

A Systematic Review of Theory on Corporate Culture as a Retention Tool

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Abstract: The study provides a systematic review of theory surrounding corporate culture as an employee retention tool. We define corporate culture as an informal institution characterized by behavioral patterns reinforced by people and events. The research focused on theoretical approaches and concepts related to corporate culture. It explores how different concepts and tools influence employee retention in companies. The primary objective of the study is to examine how corporate culture can influence employee loyalty, satisfaction, commitment and job performance, and how it can be used in mitigating employee turnover. The analysis includes theoretical models highlighting factors such as values, behaviors, communication, or interactions across the enterprise and their relationship to employee motivation and retention. The systematic approach covered the analysis of scholarly and professional articles, various academic databases and publications that contained relevant information within the field of corporate culture and its impact on the work environment. The results indicated that the existence of a strong corporate culture in a company, in the context of building a positive work environment, promotes employee satisfaction and increases employee loyalty to the company. The study concludes with a framework for future research in the area and recommendations for managers in the need to strategically build a strong corporate culture that acts as a tool for achieving higher employee engagement, satisfaction and performance. In turn, it minimizes human capital turnover.

Keywords: corporate culture, workplace culture, employee retention, work environment, work-life balance

JEL Classification: G32

1 Introduction

Corporate culture drives the value of the business. It consists of the values and norms promoted by the people in the company. Culture in the work environment is important to the company and is ranked as one of the main factors that increase the value of the company (Graham et al., 2022). For any company to be successful, a great deal of motivation is needed. Motivation is the driving force of employees. Motivation is demonstrated by the desire to go the extra mile. For people to do the job right, they must be properly motivated. The overall performance of a business is directly related to the level of motivation of those who work there. Motivation is supported by work culture. A work environment in which friendly relationships and social support are fostered. Various events and the friendly presence of managers allow workers to connect informally, get to know each other better, build friendships and thus create a friendly culture in the company. This contributes to strong employee motivation (Ushakov and Shatila., 2021).

Corporate culture creates values, beliefs, attitudes in employees and shapes their behaviour within the organisation. It also has a direct impact on how individual employees interact with each other and how they approach their work. Ultimately, organisational culture influences the performance of the organisation. The existence of a strong and positive organizational culture can provide a number of benefits to organizational performance, including fostering a sense of unity and shared goals among employees. It advances teamwork, collaboration, and communication (Almerri., 2023).

2 Methods

The study follows the systematic literature review process adopted by Senyo et al. (2019) (see Table. 1):

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Table 1: Process of systematic literature review

Step 1: Parameters for accepting and excluding studies in the process of review	Category: papers from academic journals discussing corporate culture as a retention tool	Not considered: dissertations, reviews of books, case studies
Step 2: Literature research	Web of science, google scholar, Scopus database	Search terms: "corporate culture", "workplace satisfaction", "employee performance", "corporate culture as a retention tool", "company"
Step 3: Narrow down the selection of literature studies	Analysis of selected articles, excluded studies, rejected articles not focused on corporate culture and related issues	Final sample of articles: 15
Step 4: Examination of selected studies	An abstract of each article presenting the goals, principles, methods and results	Classification of articles, positive outcomes of corporate culture and negative consequences related to companies' failure to prioritize corporate culture for employee retention
Step 5: Presentation of results	Presentation of a collection of articles	Comparative analysis

Source: own processing

This approach allowed us to obtain relevant information through the scientific studies reviewed, and it was also possible to identify similarities and differences within the articles used. This is also why our research followed the aforementioned systematic literature review procedure as one of the many well-established methodological approaches for mapping and structuring the pressing areas of investigation.

2.1 Formulating criteria for including and excluding studies

The scope of the research presented was reduced to articles found in peer-reviewed journals in the fields of management, people management and leadership, and human resources. The procedure followed Watson and Webster's (2020) methodology and therefore conference articles, books and reviews are not included. Defined search terms included "corporate culture", "employee retention", "job performance", "job satisfaction", "work environment" or "work-life balance".

