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## Corporate Culture as a Tool for Competitiveness Improvement

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### Abstract

Corporate culture as a set of opinions, value systems and behaviour standards is unique for each organisation and represents specific character of its functions. It is apparent in behaviour, mutual interaction, self-understanding and understanding of surroundings. Knowledge of particular levels and basic elements is an essential factor for getting familiarized with this many-sided phenomenon. The objective of the paper is to propose changes in corporate culture of the analysed enterprise. The research was focused on defining the opportunity for improvement and strengthening the corporate culture in the enterprise. Internal documentation analysis of the enterprise and employee opinion survey carried out using a written questionnaire, were the basis of analysis. Changes in corporate culture of the enterprise aimed at the components of manifestation which are not so visible or are missing were proposed on the basis of gained information. The analysed enterprise and also its surrounding can benefit from the proposed changes in corporate culture. The result allowed us to familiarise with the most visible forms of corporate culture in enterprises and to propose ways how to improve and strengthen them.

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### 1. Introduction

Corporate culture consists of “values“, “beliefs“ and “standards“ effecting thoughts and behaviour of people in enterprises. They are key factors used to describe corporate culture. The corporate culture determines how

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employees describe where they work, how they understand the business, and how they see themselves as a part of the organization. Culture is also a driver of decisions, actions, and ultimately the overall performance of the organization, whether it is private or public sector. Concept of the corporate culture may be given in advance and managed strategically to keep the organisation aligned with the needs and be identified by the potential customers of the market easily (Urbancová, 2012). Employees within the organisation who push themselves forward to achieve success and recognition must recognise, accept and adapt to the particular corporate culture. (Nedeliaková et al., 2014). Organisations with good corporate culture are usually more successful than organisations with lack of corporate culture foreasmuch as employees appreciate the same values and standards of behaviour (Stacho, Stachová, 2013). The corporate culture is a set of conceptions, beliefs, attitudes and values generally acceptable and maintained for the relatively long time. The term “corporate culture” is usually defined as a set of accepted values and opinions creating informal standards of behaviour in organisations which have a positive effect. The culture determines the inside atmosphere of the organisation, it is some (intangible) product that results from the people’s thinking and their activities performed in the organisation. (Kampf, Ližbetinová, 2015). At the present time the product prices on the market are comparable, quality improvement as well as pro-environmental behaviour of the enterprises can be seen (Myšková, 2005, Grazulis et al. 2009). Creating a customer-oriented culture based on innovations can be considered a competitive advantage that enables the enterprises to react promptly on changes of the environment as well customer’s requirements and thus to stay competitive on the turbulent market. However, the corporate culture exactly offers the greatest source of competitive advantage of enterprises (Potkány, Benková, 2008). It means that corporate culture affects each organisation whether in positive or in negative way. Managers and staff, with their behaviour, qualification and personal development, create relationships with customers and potential clients. They may come up with new ideas as well (Kucharčíková, 2014).

At the present time when many countries are hit by the financial crisis the decline in production, budget-cuts and downsizing can be observed in many enterprises. The cost-reduction is the way how to stay on the market as long as possible (Podoláková et al, 2014). Due to globalisation the market is a place where purchasers’ expectations are always higher and vendors try to react and control these expectations promptly (Kampf, et al. 2012). Competitive conditions support an effective utilisation of resources, human potential, strategic management and building a strong corporate culture (Teplická, 2004). The overall concept of corporate culture assumes that it influences the organisation and management within the enterprise and that it influences the employees’ behaviour to a great extent (Kachaňáková, 2010). However, there is an important question, whether, to what extent and to what intensity this impact occurs.

In spite of a difficult and varied definition of corporate culture the objective of the paper is to point out its importance as a source of competitive advantage of the enterprise on the basis of mastering its elements, types, power and possible change of corporate culture (Kostiviarová et al. 2009). Since the corporate culture is assumed to be the primary vehicle within the enterprise, it contributes to a good image and identity of the enterprise, which then help to convey positive information to the surroundings; it is a source that is worth being discussed, analysed, managed and developed within the enterprise.

