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Corporate Culture as a Factor of Enterprise Development

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Abstract

The relevance of the research topic is driven by the fact that corporate culture is a key factor in the development of entrepreneurial activities both at a country level and within individual enterprises. Consequently, each year more attention is devoted to studying the theoretical and practical aspects of this phenomenon. The objective of the research is to explore the theoretical and applied aspects of corporate culture functioning by the example of LLC "Interagropack." To achieve this objective, several tasks need to be addressed like to justify the significance of corporate culture for an enterprise, to investigate corporate culture as a primary factor in successful organizational development, to characterize the key aspects of the financial and economic activities of LLC "Interagropack", to evaluate the corporate culture of LLC "Interagropack" and to propose methods for enhancing the corporate culture of LLC "Interagropack" within the context of its ongoing operations. In the process of research, the definition of corporate culture was systematically organized and summarized, as well as its importance for enterprise functioning was justified. It was determined that corporate culture currently stands as a key aspect of organizational operation. In particular, an analysis of the financial and economic activities of LLC "Interagropack" has been conducted, along with examining the socio-labor relations within the company. This section of the research introduces aspects of scientific novelty, as there is a lack of studies concerning the overall functioning of this enterprise. Based on this, the practical significance of the obtained results lies in the potential utilization of the research outcomes to enhance the existing management system at LLC "Interagropack" and elevate the level of corporate culture.

Keywords— corporate culture; organizational development; enterprise; the financial and economic activities.

Objective

The effectiveness of an enterprise's operations is contingent upon numerous factors, with corporate culture occupying a significant position among them. Corporate culture, a relatively recent term in the context of domestic business, encompasses the consolidation of fundamental

principles within a company. These principles are shaped by the company's development strategy and mission, along with a set of social norms and values shared by the majority of its employees.

Corporate culture has been and remains a subject of study for a considerable number of both foreign and domestic scholars. Notably, the international academic community has been particularly active in the study of corporate culture. Prominent foreign scholars such as J. Grayson, K. O'Dell, P. Drucker, and W. Ouchi, among others, have made significant contributions to researching the phenomenon of corporate culture. Domestic researchers, including but not limited to O. Balik, V. Bliznyuk, O. Komarova, O. Levchenko, I. Teron, and others, have enriched this field of study.

The relevance of this research topic stems from the fact that corporate culture stands as one of the key factors in entrepreneurial development, both at a national level and within individual enterprises.

Research Objective: To elucidate the theoretical and practical aspects of corporate culture functioning by the example of LLC "Interagropack." Achieving this objective necessitates addressing a set of specific tasks.

Research Tasks:

- 1. Substantiate the significance of corporate culture for an enterprise.
- 2. Explore corporate culture as a fundamental factor in successful organizational development.
- 3. Characterize the core aspects of the financial and economic activities of LLC "Interagropack."
 - 4. Evaluate the corporate culture of LLC "Interagropack."
- 5. Propose methods for enhancing the corporate culture of LLC "Interagropack" within the context of the enterprise's current operations.

Research Design & Methods

In today's social development environment, marked by the evolution of labor processes and the growth of prosperity, dynamic shifts occur in business culture. Value systems and individual orientations are changing, with a growing tendency to perceive work not merely as a means of subsistence but as a vehicle for fulfilling life aspirations. Throughout the labor activities within any organization, certain expectations of individuals are inevitably realized, namely: engaging tasks, fair remuneration, a positive psychological climate, respect for individuality, job satisfaction, and the opportunity to harness creative potential. On the other hand, the organization relies on high performance, employee dedication, and conscientious work. These expectations may either be met or unmet in the course of work. In the former case, employees can be expected to value their work and remain satisfied with their relationship with the organization. For those whose expectations are not met, negative attitudes toward work may form, motivation to work diligently might dissipate, and their perception of their work may diminish.