2.2 Study of existing literature

As part of the literature study, the first step was to review articles in databases such as Web of Science or Google scholar, the gist of which was the issue of corporate culture (title, abstract, results, keywords) and contained terms such as "corporate culture", "work environment", "job satisfaction", "job performance-performance". The survey was conducted in October 2024.

2.3 Forming the research sample

The next step was to link the databases from which we drew information. We identified about 35 relevant articles. Then we analysed the abstracts of the selected articles within these databases to see how suitable the articles were for our systematic review. That is, the articles had to be related to the topic of company culture or relate to the work environment and the conditions that such an environment provides for employees based on the established company culture.

In order to include different types of articles, it was necessary to study them. 20 articles were excluded. Although they contained some information suitable for processing, other articles were more valuable for our purpose under study according to the criteria chosen in section 2.4. Apart from the articles mentioned above, some did not contain sufficient information or the content of their analysis was not the required facts in the framework of our research. After consultation with another researcher, a consensus was reached in which a final sample of 15 articles that met the required criteria was selected.

2.4 Evaluation of chosen literature

In the penultimate phase, all articles were summarized based on the aim, design, methods, implications and suggestions for further research. This was followed by a comprehensive mapping of the existing literature on corporate culture as a

tool for employee retention, which allowed us to identify three areas of research: (1) corporate values and norms needed to promote employee retention, (2) The role and importance of leadership in shaping corporate culture, and (3) methods and tools for strengthening corporate culture to increase employee retention. These criteria differ from each other in the areas of management, leadership, employee involvement, expected results, and so on. At the same time, however, all of the selected criteria are related to the broader context of the addressed issue of "corporate culture as a tool for employee retention in enterprises", the difference is in their specific characteristics. Consequently, it was a matter of tracking and coding the main themes of the selected articles. The selected themes explored important areas within the analysed articles, such as: (a) the diversity of values and working conditions within different companies, (b) the influence of top management on the creation and shaping of corporate culture, (c) the essentials that are necessary within the work of managers to maintain a positive work environment, (d) the management and leadership of employees, (e) the implications that these essentials bring, and (f) the barriers and new challenges that management, executives, and employees need to overcome in the company's quest for long-term employee retention through the building of a strong and positive corporate culture.

2.5 Revealing the findings

As a final step, after a detailed analysis of the selected group of articles, in section 3, "research results", we compare the three selected groups of criteria and summarize the research on corporate culture as a tool for employee retention. Having accomplished our objective, we offer several options for future research. The most important results of the systematic literature review are presented in the next section of the paper, along with the possibilities for future research that emerged from this analysis.

3 Research results

The research was based on the question of corporate culture and its impact on employee retention. How employees perceive the corporate culture has a very strong impact on their satisfaction, loyalty, productivity or performance. Research has shown that employees who feel the importance of the existence of corporate values and norms, and who also positively perceive the efforts of company management to create a strong employee-oriented corporate culture, report higher levels of satisfaction, well-being, loyalty, productivity or performance. Investing time and resources in creating a strong corporate culture supported by the company's leadership is one of the keys to the success and sustainability of companies.

3.1 Review of the research on corporate culture as a retention tool

The following table provides an overview of the sources and literature related to the issue under study, divided into three categories, according to the three identified research criteria:

