



REVISTA INCLUSIONES

DESAFÍOS DE LA GESTIÓN EN EL CONTEXTO
DEL GOBIERNO - EMPRESA - EDUCACIÓN
UNIVERSIDAD DE SONORA - MÉXICO

Revista de Humanidades y Ciencias Sociales

Volumen 8 . Número Especial

Enero / Marzo

2021

ISSN 0719-4706

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CORPORATE CULTURE IMPACT ON THE BUSINESS OF AN ENTERPRISE

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Fecha de Recepción: 05 de noviembre de 2020 – **Fecha Revisión:** 10 de noviembre de 2020

Fecha de Aceptación: 17 de diciembre de 2020 – **Fecha de Publicación:** 01 de enero de 2021

Abstract

The phenomenon of corporate culture has been an object of great attention by the part of theory and practices since the 1970s - 1990s and is still particularly actual nowadays. The understanding of corporate culture enables the formation of adequate knowledge and skills by managers that can be applied in practice and contribute to the improvement of efficiency of the management of an enterprise. The main objective of this work is to clarify the essence of corporate culture, to study the connection between corporate culture and the efficiency of an enterprise and to identify the key elements of the efficient corporate culture. The main results expected are identified key elements of the efficient corporate culture that can be used by the managers to improve the business of a company. The main research methods used in the study are content analysis, method of comparison, intuitive and systematic approach, method of analysis and synthesis.

Keywords

Corporate culture – Efficiency – Enterprise – Managers

Para Citar este Artículo:

Filipova, Milena. Corporate culture impact on the business of an enterprise. Revista Inclusiones Vol: 8 num Especial (2021): 128-140.

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Introduction

The occurrence of corporate culture (organizational culture) is related to reviewing the scientific-practical positions regarding the human capital, the role of employees as a main subject of production relations and regarding the system of their management. The objectives and tasks of corporate culture as an inner environment of an enterprise is to establish a sense of compassion in staff and solidarity to the mission and strategy of the enterprise, as a result of which motivation shall be improved and business shall be successful. In other words, corporate culture is studied as a means for the establishment of favourable conditions that would contribute to the improvement of efficiency of the management of an enterprise, and achievement of competitiveness on the market of goods and services.

Corporate Culture

Nowadays, there are many definitions of corporate culture. As with many other concepts of organizational-management subjects, there is no unified interpretation of the concept or organizational or corporate culture. Each author aims at showing their own understanding of that concept. Therefore, we shall study the key definitions of those phenomena. Most of the definitions are focused on the basic universal values, predetermining organizational behaviour. According to Michael Armstrong, “organizational culture is an aggregation of convictions, relations, norms of behaviour and values common for all the associates of a particular organization, determining the people’s interaction and to a great extent influencing the course of performance of the job. Organizational culture can be useful for an organization as it establishes a climate contributing to the increase of productivity of labour and introduction of innovations. But it can also act against the organization, establishing barriers that put an obstacle to the development of a corporate strategy. These barriers are manifested in the absence of contacts and unacceptance of novelties.”¹

Pettigrew studies corporate culture as a “system of the common and collectively perceived meanings, valid for a particular organization as at a particular moment and the source of the symbols, language, ideology, beliefs, rituals and myths” in an enterprise.² Edgar Schein states that “the culture is an aggregate of the common and shared knowledge of a particular group of people that develops its capability of surviving under the circumstances of the surrounding environment and of performing its inner activities. The culture contains solutions of problems of outer and inner nature that were valid in the past and are passed to the new members of that community as an adequate way for perceiving, thinking and feeling such problems.”³

Corporate culture is a “system of shared values (what is important) and apprehensions (how to work), which upon interaction with people, organizational structure and forms of control with an organization establishes particular norms of behaviour (the way we work)”.⁴

¹ M. Armstrong, *Osnovy menedzhmenta. Kak stat luchshim rukovoditelem* (Rostov na Don: Feniks, 1998), 134.

² A. Pettigrew, “On Studying Organizational Cultures”, *Administrative Science Quarterly* Vol: 24 (1979): 575.

