

Effectiveness factors of small and medium-sized enterprises from the perspective of corporate culture: A case study in Slovakia

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Abstract: To reach business success, a company can use and manage a lot of seemingly inconspicuous and useful tools. One of them is corporate culture. The purpose of the paper is to define the factors that affect business efficiency from the perspective of corporate culture. The Organizational Culture Assessment Instrument (OCAI) was used. For data analysis, the Beta regression method, inductive statistics, and Tukey's test were used. Based on the research results, it can be stated that there are significant differences in factors that affect the business efficiency of small and medium-sized enterprises in Slovakia from the perspective of corporate culture. The results show that effectiveness factors typical for clan corporate culture, such as teamwork, communication, loyalty, and human resource development, are applied in small enterprises. However, medium-sized enterprises are dominated by a hierarchical corporate culture with an emphasis on regulations, procedures, stability, control, and accuracy of management. It can be concluded that clan corporate culture is the best type of corporate culture for small and medium-sized enterprises in Slovakia. It is recommended to see the success of the enterprise in relation to caring for the people because employees represent a strategic tool in management that can influence the effectiveness of all business processes.

Keywords: Business process effectiveness, corporate culture, OCAI, SMEs.

JEL Classification: M14, A13.

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Introduction

The main economic objective of any business entity is to achieve a profit. Long gone are the days when the only competitive advantage was merely a product or a service and their

price. At present, enterprises are realising that not only the interpersonal side of relationships and behavior of employees, but also their manners of communicating with customers play an essential role, all being much more valued

than the price itself. In that respect, a tool that may add to a certain willingness of employees to commit themselves to enterprise goals involves corporate culture. Generally, it is seen as a relatively closed and specific cultural system formed by values that organisations profess, as well as standards or rules that are followed in achieving previously set targets. A large number of enterprises have come to realise that corporate culture is a competitive advantage, which means they draw a great deal of attention to it, present it externally and define factors that represent what is important for employees.

Corporate culture is an interesting research topic for researchers and practitioners. It was analysed in terms of the analytical approach (Harrison, 1972), as well as in terms of the levels of business risk and market feedback (Deal & Kennedy, 1982). Widely used is the typology of Cameron and Quinn's (1999). It is based on the Organizational Culture Assessment Instrument (OCAI), which defines a set of different factors that affect business efficiency. The characteristic features of the environment and atmosphere, human relations, internal processes, leadership abilities, managerial style, rational goals, and open systems prevailing in the enterprise are examined. These factors are examined in six dimensions, i.e., dominant characteristics, organisational leadership, management of employees, organization glue, strategic emphases, and criteria of success. The aim of the research is to define the effectiveness factors of small and medium-sized enterprises (SMEs) from the perspective of corporate culture.

The structure of the paper is as follows: firstly, the literature review is presented. It is followed by the aim of research and methodology of research. Finally, the research findings and conclusions are presented.

1. Theoretical background

The changes in the economy, as well as globalisation and sustainability, influence the whole society (Barbu & Tudor, 2021; Chebli et al., 2020). Only enterprises that strive to build functioning strategic processes (Dvorský et al., 2020; Makovicka Osvaldova et al., 2021) support the overall performance (Lee & Ha-Brookshire, 2018) and sustainability of the company (Neykov et al., 2021) may survive. From a general perspective, corporate culture is a very effective tool. It distinguishes one organisation

from another, as confirmed by the research of Bavik (2016). It may support employee effort, increase personal initiative and quality of work, promote loyalty and accountability to the respective organisation and streamline internal communication (Teräväinen et al., 2018). Furthermore, corporate culture is a system of opinions, values, and behaviours that are unique to individual enterprises (Edelstein et al., 2012; Erčulj, 2009). Each corporate culture should be pre-set and strategically managed so that it is adhered to, allows a particular enterprise to be identified accordingly in the market and is easily recognisable to potential customers, suppliers, or even job seekers (Galera & Calpena, 2014; Matraeva et al., 2018). Also, applied corporate culture is a determinant of a company's success, as it is possible to influence employee behaviour and performance through a system of values, norms, and habits (Graham et al., 2013; Samad et al., 2018).

In a number of countries, the OCAI questionnaire, introduced by Cameron and Quinn (2006), is frequently used in research on corporate culture of various institutions in order to define the effectiveness factors from the perspective of corporate culture (Brooks, 2007; Fralinger & Olson, 2007). The OCAI follows from the competing values framework, where the most decisive factors that affect the effectiveness of an organisation were identified (Cameron & Quinn, 2006). The list was subjected to a statistical analysis whose results pointed to two elementary dimensions consisting of a set of four factors. The first gauge differentiates effectiveness criteria that accent flexibility, the independence of decision-making and dynamism, as well as criteria focused on stability, order, and control. The next dimension discerns effectiveness criteria emphasising internal orientation, integration and compliance with criteria that accentuate external orientation, variety, and competition. The combination of both dimensions resulted in establishing four types of corporate culture, each of which encompasses a diverse set of effectiveness factors representing employee values relevant to organisational performance. Moreover, the factors define what is perceived as suitable and/or satisfactory and simultaneously characterise the underlying values according to which an organisation evaluates itself. The OCAI allows one to identify the dominant direction of an organisation. The OCAI determine the type, strength, and congruence of the prevailing culture (Cameron

& Quinn, 2006). In total, it is possible to detect different types of corporate culture, i.e., hierarchy, market, clan, and adhocracy.

