

O. Derevianko,
 Doctor of Economics, Associate Professor
National University of Food Technologies, Kyiv, Ukraine

THE ROLE OF EMPLOYERS FOR REPUTATION MANAGEMENT OF FOOD INDUSTRY IN UKRAINE

The economic growth of the national economy is possible only on the basis of high modern managerial standards. Particularly, a considerable focus is made on implementation of a new direction in management, which is defined as reputation management of national companies of any legal form of ownership, organizational structure and industry focus. This reputation management is important as it is the basis on which a product and corporate brands are created. Besides, the reputation management is a source for knowledge management, economic security and business activity in Ukraine. This is especially important under conditions of modern information society's rapid development.

Due to the fact of the above mentioned issues topicality foreign and national researchers pay their attention to them. Thus, the famous British philosopher John Locke in his work "Essay Concerning Human Understanding" made the following opinion: "As for the punishments due from the laws of the commonwealth, men frequently comfort themselves with hopes of impunity. But no man who offends against the fashion and opinion of the society he belongs to and wants to be accepted by can escape the punishment of their censure and dislike. Not one man in ten thousand is stiff and thick-skinned enough to bear up under the constant dislike and condemnation of his own social circle. Someone who can content himself to live in constant disgrace and disrepute with his own particular society must have a strange and unusual constitution" (Locke, 1689).

The modern Australian scientist Grahame Robert Dowling has paid attention to the questions of reputation management in his research "Creating Corporate Reputations. Identity, Image, and Performance". It is mentioned, that reputation management is critical to the success of any organization, and is therefore too important to be outsourced to an agency, a public relations group or a corporate design firm. Its management is the responsibility of senior management including the CEO, and its implementation is the responsibility of every employee. Good reputations are built from inside out. A sound business strategy, vision and mission, company policies and organization culture are key pieces of the puzzle (Dowling, 2001). Furthermore, the ways of forming trust to the company receive more and more attention through widespread scientific crises. For instance, these questions are the subject of researches of such Ukrainian and foreign authors as Fombrun (1990; 1996; 2003), Frayne (2013), Griffin (2008), Komisarjevsky (2012), Grayson (2004), Sampson (1994), Smyth (2005), White (1994), Tixier (1995), Derevianko (2013; 2014; 2015), Bobrova (2006), Vasylenko (2002), Pochepcov (2001; 2006), Korolko (2001) and others.

It is clear, that both the foreign and Ukrainian scientists are interested in reputation management research. However, the foreign works are not often adapted to the conditions of the national economy. Moreover, the national economic research is often rather theoretic. One of its features is connected with foreign experience adaptation. This makes the problem for the development of national companies' reputation management. For instance, it is one of the problems for food industry companies.

The main peculiarities of reputation and its influence over the person make themselves popular and widespread in the context of sociological, philosophical and other scientific areas. On the other hand, the reputation management plays an important role in the modern economy. Overall, the reputation management's paradigm develops itself in spite of the connection between its practical usage and theoretical concepts of different science.

Therefore, the aim of our research is to improve the system of internal reputation management of national food industry companies using both the theoretical and applied backgrounds of the research.

Generally, according to the results of our previous research (Derevianko O.H., 2015) reputation means stakeholders' trust in the company, which is represented by waiting for results of cooperation with the enterprise and is realized by support of its activity (purchase of goods, credit affairs, business contracts and investment).

Reputation management consists of planning, organization, motivation, implementation, monitoring and control of management's effectiveness in part of the company's reputation formation and support from its stakeholders process. Reputation management manifests itself as the internal and external components combination.

Stakeholders play their main roles during the process of reputation management formation. Particularly, in the context of internal reputation management we pay our main attention to the consumers, top-managers and partners. Mainly, the reputation is formed as the company's reaction to the negative information about itself. It depends on the information wide spreading among stakeholders and reputation management tools usage.

