# ECONOMICS AND BUSINESS MANAGEMENT

## ADJUSTMENT OF CORPORATE CULTURE AT MACHINE BUILDING ENTERPRISES IN THE STRATEGY IMPLEMENTATION PROCESS

**Androsova O.F.**

*Zaporizhia National University*
*Ukraine, 69000, Zaporozhzhia, Zhukovsky str., 64*
AndrosovaEF@gmail.com
ORCID: 0000-0002-2727-2474

The article considers the management decision of the management of machine-building enterprises to strengthen corporate culture. It is proved that the main efforts to adjust the corporate culture of the enterprise should be carried out from top to bottom and based on vision. It was found that the manager in the process of implementing the strategy solves five management tasks. It was found that to properly understand the situation, it is necessary to identify problems in a timely manner, identify obstacles to the implementation of the strategy and to exercise effective control over the course of events. A network of formal and informal channels, sources of information for effective control of events has been identified. It is proved that in order to properly respond to the situation, it is necessary to identify problems and obstacles that arise in the process of implementing the strategy. Such actions will allow to take timely corrective actions of the responsible manager for the implementation of the strategy and will ensure the accuracy of information on the state of corporate culture. It was found that in order to exercise effective control over the course of events at machine-building enterprises, it is necessary to conduct regular site visits and interviews with workers at various levels. It has been established that informal management methods are very effective and help the management of machine-building enterprises to receive valuable information in the forefront about the progress in the implementation of the strategy and the state of corporate culture. Corrective action is needed to improve the corporate culture of machine-building enterprises.

## КОРИГУВАННЯ КОРПОРАТИВНОЇ КУЛЬТУРИ НА ПІДПРИЄМСТВАХ МАШИНОБУДУВАННЯ В ПРОЦЕСІ РЕАЛІЗАЦІЇ СТРАТЕГІЇ

**Андросова О.Ф.**

*Запорізький національний університет*
*Україна, 69000, м. Запоріжжя, вул. Жуковського, 64*

В статті розглянуто управлінське рішення менеджменту машинобудівних підприємств по зміцненню корпоративної культури. Доведено, що основні зусилля по коригуванню корпоративної культури підприємства повинні проводитися зверху в низ і будуватися на баченні. Виявлено, що менеджер в процесі реалізації стратегії вирішує п'ять управлінських завдань. З'ясовано, що правильно розуміти ситуацію, необхідно вчасно виявляти проблеми, розпізнавати перешкоди на шляху реалізації стратегії та здійснювати ефективний контроль за ходом подій. Виявлено мережу формальних та неформальних каналів, джерел інформації для ефективного контролю ходу подій. Доведено, щоб правильно реагувати на ситуацію, необхідно вчасно виявляти проблеми, перешкоди, що виникають в процесі реалізації стратегії. Такі дії дозволять вчасно приймати коригувальні заходи відповідального менеджера за реалізацію стратегії та буде гарантувати точність інформації щодо стану корпоративної культури. З'ясовано, щоб здійснювати ефективний контроль на підприємствах машинобудування за ходом подій, необхідно проводити постійно відвідини об'єктів та бесіди з робітниками різних рівнів.

Установлено, що неформальні методи менеджменту є дуже ефективними й сприяють керівництву підприємств машинобудування отримувати цінну інформацію в перших рядах про прогрес в реалізації стратегії та стан корпоративної культури. Щоб поліпшити корпоративну культуру на машинобудівних підприємствах, необхідно виконати коригувальні заходи.

### Formulation of the problem

Adjusting the corporate culture is an integral part of the company's strategy. It shows how correctly and successfully the strategy of the machine-building enterprise was chosen. Adjusting corporate culture is closely linked to control, helping to strengthen corporate culture and corporate spirit, and initiating corrective action to improve the strategy and efficiency of engineering companies.

### Analysis of recent research and publications

Recent research and publications differ in the variety of new and innovative approaches to this issue. This question has been studied by the following foreign and domestic scientists: Multfeit J., Kosty M. [5], Thompson Jr., Arthur D., Strickland III, L.,J. [1], Beloshapka V.A., Zagory G.V., Kulik Yu. [6; 7], Vinnichuk R.O. [10], Dikan V.L., Zubenko V.O., Makovoz O.V. [11], Zakharchin G.M., Lyubomudrova N.P., Vynnychuk R.O., Smolinskaya N.V. [12], Ignatieva I.A., Garafonova O.I. [2]. Due to the changing changes in the world, the military situation in Ukraine, the world is very vulnerable and is rapidly changing its priorities, economy, infrastructure. Therefore, this issue will be relevant in such conditions for a long time and will require careful study in new transient processes.

