Self-Reflexion in the Sphere of Organizational Culture-Building: Institutional Approach

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Abstract: In the article the authors deal with issues of self-reflexion in the sphere of organizational culture-building. The phenomenon of organizational culture in the system of modern entrepreneurship is investigated. Its influence on modern state and directions of improvement of cross-cultural management is shown. Analysis of modern trends and specific features of culture management of Kazakh and Russian entrepreneurship structures is provided. The notions of "organizational culture-building" and "self-reflexion" in this sphere of research are put into scientific use. It is demonstrated that the highest sign of it is an ambition to simulate organizational culture, the essence of which is viewed as innovative mechanism of joint-stock company. The methodological foundation for this research was formed by fundamental concepts, hypotheses and results of investigations presented in the classical and modern works of home and foreign scientists, devoted to cultural management of a company, entrepreneurship, human resources management and other issues of management theory. Main role in the methodological "base" of our research was played by theory of management, general theory of systems, concept of organizational culture.

Key words: Self-reflexion, institute · Model · Organizational culture · Competence · Economic entity · Entrepreneurship · Cross-cultural management · Theory of corporate culture-building

INTRODUCTION

Recently our home economists more and more often raise the issue of modern state of methodology for modeling business tools and resource theory of economic development. The last one is interpreted in very broad sense and is closely connected with institutional economic theory adequate to transitional period in which national economy still remains. Specifically, we are talking about cooperation of economic agents on the base of institutions of organizational culture.

Specialists point out to its interpretative function which allows to evaluate the grounds of principal's decisions at occurrence of some unexpected circumstances [1]: organizational culture gives subordinates *ex ante* the idea about how company will react to these or that unexpected situations; strictly speaking thanks to its existence the company gets its identity". In other words, once established organizational culture resists to changes of the relationship between principal and agent.

Among norms which determine the essence of organizational culture as an institution there are depersonalized trust, empathy, utilitarism, aim-rational act, respect for the right of ownership. These norms (as basic regulators of interaction of company's employees) are closely connected with economy of agreements and social choice (L. Teveno, O. Favro, F. Orlean)-in the framework of institutional determinism.

The norms are characterized by 3 attributes: (all are connected with the role played by them in the coordination of activity).

- Non-selectivity in consumption
- Non-exhaustibility in consumption [1].

Underlying the importance of this issue we should point out to elite character of culture in modern Russian entrepreneurship [2] It is not a mass culture but: 1) scientific theories and ideological doctrines, which systemize and generalize real values and norms; 2) theoretical constructions of economists and other

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specialists directed to optimize some spheres of economic activity and reflecting base trends of development of social culture; 3) elite concepts of economic culture created in the framework of modernization theory. And in this respect the issues of self-reflexion of JSC in the sphere of organizational culture-building seem to us rather actual.

The methodological foundation for this research was formed by fundamental concepts, hypotheses and results of investigations presented in the classical and modern works of home and foreign scientists, devoted to cultural management of a company, entrepreneurship, human resources management and other issues of management theory. Special role in the methodological "base" of our research was played by theory of management, general theory of systems, concept of organizational culture.

Besides that as theoretical and methodological foundation we used materials of international and whole-Russian scientific and practical conferences devoted to the issues of self-reflexion; normative acts in respect to entrepreneurship activity, internet.

Theoretical comprehension of issues of formation of organizational culture as general precondition for formation of efficient mechanism in the system of entrepreneurship management is stipulated by use of institutional approach based on combination of \systematic-cultural and synergetic understanding of the essence of organizational culture-building.

Main Part: In the framework of JSC economic culture can be thought as organizational or corporative culture. Many actual issues of business can and must be solved in this "cultural field" (V. Spivak) [3]. Corporate culture here is a type of organizational culture which in most effective way, directly, unites the interests of personnel around corporate ideas. To achieve this state the following conditions are necessary:

- Aims of a company which it intends to meet must be well-known and easy-to-understand to the employees;
- They must match their interests, life plans, be shared by employees;
- Such aims must look for personnel as promising, perspective for every one;
- An employee must see the connection between his(her) actions and movement towards general corporate aims, evaluate his(her) contribution into realization of them;

- Employees must have an opportunity to influence and change these aims and to evaluate the degree of their realization by the company in different periods of time.

Advantage of organizational culture is that every employee can work in some range: on the high or low level of what is acceptable, on the highest or lowest level of fulfilling his duties, with more o less effectiveness (of course, in permitted limits). organizational culture makes an employee increase his contribution into common business, to facilitate his company in achieving its aims apart from and more than what is formulated in his duties [4]. Thanks to it the company gets great amount of energy, its activity in different directions is very effective. Such culture is obliged to be. It is spontaneously formed in any organization, some time later after its appearance, as people inevitably bring to it their individual experience obtained in other sub-cultures; the result of it is a complex coalition of individual cultures, which forms, so to say, the "individuality" of a company, its unique character.