The involvement in the reputation management consists of economic, professional and personal components. The economic component means partnership between the company and its stakeholders. The professional one consists of the company's employment, previous work experience, the desire of potential workers. The personal component displays itself as the mass media monitoring, the company's web site visiting, the goods quality, advertising and clients' services estimation.

The internal reputation management includes the following tools: social security of the company' stuff, which includes salary, social support, the prospects of long-term employment and career; the programs which increase the level of the confidence of the stuff, particularly team building, educational programs, trainings and conferences are among them; activation of official communication, which means top-managers' letters and congratulation , rewards and celebrations; non-official communication during corporate celebrations and sport events; mass-media involvement to increase the level of trust in the company (a corporate newspaper, radio, website, social networks); the internal information channels of the company; the activity of the company stuff; monitoring and analysis of the stuff's trust.

This study includes interviewers with different groups of stakeholders for the main national food industry's representatives. Particularly, our attention was paid to the current companies' employers and their top-managers.

Representativeness of the research is provided by a selection of enterprises – leaders of the food industry sub-sectors working in different regions of Ukraine. The top managers of SE Confectionery Corporation "ROSHEN", Vitmark Ukraine Company Limited, the IDS Group (PJSC Morshyn Mineral Water Factory "Oskar", PJSC "Myrgorod Mineral Water Factory"), SE "Milkiland-Ukraine", PJSC "Myronivsky Hliboproduct", PJSC "Hlibprom Concern", "Oasis CIS", Nestle S.A., Ovostar, and Obolon took part in the survey.

The main findings.

The survey was started with elucidation of such a basic factor as respondents' satisfaction with the current employment conditions. The analysis was carried out basing on the results of answers to questions about the level of wages, the correspondence between the salary and a post, official employment, work schedule, office location, working conditions in the office, team atmosphere, corporate culture, career prospects (on a scale of [1-10]), Where 1 is completely dissatisfied, and 10 is absolutely satisfied). The surveyed group of top managers of food industry enterprises (Fig. 1) has demonstrated a high level of satisfaction with such current characteristics of their employment as "Schedule" (9.1 out of 10) and "Official employment" (9.0 out of 10). The least satisfied are the attributes of employment such as "Office location" (6.4 out of 10) and "Prospects of career growth" (7.0 out of 10).

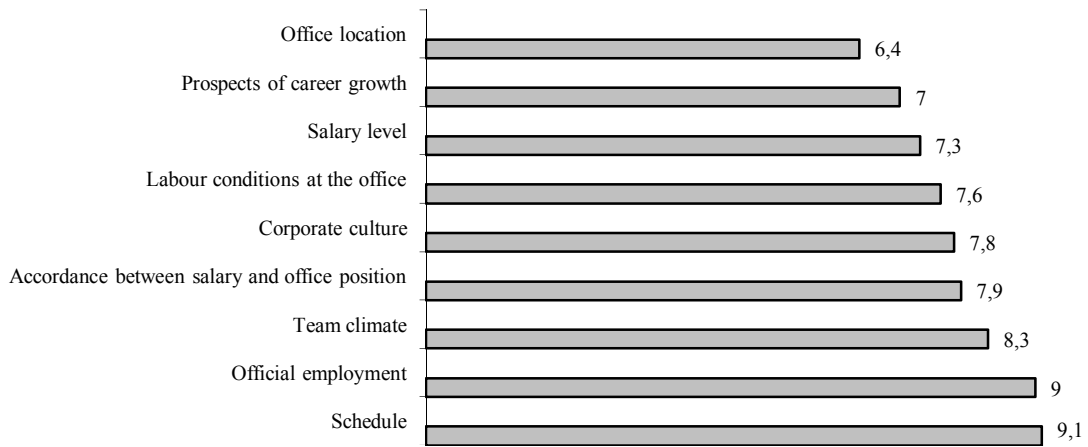


Fig. 1. The level of satisfaction with the current employment conditions-1

The highest level of satisfaction with the current terms employment conditions is appropriate for the employees of Nestle SA (the total mark of satisfaction is 85). At the same time, the current employment conditions make 10 points out of 10 for all the main conditions, except the "Salary level" (8 points out of 10), "Accordance between salary and office position" (8 points out of 10) and "Prospects of career growth" (9 points out of 10) (Fig. 2). The employees of "Vitmark Ukraine" and "Milkiland-Ukraine" have a sufficient level of their current employment conditions satisfaction. It makes 76 and 75 points accordingly. The lowest level of satisfaction of current employment conditions is appropriated for the employees of Obolon, IDS Group and "Oasis CIS".

