

# VALUES AND NORMS IN THE MODERN ORGANIZATION AS THE BASIS FOR INNOVATIVE DEVELOPMENT

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**Abstract:** *Values and norms are important factors that determine the functionality of the control system that provides competitive advantage. The basic values of actively developing and dynamic companies are: the development, the team and the initiative. The ratio of shared values and accepted norms makes it possible to identify the categories of employees.*

*The management features of organization and motivation of employees in each category, which allow increasing the effectiveness and efficiency of the organization have been worked out. The analysis of the number of each category of workers in the commercial enterprise revealed measures to improve the human resource management system.*

**Keywords:** *values, norms, organizational culture, motivation of labor, management system.*

## 1. INTRODUCTION

Under the conditions of underdevelopment of the labor market and high competition for highly qualified specialists, modern companies are interested in creating an effective intellectual labor motivation of workers, including forms of stimulation, remuneration schemes, management style and organization of work. Introduced motivation system should be focused on the convergence of the interests of employees and the organization, and provide the needs of employees (Castells and Himanen, 2002). Employee satisfaction in intellectual work activates the human capital and stimulates innovative development of the company (Morettini *et al.*, 2013). Introduction of innovations requires personnel positive perception changes.

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Many organizations have paid attention only to the formal relations. Attention to informal relations makes it possible to satisfy the needs and interests of people in the best way. It is important to understand how much the employee accepts the norms and shares the values of the company (Gaifutdinova, 2014). Formal communications include: regulations, ordinances, statutes, regulations, laws, ordinances, etc. Informal communications include: feelings, likes and dislikes, interests, needs, traditions, etc. (Bondarenko, 2015).

## 2. THEORY

Motivating functions are actions aimed at the formation of all stakeholders desire to achieve the goal of development of the organization. It is important to make the employees think that by carrying out activities to achieve the organization's goals they seek to meet their own needs (Mingaleva and Mirskikh, 2010).

The features of the process of motivation of the employees are examined by many authors: J.S. Adams, V. Vroom, F. Herzberg, V.I. Gerchikov, N.I. Dryahlov, N.A. Zhdankin, E.A. Kupriyanov, D. McClelland, A. Maslow, A. Youths, and others.

The motivation of intellectual labor is understood as a process of conscious choice of a particular type of human behavior determined by the combined action of the incentive system established by the organization and the person motives, designed to encourage intellectual work. The basis for stimulation is providing participants with opportunities to meet their needs and expectations.

D. McClelland does not name the need for creative work as such a tool for intellectual motivation (McClelland, 2007). Values of organization allow to involve professionals who create innovations (Wustari, 2014). Using the theories of motivation in enterprises can improve satisfaction of employees (Bénabou, and Tirole, 2002; 2003; Deci, 1972; Deci, Ryan, and Koestner, 1999; Giuri, et al., 2010; Glazer, 2004; Kreps, 1997).

## 3. METHODOLOGY

In this paper, the following research methods were applied: synthesis, complexity, system analysis, comparative horizontal and vertical analysis method, deduction, induction, modeling, statistic analysis. The usefulness of

these methods can be explained by the following. Synthesis method has been used as a method comprising the process of connecting previously disparate concepts into a single unit to establish the relationship components of enterprise management system. Complexity is based on an approach that considers the analysis of the problems set in the study with the various parties with regard to their relationship. System method is used to study the enterprise as a set of interdependent structural components, which are united by one goal and allowed giving a comprehensive evaluation of production and economic activities of the organization, to determine the properties of the system, its internal and external communication, identify problems etymology. Methods of comparative horizontal and vertical analysis are used in the paper to solve the problem of the development of methodology for determining the different categories of personnel in the enterprise in order to improve manageability and team unity. Simulation as a method was used to study the relationship of management and incentive system with different categories of workers. Methods of induction and deduction are used in the study for the compilation and analysis of intellectual work management. Statistical analysis method is used for assessment, recording and monitoring the results identified in the survey results.

