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The evolution of corporate culture in the social and economic transformation

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Abstract

The aim of the study is to investigate the evolution of corporate culture in the process of social and economic transformation of modern Russian business organization. The results of the research aimed at identifying the main motivating and limiting factors of employees at the Russian enterprise Electroshield Samara in the organization of

labor. Based on sociological research methods, such as observation, survey, questionnaire, and focus groups, the manuscript presents conclusions about the competent use of corporate culture mechanisms in order to increase staff motivation in work processes.

Keywords: Corporate culture, program, customer, organizations.

La evolución de la cultura corporativa en la transformación social y económica

Resumen

El objetivo del estudio es investigar la evolución de la cultura corporativa en el proceso de transformación social y económica de la organización empresarial rusa moderna. Los resultados de la investigación tenían como objetivo identificar los principales factores motivadores y limitantes de los empleados de la empresa rusa Electroshield Samara en la organización del trabajo. Basado en métodos de investigación sociológica, como observación, encuesta, cuestionario y grupos de enfoque, el manuscrito presenta conclusiones sobre el uso competente de los mecanismos de cultura corporativa para aumentar la motivación del personal en los procesos de trabajo.

Palabras clave: cultura corporativa, programa, cliente, organizaciones.

1. INTRODUCTION

Our society is developing, and innovation processes penetrate all aspects of its life. Technological as well as social innovations are being introduced into production processes. Such changes often lead to the ambiguous consequences of the collision of new socio-industrial and socio-economic models with the cultural standards

that are typical of most Russian business organizations. In this regard, any sociocultural innovations carried out at the level of individual organizations should be under the scrutiny of supervisors, particularly where the problems of interaction between the management of a business organization and its team and creating a favorable working atmosphere are concerned. Corporate culture is a set of behavior models that an organization acquires in the process of adaptation to the external environment and internal integration.

These models have shown their effectiveness and the majority of the organization's members share them. One of the main functions of corporate culture is to ensure the sustainability of an organization's social interactions with its internal and external clients in the context of organizational transformations. The essential tool for introducing corporate culture is the corporate program that provides effective social interactions between the organization's management and its employees by clearly identifying the stages of corporate culture and publicly declaring the company's goals, consistent organizational principles, values, and leadership mechanisms.

The study of corporate culture as a factor in the formation of a client-oriented approach in business organizations is especially important with respect to the social and economic transformation of a modern Russian business organization. Based on empirical research,

the direct analysis of existing practices of corporate culture implementation has been carried out using the example of Electroshield Samara, which is part of the international corporation, Schneider Electric. As a result of the transformation of the corporate culture of a Russian organization: from the formation of loyalty to the new system of motivation, the manuscript discusses the results of copyright, as well as secondary empirical research, which analyzed the dynamics of changes in the level of loyalty of Russian company employees to the company as a whole, as well as the level of plant personnel involvement in workflows.

The main motivating and constraining factors affecting the efficiency of work, where the company's employees and their supervisors act as subjects, objects, and translators of the company's corporate culture, were also identified. The purpose is to analyze the social aspects of the process of adaptation of Russian business organizations to the introduction of Western models of corporate culture, identifying contradictions and prospects for this process.

2. LITERATURE REVIEW

Weber (2000) is considered the pioneer in the study of corporatism, and his work on the formation of corporate culture and his model of rational organization of labor have since been extensively utilized in both research and practice. A significant

contribution to the study of corporate culture and the socio-psychological atmosphere of the organization was also made by sociologists Mastenbrook (1996), Simmel (2000), and Santalainen (2002), among others. Vikhanskiy and Naumov (2004), in their study on the role of corporate culture, described the management paradigm of the 21st century, according to which, in order to remain competitive, businesses must possess qualities such as capacity for personal development, ability to transform, a single vision, and desire for continuous learning. In their study of corporate culture.

These authors relied on the ideas of other renowned Russian researchers, including Radaev (2000), Shcherbina (2000), Spivak (2000), Zdravomyslov (2003), Bazarov (2004), Kapitonov (2005), Toshchenko (2005), and Zarubina (2010), as well as findings reported by foreign scientists, such as Myers (2002), Schein (2002), and others, who studied the development of corporate culture as an integral element of business organization development. However, the problems stemming from the contradictory interaction of Western models of corporate culture and Russian social and administrative traditions have not been adequately explored to date. In particular, the level of loyalty and employee involvement in work processes has never been studied and there is the paucity of research on the role of internal communications in the process of forming a corporate culture. These shortcomings have motivated the current investigation.

3. MATERIALS AND METHODS

In this case study, a survey was conducted in order to assess the level of awareness among the employees of Electroschild Samara of the implementation of Schneider is on the corporate program and its necessity in the enterprise. The study included two data collection phases, conducted in October–November 2016 (n = 361), and April–May 2017 (n = 361). Targeted sample. Focus groups were conducted in 2016 with 12 employees of the enterprise aged from 18 to 35 years old, as well as 12 staff members aged from 35 to 50 years old, as a part of which they were encouraged to discuss their attitudes to Schneider is On corporate program and its influence on the level of efficiency and customer focus. Targeted sample. Secondary analysis of sociological research was performed on the data gathered via a corporate online survey on corporate culture, in which all interested employees of Electroschild Samara.