Based on the research of Cameron and Quinn (2006), "hierarchy" corporate culture has its origins in the early corporate approaches of the modern era at the beginning of the 20th century, when producing goods and services for increasingly complex society was the greatest challenge for companies. In order to meet the challenge, seven principles of bureaucratic management were established, namely rules, specialisation, merit, hierarchy, separate ownership, impersonality and responsibility. The principles have proven to be very effective, with many companies adopting them since they have led to stable and highly consistent products and services. In general, the key success factors comprise clear determination of authorities, standardised rules, control, and responsibility. Such corporate culture examined by the OCAI questionnaire is referred to as "hierarchy." It is characteristic of its formalised and structured workplace emphasising procedures and regulations, where formal rules are the unifying element (Heritage et al., 2014). Leaders are good coordinators and organisers, for whom it is crucial to maintain the smooth functioning of the organisation, its stability and efficiency. Success is defined by reliability of supplies, continuous fulfilment of schedules and low costs. Employee management is aimed at ensuring job security (Cameron & Quinn, 2006).

At the end of the 1960s, companies began to face new challenges caused by growing competition, giving rise to "market" culture (Cameron & Quinn, 2006). In a hierarchical corporate culture, internal control is ensured through regulations, specialised job positions and centralised decision-making. Market corporate culture works on the economic market mechanisms and transactions. Its primary concerns involve realising transactions (exchanges, sales, and contractual obligations) with other participants in order to reach competitive advantages. The main objectives of market-oriented companies are the final results, their market power, set targets and reliable clients, while the core values are competitiveness and productivity. Leaders are ambitious competitors demanding a high level of performance from their subordinates, and the organisation is held together by orientation to its primacy. Long-term attention is being drawn to competitive activities and

reaching overestimated goals. Success is defined by gaining market share and market penetration, and the emphasis is put on overtaking competition and achieving market leadership (Cameron & Quinn, 2005).

The third type of corporate culture is "clan" culture, named after its similarity to family-type businesses. It is a friendly working environment reminiscent of an extended family where people share the same values (Cameron & Quinn, 2006). Leaders take the role of teachers or counsellors (and occasionally parents), and such organisation is bound by loyalty, tradition, and high commitment (Jaeger et al., 2017). Individual goals are in line with corporate goals based on the individuals' trust in the respective enterprise (Jones & Madey, 2014). The long-term benefits of each person's development are emphasised, and great importance is attached to cohesion and morality (Demski et al., 2016; Übius & Alas, 2009). Success is perceived in connection with the internal environment and care for the people, while teamwork, participation and consensus are considered as paramount (Teräväinen et al., 2018).

A gradual shift from the industrial period to the information period laid foundations for the emergence of the fourth type of culture, being able to best respond to hyper-turbulent and constantly accelerating conditions that increasingly depict the world of the 21st century organisations. It is "adhocracy" corporate culture manifested by a dynamic and creative working environment (Jaskyte, 2014; Lau & Ngo, 2004). Employees are willing to perform at their own risk, and leaders are visionaries and innovators willing to take risks. The organisation is brought together by experimenting, innovative approaches and thinking. To be at the forefront of knowledge, products and services is seen as fundamental, and the readiness for changes and new challenges is appreciated. The long-term goal is to focus on rapid growth and acquiring new resources. Success consists in producing unique and original products and services (Cameron & Quinn, 2006).

2. Research methodology

The SMEs may be regarded as strategic in terms of their sectoral structure. They form a significant part of Slovakia's economy, with the greatest growth potential and impact on economic stabilisation and balanced regional development. The aim of the research

is to define effectiveness factors resulting from corporate culture applied in SMEs in Slovakia. A partial aim is to define the factors that affect business efficiency in 6 dimensions (dominant characteristics, organisational leadership, management of employees, organization glue, strategic emphases, and criteria of success), as follow:

- i) Dominant characteristics – discover the principal features of the environment and atmosphere prevailing in the enterprise?
- ii) Organisational leadership – identify what is understood as the leadership and leadership abilities?
- iii) Management of employees – find out the nature of the managerial style and what methods are applied in management?
- iv) Organisation glue – detect how the company consolidates itself?
- v) Strategic emphases – determine the company goals and what is valuable?
- vi) Criteria of success – to find how is success defined in the company?

It is assumed that there exist differences in factors that affect business efficiency of SEs and MEs from the perspective of corporate culture.

2.1 Data collection and sample

Since 2014, the corporate culture research has been running in Slovakia. The sociological research method through questionnaires was used. The questionnaires were distributed electronically via Google Docs. Since 2014, a database of enterprises from different industries was created. In this research, the data obtained from SMEs were used. A total of 3,524 respondents participated in the research. In total, 1,793 employees working in small enterprises (SEs) participated in the research. SEs are adopted as defined in EU recommendation No. 2003/361 with a number of employees below 50. A total of 1,731 employees working in medium-sized enterprises (MEs) participated in the research. MEs enterprises are adopted as defined in EU recommendation No. 2003/361 with a number of employees below 250.

The research is based on the online questionnaire as a research method to acquire empirical data. In order to acquire relevant data and to ensure the variability and randomness of respondent selection, randomly selected employees working in enterprises operating in Slovakia were asked to fill the questionnaires via Google Docs. The questionnaire was divided

into two parts. The features of respondents (industry and type of enterprise the employee works for) were investigated in the first part. The second part of the questionnaire follows the Cameron and Quinn methodology, where a set of different factors that affect business efficiency is defined in six dimensions, i.e., dominant characteristics, organisational leadership, management of employees, organization glue, strategic emphases, and criteria of success (Cameron & Quinn, 2006). Each dimension is examined through four alternatives. Each alternative corresponds with one of the corporate culture types, which presents a set of different factors that affect business efficiency. Specifically, alternative A corresponds with clan culture. Alternative B corresponds with adhocracy culture. Alternative C corresponds with market culture, and alternative D corresponds with hierarchy culture. In total, there are 6 dimensions with 4 alternatives each, giving 24 alternatives together, investigating factors that affect business efficiency.