### Formation of the objectives of the article

Investigate the network of formal and informal sources of information that affect the adjustment of corporate culture in machine-building enterprises and the effectiveness of control over the course of events. Justify measures of effective leadership in changing corporate culture.

### Presentation of the main material of the research

In order to strengthen the corporate culture at machine-building enterprises, it is necessary to create a strategic plan, implement it into concrete measures, implement it, and adjust it if necessary. But this is not easy to do. Responsible leadership, initiative, training of subordinates, the ability to capture, including personal example – is not an easy task. The lead manager responsible for the implementation of the strategy is obliged to solve the following management tasks: forecast, make suggestions, participate in strategy development, be creative, be responsible for strategy implementation, create culture, allocate resources, create opportunities, combine processes, to be a mentor, to solve the problems of subordinates, to speak in front of an audience, to negotiate, to stimulate, to act as an arbiter, to reach consensus, to pursue a policy of leadership, to educate and capture. In different situations, you need to be able to show toughness or seek compromise, teamwork skills or decision-making alone, punish and educate. You need to be able to step into the background and be the center of attention.

The main efforts to adjust the culture of the enterprise should be carried out from top to bottom and based on vision. You should first study the situation thoroughly, and then decide how best to do it. The manager in the process of implementing the strategy solves five management tasks:

– monitors the progress of events, closely monitors them, anticipates possible problems, analyzes obstacles to successful implementation;

– helps to strengthen the culture and corporate spirit, mobilizing members of the company to effectively implement the strategy and achieve high performance;

– actively supports the adaptive abilities of the enterprise, constantly looking for new opportunities, generates ideas, ahead of rivals in the development of competitively valuable opportunities and competencies;

– is at the forefront of the implementation of high ethical standards and insists that the company operate as an «exemplary citizen»;

– initiates corrective measures inside to improve the implementation of the strategy and increase the overall efficiency of the enterprise [5].

The manager needs a wide network of formal and informal channels, sources of information to effectively monitor the course of events. The usual channels consist of conversations with responsible subordinates, participation in presentations and meetings, studying the results of work, conversations with clients, tracking the actions of competing companies, exchanging information by e-mail and telephone with employees in other regions, collecting first-hand information when visiting facilities and listening to the opinions of ordinary workers. Since the reliability of information can be assessed objectively, the opinions and assessments of people usually differ significantly. At the same time, reports and meetings reflect the situation, but not completely. Even bad news or problems are mentioned in passing or not at all if subordinates expect to gain time and rectify the situation. In order to properly understand the situation, identify problems in a timely manner, identify obstacles to the implementation of the strategy, take timely corrective action, the person responsible for the implementation of the strategy must guarantee the accuracy of information.

In order to exercise effective control over the course of events, it is necessary to perform regular site visits and interviews with employees at various levels. Informal management methods are widely used and in various forms (managers spend two or three days a week visiting and talking to managers and employees of their company, monthly visit the sales of their products and talk to key customers; communicate with managers from different countries world come to refresher courses, hold weekly meetings of departments to which managers are invited, workers, managers of some machine-building enterprises, walk around the shop and talk to employees, meet regularly with union representatives).

Such informal management methods are very effective because they allow management to receive first-hand information on progress in implementing the strategy.

A large number of managers justifiably attach importance to meetings with employees in the field, as it allows you to get first-hand information and learn about how successful the process of implementing the strategy. Effective contacts allow managers to learn about emerging issues, the need for additional resources, or the need to review approaches. Constant visiting of objects allows to communicate with different employees at different levels of the enterprise, to encourage them, to switch their attention to new priorities, to create positive emotions, to cause an influx of enthusiasm.

At the machine-building enterprise, the managers responsible for the development and implementation of the strategy must lead the work on creating a culture appropriate to the strategy. When implementing the most important strategic changes, the manager is obliged to devote as much time as possible to the management of changes, especially if you need to adjust the corporate culture. The big mistake of some managers that over time the culture of the company will change «by itself» is rarely justified; therefore precious time is lost. Vigorous efforts are needed for a radical and rapid adjustment of the culture. At enterprises, positive changes are minimized due to conflict with the established interests of departments and employees. Success is possible with confident, energetic leadership and concerted action in many areas, which leads to a positive solution to such a large-scale and complex task as a radical change in corporate culture.

For a successful change of culture, the adjustment process must take place under the guidance of top management; the solution of this problem cannot be transferred to the grassroots level [13].

To solve this problem, the only and most noticeable – the difference between successful measures to change the culture – competent leadership from top management.

In this case, effective leadership in changing culture involves the following actions. Implement the «owners decide everything» principle, which combines a change of culture with the long-term interests of stakeholders.