The alignment between an individual and an organization can be described by the term 'congruence', which reflects the degree to which an employee's values are in line with those of the organization. The lack of congruence is a significant factor contributing to the lack of employee

commitment to the organisation, as noted by Hrytsenko, N. V. (2017). Another factor that delineates the mutual correspondence between an organization and an individual is personal qualities, as high labour productivity is based on the harmony between job requirements and the individual characteristics of employees. This harmony is achieved by aligning the values of the individual with those of the organisation. The values of the organization and the individual ones can best be described through the concepts of 'corporate culture' and 'organizational culture'. In the scientific literature, there is an insufficient development of the theoretical, methodological, and practical foundations for the study of these phenomena. There are several points of view: some consider these terms synonymous, while others distinguish between them, viewing corporate culture as deliberately formulated, typically by key individuals within a corporation, encompassing the values of the organization; and organizational culture as emerging spontaneously through the interaction of employees' values. The third point of view employs the term 'corporate culture' when studying large corporations, and 'organizational culture' when analysing smaller corporations, as proposed by Kopitko, M. I. (2017).

We define corporate culture as a system of formal and informal rules and norms of activity, customs and traditions, values and interests, and the peculiarities of group behavior. Corporate culture is an organizational and psychological environment for the life activities of organization members. It is implemented at the individual, group, and organizational levels through motivational structures, behavioral standards, management styles, and organizational procedures.

It impacts the effectiveness of employees and the organization as a whole, influencing employee attitudes towards the organization, their performance, colleagues, and also shaping the level of group relationships. At the individual level, corporate culture shapes the formation of values, norms, and patterns of organizational behavior that are uniform or similar among all employees of the organization. It leads to changes in the motivational structure of employees' behaviors within the organization. Corporate culture can be considered, on the one hand, as a variable that regulates employee behavior within the organization, and on the other hand, as a factor that optimizes the conditions for individual development in the sphere of labor activity. D. Silverman suggests that researchers focus on how employees employ formal rules to define and interpret their own behavior and the behavior of others, according to Bugayevska, Y. V. (2011).

Becoming a member of a corporation, each employee gradually internalizes its rules, norms of behavior, and ideals, which can later become their values and life orientations. It is hard to disagree with A. L. Kochetkova's assertion that the management culture, within which socialization and personality formation occur, bears immense responsibility for the future of its members (Apostolyuk, O., 2016). Japanese leaders believe that their task is to pay the utmost attention to the individual: "Only when the individual's needs are fully met by the culture of relationships within the corporation their capabilities can be fully utilized for productive work, the results of which are often outstanding" (Bugayevska, Y. V., 2011). The established system of behavioral norms and adopted methods of activity are manifested in the behavior and creative activity of a specialist. According to A. Pettigrew's concept, a person is deemed to be the "creator and custodian of knowledge" (Otenko, I., & Chepelyuk, M., 2018). This viewpoint is also echoed by V. S. Mukhin: "Labor activity is oriented toward the end product as well as the receipt of financial compensation for work. However, labor activity itself provides conditions for self-development. Every individual who is motivated to engage in labor activity strives to be a professional, a creator" (Bugayevska, Y. V., 2011). Original thinking and the pursuit of

unconventional solutions are considered the most valuable qualities of an individual in today's context. Contemporary society requires individuals capable of changing stereotypical forms of cognition and action, rather than merely adapting to them. This involves foreseeing the outcomes of their life activities, which is impossible with a stereotypical thinking style. The primary task that ensures the success of an individual's life activities is the mastery of the surrounding world through cognitive activities aimed at comprehending and transforming the environment (nature, society, consciousness), permeating all stages of their life. After all, a subject engaged in cognition not only actively perceives but also produces information.

It is crucial to acknowledge that the functioning of a subject's consciousness is influenced by external factors. Cognitive scientists operate under the assumption that the external environment determines perception and forms of world cognition. Both the state of brain activity and social factors impact the workings of an individual's consciousness. Corporate culture can be seen as an environment that fosters cognitive activity, enhancing it (Apostolyuk, O., 2016). The manager exerts a controlling influence over the individual's psychological orientations and social experience. Cognitive activity, in turn, serves as a means of engaging the individual with the corporate culture. When a person realizes both their initial and group-mediated motives and needs in their labor through the optimal alignment of personal aspirations, work conditions, and the nature of tasks, their creative and professional abilities will manifest to the fullest, accompanied by a high degree of job satisfaction and organizational affiliation. Conversely, if a contradiction arises between an individual's aspirations and the conditions and nature of their activities, productivity diminishes, and dissatisfaction with the work process emerges.