E. Shayn defines organizational culture as a pattern of collective basic beliefs, effectiveness of which is sufficient to consider it valuable and pass over to newcomers as correct system of perception and viewing problems connected with adaptation to changes of external environment and internal integration [5]. Here "pattern" means a scheme, model or definition (moral framework).

Shayn is considered to be a guru of organizational culture. Besides him we can name the other specialists: G. Hoffstede, K. Cameron, P. Quinn, E. Hendy, R. Ruttinger, M. Tevens, D. Stredwick, Y. Gen.

Organizational culture is a synonym of organizational culture. Here we choose term "organizational culture" because it has a broader meaning. A company is just ONE form of organizational and legal forms of organization (but commercial forms-are the most common among others) [6]

There are two main approaches to perception and studying of organizational culture: 1) system and 2 situational. Combining them together we can conclude that organizational culture can be perceived as open system, development of which is based on principle of situationizm (according to it behavior of the employees is driven by implicit factors which can not be always decoded) [7].

We can name a number of issues which can not be studied without scientific research in the sphere of contents and decoding (diagnostics, audit and

finally-self-reflection of JSC) of organizational culture. First of all these are such issues as subjective-objective perception of organizational culture and its elements, evaluation of its level and profile, effective control of the chosen object and effectiveness of organizational culture as subject of control. Some authors even write justly about necessity of harmony of elements of organizational culture- and of its levels; difficulties in finding "formula" for different companies and for any situation. In other words there is a very long list of problems of cultural character which refer to economics.

Let us name the functions of organizational culture. Firstly these are functions of organizational culture inside a company (such as evaluative-normative, regulating, cognitional, communicative, sense-forming, reproductive, recreative). Secondly these are functions of organizational culture outside the company, connected with demonstration of unique character of the company, its image and possibility of economic adherence in the system of business processes.

Functions of organizational culture to a great extent determines its moral force. It is connected first of all with image and recreative function, responsible for recover of moral forces of employees [8].

Management of organizational culture can be called an important function of management system of any company in general [9]. The reason for it is that the choice of strategic decisions is connected with decoding and changing of organizational culture, with social responsibility of a company. Pointing out said above, we should mention the concept of organizational culture which should be a guidelines in organizational culture management. Main idea of the concept: it is necessary to understand processes going inside organizations, uniting the representatives of sub-cultural and professional groups. Many problems which earlier were explained by "defects of communication" or "insufficient level of cooperation" now are regarded as result of absence of appropriate inter-cultural communication (E. Markaryan).

In fact we are talking about importance of moral force of organizational culture In other words, it influences in positive way not only such indicators as labour productivity, quality, profitability but in the same time it creates favourable moral atmosphere for business both inside the company and out of it.

Organizational culture is called by some authors a soul (brain) of a company (to be exact, its right hemisphere because left one is corporate structure, management system). In any case organizational culture is a distance away from power relations though it affects organizational activity, its efficiency.

It can be concluded that organizational culture-is regular feature of behavior of company's employees, its "soft factor" of its productive and commercial activity. In other words it can be called a philosophy which determines a policy of a company towards its employees or "game rules" which are obligatory for making career in this organization [10].

Therefore organizational culture can be viewed in terms of employees (game rules) and in terms of company's leaders. Then organizational culture-is a philosophy or a factor of productive and commercial activity. Generalizing mentioned above V. Sote pointed out to 7 processes by which culture influences organizational activity: communications, control, decision-making, loyalty to the company, perception of corporate environment, justification of one's behavior, cooperation between individuals and the parts of company. With that some processes correspond to surface and other - to internal levels of corporate behavior having base of values. And effectiveness of company's functioning depends on how these processes flow.

Force of organizational culture is determined by 3 factors: depth, clear understanding of priorities and that degree of agreement at it by company's members. All three combined together determines robustness of most important beliefs shared by its employees.

It is important to mention that organizational culture influences not only what employees do but how they do it. With that their amount of satisfaction and effectiveness of activity (behavior) is important in terms of corporate benefits.

In foreign literature they use term "cultural paradigm" as combination of beliefs of company's employees about existing relations in it. Underlying it Newman points out that in the framework of JSC the relations must be emotionally neutral, specific, universalistic, orientated to the result "I, person" of an employee. To a great extent this is essence of cultural paradigm of a company, viewed in terms of economic-corporate relations. Such paradigm can be called corporative culture-a form of organizational culture.

But in its development organizational culture can not achieve the stage of fully formed paradigm. And the reason for that is not only much more complex character of paradigm than organizational cultures described in terms of organizational technologies. The point is that the leaders of organization often face the problem of necessity to change way of functioning of a company at the expense of introduction of a new element which contradicts cultural paradigm. Here we are talking about other types of relations-socio-economic or

power and leadership relations. The last ones to a great extent are connected with external environment, that is why they irreversibly change in the conditions of competition of economic entities [11].