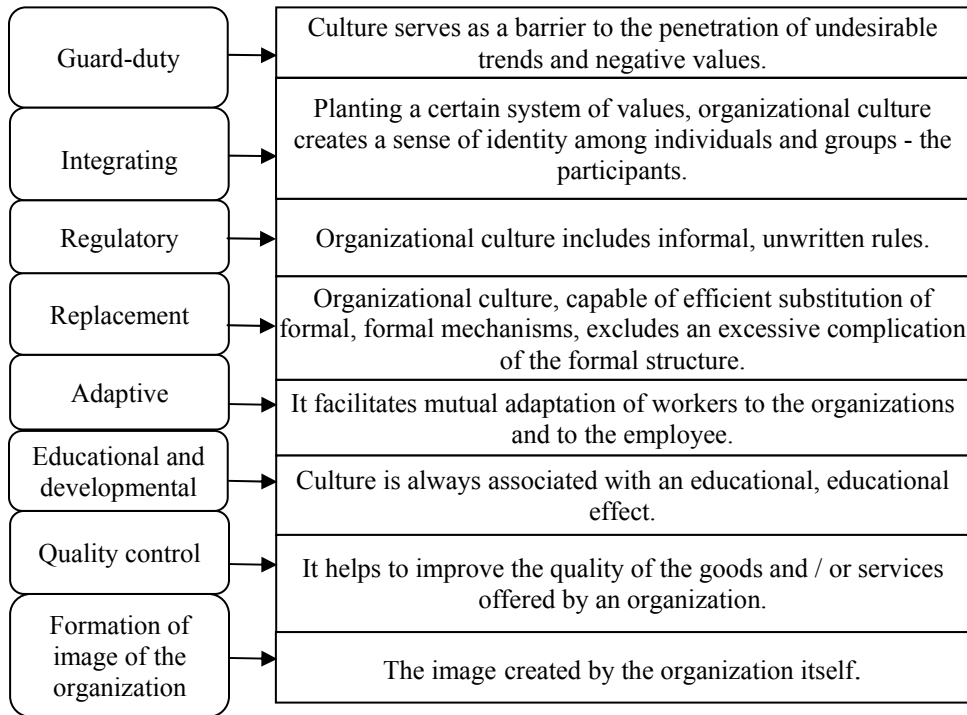
#### **4. RESULTS**

Organizational culture – is a system of norms, rules and values, which regulates the relationship between the members of the organization that determines the success of its operation, survival and development in the long term (Yildiz and Özcan, 2014). Organizational culture has different important functions (Nonaka and Takeuchi, 2003). All the functions of organizational culture are conventionally divided into two groups (Gareth, 2010):

1. determined by the internal state of the organization;
2. determined by the need to adapt the organization to the environment.

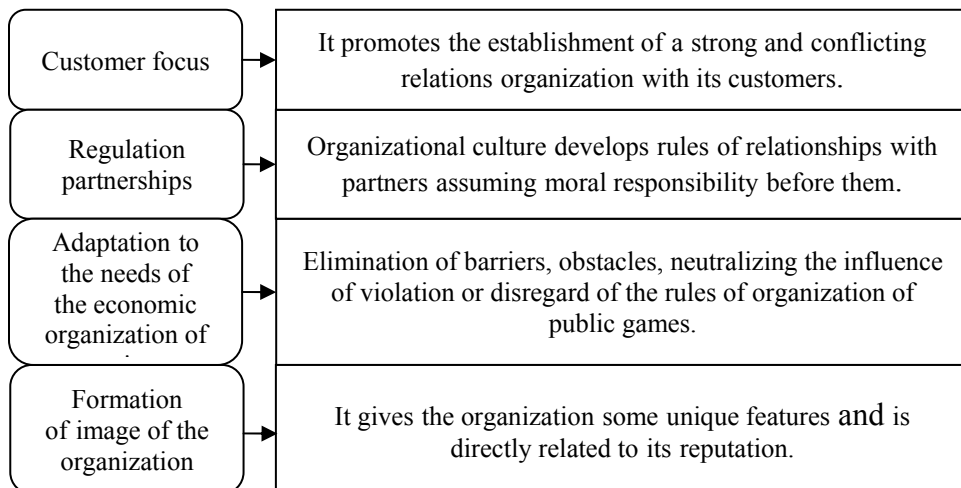
The first group includes the following functions shown in Figure 1.

**Figure 1: Functions of organizational culture determined by the internal state of the company**



The second group includes the following functions shown in Figure 2.

**Figure 2: Functions of organizational culture, defined by the external environment**



Organizational culture of modern enterprises must be directed on innovative development (Belenzon, and Schankerman, 2015; Danilina and Mingaleva, 2013; Sauermann, and Cohen, 2010). These features of the organizational culture provide of cohesion, manageability and proactive employees.

Definition of types of employees based on the relationship to the norms and values of the organization is shown in Figure 3. For the effective and efficient operation of the company it is necessary to strike a balance between the formal and informal structure of the organization (Shishlova, 2010)

**Figure 3: The classification of types of employees based on the attitude to the norms and values of the organization**

	Accept	Norms	Do not accept
Share	Devotee and disciplined worker		Original
Values	The ideal employee		It may produce a lot of difficulties with colleagues and supervisors. But if the employee can find himself his right place in the organization, he will benefit.
Do not share	Trimmer		Rebel
	He follows the rules and instructions and does everything correctly, but is not reliable		Do not accept any norms or values, an open rebel

Company values advocated among employees should be: the development of the team (team), the initiative (Drucker, 1993). In turn, the values shared by employees, should be directed to the recognition, involvement and power. A comparison of the values and standards of the company and the employee's attitude toward them is presented in Table 1.

Based on a detailed analysis of relations to the norms and values of the organization, we can conclude that the main requirement to the employee in a modern company is education, commitment, dedication, discipline, initiative and self-reliance. The absence of some quality is not critical for the company, except qualities such as discipline and dedication. Undisciplined and / or dedicated staff determines the work of the company.

