

Financial Aspect of the Paradigm of Highly-Efficient Culture at a Company

Aspecto financiero del paradigma de la cultura altamente eficiente en una empresa

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ABSTRACT:

The purpose of this article is to study the financial aspect of the paradigm of highly-efficient culture at a modern Russian company. The methods of logical, regression, and correlation analysis are used. It is shown that the financial aspect, which consists in financial stimulation of employees, financial of employees' development, and financing of monitoring of their efficiency, plays a very important role in formation and support for highly-efficient culture at a company. By the example of the Russian companies of the petrochemical sphere it is shown that highly-efficient culture lies in the basis of market success of a modern company. The complexity of its formation in modern Russia consists in insufficient attention to the financial aspect of the paradigm of highly-efficient culture at a company. The offered financial mechanism of formation and development of highly-efficient culture at a company allows considering the financial aspect and ensures achievement of significant results in the sphere of efficiency management at a modern Russian company.

Keywords: paradigm of highly-efficient culture, human capital, modern company, financial stimulation of efficiency.

RESUMEN:

El propósito de este artículo es estudiar el aspecto financiero del paradigma de la cultura altamente eficiente en una empresa rusa moderna. Se usan los métodos de análisis lógico, de regresión y de correlación. Se muestra que el aspecto financiero, que consiste en la estimulación financiera de los empleados, la financiación del desarrollo de los empleados y el financiamiento de la supervisión de su eficiencia, desempeña un papel muy importante en la formación y el apoyo de una cultura altamente eficiente en una empresa. Con el ejemplo de las empresas rusas de la esfera petroquímica, se demuestra que la cultura altamente eficiente radica en la base del éxito del mercado de una empresa moderna. La complejidad de su formación en la Rusia moderna consiste en una atención insuficiente al aspecto financiero del paradigma de la cultura altamente eficiente en una empresa. El mecanismo financiero ofrecido de formación y desarrollo de cultura altamente eficiente en una empresa permite considerar el aspecto financiero y asegura el logro de resultados significativos en el ámbito de la gestión de la eficiencia en una empresa rusa moderna.

Palabras clave: paradigma de cultura altamente eficiente, capital humano, empresa moderna, estimulación financiera de la eficiencia.

1. Introduction

In the modern global economy, the companies that work in any markets find themselves in the conditions of high competition. The reduced entrance barriers of national markets allow foreign companies to enter them freely. That's why not only the globally-oriented companies have to pay attention to their own competitiveness— it is a task for all companies oriented at the long-term presence in targeted markets.

For the interests of provision of their competitiveness, modern companies have to solve the complicated optimization task which consists in the necessity for manufacture of a growing number of products (goods and/or services) of increasing quality (including technical characteristics, service, guarantees, and the innovational component); also, they have to offer these products for a lower price. This task could be solved by highly-efficient management of the company's human capital.

This is explained by the fact that despite the importance of all other forms of capital, they provide support for opening the potential of human capital efficiency. For it is human capital that creates new technologies that allow achieving high values for the above indicators of solving the formulated optimization task. This actualizes the problem of supporting high human capital efficiency of a modern company.

In this research, the authors offer a hypothesis that human capital efficiency is one of the most important factors of market success of a modern company. Highly-efficient culture of the company, which helps keeping it at a high level, is of a social nature but depends on proper financing. The purpose of this work is to study the financial aspect of the paradigm of highly-efficient culture at a modern Russian company.

2. Materials and method

Human capital efficiency is viewed in this research in a wide sense and includes the production component – the number of manufactures products (for the company with low automatization of production) and the innovational component – the number of created innovations (for the company with high automatization of production) by each employee of the company. The conceptual and applied issues, related to efficiency of human capital, are studied by such authors as (Popkova et al., 2016a), (Ragulina et al., 2015), (Bogoviz et al., 2017), (Orudjev et al., 2016), (Bogdanova et al., 2016), and (Popova, et al., 2016b).

