

Introduction To The Classical Theory Of Corporate Culture

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The problem of researching the foundations of corporate cultures' typology is considered. Various approaches prevailing in the empirical problems are analyzed. Invariant bases, which are interpreted as an introduction to the theory of corporate culture, are identified.

Key words: corporate culture, organizational culture, types of corporate culture, typology, foundations of typologies.

Selection of different types of cultures reflects its basic properties that interest the researcher and are essential for him to assess compatibility with other organizations' cultures or for the successful development and functioning of the studied organization.

Depending on what aspects of corporate culture interest the researcher, it is possible to distinguish types of organizational cultures. These aspects may or may not be related. For example, as for management style, there is an authoritarian type and democratic type. Priority of a particular leadership style forms basic principles, requirements for the employees' behavior and performance, nature of interaction with both external environment and internal one, a focus on results or on people. At the same time, various forms of interaction between management personnel and subordinates are often used as grounds for determining the culture of such type.

There is a selection based on the type of corporate culture - bureaucratic, organic, entrepreneurial and participative, due to which it is possible to determine level of organizational development and correlate this level with general level of the external environment condition. They appear as evolutionary steps of development, determined by the level of organization's development and the society in which the organization exists. Prepotency of a particular type relies on a number of reasons: the quality of employees, the main goals and motives of an employee, the structure of an organization, the type of management.

There is a division based on the innovation level. The criteria is information ownership, level of trust towards the staff, level of the staff's interest consideration, and staff type. Of course, as we understand, this is far from the entire list of fractions characterizing a particular type of culture [1].

Culture can be attributed to a particular type based on various criteria in accordance with the listed parameters, the list of which is determined either by the researcher himself or by a group of experts qualified in these issues. Evaluation can be carried out both for each fraction separately, and for all the proposed fractions. In the latter case, you can create a profile of corporate culture, which can be compared with the profiles of other organizations or the profile of the ideal model of corporate culture. The profile of an ideal model will succeed, if simultaneously with the evaluation of existing indicators, the level of these indicators is ideally assessed.

Organizational culture is the result of employees' repeated interactions, their individual values, beliefs, search of acceptable behavioral norms, roles distribution, development of interactional techniques and methods (effective communication). On the one hand, organizational culture is the product of the human relations of enterprise employees, linked by a common goal. The culture of the organization consists of values, beliefs, norms, roles and attitude of people who work in the organization. On the other hand, culture is above people - it directs and corrects people's behavior in accordance with generally accepted norms and values.

Studying corporate culture, it is impossible to disregard the factors influencing it: national culture, regional and social characteristics and traditions, values and ethics of society, various market factors [2]. The variety of factors influencing the properties of the organizational culture is one of the reasons for the emergence of various typologies designed to regulate the management of the organizational culture formation. There are many approaches on how to describe corporate culture. Each approach applies a specific basis for analyzing and identifying a certain type of corporate culture. This enables the researcher to identify and show the trends of various enterprises.

Most of typologies come from practice. It should be noted that the researcher of this issue might encounter a number of typologies, the beginning of which is taken from the theory. The majority of these typologies are directly related to psychology. Their criteria are psychopathological and tied to a thorough study of the individual. In this case, the researcher uses a tool from psychology's theory, and, identifying the foundation, he receives a typology. For instance, Manfred D. Miller followed a similar procedure. Nevertheless, it is rather an exception from the total number of typologies that appear due to the daily life of enterprises. A researcher observes culture of a particular organization or several organizations. From his practical observations and notes, he creates and defines a typology based on the founding information. Thereby, from the daily life of the enterprise appears a theoretical picture of the corporate culture typology for a researcher. Another researcher, following similar methods, gets his typology, which already has its corporate culture foundations, thus a different theoretical picture appears. Another interested person gets his typology of a corporate culture. Moreover, there have been quite a lot of such interested parties during several decades of close corporate culture study. From a practical point of view, a lot of corporate culture typologies can cover a large number of modern organizations. However, from a theoretical point of view, this diversity confuses the typological picture of corporate culture theory. If we approach each typology, we will find several reasons due to which typologies appear. The same reasons are used for analyzing the organization and determining the type of its corporate culture. Let us try to present them [3, 4].

Researchers Robert Blake and J.S. Mouton offered their corporate culture typology based on value orientations. According to them, there are two possible reasons for value orientations directions. First of all, it is the basis of the level of production interests consideration: efficiency and economic result; secondly, the basis of the level of person's interest consideration: satisfaction of his or her capabilities and abilities.

Following these criteria, they identified five types of corporate culture that are associated with management styles. Among them: 1) "Country Club", 2) "Power-submission", 3) "Organizational management", 4) "Team" and 5) "United management".

