THE ROLE OF ONLINE-DISCLOSED VALUES FOR BUSINESS ORGANIZATIONS IN BULGARIA

Ilian Minkov
University of Economics - Varna
E-mail: *minkov@ue-varna.bg*

Summary: Successful positioning of business organizations in modern economic conditions requires appropriate disclosure in the virtual space of key strategic documents, one of which is company values. In this regard, the aim of the article is to identify and assess the role of the values disclosed online by organizations from different sectors of the Bulgarian economy and to make recommendations for building a company value system in a dynamic, highly competitive and digitally dominated business environment. The tools used in the study include the determination of relative values, a comparative method and content analysis. The results of the study show that in most of the studied economic sectors, values, which in some cases are not accurately defined, do not take their rightful place as a basic strategic document in the system of the public culture of business organizations.

Keywords: values, disclosed company culture, business organizations, Internet.

URL: nsarhiv.uni-svishtov.bg
DOI: https://doi.org/10.58861/tae.ea-nsa.2024.4.03.en
JEL: M14.

Introduction

In today's competitive environment, it is extremely important for business organizations to formulate and implement a core of key values that are the driving forces in their daily activities and outline the priorities set by senior management. Values are the most significant element of the company culture and as such are part of the formal culture, rules, norms of behavior, systems, artifacts, etc. Within formal organizational culture, values have an important communication role, as their disclosure on the Internet allows proclaiming the

leading strategic priorities of companies and communicating them to business partners (customers, suppliers, shareholders, banks, the public). Values and their impact on the activities of companies are the subject of interest of many foreign scientists and researchers. In this regard, it is to note the studies of Hartnell, Ou & Kinicki (2011), Schwartz (2013), Ahern, Daminelli & Fracassi (2015), Guiso, Sapienza & Zingales (2015), Prushkivskyi, Prushkivska & Lytovka (2021), Walsh, et al. (2021), Lee (2023) and other, which examine various aspects of the influence of national and organizational values on the management of people and the level of their effectiveness in the work process.

The extent to which Bulgarian business organizations formulate and communicate core values is essential for building the desired company image and the results of their activities. It is noteworthy, however, that there is a lack of sufficient research on values and their manifestations in the conditions of Bulgarian business practice, which leaves a significant gap in the scientific research on the topic. Here we can note only two extensive studies (Dimitrov, Ivanov and Geshkov, 2018; Dimitrov, Dimitrov and Slavova, 2024) on a large number of companies, members of selected Bulgarian employers' organizations, which emphasize the key role of values in the process of their strategic management. In this regard, the aim of the article is to identify and evaluate the role of the values declared on the Internet by organizations from different sectors of the Bulgarian economy and to make recommendations for building a company value system in the conditions of a dynamic, highly competitive and digitally dominated business environment. The object of the study is the official web pages of the companies from five sectors of the Bulgarian economy: brewing, courier services, construction, meat processing and insurance services, as the main channel for communication and proclaiming the official culture and their strategic priorities.

Literature review

Values, also defined as principles followed by companies, play an essential role in the process of their management. The importance of organizational values began to be discussed at the end of the 20th century, and even then, as Serafimova (2007) points out, 80% of the ranked in the Fortune magazine companies publicly declare their company values. The significance of values stems from the fact that they determine the philosophy and basic ideology of the business, specifying what the company considers to be good or bad (Makeev, 2012). In view of this, we believe that values are the basis of company culture, as they represent beliefs shared by the members of the organization, the perception of which is fully conscious (Shemetov, Cherednikova and Petukhova, 2012).

There is an extremely wide variety of definitions of values in literature with authors generally agreeing that they are the core priorities that guide the activities of the organization. Some of these definitions are presented in Table 1.

Table 1

Definitions of 'organizational values'

Author	Definition
Hristov (1997)	Common beliefs, belief about what is bad and what is good, what is unimportant in life.
Angelov (1998)	The relative importance attached by the manager to things and phenomena that orient him in decision-making.
Sariyev, Manoilov and Karagegov (2010)	Code of ethics or principles imposed as a way of working collectively.
Makeev (2012)	Standing beliefs that a certain behavior or the ultimate goal of an activity is preferable from a personal or collective perspective rather than the opposite way of behaving.
Schermerhorn (2013)	Broad beliefs about what is and what is not appropriate behavior.
Rothaermel (2017)	A statement of principles to guide the organization as it works to achieve its vision and fulfill its mission for both internal behavior and external interactions; often includes clearly expressed ethical considerations.
Warrick, D. (2017)	Consciously held beliefs, clearly stated or practiced, influence the behavior of group members.

