

Organizational culture as a factor in ensuring the economic security of an organization

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Abstract. *Topical issues of the relationship between organizational culture and economic security of an organization are considered. The analysis of threats to the economic security of an organization determined by an ineffective organizational culture and mechanisms for their neutralization is presented.*

Keywords: *economic security, organizational culture, economic efficiency, return on investment in human capital, threat.*

Historians have come to the conclusion that the main motives for the emergence of the state was the need to regulate economic relations between the three main classes: artisans (farmers, etc.), creating material wealth and providing material needs; clergymen who create spiritual goods and provide spiritual needs; and warriors who provide security from external intrusions.

Thus, in the community of people, a social contract arose between its members, within the framework of which income is exchanged for security and a culture of interaction is formed in the field of ensuring the economic security of the individual and society.

The problem of ensuring the economic security of the individual and the state was considered from different points of view in the works of many domestic and foreign scientists. However, this task cannot be solved once and for all. The world is changing, changing threats and methods of preventing them, one thing remains unchanged - the relationship between people as a key factor in ensuring security. In turn, the effectiveness of the relationship depends on the level of culture of all participants in the process.

There are many definitions of the economic security of an organization. In this context, the economic security of an organization is understood as the ability of the organization's management to ensure the protection of the vital interests of the owner, investors and labor collective on the basis of the effective use of resources to prevent threats and ensure sustainable development. Achieving this goal is possible on the basis of the conclusion of a social contract between all participants and its effective implementation. One part of this agreement is in the legal plane, the other - in the plane of the organizational culture.

In the scientific literature, there are different approaches to the definition of organizational culture. On the basis of the integration of the approaches of V. Sate, E. Stein, R. Quinnie, E. Jacusa, R. Cleemann and other researchers, it seems possible to define organizational culture as a system of values that determines the mission of an organization; the way of thinking, methods of action, norms of behavior of employees, formed as a result of the search for ways to achieve the goals of the organization in a specific cultural and historical context.

The issue of the impact of organizational culture on economic security is especially relevant for large companies, due to the fact that the owner cannot personally lead the entire team and convey the values and principles of work to the entire work collective in the course of personal communication. In this regard, organizational tools are used: "Regulations on corporate culture", "Ethical code", "Ethics cards", "Rules of conduct in conflict situations", corporate events, etc. However, it should be noted that for small businesses, organizational management culture creates pronounced effects - awareness of the values of the organization, on the basis of which a unique selling proposition (USP) is formed; improvement of the SPK; cost savings due to reduced staff turnover; the formation of additional income in connection with the improvement of customer service.

The results of sociological research indicate that 85% of large Russian corporations pursue a policy of introducing and developing corporate culture. In medium business this figure drops to 42%, in small business - 35%¹.

In modern conditions, effective management of organizational culture creates not just additional profit, but is the most important strategic resource in ensuring its economic security.

Let's turn to statistics. According to PricewaterhouseCoopers (PwC)² over the past 5 years, every 5th Russian company surveyed has faced economic crimes, which is 2 times higher than the global indicator. Both in the Russian Federation and in the world, the main damage to companies is brought by middle managers, however, the damage from the actions of top managers in Russian companies is 2 times higher than in the world.

I would like to draw your attention to the fact that, in addition to direct financial and economic damage to the company, economic crimes harm the moral and psychological climate in the team, business relations and the reputation of the company, relationships with regulatory bodies suffer from the criminal actions of unscrupulous employees. In the end, everything is reflected in the financial results of operations, and for publicly traded companies - in the value of shares.

In addition, damage occurs when staff turnover (for example, hiring an employee costs on

¹ According to Cap Gemini Ernst & Young

² According to PricewaterhouseCoopers (PwC)

average 25% of the annual wage, and if we are talking about a top manager, then 150%); in case of unauthorized pauses in work (on average 20% of working time, i.e. the cost of maintaining an employee increases by 20%), in case of petty theft and operation of organizational equipment for personal purposes, etc.

Earlier it was about real damage, but there is also the concept of “lost profit”. Lost profit - insignificant opportunities for earning income, profit due to an unsuccessful choice of a course of action. Most often, the effect of lost profits arises in connection with ineffective organizational behavior of employees. First of all, we are talking about purchases not made by customers due to the lack of a smile, selling scripts, possession of sales techniques; unfinished contracts due to lack of negotiating competence; about timely decisions not taken due to the fact that employees, being in a conflict on time, did not transmit information, etc. Loss of profits, determined by factors lying in the field of organizational culture, averages 25³ of profits.

A separate group of threats to economic security is associated with information. The dissemination of confidential information entails significant consequences - from conflicts in the team, reducing productivity, and ending with the loss of business. Every employee in the enterprise is a potential security threat. Employee actions can be intentional or unintentional. To localize the threats of unintentional spread of confidential information, one should use regulatory mechanisms and prescribe regulations for working with information. The reasons for the deliberate dissemination of information lie in the plane of values and motivation. Accordingly, the organization should not only be spelled out the regulations for its activities, but also constantly work on the management of corporate culture, ensuring that employees comply with the regulations on the basis of adherence to corporate values.

Any economic crime or ineffective actions that form lost profits are based on a person's decision. Organizational culture technologies are aimed at creating conditions that motivate employees to make decisions that are effective for the company. Thus, a well-established organizational culture management process is the most important means of preventing threats.

Summing up the above, we can highlight the main directions of the positive influence of corporate culture on the economic security of the organization.

1. Labor productivity increases as corporate culture forms a favorable socio-psychological climate, due to this, staff turnover, conflicts are reduced, motivation, creativity, cohesion and initiative increase.
2. The level of achievement of the set goals increases, because goals are based on clear values shared by employees.

³ According to research by the author

3. The return on investment in human capital is growing.
4. The efficiency of managerial decisions is growing: the speed of making increases and more non-standard creative decisions appear that can bring processes to a new level, because the fear of making a wrong decision decreases.
5. The economic efficiency of the workforce is increased since the emotional and energetic intelligence of the team is growing.
6. Reduced transaction costs in the external environment.
7. Elements of the external environment (consumers, suppliers, local populations, financial institutions, etc.) turn from “enemies” into “stakeholders”, which creates a synergy effect that leads to an increase in income.
8. The effectiveness of the marketing strategy is increased as the unique value proposition is based on corporate values, which increases customer loyalty.
9. Goodwill is on the rise. Goodwill can be an aggregate financial measure of investment in organizational culture.

In conclusion, it should be stated that an effective organizational culture directly affects the economic security of the company. It unites the team, enhances staff involvement, reduces dysfunctional conflicts, with effective corporate culture management, new employees quickly socialize and join the work, thanks to the formulated traditions, each employee has an idea of how to act in a certain situation. As a result, there is no stupor in extraordinary circumstances, and the company does not lose money because of this. Initiative and creativity develops, which leads to breakthroughs in business and ensures sustainable development. Any successful organization has a developed corporate culture, because it is the link between all members of the organization, it is like a skeleton on which the entire body of the organization rests.

References

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2. Review "PricewaterhouseCoopers (PwC)", 2014-2020.