PHILOSOPHY OF ECONOMICS AND MANAGEMENT

MANAGING ORGANIZATIONAL CULTURE AS A FACTOR IN ORGANIZATIONAL CHANGE

© ANDRIUKAITIENE, REGINA
Marijampole college (Marijampole, Lithuania)
E-mail: regina.andriukaitiene@gmail.com, ORCID: 0000-0002-0691-7333

CHEREP, A. V.
Zaporizhzhya national University (Zaporizhzhia, Ukraine)
E-mail: cherep.av.znu@gmail.com, ORCID: 0000-0001-5253-7481

© VORONKOVA, V. H.
Engineering institute of Zaporizhzhya national University (Zaporizhzhia, Ukraine)
E-mail: valentinavoronkova236@gmail.com, ORCID: 0000-0002-0719-1546

© PUNCHENKO, O. P.
Odessa National Academy of Telecommunication named after A.S. Popov (Odessa, Ukraine)
E-mail: olegpetr02@rambler.ru, ORCID: 0000-0003-2694-6841

© KYVLIUK, O. P.
National Pedagogical University named after M. P. Drahomanov (Kiev, Ukraine)
E-mail: panyolga@ukr.net, ORCID: 0000-0002-7900-9299

Abstract. The relevance of the research is manifested in the fact that organizational culture is an important and penetrating everywhere concept with regards to influence on organizational change programmes. Literature analysis shows that there is ambiguity in the assessment of organizational culture. A certain outcome of a cultural variable may have not the same effect on all organizational processes associated with management activity. (O'Donnell and Boyle, 2008). According to Melnick (2008), in order to gain a deeper understanding of the processes of management and management culture changes hapenning in the modern world, it is appropriate to evaluate contemporary management practices that reflect the effects of historically composed life modes and stereotypes that manifest themselves in management activities. **The research aim:** to discuss the factors and stages forming organizational culture development. **Analysis of recent research and publications.** Organizational culture is analyzed in various contexts. Organizational culture models and their components have been defined by Schein (2010; 2000), Ostroff et al., (2003) et al., the significance of organizational culture is analyzed (Zain et al., 2012; Owoyemi and Ekwoaba (2014); McLoughlin and Miura (2018); Di Pietro and Di Virgilio (2013) et al. The issues of

forming/changing organizational culture remain of topical significance. Researches on this topic were carried out and the summarized results were submitted in their scientific papers by Bititci et al (2004); Gibbons and Kaplan (2015), Mungiu-Pupăzan (2016); Hogan et al (2014) et al. In the study Hogan et al(2014) a key result is how layers of organizational culture, particularly norms, artifacts, and innovative behaviors, partially mediate the effects of values that support innovation on measures of firm performance. **The objectives of the research:** to define the organizational culture components and importance for the results of organizational performance; to identify the main factors of business culture that influence the results of the performance; to discuss the stages of implementation of the organizational culture development management plan. **Research methodology.** To achieve the goal, scientific literature analysis and synthesis methods are used

Keywords: organizational culture, factors, organizational culture development stages, organizational culture development process.

Analysis of recent research and publications

Organization's culture it is a culture deliberately created by the management, which can be distinctive, different from the culture of other similar organizations. As a linking chain, it combines the efforts of all employees to achieve common goals of the organization based on the spiritual, emotional, and cultural values of the humans (evaluating the benefits of deliberately created culture, organizational culture is an artificially created culture for achieving certain goals). Organizational culture is shared, is socially constructed, is transmitted across organizational generations, and contains multiple layers [20, 15]. Zakarevicius (2004) suggests the use of the concept of managerial culture, because such a culture is in fact the result of organizational management efforts. According to O'Donnell and Boyle (2008) organisational culture, then, is made up of more 'superficial' aspects such as patterns of behaviour and observable symbols and ceremonies, and deeper seated and underlying values, assumptions and beliefs. Some proponents argue that organisational culture can be changed by focusing on the more visible aspects such as rites and rituals, as these help shape behaviour. However, others argue that this is a misunderstanding of culture and that the 'deeper' aspects of culture such as beliefs and feelings must be taken into account when considering organisational culture and potential changes to culture. Organizational culture consists of values, beliefs and norms that influence the behavior of people. Corporate culture is a system of socially constructed reality of various of thought members when they are in these structures, which can be awakened naturally and supported by organizations rules, organization culture is related to employees commitment to organization [18]. Implementation and consolidation of organizational culture changes are achieved when the desired organizational culture norms are introduced into management systems and become part of the system of employee selection and evaluation criteria, a reward system. The principles of received evaluation and