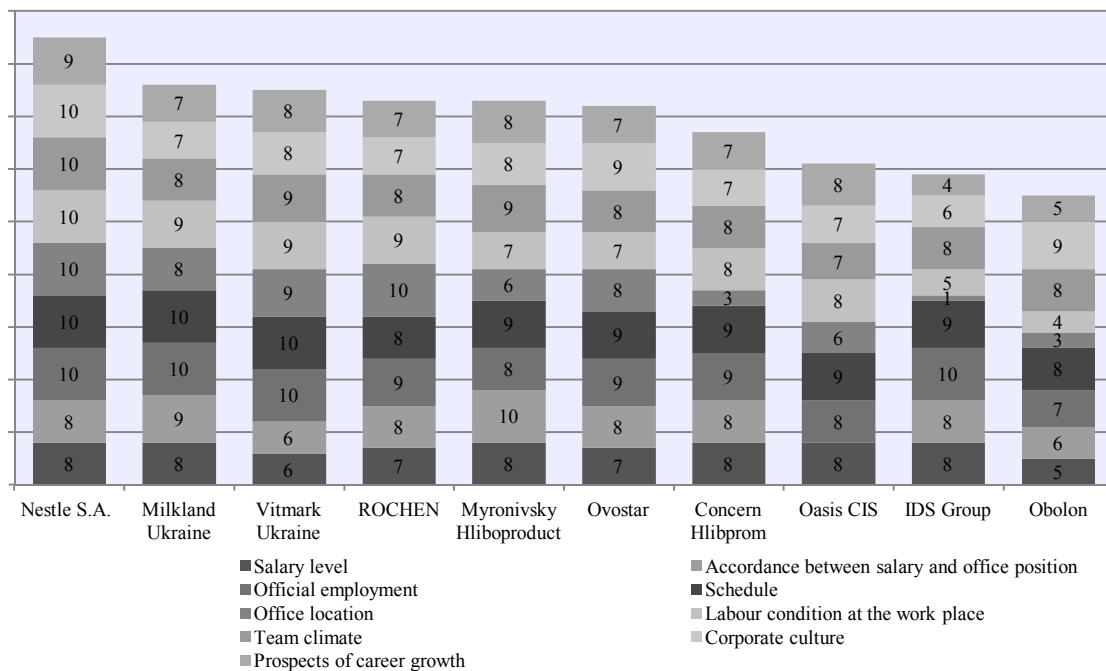


Fig. 2. The level of satisfaction with the current employment conditions-2

The next stage of the study was an expert evaluation of the effectiveness of the use of tools of enterprises' reputation management to build the reputation of the company among its own personnel, from the position of top managers (respondents separately carried out an internal assessment of reputation formation among the staff in their own company and external – according to relevant processes in other companies).

To assess the effectiveness of enterprises' reputation management to build a reputation among their own staff, the author developed such a system of criteria – the tools of the Reputation Management:

- Social security of employees (wages, social package, long-term employment and career growth prospects);
- Programs aimed at increasing the trust (corporate loyalty, loyalty) (Team building, educational programs, trainings, conferences);
- Activity of official communication (letters and congratulations of management, celebration events, awards of the best employees);
- Activity of informal communication (corporate holidays, sports events);
- The mass media usage (a corporate newspaper, radio, website (forum), social network);
- Completeness and reliability of information disseminated in the company's internal information channels;
- Activity of the staff in disseminating positive information about the company;
- Monitoring and analysis of trust (corporate loyalty, loyalty) of personnel (inside the company).

