

ISCKMC 2022**International Scientific Congress «KNOWLEDGE, MAN AND CIVILIZATION»****THE IMPACT OF CORPORATE CULTURE ON COMPANY
DIGITALIZATION**

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Abstract

The article deals with the issue of corporate culture in the context of the digitalization, taking into account the fact that when a company realizes that its current corporate culture needs to be adjusted, this usually happens by solving problems that employees face due to poor performance and decision making. Of three dimensions of corporate culture, personnel behavior is most important for determining real changes. Ten principles of managerial behavior aimed to achieve desired results are analyzed. The article examines cultural differences in the international business environment. Corporate culture is understood as a powerful strategic tool that allows all departments and employees to be oriented towards common goals. US and European companies differ in size, focus, and corporate culture, which is changing and evolving. It is the corporate culture that can influence the satisfaction of employees, their motivation and attitudes. In order to digitalize the company, it should develop special culture.

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1. Introduction

Corporate culture is a set of behavioral concepts of employees based on beliefs and values. The most important task of company management is to develop effective corporate culture that encourages employees to achieve company goals by harmonizing personal and organizational goals, norms and ideals (Dyakov, 2020).

Regarding culture in relation to the concept of digital company, digital culture is a set of beliefs and behavioral stereotypes that contributes to the development of digital technologies. Consider four key elements of digital culture.

Firstly, this is an understanding of why the company needs digitalization, what benefits it can obtain. Therefore, in the process of transformation, it is very important to pay attention to the benefits of digitalization. The key tool of corporate culture is a developed system of internal communication and feedback. Communication should be regular (Novikova & Strogonova, 2020).

The second key element of corporate culture is the willingness of the company to change processes. It is necessary to develop the belief among employees that existing processes can and should be changed and digitized. This applies to internal processes and to the interaction of the company with the outside world. In order for employees to become active participants in changes, it is necessary to introduce the concepts of “improvement” and “change” as values of corporate culture, to enable employees to critically rethink processes and find ways to improve them.

Thirdly, process changes require new skills. Therefore, the desire to learn is another value of corporate culture, without which the digitalization is impossible (Idigova & Rakhimova, 2021). Culture of constant development and learning will allow employees to keep abreast of all innovations and successfully apply them in their work. It concerns knowledge and skills in the field of building digital products and processes and various working methods: Scrum technology, agile methods, change management, etc.

The fourth element is customer needs in terms of digital solutions. In the process of digitalization of the company, its products and services are transformed. This means that the employees responsible for the production of products and provision of services have a completely new attitude to them. For effective product transformation, it is important to pay attention to interactions with potential customers and identify their requests and requirements for products (Serenkov et al., 2018).

All these four aspects of corporate culture are the basis for successful digitalization and any end-to-end changes affecting all company processes, such as the implementation of ERP systems or lean production technologies. At the same time, digital culture is not something difficult to achieve, its values can be implemented in any organization. Companies that have developed corporate culture that supports changes and development will successfully and quickly move forward in the process of digitalization. This will allow them to be flexible and quickly adapt to market conditions.

2. Problem Statement

Many organizations seek to balance the internal environment with the motivation of employees using various tools. Employees can make the company successful. The corporate culture consists of many

elements, including a work environment, a leadership style, a mission, values, ethics, expectations and goals.

The objective elements of the corporate culture include:

- visual differences – corporate colors, dress code, appearance of employees and office design;
- logos, trademarks, emblems.

Corporate culture is the first step towards the most efficient use of human resources. Employees play an important role in business. Human resources and capital are among the factors that need to be considered. It is a great way to offset employee retention as well as salary and benefits.

According to corporate culture researchers, there are several views on the relationship between national and business culture. Business culture is perceived as a national culture; it is based on cultural patterns, data of national culture. However, within the same national culture, there are very different business cultures that are individual and independent and have their own content, form and strength. There is an approach according to which different corporate cultures can arise in the environment of a single national culture, but corporate culture is not a separate system, isolated from the national culture.

Corporate identity is a unique feature of corporate culture. Its emergence is a lengthy process that can be prevented by insensitive interventions (Serenkov et al., 2015).

When managing a business, it is necessary to take into account all conditions when developing the corporate culture.

Almost all managers are trying to improve the corporate culture. Being a head of a company does not mean that you are just a boss.

Being a head means establishing relationships with employees. In order to improve culture, you need to know more about your employees to establish trust and loyalty.

Figure 01 shows a modernized approach to the formation of an effective corporate culture which takes into account the ideas and values that correspond to the standards and rules of doing business, forms of interaction between business partners (Idigova et al., 2019).