³ E. Schein, *Organizational culture and leadership: A dynamic view* (San Francisco: Jossey-Bass, 1985), 9.

⁴ B. Uttal, “The corporate culture Vultures”, *Fortune* Vol: 17 (1987): 67.

Baumgartner reckons that the activity of an enterprise studied as a number and diversity of the processes implemented within it and outside – to the environment, is an expression of its particular, recognized corporate culture.⁵ Paunov states that “the culture is the appraisal component integrated in every human act and inherent to any human perceptions; all the material and spiritual prerequisites and results of such an appraisal are also culture, i.e. everything that makes culture possible and is a product of its.”⁶

M. Usheva defines culture as an “aggregate of sustainable forms of social interaction embodied into the norms and values, the means of communication, often passed from one generation to the next. It is a complex covering knowledge, convictions, art, law, morals, customs and all the other abilities and habits acquired by the man as a member of society. Culture is also a set of values, ideas, subjects of human labour and other significant symbols that help people as members of society interpret and assess the situation.”⁷ The author defends the thesis that “the efficient management and the use of functions of organizational culture for the development of employees depend to a large extent on the managers’ competences. Specific knowledge is required, the extent of compliance of the dominating and group cultural values within the organization matters”.⁸

Other authors define corporate culture as “the unity of traditional, changing, time-defined and (partially) susceptible to influence collective values, norms, potentials of knowledge and experience in an enterprise, that are related to the exercise of emotional undertakings and are expressed multilaterally by predetermining the employees’ behaviour and also, eventually the processes (results) in the enterprise, as well as its appearance”⁹. Within the same sense, although with particular nuances and academic touches, some authors study corporate culture as “a unity of particular norms, values, notions and characteristic way of thinking, expressing the behaviour of employees at all levels and at the same time – the image of a manifestation of an enterprise.”¹⁰ Another point of interest is the idea of corporate culture as a “combination of the positive qualities of honesty, accuracy, initiative, innovation, tolerance, sympathy, enthusiasm and readiness for beneficial cooperation.... it is a complex and dynamic reflection of relations, values, style of behaviour, advantages and notions of a company regarding itself.”¹¹

Based on the representations hereinabove, it can be summarized that corporate culture covers all the recognized rules, values, established traditions, habits and aspirations, formed at the establishment and formation of an enterprise, which are accepted and performed by its members. All its positive capacities form the business ethics of an enterprise and its employees who follow it and prove that in their every-day correct work and contacts with partners, customers and colleagues. Corporate culture, being an active, following particular rules system in modern business, ensures succession, professional interaction, security and development of an enterprise and its personnel.

⁵ K. Baumgartner, *Unternehmenskultur und Corporate Identity* (Wiesbaden: Gabler Verlag, 1991), 641.

⁶ M. Paunov, *Organizacionna kultura* (Sofiya: Universitetsko izdatelstvo Stopanstvo, 2005), 16.

⁷ M. Usheva, *Povedenie na potrebitelya* (Blagoevgrad: Universitetsko izdatelstvo Neofit rilski, 2013), 83.

⁸ M. Usheva, “The successful leader of XXI century”, *Economics and management* Vol: 1 (2010): 37.

⁹ E. Rühli, *Unternehmenskultur. Konzepte und Methoden* (Bern: Haupt Verlag, 1991), 15.

¹⁰ C. Pümpin; M. Kobi and H. Wüthrich, *Unternehmenskultur* (Wiesbaden: Gabler Verlag, 1990), 8.

¹¹ S. Krystev, *Reklama. Ponyatiya, pravila, primeri* (Sofiya: Siela, 2000), 22.