## **2. Material and Methods**

The beginnings of the analysed enterprise can be traced back to 1945 and are associated with setting up new furniture factory. The enterprise was opened on 31<sup>st</sup> October by Dr. Richard and Gertdude Seifert, born Lutz. Parent company was located in Upper Austrian Haag am Hausruck. Painted peasant furniture represented the first product introduced to the market. The enterprise was developed in the course of the following years, and in the 1970’s brothers Andreas and Richard joined the company. Since 1973 the company maintained a continuous policy of expansion. At average 3 branch offices were created every year. Opening of the first Möbelix in St. Floriane and signing a contract to purchase Mömax furniture stores chain delivered a positive change in 1989. Since 2002 the company has managed the Mömax furniture stores chain in Germany. In following years the company entered also the Czech, Slovak and Hungarian market. The company can be proud of their many qualified employees and a plenty of managers being, to a great extent, from the ranges of the company employees. The adaptation of newly employed staff begin with a seminar, and during the first week they learn about the company’s history and become familiar with the workload they are going to be responsible for. A wide education system provides possibilities for

great career opportunities. At present the XXXLutz group runs 194 stores in Austria, Germany, the Czech Republic, the Slovak Republic, Hungary, Sweden, Slovenia, Croatia and Serbia. It is an international store chain hiring more than 18,500 employees. At present 4 branch offices are running in the Slovak Republic.

The aim of the paper is to analyse current conditions of the corporate culture in the selected enterprise and to propose a change bringing into harmony the internal environment (employees, managers) as well as providing benefits for the external environment (customers, company). When diagnosing the corporate culture in the selected enterprise a questionnaire by American authors *Cameron and Quinn, 1999* was used.

The questionnaire comprises six areas, all of them consisting of four subareas – alternatives A, B, C and D. Respondents divided 100 points in each area among individual alternatives according to the fact, which of them mirrors current conditions most. The questionnaire was evaluated using the statistical method through the average according to the equation (Scheer, 2007):

$$\bar{x} = \frac{\sum_{i=1}^n x_i}{n} \quad (1)$$

where:

$\bar{x}$  – average,

$x_i$  – individual values,

$n$  – total size of sample.

Subsequently, all averages of individual alternatives from all areas were summed up in order to determine the type of corporate culture and the results were recorded in a table. The same procedure was carried out also in case of other alternatives. Radar chart was used to illustrate the results more clearly. Individual chart axes represent values expressing present and future corporate culture preferences. The introductory part of the questionnaire is focused on the general characteristic of respondents and questions are aimed at communication. Questionnaire response rate was 100 %.

### 3. Results and Discussion

The questionnaire was handed out to all enterprise employees. Its response rate was 100 %. The first part of the questionnaire analysed general sociologic information about respondents. In the selected enterprise the composition of workforce is as follows: 11 females and 9 males; thereof 2 respondents are at the age of 18 – 25; 12 respondents are in the age-range 26 – 35 years; 4 respondents are in the age-range of 36 – 45 years and 2 respondents are older than 46 years. Regarding education of enterprise employees, 85 % of employees completed secondary education; the others completed university education. The second part of the questionnaire was focused on the enterprise results in the field of current and preferred corporate culture. Table 1 illustrates the questionnaire values regarding dominant features and characteristics of the enterprise. Results from the table are illustrated also in Figure 1.

At present and also in the future the most preferred alternative is the alternative C. It is a market culture that is dominated by focus on enterprise results with the need of stability and control. People are goal-oriented via competitiveness. Alternatives D and B, i.e. control, timeliness, effectivity and innovativeness are less represented. Alternative A promoting cooperation a communication, including human resources development, is the least represented.

Table 1. Significant features and enterprise characteristics.

	Current situation	average	Future situation	average
A	265	16	495	29
B	315	19	355	21
C	750	44	530	31
D	360	21	320	19

Source: own processing

Alternative C is focused on achieving the goals and profitability. In the future the alternative A will be the second most preferred alternative. This alternative is dominated by cooperation and development, friendly to family environment, where managers are considered mentors. The third is alternative B – creativity and innovation that will be more preferred in the future than it is now. Alternative D will be in the future the least preferred when compared to the current conditions. The second studied dimension was the enterprise management.

