portada

Sr. Felipe Maximiliano Estay Guerrero

Editorial Cuadernos de Sofía, Chile

COMITÉ EDITORIAL

Dra. Carolina Aroca Toloza

Universidad de Chile, Chile

Dr. Jaime Bassa Mercado

Universidad de Valparaíso, Chile

Dra. Heloísa Bellotto

Universidad de San Pablo, Brasil

Dra. Nidia Burgos

Universidad Nacional del Sur, Argentina

Mg. María Eugenia Campos

Universidad Nacional Autónoma de México, México

Dr. Francisco José Francisco Carrera

Universidad de Valladolid, España

Mg. Keri González

Universidad Autónoma de la Ciudad de México, México

Dr. Pablo Guadarrama González

Universidad Central de Las Villas, Cuba

Mg. Amelia Herrera Lavanchy

Universidad de La Serena, Chile

Dr. Aleksandar Ivanov Katrandzhiev

Universidad Suroeste Neofit Rilski, Bulgaria

Mg. Cecilia Jofré Muñoz

Universidad San Sebastián, Chile

Mg. Mario Lagomarsino Montoya

Universidad de Valparaíso, Chile

Dr. Claudio Llanos Reyes

Pontificia Universidad Católica de Valparaíso, Chile

Dr. Werner Mackenbach

*Universidad de Potsdam, Alemania
Universidad de Costa Rica, Costa Rica*

Mg. Rocío del Pilar Martínez Marín

Universidad de Santander, Colombia

Ph. D. Natalia Milanesio

Universidad de Houston, Estados Unidos

Dra. Patricia Virginia Moggia Münchmeyer

Pontificia Universidad Católica de Valparaíso, Chile

Ph. D. Maritza Montero

Universidad Central de Venezuela, Venezuela

Dra. Eleonora Pencheva

Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Rosa María Regueiro Ferreira

Universidad de La Coruña, España

Mg. David Ruete Zúñiga

Universidad Nacional Andrés Bello, Chile

Dr. Andrés Saavedra Barahona

Universidad San Clemente de Ojrid de Sofía, Bulgaria

Dr. Efraín Sánchez Cabra

Academia Colombiana de Historia, Colombia

Dra. Mirka Seitz

Universidad del Salvador, Argentina

COMITÉ CIENTÍFICO INTERNACIONAL

Comité Científico Internacional de Honor

Dr. Adolfo A. Abadía

Universidad ICESI, Colombia

Dr. Carlos Antonio Aguirre Rojas

Universidad Nacional Autónoma de México, México

Dr. Martino Contu

Universidad de Sassari, Italia

Dr. Luiz Alberto David Araujo

Pontificia Universidad Católica de Sao Paulo, Brasil

Dra. Patricia Brogna

Universidad Nacional Autónoma de México, México

Dr. Horacio Capel Sáez

Universidad de Barcelona, España

Dr. Javier Carreón Guillén

Universidad Nacional Autónoma de México, México

Dr. Lancelot Cowie

Universidad West Indies, Trinidad y Tobago

Dra. Isabel Cruz Ovalle de Amenabar

Universidad de Los Andes, Chile

Dr. Rodolfo Cruz Vadillo

Universidad Popular Autónoma del Estado de Puebla, México

Dr. Adolfo Omar Cueto

Universidad Nacional de Cuyo, Argentina

Dr. Miguel Ángel de Marco

Universidad de Buenos Aires, Argentina

Dra. Emma de Ramón Acevedo

Universidad de Chile, Chile

Dr. Gerardo Echeita Sarrionandia

Universidad Autónoma de Madrid, España

Dra. Patricia Galeana

Universidad Nacional Autónoma de México, México

Dra. Manuela Garau

Centro Studi Sea, Italia

Dr. Carlo Ginzburg Ginzburg

*Scuola Normale Superiore de Pisa, Italia
Universidad de California Los Ángeles,
Estados Unidos*

José Manuel González Freire

Universidad de Colima, México

Dra. Antonia Heredia Herrera
Universidad Internacional de Andalucía, España

Dr. Eduardo Gomes Onofre
Universidade Estadual da Paraíba, Brasil

Dra. Blanca Estela Zardel Jacobo
Universidad Nacional Autónoma de México, México

Dr. Miguel León-Portilla
Universidad Nacional Autónoma de México, México

Dr. Miguel Ángel Mateo Saura
Instituto de Estudios Albacetenses "don Juan Manuel", España

Dr. Carlos Tulio da Silva Medeiros
Diálogos em MERCOSUR, Brasil

Dr. Álvaro Márquez-Fernández
Universidad del Zulia, Venezuela

Dr. Oscar Ortega Arango
Universidad Autónoma de Yucatán, México

Dr. Antonio-Carlos Pereira Menaut
Universidad Santiago de Compostela, España

Dr. José Sergio Puig Espinosa
Dilemas Contemporáneos, México

Dra. Francesca Randazzo
Universidad Nacional Autónoma de Honduras, Honduras

Dra. Yolando Ricardo
Universidad de La Habana, Cuba

Dr. Manuel Alves da Rocha
Universidade Católica de Angola Angola

Mg. Arnaldo Rodríguez Espinoza
Universidad Estatal a Distancia, Costa Rica

Dr. Miguel Rojas Mix
Coordinador la Cumbre de Rectores Universidades Estatales América Latina y el Caribe