encouragement better than any words indicate what is truly appreciated in the organization. All organizational culture enhancement actions must be reasonably planned and coordinated, the effectiveness of the measures taken is evaluated. Owoyemi et al. (2014) claims that Strong organisational culture is quite ambiguous, although it seems positive, it can also lead to closure of mind and restriction an d reduction of autonomy. Strong culture is a two edged sword, that can cut both the management and the employees. In other words, the issue of strong culture being encouraged should be based on it either been an asset or liability. If it would lead to productivity and increase in performance, it should be encouraged, but if other wise, other means of achieving performance should be employed. If not there will be undesirable outcomes of job dissatisfaction, lack of commitment, absenteeism, low productivity and labour turnover, all of which will affect the success of the organisation. Organisational culture is a significant predictor of organizational performance as a and satisfied employee will return to work and the methods and techniques used in human resource management.individuals who work in an organization influence and contribute to shaping and changing organizational culture by values, beliefs and habits learned in the family, educational and social, all these environments are influenced by the national dimension of the space in which a person lives and operates [12].

The factors and stages forming organizational culture development

Empirical research has shown that corporate culture can have a statically significant impact on the "bottom line" of financial results and that it can have a profound impact on corporate success. Some organizations which correctly recognize the culture is important tend to create their own culture value statement based upon their view of what is important. Although this seems reasonable on the surface, empirical research has identified five key factors or dimensions of corporate culture which are statistically linked to financial results and therefore must be included in formal culture statements and explicitly managed [4,7,8] Organizational culture has a decisive influence on employee behavior and achievement of results. It is found that organizations with strong organizational culture achieve 20-30% better business results [16]. These five dimensions are in Table 1.

It is well recognized that one of the critical problems facing organizations is to be able to assess overall organizational performance in "real time" so that decisions can be made and actions taken to correct emerging problems. This issue is critical both to management and boards of directors of publicly traded companies as well as to management and owners of privately held companies. Flamholtz (2009) created an organizational effectiveness model that identifies the six key drivers of organizational success and financial

Managing organizational culture as a factor in organizational change

performance; a series of empirical research studies that support the validity of this model; and a set of measurement tools which can be used by management and boards of directors as virtual "real time" tools to assess the direction of future performance. In addition, this framework and tool set has also been applied in a significant number of companies of varying sizes, and in different industries. Accoding to Flamholtz (2015), the research has shown that Corporate Culture is one of the six key factors in the Pyramid of Organizational Development, which, over the long term, contribute to organizational success, and besides, corporate culture can also have a statistically significant effect on financial results.

Table 1. Factor or dimensions of corporate culture [16]

	Factor	Content
1	Customer-Client Orientation	the way the organization thinks about and treats its customers.
2	People Orientation" or Orientation Toward Employees	the way the organization thinks about and treats its people.
3	Standards of Performance and Accountability	the organization's standards for performance and what people are held accountable for
4	Innovation and Commitment to Change	how the company views, reacts to, and manages innovation and change
5	Company Process Orientation	the view that people in the company have of such processes as planning, decision making, communication, and what we term "corporate citizenship" or "social responsibility."

Figure 1. Components of Pyramid of Organizational Development [5]

Acoording to Flamholtz (2009), there are distinguished these components of Pyramid of Organizational Development (Figure 1)

Markets. Clearly identifying the customer that the company wants to serve and developing systems that allow the company to track customer needs, developing a market niche: a place in the marketplace where the company has a sustainable competitive advantage.

Products/services. Developing products and/or services to meet the needs of the customers that the company wishes to serve, Resources Acquiring and effectively managing the resources – human, technological, physical, and financial – needed to support the long-and short-term development of the company

Operational systems Developing. Implementing, and successfully managing the systems needed to support the company's day-to-day operations (e.g., information systems, accounting, human resources management, communication, production, sales, marketing, etc.)

