

## THE INFLUENCE OF CORPORATE CULTURE ON THE EFFECTIVENESS OF THE ORGANIZATION

**Issabayeva Aidana**

Master student, L.N. Gumilyov Eurasian National University, Nur-Sultan, Kazakhstan

**Abstract.** The influence of corporate culture on the effectiveness of the economic activity of the organization is considered. Presents models that consider the impact of corporate culture on the effectiveness of the organization.

**Keywords:** corporate culture, criteria of economic efficiency, criteria for effective organization.

Efficiency is a dynamic qualitative category associated with the intensity of an organization's development, reflecting the processes of improvement in all its structures and elements [1].

The effectiveness of an organization's corporate culture is manifested through the level of motivation of its personnel, the image of the organization among consumers of the goods and services it offers, its reputation as an employer. It would be wrong to talk about the direct influence of corporate culture on the current economic efficiency of the organization. More accurate is to consider corporate culture as an investment in the development of an organization's intangible assets. The subject of any economic activity is a person. A look at an organization's employee as one of the central factors of production indicates the role of the human factor in modern development conditions, characterized by the direct dependence of the results of the organization's economic activity on quality, motivation, value orientations, beliefs, morality, faith, traditions.

In the ever-changing market conditions, characterized by the presence of fierce competition, the growth of information in organizations relative stability is characterized by their values and culture.

The impact of corporate culture on an organization's activities occurs through its employees making a forecast of the development of the situation with respect to which the assessment and alignment of models of their behavior. Implementing them in the course of activity allows us to strengthen certain trends, and thus create situations that are adequate to them. In the context of the above, it is possible to apply a quantitative approach to assessing the impact of corporate culture on the effectiveness of an organization, as proposed in the work of L.S. Savchenko [4]. It is about the concept of situational scoring, the essence of which is to assign a certain score to each individually the criterion of corporate culture in order to use its effectiveness.

Assessment of the impact of corporate culture on the effectiveness of an organization's economic activity, determined by the ratio of the result (effect) and cost, which determines this result, involves assessing the ability of the corporate culture to ensure the organization's economic growth and the ability to stimulate progressive structural and qualitative changes.

Corporate culture influences the strategic development prospects of the organization (for example, the organization's reputation, its competitiveness in the market), as well as the effectiveness of operational management actions (in particular, the social effect or profitability of programs (projects) or the increase in the effect of managerial innovation).

The definition of “effectiveness” often refers to the term “result”. Both terms refer to mathematical criteria that do not allow to determine the value of achieved or not achieved results for an organization, in general, about the usefulness or uselessness for its employees of the goals set before them, the effectiveness of achieving which they evaluate. Modern management neglects the mathematical nature of effectiveness and efficiency, therefore often, along with them, the concept of success is used, which becomes a criterion for many employees and organizations in the field of management.

Analysis of theoretical sources [1; 3] allows us to identify four main models that consider the impact of corporate culture on efficiency activities of the organization (table. 1)

**Table 1.**

**Models that consider the impact of corporate culture on the effectiveness of the organization**

№	Model	Key Features
1	Process Model Sate	<p>Consideration of the influence of corporate culture through seven processes: [4]</p> <ul style="list-style-type: none"> <li>- the process of cooperation between employees - whether the corporate culture contributes to the team or individual way of performing tasks;</li> <li>- the decision-making process - does the corporate culture contribute to minimizing disagreements when making decisions;</li> <li>- control process - does the corporate culture contribute to the creation of effective methods;</li> <li>- communication process - does corporate culture contribute to improvement of communications between members of the organization;</li> <li>- the process of organization dedication - does the corporate culture contribute to identification of the employee with the goals of the organization;</li> <li>- the process of perception of the organizational environment - whether the corporate culture contributes to the general interpretation by members of the organization of their experience;</li> <li>- the process of justifying employee behavior - does the corporate culture contribute to objective perception by management of employee behavior at risk in the interests of the organization.</li> </ul>
2	Peters-Waterman Excellence Model [4]	<p>Consideration of the impact of corporate culture on the performance of an organization through eight factors:</p> <ul style="list-style-type: none"> <li>- propensity to action: the policy of “come on”;</li> <li>- customer orientation: learn from the people we serve;</li> <li>- autonomy and entrepreneurship: support for innovation and “feeding” champions;</li> <li>- human factor: people determine productivity and quality;</li> <li>- practicality, loyalty to the mission: the leadership shows its commitment to business;</li> <li>- the principle of “stay with knitting”: hold on to the fact that you know;</li> <li>- simplicity of structure, a small staff: the best companies keep the minimum number of employees.</li> </ul>