Findings:

Among the prominent players in the market of polypropylene products in Ukraine and worldwide are transnational corporations, including LLC "Interagropack" according to Pro Consulting (2021). The examined company operates within the packaging industry, specializing primarily in polypropylene packaging for food products. Established in 1998, LLC "Interagropack" has been a key player in the polymer packaging market in Ukraine and neighboring countries, producing an annual volume of 500 million units of packaging. The company has undergone an audit for compliance with FSSC 22000 (food safety) standards and has implemented an ISO 9001 quality management system. LLC "Interagropack" operates under the legal form of a limited liability company and carries the trademark "Interagropack." There is no identified direct or indirect ownership relationship with other companies.

As previously mentioned, LLC "Interagropack" is a leader among domestic producers of polypropylene and polystyrene packaging and continues to actively grow, according to Interagropak (2023). The company's products hold the necessary quality certificates and have gained popularity in the markets of Ukraine and neighboring countries. Research indicates that LLC "Interagropack" leads the Ukrainian packaging product market, accounting for an average of 60% of the packaging production, with 10% attributed to other Ukrainian manufacturers such as "TVP Ukraine", "Trade Pack", "Rosanpack", and "Anfol" (Buhplatforma, 2022). Additionally, these companies are competitors to LLC "Interagropack." About 30% of the packaging production is imported. Notable among these competitors are Paccor (Polska), Greiner (Deutschland), Opti Pack (Deutschland), and Gizeh (Polska), according to Vkursi Pro (2023). It can be asserted that

LLC "Interagropack" is an undisputed leader in the packaging product market in Ukraine, particularly in the realm of polypropylene packaging.

Apart from domestic consumption, polypropylene milk packaging produced by LLC "Interagropack" is exported to countries in the neighboring region and the East, including Moldova, Georgia, and Kazakhstan, according to Interagropak (2023). The regional export structure of packaging from LLC "Interagropack" and Ukraine does not exhibit significant differences, indicating the need for geographical diversification of packaging exports and the exploration of new partner countries within Europe.

The commodity structure of packaging product exports can be divided into the following categories: packaging for dairy products, packaging for fat and oil products, packaging for cheese and cheese mass, packaging for baby food, polypropylene and polystyrene strips, disposable cups of various capacities.

It has been established that the highest share in the assortment is occupied by packaging for dairy products at 26%, followed by baby food packaging at 21%, packaging for fat and oil products at 16%, packaging for cheese and cheese mass at 14%, polypropylene strips at 13%, disposable cups of various capacities at 5%, with other product types accounting for 5% respectively. The competitive environment for LLC "Interagropack" in Europe is represented by the following companies: Paccor (Polska), Greiner (Deutschland), Opti Pack (Deutschland), Gizeh (Polska) by Interagropak (2023). The main counterparts of LLC "Interagropack" are summarized in Table 1.

Table 1 - Counterparties of LLC "Interagropack"

Suppliers	Buyers
1. LLC "FT Group"	1. LLC "Technocom"
2. LLC "Company Univezt Marketing"	2. PJSC "Lactalis-Nikolaev"
3. LLC "Company Beltim Polymers"	3. LLC "Sandora"
4. LLC "Artlex"	4. LLC "Milk House"
5. LLC "Tripsil Packaging Plant"	5. JSC "Yagotynsky Butter Plant",
6. LLC "Kyiv Cardboard and Paper Plant"	Branch of JSC "Yagotynsky Butter
7. LLC "Marzek Dnipropack"	Plant" "Yagotynske For Children"
8. LLC "NVC Realpax"	6. LLC "Lustdorf"
9. LLC "Forest Pack"	7. LLC "Mareven Food Europe"
10. LLC "Sky Polymer Group"	8. LLC "Milk Company "Halychyna"
	9. LLC "Danone Dnipro"
	10. JSC "Yagotynsky Butter Plant"

The most significant factors ensuring the quality of the exported products are the raw materials and the technological process of their manufacturing. The company procures only high-quality raw materials from the best producers in Poland, Hungary, Saudi Arabia, Iran, China, and Israel.

Analyzing the database of LLC "Interagropack" for the years 2018-2021, it can be concluded that the assortment structure hardly changed during that period. In 2021, the core of the assortment consisted of cups, lids, and containers intended for packaging dairy products, fast food, and baby food.

The regional structure of polypropylene packaging export of LLC "Interagropack" and the export structure of Ukraine do not show significant differences, which confirms the necessity of geographical diversification of polypropylene packaging export and the search for new partner countries among European nations.