Respondents divided 100 points between alternatives according to the fact which of them are put into practice, e.g., alternative A = 60 points (the most similar to the enterprise), alternative B = 17.5 points and alternative C = 17.5 points (alternative B and alternative C are a bit similar), and alternative D = 5 points (almost dissimilar) (Cameron & Quinn, 2006). The methodology, developed by Cameron and Quinn (1999, 2006), involves the final stage, where average values of the alternatives from all six dimensions were calculated and the total average was defined. The outcome of the methodology is a type of corporate culture providing an overview of the set of different factors that affect business efficiency, which are put into practice (Cameron & Quinn, 2006).

2.2 Statistics methods

Results were processed by the statistical RStudio software. Alternatives of corporate culture were defined by estimated average values. The Beta regression method and the methods of inductive statistics were used. Interval estimates and Tukey's test were used, allowing multiple comparisons, assuming independence between factor levels, consistency variance, and normality, usually utilised to identify pairs of diameters that greatly differ from one another. The assumption that there are significant

differences in factors that affect the business efficiency of SEs and MEs from the perspective of corporate culture was tested. The significance level of 5% was used.

3. Research results

The set of different factors that affect business efficiency from the perspective of corporate culture was assessed in six dimensions. The results of the research are presented in box plots representing 95% confidence intervals

for the estimated average values of the significance of corporate culture in SMEs. The existence of differences in SEs and MEs was tested. The existence was confirmed on the basis of p -value provided that $p < 0.05$.

3.1 Dominant characteristics

Based on the methodology by Cameron and Quinn (1999), the dominant characteristic was the first area analysed. Respondents assessed the set of different factors that affect business

Tab. 1: The dominant characteristics in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.363	0.00537	0.353	0.374	0.093483	0.00715	13.076	<0.0001
	MEs	0.270	0.00479	0.260	0.279				
Alternative B	SEs	0.218	0.00417	0.210	0.227	0.009036	0.00575	1.572	0.7670
	MEs	0.209	0.00413	0.201	0.217				
Alternative C	SEs	0.251	0.00453	0.243	0.260	-0.038685	0.00665	-5.819	<0.0001
	MEs	0.290	0.00497	0.280	0.300				
Alternative D	SEs	0.252	0.00454	0.243	0.261	-0.030784	0.00660	-4.661	0.0001
	MEs	0.283	0.00491	0.273	0.293				

Source: own

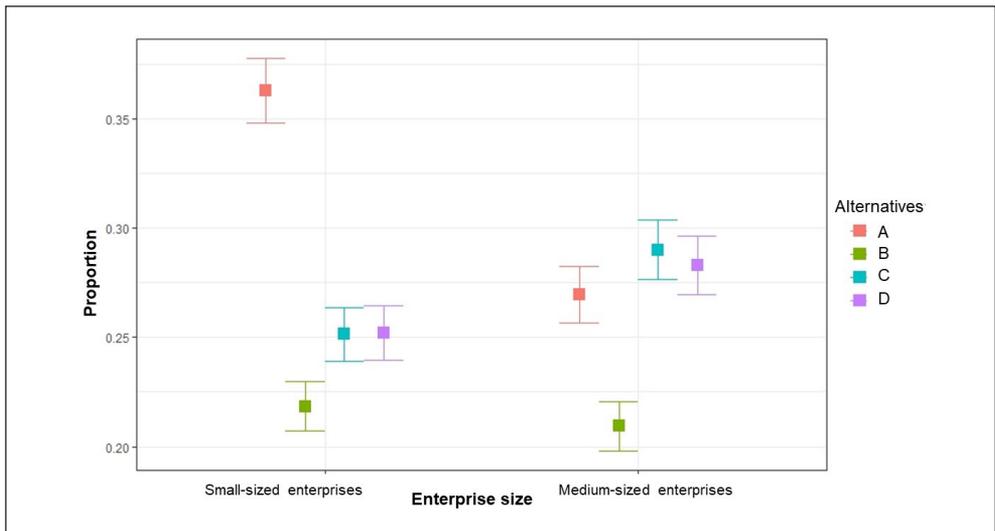


Fig. 1: The dominant characteristics in SMEs

Source: own

efficiency through individual alternatives according to the fact, which of factors that affect business efficiency mirrors the state-of-the-art most. The following factors were investigated:

- Alternative A: The company is like a family. It is a place, where people are enabled to share a lot of personal information and features.
- Alternative B: The company is a place for people to take risks. It is a dynamic entrepreneurial spot.
- Alternative C: The company focuses on results. A major concern is getting the job done. People are competitive and achievement oriented. They like to get the job done.
- Alternative D: The company is structured with a strong control. Employees are managed by formal instructions.

Following the results of the research from Tab. 1 and Fig. 1 based on the OCAI methodology in the first research dimension of dominant characteristics, it can be stated that alternative A dominated in the SEs, achieving the highest average rating ($\bar{X} = 0.363$). The respondents perceive the enterprises as family-based, where people have a lot in common.

