

DECLARATION OF CORPORATE VALUES BY MANAGERS AS A TOOL FOR ORGANISATIONAL PERFORMANCE MANAGEMENT

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Abstract

Care of corporate culture formation is a prerequisite for corporate values promotion. Cultural norms and system of values provide an orientation to company members during managing and reviewing their behaviour and decision-making with regard to business objectives. If managers will accept corporate culture and values, and exemplary declare adopted values, it will influence satisfaction and performance of employees and also company performance. The contribution is a part of research project VEGA 1/0787/12 "The identification of sustainable performance key parameters in industrial enterprises within multicultural environment". It is based on research realized in conditions of business practice in Slovakia. Article focuses on how are set, reviewed and promoted corporate goals and values in companies in Slovakia. There are presented introductory information related to company and employees' performance and their relation to the corporate culture. The research was focused on reviewing how managers, through they acting in compliance with company mission and vision influence attitudes of employees. The contribution discusses the effect, which company can have from such a declaration of corporate values by managers in company. Therefore, in the article are presented, not only outcomes of this research, but also experience and recommendations of authors.

Key words: corporate culture, employees, performance, satisfaction.

Introduction

The essence of performance as an economic category is composed by three elements. The first is to define the target level against which is compared actual performance with the required performance. The second element is criteria of the goals evaluation - an indicator or set of indicators. The third performance element is system of its measurement and evaluation, which defines rules for indicators measurement and methods of evaluation. (Kuchárová MačKayová, & Závadský, 2006).

A similar view on working performance presents in his work even other author. Work performance can be defined as a result, bounded with strategic objectives of organisation, customer satisfaction and contributes to the economic results. In a modern company is management of people based on rewarding their contribution and developing their potential. The condition for fulfilment of demanding goals is continuous monitoring and assessment of results, removing unwanted deviations, direct remuneration and education of the people (Trebuňa, 2011).

Increasing pressure on competitiveness, innovation and costs reduction, force companies and organisations efficiently and effectively utilize available resources and potential. So it is increasing importance of efficient use of human resources and their capacities.

One of crucial activities performed within innovative organisation is regular gaining of

impulses to innovate, engaging the biggest possible number of employees. Because organisations that want to be competitive and choose the way of innovations need a person, respectively a group of people, who are bearers of innovations and innovating activities, i.e. innovators (Horňák, & Holková, 2010).

This raises particular attention on the part of the staff on the development of their competences in the area of innovation as well as keeping their commitment and loyalty to the company.

In an innovation-focused organisation, it is as well necessary to create the atmosphere where dialogue among managers and other employees has an important role. The aim is to reach high engagement and participation levels of employees in innovations. However, in organisations operating in Slovakia, individual problem solutions still prevail over secondary, team solutions, which results in further found insufficiencies in engaging employees in innovation process itself (Hajnik, Stacho, & Stachová, 2011).

With the need to increase efficiency, competitiveness and innovation is also connected increase of working pressure or pressure for individual as well as company performance.

Companies in Slovakia are now exposed to strong competition, on the one hand, but on the other hand, even a wide variety of new opportunities that if will not lead to a significant strengthening of their performance, will give only a small chance to shift and achieve the level of successful company, a positive impact on employment and productivity increase. All submitted knowledge, proposals and solutions from so called complex business integration, through sustainable development and management of people, management of the knowledge cycle and its integration in successfully organized company to first practical experience with these current approaches in the field of corporate governance are in a whole unique argument, that's all one can logically and effectively applied in the framework of the management of all types of enterprises, regardless of their size, the subject of business etc. (Gejdoš, 2011).

An important role in connection with quality of work on the one hand and performance on the other hand, plays concept of working satisfaction. Satisfaction of employees is monitored in companies particularly in connection with establishing quality management systems as one of their requirements.

Culture of a company itself is one of the discerning factors influencing a set of elements representing inner running forces of the activities of individual workers, which direct their acting and living. It means that even the organisational culture is created and influenced by the individual workers, on the other hand, it greatly influences unwritten patterns of their behaviour, and so it influences the employees motivationally or, on contrary, as a strong de-motivator (Čambál, & Baran, 2006).

In this context, the theme of the corporate culture and related questions of quality of work, is getting into the centre of economic interest and is still more often associated with possibility, that may increase competition ability of company as well as satisfaction of employees.

Methodology of Research

A comprehensive survey of context of corporate culture oriented to employees and the company's success has been made in recent years, particularly in the USA. Systemic and representative data on corporate culture and motivation of employees, and mainly economic impact in terms of Slovak Republic were missing, yet.

For this purpose was carried out research focused on how corporate culture, declared values and awareness of employees influence their acting and performance in companies in Slovakia. Main task of the research was to prove how can managers through their acting in compliance with company values influence attitudes of employees.

