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# REASONS FOR CHOOSING CORPORATE CULTURE ON THE BASIS OF SELF-REGULATION AND VALUES

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#### Abstract

The article presents the results of a study of corporate culture preferences depending on the self-regulation and values of professionals who develop complex technological systems (CTS) in project organizations. As the methodological basis of the research, we selected R. Barrett's concept of the levels of personal and organizational consciousness, compatibility of personal and organizational values as factors that determine the development and effectiveness of companies in the modern business space. The purpose of the study is to determine the dependence of the preferred corporate culture of Research and Production Organizations by specialists of complex technological systems (CTS) on their value orientations and self-regulation styles. Results. CTS specialists assess the real corporate culture as a bureaucratic and market-oriented one. With a high level of self-regulation, professionals prefer clan and adhocracy cultures. CTS specialists with a low level of self-regulation prefer a bureaucratic corporate culture. CTS professionals have the predominant values of life, health and personal growth, and religion and fame are the least ones. CTS professionals possess a high level of self-regulation with a predominance of evaluating results, programming and modeling styles and independence is at low level, which is a consequence of the bureaucratic corporate culture. The obtained results were used to develop an algorithm for changing the corporate culture of an organization.

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#### 1. Introduction

Growing diversity of stress factors in production and business causes the transformation of corporate culture. Internal corporate environment of modern organizations, its attractiveness and acceptance of employees is vitally important because of highly dynamic and uncertain business environment, increasing competition, higher levels of education and claims of the companies' staff (Ertosun & Adiguzel, 2018; Van der Wal, 2016). Scholars see corporate culture as a key intangible factor in the success and productivity of an enterprise, as a powerful driving force for the behavior, involvement and performance of the company's employees (Blagov et al., 2015; Popova, 2017). It is necessary to take many variables (motivational-value, communicative, emotional and mental regulation) of a «human factor» into account in order to use corporate culture as an additional intangible asset of development and sustainability of an organization (Dempsey, 2015; Shelyakina, 2018).

An important aspect of corporate culture optimization is its potential for transformation and staff readiness. Richard Barrett was the first to develop an effective mechanism for measuring the culture and enabling the system to change. He proposed to analyze the structure of values and the cultural transformation of organizations. Such approach not only allows studying and managing corporate culture, but also bringing the values of the organization and the values of employees together (Bojović & Jovanović, 2020). According to Barrett, transformation is the balance between a set of a leader's ethical values and the cultural values of a team, a new way of life, a shift in values. It is possible to change without transformation, but it is impossible to transform without changing. Cultural transformation involves supporting workers and teamwork. This will result in development of new, more successful ways of achieving organizational goals (Puni & Damnyag, 2016). The Barrett model is based on the synthesis of the Ken Wilber and Abraham Maslow models. Richard Barrett relates the categories presented by Abraham Maslow to the levels of consciousness, and the stage of self-actualization is judged by the needs of the given level and how an individual or society understands them.

He supplemented Maslow's hierarchy of needs to the needs of seven levels of consciousness, characterized personality levels of consciousness in accordance with the stages of a person's self-actualization, singled out the stages of needs awareness and groups of values corresponding to these stages (Barrett, 1998; Maslow & Reusche, 2006).

Cultural transformation based on the analysis of value structures and consciousness levels is as follows. Level one is viability (financial stability, health and safety of employees. Level 2 is relationships (open communication, recognition of employees, attention to benefits). Level three is performance (focus on performance, its quality and capacity for self-improvement). Level four is evolution (focus on adaptability, innovation, staff empowerment, continuous learning and organizational improvement). Level five is alignment (development of a culture based on shared visions and shared values, atmosphere of trust at all levels of the organization). Level six is collaboration (establishment of strategic partnerships, mentoring, coaching, internal and external leadership education). Level seven is contribution (focus on sustainable development of benefits for future generations, social justice and human rights; development of empathy, acceptance and forgiveness within a society).