Alternative C ($\bar{X} = 0.290$; $p < 0.0001$) dominates in the MEs. Following the results, it can be stated that MEs are oriented to meeting goals and tasks. However, respondents working in MEs perceive the corporate culture through alternative D (alternative D; $\bar{X} = 0.283$; $p < 0.0001$) and alternative A (alternative A; $\bar{X} = 0.270$; $p < 0.0001$), too. From the point of view of respondents, MEs are perceived as controlled (alternative D) where employees have a lot in common (alternative A) as well.

Following the results presented in Tab. 1, the existence of differences in the SEs and the MEs in alternative A and alternative C was confirmed.

3.2 Organisational leadership

In terms of organizational leadership as the second dimension studied, respondents evaluated the alternatives according to the fact, which of the factors that affect business efficiency are put into practice, and which of them mirrors the state-of-the-art most:

- Alternative A: The leadership style in the company is recognised as facilitating, mentoring or nurturing.
- Alternative B: The leadership style is generally considered as focused on business acumen, innovation and risk taking.
- Alternative C: The leadership in the company is like an aggressive with strong focus on results and goals.
- Alternative D: The leadership is typical by spontaneous efficiency and coordination.

Tab. 2, and Fig. 2 present that alternative A dominates the SEs ($\bar{X} = 0.330$), where managers are seen as mentors. Alternative D ($\bar{X} = 0.309$) is typical for MEs. Leadership is collaborative and organised. Statistically significant differences in the SEs and the MEs ($p < 0.0001$) were confirmed in alternative A. No differences were confirmed in alternative D ($p = 0.1621$).

3.3 Management of employees

Management of employees was the third dimension analysed. The factors that affect

Tab. 2: The organizational leadership in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.330	0.00531	0.319	0.340	0.09250	0.00691	13.377	<0.0001
	MEs	0.237	0.00455	0.228	0.246				
Alternative B	SEs	0.255	0.00467	0.246	0.264	-0.00186	0.00657	-0.283	1.0000
	MEs	0.257	0.00477	0.248	0.266				
Alternative C	SEs	0.207	0.00410	0.199	0.215	-0.04066	0.00609	-6.673	<0.0001
	MEs	0.248	0.00466	0.238	0.257				
Alternative D	SEs	0.291	0.00500	0.281	0.300	-0.01855	0.00718	-2.583	0.1621
	MEs	0.309	0.00525	0.299	0.319				

Source: own

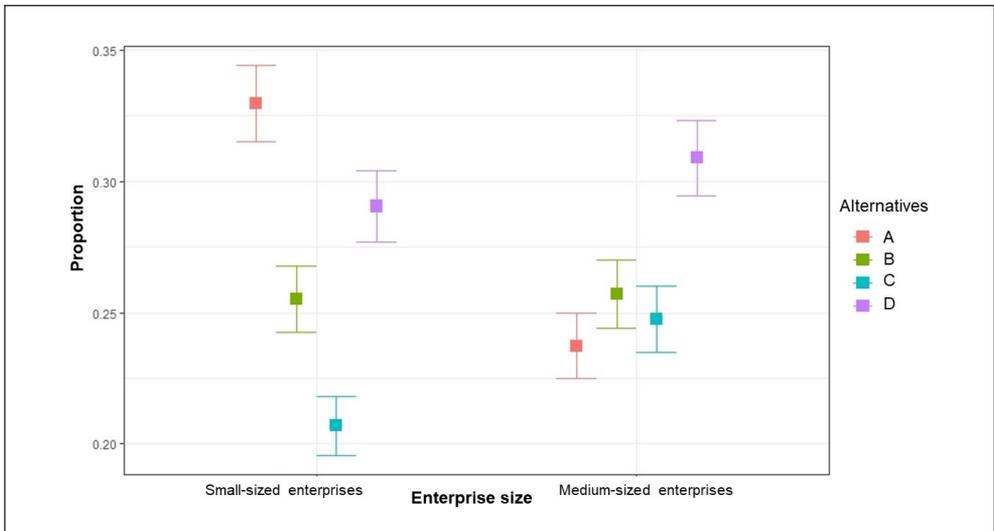


Fig. 2: The organizational leadership in SMEs

Source: own

business efficiency were investigated through the following alternatives:

- Alternative A: The management style can be recognised by cooperation, teamwork and engagement.
- Alternative B: The company management style is typical as risk taking, innovating and unique.
- Alternative C: The management style in the company represents competitiveness, high demands, and achievement.

- Alternative D: The company management style is characterised by relationship stability, high level of predictability and security of employment.

Based on the results presented in Tab. 3 and Fig. 3, we can be state that the factors typical for alternative A came on top in both types of enterprises (the SEs, $\hat{X} = 0.397$; the MEs, $\hat{X} = 0.314$). Teamwork and cooperation are the factors that affect business efficiency from

Tab. 3: The management of employees in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.397	0.00554	0.386	0.408	0.08243	0.00755	10.915	<0.0001
	MEs	0.314	0.00518	0.304	0.325				
Alternative B	SEs	0.214	0.00413	0.206	0.222	-0.00707	0.00583	-1.213	0.9285
	MEs	0.221	0.00428	0.213	0.230				
Alternative C	SEs	0.203	0.00398	0.195	0.211	-0.02155	0.00576	-3.743	0.0045
	MEs	0.224	0.00432	0.216	0.233				
Alternative D	SEs	0.261	0.00464	0.252	0.270	-0.02381	0.00670	-3.554	0.0091
	MEs	0.285	0.00494	0.275	0.295				