Dr. Luis Alberto Romero
CONICET / Universidad de Buenos Aires, Argentina

Dra. Maura de la Caridad Salabarría Roig
Dilemas Contemporáneos, México

Dr. Adalberto Santana Hernández
Universidad Nacional Autónoma de México, México

Dr. Juan Antonio Seda
Universidad de Buenos Aires, Argentina

Dr. Saulo Cesar Paulino e Silva
Universidad de Sao Paulo, Brasil

Dr. Miguel Ángel Verdugo Alonso
Universidad de Salamanca, España

Dr. Josep Vives Rego
Universidad de Barcelona, España

Dr. Eugenio Raúl Zaffaroni
Universidad de Buenos Aires, Argentina

Comité Científico Internacional

Mg. Paola Aceituno
Universidad Tecnológica Metropolitana, Chile

Ph. D. María José Aguilar Idañez
Universidad Castilla-La Mancha, España

Mg. Elian Araujo
Universidad de Mackenzie, Brasil

Mg. Romyana Atanasova Popova
Universidad Suroeste Neofit Rilski, Bulgaria

Dra. Ana Bénard da Costa
*Instituto Universitario de Lisboa, Portugal
Centro de Estudios Africanos, Portugal*

Dra. Alina Bestard Revilla
Universidad de Ciencias de la Cultura Física y el Deporte, Cuba

Dra. Noemí Brenta

Universidad de Buenos Aires, Argentina

Dra. Rosario Castro López

Universidad de Córdoba, España

Ph. D. Juan R. Coca

Universidad de Valladolid, España

Dr. Antonio Colomer Vialdel

Universidad Politécnica de Valencia, España

Dr. Christian Daniel Cwik

Universidad de Colonia, Alemania

Dr. Eric de Léséulec

INS HEA, Francia

Dr. Andrés Di Masso Tarditti

Universidad de Barcelona, España

Ph. D. Mauricio Dimant

Universidad Hebrea de Jerusalén, Israel

Dr. Jorge Enrique Elías Caro

Universidad de Magdalena, Colombia

Dra. Claudia Lorena Fonseca

Universidad Federal de Pelotas, Brasil

Dra. Ada Gallegos Ruiz Conejo

Universidad Nacional Mayor de San Marcos, Perú

Dr. Francisco Luis Giraldo Gutiérrez

*Instituto Tecnológico Metropolitano,
Colombia*

Dra. Carmen González y González de Mesa

Universidad de Oviedo, España

Ph. D. Valentin Kitanov

Universidad Suroeste Neofit Rilski, Bulgaria

Mg. Luis Oporto Ordóñez

Universidad Mayor San Andrés, Bolivia

Dr. Patricio Quiroga

Universidad de Valparaíso, Chile

Dr. Gino Ríos Patio

Universidad de San Martín de Porres, Per

Dr. Carlos Manuel Rodríguez Arrechavaleta

*Universidad Iberoamericana Ciudad de
México, México*

Dra. Vivian Romeu

*Universidad Iberoamericana Ciudad de
México, México*

Dra. María Laura Salinas

Universidad Nacional del Nordeste, Argentina

Dr. Stefano Santasilia

Universidad della Calabria, Italia

Mg. Silvia Laura Vargas López

*Universidad Autónoma del Estado de
Morelos, México*

Dra. Jaqueline Vassallo

Universidad Nacional de Córdoba, Argentina

Dr. Evandro Viera Ouriques

Universidad Federal de Río de Janeiro, Brasil

Dra. María Luisa Zagalaz Sánchez

Universidad de Jaén, España

Dra. Maja Zawierzeniec

Universidad Wszechnica Polska, Polonia

Editorial Cuadernos de Sofía

Santiago – Chile

Representante Legal

Juan Guillermo Estay Sepúlveda Editorial

REVISTA
INCLUSIONES
REVISTA DE HUMANIDADES
Y CIENCIAS SOCIALES

CUADERNOS DE SOFÍA
EDITORIAL

Indización, Repositorios y Bases de Datos Académicas

Revista Inclusiones, se encuentra indizada en:



Information Matrix for the Analysis of Journals

MIAR 2014
Live

latindex 15 años
CATÁLOGO



DOAJ DIRECTORY OF
OPEN ACCESS
JOURNALS



biblat
Bibliografía Latinoamericana
en revistas de investigación científica y social

CLASE
Citas Latinoamericanas en
Ciencias Sociales y Humanidades

CiteFactor
Academic Scientific Journals

Actualidad
Iberoamericana





uOttawa

Bibliothèque
Library



REX



WESTERN
THEOLOGICAL SEMINARY

BIBLIOTECA ELECTRÓNICA
DE CIENCIA Y TECNOLOGÍA



Ministerio de
Ciencia, Tecnología
e Innovación Productiva



Vancouver Public Library



Universidad
de Concepción

BIBLIOTECA UNIVERSIDAD DE CONCEPCIÓN

EST. 1785
UNB
LIBRARIES



UNIVERSITY OF
SASKATCHEWAN

MLZ
Heinz Maier-Leibnitz Zentrum

Hellenic Academic Libraries Link

HEAL LINK

Σύνδεσμος Ελληνικών Ακαδημαϊκών Βιβλιοθηκών

**BUILDING EFFECTIVE AND SUSTAINABLE CORPORATE CULTURE
THROUGH CONTEMPORARY LEADERSHIP**

**CONSTRUIR LA CULTURA CORPORATIVA, EFICIENTE Y SOSTENIBLE
A TRAVÉS DEL LIDERAZGO MODERNO**

Ph. D. Mariya Valerieva Danchova
South-Western University “Neofit Rilski”, Bulgaria
mariya_danchova@mail.bg