Corporate Culture and Efficiency of an Enterprise

Analysing the research devoted to defining the efficiency of the business of an enterprise, a conclusion can be drawn that it is to be defined on a complex basis – using two blocks of indicators. The first block covers the objective (economic) indicators:¹²

- Effectiveness (performance). This indicator is used to assess whether an organization has achieved the goals set (for example, whether the planned profit was made).
- Productivity. This indicator determines whether the goal has been reached with minimum work losses.
- Profit.
- Profitability. This is an indicator of the profit in the course of the entire commodity turnover from the raw material received and equipment up to the sale of the produced goods.
- Ecologicity. In compliance with the principles of sustainable development, nowadays requirements of environment-friendly technologies are demanded from modern production. Pollution of environment is among the most important indicators of inefficiency of an enterprise.
- Energy capacity. Every production is approximating the maximum efficiency if it consumes minimum energy. The indicator of energy losses in the technological process proves the efficiency of production as a whole.

The second block covers the subjective (psychological, physiological and social-psychological) indicators:¹³

- Contributors' work activity. The work activity influences such indicators as productivity of labour, quality of produced products, etc.
- Satisfaction with work. This is an indicator of the individual's personal attitude to their work and to the members of the group.
- Relative stability of the organization. In every group, a kernel of workers is formed around which the other staff is concentrated. The indicator of stability is related to that of the fluctuation of manpower.
- The harmony within the organization team. This indicator characterizes the psychological climate within the team.

The interinfluence of the objective and subjective indicators of efficiency of the business of an enterprise is proven by the studies of other researchers, too, according to which the work activity of employees depends on:¹⁴

- The balance between the financial and moral stimulation of work, as the orientation to an exclusively financial stimulation of labour does not bring to a significant increase of work activity of employees;
- A presence of an initiative group of people who raise the goals reflecting the contributors' interests and needs, to convincingly prove the need for the innovations they propose;

¹² V. Maslov, *Strategicheskoye upravleniye personalom v usloviyakh effektivnoy organizatsionnoy kultury* (Moskva: Finpress, 2004), 198.

¹³ V. Maslov, *Eticheskkiye normy predprinimateley Rossii. Sovremennyye problemy menedzhmenta i predprinimatelstva* (Moskva: NIB, 2006), 167.

¹⁴ D. Mayster, *Upravleniye firmoy, okazyvayushchey professionalnyye usluzhi* (Moskva: Alpina Pablisher, 2003), 278.

- The age of employees.¹⁵ Young contributors demonstrate greater public activity, while medium-aged workers are distinguished for their greater work activity.

On its part, employees' work activity influences favourably: labour effectiveness and productivity, the social-psychological climate, and the harmonic relations among the members of the work team. The following factors influence the satisfaction with work: labour effectiveness, the sanitary and hygienic conditions of work, the system of work organization, the system of stimulation and the decision-making ways recognized by the organization. The unity of an organization, characterized by power, cohesion, sustenance in interpersonal relations, influences: the productivity of labour, the level of work and public activity, and the fluctuation of manpower.

This way, an entire complex of indicators is established for the assessment of efficiency of the business of an enterprise. Currently, there are many researches devoted to the influence of corporate culture on the said indicators. T. Deal and A. Kennedy use productivity of labour as an indicator of efficiency. They derive the key components of corporate culture directly influencing productivity:

- A strong, uniting corporate philosophy and mission;
- A leader people trust and believe in;
- Open channels for communication and access to higher management;
- Particular attention for people and productivity;
- Particular attention for customers and attendance;
- Presence of ceremonies, rituals and customs, supported by everyone;
- A common emotional uplift affecting work and future;
- A sense of satisfaction related to mastery of performance, the efforts exerted in the common work, and the reward.

The US researcher D. Meister studies the financial success of a company as an indicator of efficiency. He identifies the elements of corporate culture that influence this indicator:

- Self-improvement;
- Delegation;
- Psychological climate within the team;
- High standards understood by him as employees' personal qualities, loyalty, and orientation to high productivity;
- Orientation to long-term goals;
- Just reward;
- Employees' satisfaction.

The US researcher of corporate culture Dennis G. Kravitz establishes a reliable correlation between the indicators of efficiency of the business of a company and the type of corporate culture. Dennis G. Kravitz and J. Thompson relate the decrease of the number of violations of safety technique/number of incidents, the percentage of customers fully satisfied with the quality of products, the number of labour conflicts, the growth of profit and sales to the indicators of efficiency.