The socio-psychological climate in this company is tense. The middle-level personnel feel that they are performing tasks that are beyond their functional responsibilities, but the dissatisfaction is only shared within their immediate circle. Addressing higher authorities is considered futile and unnecessary, further fueling this discontent. As for the lower and middle-tier personnel, such tension is not observed.

In terms of relationship dynamics, the corporate culture of LLC "Interagropack" primarily aligns with a task-oriented culture.

The employees of LLC "Interagropack" are characterized by a high level of professionalism, consisting of experienced specialists, which significantly contributes to the organization's effectiveness. However, considering the diverse range of sectors for which service orders and product manufacturing are received, not all employees possess expertise in these areas.

In such instance, the company's management, represented by the CEO, engages external specialists who have established themselves in the respective fields. When addressing the assigned tasks, each employee contributes their professional expertise at various stages and temporarily takes on a leadership role within the team. The company director, when assigned a task, acts as an indicator, coordinator of actions for other employees, overseer of rule adherence and procedures, and becomes a direct leader, contributing within their competencies.

During oversight by the CEO of LLC "Interagropack", the norms of the corporate culture group are never substantially violated. Although the supervision is constant, it remains superficial and non-intrusive. Most decisions are made collectively in conjunction with other authorized individuals.

The outcome of LLC "Interagropack's" activity during the execution of packaging production orders (primarily for dairy products) relies on collective efforts. Thus, the collective interests of the company always take precedence over personal interests. The corporate culture of the company emphasizes the speed of work execution. The company's success hinges on the team's ability to enhance work efficiency and align individual employee goals with the organization's objectives.

The organizational actions of the company's director are aimed at:

- Facilitating more effective collaboration among employees to achieve common goals by organizing communication in a rational manner.

- Creating conditions necessary for the realization of employees' professional and personal potential.
 - Establishing an environment conducive to the expression of initiative.

The evaluation of an employee's performance is contingent on their overall effectiveness and individual contributions. Nevertheless, a significant increase in each employee's contribution will not go unnoticed by the company's management. Naturally, instances where employees' actions go unnoticed do occur, as in any other company.

The organization possesses a significant capacity for adaptation, as each group incorporates all the necessary elements for decision-making. The corporate culture of LLC "Interagropack" is characterized by productive relationships among employees, and mutual respect is based on abilities rather than gender and age.

The corporate culture of LLC "Interagropack" also features characteristics that negatively impact the company's operations, namely:

1) Challenges in managing a mobile organization.

As resources become less available, leaders begin to feel the need to control work and results, which has a detrimental effect on the values of the corporate culture. In this scenario, the morale within specific departments might decline, and employees might start acting in their own interests. It will then be necessary to establish specific rules and work procedures. In this situation, the corporate culture of LLC "Interagropack" might tend to transition from a task-oriented culture to a role or power-oriented culture.

2) Challenges in achieving and maintaining professionalism.

In this context, the business manager organizes various seminars held within educational centers. A special emphasis is placed on employees' self-improvement, requiring them to possess certain characteristics and skills.

The foundation of the corporate culture of LLC "Interagropack" revolves around emphasizing teamwork, the capabilities of specialists, rewarding results, and aligning personal and group objectives. The corporate culture of the studied enterprise, on the whole, aligns with contemporary trends toward change and adaptation, individual freedom, and reduced hierarchy. Nevertheless, it cannot be deemed universal.

Implications/Recommendations: In shaping the corporate culture of LLC "Interagropack," the following tasks need to be addressed:

- Implementation of non-intrusive forms of work schedule control (flexible work schedules often demotivate employees, leading to increased time for order completion and service delivery). This should apply to employees not directly engaged in production workshops.
 - Upholding the existing values of the corporate culture of LLC "Interagropack."
 - Conducting an analysis of the company's image in the Ukrainian market.

Recommendations for improving the corporate culture of LLC "Interagropack" can involve the following methods:

- 1) Development and Use of Company Slogans by the Director: These slogans should encapsulate the organization's mission, goals, rules, and principles. Potential slogans could include: "Every Employee is the Face of the Organization," "The Office Embodies Entrepreneurship," "Effective Communication Guarantees Success," "Don't Hesitate to Propose and Experiment," "High Professionalism Ensures Success," "Contributions Evaluated in Overall Revenue," "Client Convenience is Our Responsibility," and "Speed and Quality are Our Objectives."
- 2) Exemplary Behavior of the Manager as a Role Model: Within LLC "Interagropack," the leader should set an example through their daily conduct. This might involve maintaining a professional and neat dress code, overseeing the maintenance of the office space, regulating work schedules and assigning tasks with clear deadlines, monitoring employees' work efficiency, and fostering an atmosphere of orderliness. These actions showcase devotion to the organization and encourage a similar attitude among the staff.