Fecha de Recepción: 14 de noviembre de 2018 – **Fecha Revisión:** 17 de diciembre de 2018

Fecha de Aceptación: 26 de diciembre de 2018 – **Fecha de Publicación:** 01 de enero de 2019

Abstract

The effective leadership of an organization is the key to building sustainable corporate culture. Contemporary leadership is a fundamental factor and a challenge before the management of each organization in gaining market positions, guaranteeing the success and prosperity of the company, but this complex aspect contains the element of the effective corporate culture. It helps to create the suitable conditions for stimulation of the initiative and development of the leadership creativity of the employees. Building and maintaining resultant corporate culture is a key element facilitating the reaching and maintaining of the leadership position and the competitiveness of the organization. The main goal of the present article is to establish the connection and interaction between the effective and sustainable corporate culture and the contemporary leadership. The main research methods used in the article are content-analysis, comparative method and intuitive and systematic approach.

Keywords

Corporate Culture – Contemporary Leadership – Effectiveness – Stability

Resumen

El liderazgo efectivo de una entidad es la llave de construcción de la cultura organizacional sostenible. El liderazgo contemporáneo representa un factor primordial y un reto ante la administración de cada entidad para lograr posiciones en los mercados que garanticen el éxito y la prosperidad de la compañía pero este aspecto complejo contiene el elemento de la cultura organizacional efectiva. Por ella se crean condiciones apropiadas de estimulación de la iniciativa y del desarrollo de la creatividad de liderazgo de los empleados. La creación y el mantenimiento de cultura organizacional exitosa es el elemento llave que contribuye al alcance y el mantenimiento de la posición de liderazgo y la competitividad de la entidad. El objetivo principal del presente artículo es constatar la relación entre la cultura organizacional efectiva y sostenible y el liderazgo contemporáneo. Los métodos principales de investigación usados en el informe son análisis de contenidos, método de comparación y el enfoque intuitivo y sistémico.

Building effective and sustainable corporate culture through contemporary leadership pág. 142

Palabras Claves

Cultura Corporativa – Liderazgo contemporáneo – Eficacia – Estabilidad

Para Citar este Artículo:

Danchova, Mariya Valerieva. Building effective and sustainable corporate culture through contemporary leadership. Revista Inclusiones Vol: 6 num Especial Enero-Marzo (2019): 141-154.

Introduction

The formation and development of effective and sustainable corporate culture is in direct correlation with the performance and competitiveness of the management of the organization.

In our opinion, the presence of a functional management itself does not guarantee the development and achievement of the strategic goals of the organisation. Leadership is the driving force, determining success. It is an integral part of the strategic management in contemporary organisations. Effective leadership requires patience, stable vision, determination, dedication, and persistent pursuit of innovations.

Leadership includes both risk taking and the responsibility for the taken decisions, grounded on the knowledge of *when* and *why*. A leader should have a clear vision for development and a concept for the desired results, for the ways of their achievement, and most importantly – knowledge, skills and competences to organise and motivate the members of the team in a way that would make them follow the path he/she has chosen as if it was their own. His/her active position for achieving a set strategic goal is strongly expressed.

With the current article, we try to prove the interrelationship between the factors of *corporate culture and leadership*. In scientific literature there are multiple separate methods for examination of corporate culture and leadership. In order to reveal the relevance of contemporary leadership as a factor for building effective and sustainable corporate culture, it is necessary to apply adequate indicators so that the complex and multi-aspect factors of these two dimensions can be connected.

Corporate Culture

Corporate culture represents a combination of multiple interacting factors, aiming to optimally adjust a certain organization to the external and internal environment by the unified actions of all employees. Corporate culture is a complex and dynamic reflection of the relations, values, style of behaviour, advantages and the concept of the organization for itself, by each employee feeling comfortable at the position they take and acting in the most effective way possible.

Corporate culture cannot be adopted or imitated. It is a result of individual creative efforts and attitudes, on the basis of a combination of knowledge in different fields. In the conditions of today's dynamic world, it is evaluated not only as a necessity for guaranteed predominance over the competition, but also as a strategy for survival and prosperity.

Effective and sustainable corporate culture is a decisive prerequisite for the achievement of competitive market success. It promotes full utilisation of the available force and resources, for easier overcoming of difficulties and minimizing the permissible risks. This is possible only when culture is in harmonic combination with the long-term strategic goals of the company and this combination has to be constant care of the managerial mechanism.

Corporate culture mainly consists of specified common habits of living and work, from the respective *know-how*, which have shared values and beliefs in their nature, which are tightly related to the strategic goals of the company.