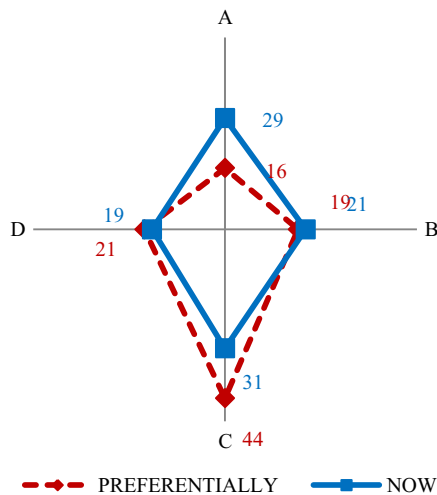


Fig. 1. Enterprise characteristics  
Source: own processing

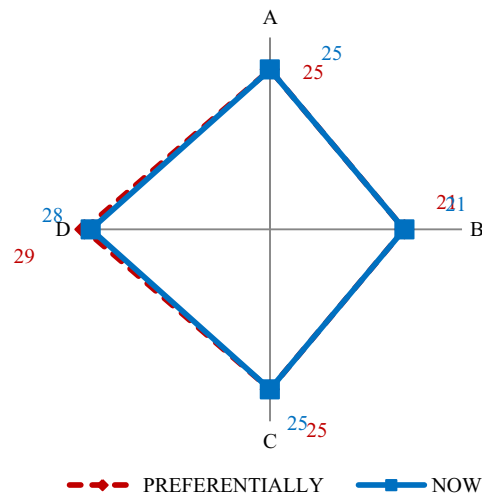


Fig. 2. Enterprise management  
Source: own processing

Table 2. Enterprise management.

	Current situation	Average	Future situation	Average
A	420	25	420	25
B	365	21	363	21
C	420	25	433	25
D	485	29	483	28

Source: own processing

Table 3. Staff management.

	Current situation	Average	Future situation	Average
A	355	21	540	32
B	395	23	390	23
C	690	41	405	24
D	240	14	365	21

Source: own processing

Interesting is that the values describing the current conditions as well as conditions preferred in the future are almost identical for both alternatives. Alternative D, i.e. coordination and organisation provided by management, is the most preferred. Management tries to provide a continuous enterprise operation and values as timeliness, cohesion and unity are considered important. Other often represented alternatives are C and A. The management focuses on profitability, achieving the goals and maintaining the market share, nevertheless, it does not neglect communication and cooperation. Alternative B – innovations and change got the least number of points.

The third dimension is staff management. At present the alternative C is the most preferred. Managers seek to achieve the goals and competitiveness. Because of this fact enhanced requirements are imposed on employees.

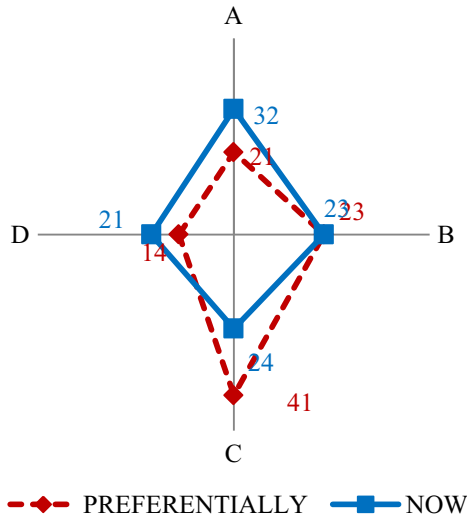


Fig. 3. Staff management  
Source: own processing

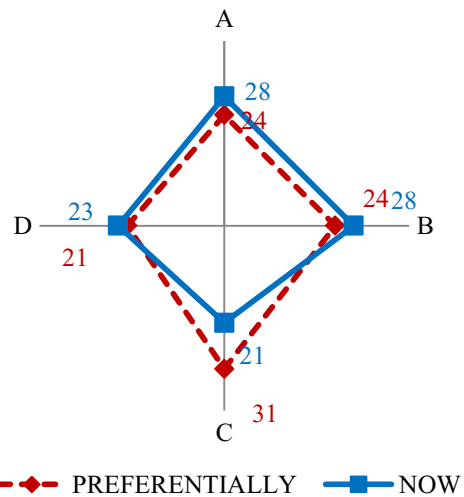


Fig. 4. Enterprise consolidation  
Source: own processing

The employee safety, their comfort and stability are not in the centre of attention of the management. In the future alternative A is the most preferred. Staff management places great emphasis on team work, participation and consensus. Moreover, attention of the management is paid to unity and morale; human resource development is the priority. Requirements imposed on employees should be decreased.