The model proposed by T. Dil and A. Kennedy consists of four main corporate culture types. In order to study these types, they chose the following foundations:

- level of risk relating to the company;
- speed of receiving feedback when interacting with the external environment (this is the speed of obtaining the consequences for the choice of decisions and strategy);
- characterization of employees and culture: desire for innovation, amount of work, reaction to mistakes, habits, life.

These foundations are common, they contribute to a statement about the possible differences among the corporate cultures of companies in different industries. At the same time, typology implies that employees of the organization, without being tied to their personnel bulletin, should ideally have specific traits and preferences. This "similarity" may even concern the housing and clothing.

The typology does not reckon for the presence of radically different corporate cultures in the same industry. It also does not take into account the different rhythm and organization of various processes, therefore, the requirements for the personal qualities of employees within the company.

The useful effectiveness of this typology can be obtained by analyzing the overall impact of specific industrial features on the corporate culture.

In the D. Zonenfeld's typology, his own understanding of cultural types is suggested. "Baseball team", "Club culture", "Academic culture", "Defense culture" ("Fortress") - each of them has its own potential, affecting the state of the company and its success. In the study of D. Zonenfeld, it was precisely the different potential of a particular culture that formed the foundation of the presented typology.

If we want to make it look simpler, we will identify the following in the D. Zonenfeld typology:

- level of employees' mobility;
- ability to interact with the environment and the ability of quick feedback;
- quality and character of employees (their desire, attitude to the organization, abilities).

In the scientific literature there is an opinion that this typology is similar to the typology of T. Dil and A. Kennedy. With a thorough analysis of them both, this similarity can be seen both externally - an obvious representation of four cultural types, and internally - at the base level.

The study of the large companies' performance indicators of K. Cameron and R. Quinn is also rather interesting [5]. They considered two dimensions of effectiveness. Within the framework of the first one, corporate cultures, whose efficiency is stability, mechanical integrity, predictability, mobility, ability to adapt and move forward, were distinguished. Within the framework of the second one, corporate cultures, whose efficiency is an orientation towards integration and unity, an orientation towards differentiation and rivalry, emerged.

This typology is based on the following foundations:

- effectiveness in the ability to change and adapt;
- effectiveness in the ability to integrate and unite.

It is of practical value, as it covers key cultural characteristics, including the field of personnel management. The typology of K. Cameron and R. Quinn makes it possible to obtain qualitative and quantitative evaluations of cultures and to carry out diagnostics of changes in the corporate culture of enterprises.

R. Ackoff analyzed corporate culture as an attitude of powerful ones in a group or organization. For the analysis, he singled out two parameters (foundations):

- degree of employees' involvement in goals setting in a group/ organization;
- degree of employees' involvement in the selection of funds to achieve their goals.

Based on a comparison of these two foundations, four types of corporate culture, characterizing attitude of powerful ones, were identified. Among them are "corporate", "consultative", "partisan", and "entrepreneurial" types of culture.

Canadian researchers F. Manfred, Que de Vrie and Danny Miller carried out a transfer from psychopathological cultures (that are used in psychology referring towards individuals) to corporate cultures of organizations and presented a typology of corporate cultures. In this typology, they conducted a transfer from psychopathological criteria (foundations) inherent for individuals to the whole organization. These bases determine the parametric state and the development of the

organizational culture. Among the foundations are the following: incredulity, fear of harassment, ability to take risk, ability to be independent, to take responsibility, the degree of employees' involvement in the management process, decision-making, etc.

Scientists have developed such classification of corporate cultures: paranoid, forced, dramatic, depressive, schizoid [6].

Should be noted that there are a number of scientists who used personality traits and orientations in order to form a corporate cultures' classification. For example, F. Klukhon and F.L. Strothberg, and later - G. Lane, J. Distefano and N. Adler studied the cultural orientations of management and employees from different countries and their importance for effective management.

To identify cultural differences F. Klukhon and F.L. Strothberg used several reasons: personal qualities, the relation of a man towards nature or the perception of the world, the relationship between people, orientation in space, orientation in time, leading activity type.

Supposed to that each of these foundations affects behavior and relationships. In this model, it is assumed that these variables and their national variations are directly related to the various characteristics of the corporate culture. For example, value orientations related to human perception can affect the following corporate characteristics: management style, control system, corporate climate, which have their own options for each type of culture.

Note that subsequently N. Adler carried out comparative analysis of the characteristics of the corporate culture in his country and the cultural orientations of other countries.

A. Nelson and F. Bern during formation of their corporate culture typology model identified four types: "respondent", "responsive", "active" and "highly effective." While identifying the types of corporate culture, the researchers used a number of foundations: time frame (time orientation), ability to plan, ability to set goals, ability and modernization model, type of management, organization structure, personal orientation of employees, motivation of the employee (staff), interaction with the external environment, development model.