Building corporate culture is not a one-time process – it is developed in time through series of processes. Deeply rooted culture is hard to change, due to the acceptance of the status quo by the employees. Organisations would not be able to just adopt new corporate culture of company values and to expect from their employees to accept it unconditionally and all at once. It should be accepted and the partners should be convinced that these new values are important and will not harm their own positions in the organisation.¹ Leadership appears as an element of corporate culture, and vice versa. The interrelation is two-directional.

Effective leadership and leading style

Effective leadership is a multivalued function, including patience, stable vision, determination, dedication and constant pursuit of development and progress. Successful leaders realize that perfection is a continuous process of work with themselves, but a small part of them do it. They adopt and adjust to a certain style and approach which satisfies them and apply it both to the employees and to the organisation they manage. This, on its own, leads to difficulties in the developments of the overall activity of the organisation and of all employees. In the dynamic present times, adjustability alone is not sufficient. Leadership is not always a guarantee for professional effectiveness. Due to similar confidence, a lot of leaders, in the beginning of their careers, stop acting this way. Leadership is not only about risk taking but also knowing *when* and *why*.

The term “leadership effectiveness” has been used with multiple meanings but most frequently, the concepts it is explained with are *good*, *successful* and *strong* leadership, as well as the meaning of each one of them. Often, these denotations are used as synonymous and interchangeable.

Leadership effectiveness is expressed in achieving a desired appropriate organisational behaviour, guaranteeing the performance of the mission of the organisation and the achievement of its long-term strategic goals, even in the conditions of resource limitations, uncertainty, and dynamically changing internal and external environment. This is the unique part of leadership relations which depends entirely on the qualities, abilities, and skills of the leader. As a prerequisite of effective leadership influence we can note the earned authority and respect, while the actual effectiveness of the leaders is connected to their ability to intervene in a complex situation, in order to make a noticeable change.

Interrelation between corporate culture and leadership

Acknowledging the fact that an accurate interpretation of the concept of leadership style (of management) cannot be made, most theorists reasonably consider it as one of the most important criteria and even for the core of the entrepreneurial policy.² Some authors emphasise on the fact that leadership style is more like a choice of management technique and management approach regarding the management of the subjective factor.³ Others attach importance to the circumstance that leadership style reflects the “distribution of plan theses, connected to decision taking, the dispositive and control competences on the different hierarchical levels. Therefore, on one hand, it expresses a rather specified

¹ Michael Armstrong, *The Miracle Manager* (Burgas: Delfin press Publishing, 1993), 140.

² Karl Baumgartner, *Unternehmenskultur und Corporate Identity* (Wiesbaden: Gabler Verlag, 1991), 644.

³ Ernst Kilgus, *Strategisches Management* (Bern Stuttgart, Wien: Haupt Verlag, 1994), 293.

behaviour and concepts of value of the managers and at the same time it strives to stimulate and encourage their subordinate hierarchical levels to maintain a single and relatively constant pattern of activity and behaviour.”⁴

On the other hand, leadership has its influence on the complete development of the organisation. E. Zahariev states that leadership style is “a kind of characteristic, which expresses the specifics of the activity of the manager ... it is the way a leader is trying to influence his subordinates in”.⁵ M. Usheva supports the thesis that “the effective management and the use of the functions of the organisational culture for development of the employees, to a large extent depends of the competence of the managers and leaders. Specific skills are necessary, the degree of conformity of the dominating and group culture values in the organisation is important.”⁶

We agree with the opinion of M. Filipova that the relation between leadership style and organisational culture is two-directional. Leadership style has definitive influence on the corporate culture, which, in turn, as a foundation of values, norms, experience, etc., determined the scale and direction of the strategic orientation and the way of influence on the employees.⁷ The author states that this interrelation can be expressed in several aspects:⁸

- the perfection of the organisational culture suggests consistency with the value system of the organisation, its strategic goals, structure and leadership style;
- the corporate culture should be synchronous with the internal organisation environment, despite its individuality and uniqueness;
- corporate culture is to be solidly established and accepted by everyone, and managerial decisions should be coordinated with the overall cultural profile of the organisation.

Several common, typifying leadership styles conclusions can be made.⁹

With *authoritarian leadership style* there is high concentration of power, where followers are recipients, not contesting performers of orders. All assignments are given by the leader and the information is very limited and flows in the direction from top to bottom. The permanent control by the superiors in hierarchical terms refers to the value system as well, built on the basis of certain culture and subculture. With this leadership style, there is no creativity, initiative and self-perfection regarding the qualification. We can define the built organisational culture as a routine one, which does not tolerate reforms, and the managing style as “everlasting and at any price”. This leadership style does not demonstrate the desired or expected culture of the organisation before its customers and shareholders.¹⁰

⁴ H. Knecht, Management Development (Bern Stuttgart, Wien: Haupt Verlag, 1994), 280.

⁵ Elenko Zahariev, Corporate management (Veliko Tarnovo: Abagar Publishing, 1999), 398.

⁶ Mariana Usheva, The Successful manager of XXI century (Blagoevgrad: Magazine: “Economy and management”, Vol: 1 (2010): 37.

⁷ Milena Filipova, Corporate culture and leading style (Blagoevgrad: University Publishing House “Neofit Rilski”, 2015), 60.

⁸ Milena Filipova, Corporate culture and leading style... 61.