Regular review of the basics of the enterprise. To do this, managers must constantly ask themselves the following questions: do we provide those products to customers? Opportunity to take away market share from competitors. Comparison of competitors' costs with their own. How to reduce costs in our company and increase their competitiveness in price. Is it possible to halve the period of introduction of a new product – from development to launch? How to accelerate the introduction of electronic and Internet technologies? How to increase the company's income? What can be done to speed up decision-making and reduce response time? [14].

Constantly organize events where each manager directly listens to the complaints of dissatisfied customers and strategic allies, laid off employees, as well as frustrated shareholders; At the same time, managers not only get first-hand information, but also better understand which features of corporate culture support the strategy, and which – no [15].

It is necessary to clearly justify the change of strategic course and changes in corporate culture, to convince employees that the changes are in the interests of the company and require individuals and teams to work hard to implement them. Arguments about the need to change the strategy and culture should be communicated to each employee so that it is fixed in the public consciousness.

This requires the decisive elimination of undesirable elements of corporate culture, the introduction of new models of behavior and principles.

Recognize and encourage employees who have mastered the new cultural norms, take an active part in the changes made by management and are an example for their colleagues [16].

To change the culture and overcome resistance to this process requires significant power, concentrated in the hands of senior management. In machine-building enterprises, top managers must not only use the power and influence appropriate to their level, but also set a personal example. The introduction of a new culture and its effectiveness is enhanced through oral tradition, corporate «folklore», the creation of «role models» and the belief in the need to change each member of the company personally [17].

In this situation, only top managers have the power and influence to achieve radical changes in the culture of the enterprise.

Based on this, «corporate citizenship» and social responsibility: another facet of ethical behavior.

Therefore, the struggle for the implementation of the corporate code of ethics is not enough for the company to become a reliable corporate «citizen». Business leaders who want their businesses to become trustworthy corporate «citizens» must not only take care of the ethics of their businesses, but also take social responsibility in making decisions that affect all stakeholders, especially employees, local communities and the general public. .

Corporate reliability and social responsibility are manifested differently: when creating working conditions that take into account the interests of employees' families; ensuring occupational safety; special measures to protect the environment beyond those provided by law; active participation in the life of the local community; interact with local authorities to minimize the impact of staff reductions or the recruitment of significant numbers of new staff (which may put additional strain on local schools and utilities); charitable activities [18].

Enterprises that honestly fulfill their obligations to society differ from enterprises that do only things that do not contradict the law, in their structures of leaders who consider civic position an integral part of corporate culture and modern business in general.

To improve the corporate culture in machine-building enterprises, it is necessary to take corrective action [12].

When adjusting the corporate culture, it is necessary to decide in which direction the culture of the enterprise should change, and then choose the time for appropriate measures. Such responsible decisions are made by managers who implement the strategy, as no strategic plan is able to anticipate all possible events and problems. In the

activity of each enterprise there comes a moment when it is necessary to change the direction of activity, to reconsider the set purposes, to reconsider strategy or to adjust methods of its realization.

At modern machine-building enterprises, adjusting the methods of strategy implementation is a normal phenomenon; such adjustments must be made constantly.

The selection of corrective measures is different, and their choice depends on the situation. Usually in a crisis, management obliges subordinates to gather information, seek and evaluate options, make a list of recommended actions. As a result, the strategy manager meets with key employees, discusses proposed measures, and sues top managers. If top managers can not agree on ways out of the crisis, and time is running out, the person responsible for the strategy must choose the necessary measures and ensure their support. For the successful implementation of the strategy of mechanical engineering enterprises and change of corporate culture, a model of corrective measures is proposed in Fig.1.

The strategy manager chooses the path of gradual reform and adaptation of corporate culture, if the situation allows to act slowly. This process of corrective action is similar to an active and adaptive strategy that allows managers to study needs, gather information, delve into the situation, develop options, make proposals for action, make intermediate decisions, seek consensus among top managers, gradually achieve formal acceptance, measures taken.

The final decision on the need for corrective changes, taking into account the vision, goals, strategy, capabilities and methods of implementation takes from several hours to weeks and even months, if the situation is particularly difficult. Success depends on the depth of analysis of the situation and the quality of the selected solutions.