This typology is built on the increasing model of certain features for each foundation. We see that the researchers L. Nelson and F. Bern pinned their hopes on a certain growth. At the same time, they mentioned that the growth should not contradict with the desire to complete the tasks and achieve the corresponding performance indicators.

American sociologist S. Handy proposed his own corporate culture classification. It relies on the distribution of power, authority, and corresponding value orientations of an individual, which determine the specific nature of its activities at various stages of its own development. As the basis for analysis, S. Handy identified:

- the system of power distribution in the organization;
- value orientations of a person;
- interaction between individual and an organization;
- organization's structure;
- the nature of the organization.

Handy also identified a number of forces operating in the organization. There are forces of position, control of resources (possession of information), and possession of knowledge. Depending on what forces dominate in the organization, a philosophy of relations between structural units, members of the organization and the corresponding corporate culture are formed and developed.

On the basis of these foundations, S. Handy singled out four corporate cultures that are metaphysically designated in Western literature as the gods of ancient Greek mythology: the culture of Zeus (power), the culture of Apollo (role), the culture of Athens (task), the culture of Dionysus (person). In this case, the researcher notes that all types of cultures may occur in the course of evolution within the same organization.

For instance, there is another version of the corporate culture classification model based on the survey of the organizational structure. This classification can be easily compared with the typology of S. Handy.

The so-called "web" or typical corporate culture. According to the typology, such a structure corresponds with the above described culture of power. Cluster type (presence of working groups). This structure is typical for task culture. The so-called "temple" is characterized by the presence of functional unit. This structure reflects role culture.

In addition, finally, "starry sky", or culture of the individual, in which individualism that is peculiar for consulting companies and public organizations is clearly visible.

In the M. Burke's corporate culture typology, there are eight types of corporate culture, built on the following foundations:

- interaction with the external environment;
- size and structure of organization;
- staff motivation.

M. Burke singled out following culture types: "greenhouses", "spice collectors", "vegetable garden", "French garden", "large plantations", "creepers", "shoal of fish", "wandering orchids".

A simple classification proposed by S.G. Abramova and I.A. Kostenchuk, who, considering corporate culture's influence on effectiveness of the organization, identified "affirmative" ("positive") and "negative" ("negatory") culture. Corporate culture is positive when it contributes to efficiency increasing in solving problems and productivity increasing when it is a source of effective and competent management.

Negative culture appears when source of resistance and chaos in organization interferes with effective management, overall functioning of the enterprise and its development. As foundations for this corporate culture classification, S.G. Abramova and I.A. Kostenchuk distinguished following criteria:

- degree of mutual adequacy of the dominant values with the ways of their implementation;
- degree of personal and intragroup values' conformity. In this case, we can call this foundation the degree of integration and unity ability;
- nature of the dominant values in organization;
- attitude of employees towards organization.

Creating corporate paradigms, Larry Konstantin considered several areas: management, leadership, decision-making, formation of interaction and communication, psychological characteristics of people. American researcher identified four types of cultures, which were called "closed", "random", "open" and "synchronous" corporate models. In his study, L. Konstantin highlighted following reasons:

- degree of resources' disposal;
- degree of information ownership;

- degree of employees participation in management and decision making;
- ability to change and adapt.

D. Cole suggested his typology, which was modified by T. Yu. Bazarov and P.V. Malinovsky. This classification is based on the management type, which is understood as a characteristic of how management decisions are made and how they are implemented.

Analyzing the interaction between management form and management levers, following types of cultures were identified: organic, entrepreneurial, bureaucratic, and participative. As the basis of typology, the researchers used:

- form of management;
- nature, quality, characteristics of employees;
- degree of employees' participation in management.

The leading expert in the issue of organization's management and sociology, U. Ouchi, presented his version of typology. He used following foundations:

- nature of dominant relations in the organization;
- nature of interactionsregulation, type of interactions in the organization;
- ability to adapt in changing situation.

According to Ouchi, there are three types of corporate culture: market, bureaucratic, and planned. At the same time, the latter one U. Ouchi considers to be as an addition for other cultures, it can exist both within the market culture and within the bureaucratic culture.

Dutch scientist Geert Hofstede researched the differences of national cultures in the performance of subsidiaries of a multinational corporation [6, 8]. Based on the analysis of the results, G. Hofstede concluded that an individual receives a series of guidelines from his national culture in the form of fundamental values. Thus, most of the differences in work values and guidelines are explained by the national culture, and depend on the occupation in the organization, profession, age and gender. In fact, this is the basis for the corporate culture type's classification: individualism – collectivism, power distance, degree of a desire to avoid uncertainty, gender feature of an employee, values orientation in time.