⁹ Milena Filipova, Corporate culture and leading style... 53.

¹⁰ Milena Filipova, Corporate culture and leading style...54.

The *democratic leadership style* is characteristic with innovations, rights delegation and taking responsibility. Motivation, and not control and fear of punishment, is the factor which significantly influences the employees to give their best. The leader strives to direct his followers in a way so that they can fully expand their potential when performing their tasks. The information flow is constant and it goes in both directions. We can conclude that with this leadership style, the corporate culture is flexible and adaptive to the changing environment.

Both with the democratic leadership style and the *liberal one* the degree of self-expression of the employees is high. It is characteristic that there is not control during the performance of the tasks by the leader and freedom of action for the followers. With liberal style there is a danger of formation of anarchy in case of insufficient level of conscious motivation for quality performance of the tasks. The forming corporate culture is typical for organisations targeting innovations, for educational institutions and such, working in the field of cultural events.

A survey, performed by the author in the period 2017-2018, of industrial enterprises from the extractive industry in South-west Bulgaria indicates that almost half of the respondents – 47% prefer the utilization of the democratic leadership style for the management of their employees. The fact that 24% of the respondents still use the methods of the authoritarian leadership style is demonstrative. In our opinion, Bulgarian ethnopsychology, national culture and long history of autocratic government identify instructiveness, highly structured tasks, strong manipulation (use of techniques and tactics for manipulation of the employees) and strict control as main leadership qualities. 29% of the interviewed managers state that they do not have a fixed style of management. Depending on the specifics of the situation and the influencing factors they tend to change their managing style by expressing tendency both to the democratic and to the authoritarian style, and in very rare cases to the liberal one.

The effectiveness in the activity of the Bulgarian enterprises from the industry field is achieved in the cases when the leader is oriented towards his employees. The full inclusion of all subordinates in the tasks significant for the organisation is typical for him/her. Leaders, utilizing this style of management demonstrate expressive ethics of the employee within the enterprise, appearing as a key prerequisite of legalization of the corporate culture. The followers are not just uncomplaining performers of tasks and the mission and strategic goals of the organisation come down to each one of them. The delegated powers and responsibilities are in conformity with the specifics both of the corporate culture and the subculture, the reference groups and the individual characteristics. “The new leader provokes human energy and directs it to a specific manifestation by motivations”, he/she releases “the intellectual power of his/her associates” and manages “the stability and change” of the organisation.¹¹

According to M. Armstrong, there are two ways of coping with change:

- focusing on different manifestations of corporate culture and developing specific programmes for each manifestation;
- after forming the new goals, the focus is to be on one or more specific areas.

¹¹ Mariana Usheva, The Successful manager of XXI centur... 38-39.

In their book *Corporate Cultures*, R. Deal and A. Kennedy point out the existence of only five reasons which justify big cultural changes:¹²

- When the organization continues to follow established values not matching the changing environment;
- The organization belongs to a sector characterised with great competition and fast development rate;
- Mediocrity of the organisation;
- If the strategic goal of the organization is expansion to immense dimensions;
- A quickly developing small organization.

The authors state that any attempts of changing organisational culture are justified only at the presence of any of the above-mentioned reasons, as change requires efforts, time, resources, and capital.

According to their manifestations mentioned above, common approaches to the cultural changes can be divided into four groups:¹³

- *assumptions* – the employees must have the possibility to always question them any time they are manifested. This way, they will have the possibility of debating on them and understanding them through discussions;
- *values* – they must be carefully defined and presented to the whole organization;
- *organizational climate* – the favourable and unfavourable aspects of organizational activity can be studied through analysis of the opinion of the employees, and strategies for a positive influence can be formed;
- *management style* – it must be adequate to the situation and satisfy the needs of the employees. The ways of effective influence can be outlined from top to the bottom and the opposite. The self-assessment of leader's style is also essential.

In his works *Management without Limits V*. Zlatev states that value is the permanent belief that a specific way of behaviour or the end-state of existence is personal or generally preferable compared to a contradictory way of behaviour or state of existence.¹⁴ The definition of the value system stated by the author is that it is a solid structure of the beliefs of the individual regarding the preferred ways of behaviour or the end-states of existence, ranked by importance.¹⁵

Employees' personal values are a projection of their belief in the already structured and adopted organizational values. The identification with the organization and loyalty are not internal characteristics of the employees – they should be formed, stimulated and developed, as they are to be willingly adopted, which is achieved if employees believe in them, work in accordance to them and firmly establish them.¹⁶ This responsibility starts from the top of the pyramidal organizational structure and it is a function which belongs to the management; however, due to its voluntary characteristics of adoption, we can come to the conclusion that this is an activity, typical for the leaders. Leaders are those who are

¹² Michael Armstrong, *The Miracle Manager* (Burgas: Delfin press Publishing, 1993), 136.

¹³ Michael Armstrong, *The Miracle Manager*... 140.

¹⁴ Vasil Zlatev, *Management without borders* (Sofia: University Publishing House "Stopanstvo", 1999), 122.

¹⁵ Vasil Zlatev, *Management without borders*...122.