4. RESULTS

Corporate program is the primary tool for introducing and developing a corporate culture. It is usually accompanied by a regulatory document in which the value base to achieve effective results of the collective of the organization is delineated, and ways to increase its level of customer focus are described. The essential socio-economic function of the corporate program is to ensure

adequate social interactions between the management of the organization and its employees by highlighting the stages of corporate culture formation, publicly declaring the company's goals, non-contradictory organizational principles, and leadership mechanisms.

The functional role of the corporate program, according to the authors, is exceptionally actualized in the process of organizational transformations and the introduction of new models of corporate culture instead of old ones. The main priority of any corporate culture is employee involvement in work processes and loyalty to the company, where employees are perceived by management as internal customers. Thus, Electroschild Samara management has introduced a corporate program in order to increase the level of involvement and awareness of staff, thereby forming stronger organizational identity among the employees.

Analysis of the survey, the purpose of which is to determine whether the company's employees are aware of the current corporate program, and to identify the main motivating and constraining factors affecting the efficiency of work, showed the following: In a survey on the problem of employee awareness of the current corporate program, its goals, corporate values, and initiatives, it was revealed that 60% of engineering employees are aware of the current corporate program Schneider is On. This figure is two times higher than that of other workers (30%) (Fig. 1).

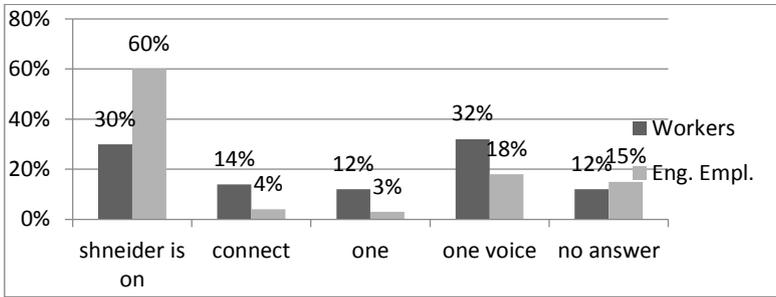


Fig. 1: Employee awareness of the name of the corporate program (n= 361people)

36% of workers are aware of the company's corporate values, which is 2% less than engineering employees (38%). 32% of workers have information about corporate program initiatives, which is 1.5 times less than engineering employees (48%). 24% of workers are aware of the main goal of the corporate program, while 64% of engineering employees know about it. On the one hand, this is attributable to the fact that the plant management staff has more sources for obtaining information, because they have access to the Internet and electronic resources of the company, through which the communication process takes place in the enterprise.

On the other hand, the field of activity and education of employees, as well as their attitude to life in general, plays an essential role in the adoption of innovations. Also one of the essential aspects is the interaction with the immediate supervisor, who is the conductor of relevant information. In order to identify negative (constraining) and positive (motivating) factors that influence the

process of assimilation by employees of a new model of corporate culture, focus groups were conducted at the studied enterprise. Their results are shown in Fig. 2.

Fig. 2: Restraining and motivating factors in the process of adaptation of corporate culture to the requirements of Russian business practice

<p style="text-align: center;">Constraints</p> <ul style="list-style-type: none"> - Post-Soviet traditions of weak identification with the enterprise; - Linguistic and educational barriers; - The predominance in the organization of from top downward information channels; - Lack of support from the supervisor; - Team-building activities are not for everyone; - Lack of a shared internal social network. 	<p style="text-align: center;">Peculiarities of the old corporate culture</p> <ul style="list-style-type: none"> - Lack of customer focus; - Difficulties in obtaining information; - Lack of rules for business communication; - Everyone defends their interests (both at the level of employees and departments).
<p style="text-align: center;">Motivators</p> <ul style="list-style-type: none"> - The prestige of work in a large modern corporation; - Promotion of development and self-education of employees; <ul style="list-style-type: none"> - Correct broadcasting of information; - Support from the supervisor; - Team-building activities, corporate events; - Use of the internal social network. 	<p style="text-align: center;">Peculiarities of the new corporate culture</p> <ul style="list-style-type: none"> - Customer orientation; - The openness of information; <ul style="list-style-type: none"> - The openness of communication; - Mutual aid; - Distribution of responsibility between departments.

As a result of this study, it was found that the lack of a global corporate social network (CSN) and insufficient interaction with

colleagues and company management are an essential restraining factor in internalizing the standards of a new corporate culture. A sociological survey showed that the popularity of CSN has grown among both workers and engineering employees; CSN user activity has also increased. CSN not only allows for improving production processes but also for increasing the level of identification of workers with the enterprise. More than 40% of the respondents are workers, and two-thirds of engineering employees indicated the need to use the corporate network in their work. 39% of workers and 49% of engineering employees have a desire to interact with other services of the enterprise. 40% of workers and 65% of engineering employees want to use CSN; 23 % of workers and 1% of engineering employees do not need it (Fig. 3). Thus, most workers would like to use CSN.