The paradigm of highly-efficient culture at a company supposes that the key precondition and the necessary condition for supporting high human capital efficiency of a modern company (limitation: commercial company that functions in the conditions of high competition in the markets of goods, services, and labor) is are keeping the situation in the corresponding corporate culture in the topical and highly-efficient state. The generalized logic of the influence of corporate culture on human capital efficiency is manifested in the following aspects:

- the company's employees are set with high requirements (plans, standards, etc.) in the sphere of efficiency;
- management of the company creates favorable conditions for the employees' manifesting high efficiency (provides the necessary equipment, supports favorable work climate through team building, etc.);
- the company's management stimulates the development of employees (by training, additional training, etc.), raising their potential in the sphere of efficiency;
- the company's employees are offered high stimuli for outstanding successes (overachievement of the plan, etc.) in the sphere of efficiency;
- the company's employees compete among themselves for the results in the sphere of efficiency;
- the company's management conducts regular monitoring of individual results of each employee in the sphere of efficiency;
- as a result of the monitoring (for the whole company), a general ranking of employees' efficiency is prepared, according to which the leaders obtain general approval and various bonuses, and the outsiders are criticized, punished, and faced with dismissal.

The paradigm of highly-efficient culture at a company is studied in detail in the works of such scholars as (Moffitt et al., 2016), (Wang et al., 2017), (Geissler et al., 2017), (Dorival-García and Bones, 2017), (Cochrane, 2017).

In order to verify the offered hypothesis, the authors use the methods of logical, regression, and correlation analysis, with the help of which they study the influence of human capital efficiency on market success of a modern company. As competitiveness (the direct indicator of market success) is difficult to measure in precise quantitative indicators, the authors study the indirect indicators of market success – in order to ensure objectivity of the evidential basis of the research.

Obviously, a highly-competitive company should receive high profit and show high indicator of profitability. That's why the dependent variables (y) for conduct of the regression analysis are sales revenues and profitability of sales.

The data on efficiency in the pure form are not found in the consolidated reporting of modern Russian companies. That's why, for the purpose of determining and production component of human capital efficiency, the volume of sales revenues per employee is calculated. In order to determine the innovational component of human capital efficiency, the cost of non-material assets per employee is calculated.

The objects for analysis include the companies of the petrochemical sphere of the Russian economy (they are selected based on the criterion of accessibility of the necessary information). The information basis of the research is the data of the Spark information resource for 2017 (Table 1).

Table 1
Selection of companies for the research

Company	Number of employees	Sales revenues, RUB	Non-material assets (NMA), RUB	Sales revenues, RUB		Efficiency, RUB per employee	
				y1	y2	x1	x2
-	-	-	-				
AVIKS GROUP, LLC	5	19,539,000.00	75,800.00	5,120,000.00	26.20%	3,907,800	15,160
ALEKSINSKIE KRASKI-URAL, LLC	100	714,657,000.00	350,200.00	12 158,000.00	1.70%	7,146,570	3,502
ALLAGUVAT, LLC	50	114,283,000.00	80,940.00	-1 208,000.00	-1.06%	2,285,660	1,618.8
ALNEFT-ZAPADNAYA SIBIR, LLC	5	700,000.00	470.00	13,000.00	1.86%	140,000	94
ANPZ, LLC	100	1,520,995,000.00	695,300.00	83,590,000.00	5.50%	15,209,950	6,953
ANPZ, LLC	5	24,288,000.00	520,000.00	-7,275,000.00	-29.95%	4,857,600	104,000
ASPECT, LLC	5	67,922,000.00	760,000.00	409,000.00	0.60%	13,584,400	152,000
AFTU, LLC	5	35 255,000.00	960,500.000	356,000.00	1.01%	7,051,000	192,100
BALTROSNEFT, LLC	5	4,265,000.00	48,000.00	152,000.00	3.56%	853,000	9,600
BASHKIRNEFTEMARKET+, LLC	5	561,000.00	620.00	33,000.00	5.88%	112,200	124

Source: compiled by the authors on the basis of (Spark, 2017).