¹⁶ Michael Armstrong, *The Miracle Manager*... 138.

voluntarily chosen by the employees to lead them in order to achieve certain strategic tasks. In the typology of corporate culture specified in this way, we find similarities with specific leader's styles as well, which styles depend on the orientation to specific factors of influence.

The reflection of the change of the value system of the whole society on the organization is essential at the formation of corporate culture. Whether conscious or not, desired or not, the change of individual values, perceptions, etc., reflects on the activity of all the social organizations where people work and are their basic, system-forming component.¹⁷ Successful organizational management suggests that the management have a clear vision of the basic reasons determining the change in people's values, no matter whether they are internal (social status, well-being, self-improvement or qualification, etc.) or they are such which are influenced by the environment (development of information technology, awareness, etc.).

According to the american social psychologist, founder of the direction of *Organizational Psychology* – Edgar Schein, it is the leader who is dominating and defines the values of the team, whether this is done deliberately or not. The acquired experience is defining for the leader's behaviour, depending on the size of the organization, the knowledge of the specifics of the supervised team, and on his/her personal characteristics. Leaders with small experience, or such who come from external organization tend to be with an authoritarian managerial style, guaranteeing control and self-confidence. According to Schein, corporate culture can be reviewed in three levels:¹⁸

- *First, 'the most visible' level* finds its expression in the behaviour of the artefacts which could be seen, heard and felt in the employees' behaviour. This is the language, technology, works, dressing style, manners of communication, stories, symbols, etc. All these are visible indicators of the culture; however, they could sometimes be difficult to interpret as they do not give an answer to the question 'Why?';
- *The second level is the values* – they define the behaviour but they cannot be directly observed or directly assessed due to the temporary differences in the activities and the real values of the people. These values and beliefs are common and basic for all the members of the team. This is where the obvious influence of the leader who can affect the building and maintenance of specific values within the group can be observed;
- *Beliefs and assumptions are the third 'deepest' level* of culture – they are not only connected to the values and the real attitude to reality, but also to the future strategic challenges before the organization. The regularity of the repetition of a specific problem is a prerequisite for their origin and they are associated to the importance of their perception. When people are constantly treated to match given assumptions, their actions will inevitably be foreseeable.

The three levels of corporate culture can be presented in a diagram as follows (Figure 1.):

¹⁷ Milena Filipova, Corporate culture and leading style... 6.

¹⁸ Edgar Schein, Organizational Culture & Leadership, ([online] <http://tnellen.com/ted/tc/schein.html> [Used 10 /2/2018], 1997).

VISIBLE LEVEL**Artefacts****INVISIBLE LEVELS**

The general values and beliefs expressed in words and acts lying on assumptions and deep beliefs

Figure 1

The levels of the corporate culture according to E. Schein:
Source: Elena Yordanova, Corporate culture and ethical values
(Svishtov: Magazine Dialog, Vol: 4 (2010): 38.

At the change of corporate culture, E. Schein shows two examples for positive and negative reaction.¹⁹ The negative example refers to organizations where everything is strictly formalized. At the time of change of the strategic goals requiring innovation, which in turn, raises the need of flexible and bidirectional communication, it turns out that the applied working procedure is understood correctly by the superior management. The medium-level management, however, appears to be 'deformed' by the continuous following of the traditions of vertical relations (the bureaucratic system), finds it difficult to adopt the new goals, and, respectively, the changes of working procedures.

The positive example shown by the author is a small organization with informal structural relations of communication. At the change of the organizational structure arisen by an external reason (increased competition, for example), the survival depends on the diversification and the established mutual trust between the employees and the management.

Another point of view is that the corporate culture itself can form the value system of its leader lying on the collective opinion, position, and reaction, provoking and imposing specific behaviour of the leader. This is characteristic for both educational and social and pedagogical institutions.

M. Filipova describes *three directions* for the value selection in the manager's behaviour during the execution of his/her activity at the organization.²⁰

- significance of organizational values;
- significance of personal values;
- significance of public values.

This way, the organization reflects and matches different value levels – corporate, personal and universal one.²¹ We definitely support the thesis that corporate culture is the environment of the development of the value system.²²

¹⁹ Francisco Tarrago and Milcho Marchev and Georgi Sheremetov, Strategic management (Sofia: University Publishing House "Stopanstvo", 1999), 309-310.

²⁰ Milena Filipova, Corporate culture and leading style... 10.

²¹ Lalka Borisova, Value management in the trade organization (Varna: RIS Publishing, 2009), 28-29.

²² Lalka Borisova, Value management in the trade organizatio... 86.

In our opinion, the built values have a direct influence on the formation of the image of the organization, and this itself forms the positive perception of the customers of a given company. In connection to this, we can note that the image of the corporate is the image of the company as a combination of characteristic positive features which is built in the minds of the public or in a specific social group.²³ We can summarize that while the image is the appearance of the organization, its identity is the internal environment where the personnel operates. In connection to this, corporate culture has a direct influence on the identity and this can be immediately detected by the users, suppliers, competitors, and all the other external factors, through the built internal climate of a given structure, which, actually, defines the contents of corporate culture. On one hand, corporate culture finds its expression in connection to the external trust delegated to the company, and on the other hand, depending on the efforts of the organization, this may happen in the shortest possible terms.²⁴