Source: own

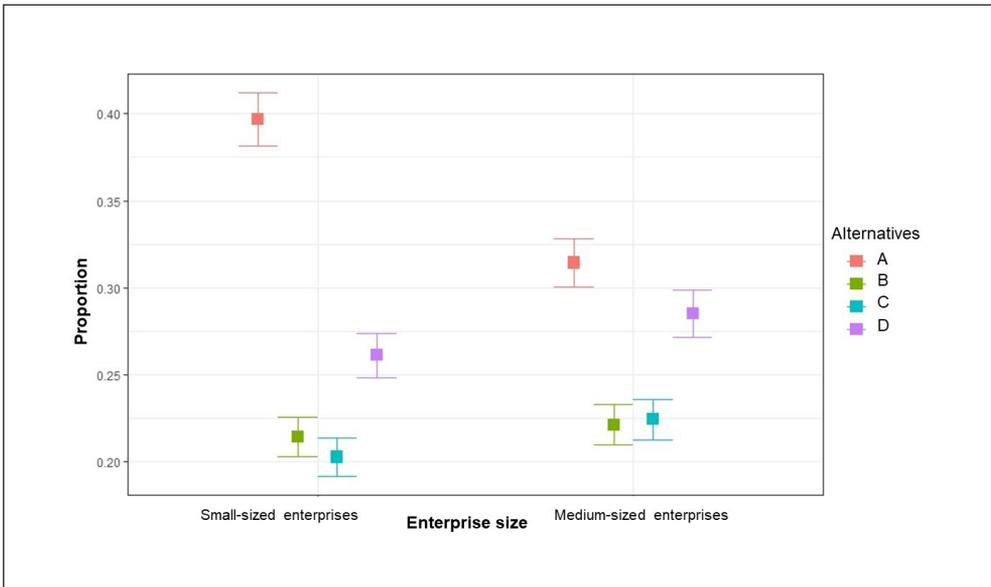


Fig. 3: The management of employees in SMEs

Source: own

the perspective of corporate culture. Even though the highest rating was reported for alternative A, the existence of differences in the SEs and the MEs was confirmed.

3.4 Organisation glue

Organisation glue was the fourth dimension of corporate culture studied. Respondents evaluated the alternatives according to the fact, which of the factors that affect business efficiency are put into practice. The alternatives of this dimension state that the organisation glue that holds the company together is:

- Alternative A: the commitment to the company and high engagement of people.
- Alternative B: the commitment to innovation and development. There is an accentuation on pioneer progress.
- Alternative C: the focus on achievement and reaching the company goals.
- Alternative D: formal policies and regulations. The guarantee of a smooth-running company is important.

Following the research results presented in Tab. 4 and Fig. 4, it can be stated that employees of the SEs are unified by loyalty, mutual trust

and dedication, i.e., alternative A dominates ($\bar{X} = 0.341$). The highest rating for the MEs was reached by alternative C ($\bar{X} = 0.301$), which emphasises accomplishing enterprise goals, followed by alternative D ($\bar{X} = 0.297$), focused on maintaining the trouble-free functioning of all enterprise processes. The existence of differences in the SEs and the MEs in alternative A and alternative C was confirmed. No differences were confirmed ($p = 0.4999$) in alternative D.

3.5 Strategic emphases

The dimension of strategic emphases was the fifth dimension analysed. The set of different factors that affect business efficiency, which is put into practice, were analysed:

- Alternative A: The company underline openness, high confidence and people development.
- Alternative B: The company accent new talent acquisition and supports looking a new opportunities and challenges.
- Alternative C: The company point out competitiveness and related achievement. To be a winner in business is the company precedence.

Tab. 4: The organization glue in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.341	0.00522	0.331	0.351	0.07753	0.00697	11.117	<0.0001
	MEs	0.263	0.00471	0.254	0.273				
Alternative B	SEs	0.211	0.00406	0.203	0.219	0.00267	0.00565	0.473	0.9998
	MEs	0.208	0.00410	0.200	0.216				
Alternative C	SEs	0.247	0.00447	0.238	0.256	-0.05376	0.00666	-8.076	<0.0001
	MEs	0.301	0.00504	0.291	0.311				
Alternative D	SEs	0.283	0.00481	0.274	0.293	-0.01356	0.00687	-1.974	0.4999
	MEs	0.297	0.00500	0.287	0.306				

Source: own

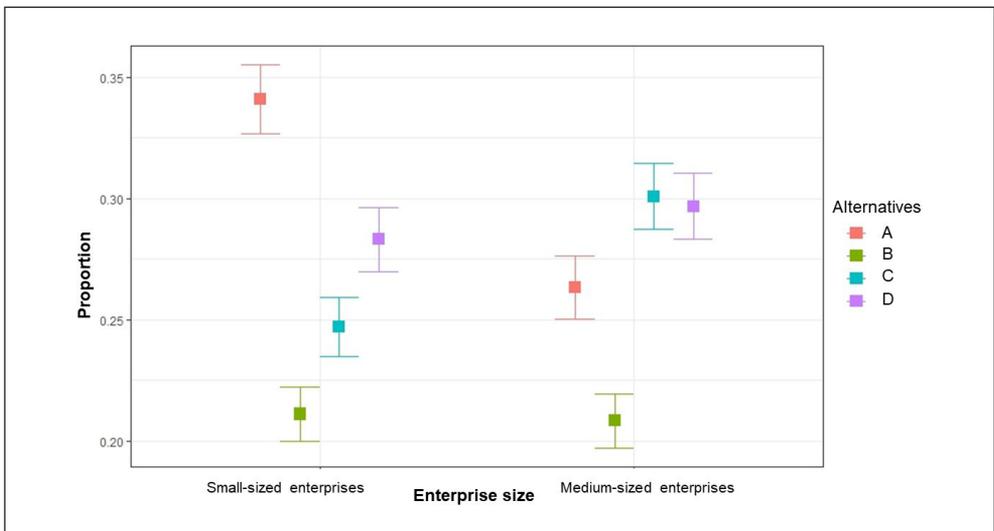


Fig. 4: The organization glue in SMEs

Source: own

- Alternative D: The company stress on efficient stability and control. Permanent smooth processes management is in place. The SEs are clearly directed at human resource development ($\hat{X} = 0.333$). Alternative A is typical (Tab. 5, Fig. 5). Alternative D ($\hat{X} = 0.282$) encompassing emphases on stability, performance, control, and operability dominates MEs, followed by alternative C