The first three levels of this model are the levels of organizational consciousness and they focus on basic business needs like seeking profit (level one), satisfying consumers and other stakeholders (level two), effectively organizing all the systems and processes within an organization, and establishing scientifically based management (level three). However, excessive concentration on the basic levels can lead to bureaucracy within an organization. At the fourth level, the need for self-realization becomes relevant. This is the stage of «transformation», which implies a transition from an autocratic business model based on fear and «hard hand», to a more open management system based on trust and the involvement of employees in company activities. This will contribute to employees' freedom and responsibility. The fourth level of organizational consciousness is characterized by the accumulation and reproduction of knowledge. The main task for the company is to lay the foundation for the establishment of a self-learning organization. The hierarchy is completed by the levels of higher, spiritual needs. These needs (for human beings) are as follows: a search for purpose, an active life stance, positive development of the community, serving the global society. Levels from five to seven are the levels of the highest organizational consciousness. These levels are focused on satisfying the needs of employees, long lasting stability of an organization, as well as on its social function. Top-level needs include establishment of a balanced inner environment and development of shared human values (level 5); establishment of mutually beneficial alliances and partnerships with employees, consumers, suppliers and the local community (level 6); development and implementation of various social and environmental programmes (level 7). Only a fulfilled organization possesses the features of all levels presented in the Barrett model. All companies exist in an ever-changing environment, so the fourth level is a necessary link in the chain of adaptations to constantly changing circumstances.

The success of companies that rely only on effective teamwork and a cohesive team (levels 5 and 6) is impossible without a transformation, compatibility of personal and organizational values (Barrett, 2017), and deliberate self-regulation (to achieve the consciously set and subjectively accepted goals of the activity) (Morosanova, 2001). Only a deliberate activity provides for the development of a constructive corporate culture that focuses on the development of a close-knit team and the realization of long-term goals as a resource factor of competitiveness. According to the concept of conscious self-regulation, the activity of achieving subjectively acceptable results (if external and internal conditions of professional engagement are taken into account) is manifested in various specific features of self-regulation (planning and programming, modelling, evaluating results and individual regulatory properties of employees in particular) (Aghayani & Soleimani, 2016; Morosanova, 2001).

## 2. Problem Statement

It is worth noting that organizational effectiveness, sustainability and future prospects are linked to higher-level values. The higher levels of personal consciousness evolve from understanding and satisfying one's personal needs to understanding one's role in creating a social balance, i.e. a person exhibits socially oriented behavior. In order to develop an organization, corporate culture management is possible only if the staff understands the values of the organization and the personal values coincide with corporate ones. Only under such conditions a clear correspondence between personal and corporate goals, compatibility of personal and corporate culture can be developed (Barrett, 2017).

The compatibility of cultures allows for higher levels of development and competitiveness. It is obvious that there is a lack of knowledge of the value and regulatory variables in management

psychology. These variables are important as they determine the preference for the corporate culture of employees as an opportunity to find ways to achieve the compatibility of personal and organizational

consciousness and cultures.

The aim of the research is to determine the relationship between the preferred corporate culture of Research and Production Organizations (RPO) employees (complex technological systems (CTS) professionals) and their own values and approaches to self-regulation.

In the field of complex technological systems (CTS), development and production involve the following: design, technologic, logistical and organizational preparations for the manufacture of a new product, and it is carried out by a project team. Such elements of the cognitive sphere as self-organization, planning, creativity and innovative readiness are essential for the employees involved in operating all those complex technological systems. These particular employees should possess a wide range of theoretical knowledge, have a tendency to set new goals for research and be able to turn ideas into finished goods and projects (Vodopyanova et al., 2018).

## 3. Research Questions

Based on the relationship between corporate culture, self-regulation and values, the following hypotheses were put forward in the course of the study:

- 1. The choice of corporate culture depends on the level and style of self-regulation of CTS specialists, their personal values and corporate values.
- 2. Those CTS professionals who have well-developed self-regulation and possess values of a high level of consciousness prefer a corporate culture that provide for the pride of a job, professional well-being, trust, dedication to the team and innovation.