***Source**: Compiled by the author.*

From these definitions, it is evident that the core of organizational values represents the ethical standards and norms that govern the behavior of people in the company. In this regard, Kuzmanova and Alexandrova (2013) point out that they should be related to long-term goals and serve as a guide in the actions of the staff and should not follow short-term and situational processes in the organization. The latter stems from the fact that value priorities should support the implementation of the company's strategy.

Undoubtedly, values send an important strategic message along with the company's mission and vision. Although some authors (Stancheva, et al., 2010; Kuzmanova and Alexandrova, 2013) accept values as an element of the mission, we believe that they have the role of an independent document in the strategic management process, which contributes to achieving synergy in communicating the company's long-term intentions. From this point of view, in our opinion, values should be stated in writing and officially declared, regardless of the statement of Makeev (2012) that they can partially exist in the form of not

explicitly expressed, but only tacitly implied, priorities. The importance of properly and clearly defining values is related to the fact that they involve and integrate employees in an organization, helping them to choose a model of behavior that is socially accepted.

Values build the company's philosophy, including the ethical principles that underpin the thinking and actions of its management. Two main functions of stable ethical values can be deduced (Rothaermel, 2017):

1. Forming a solid foundation on which a company can build its mission and vision, and thus lay the foundation for long-term success.

2. Creating restraints placed to keep the company on its path in pursuit of the vision and mission to build a competitive advantage.

According to Makeev (2012), the successful implementation of these functions is realized by two classes of values – instrumental and ultimate. Instrumental values are beliefs that a certain way of acting (e.g., honesty, rationalism, responsibility, adaptability, etc.) is preferred in all situations that arise in the organization. Ultimate values are the belief that some ultimate goal of the activity (e.g., customer orientation, results-oriented orientation, concern for employees, etc.) are worth striving for. In this context, we can say that the implementation of instrumental values in the organization is a step towards increasing the degree of development and implementation of the ultimate values.

One of the main tasks of company values, as stated by Makeev (2012), is to create a certain image or reputation of the company in the eyes of its employees and the external environment. In this context, the role of values stands out as an element of the officially publicized culture of the company presented on the internet. This culture is an amalgamation of corporate documents shared in the virtual space, through which business organizations declare their strategic priorities to customers and other stakeholders. A review of the literature on publicized corporate culture (Minkov, 2022) highlights the critical role of values and principles in building this culture alongside the organizational mission and vision. To ensure the successful fulfillment of this role, several important requirements must be followed when defining values:

- ✔ to be defined by the top management of the company, which alone has the authority to establish the principles of the organizational philosophy.
- ✔ to be organized in a system that clearly outlines the main priorities in the company's activities.
- ✔ to consist of a small number, no more than seven values (in line with the recommendation of MacLeod (2016)).
- ✔ to be purposefully implemented in the organization through staff training.

An analysis of recent studies on the topic identifies the directions of current research focus: the effectiveness of the use of values as a strategic document; challenges in their definition; their impact on company's performance and outcomes; dominant value categories in the business sector;

the extent to which values evolve over time, etc. The findings of some of these studies are presented in Table 2.

Table 2

Findings of studies on organizational/national values

Author	Findings
Ahern, Daminelli & Fracassi (2015)	The findings provide strong evidence that three key values of national culture (trust, hierarchy and individualism) influence the volume of mergers and synergy gains, with the volume of cross-border mergers being lower when countries are more culturally distant.
Guiso, Sapienza & Zingales (2015)	It examines which dimensions of corporate culture are related to the performance of the company and why. The findings indicate that the proclaimed values seem irrelevant in the conditions of the existing market environment.
Dermol & Širca (2018)	The study examines the influence of declared values on the organizational performance of a sample of Slovenian companies. The results show a positive correlation between the existence of organizational values and their communication within the company, on the one hand, and certain non-financial aspects of corporate performance, on the other.
Prushkivskyi, Prushkivska & Lytovka (2021)	The evolution of corporate values over time is studied based on an analysis of Fortune 100 companies. It is found that corporate culture encompasses "old" and "new" values, highlighting differences between 20th-century organizations (which maintained a culture of control) and those operating in the 21st century (characterized by a culture of learning and development).
Walsh, et al. (2021)	The influence of cultural values such as trust, transparency, and openness are examined in Scandinavian national policy documents on artificial intelligence. The results indicate that these three values support and shape the Scandinavian national AI strategy.
Carvalho (2022)	An analysis of a sample of 120 websites from the largest companies in the forty most developed countries in the world reveals that most of these companies utilize values for management and strategic planning. However, many do not do so in the most effective manner.
Lee (2023)	A study of 190 key values from forty-five hospital organizations in Korea highlighted their leading priorities and identified challenges in defining these values to build the organizations' identities.

