THE FACTORIAL ROLE OF ORGANIZATIONAL CULTURE IN ENTREPRENEURSHIP AND ENTREPRENEURSHIP EDUCATION

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ABSTRACT

The article substantiates and solves an important scientific and practical task of researching a factor mechanism of formation and management of organizational culture in the environment of entrepreneurship, its management in the context of development of competitiveness of entrepreneurial structures in new economic conditions. Theoretical foundations for the use of the category "organizational culture", which combine the ability to perceive managerial influence and the ability to self-transform and train an entrepreneur through adaptation to change, are researched and developed. Components of organizational culture of business structures are structured through separation of functional and social culture and the corresponding components of organizational culture are defined. The types of entrepreneurial organizational culture are systematized based on selection of relevant classification attributes, which are determined by situation, influence, cohesion and effectiveness of organizational culture.

The essence and structure of the motivational mechanism for managing formation and development of organizational culture of entrepreneurial structures, the action of which is supported by model of staff motivation at stages of its career development, are determined. The article substantiates the educational support system for formation of organizational culture in the business environment. The toolkit for support of managerial decision-making on substantiation of the choice in the sphere of organizational culture formation has been improved.

Formation of a portfolio of strategies for managing the organizational culture of business structures is proposed. Organizational support for organizational culture development management has been improved by developing a set of activities that covers all components of culture within the entrepreneurial business based on the use of management functions. A table is developed that compares tasks of organizational culture management and main management functions to develop personnel related activities and management style.

Keywords: Entrepreneurship, Entrepreneurship Education, Organizational Culture, Personnel, Factors of Organizational Culture Development, Competitiveness.

JEL Classifications: D01, D23.

INTRODUCTION

Dynamic changes of the external and internal environment in relation to entrepreneurs in the new economic conditions require adequate improvement of the system of entrepreneurial training and management of current business activities, as well as increasing the degree of control of the entrepreneurial structures themselves. Modern tendencies of transition of the world economies to the information oriented type actualize research of intangible advantages and specifics of work of businessmen. One of the intangible benefits based on specifics of entrepreneurial training, promoting new educational technologies, their effective adaptation and use, and, at the same time, ensuring their competitiveness is an entrepreneurial organizational culture. An important feature of modern entrepreneurship is the approach to analysis of any phenomenon or process, not from the standpoint of today, but from the point of view of what will happen tomorrow. Today is a very fast-paced and not decisive reality, but the approach to any problem should aim at tomorrow. That is why organizational culture as a key factor of success of entrepreneurial activity in the current conditions in future will only exacerbate this point.

THE ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

A number of scientists have been researching formation of organizational culture and its place in the entrepreneurship system (Andriopoulos, 2001; Martin, 1992). However, it should be noted that the current relevance of this topic undoubtedly requires further research with necessary generalizations of comprehensive research. Therefore, in the works (Denison et al. 2000; Schein, 2010) it is stated that potential workers and "*Human factor*" are becoming more expensive and shrinking in volume, thus becoming an increasingly scarce resource. In the context of total shortage of resources, most likely tomorrow, we will focus on this resource and organizational culture as the most important factor that provides competitiveness for an entrepreneur by fulfilling personal potentials of employees.

As indicated in the publications (Brown et al., 2015; Linstead & Grafton-Small, 1992), an important component of activity for every entrepreneur in today's conditions of an abrupt decline in financial and economic stability and ensuring his viability in future is his ability to adapt to any changes of his strategies with unconditional preservation of the basic system of values of the established organizational culture and support of educational processes for its development. However, in practice, this axiom turns into a hypothesis that, if necessary, in our opinion, will not be superfluous to prove and justify again.

METHODOLOGY

Organizational culture is the norms and values shaped by an entrepreneur (business owner) and shared by the vast majority of employees. Organizational culture is an external manifestation of values, a mission that is realized through organizational behavior, it, on the one hand, contributes to adaptation of the entrepreneur to the external environment, and on the other becomes an educational factor for the effective functioning of all elements of internal, defines a single vector of behavior of the managing and managed subsystem. From a methodological point of view, we identify two approaches that determine nature of components of organizational culture: functional and social. The social group of components is based on the study of the essence of organizational culture and its main carriers. This group consists of: quality of working life, social and psychological climate, motivation, communication. Functional group includes elements that are formed in the main functional

areas of the entrepreneur: production, marketing, management, personnel, economy, finance. This structural model allows us to explore the nature of the organizational structure, patterns of its emergence and development, and to create a comprehensive understanding of the organizational culture of entrepreneur.