¹⁵ Y. Nedelcheva, "Economic Aspects and Characteristics of Age Inequality in the New Reality", *Entrepreneurship* Vol: VI, Issue 2 (2018): 197.

As proven by research, the companies with a flexible structure of production, participative style of management and concise organizational culture have an indisputable advantage as compared to the companies of authoritative management and firm hierarchical organizational structure.¹⁶

The values and goals of a company; the management style; the production structure (flexible or “hardened”); the organizational structure; the communication system; the motivation system; employees’ training; attitude to work; loyalty; system of adaptation of workers; and practice of recruitment and career development of employees are considered by D. Kravitz and J. Thompson one of the most important structural elements of corporate culture.

At the Turin International Educational Centre, where the said problems are studied at a macro level, they came to the conclusion that the efficient business of an enterprise is determined by the following elements of corporate culture: openness to new ideas; maintenance of high professional level of workers; flexible adaptive structure of the enterprise; efficient communication system; de-centralized management system; and orientation to long-term goals.

The researcher of corporate culture S. Blake studies quality as an indicator of efficiency and defines the elements of corporate culture influencing quality:

- Complete and trust-worthy information directed from the upside down, from the downside up and from an employee to an employee;
- A climate of trust between employee and employer;
- Safe and health-friendly conditions of work;
- Just reward, absence of conflicts, satisfaction with work;
- Pride of the organization and trust in future.

Based on the research results stated herein, it can be summarized that there are fundamental structural elements of corporate culture that define the efficiency of the work in an enterprise. It should also be noted that all the elements listed hereinabove have to find their expression in the image of the company.

Key elements of efficient corporate culture

The establishment of the key elements of efficient corporate culture has an important significance for the improvement of efficiency of the management of a company. For the purposes of research, it is necessary to study the key elements of efficient corporate culture, in particular.

Leader. A company can be efficiently managed only by a leader who complies with the culture of the company, with the personnel’s’ social and national specificities, a person who is a master of the habits of situational leadership, able to lead the organization forward to new achievements and improvement.¹⁷

¹⁶ E. Shein, *Organizational culture and leadership: A dynamic view* (San-Francisco: Jossey-Bass, 1985), 34.

¹⁷ M. Usheva, *Pozitivno liderstvo* (Blagoevgrad: Universitetsko izdatelstvo Neofit rilski, 2010), 72.

The management style of the future shall be the participative-cooperative style, at which managers aim at solving problems not instead of their subordinates, but together with them. It is proven that through following people learn new models of behaviour more easily.¹⁸ The manager should become an example, a role model, demonstrating an attitude to work, behaviour, which is to be passed onto their subordinates, too. The manager is to undertake a new role: not a superior who gives orders, but a leader who expires with example.

Nowadays, a managerial competence of crucial importance is the ability to attract the best talents, to develop, motivate, and use them efficiently and to retain them within the organization, as well as to manage them through knowledge and intellectual capital.¹⁹ Another typical characteristic of the manager of future shall be the high degree of social responsibility, not only for the employees and customers of the company, but also for the society, in general.²⁰ A responsible manager should be fully aware of how their decisions, respectively, the business of the company may affect the coming generation's life.²¹

The creative attitude to labour is very important. When revealing one's creative potential, an individual works more efficiently than when put under pressure by the part of the managers.²² In the century of information technologies, the outer environment of the company is changing at a huge speed, and every moment something new occurs. Even a successful company, if closed to new ideas, if not undertaking a minimum risk, shall sooner or later suffer a complete failure.²³ It is obvious that in such a quickly changing environment, only workers who continuously improve their professional level can be competitive.

Training and qualification improvement of personnel are envisaged not only to provide the employees with the required knowledge, but also to develop their professional habits. Training is the most important tool for strengthening a positive attitude to the work and to the organization. In the course of training it is also explained what behaviour the organization expects from its employees and shall be fostered, supported and welcomed. It is very important for training to provide not only the acquisition of professional knowledge needed at the performance of the current job, but also knowledge of functions that shall be needed after several years in compliance with the strategy of the company. Such an approach in training is among the significant conditions for maintaining such a corporate culture, which shall enable the employee feel the stability of their work, feel confident that in a situation of changes they will be demanded by and useful for the company.