($\hat{X} = 0.276$), linked to achieving long-term goals, and followed by alternative A ($\hat{X} = 0.268$), encompassing human resource development but also trust and cooperation. Statistically significant differences were confirmed (Tab. 5).

3.6 Criteria of success

Finally, criteria of success was the last dimension studied. Respondents evaluated each

Tab. 5: The strategic emphases in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.333	0.00518	0.323	0.343	0.06514	0.00697	9.341	<0.0001
	MEs	0.268	0.00476	0.259	0.277				
Alternative B	SEs	0.238	0.00437	0.229	0.246	0.00761	0.00607	1.254	0.9155
	MEs	0.230	0.00436	0.222	0.239				
Alternative C	SEs	0.235	0.00434	0.226	0.243	-0.04146	0.00640	-6.473	<0.0001
	MEs	0.276	0.00483	0.267	0.286				
Alternative D	SEs	0.272	0.00471	0.262	0.281	-0.01070	0.00671	-1.594	0.7542
	MEs	0.282	0.00489	0.273	0.292				

Source: own

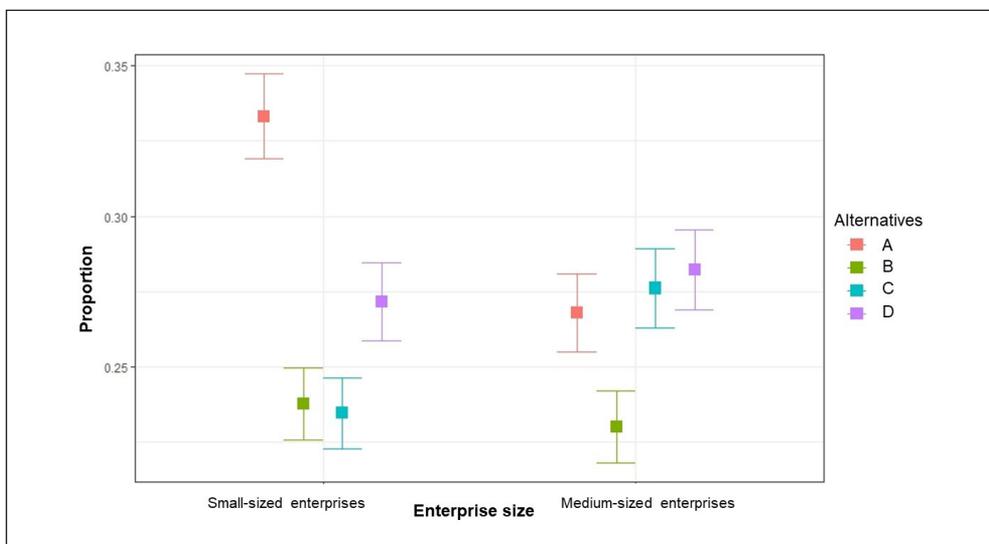


Fig. 5: The strategic emphases in SMEs

Source: own

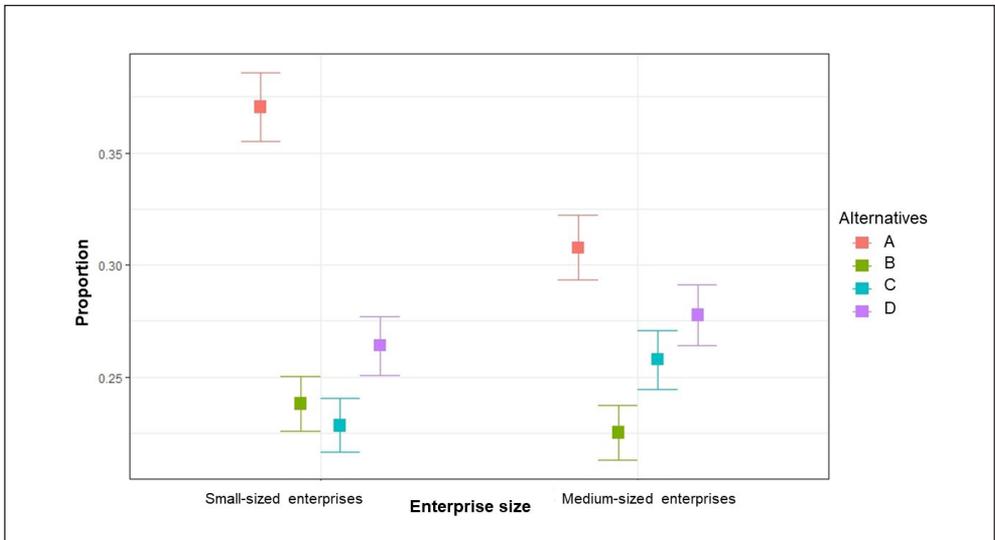
alternative according to the fact, which of them mirrors the success definition:

- Alternative A: The company defines success with strong focus on people. Teamwork, human resources development and employee engagement are valuable.
- Alternative B: The company defines success through products. Innovative, unique and new products are the most important.
- Alternative C: The company defines success based on product market. Leading the market and having a competitive advantage are the goals.
- Alternative D: The company defines success on the basis of efficiency. Cost effective production processes and precise scheduling and budgeting are critical.