Table 2: Review of the research results

Author, author's collective	The corporate values and standards needed to support employee retention	The role and importance of leadership in shaping corporate culture	Methods and tools for strengthening corporate culture in order to increase employee retention
Lehulere, 2017	Trust, flexibility, inclusion, communication, transparency	The importance of pro-employee leaders in the sub-support of equality or inclusion.	Strategies for managing change in organizations or models of corporate culture, such as Cameron's Competing Values Framework.
Cherian, and et al. 2021	Collaboration, communication, participation in decision-making, innovation, creativity and engagement - loyalty, sustainability	The fundamental influence of management on the success of corporate culture. Leadership fostering transparency and employee engagement creates a supportive environment	For example, access to the use of innovation, involvement of employees in decision-making processes, sharing of ideas, inclusion of different cultures - participation
Wang and Huang, 2022	Flexibility, creativity, innovation - promoting long-term high employee performance and retention	The key role of leadership. Shapes corporate culture, adapts employees. Inspirational leadership enhances the positive effects of a flexible corporate culture on employees' innovative abilities.	Support in employee adaptation to change, Diversity within different forms of leadership (transformational or transactional style), Depends on the size and type of business (control culture or flexible) - combination.
Ushakov and Shatila, 2021	A culture that supports employee development (rewards, recognition) - increases motivation and loyalty. Culture of mutual respect and fun - fostering engagement - leads to long-term retention.	The company's management plays a key role in the creation and promotion of the company's values and culture. Encouraging open communication, participation in decision-making processes.	A culture that emphasizes rewards, benefits, recognition, "wrap-arounds" in the workplace - reducing stress, increasing social connectedness, improving job performance.
Almerri, 2023	Norms and values supporting belonging and motivation. A strong culture creates a strongly unified social environment.	Leadership is a key aspect in creating, adapting and sustaining an organisation. Standards and values must be consistent and shared.	Open communication, recognition, the possibility of involvement in decision-making processes.
Sadri and Lees, 2001	Increasing cooperation, information sharing, openness to new ideas, a culture based on trust and friendliness.	Culture directly influences the attractiveness of the employer, so it is the leadership of the company that should be the main determinant of its creation. Leadership is the model for the spread of corporate culture.	Increase the possibility of development and continuous improvement of employees through transparent information. Creating a competitive environment.

Iqbal and et al., 2017	Certainty, collectivism, belonging and co-working - fostering and increasing loyalty and motivation. Positive impact on employee retention.	The organization's leadership shapes and maintains the corporate culture. The way top management interacts with employees forms the basis for the creation of corporate culture.	Providing attractive financial and non-financial benefits, appropriate wages, taking into account the needs of employees.
Murtiningsih, 2019	Principles that incorporate work traditions and values. This affects the way employees are deployed. Social relations and work discipline.	The great role of community leadership.	Involving employees at all levels in decision-making and problem-solving. Remuneration transparency.
Haga, 2024	Employee relations, the perception of a strong corporate culture increases the company's financial performance, satisfaction and sense of security.	Management plays a huge role in the creation of corporate culture and the transition to non-formal control structures. Building and sustaining.	A strong organizational culture results in a reduction in the company's accident rate and creates high loyalty and willingness to stay for employees. Improving relationships and reducing risks.
Tran, 2020	Different types of corporate culture. Fostering teamwork, developing social relationships - leads to loyalty and satisfaction.	Leadership has a key role to play. Through different leadership styles, it creates different corporate cultures (clan or adhocracy and others).	Encouraging teamwork, innovation, and innovation together increases employee satisfaction and retention. Promoting an employee-centred organisational culture. Improving working conditions.

Source: own processing

4 Discussion

Our first criterion for the development of this research paper was the values and standards within corporate culture that are necessary to support employee retention. These values and standards are key elements in the development of a strong corporate culture. The literature itself suggests that elements such as trust, open communication, transparency, flexibility and inclusion (Lehulere, 2017), as well as teamwork, collaboration, innovation and creativity (Cherian et al., 2021) are the building blocks of a positive and strong corporate culture. These are values that are not only the building blocks of a positive and strong corporate culture, but also values that positively influence employee loyalty, commitment, or high job performance, as discussed by Wang and Huang (2022). They also emphasize creativity and innovation as integral to employee retention. Van den Steen (2010) said: " *Corporate culture is then defined as the extent to which members have similar pre-beliefs about the best way of doing things*". Thus, corporate culture is made up of many elements that are crucial to companies, such as norms, values, knowledge and customs (Gorton et al., 2022). A corporate culture that fosters inclusion, respect and belonging increases employee motivation, cohesion and retention (Ushakov and Shatila, 2021). However, if companies have a prevailing environment where these values and norms are lost, this can lead to increased turnover. A strong corporate culture that lays the groundwork for creating a strong sense of belonging contributes to employee retention.