The leader should regulate employee relationships, ensure the effectiveness of their interactions, fairly assess the collective and individual work results, establish a foundation of trust, and maintain a positive overall atmosphere throughout the entire team. By fostering personal development and initiative, employing subtle forms of oversight, and placing significant emphasis on service quality, the team is encouraged.

- 3) External Symbolism and Myths. This encompasses incentive systems, status symbols, and criteria underlying HR decisions. To cultivate essential elements of the corporate culture and support ongoing operations, appropriate symbols and myths reflecting corporate values need to be developed. These symbols and myths should embody the dynamic business environment, the company's service readiness, the innovative spirit of young professionals, promising company prospects, and the principles of teamwork. After creating this symbolism, it should be distributed within the organization's office space, provided to each employee (through items like calendars, corporate medals, business cards), and potentially incorporated into the company's advertising campaigns. Myths, on the other hand, should be transmitted orally, reinforcing organizational values on a subconscious level among employees. This strategy is effectively utilized by a significant portion of foreign (mainly Western) companies.
- 4) Criteria and Methods for Employee Performance Evaluation: Assessing the work of employees at LLC "Interagropack" should follow objective procedures to avoid any perception of unfairness. One effective method for evaluating the work of hired staff in small enterprises involves determining the labor intensity of each employee and distributing wages proportionally to income. Currently, this method is being implemented at LLC "Interagropack."
- 5) Organizational Human Resource Policies: The human resource policy holds a pivotal role in the operations of LLC "Interagropack." The hiring and dismissal of employees are conducted by the enterprise's director, while personal records and payroll management are overseen by the chief accountant. Other responsibilities are allocated based on the company's departments.

- 6) Facilitating Direct and Reverse Information Flows: The information security of LLC "Interagropack" employees is characterized as relatively high. However, it's important to utilize information flows for discussing company situations, monitoring task completion, conducting briefings, and facilitating discussions.
- 7) Personnel Motivation: This method is effectively employed in shaping the corporate culture of LLC "Interagropack." Managerial motivation towards employees' essential actions enables the creation of necessary interconnections within all aspects of the organizational culture of LLC "Interagropack." Psychological motivation methods should be most actively employed within the enterprise, with financial methods being less active, and administrative methods being scarcely utilized.
- 8) Conflict Resolution: Implementing this method effectively contributes to the formation, support, and elimination of specific elements within the corporate culture of LLC "Interagropack." It involves the application of enlightening conflict resolution methods undertaken by either the team or the manager.

The proposed measures will significantly enhance the level of organizational culture within the enterprise under consideration.

Summarizing the results of the conducted research, the following conclusions can be drawn:

- 1. Corporate culture significantly influences the effectiveness of both employees' activities and the organization as a whole. It also affects employees' attitudes towards the organization, their colleagues, the outcomes of their work, and the level of group relationships.
- 2. Measures aimed at improving corporate culture within an organization yield both social and economic benefits.
- 3. Rational implementation of recommendations for enhancing corporate culture is expected to lead to improved service quality and the maintenance of a favorable image.
- 4. The nature of the relationships within the corporate culture of LLC "Interagropack" predominantly aligns with a task-oriented culture. The employees of LLC "Interagropack" are characterized by a high level of professionalism, consisting of experienced specialists, which determines the organization's operational efficiency.
- 5. At the core of LLC "Interagropack's" corporate culture is an emphasis on teamwork, the expertise of specialists, recognition for results, and the alignment of personal and group objectives.
- 6. Considering the impact of corporate culture on the company's effectiveness, the corporate culture of LLC "Interagropack" leans more towards being positive rather than otherwise, as it stimulates the organization's activities and development.
- 7. In the process of shaping the corporate culture of LLC "Interagropack," the following tasks need to be addressed: implementing non-intrusive forms of work schedule control (since flexible work schedules can sometimes lead to employee demotivation, resulting in extended time for order completion and service provision).

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