Different aspects of corporate culture were surveyed in carried out research. Carried out

research was extensive and led to many interesting conclusions. Part of the research presented in this article is focused on how managers, through they acting in compliance with company mission and vision influence attitudes of employees.

Surveying of company vision, mission, values, creation of company culture and awareness of employees about them was involved into carried – out research. The impact, how this information affect the loyalty or the organisation results was assessed in a survey from the perspective of the concerned staff.

To obtain data was used method of questioning. Questionnaires have been filled in 124 Slovak enterprises, which can be organized in 3 main industry groups:

- 35 % automotive industry,
- 35% machine industry,
- 30% other industry.

Research sample contained from:

- 22% small,
- 30% medium and
- 48% large companies.

Data obtained from questionnaires were processed and evaluated using mathematic and statistics to express frequency and percentage of answers. Methods of analysis and synthesis were used for obtained information and various aspects of research problems solutions discussing. These methods were used to sort and summarize identified data. There was used mainly classification analysis for assorting obtained answers on the basis of similarity and relating analysis for examination of relationships between different types of answers. Synthesis was used to ensure the logical and idea entity of partial research results devoted by analysis. Finally, there was used a comparison method to compare data from organisations, which investigate and review its vision, mission, values and goals and inform their employees about them, with organisations which are lacking such kind of activities.

Results of Research

The processed results pointed out, inter alia, that employees’ awareness about company vision, mission and strategy positively affects satisfaction and loyalty of employees.

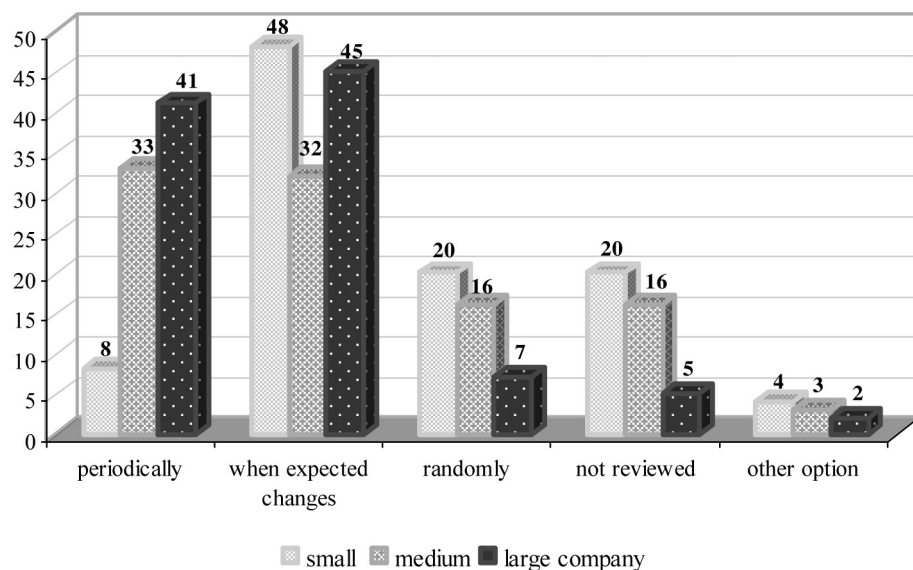


Figure 1: The periodicity of reviewing vision, mission and values in companies.

There was found out, that mostly in medium and large companies are reviewed their vision, mission and values periodically. They are reviewed only when expected changes or randomly in small companies, as can be seen in Figure 1.

Considering selection of a file based on those answers and comparisons with employees confidence to the organisation leadership, we can declare, that in organisations where management communicate with employees and inform them about actual values and long-term goals of the organisation is common greater confidence and loyalty of employees.

From obtained survey results, that organisations which have provided vision, strategy, clearly defined objectives, while informing their employees about them openly, these organisations are also more open in questions about achieving economic results, even if temporarily negative. Such organisations have more loyal employees, who, among other things, are less inclined to fluctuate. Staff members receiving the information about organisational trends and targets towards their achieving they have to participate as well as broader context of targets setting are eager to make their efforts to achieve this targets.

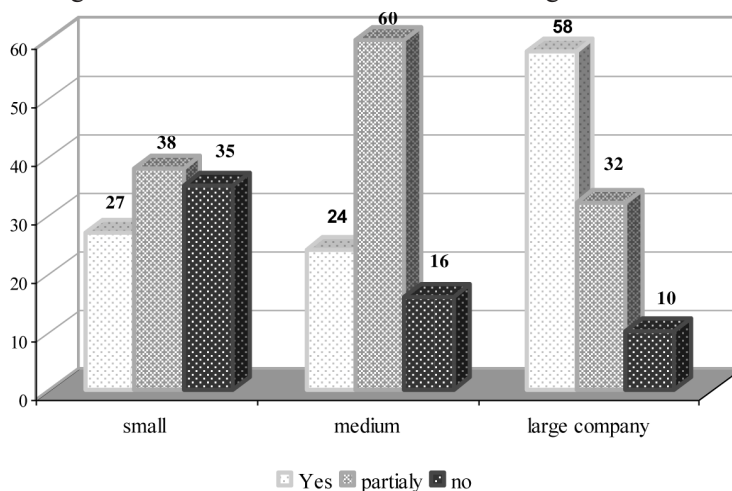


Figure 2: Setting goals in the field of corporate culture.