Should be noted that these foundations were added to the spectrum of psychological grounds relating to the characteristics of the individual. In this regard, the foundations of the G. Hofstede typology can be considered two-level that is why they are valuable and complex when analyzing.

The recognition of the defining role of national and ethnic factor in corporate culture has led to fact that in modern scientific literature, typology of corporate cultures based on national criteria has become quite widespread.

Confirmation of the foresaid is a typology of G. Mintzberg. Using the work of G. Hofstede, he presented a typology of corporate cultures, combining following foundations:

- power distance;
- degree of a desire to avoid uncertainty;
- organization's structure.

G. Mintzberg identified five types of corporate cultures: simple structure, mechanical bureaucracy, professional bureaucracy, divisional (intermediate) form, adhocracy ("rural market" model).

N. Lemaitre, following principles proposed by G. Hofstede, suggested his own typology, basis of which is the culture of the environment. He noted following types of corporate culture: American (associated with the principles of the Protestant ethics), Japanese (related to Buddhist ethics), Arab East (related to Muslim ethics), and Russian (related to the Orthodox).

It turns out that each typology of this or that researcher has its own number of foundations, and together they form a picture of a wide variety of foundations.

An analysis of Western literature indicates that nowadays researchers have proposed a wide range of approaches to the corporate culture typology. In this regard, systematization is rather important, which is designed to improve the efficiency of using various typologies. One of such a systematization was carried out by A. Black; who set himself a goal of comparing analytical and applied capabilities of existing approaches, to determine the scope of their application.

Typologies of corporate cultures can be classified using a wide range of various parameters, and it has been done repeatedly; sorted out by the number of used criteria (the most common are two-dimensional typologies, which are depicted as a matrix or a coordinate system), as well as by the number of distinguished types (usually four types are distinguished). However, this approach does not allow us to conduct meaningful conclusions, to compare instrumental possibilities. According to A. Black, diversity of typologies can be narrowed if we systematize it using methodological principles that are established in the typologies themselves [9, 10]. Thus, all typologies can be divided into four groups, depending on general criterion, based on which the typology is carried out. Following criteria are selected:

1. ethnometric (cross-cultural) differences. Among the authors of typologies G. Hofstede; G. Mintzberg; F. Trompenaars and C. Hampden-Turner; F. Klukhona and F.L. Shtrotbek, G. Lane, J. Distefano and N. Adler; S. Schwartz should be noted;
2. values, attitudes, personal qualities and behavior. The authors of such typologies are F. R. Manfred, Que de Vrie and D. Miller; S. Medoc and D. Parkin; R.R. Blake and D.S. Mouton; S.G. Abramova, I.A. Kostenchuk;
3. system of power, authority and responsibility distribution. The authors of these typologies are S. Handy; R. Ackoff; D. Cole; T.Yu. Bazarov; J. Harms;
4. organizational, functional parameters and features of interaction with the external environment. There are the following authors M. Burke; T. Deal and A. Kennedy; K. Cameron and R. Quinn; D. Sonenfeld; L. Konstantin; R. Goffee and G. Jones; L. Nelson and F. Berns; L.I. Umansky [9].

There are attempts to put order into the diversity of corporate culture typologies, as we could see they are quite good. However, in the present study we went further. After analyzing the majority of well-known typologies and identifying foundations on which this or that classification was built, we will carry out an attempt to take a significant step towards the creation of a more perfect scheme of foundations. A. Black's work should be noted, in which typology approaches are ordered based on the "methodological principle". In fact, she pointed out the existence of a common criterion, which we will use in this study as the basis of a typology, and put together all approaches for convenient analysis. Our task remains to order the diversity of typologies, but the subject of this study analysis is the foundations of this or that typology.

In each typology, you can identify "clear" foundations and carefully analyze each on the subject of proximity and affinity towards each other, or their clear diversity. Then it is possible to obtain a pattern of simple typologies' components. Based on this pattern, it is likely to build the methodology (procedure) for combining these bases. This will allow us to determine the following:

- find related typology types;
- make an attempt to build a unified base model;

- make an attempt to build a specific typology based not on practical observation, but on “pure theory”.

We will try to construct a universal scheme of foundations, based on which and through which we will be able to build some type of a culture. This will also allow us to understand the current level of knowledge of corporate culture properties. What is important, this procedure will contribute to assessing the effectiveness of the proposed typologies as a tool for diagnosing and managing the development of the organization's culture. It turns out, without complex calculations and manipulations, we can assume, even on a theoretical level, the sequence of an organization's actions in the course of its life activity [7, 10].

The current situation of the companies' development, including corporate cultures, is so complex and dynamic that it is practically impossible to keep up with the theoretical component. Nowadays, the philosophy of a single corporate culture is eclectic. An attempt to develop a scheme and methodology will contribute to the development of the corporate culture's theory and allow it to remain relevant for the practice.

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