Leadership plays a key role in building and sustaining corporate culture. Top leaders not only build the culture, they spread its values and norms throughout the organization. Focusing on openness of communication, employee involvement in decision-making processes, and employee support all have been linked to positive outcomes in employee satisfaction and retention (Cherian et al., 2021). Moreover, creating an inclusive and motivating environment for employees' long-term involvement in their organization's activities is very important (Ushakov and Shatila, 2021). For leadership to be

effective, it is necessary to be aligned with organizational values so as to create an environment that promotes the sustainability of working capital. As Pathiranage (2020) states, "*Business managers are recommended to establish an effective organizational culture in order to enhance corporate performance*".

There are various ways, methods and strategies through which culture can be built, maintained or disseminated within a company. This can be a culture that focuses on change management, the benefits of innovation or participative ways of decision-making. These types of culture are important in the long-term retention of employees. Tools that can be mentioned include reward system, communication, employee involvement in decision making processes, increase loyalty and satisfaction. One of the most effective tools for enhancing employee satisfaction and retention is transparent communication (Almerri, 2023). Lastly, flexible organizational structures that are able to adapt to employees' needs contribute to reducing turnover by being able to provide employees with a sense of security and belonging (Haga, 2024).

5 Conclusion

In our research, which focused on a systematic review of the literature on corporate culture as a retention tool, we can assess that corporate culture plays an important role in employee retention. The values such as trust, flexibility, inclusion or cooperation that it entails create an environment in which employees feel motivated and loyal. The leadership of the company plays a very important role in this. It shapes, builds and maintains the culture, spreading its values and messages throughout the company. Effective methods of approaching corporate culture, which include innovation, transparent remuneration, participation in the company's activities, contribute to the sustainability of employees.

The world today is in the digital age. The digital transformation of companies is an inevitable strategic change that requires the implementation of an appropriate culture that goes hand in hand with an overarching organization-wide strategy that supports such change. Every organization has a unique corporate culture. Continuous technological advances such as artificial intelligence, machine learning and the Internet of Things are creating a new era of competitive environments within which organizational forms, structures and business models are changing and adapting. Digital culture is becoming an important part of the digital transformation and forms its foundation. It is important to embrace various elements of digital culture in the digital transformation, such as teamwork, digital awareness, agile management, knowledge sharing, digital skills development, continuous learning and development. As a result, companies are able to effectively use digital technologies and improve their performance (Khanzad and Gooyabadi 2022). Digital technologies are producing vast amounts of digitized data that can be a new source of value creation for companies. Such data can be used for forecasting purposes or to identify new trends. Enterprise culture is used in information technology research to facilitate the acceptance and use of new information systems. Applying the concept of organizational culture in a digital context results in a digital organizational culture. It is an understanding of the functioning of an organization in a digital environment that is shared by its members. Such an organizational culture is, according to research, a prerequisite for the adoption of new technologies. Moreover, these technologies act as a catalyst for the development of high value-added activities, provided, however, that an appropriate digital culture is in place (Martínez-Caro et al., 2020). The digitalization of corporate culture is blurring the boundaries between IT and the business sector. Companies are enriching their teams by developing digital skills through integrating IT professionals, collaborating with high-growth and emerging companies or building digital units. As part of digital transformation, companies are implementing values and beliefs that support digital innovation (Duerr et al., 2018).

Thus, the digitization of the workplace highly influences the future of corporate culture creation and its relevance by supporting the transformation of organizational values, structures and processes. Digital technologies provide companies with opportunities for improved collaboration through teamwork, integration of IT and business functions, fostering agility, knowledge and insight sharing, developing digital skills, and enabling employees to gain tremendous flexibility. The result of such a transformation is a digital organizational culture that acts as a catalyst for the implementation and acceptance of new technological opportunities and challenges, as well as the development of high value-added activities. Such a culture can increase the performance of organizations and faster adoption of innovation. For the implementation of an appropriate digital culture, a supporting prerequisite is the transition through a successful digital transformation. It is particularly important for companies to invest time and resources in building a strong corporate culture that contributes to long-term retention of employees.

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