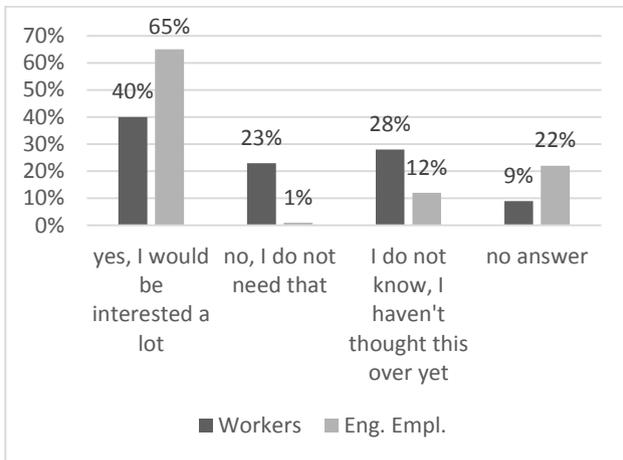


Fig. 3: The need for a corporate social network (n= 361people)

Analysis of the use of information networks in the enterprise under study allowed for fixing the growth of indicators of engagement and loyalty after implementing CSN. Thus, the employee engagement rate on the Collaboration parameter after the introduction of CSN increased from 34% to 62%. In addition, empirical data demonstrated the following: CSN stimulate the expansion of the horizon of organizational identity and involve employees in informal communication with foreign employees of the parent company: based on a 2017 survey, 40% of workers and 65% of engineering employees expressed a desire to become part of the global Schneider Electric team. The results of the introduction of modern corporate culture in Russian business organizations highlight the stages of transformation of corporate culture, the difficulties of this process, as well as ways to optimize it (Matandare, 2018).

5. DISCUSSION

The study revealed effective ways to introduce corporate culture in Russian companies. Unusual for this study are the features of the Russian and Western management systems and their comparison, analyzing the features of their similarities and differences, an innovative approach to the definition of the corporate culture. In support of the identified features of enterprise development strategies, the sociologist Gakushuin (Tokyo), who

significantly contributed to the study and analysis of the Japanese model of social management involving care for employees and their families, which is an inherent part of the corporate culture. Aside from that, the modern sociologist Shchukina (2008), complementing the idea of taking care of, motivating, and encouraging employees, emphasizes the unique role of such an aspect of corporate culture as the regulation of conflict situations. Conflict resolution tools are also relevant to ensuring employee loyalty and increasing their ability to work while achieving effective results.

Mozolin (2012), a Russian scientist, in his research, considered the formation of the corporate culture of an industrial enterprise, which allows for analyzing the existing corporate culture of large domestic companies and industrial enterprises, to determine the stage of their development, the most effective social mechanisms contributing to the improvement of their economic efficiency. Modern scientific research Bowen (2013) showed that only one-third of organizational changes are useful. Thus, the implementation of organizational change (transformation) is a complex process that requires a professional approach. However, the author of scientific works devoted to the national peculiarities of corporate cultures of Hofstede should be singled out (Hofstede, 1991). His approach is recognized as one of the most effective for analyzing the cultures of individual countries and predicting the business interaction of their representatives. The approach also

allows for comparing the corporate cultures of enterprises in Russia and other countries. The study showed that there are relevant tools, which allow for implementing the strategic directions of the organization's development. Corporate culture is one of these tools (Sulistyaningsih et al., 2019; Ajallooeian et al, 2015).

6. CONCLUSIONS

Based on the analysis of the problems of introducing western corporate culture into the process of transformation of Russian business organizations, it is advisable to formulate some practical recommendations. The presented methodology - the introduction of a corporate program, which was reviewed at the enterprise to increase the level of involvement and customer focus at the integration stage, taking into account Russian realities - turned out to be useful for Electroshield Samara, which is part of Schneider Electric. The developed survey system.

In addition to the OneVoice survey existing at the enterprise, allowed us to more fully and adequately assess the level of loyalty, involvement and customer focus of employees of Electroshield Samara. This was manifested in the possibility of establishing clear reasons for the existing constraining and motivating factors. The constraints are the lack of awareness of employees about the

company's projects, and the motivating ones are various initiatives aimed at self-development.

In accordance with these findings, the following recommendations were made: for managers of large international enterprises and corporations in the Russian market, as well as for representatives of foreign top management at Russian enterprises: adaptation of global corporate programs for employees of domestic production sites in order to use them correctly in Russian realities to optimize many work processes. Due to the competent construction of the corporate program, which is the basis of the corporate culture of the organization, one can create an effective mechanism that guides the activities of each employee of the company to achieve the desired result. For Electroshield Samara, the anticipated result is the desire to become the most customer-oriented company, to be the absolute leader in the market.

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