Table 4. Enterprise consolidation.

	Current situation	Average	Future situation	Average
A	405	24	480	28
B	415	24	475	28
C	530	31	360	21
D	360	21	385	23

Source: own processing

Table 4 and Figure 4 illustrate what weld the enterprise together at present and what should weld the enterprise in the future.

Table 5. Strategic values.

	Current situation	average	Future situation	average
A	320	19	500	29
B	270	16	330	19
C	770	45	425	25
D	340	20	445	26

Source: own processing

Following the questionnaire evaluation we can state that competitiveness and profit orientation are the most important for the enterprise at present. In the future alternatives A and B should be more preferred, i.e. cooperation, communication, trust and innovation. Profit orientation should be less dominant than it is at present.

According to the opinion of employees current focus of the enterprise is on a customer, competitiveness and results; less attention is paid to continuous operation. In the future the enterprise should be more oriented on human resource development, trust, loyalty and cooperation support. The enterprise should focus more on continuous operation, what is connected with coordination, organisation and control. Dynamic, entrepreneurial and creative place for work (alternative B) remains less important. Employees do not show an interest in experimenting and innovations (Table 5, Figure 5).

At present the enterprise places the emphasis on control, management, effectiveness, competitiveness and profitability. The criterion for future success is, according to the results, alternative A, which is oriented on cooperation, management consisting of mentors, communication as the prevailing value, and human resource development and success will be defined from the point of view of dealing with customers. (Table 6, Figure 6).

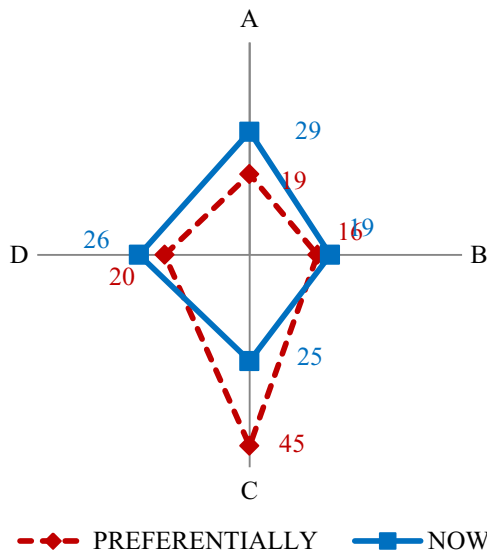


Fig. 5. Strategic values  
Source: own processing

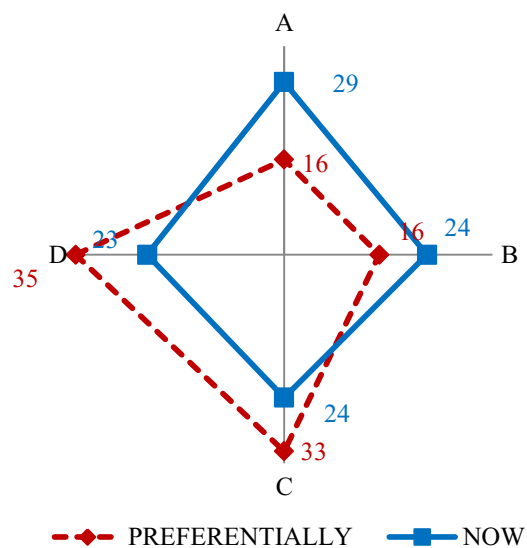


Fig. 6. Success criteria  
Source: own processing

Table 6. Success criteria.

	Current situation	Average	Future situation	Average
A	265	16	490	29
B	275	16	410	24
C	560	33	415	24
D	600	35	385	23

Source: own processing

Following the evaluation of questionnaire according to Cameron and Quinn we can say that at present the alternative C – market competition prevails fivefold in the enterprise. Since it is a store, it is obvious that achieving competitiveness and profitability is in the first place. The enterprise is focused on external placement with the need of stability and control. In the future the employees would prefer clan culture representing a friendly place to work. A feeling of extended family prevails. Enterprise managers are considered mentors or teachers, and the enterprise is welded together by loyalty and traditions. Attention is paid to long-term contribution to human resource

development and to unity and morale as well as to team work, development, communication and trust (Table 7, Figure 7).