Resources management. This component includes human, financial, material and mental resources. It is relevant to evaluate and use human, financial, material and mental resources in a targeted and rational manner.

Management systems. Developing, implementing, and successfully managing the systems needed to support the company's long-term development (planning, performance management, organizational structure, and management development)

Corporate culture. Having a well-defined and communicated corporate culture and having systems in place to promote behavior consistent with the values, beliefs, and norms of the company (which support the achievement of the company's long-term goals).

Accoding to Pulakos (2004), many factors will impact the effectiveness of an organization's performance management system, but three are most important. First, the system needs to be aligned with and support the organization's direction and critical success factors. Second, well-developed, efficiently administered tools and processes are needed to make the system userfriendly and well received by organizational members. Third, and most important, is that both managers and employees must use the system in a manner that brings visible, value-added benefits in the areas of performance planning, performance development, feedback and achieving results. According to O'Donnell and Boyle (2008) the organization's cultural change programme must include these key factors: creating a receptive climate for change; top leadership drive - coherent and cohesive requiring an articulate; new avenues for articulating problems; reinforcing structural change and rewards; use of role models; deep socialisation, training and development; new communication mechanisms to transmit new values and beliefs; integrated selection

Managing organizational culture as a factor in organizational change

criteria and removal of deviants; luck, persistence and patience. Flamholtz (2015) has developed a Model for the Excellence of Culture Management which includes six steps necessary for the processes of business enterprise cultural management. Management Systems' Six Step Culture Management development Process is shown and briefly explained below (see Figure 2)

Figure 2. Develop culture mangement process [5]

The first stage defines the desired management culture**.** Define the "desired culture," that is, the culture that will most effectively support the achievement of long-term goals. This statement of desired culture is typically created by the senior leadership team. In the second stage **i**dentify the Current Culture, that is, the culture that is actually influencing employee behavior (which may or may not be totally consistent with the organization's desired culture). This step involves collecting input from employees throughout the company about their perceptions of the current culture. In the third stage identify and analyze "gaps" between desired and current cultures. In the fourth stage it is important to foresee the directions of management culture development and develop a Develop culture mangement Plan that identifies objectives and goals for 1) closing the gaps identified in stage 3; and 2 building upon culture "strengths". The fifth stage intends to communicate the Develop Culture Mangement Plan throughout the company. This can include setting and holding managers and, perhaps, all employees accountable for culture management goals. In the sixth stage it is important to regularly review the performance against the plan and update, as needed. In brief, progress against this plan – like the company's Strategic Plan – should be reviewed and the plan should be formally updated once a quarter. The management system culture studies are used to perform the first, second and third stages, and the

data obtained from these surveys can be used for the implementation of the fourth stage activities - the Develop Culture Mangement Plan is created. The model provides feedback to ensure the implementation of the plan which is supported by regular monitoring of the actions, and if deficiencies or impediments are identified, the improvement measures are included in the strategic action plan. In order to change the culture of the organization, it is necessary to pay attention to the fact that each organizational culture is unique and characterized solely by its intrinsic features and in spite of the fact which model is chosen, the strengthening of organizational culture is a long-term process. Strengthening of organizational culture obeys the general laws of change management when the current situation is assessed, teams of change are developed, goals and action plan are set and progress evaluated.

Conclusion:

1. Organizational culture is a system of socially constructe reality of various of thought members when they are in these structures, which can be awakened naturally and supported by organizations rules. Managerial practice shows that organizations resist change by force rules, habits and rigidity structures, leading to a strong retardation to new market conditions. Managerial values with a remarkable impact on the evolution of the company, are favored company mission formalized in various statements that are communicated and displayed throughout the organization, to give new impetus, a new effort targeting all employees.

2. The following main factors related to financial and non-financial indicators are distinguished: customer orientation, employee orientation, application of activity and accountability standards, innovation and commitment to change, orientation of the process of the company. The development of organizational culture involves the stages of organizational culture self-evaluation and the preparation and implementation of a new plan for of organizational culture management.