### 4. Purpose of the Study

The purpose of the study was to determine the dependence of the preferred corporate culture of employees of scientific and production associations-specialists of complex technical systems (STS) on their values and styles of self-regulation:

- 1. To determine the level and prevailing styles of CTS specialists self-regulation.
- 2. To determine the priority values of the CTS specialists and the level of consciousness in accordance with the Barrett model.
  - 3. To identify a real corporate culture and the one that CTS professionals prefer.
- 4. To study the relationships between self-regulation styles, values, and the preferred culture. Study sample.

The study involved 96 specialists working with complex technological systems (CTS) in the Science and Production Organization (56 men and 40 women, aged 28-55, period of service in the organization is 2-15 years).

#### 5. Research Methods

According to the purpose of research and its assumptions, we applied the following methods: the Cameron and Quinn (2011) questionnaire (to diagnose the types of a real and preferred corporate culture); the Morosanova and Bondarenko (2015) methodology (to diagnose the development of individual self-regulation, its styles and regulatory and personal properties - flexibility and autonomy); authors' value questionnaire based on the Barrett model (to identify personal and corporate values).

Statistical analysis methods.

To process the research results, the authors used the following methods of mathematical statistics: checking the normality of the distribution using the Kolmogorov-Smirnov criterion; descriptive statistics with calculation of the arithmetic mean and standard deviation; correlation analysis using Spearman's rank correlation coefficient.

## 6. Findings

The results of the empirical study are presented in brackets by the average values of the obtained indicators.

- 6.1. Most of CTS specialists have a high level of self-regulation with predominant styles of results evaluation (7.321), programming (7.243), and modelling (7.094). The styles of self-regulation (planning (6.24) and programming), and the regulatory personality property (flexibility (6.342)) are at the average level.
- 6.2. According to the results of the K. Cameron and R. Quinn questionnaire, the specialists of CTS evaluate their real corporate culture as the one that is highly bureaucratic (30.123) and of market type (29.363). In their view, the elements of adhocracy (19.96) and clan (21.22) corporate cultures are the least represented. Thus, they prefer clan (30.531) and adhocracy (24.782) organizational cultures, and bureaucratic and market cultures are the least desirable ones.
- 6.3. The results of the determination of the priority, awareness and statement of the vital goals and values of the CTS specialists showed that the most important for them are the following: health (11.713), personal growth (11.216), love (10.484), and material success (9.572), religion (4.513) and love (4.232) are less important values.
- 6.4. The authors' questionnaire based on the Barrett model was used to determine employees' personal and corporate values that relate to the third level of consciousness (self-esteem, efficient processes and systems).

At the personal level, 60 % of the respondents chose the values of the third level (performance), 30 % of the respondents indicated the values of the first level (viability), and 10% of the employees preferred the fourth level values (evolution).

When the employees had to assess the values of a real culture, 62 % of CTS specialists choose the values of the third level (high productivity and bureaucracy), 38 % of staff choose the values of the first level (financial stability, security and control).

When assessing the preferred culture, 64 % of professionals chose the third-level values (high productivity and bureaucracy), 28 % – fourth-level values (evolution: continuous renewal and learning), 12 % – fifth-level values (trust, creativity, honesty).