In this case management of JSC works with organizational culture as with the system of beliefs of great robustness which resist to changes caused by external environment. That is why the leaders must predict these changes to have enough time to influence cultural paradigm which changes from soft into hard factor of entrepreneurship activity in the framework of JSC [12].

Cottler and Heskett investigating this issue have found that some organizational cultures can adapt to changes in external environment. These are strong cultures having a set of inter-related central beliefs about the value of employees, about importance of taking all stakeholder's interests into consideration, about importance of changes and learning entrepreneurship Here the above mentioned authors point out that though basic values represented by organizational culture do not change greatly they lead to changes in more peripheral sections of every organizational culture.

Other specialists call such cultures not strong but flexible. They can be classified depending on the coverage of relations existing at JSC. And all this is important in terms of self-reflection in the sphere of organizational culture-building. Its highest level is an ambition to build a model of organizational culture, essence of which is an innovative mechanism of JSC. Model means "representation of what you do and what is suitable for experiments" [13].

Process of building such model is called modeling in terms of self-reflection. In the base of the latter there is a complex scheme of forming key factors of success, determined by number of blocks:

- Evaluation of strategic assets of JSC (the system of its values and formed patterns of development of socio-economic processes, subjective expectations and interests);
- SWOT-analysis of entrepreneurship activity in dynamics with evaluation of the business success factors and identification of business units;
- Definition of problems and alternative variants of achieving business success.

Culture here is organizational knowledge-or resource serving to the interests of big business, international (cross-cultural) transition of knowledge. Pointing this out

N. Holden calls culture the underlying competence of a company, realization of which is a responsibility laid upon "cognitive management [14]. He also says about development of model of culture as a resource of an organization able for reflection.

G. Fink and W. Mayrhofer describe in their work cultural factors or complex internal incentives directly affecting management of JSC and its activity [2]: "Strategic asserts of an organization are all its elements which it can use for production of consumer's values. Corporate resources-is a potential of a company; all factors available. In the very broad sense we can talk about existence of material (location, equipment), financial (capital structure, credits) and intangible (people, organizational culture) resources. Use of different resources for the benefit of the consumer is a central task of management. It must be solved by combining different resources available which determine potential of an organization" - such as JSCs.

Therefore JSC or entrepreneurial organization should be considered as portfolio of skills, but not kinds of business (Prahalad and Hamel, 1990). Organizational culture in this case influences all processes inside JSC determining its efforts directed to creation of consumer's values. It also interacts with business culture outside of JSC (various markets), exploring all diversity of different sources of knowledge and forming company's strategies [15].

We are talking about self-reflection as an activity in terms of forms of environment (surroundings of JSC). A number of authors justly think that conditions of surroundings of JSC can not be detached from its perception. In the mind of the person who makes decision there are both environment itself and the uncertainty associated with it (Weick, Hatch, Bird, Taylor, Beechler). More than that, in external incentives there are no variations "perse" to which company reacts; its behavior is stipulated by perception of these. Incentives pass through perceptive filters and the company reacts not to what really is but to what is perceived by it. In this sense companies (organizations) create their environment themselves in the process of organizational culture-building [16].

CONCLUSION

Focusing on all mentioned above we built the model of organizational culture-building (as innovative mechanism of JSC). Such model suggests changing of potential (capabilities) of JSC into basic (underlying)

competence which is transmitted (we intentionally use this word) into what is beneficial for a customer. For our purposes basic competence of a company is international (cross-cultural) technologies.

Inference: Organizational culture as underlying competence of collective learning of JSC can be considered both as a subject and object of these processes. In fact it is potentially rich source of new information, ideas and points of view affecting development of JSC (development of new products, forming of project teams and contacts with customers).

Underlying competence is a combination of skills and technologies enabling JSC to give customer something special. It is a generalized result of learning of every person with all inherent skills and every structural unit of an organization of entrepreneurial type (JSC).

Culture-building technologies understood as underlying competence to a great extent are connected with corporate knowledge, values and experience of personnel, managers and leaders of JSC, which determine their thinking, behavior and practical actions intended for achieving business success of a company.

Having all said above in mind we can name several tasks of self-reflexion in the sphere of organizational culture-building which take place in the area of intensive interaction intended to achieve business success. These are: 1) interactive transmission, development of process competence; creation of atmosphere of cooperation, making culture-building networks; culture-building training and transition of appropriate knowledge and experience.

Self-reflexion presented by these tasks in its content is an innovative one. Central place in it is given to internal- and external corporate inter-actions, mutually crossed and constantly over-distributed sources of general knowledge and its understanding. Activity of JSC' employees who make self-reflexion the area of their primary interest is infinitely diversed, sometimes ephemeral, various behavior patterns, learning styles, business logic, approaches to decision-making and working with specific organizational culture-building issues.

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