3. The development of organizational culture is an endless process, the success of which depends on the feedback quality and made decisions based on rationality and application of measures. Actions for enhancing organizational culture must be reasonably planned and coordinated, and the effectiveness of the measures taken must be evaluated.

REFERENCES

1. Bititci, U. S., Mendibil, K., Nudurupati, S., Turner, T., Garengo, P. (2004). The interplay between performance measurement, organizational culture and management styles. Measuring Business Excellence, 8 (3), 28–41. doi: https://doi.org/10.1108/13683040410555591

2. Di Pietro, L., Di Virgilio, F. (2013). The Role of Organizational Culture on Informal Conflict Management. International Journal of Public Administration, 36 (13), 910–921. doi: https://doi.org/10.1080/01900692.2012.701150

Managing organizational culture as a factor in organizational change

3. Gibbons, R., Kaplan, R. S. (2015). Formal Measures in Informal Management: Can a Balanced Scorecard Change a Culture? American Economic Review, 105 (5), 447–451. doi: https://doi.org/10.1257/aer.p20151073

4. Flamholtz, E. G. (2009). Towards using organizational measurements to assess corporate performance. Journal of Human Resource Costing & Accounting, 13 (2), 105–117. doi: https://doi.org/10.1108/14013380910968629

5. Flamholtz, E. G. (2015). Six Steps for Effective Culture Management. Available at: https://www.mgtsystems.com/content/six-steps-effective-culture-management

6. Flamholtz, E., Randle, Y. (2011). Corporate Culture: The Ultimate Strategic Asset. Stanford University Press, 264.

7. Flamholtz, E. (2001). Corporate culture and the bottom line. European Management Journal, 19 (3), 268–275. doi: https://doi.org/10.1016/s0263-2373(01)00023-8

8. Flamholtz, E., Kannan-Narasimhan, R. (2005). Differential Impact of Cultural Elements on Financial Performance. European Management Journal, 23 (1), 50–64. doi: https://doi.org/10.1016/j.emj.2004.12.009

9. Hogan, S. J., Coote, L. V. (2014). Organizational culture, innovation, and performance: A test of Schein's model. Journal of Business Research, 67 (8), 1609–1621. doi: https://doi.org/10.1016/j.jbusres.2013.09.007

10. McLoughlin, C., Miura, T. (2018). True Kaizen. Management's Role in Improving Work Climate and Culture. Taylor & Francis Group, LLC CRC Press is an imprint of Taylor & Francis Group, an Informa business, 213.

11. Melnikas, B. (2008). Management Culture in the Context of Globalisation and European Integration: Historical Background. Public Administration and Management Culture in View of Globalisation: New Challenges, 2 (18), 6–17.

12. Mungiu-Pupăzan, M. C. (2016). The Role of Organizational Culture in Organization Management. Annals of the „Constantin Brâncuşi" University of Târgu Jiu, Economy Series, II.

13. O'Donnell, O., Boyle, R. (2008). Understanding and Managin Organisational Culture. Dublin, Ireland : Institute of Public Administration, 95.

14. Owoyemi, O., Ekwoaba, J. (2014). Organisational Culture: A Tool for Management for Management Control, Motivate and Performance Enhancement. American Journal of Business and Management, 3 (3). doi: https://doi.org/10.11634/216796061403514

15. Ostroff, C., Kinicki, A. J., Tamkins, M. M. (2003). Organizational climate and culture. Handbook of psychology: Industrial and organizational psychology, John Wiley & Sons, 565–593.

16. Palivonienė, D., Mažeikienė, J. (2015). Organizacijos kultūra: mes ją valdome ar ji valdo mus? (I). Verslo žinios. Available at: https://www.vz.lt/archive/article/2013/9/17/organizacijos-kultura-mes-ja-valdome-ar-ji-valdo-mus-i#ixzz5Y05ALR8m

17. Pulakos, E. D. (2004). Performance Management A roadmap for developing, implementing and evaluating performance management systems. SHRM Foundation. United States of America, 44.

18. Ramdhani, A., Muhammad Ali Ramdhani, M. A., Ainisyifa, H. (2017). Model Conceptual Framework of Corporate Culture Influenced on Employees Commitment to Organization. International Business Management, 11 (3), 826–830.