3. Results

The results of the regression and correlation analysis are presented in Table 2.

Table 2
Results of the regression and correlation analysis

Model	x1		x2	
	b	R2	b	R2
y1	34	91%	62	98%
y2	5.7	95%	7.6	99%

Source: compiled by the authors.

The data of Table 2 show that the connection between the innovational component of human capital efficiency of a modern Russian company to the indicators of market success are stronger. Thus, increase of efficiency by 1 NMA per employee leads to increase of sales revenues by RUB 62.00 (indicators' correlation - 98%), and of sales profitability – by 7.6%. (indicators' correlation - 99%)

Connection between the production component of human capital efficiency of a modern Russian company and the indicators of market success is also strong. Thus, increase of efficiency by RUB 1 per employee leads to increase of sales revenues by RUB 34 (indicators' correlation 91%) and of sales profitability - by 5.7% (indicators' correlation 95%).

The performed calculations confirmed the offered hypothesis and proved that efficiency performs strong direct (positive) influence on market success of a modern Russian company. In order to determine the role of financial factors in formation and support for highly-efficient culture at a company, the authors performed the logical analysis in the course of which the following results were obtained.

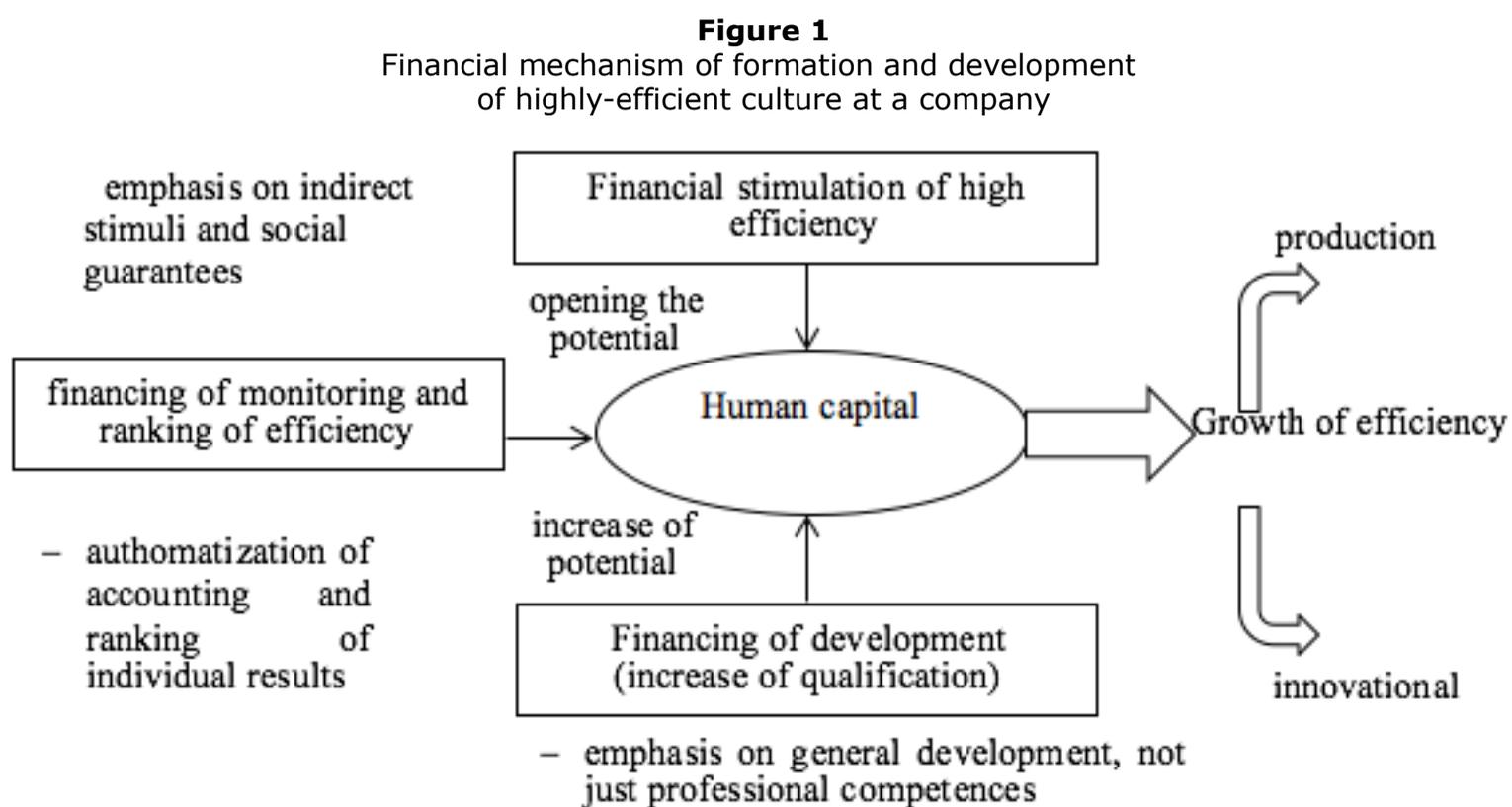
Firstly, financial motives dominate with the employees of modern Russian companies, so during the management of their efficiency the tools of financial stimulation show the highest effectiveness (wages, social benefits, bonuses, etc.).