Employees of a high professional level and aspiration for self-actualization shall not feel obligated to only perform the orders and directives from superiors. Nowadays, the leading enterprises all over the world broadly use the attraction of a maximum number of employees in making managerial decisions that affect their functions.

¹⁸ M. Filipova, "Analysis and selection of the manager's leadership qualities", Economics and management Vol: XI Issue 1 (2015): 8.

¹⁹ M. Usheva, Upravljenje na talanta (Blagoevgrad: Universitetsko izdatelstvo Neofit rilski, 2010), 53.

²⁰ O. Prokopenko; V. Shkola, M. Domashenko and M. Prokopenko, "Conceptual grounds to form motivational constituent of the international ecological policy", Marketing and Management of Innovation Vol: 4 (2015): 248.

²¹ O. Prokopenko and M. Petrushenko, "Systems-synergetic thinking to the environmental conflicts management at the territorial level", Marketing and Management of Innovations Vol: 1 (2013): 254.

²² T. Persikova, Mezhhkulturnaya kommunikatsiya i korporativnaya kultura (Moskva: Logos, 2009), 123.

²³ R. Yuleva, "The role of human capital for the development of small business", Economics and Management Vol: XVI, Issue: 2 (2019): 73.

Employees take part both in managerial decisions making and in improving the production processes. They bear personal responsibility for the proposed measures, and upon a successful outcome – receive a percentage of profits.

On the one hand, owing to such a system, employees significantly improve their social status, and on the other – they receive a just reward for their work, and all these result in a high level of loyalty by the part of employees. It should be noted that the most recent researches devoted to this issue, state that loyalty is among its most significant elements. Employees' loyalty to the organization can be divided into three major elements:²⁴

- Loyalty to labour functions (satisfaction with one's job and role within the organization);
- Loyalty to the management (employees' satisfaction with their position within the hierarchy);
- Loyalty to the mission (unity of personal and organizational goals).

On its part, the loyalty to labour functions affects indicators such as fluctuation of manpower and productivity of labour. The loyalty to management influences the number of violations of occupational discipline, the creative activity rate, and the loyalty to the mission has an impact on the level of introduced innovations and the level of quality. It can be stated that loyalty as a whole determines the amount of the rate of satisfaction with the organization.²⁵ The presence of loyalty is the most important requirement the employer of nowadays demands from the applicant for a particular vacant job.

The horizontal structure of management. It is evident that one of the key elements of efficient corporate culture is the horizontal structure of management.²⁶ It should be noted that a correctly structured horizontal management structure means also an efficient internal communication system, i.e. lines of direct and reverse links. Apart from the functions for conveyance of information required for the normal work of an enterprise, the internal communication plays also the role of a conductor of corporate culture. In the near future in order to succeed in the turbulent outer environment, the companies shall combine order and chaos as two mutually complementing global systems.²⁷ A key significance for such an organizational interaction shall be played by the self-organizing dynamic subsectors within the company working for the goals and linked by the information flows. Such an organization covers every level, reaching each employee. Apart from that, a similar structure shall have a high adaptivity to the constantly changing conditions of outer environment.

It is to be noted that currently there are many researches devoted to the assessment of the impact of corporate culture on the indicators of the business of a company. It is actually very difficult to assess the economic effect of feelings, emotions, traditions, human values, etc., but, all these directly influence productivity of labour and occupational discipline.

²⁴ A. Pogoradze, *Kultura proizvodstva: sushchnost i faktory razvitiya* (Novosibirsk: Nauka. Sib. Otdeleniye, 1990), 131.

²⁵ Y. Popov, *Sovremennaya ekonomika i sotsiologiya truda* (Moskva: Ekon-Inform, 2003), 212.