19. Schein, E. H. (2010). Organizational Culture and Leadership. San Fransisco: Jossey-Bass.

20. Schein, E. H. (2000). Sense and nonsense about culture and climate. Handbook of organizational culture and climate. Thousand Oaks, CA: Sage.

21. Zain, Z. M., Ishak, R., Ghani, E. K. (2012). The Influence of Corporate Culture on Organisational Commitment: A Study on a Malaysian Listed Company. *European Journal of Economics, Finance and Administrative Sciences*, 17, 16–26.

22. Zakarevičius, P. (2004). Organization's Culture as Cause and Consequence of Changes. Organizacijų vadyba: sisteminiai tyrimai-Management of Organizations: Systematic Research, 30, 201–209.

АНДРЮКАЙТЕНЕ, РЕГІНА – доктор PhD соціальних наук (менеджмент), доцент, зав. кафедри бізнесу та економіки, Маріямпольська колегія (Маріямполе, Литва), лектор Литовського університету спорту (Каунас, Литва)

E-mail: regina.andriukaitiene@gmail.com, ORCID: 0000-0002-0691-7333

ЧЕРЕП, АЛЛА ВАСИЛІВНА – доктор економічних наук, професор, декан факультет економіки, Заслужений діяч науки і техніки України, Академік наук вищої освіти України, Запорізький національний університет (Запоріжжя, Україна)

E-mail: cherep.av.znu@gmail.com, ORCID: 0000-0001-5253-7481

ВОРОНКОВА, В. Г. – доктор філософських наук, професор, завідувач кафедри менеджменту організацій та управління проектами, Інженерний інститут Запорізького національного університету (Запоріжжя, Україна)

E-mail: valentinavoronkova236@gmail.com, ORCID: 0000-0002-0719-1546

ПУНЧЕНКО, О. П. – доктор філософських наук, професор кафедри філософії та історії України, Одеська національна академія зв'язку ім. О. С. Попова (Одеса, Україна)

E-mail: olegpetr02@rambler.ru, ORCID: 0000-0003-2694-6841

КИВЛЮК, О. П. – доктор філософських наук, професор, завідувач кафедри методології науки та міжнародної освіти, Національний педагогічний університет імені М. П. Драгоманова (Київ, Україна)

E-mail: panyolga@ukr.net, ORCID: 0000-0002-7900-9299

УПРАВЛІННЯ РОЗВИТКОМ ОРГАНІЗАЦІЙНОЇ КУЛЬТУРИ ЯК ЧИННИК ВПЛИВУ НА ЗМІНИ В ОРГАНІЗАЦІЇ

Актуальність дослідження. Актуальність проявляється в тому, що організаційна культура - це важлива концепція, яка впливає на програми організаційних змін. Літературний аналіз свідчить, що не існує єдиного підходу до оцінки організаційної культури. Певний результат зміни культури може не здійснювати такого ж впливу на всі організаційні процеси, пов'язані з управлінською діяльністю. За словами Б.Мельникас (2008), для більш глибокого розуміння управління процесів зміни культури в управлінні в сучасному світі доцільно оцінювати сучасні методи управління, які відображають історичний розвиток життя і стереотипи, які проявляються у менеджерській діяльності.

Мета дослідження - обговорити чинники та етапи розвитку організаційної культури. Завдання дослідження: визначити складові організаційної культури та чинники організаційної культури; ідентифікувати основні чинники організаційної культури, що впливають на результативність діяльності; обговорити етапи реалізації плану управління розвитком організаційної культури. Методи дослідження. Для досягнення цілі використовуються методи аналізу і синтезу наукової літератури.

Висновки. Виділяються наступні ключові чинники, що впливають на організаційну культуру і пов'язані з фінансовими і нефінансовими показниками: орієнтація на клієнта, орієнтація на співробітників, застосування стандартів діяльності і звітності,

Managing organizational culture as a factor in organizational change

інновації і схильність до змін, орієнтація процесу виробництва. Розвиток організаційної культури включає в себе етапи організації процесу самооцінки організаційної культури і підготовки і реалізації нового плану управління організаційною культурою. Розвиток організаційної культури - це тривалий процес, успіх якої залежить від застосування рішень і заходів, що базуються на якості і раціональності зворотного зв'язку. Дії щодо укріплення організаційної культури повинні бути розумно сплановані і скоординовані, постійно оцінюючи ефективність заходів, що застосовуються.