6.5. It has been found that CTS specialists with a high level of self-regulation prefer clan and adhocracy corporate cultures, while those with a low level of self-regulation prefer a bureaucratic one. The preference for clan corporate culture is positively correlated with the «autonomy» style of self-regulation (r=0.423,  $p\leq0.05$ ) and negatively with the period of service (r=-0.542,  $p\leq0.01$ ) and age (r=-0.514,  $p\leq0.01$ ). The preference for adhocracy corporate culture is positively correlated with the «programming» style of self-regulation (r=0.38,  $p\leq0.05$ ), the «flexibility» regulatory personality property (r=0.433,  $p\leq0.05$ ), and with the «high performance» values of the preferred culture (r=0.444,  $p\leq0.05$ ). Such a preference is negatively correlated with the vital value of «fame» (r=-0.364,  $p\leq0.05$ ). As the staff defined a real culture as a bureaucratic one, it correlates positively with the «autonomy» style of self-regulation (r=0.381,  $p\leq0.05$ ), period of service (r=0.493,  $p\leq0.01$ ), and age (r=0.472,  $p\leq0.01$ ), as well as with such vital values as «power and influence» (r=0.393,  $p\leq0.05$ ), «autonomy» (r=0.401,  $p\leq0.05$ ), and in a negative way it correlates with the value of «service» (r=0.302,  $p\leq0.05$ ). The assessment of a real corporate culture as a market one is negatively correlated with the style of self-regulation planning (r=0.39,  $p\leq0.05$ ).

Thus, it can be argued that the perception of a real and preferred corporate culture is related to the stylistic characteristics and values of the CTS specialists of the organization. Such perception can affect the compatibility of the personal and organizational context of consciousness and culture. The results show that CTS professionals prefer to have a clan corporate culture, which is complemented with elements of an adhocracy one. The most attractive features of this mixture of corporate cultures are organizational cohesion, trust, creativity, loyalty, teamwork, high level of morale and professional satisfaction with working conditions, initiation in training. These professionals are willing to be involved in business projects and participate in making organizational decisions. The better the style of «autonomy» is formed, the greater the preference for a clan culture. The more «programming» and «flexibility» styles are expressed, the more adhocracy corporate culture is preferred. The more the age and the longer the period of service is, the lower the preference for a clan corporate culture is. This can lead to a certain generational dissonance in the commitment of staff members to different types of corporate culture. Thus, it should be taken into account when choosing methods and approaches aimed at improving the compatibility of corporate cultures.

The transition of most professionals to a higher level of consciousness, trust and fairness will open up the possibility for the organization to go beyond the daily problems and to have more trust in people. Such actions, in turn, will ensure the long-term stability of the organization. Unfortunately, we should note that present bureaucratic and market-oriented cultural types hamper employees' creativity.

## 7. Conclusion

CTS specialists are able to accurately perform the task, adapt to changes and find flexible solutions. There is no relationship value in the structure of their corporate values. To improve the competitiveness of the organization, management needs to focus on group changes, make the

organizational structure a more balanced one and conduct an analysis of personal values to improve performance and staff initiative, cohesion and creativity.

- 7.1. As a part of the study, it was found, that the SPC's specialists assess the real corporate culture as a bureaucratic and market-oriented one. Clan corporate culture is desirable, and they are less willing to work in the frame of adhocracy and bureaucratic corporate cultures.
- 7.2. A balance between personal values (self-esteem) of CTS professionals and the values of real and preferred cultures (effective processes and systems) is maintained. These values refer to the third level of consciousness. The most important values of this level are self-esteem, self-discipline, confidence, friendliness, influence and power, organizational efficiency in business processes and management systems.
- 7.3. CTS professionals have a high level of self-regulation with the following predominant styles: results evaluation, programming, modelling. Planning and programming self-regulation styles and regulatory-personality style of flexibility are at the average level, and autonomy is at low level, which results from a bureaucratic corporate culture.
- 7.4. Life values (health, personal growth, affection and love, material success) prevail among CTS professionals; they do not aspire to religion and fame.
- 7.5. The real bureaucratic corporate culture is positively correlated with power and influence, autonomy, seniority and age, and is negatively correlated with service. The desired clan corporate culture is positively correlated with the flexibility, values of the desired corporate culture, programming, and is negatively correlated with the values of publicity and with the orientation towards material welfare.

The results of the research provided the rationale for developing an algorithm of changes in the corporate culture of the organization.

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