²⁶ M. Nedelchev, "Overview of corporate governance in Bulgaria", *Entrepreneurship Vol: V, Issue 2* (2017): 74.

²⁷ M. Shustova, *Optimizatsiya protsessa formirovaniya korporativnoy kultury* (Moskva: ZAO IntelSintez, 2006), 115.

Among the first researches in the field are those of Kotter and Heskett,²⁸ Collins and Porras²⁹, Kaplan and Norton.³⁰ Later on, based on their results, D. Meister studied the interrelation between corporate culture and efficiency of an organization. He succeeds in assessing the “corporate culture-profitability of an enterprise” interconnection.³¹

D. Meister specifies the element of corporate culture that define the financial success of a company: self-improvement; leadership; psychological climate in the team; high standard, which is understood by him as the employees’ personal qualities, loyalty, high productivity; orientation to long-term goals; delegated powers; just reward; employees’ satisfaction. D. Meister connects the listed elements of corporate culture into one whole and identifies their influence on the financial success of a company by proposing the following logic systems: the financial success is a consequence of the quality of production; the quality of production depends on the workers’ satisfaction; workers’ satisfaction depends of the maintenance of high standards, mentorship and delegated powers; high standards result from the availability of systems of just reward, enthusiasm and involvement of employees; mentorship is a consequence of the orientation to long-term goals, interest and enthusiasm of employees; delegation is a result from the orientation to long-term goals.

A shortcoming of his work is that he does not take into account the way training and development affect financial results, as well as the fact that within his methodology D. Meister considers that a change is possible of only one of the elements of corporate culture (improvement of psychological climate, introduction of just reward, orientation to long-term goals and improvement of employees’ professional level), but upon transformations of corporate culture, changes of all the said elements are possible, too. However, in general, D. Meister provides an adequately complete picture of the influence of corporate culture on the financial success of a company.

For 15 years, professor Denison of Switzerland has studied the dependency between the corporate culture and efficiency after the example of more than 100 companies. According to Denison model, corporate culture is characterized by four interrelated parameters – involvement, consistency, adaptability and mission of a company. Each of them has its elements. This way, the mission defines the strategy, goals and tasks, as well as the image of the company. The consistency defines the co-ordination and integration, the agreement and core values. The involvement secures the orientation of the team, the development of capability, the empowerment. The adaptability influences the change, orientation to the customers and organizational learning.

According to Denison model, corporate culture can be depicted as a circle. A horizontal line separates the organizational parameters into an internal and external focus. The involvement and consistency define the internal processes within the organization, and the adaptivity and mission – the external ones. The vertical section of the circle draws the line between the flexible organization and the stable one. The involvement and adaptability define the organizational flexibility and aptitude for changes. And the consistency and mission define the ability of an organization to keep steady and manageable.

²⁸ K. Kameron and R. Kuinn, *Diagnostika i izmeneniye organizatsionnoy kultury* (Sankt-Peterburg: Piter, 2005), 158.

²⁹ R. Ryuttinger, *Kultura predprinimatelstva* (Moskva: EKOM, 1992), 120.

³⁰ A. Radugin and K. Radugin, *Vvedeniye v menedzhment: sotsiologiya organizatsiy i upravleniya* (Voronezh: Vysshaya shkola predprinimateley, 2005), 195.

³¹ D. Mayster, *Upravleniye firmoy, okazyvayushchey professionalnyye usluzhi* (Moskva: Alpina Pablisher, 2003), 278.

The mission and consistency influence largely the financial indicators, such as ROA (return on assets), ROS (return on sales), ROI (return on investments). An index of mission and consistency at a value of 3 to 4 usually indicates a high level of return on investments, assets, and sales, as well as the operational power of the organization. The consistency and involvement (internal focus) influence the quality, employees' satisfaction and the return on investment. The indices of the given parameters at values 3 to 4 is an evidence of a high quality of the product, smaller percentage of rejects and remaking, appropriate allocation of resources and a higher level of employees' satisfaction.