RESULTS AND DISCUSSIONS

The basic statement on which all the positive effects of the development and promotion of entrepreneurship education are based is that the culture makes it possible to increase efficiency of business and generate positive economic consequences for the entrepreneur, such as increased employee dedication and development of cooperation, higher productivity, better performance of functions and improving decision-making process. The value of organizational culture for entrepreneurship education is that, when applied to the right approach to its formation, management can rely on the desired (for him) organizational behavior.

Element	Content
Table 1	
CONTENTS OF THE ELEMENTS OF ORGANIZATIONAL CULTURE IN ENTREPRENEURSHIP EDUCATION	
Behavioral stereotypes	Slang used in an entrepreneurial environment; traditions and customs, rituals
Group norms	Samples and standards that govern behavior in an entrepreneurial environment
Declared values	The well-known and declared values and principles that the entrepreneur adheres to and implements
The entrepreneur's philosophy	General ideological and even possibly political principles that determine the very entrepreneurial environment of clients, intermediaries
Game rules	Rules of behavior in the business environment; traditions and restrictions, the "established order".
Organizational climate	A feeling that is determined by the physical composition of the group and the characteristic manner of interaction in an entrepreneurial environment, with clients or other third parties
Existing practical experience	Methods and techniques used by team members to achieve specific goals; the ability to perform certain actions that is passed down from generation to generation and does not require mandatory written fixation

By designing such behavior model (by spreading relevant values, attitudes, norms, etc.), managers may face the problem of not achieving the expected effect. The reason is that a "spontaneous" organizational culture always develops in the organization, which is formed by the specific activities, individual characteristics of personnel (it is important to take into account the organizational behavior of informal leaders), past experience, habits. Thus, even progressively improved, changed culture, can face resistance from the managed system. This is in part because artificially implemented organizational norms and values conflict with the real ones and are therefore actively discarded within the entrepreneurial business.

In fact, the organizational culture of entrepreneurial structures should help to solve two main tasks: 1) to promote at least survival, at most - the effective functioning of the organization in a specific socio-economic environment; 2) ensure internal integration to achieve the goals set by the management (Felin & Powell, 2016; Drobyazko et al., 2019; Drobyazko, et al., 2020).

Choosing a particular type of organizational culture, the entrepreneur is guided by his own knowledge, experience, views, but whatever way he chooses, the main thing, in our opinion, is to take into account the fact that a strong organizational culture should: form clear guidelines for the

activities of personnel; create prerequisites for effective communication; facilitate effective decision-making; reduce control costs; increase personnel loyalty; motivate personnel; to ensure stable functioning of the organization. At the same time, in our view, the most universal is the entrepreneurial culture for business structures (Thornberry, 2001). After all, entrepreneurial culture is used by organizations:

1) Which are focused on constant improvement of their own competitiveness;

2) Which focus their efforts on continuous attraction of investments, i.e. increase of their own investment attractiveness;

3) Which shape the mentality of employees as an economically active component of an entrepreneurial structure, capable not only of producing and making a profit, but also of taking great responsibility and risk;

4) That guarantee development of own personnel, encourage expression of creativity and innovation in production and management activities;

5) That form internal organizational relations based on identification of initiatives both on the side of the managing and the managed subsystems;

6) That involve personnel in management, enable them to make management decisions within their authority;

7) Who extensively use the authority delegation method that not only facilitates engagement of personnel in management but also facilitates satisfaction of motivational needs for belonging, recognition and respect and self-expression;

8) That develop and encourage informal leadership;

9) Who are more individual-centered rather than team-focused: the wealth of the organization is the individual worker, with a high level of pursuit of achievement (inevitably related to profit), competitive, creative, initiative, responsible and risk-averse. Forming a similar attitude to each individual employee - as a result, we get personnel who are self-motivated, because the external conditions are created for its development and to satisfy its needs.

The system of innovations in management, activity, relations envisages both change of the existing practice and creation of a new practice that is fundamentally different, in accordance with the continuous development of management and production technologies.