Ключові слова: організаційна культура, чинники, етапи розвитку організаційної культури, управління розвитком організаційної культури.

АНДРЮКАЙТЕНЕ, РЕГИНА – доктор PhD социальных наук (менеджмент), доцент, зав. кафедрой бизнеса и экономики, Мариямпольская коллегия (Мариямполь, Литва), лектор Литовского университета спорта (Каунас, Литва)
    E-mail: regina.andriukaitiene@gmail.com, ORCID: 0000-0002-0691-7333
ЧЕРЕП, АЛЛА ВАСИЛЬЕВНА – доктор экономических наук, профессор, Заслуженный деятель науки и техники Украины, Академик Академии наук высшего образования Украині, декан факультета экономики, Запорожский национальный университет (Запорожье, Украина)
        E-mail: cherep.av.znu@gmail.com, ORCID: 0000-0001-5253-7481
ВОРОНКОВА, В. Г. – доктор философских наук, профессор, заведующая кафедрой менеджмента организаций и управления проектами, Инженерный институт Запорожского национального университета (Запорожье, Украина)
    E-mail: valentinavoronkova236@gmail.com, ORCID: 0000-0002-0719-1546
ПУНЧЕНКО, О. П. - доктор философских наук, профессор кафедры философии и истории Украины, Одесская национальная академия связи им. О.С.Попова (Одесса, Украина)
    E-mail: olegpetr02@rambler.ru, ORCID: 0000-0003-2694-6841
КИВЛЮК, О. П. – доктор философских наук, профессор, заведующая кафедрой методологии науки и международного образования, Национальный педагогический университет имени М. П. Драгоманова (Киев, Украина)
    E-mail: panyolga@ukr.net, ORCID: 0000-0002-7900-9299

УПРАВЛЕНИЕ РАЗВИТИЕМ ОРГАНИЗАЦИОННОЙ КУЛЬТУРЫ КАК ФАКТОР ВЛИЯНИЯ НА ИЗМЕНЕНИЯ В ОРГАНИЗАЦИИ

Актуальность исследования. Актуальность проявляется в том, что организационная культура - это важная концепция, которая влияет на программы организационных изменений. Литературный анализ показывает, что существует двусмысленность в оценке организационной культуры. Определенный результат изменения культуры может не оказывать такого же влияния на все организационные процессы, связанные с управленческой деятельностью. По словам Б. Мельникас (2008), для более глубокого понимания управления процессов изменения культуры и управления в современном мире целесообразно оценивать современные методы управления, которые отражают историческое развитие жизни и стереотипы, которые проявляются в менеджерской деятельности.

Цель исследования – обсудить факторы и этапы развития организационной культуры. **Задачи исследования:** определить составные организационной культуры и влияние на результаты организационной деятельности; идентифицировать основные

факторы организационной культуры, влияющие на результативность деятельности, обсудить этапы реализации плана управления развитием организационной культуры. **Методы исследования**. Для достижения цели используются методы анализа и синтеза научной литературы.

Выводы. Выделяются следующие ключевые факторы, действующие на организационную культуру и связанные с финансовыми и нефинансовыми показателями: ориентация на клиента, ориентация на сотрудников, применение стандартов деятельности и отчетности, инновации и приверженность изменениям, ориентация процесса предприятия. Развитие организационной культуры включает в себя этапы организации процесса самооценки организационной культуры и подготовки и реализации нового плана управления организационной культурой.

Развитие организационной культуры – это длительный процесс, успех которого зависит от применения решений и мер, основанных на качестве и рациональности обратной связи. Действия по укреплению организационной культуры должны быть разумно спланированы и скоординированы, постоянно оценивая эффективность принимаемых мер.

Ключевые слова: организационная культура, факторы, этапы развития организационной культуры, управление развитием организационной культуры.