As can be seen in the Figure 2, to corporate culture and its creation is paid attention mainly in large companies, which is represented in particular responds by 58% of respondents. In small companies is still less attention paid to this issue as 35% of small companies reported that they not deal with corporate culture. Corporate values are associated mainly in small companies with managers, respectively with business owners, due to in smaller companies have employees bigger opportunity to know other co-workers.

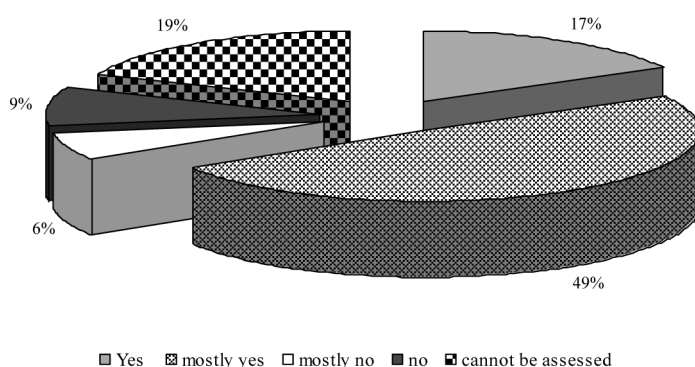


Figure 3: Viewing on managers in companies not only as authority but also as model examples for attitudes and acting.

The tendency to view managers as an attitudes and actions models in a survey showed in comparable degree in companies without distinction of size. As is described in Figure 3, up to 66% of the respondents indicated that managers are perceived not only as authority, but also or mainly as a behavioural model.

Cultural norms and system of values offer to the company members an orientation in the management and control behaviour and decision-making with regard to the business objectives.

A common value basis strengthens identity and feeling of unity of staff. It also has an incentive effect for conforming to behaviour of members, thus ultimately reduced the divergence between the specific individual and corporate objectives and the objectives of both may be implemented in the same degree.

In management culture and management style is expressed understanding of the philosophy of organisation by authorities. From managers is expected to be in daily life and behaviour an example in keeping fundamental values of company.

Heroes embody central cultural values and philosophy. They represent organization as externally as well as internally, they have to perform the role model that sets standards and creates incentives.

Discussion

The aim of company management should be to improve the competitiveness of company through balance of the economy, humanity and liability and responsibility of company. Great importance has a corporate culture creation based on the values, which also supports performance, partnership and dialogue of interested parties as well as transparency.

According to Blašková (2010), corporate culture in the sense of complicated and internally structured system is in company created and developed continuously. Its creation in any particular company is timely compliant with company foundation. As gradually grows and develops company itself, so is created, developed and continually changed (supplemented and filtered) also its culture.

The carried out research and analysis confirmed that, in particularly at level of overall satisfaction, there is a significant relationship to the company success. That is because these concepts have in mind employees and their interests.

Company value should become adopted from the highest levels of management, because only then can be understood and enforced by all employees.

As says Birknerová (2011), there is not a big difference between corporate culture and culture of its management – a way of managing company largely affects what culture is created in the company. Organizational culture is a reflection of how the company is managed.

Engagement acquires special significance inside company, which demonstrates the commitment of the employees. Engagement is generally viewed as a behaviour that is characterized by following three aspects: the willingness and readiness to positively describe company, loyalty to the company and readiness to perform in the interest of company.

As regarding orientation of corporate culture, companies are having particular characteristics of orientation on customers and on performance. Uniform corporate culture, in which are, for example clearly intended working principle is rather a rarity.

Various dimensions of quality of work and working life, from leaders and managerial competencies through orientation on development, team orientation, fairness when changes up to culture of communications are perceived as insufficient by employees. Increasingly more important ability for innovation and change is also not entirely satisfactory in many companies.

Conclusion

In addition to guiding and coordinating internal and external management and organisational processes in company, management of company has today to meet also other important tasks. They have to harmonize profitability, humanity and legitimacy. If company management wants to be successful in markets with increasing competition, they should have set objectives to which is heading, but also values that will be respected for achievement of these objectives.

Analysis confirmed that humanely and effectively created and shaped corporate culture as well as model, exemplar behaviour of managers can be included among the crucial factors in the success of many companies.

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