We agree with the opinion that the formation and development of the value system and the corporate culture are directly correlated by the specific way of management used by the leader. In this way, he/she creates a specific climate within the organization itself, which climate has the footprint of the leader's individuality. The applied leadership style gives the direction of the development of the organization and the way to achieve the long-term strategic goals. Meanwhile, the built-up value system and corporate culture has influence on the formation of the leadership style.²⁵

In his work, the American theorist **R. Boyatzis**, Professor of organizational behaviour, specifies several directions of leader's competencies. Back in 1982, in his book *Competent Manager: Model for Effective Performance*, he offers an empirical, total system approach that determines which characteristics of managers enable them to be effective in various management jobs, regardless of the level of leadership in the organization. According to the author, all these competencies are subject of learning and development and find direct reflection on corporate culture:²⁶

- seven basic competencies: *exercising power; correct self-esteem; positive thinking; intuition; logical thinking; team management and skills of applying basic models;*
- five groups of superior competencies: *competencies connected to the management of strategic goals and activities; competencies connected to leadership; competences connected to human resource management; competencies connected to others' attention ('self-organization and self-control), and competencies connected to the management of the subordinates;*
- *efficacy* – this competency is directly connected to the managerial aspiration for achieving the goals of the organization by minimum quantity of resources;
- *influence through power* – this competency correlates with the possibility to execute all kinds of power in order to achieve the strategic goals of the organization in accordance with the market needs;

²³ Dilyana Yaneva, The corporate image – a factor for corporate development (Blagoevgrad: Magazine "Entrepreneurship", Vol: 7 num 2 (2016): 249.

²⁴ Dilyana Yaneva, The corporate image – a factor for corporate... 34.

²⁵ Milena Filipova, Corporate culture and leading style... 51.

²⁶ Richard Boyatzis, Competencies in the 21st century (Bingley: Emerald Publishing, Journal of Management Development, Vol: 27 num 1 (2008): 5-12.

- *socialization skill* – this is the leader’s skill of demonstrating his/her charisma. In this way, the figure of the leader has a central place in the team, standing out with democratic style of management;
- *activity and initiative* – this competency reflects the leader’s trust in his/her employees and the possibility to delegate his/her powers and responsibilities;
- *expression of self-confidence* – this leader’s quality is directly connected to his/her confidence, his/her built values and ideas. The confident leader inspires his/her followers with trust and self-confidence, required for the achievement of the set goals;
- *oratory skills* – with the help of this competency, the leader manages to win the trust of the employees in his/her opinions, persuading them through verbal and non-verbal communication. The skill to convince verbally requires the ability to find and use the most appropriate and influencing examples and metaphors, which would enhance the suggestion of the specific message;
- *conceptualization* – this correlates with the leader’s role to be the leading figure and the face of his/her organization, using influential conceptions, proven values, ideas, and logical connections;
- *a skill to use conceptions with a strategic goal* – this competency is directly connected to the necessity to transform seemingly abstract ideas and models into specific, practical opportunities for the achievement of the preliminary set goals;
- *group process management* – with the help of this competency, the leader expresses his/her role of a ‘team player’ and manages to direct the actions of his/her team into a specific direction. In connection to this, he/she must be able to set ahead significant organizational goals connected to the mission and vision of the organization, to appoint the roles of the team members, to create prerequisites for achieving the desired conditions, etc.

According to R. Dimitrova, the key competencies specifying the effectiveness of work of each person are not only professional, but also personal features connected to the motivation, beliefs, and the mental and physiological characteristics²⁷. We believe that it is the building of a high corporate culture within the company, which culture is to be accepted and the employees are to identify with it, is the basic prerequisite for achieving a permanent and effective success. This corporate culture helps for the complete utilization of the available resources, the easier overcoming of difficulties, and for the minimization of the admissible risks. This is possible only when the culture is synchronized with the long-term strategy of the organisation, combined with the permanent care of the management, which sets the main challenge before the leaders.

We can specify several factors which have influence on the quality of the leader’s style, and meanwhile they become his/her indicators:

- the level to which leadership style reflects employees’ trust and vice versa – the personnel’s trust in the management;
- the level of vertical communication links within the organization;
- the overall image and identity of the company;

²⁷ Rayna Dimitrova and Radoslav Vladov, “Competence profiles of people working in the Information and Communication Technologies sector”, Journal “Management and sustainable development Vol: 64 (2017): 23-24.

- the level of variability of the different subcultures according to the general corporate culture.

We must note that with its development, each organization starts to reveal itself as a conglomerate of subcultures, which, in the meantime, strive to a global aggregate culture.²⁸

According to most specialists in the field of organizational analyses, corporate culture has a huge influence on the long-term efficiency of the organization.²⁹ Building an effective and permanent corporate culture is the leading factor in achieving and maintaining a leading market position not only of the organization itself, but also of its leaders. By utilizing optimal leader's management style, the leaders focus on building a reasonable balance between personal values, professional skills, and norms on one side and leader's approaches on the other.

We agree with C. Hickman and M. Silva that the relations between leadership and corporate culture are derived from the dogma that perfection is created by individuals, not by organizations.³⁰ It is namely the leaders, who, with their individuality, lead along the path of perfection and manage to develop and improve the qualities of those of their followers, who may later may become the leaders of the future. To be sure that he/she will develop all the strong points of his/her followers, the leader gives everything from him/herself in order to inspire his/her strategic gift or feeling to the successful construction of an effective and sustainable corporate culture.