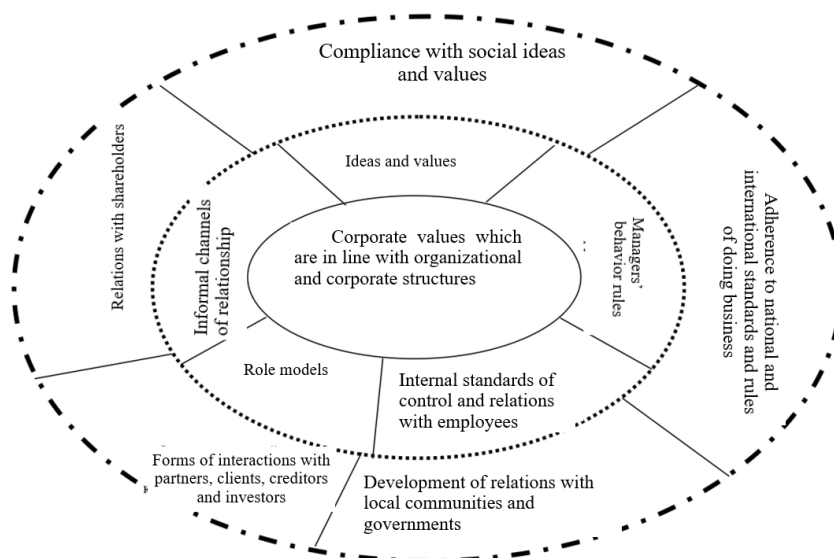


Figure 1. The modernized approach to the formation of an effective corporate culture

3. Research Questions

People working at home are not a company. For an innovative business, the lack of personal communication is fatal. Previously, the problem of lack of live communication did not exist. Workers are no longer face-to-face, and attempts to translate communication into online chats have not been successful. Therefore, businesses have to make efforts to create a new corporate social environment.

Nowadays, the culture of domestic work is gaining more popularity. This is due to the fact that many companies observe the attachment of employees to their comfort zones. They perform their tasks at their own pace. And this makes the conclusion more effective.

The more comfortable an employee feels, the better the outcome. A flexible work-life balance is required. This aspect is relevant for distant work. You can practice this by creating a comfortable working environment for employees.

A comfortable workplace does not require aesthetics. Although appearance plays an important role, it should not be the center of attention.

In fact, better tools, materials, and equipment are more important, because these elements have a huge impact on your business model. If you don't take care of them, your productivity will decrease. Just like efficiency in the workplace will be ineffective. Therefore, it is always advisable to invest in the best tools and technologies.

You should know that criticism plays a huge role. In any business model, criticism can make or break a process.

The corporate social environment includes a mobile application, services for employees, solutions for video conferencing and monitoring corporate rules, rankings, and even a library. In order for employees to do their job well, it is better to help them rather than punish later: those who participate in contests and competitions, undergo training should be awarded with different types of internal currency which can be spent on Diamarket. Here you cannot buy a refrigerator or a vacuum cleaner, or you can get a charger, new office equipment, clothes with company symbols, etc.

Implementing any digital product is risky. HR digital transformation can fail. The list of reasons includes insufficient understanding of key business processes and the lack of resources.

4. Purpose of the Study

The purpose of the study is to analyze the problems and prospects for the formation of a digital corporate culture. To achieve this goal, it is necessary to solve a number of tasks:

- i. To substantiate the relevance of the process of digitalization of the corporate culture;
- ii. To identify the main problems in the system of corporate culture;
- iii. To assess the level of application of digital technologies to improve the efficiency of corporate culture;
- iv. To evaluate the level application of digital technologies

5. Research Methods

The study used the methods of statistical and comparative analyses and the methods of expert assessments, which made it possible to identify the main problems in the digitalization in the field of corporate culture.

6. Findings

Corporate culture is important to employees because employees are more likely to enjoy their jobs when their needs and values are in line with the needs and values of the employer. If you work in an environment that suits you, you tend to improve relationships with colleagues and become more productive.

On the other hand, if you work for a company that does not fit into the corporate culture, you will get much less pleasure from your work. In some cases, you may consider changing your job.

For example, if you prefer to work independently but your job requires teamwork, you are likely to be less happy.

Each culture contains generally accepted standards that have been defined by the environment in which employees were educated. These standards influence the behavior of company employees. Standards are rules for social contact and ethics applied to corporate behavior, telephone conversations, negotiations with business partners, consultations, etc.

It is extremely important to realize that the diversity of the environment in which an international organization does business should be in compliance with the internal diversity.

The following standards are typical of corporate culture systems: equality and career opportunities. The expression of equality is an informal personal contact. Corporate culture is also important for employers because employees who fit into a corporate culture are more likely to be happier and more productive.

They are also likely to want to stay longer with the company, which reduces employee turnover and the associated cost of personnel training. Here are ten principles that exemplify the behavior that managers should strive to change or improve in order to improve corporate culture:

1. Work with and within current cultural situations
2. Change behavior and mindset
3. Focus on a Few Important Behaviors
4. Use your real opinion leaders
5. Do not let formal leaders off the hook.
6. Link behavior to business goals
7. Demonstrate your impact quickly
8. Use cross-organizational methods to go viral
9. Align Program Efforts with Behaviors
10. Manage your cultural situation

Managers of international and domestic companies should control the social behavior. In the highly competitive environment, this aspect influences the position of a business.

The corporate culture should be based on a reasonable compromise between the following two parameters. Culture arises spontaneously as a consequence of the natural behavior of employees. Culture is a result of purposeful activities of the company's management.

7. Conclusion

The diversity of the environment in which the organization functions should be in compliance with the internal diversity. Trying to find general principles for the entire organization is not always effective. This may be a simple solution, which is in conflict with the needs of different cultural backgrounds. It is necessary to find out how various approaches to corporate culture and their synergy are involved, affecting production, labor productivity, general working conditions and the psychological climate in the organization.

In fact, the basis of the organizational potential is just the same corporate culture of the organization, consisting of a set of managerial personnel, a system of values and procedures, the most stable and long-term characteristics of the organization.

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