

CORPORATE CULTURE AS INSTRUMENT OF MANAGEMENT: COMPARATIVE ANALYSIS

Corporate culture is considered to be one of the basic concepts of the current management technologies. There is a certain difference between the application of this instrument in the Russian and Western business environment. The end of the first quarter of the XXI century is characterized by new tendencies in the organizational structure due to the acceleration of innovative process. The leading role in innovative company is attached to knowledge workers and top managers.

Modern Russian business environment is like a patch-worked cloth which amalgamates very bright, even unusual colors in discordance with each other. The elements of the Russian business environment tend to break the desirable harmony and to hinder formation of concrete concepts which might be important to characterize modern Russian management. We see our aim in denomination of the features characteristic for the concept "Russian management" to find the difference with Western, American or Japanese.

Firstly, it is the concept of corporate culture as an instrument of all the internal and external organization behavior management. The concept "corporate culture" was difficultly rooted in the Russian field. In West parting from 70th of the past century corporate culture as mechanism of effective management turned into an attribute of every successfully developing company but Russian business considered it to be excessive and expensive.

What were the reasons? The concept "corporate culture" accompanied by norms and rules of personnel behavior in the frameworks of the company was a response to current business reality which was characterized by expansion of American business through multinational corporations into European, Asian and African markets. The effectiveness of the oversea activity required new and flexible management instruments regulating precisely and neatly all the business system.

Corporate culture of transnational Corporation was aimed at setting up unique forms of documentation and dispositions to regulate personnel behavior of every branch from the top to the bottom. These rules and requirements altogether with behavior norms and standards were set by the umbrella office and had hierarchical importance in the organizational structure. The documents comprised a set of behavioral rules for the staff, different codes, including an ethical code, rules to determine relations between workers and outer world; forms, methods and technologies of personnel choosing, selecting and educating, etc. Symbols and

legends/myths were created to promote and strengthen the brand. Personnel of the countries where trans/multinational corporations acted were inclined and even forced to “forget” or to “get rid” of their own traditions and national mentality under the impact of rigid corporate culture requirements in the companies where they felt lucky to get prosperous occupation.

What are the advantages of such corporate culture?

1. The organization is able to function effectively from the top to the bottom regardless national peculiarity or specific features of national mentality

2. Personnel are moved horizontally with success, from one region to another or from one country to another one. They do not find it difficult to adapt to another cultural reality.

3. Representatives of different nationalities in such a corporation put interests of the organization above national interest of the countries they come from.

4. Organizational effectiveness of the transnational corporation is strengthened by the unique language usage and by observation of the unique norms of behavior and requirements established by the umbrella headquarters.

Personnel are obliged to show their loyalty towards the superiors and accept without hesitation all the decisions taken by them instead of developing creative managerial ideas. It might be considered as one of the serious **disadvantages** of such corporate culture as it leads to suppression of local personnel creative activity. Rights for creation and innovation are offered only to the main office personnel. Feedback is also regulated by the established rules.

Such corporate culture as an instrument of effective management for any type of company was accepted easily by Western business community. Corporate culture creates collaborative spirit, allows taking common decisions; develops capacity of delegating responsibilities; helps forming the sense of responsibility for the task given; raises the individual productivity; and, most of all, cultivates sense of involvement in all the company deeds and commitment to its interests and goals. In particular it is the main aim of effective corporate culture that is to unite all the members of the organization on the basis of mottos, symbols, mythology, and other verbal and material attributes. The illusion of unification of all the personnel is formed irrespective of the relation to the main company assets ownership; regardless of their part in distributions of revenues and their possibility to have their voice in taking decisive solutions.

Moral and ethic motivation substituted the material stimulus in company's management. Neatly elaborated corporate culture provides company with competitive advantages and help to survive under recession as its personnel agree to have salary reduction, even to share one salary in two workers, go on holiday

without material compensation, etc. In other words the staff do everything possible to save the company and let it maintain the same niche. It is effective corporate culture that avoids confrontation of stakeholders, management and personnel.

Russian management was used to the concept “corporate culture” mostly as “organizational behavior” which is its core element. Theoretical aspects of organizational behavior have its roots in the 20th of the previous century. Many articles were devoted to this topic by Russian specialists in the field of management. Even the Central Institute of Labor was founded. Its director was Gastev A.K., an outstanding specialist and a famous theoretician in the field of scientific labor organization. Gastev A.K. suggested 16 rules of scientific labor organization to be followed and described them in his fundamental works such as “Prerequisites for planning”, “How to set up norms and organize labor activity”, etc.,. It was a kind of complex approach to the science about labor organization and management which later were called applied “social engineering”. Scientific works written by Gastev A.K. are still attracting world scientific attention. (Maier, C.S. *Between Taylorism and Technology: European Ideologies and the Vision of Industrial Productivity in the 1920's* // *Journal of Contemporary History*. London. 1970).

It is Russian science on management that made basis for modern corporate culture and created effective means to put the ideas into practice. Many ideas of the Soviet researches were appreciated and further developed by foreign specialists. Among them it was E. Mayo, American psychologist and sociologist, who dedicated his works to the problems of organizational behavior and management in industrial companies. He headed some research projects and investigation. Among them it was Hawthorn's experiments. Later E. Mayo turned into one of the founders of American industrial sociology and doctrine of “human relations”.

Development of science about management and managerial activities in the Soviet period were based and supported by two extremely important instruments. First was ideological concept of social property. The second instrument became State character of economic management which helped to introduce into reality all the important ideas which enriched the national economy. Communist Party and Trade Unions served as the most effective conductors of this ideology into the society. The social character of the property united most population and aimed it at effective and innovative labor as State interests and achievements were placed above the personal ones.

Transition to market economy, voucherization and privatizing of large and important State enterprises took place in the frameworks of weak legislative system and liberal State policy. Old mechanisms of management based on collectivism and social responsibility were destroyed. New enterprises that erected on the ruins of the past system, acted very roughly as the bearers of labor relations did not have any other choice to survive.

Owners of business did not feel any need to create illusions for the working people who were forced to agree to any conditions of labor and discipline under the threat of total unemployment. Besides working people were convinced that they were entering new and democratic society. Corporate culture was neither required as at the beginning of the previous century Russia did not know yet mass penetration of transnational companies.

The first decade of the XXI century in Russia is characterized by new tendencies in business environment development. On one hand there is a certain change to the corporate culture which is needed as a nutritive broth of effective functioning of the company's inner structure. On the other hand accelerated innovative development puts on the agenda the problem of how to change inner frame for organizational behavior and organization culture as the society feels great necessity in "knowledge workers" as the core of innovative activity; there is also a tendency to reducing middle part of management whose function is mainly to bring decisions of the top managers to the personnel. Also we witness the strengthening of top managers as people who are responsible for the strategic innovative forecasting.

At the global level there is a tendency to learn more about special features of partners' national mentality as the world today is a multicultural community. Effective collaboration in innovative spheres seems to be impossible without communication for which knowledge about national business cultures is indispensable.

In conclusion corporate culture as the concept of modern management is still relevant acquiring each time new and innovative characteristics.