Tab. 6: The criteria of success in SMEs

Alternative	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Alternative A	SEs	0.371	0.00559	0.360	0.382	0.06278	0.00764	8.219	<0.0001
	MEs	0.308	0.00527	0.297	0.318				
Alternative B	SEs	0.238	0.00451	0.229	0.247	0.01285	0.00620	2.073	0.4325
	MEs	0.225	0.00443	0.217	0.234				
Alternative C	SEs	0.228	0.00439	0.220	0.237	-0.02945	0.00640	-4.602	0.0001
	MEs	0.258	0.00480	0.248	0.267				
Alternative D	SEs	0.264	0.00479	0.255	0.273	-0.01368	0.00683	-2.001	0.4808
	MEs	0.278	0.00500	0.268	0.287				

Source: own


Fig. 6: The criteria of success in SMEs

Source: own

Following the results of the research from Tab. 6 and Fig. 6, it can be stated, that alternative A dominates in both types of enterprises (the SEs, $\hat{X} = 0.371$; the MEs, $\hat{X} = 0.308$). Human resource development and teamwork are the factors that affect business efficiency from the perspective of corporate culture in SEs and MEs. Statistically significant differences were confirmed in alternative A ($p < 0.0001$).

3.7 Corporate culture

Subsequently, in the final stage, a type of corporate culture giving an overview of the set of different factors that affect business efficiency, which are put into practice, was analysed. Results are presented in Tab. 7 and Fig. 7.

Tab. 7 and Fig. 7 present the results reached in a type of corporate culture. Based on the results, it can be stated that in SEs a set

Tab. 7: The corporate culture in SMEs

Corporate culture	Enterprise size	Estimated average (Beta regression)	Standard error	Confidence interval		Estimated average	Standard error	z-score	p-value
				-95%	95%				
Clan	SEs	0.339	0.00329	0.333	0.346	8.02e-02	0.00447	17.940	<0.0001
	MEs	0.259	0.00305	0.253	0.265				
Adhocracy	SEs	0.207	0.00271	0.201	0.212	9.43e-05	0.00384	0.025	1.0000
	MEs	0.207	0.00276	0.201	0.212				
Market	SEs	0.214	0.00275	0.208	0.219	-4.70e-02	0.00409	-11.499	<0.0001
	MEs	0.261	0.00305	0.255	0.267				
Hierarchy	SEs	0.261	0.00300	0.255	0.266	-2.17e-02	0.00433	-5.016	<0.0001
	MEs	0.282	0.00315	0.276	0.288				

Source: own

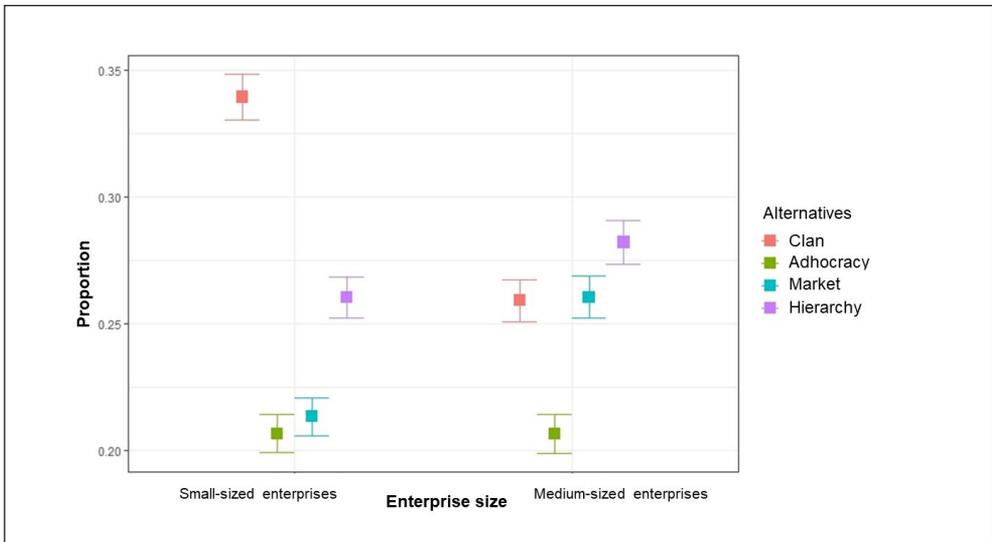


Fig. 7: The corporate culture in SMEs

Source: own

of different factors typical for clan corporate culture affects business efficiency ($\bar{X} = 0.339$). Teamwork, participation, communication, and consensus represent factors that affect business efficiency from the perspective of clan corporate culture in SEs. Emphases are placed on coherence, morale, and the working environment. Managers are considered mentors, and employee management is

oriented towards teamwork and cooperation. Employees are held together by loyalty, mutual trust, and dedication to the respective enterprise. Its overall business performance and success are based on human resource development and teamwork.

Conversely, factors typical for hierarchy corporate culture affect business efficiency in MEs ($\bar{X} = 0.282$). Emphasis is placed on keeping

the organisation functioning continuously, as well as on the predictability, efficiency, and accuracy of management processes. Leaders are good coordinators and organisers, while it is crucial for them to keep the smooth functioning of the organisation, its stability and efficiency. Management of employees is focused primarily on ensuring job security, with formal rules being the unifying element. The overall business performance and success are defined by supply reliability, continuous fulfilment of schedules and low costs.