		managers at headquarters;  - a combination of freedom and cohesion: the autonomy of production activities common goals and principles.
3	Parsons AGIL model	Consideration of the success of an organization as a social system based on the of certain functions:  - adaptation;  - goal-achieving;  - integration;  - legitimacy.
4	Quinn-Robrah's model of competing values	Consideration of the impact of corporate culture on the effectiveness of the org three dimensions [4]:  - integration, showing the degree of emphasis either towards control (stability, predictability), or towards flexibility (innovation, adaptation, change);  - focus (external / internal), reflecting the focus of interest on internal problems organization (integration, unity, staff satisfaction), or the predominance of inte strengthening the position of the organization in the external environment);  - tools / results, focus on the one hand, on the processes and procedures (plann goals, etc.), and on the other - on the final results (productivity, profitability, et

The question of the formulation of criteria for the effectiveness of corporate culture is of interest to researchers. So, G.S. Israelyan [5] has developed a system of criteria that determine the effectiveness of the corporate culture being formed and allow the development of mechanisms for the formation of corporate culture to take into account the individual characteristics of all functional areas of the organization, including:

- a criterion of staff motivation;
- criterion of value setting organizations;
- visible attribute criterion;
- the criterion of a specific form of organization of business processes;
- criterion of the nature of the organization / type of organizational structure;
- the criterion for taking into account the external impact on the organization and employees.

I.V. Groshev and A.A. Mishchenko [2] suggest that the criteria for the effectiveness of a corporate culture be the performance of various subsystems of an organization: social, informational, technical, marketing, and economic.

E.S. Gaydarzhi [6] was asked to consider the criteria for effective organization of engagement, coherence, adaptability, and mission and conduct their assessment using the calculated factors of corporate culture effectiveness: delegation of authority, teamwork, personnel development, basic values, agreement, coordination, change management, customer focus, organizational learning, strategic focus, goals, objectives, vision.

To sum up, it can be concluded that the criteria for the economic efficiency of managing a corporate culture are diverse, and in order to reduce them to a single indicator, it is necessary to continue research in this direction.

## References:

1. Asaul AN, Asaul MA, Erofeev PY. Organization culture: problems of formation and management. St. Petersburg; 2006.
2. Groshev IV., Mishchenko AA. Kriterii otsenki effektivnosti organizatsionnoy kul'tury. Materiali za 8-a mezhdunarodna nauchna praktichna konferentsiya. Obrazovaniето i naukata na XXI vek; 17—25 oktomvri 2012 na ikonomiki. Tom 2. Ikonomiki; Sofiya.
3. Israelyan GS. Development of mechanisms of formation and development of corporate culture in Enterprise [dissertation]. [Moscow]: Moscow State University of Economy, Statistics and Informatics; 2010. 165 p.
4. Savchenko LS. Evaluation of the effectiveness of the organizational culture of entrepreneurship. Rossiyskoe predprinimatel'stvo. 2005; 72(12).
5. Steklova OE. Organizational Culture: Textbook. Ulyanovsk; 2007.
6. The impact of corporate culture on the effectiveness of collective subjects of labour [dissertation]. [Moscow]: Lomonosov Moscow State University; 2007. 221 p.