Table 7. Type of corporate culture according to Cameron a Quinn

	Today	Average	In the future	Average
A	121	20	172	29
B	119	20	136	23
C	219	37	150	25
D	140	23	140	23

Source: own processing

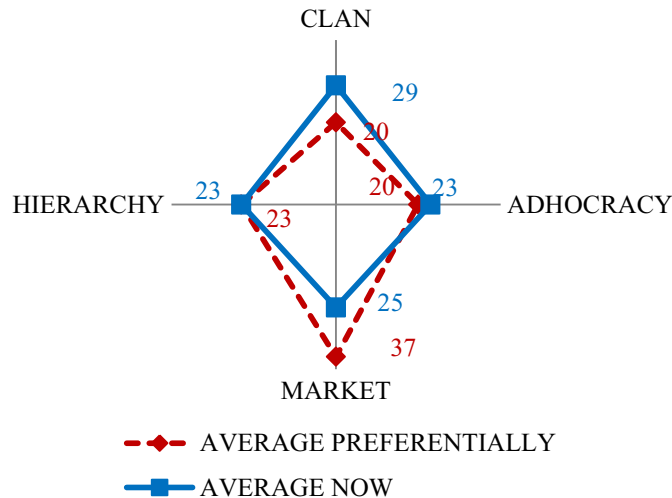


Fig. 7. Type of corporate culture according to Cameron a Quinn  
Source: own processing

#### 4. Conclusion

Following the questionnaire evaluation we state that market culture aimed at the enterprise results prevails in the analysed enterprise. Corporate culture is customer-oriented mainly on external issues. The main task is to sell goods with the primary goal of achieving product quality, grabbing market share and gaining competitive advantage. Clearly defined goals and economic results contribute to this. Among the fundamental values we can find competitiveness and productivity achieved via control and following the market status of the enterprise. Setting and achieving difficult successes welds the enterprise together, and this aggressive strategy leads to results and profit. It can be assumed that increasing the competitive advantage through customers, who appreciate enterprise tendency towards productivity, profit, results and quality of provided products and services, is the main interest of the enterprise management.

According to the sociological interrogation the enterprise should maintain this culture in the future. However, the enterprise should also work towards creating and promoting elements of clan culture, which represents a friendly place to work, where people enjoy pleasant family atmosphere. Thus, the enterprise can act as an extended family and not as a standard economic entity. In contrast to competitive atmosphere focusing on results, as it is in market culture that prevails at present, the enterprise should promote team work, communication and support education and employee development (Malachovský, 2014). The emphasis should be placed on trust among the employees, since the study has shown that it is not at a very high level. The basic task of managers is to promote fellowship among employees, trust and loyalty to the enterprise. It is important to support employees in accepting the same values, beliefs and goals. Employees' behaviour should, according to the clan model, include team work, trust, open and

direct communication, the absence of which can be seen mainly in the store. Future success is defined through a positive work climate and interest in the employees, setting future *direction* to guide *enterprise* decision. Accepted values, goals, participation in all important issues and feeling of fellowship are important in maintaining loyalty and traditions that would hold the enterprise together. Regular meetings are considered very beneficial as also the employees have a clear idea about their tasks and the enterprise direction. Routines common among employees and managers also help managers to maintain good work relationships. Enterprise management should focus mainly on employee motivation, employee reward system and recognition (Hitka, Balážová, 2015).

Nowadays successful enterprises appreciate not only knowledge and experience of their employees but also their willingness to cope with all difficult tasks. This enables the employees to cope with all problems more easily. Therefore, well managed enterprises use their corporate culture as an efficient tool of managing or directing their co-workers. System of values, standards and habits influences the behaviour and performance of all employees. Positive corporate culture contributes to employees' willingness to get involved in the enterprise goals, to strengthen initiative and quality of work, to support their loyalty and responsibility towards the enterprise and to make the communication within the enterprise more effective. Each corporate culture should be set in advance and directed strategically in order to be maintained so that the enterprise can be identified through it on the market in order to be easily recognisable for potential customers. For the employee, in order to become successful and efficient, it is inevitable to recognise and adapt to the corporate culture of the employer. When managing corporate culture it is important to realise that it is created primarily for the employees; it is about enterprise values, mission and vision which employees become familiar with and is accepted by them as well.

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