**Conclusions**

The accuracy of information guarantees the implementation of the strategy of machine-building enterprises, the correct understanding of the situation at the enterprise, the timely detection of the problem. To successfully change the corporate culture, the adjustment process must be carried out by top management. Successful measures to change the culture must be entrusted to the competent leadership of top management. Informal management methods are more effective in implementing the company's strategy. When adjusting corporate culture, it is necessary to identify the direction in which corporate culture should change, as well as choose the time for such a change.
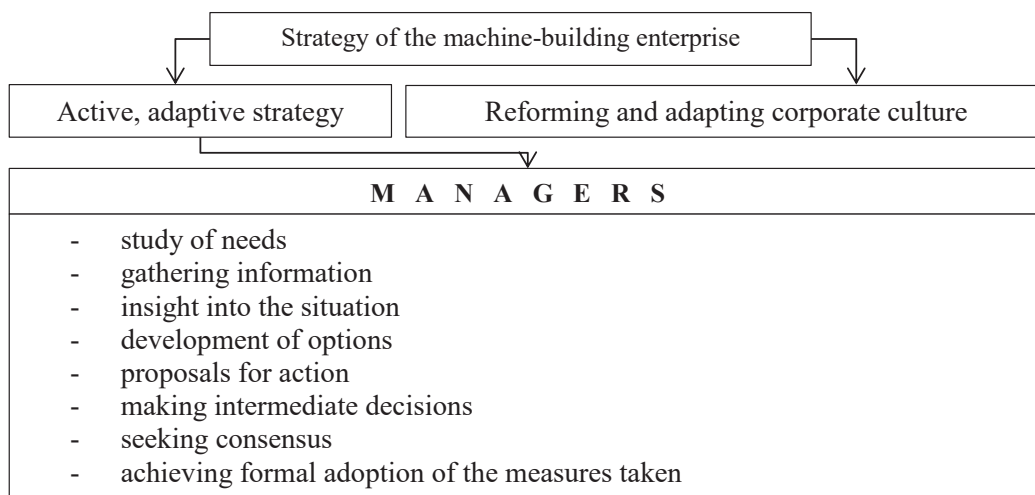
Fig. 1 – Model of corrective measures to implement the strategy of the machine-building enterprise and change the corporate culture

**References**

1. Thompson Jr., Arthur, D. and Strickland III, L.J. (2006). Strategic management: concepts and situations for analysis. 12th ed. Ed. Williams House, 928 p.
2. Garafonova, O.I. (2015). Organizational culture as an element of ensuring the stability of the mechanism of change in the enterprise. *Scientific Bulletin of Polissya*. № 2. P. 95–100. Available: http://nbuv.gov.ua/UJRN/nvp_2015_2_17 (accessed 24 November 2018).
3. Hrynenko, A. and Ishchanova, M. (2015). Corporate culture of socially responsible bank. *Ukraine: aspects of labor*. № 2. P. 11–17.
4. Gutsalyuk, O.M. (2015). Formation of corporate integration strategy of the company. *State and regions. Series: Economics and Entrepreneurship*. № 3(84). P. 40–49.
5. Mulfait, J. and Bones, M. (2018). Positive leadership at the corporate level: how to build a winning culture. *Banking Management*. № 1. P. 29–34.
6. Beloshapka, V.A. (2010). Creating a culture of effectiveness: the competencies of «manual» business management. *Actual problems of economy*. № 2. P. 82–93.

7.  Beloshapka, V.A. (2012). Effective management of strategic process in the company. *Actual problems of economy*. № 9. P. 107–114.
8.  Beloshapka, V. and Kulik, Yu. (2011). Instrumental competencies of the manager in the formation of market corporate culture. *Stock Market*. № 11(3). P. 20–24.
9.  Beloshapka, V.A. and Zagoriy, G.V. (1998). Strategic management: principles and international practice. Kyiv : Absolute-B. 358 p.
10. Vynnychuk, R.O. (2011). Corporate culture as a factor in shaping the knowledge management system. *Corporate culture of organizations of the XXI century* : a collection of scientific papers. № 3. P. 109–114.
11. Dykan, V.L., Zubenko, V.O., Makovoz, O.V., Tokmakova, I.V. and Shramenko, O.V. (2013). Strategic Management : a textbook. Kyiv : Center for Educational Literature. 272 p.
12. Zakharchin, G.M., Lyubomudrova N.P., Vinnichuk, R.O. and Smolinska, N.V. (2011). Corporate culture : a textbook. Lviv : New World-2000. 317 p.
13. Lukina, Y.V. (2012). Formation and implementation of enterprise financial management strategy. *Finance of Ukraine*. № 3. P. 102–108.
14. Dovgan, L.Ye., Karakay, Yu.V. and Artemenko, L.P. (2011). Strategic management : a textbook. Kyiv : Center for Educational Literature. 440 p.
15. Klivets, P.G. (2007). Enterprise strategy : textbook, Kyiv : Akademvydav. 320 p.
16. Malashchenko, V. (2011). The impact of corporate culture on economic development and enterprise security. *Bulletin of the National Academy of Public Administration under the President of Ukraine*. № 4. P. 175–183.
17. Krasnokutskaya, N.S. (2005). The potential of the enterprise: formation and evaluation : a textbook. Kyiv : Center for Educational Literature. 352 p.
18. Mizyuk, B.M. (2012). Fundamentals of strategic management : a textbook. Lviv : Magnolia-2006. 544 p.