We think that changes are an inseparable part of each organization, which implies the use of managerial approaches and methods which would lead to a positive result, and it is sustainability and effectiveness are the things that could be achieved with leadership affecting the corporate culture.

Conclusion

The significance of corporate culture, being one of the basic factors facilitating efficiency and prosperity of a given organization, makes its deeper study a current and significant issue of contemporary management science and its practical application. Successful leadership, operating in dynamic and changing environment, requires flexible and adaptive corporate culture built on the new values of society.

The focus of corporate culture is on the relations between the dominating value orientations and cultural practices that are essential for the success and effectiveness in the activity of both the individual and on the organization as a whole. The starting point in this direction is the idea of finding the necessary strategies for optimization of the leader's skills, styles of management, and the traditional cultural practices which reflect the dominating values which the corporate culture is based on. It is essential to analyse the different managerial styles and skills of the contemporary leaders which immediately reflect on the approaches and conceptions for value orientations which construct, develop,

²⁸ Francisco Tarrago and Milcho Marchev and Georgi Sheremetov, Strategic management (Sofia: University Publishing House "Stopanstvo", 1999), 313.

²⁹ Kim Cameron and Robert Quinn, Diagnosing and Changing Organizational Culture. Based on the Competing Values Framework (Sofia: Clasika and Style Publishing, 2012), 20.

³⁰ Craig Hickman and Michael Silva, Perfection as a goal (Sofia: Folk culture Publishing, 1991), 15.

and improve corporate culture, as, in the meantime, they include new variables as well, which variables report the possibility of changing the cultural practices and relations between the managers and executors in the organization.

On the other hand, leadership is an irreplaceable component of strategic management. Effective leadership requires patience, stable vision, determination, dedication, and permanent pursuit of innovations.³¹ The issue of the correlation between the effectiveness of the management and leadership is and has always been one of the most important problems in theory and practice. Nowadays, practice shows that each manager who cares about the effectiveness of his/her job strives to be a leader. Leadership in Bulgarian economy has been gaining greater significance and scale, and its theoretical application becomes more and more tangible. We can come to the conclusion that contemporary leadership is a key factor for the construction of an effective and sustainable corporate culture.

References

- Armstrong, Michael. *The Miracle Manager*. Burgas: Delfin press Publishing. 1993.
- Baumgartner, Karl. *Unternehmenskultur und Corporate Identity*. Wiesbaden: Gabler Verlag. 1991.
- Borisova, Lalka. *Value management in the trade organization*. Varna: RIS Publishing. 2009.
- Boyatzis, Richard. "Competencies in the 21st century". *Journal of Management Development*, Vol: 27 num 1 (2008): 5-12.
- Cameron, Kim and Quinn, Robert. *Diagnosing and Changing Organizational Culture. Based on the Competing Values Framework*. Sofia: Clasika and Style. 2012.
- Danchova, Mariya. *Problems of contemporary leadership. The new realities in the management. A collection of reports from anniversary international conference*. Varna: Science and Economy Publishing. 2017.
- Dimitrova, Rayna and Vladov, Radoslav. "Competence profiles of people working in the Information and Communication Technologies sector". *Journal Management and sustainable development*, Vol: 64. (2017).
- Filipova, Milena. *Corporate culture and leading style*. Blagoevgrad: University Publishing House "Neofit Rilski". 2015.
- Hickman, Craig and Silva, Michael. *Perfection as a goal*. Sofia: Folk culture Publishing. 1991.
- Kilgus, Ernst. *Strategisches Management*. Bern Stuttgart, Wien: Haupt Verlag. 1994.

³¹ Mariya Danchova, *Problems of contemporary leadership. The new realities in the management. A collection of reports from anniversary international conference* (Varna: Science and Economy Publishing, 2017), 77.

Knecht, H. Management Development. Bern Stuttgart, Wien: Haupt Verlag. 1994.

Schein, Edgar.. Organizational Culture & Leadership [online] <http://tnellen.com/ed/tc/schein.html> [Used 10 /2/2018]. 1997.

Tarrago, Francisco; Marchev, Milcho and Sheremetov, Georgi. Strategic management. Sofia: University Publishing House "Stopanstvo". 1999.

Usheva, Mariana. "The Successful manager of XXI century". Magazine Economy and management Vol: 1 (2010): 33-45.

Yaneva, Dilyana. "The corporate image – a factor for corporate development". Magazine Entrepreneurship, Vol: 7 num 2 (2016).

Yordanova, Elena. "Corporate culture and ethical values". Magazine Dialog, Vol: 4 (2010).

Zahariev, Elenko. Corporate management. Veliko Tarnovo: Abagar Publishing. 1999.

Zlatev, Vasil. Management without borders. Sofia: University Publishing House "Stopanstvo". 1999.

CUADERNOS DE SOFÍA EDITORIAL

Las opiniones, análisis y conclusiones del autor son de su responsabilidad y no necesariamente reflejan el pensamiento de la **Revista Inclusiones**.

La reproducción parcial y/o total de este artículo debe hacerse con permiso de **Revista Inclusiones**.