The system of norms and traditions, ethics of the entrepreneur should not only be proclaimed verbally, but also officially enshrined in the form of the Code of Ethics of the organization. This Code should include sections on corporate ethics (norms of relations with the state, consumers, suppliers, personnel); professional ethics (behavior, attitudes, relationships of people caused by professional activity); business ethics (rules of conduct in the field of commercial transactions, relationships with other entrepreneurs, employees, society). In addition, the code of ethics should cover issues of image. Provided that the above is embodied, the Code of Ethics will be able on a permanent basis to positively influence formation of a system of effective activity of the business structure. After all, it "plays" simultaneously three important roles: 1) managerial; 2) reputation, image; 3) formation and development of organizational culture (Zahra et al., 2006; Holinska et al., 2019).

Attitude to mistakes - forming in each of the participants of entrepreneurial activity a clear conviction: "He who makes no mistakes makes nothing". Rules that will help reformat own attitude to mistakes (starting with the owner and ending with the least qualified employee): 1) not to be afraid of mistakes; 2) change the attitude to mistakes; 3) think in advance about own reaction to a mistake; 4) learn to perceive positively every failure (find positive moments, for example - experience); 6) try to reap a benefit from a mistake (for example, improve one's professional level, get advice, etc.).

The system of motivation, promotion of personnel should be based on an individualized system of remuneration for "*Merit*", which is based on the results of activities and personal contribution to the overall efficiency of the organization by an individual employee. The system should be transparent, self-explanatory, evaluation criteria – achievable and reflect the overall direction of the development strategy. The motivation system should take into account the real needs of employees, be as targeted as possible. Such is the KPI system (Key Performance Indicator) (Makedon et. al. 2019; Harashchenko L. et. al. 2019).

The social responsibility system in business should cover the external social responsibility: sponsorship and charity; promoting environmental protection; interaction with society and local authorities; willingness to help in crisis situations (accidents, natural disasters, etc.); responsibility to the consumer (production of quality goods, services) and the internal one: occupational safety; regular remuneration, which is also socially significant; personnel development; motivational, in addition to the basic, social package; willingness to help employees in critical circumstances of their lives, etc.

Support for employee initiatives requires that the management provide the following conditions: 1) standardization of the innovation algorithm; 2) incentive pay; 3) awareness of safety of expressing an initiative by an employee; 4) individualization of functions in combination with teamwork; 5) promoting awareness of their importance in employees, place and role in the organization and contribution to its effectiveness; 6) availability of knowledge and authority to implement initiatives.

Transparency of organizational processes, trust in the team - provides for the ability of decision-makers, to monitor, control and manage the process, in order to ensure its productivity and successful completion. Decision-makers have the opportunity to compare actual indicators with planned (regulatory) and identify differences, correction of which requires development of an action plan (Hayton, 2005). In turn, process requirements and stakeholder expectations are a key criterion for evaluation.

All the factors that influence the entrepreneur, namely effectiveness of his organizational culture, can be classified as those that have a positive impact, and therefore they can be combined with strategies to strengthen the organizational culture of the entrepreneur. Factors that exert the opposite influence i.e. are combined with strategies of changing the organizational culture of the entrepreneur. The level of development of the organizational culture and the competitive position make it possible to detail the stage of the life cycle at which the entrepreneur dwells and to select such strategy of organizational culture that corresponds to the action of endogenous and exogenous factors. This approach enhances effectiveness of managers' decisions in the organizational culture of the entrepreneur. The matrix of choice of portfolio of strategies of management of organizational culture of the entrepreneur is formed, on the basis of interaction of stages of his life and directions of action of exogenous and endogenous factors, which outlines nine possible variants of strategies of management of organizational culture of entrepreneur (Table 2).

Table 2
PORTFOLIO SELECTION MATERIX OF ENTRPRENEUR ORGANIZATIONAL CULTURE MANAGEMENT STRATEGIES

Stages of life of an entrepreneur	Exogenous and endogenous factors	
	Positive impact	Negative impact
Decline	Organizational culture transfer strategy	Organizational culture transformation strategy
Diversification	Organizational culture support strategy	Organizational culture reproduction strategy

Maturity	Organizational culture innovative development strategy	Organizational culture differential development strategy
Growth	Organizational culture development strategy	Organizational culture adaptation strategy
Formation	Entrepreneur organizational culture formation strategy	Entrepreneur organizational culture formation strategy

The necessity of managing organizational culture of the entrepreneur as an independent functional sphere of the entrepreneur in connection with understanding advantages of developed organizational culture of the entrepreneur has been proved: increase of productivity, due to creation of special socio-economic space, motivation of personnel by enjoying the work done, enhancement of the image of the entrepreneur to ensure its long-term functioning in today's difficult conditions, when there are changes in the external and internal environment.