The involvement and adaptability influence the development of products and innovations.³² An index of such parameters of 3 to 4 points means a high level of innovations in the production and services, creativity, fast response to the changing desires and needs both of the customers and of the employees. The adaptability and mission (external focus) influence the revenue, sales growth and increase of the market share.³³

Dennison model shows in adequate completeness the interrelation between corporate culture and economic efficiency of the business of a company, as in order to measure efficiency it uses a broad spectrum of core indicators of the business of an enterprise, such as transfer of assets, investments, sales, quality of production, satisfaction of workers, innovative level of production and attendance, creativity, fast response to the changing desires of customers and own employees, growth of sales and increase of the market share. According to this model, efficiency is determined by elements of corporate structure such as strategy, goals and tasks, core values, orientation to the team, development of capabilities, delegation, organizational learning. In other words, Denison model in most of the cases collates the results of the studies of D. Kravitz, J. Thompson and D. Meister, and therefore it is a more precise instrument for measuring the influence of corporate culture on the efficiency of the business of an enterprise.

For the researchers of corporate culture, the most difficult thing is to find evidence of the way the efficient corporate culture shall bring to the increase of the economic indicators. The lack of well-defined methodologies for calculating the efficiency of the proposed measures and the expenses for their implementation is the factor that renders difficult the intentional formation of corporate culture and the understanding that at the same level of quality achieved, the cost of manpower, equipment, materials, energy, etc., may differ significantly. In the end, the level of such expenses shall characterize the efficiency of production.

Based on the representations hereinabove, it can be summarized that elements of corporate culture such as efficient leadership, horizontal system of management, loyalty and flexible structure affect the indicators of the business of an enterprise, such as quality of production, growth of sales, fluctuation of manpower, productivity of labour, and number of violations of occupational discipline. For the appraisal of corporate culture, the following indicators can also be used – creative activity ratio, level of introduced innovations, ratio of satisfaction with the organization, employees' qualification ratio, professional competence ratio, and responsibility ratio.

³² O. Prokopenko, "The motivational mechanism of innovative development: components and the condition of its market structure", *Marketing and Management of Innovations Vol: 1* (2011): 169.

³³ E. Smirnov, *Osnovy teorii organizatsii* (Moskva: YUNITI, 2000), 235.

Conclusion

Based on the studies analysed hereinabove of the corporate culture influence on the business of an enterprise, the following substantial conclusions can be drawn.

Corporate culture cannot be considered a constant system of rules and norms, as it is a flexible and dynamic mechanism of continuously changing elements, as a consequence of the impact of multiple and diverse factors. Corporate culture is individual and unique in every enterprise. It is the key to success of every organization. Through it, conditions are created for stimulation of initiative and development of employees' competences. Corporate culture may stimulate work activity (make it efficient) or oppress it.

Distinctive features of the efficient corporate culture are employees' high educational level, motivation for success, just reward of work, and creation of conditions for a continuous improvement and professional growth of employees, efficient management and horizontal system of management, a well-developed system of social defence of workers and their families, openness to new ideas, high adaptivity, orientation to long-term goals and enhanced creative potential.

The main criteria with the use of which the efficiency of corporate culture can be appraised, are: readiness to take risks, adaptability, attitude to novelty, desire to improve professional level, degree of involvement in managerial decision making, social responsibility, relations within the team, the type of motivation and control and leadership. These indicators are unified and can be used for the assessment of corporate culture in every enterprise, their different values shall determine one grade of efficiency or another.

Based on the new approaches to defining the efficiency of the business of an enterprise, two blocks of indicators of efficiency can be identified – economic (productivity, profit, profitability, energy capacity, ecologicity) and social-psychological (labour activity, satisfaction with the labour activity, stability of the organization, consistency). The efficiency of the business of an enterprise within the context of the impact of corporate culture, can be assessed on its part, by using the following indicators – level of quality of production, sales growth, fluctuation of manpower, productivity of labour, number of violations of occupational discipline, coefficient of creative activity, coefficient of introduced innovations, introduced knowledge and habits, satisfaction with the organization, as well as the coefficient of competence, responsibility and qualification.

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