The leader on the effectiveness of reputation management of enterprises to build a reputation among their own personnel (external assessment, Fig. 3) was the company Nestle S.A. (69.5), while, in the opinion of the surveyed top managers, Nestle S.A. successfully implements such tools of reputation management of enterprises to build a reputation among their own personnel as "using media channels to increase staff confidence in the company" (9.5) and "activity of informal communication" (9.4). The top 5 companies with the highest reputation management built among their own staff, according to the results of the survey, also include Carlsberg Ukraine (66.7), IDS Group (65.1), Cargill (65.0) and Chumak (64.1).

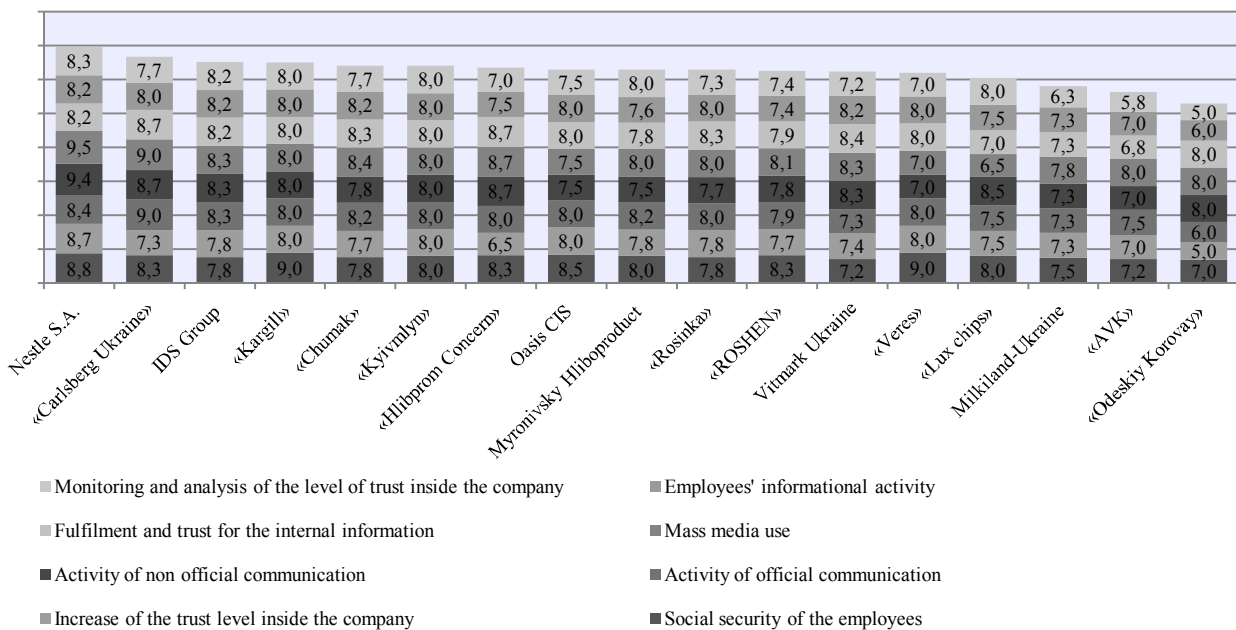


Fig. 3. The efficiency of internal reputation management of food industry companies

Different groups of employees play an important role in the internal reputation management of food industry companies in Ukraine. The current research helps us to pay attention to the conclusions below:

The employees' points of views show tendencies similar to those of the top-managers of the companies.

It is significant that the effectiveness of reputation management of enterprises (to build a reputation among their own personnel) correlates with the attractiveness of these enterprises regarding employment.

From the perspective of management theory, dissatisfaction with the prospects of career growth – that is, the absence of these personal perspectives – adversely affects the motivation of top management to make decisions of a prolonged, strategic nature of the company's development, because reputation management belongs precisely to the strategic level of management.

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