Secondly, the employees of modern Russian companies show low initiatives in the sphere of their development (by training, additional training, etc.). So the main financial load for increase of their potential in the sphere of efficiency rests with the company's management.

Thirdly, despite the seeming simplicity, the measures for monitoring of individual results of each employee in the sphere of efficiency and compilation of ranking are complex and require large financial expenditures from modern Russian companies.

Thus, the financial aspect, which consists in financial stimulation of employees, financing of development of employees, and financing of measures for monitoring of their efficiency, plays an important role in formation and support for highly-efficient culture at a company.

In view of low global competitiveness of modern Russian companies, which is confirmed by complexity of their entering the world markets and the measures of state protection from foreign competition in domestic markets, human capital efficiency could be characterized as low. We think that the main reason for that is underdevelopment of highly-efficient culture. For its formation at modern Russian companies, we offer the following financial mechanism (Fig. 1).



Source: compiled by the authors.

As is seen from Figure 1, the offered mechanism focuses on the financial aspect of the paradigm of highly-efficient culture at a company. During financing of development of human capital, it is recommended to pay attention to general development of the company's employees, not just professional competences. This is caused by the fact that a lot of employees of modern Russian companies obtain the necessary professional competences in the course of study in universities but cannot implement them in practice in the process of work at companies due to lack of the necessary general competences.

During financing of monitoring and ranking of efficiency, it is offered to implement the automatization of accounting and ranking of individual results of the company's employees. This will allow accelerating this process and increasing the precision of the results. Moreover, while in the short-term this will require additional financing, in the long-term it will allow reducing expenditures for the managers' work as it will be done automatically.

During financial stimulation of high efficiency, it is necessary to emphasize on indirect stimuli and social guarantees. This is caused by the fact that a lot of employers in Russia offer attractive direct financial stimuli (wages, bonuses), while social guarantees (official employment, additional pension and medical insurance, etc.) are rare. Uniqueness and popularity make the direct financial stimuli very efficient.

As a result of implementation of the financial mechanism of formation and development of highly-efficient culture at a company, growth of production and innovational human capital efficiency is ensured.

4. Conclusions

Thus, by the example of the Russian companies of the petrochemical sphere it is proved that highly-efficient culture lies in the basis of market success of a modern company. Complexity of its formation in modern Russia consists in insufficient attention to the financial aspect of the paradigm of highly-efficient culture at a company. The offered financial mechanism of formation and development of highly-efficient culture at a company allows considering the financial aspect and ensures achievement of significant results in the sphere of efficiency management at a modern Russian company.

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