**Table 1.**  
**A comparison of the values and norms of the organization and the employee**

<i>Development / recognition</i>		<i>Norms</i>	
		<i>Accept</i>	<i>Do not accept</i>
<b>Values</b>	Share	Educated and motivated (Careerist)	Purposeful, but uneducated (Nugget)
	Do not share	Educated but not purposeful (Theorist)	Uneducated and infirm of purpose (Cog)
<i>Team / involvement</i>		<b>Norms</b>	
		Accept	Do not accept
<b>Values</b>	Share	Devotee and disciplined (Receiver)	A devotee, but undisciplined (Original)
	Do not share	A disciplined, but not faithful (Trimmer)	Undisciplined, and not a devotee (Rebel)
<i>Initiative / power</i>		<b>Norms</b>	
		Accept	Do not accept
<b>Values</b>	Share	Initiative and independent (Owner)	Initiative but dependent (Ideologist)
	Do not share	No initiative, but independent (manager)	Without initiative but dependent (Small screw)

Definition of categories of workers with respect to shared values and accepted norms of control allows to set the management features and forms of stimulation of staff (see Table 2).

**Table 2.**  
**The relationship between the categories of workers, management functions and forms of incentives for staff**

Name	<b>Management features with the value of "Development"</b>			
	<i>Careerist</i>	<i>Nugget</i>	<i>Theorist</i>	<i>Small screw</i>
Management features	Delegation of authority, new projects, challenges	Education, coaching in work process	Individual approach in adapting the organizational culture in order to develop the personal qualities of the employee	Clear assignment, method, work tools and unambiguous ways of performance appraisals

Contd... Table 2

Planning	Aim	Aim	Problem	Task
Organisation	Low organization level	High organization level	Low organization level	High organization level
Motivation	Career and development, moral forms of stimulation	Career and development, moral forms of stimulation	Monetary and organizational forms of stimulation	Paternalism, negative, monetary and natural forms of stimulation
Control	Low control level	High control level	Low control level	High control level

**Management features with the value of "Team"**

<i>Name</i>	<i>Receiver</i>	<i>Original</i>	<i>Trimmer</i>	<i>Rebel</i>
Management features	Encourage	Individual schedule	Individual approach to the adaptation of organizational culture for the purpose of team building	

Planning	Aim	Aim	Problem	
Organisation	Low organization level	High organization level	Low organization level	the employee is not suited to any company
Motivation	Paternalism and moral forms of stimulation, career and development, participation in management	Organizational, monetary forms of stimulation, paternalism	Monetary, natural forms of stimulation, paternalism	
Control	Low control level	High control level	Low control level	

**Management features with the value of "Initiative"**

<i>Name</i>	<i>Owner</i>	<i>Ideologist</i>	<i>Manager</i>	<i>Small screw</i>
Management features	Promote, cooperate as a leader	Coaching, training	Respect, work to reduce resistance to changes	Clear assignment, method, work tools and unambiguous ways of performance appraisals

Planning	Aim	Aim	Problem	Task
Organisation	Low organization level	High organization level	Low organization level	High organization level
Motivation	Participation in management, career and development, paternalism, moral forms of stimulation	Career and development, moral, organizational forms of stimulation	Paternalism, organizational, monetary, moral, natural forms of stimulation	Negative, monetary, natural forms of stimulation, paternalism
Control	Low control level	High control level	Low control level	High control level

Maintenance of professional growth, providing opportunities for education and training are the main features of the management of workers who share the value of "Development". Maintaining team unity, the development of moral and ethical qualities, the development of staff communication both formal and informal are the main features of the management of workers who share the value of "Team". Providing the opportunity to express themselves in an interesting, creative projects, delegation of powers, opportunity to become a mentor for others are the main features of the management of workers who share the value of "Initiative".

## 5. DISCUSSION

Following a survey among employees and analysis of the data obtained by the consulting company "Consulting Center" the following combination of categories of staff has been identified (see Table 3). The number of employees is 84. The company structure is composed of experts (100%).

Just 28 people or 33.3% of the total number of employees share the stated values of the organization. The leading categories are small screw (36%), theorist (18%), manager (12%). It is necessary to develop organizational culture values such as involvement / team and the authority / initiative.



**Table 3.**  
**Analysis of categories of employees in the company "Consulting Center"**

<i>Categories of workers</i>	<i>Amount of workers</i>	<i>The percentage of the total number</i>	<i>The number of people share the values</i>
Careerist	5	6%	13 people share the value of "success"
Nugget	8	10%	
Theorist	15	18%	
Receiver	5	6%	7 people share the value of "Recognition"
Original	2	2%	
Trimmer	1	1%	
Rebel	0	0%	
Owner	4	5%	8 people share the value of "Initiative"
Ideologist	4	5%	
Manager	10	12%	
Small screw	30	36%	
Total	84	100%	28

## 6. CONCLUSION

Values such as the development team, the initiative strengthen the organizational culture that promotes human development and increases competitiveness of the company. Values of organization discussed in the paper allow involving professionals who create innovations. Highly qualified specialists with a proactive approach to work are able to work on innovative development of the enterprise. The use of the creative potential of the company allows employees to maintain and develop competitive advantage.

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