In the final stage, the differences in the type of corporate culture in SEs and MEs were tested. Results are presented in Tab. 7 and Fig. 7. Statistically significant differences in clan corporate culture ($p < 0.0001$) and hierarchy corporate culture ($p < 0.0001$) were observed.

Conclusions

Following the research results, it can be stated that the assumption that there exist differences in factors that affect the business efficiency of SEs and MEs from the perspective of corporate culture was confirmed. The findings correspond with the results of several other research, e.g., Arsenault (2004), Carver and Candela (2008), Bauerlein (2009), De Waal et al. (2017), and Striteska and Zapletal (2020), where differences in views on corporate culture have been identified.

A set of different factors typical for clan corporate culture affects business efficiency in SEs. Teamwork, participation, communication, and consensus represent factors that affect business efficiency from the perspective of clan corporate culture in SEs. The employees share common ideas and see themselves as part of company family that really works. The working environment is reminiscent of an extended family, where equal opportunities for people as well as diversity in the workplace are created. Leadership has different forms of mentoring, and leaders play the role of teachers, advisors, or even parents. Individual goals are in line with corporate goals based on the individuals' trust in the respective enterprise, employee commitment is high, and a sense of unity is conditioned by loyalty and tradition. Also, the long-term benefits of each person's development are emphasised, great importance is attached to cohesion, morality and the working environment, and success is seen in relation to the internal environment and caring for the people (Cameron & Quinn,

1999). Our outputs are confirmed by previous research (Cucek & Kac, 2020; Demski et al., 2016; Ibarra-Michel et al., 2019; Jones & Madey, 2014; Teräväinen et al., 2018), which show an orientation towards factors typical for clan corporate culture.

Factors typical for hierarchy corporate culture affect business efficiency in MEs. Particular stress is being laid on procedures, regulations, and internal sustainability, along with the need for stability and control. Regulations and order ordinarily become the core values, while leadership is based on organised coordination and monitoring. Emphasis is placed on keeping the organisation functioning continuously, as well as on the predictability, efficiency, and accuracy of management processes. Preferred values involve consistency and uniformity, top-down communication prevails, and standardisation is typical. Similar outcomes were presented in previous research (Balogh et al., 2011; Caliskan & Zhu, 2019; Jaeger & Adair, 2013; Matraeva et al., 2016; Matraeva et al., 2018). Hierarchy culture was found to be dominant among construction organisations in China (Jaeger et al., 2017), as well as among the Gulf Cooperation Council countries (Jaeger & Adair, 2013).

Corporate culture is still an interesting research topic for researchers and practitioners (Calderon et al., 2023; Cruz et al., 2022; Petrova et al., 2023). Corporate culture can work synergistically for the benefit of a particular enterprise and "glue" its employees together by creating a working environment that is instrumental in improving the enterprise and its sustainability while helping to innovate and change it. The purpose of the paper was to define the factors that affect business efficiency from the perspective of corporate culture in SMEs in Slovakia. It adds to the existing gap by providing different factors that affect business efficiency from the perspective of corporate culture in SMEs in Slovakia. The research is intended for managers who must know which factors affect business efficiency from the perspective of corporate culture. Managers must take into account the fact that differences exist in factors that affect the business efficiency of SEs and MEs from the perspective of corporate culture. Research results lead to the knowledge that effectiveness factors typical for clan corporate culture, such as teamwork, communication, loyalty, and human resource development, are

applied in SEs operating in Slovakia. However, MEs are dominated by hierarchy corporate culture with an emphasis on regulations, procedures, stability, control, and accuracy of management. According to our opinion, clan culture is the best type of corporate culture for SMEs operating in Slovakia mainly due to its interest on employees. Our outcomes are confirmed in the research provided in the Czech Republic (Mikusova et al., 2023) and Romania (Cosmin et al., 2021), where employees would prefer clan culture, more specifically, a place where people share the same values, and loyalty and traditions are key for a friendly work environment. Clan corporate culture is also preferred by the employees in the research of Strengers et al. (2022). Therefore, it is recommended to put the emphasis on the development of each person because employees represent a strategic tool which can influence the effectiveness of all business processes. Managers should focus on employees who, on the one hand, are the most expensive production factor, but on the other hand, can influence the effectiveness of all business processes. Human resources are the most important element within an enterprise since how work or tasks are carried out is likely to affect the given enterprise, its success, and its competitive advantage. Our conclusions are supported by the research of Fernandes et al. (2023), Smith (2020), and Vnouckova et al. (2015), who point out the importance of employees in the overall performance of the enterprise and a competitive differential as they are the persons who dispose of skills and experience and they are the sources of new ideas. Also, according to Lee and Ha-Brookshire (2018) the success of any company essentially depends on the performance of its employees, in that they make an effort beyond what is expected of them in the workplace. The research of Al-Madadha et al. (2021) adds that this is especially true at present, given the dramatic changes in the economic environment, constant improvements in technology, and the extent of heated competition in the marketplace. If the management of the enterprise can draw attention to employees, their innovative ideas, abilities and skills, which create and build value, we can expect the enterprise to achieve overall success and a competitive advantage.

Future direction of the research of corporate culture can be seen in defining different factors that affect business efficiency

from the perspective of corporate culture in large-sized enterprises. Emphases will be placed on observing how the COVID pandemic affected corporate culture.

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