It is proposed to manage the organizational culture of the entrepreneur through implementation of general management functions, namely: planning, organization, motivation and control. The approach to implementation of the process of managing organizational culture of an entrepreneur based on functional support is presented in Figure 1.
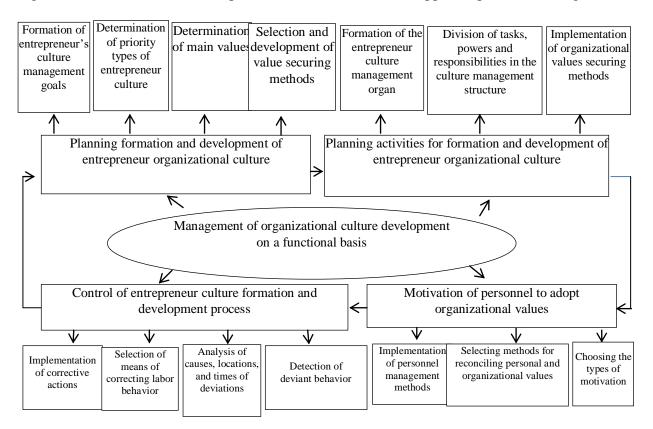

FIGURE 1
Organizational factors and principles of organizational culture development in entrepreneurship and entrepreneurship education

Organizational foundations for managing entrepreneur organizational culture development involve development of a set of measures that cover all components of organizational culture based on use of management functions, adherence to systemic, corporate and specific principles and rules related to peculiarities of managing entrepreneur

culture, which made it possible to update planning and formation methodological and resource base for making timely decisions on effective development of organizational culture (Lefebvre, 2013).

Organizational culture involves holding a number of regular corporate events that should consolidate its status, increase loyalty and dedication of personnel (corporate program for learning a foreign language; corporate holidays; joint tours; health insurance; payment for medical services; provision of personnel transfer; corporate sports; children's holidays, etc.).

Summing up, it should be noted that the organizational culture is an integral part of the life of an organization. It is shaped and changed depending on the vision, desire, experience of the business owner. But a strong organizational culture should, first and foremost, be consistent with the mission of the organization, reflecting the deep meaning of its existence; organizational culture is developed for the people (personnel) and by their efforts (more precisely - by the efforts of professionals who are also personnel); organizational culture should be a culture of mutual trust and respect, ensuring effective interconnection; organizational culture should reflect a leadership style - only then will it be harmonious and not artificially invented. There is no ideal type of organizational culture, but the general rules for building a strong organizational culture are theoretically and methodologically sound and practically tested.

RECOMMENDATIONS

With regard to increasing importance of organizational culture in the current conditions of instability and uncertainty of the external environment, we should dwell on the factors that determine such a process.

1. Organizational culture gives employees organizational identity, defines an intra-group view of the company, which promotes formation in employees of a sense of reliability of the entrepreneurial structure and their position in it, a sense of social security. At the same time the organization acts as a certain guarantor of stability and creates conditions not only for retention of personnel, but also for professional and personal development of its employees. In this way, business becomes socially responsible both to an individual employee and to society as a whole.

2. Knowledge of the basics of the corporate culture of an organization helps new employees to interpret events in the team in a correct way.

3. Organizational culture stimulates development of self-awareness and increasing responsibility of employees who fulfill their tasks. By recognizing and rewarding successful employees, corporate culture identifies them as role models (inspirational persons).

In the face of a permanent crisis of one nature or another, such employees are ready to share the burden of all the problems of organization, staying with it in the most difficult periods, and thus demonstrate true dedication to the company. However, such employee behavior increases loyalty of the organization towards him, determines its willingness to help its employee in his personal crisis situation.

CONCLUSIONS

Improved organizational support for managing entrepreneur organizational culture development involves development of a set of measures that cover all components of organizational culture based on use of management functions, adherence to systemic, corporate and specific principles and rules related to peculiarities of managing entrepreneur culture, which made it possible to update planning and formation methodological and resource base for making timely decisions on effective development of organizational culture and entrepreneurship education. It is proposed to use the model of personality in determining

qualities of the manager who will head the functional sphere - management of organizational culture development. A table of comparing tasks of managing entrepreneur organizational culture and main functions of management for requirements to personnel and style of management was formed which define efficiency of the service for managing entrepreneur organizational culture.

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