***Source**: Compiled by the author.*

Methodological framework and limitations of the study

The research methodology aligns with the scientific objective set out in the article, which guided the selection of specific research methods. The methodological tools employed include determining relative values, the method of comparison, and content analysis. The study focuses on the following directions:

1. Establishing the relative share (in %) of business organizations that disclose their values on their websites as part of their official publicized corporate culture.

2. Determining the rank of values among the other elements of public culture disclosed online.

3. Identification of the main priorities highlighted through the values, including: the nature and focus of the key principles, the degree of universality of the values, the level of similarity between values within a given sector, etc.

The study was conducted under the following limitations:

- ✔ It is based on data collected from the official websites of the companies included in the sample.
- ✔ The sample includes only business organizations that have disclosed at least one element of their official publicized culture on their websites. These include twelve beer manufacturers, eight courier service providers, twenty-three construction companies, thirty-seven meat processing enterprises, and twenty-two insurance companies.
- ✔ The analyzed sectors of the Bulgarian economy are those where publicized official culture on the internet is a component of the firms' communication policy. Therefore, the findings and conclusions are applicable only to these sectors and not to Bulgarian business as a whole.

Results and discussion

The results of the study indicate that, on average, just over one-third of the companies surveyed (35.84%) have disclosed their values on their websites. Overall, this represents a somewhat unsatisfactory level, given the importance of values as a strategic document and their role in communication. However, it is noteworthy that the degree of disclosure varies significantly across sectors, ranging from 16.67% to 68.18%, which points to considerable differences in how organizations view and present their values, depending on the type of economic activity they are engaged in (see Figure 1).

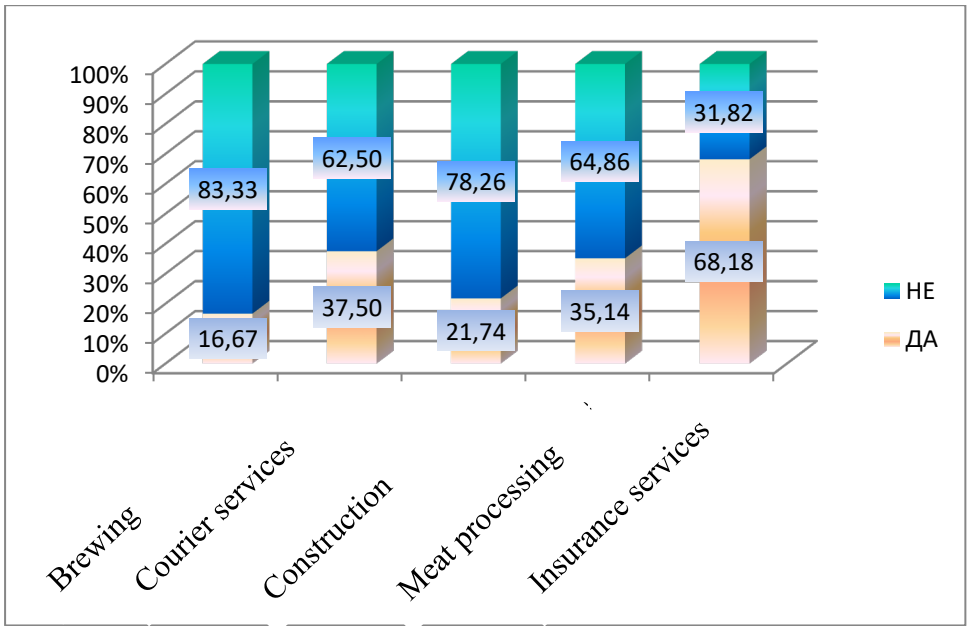

Figure 1. ***Relative share (in %) of companies that have disclosed values.***

Source*: Compiled by the author based on information from the official web pages of the companies.*

Based on these results, it can be argued that, in terms of the degree of value disclosure, sectors within the Bulgarian economy can be divided into three groups: high, medium, and low levels of disclosure.

The sectors with a high level of value disclosure include insurance services (68.18%), where the majority of companies promote value systems and principles in the online space. This is likely due to the fact that these organizations provide services to end customers, which require enhanced communication both with them and with other stakeholders involved in their activities.

Sectors with a medium degree of value disclosure include courier services (37.5%) and meat production and processing (35.14%). The business operations of companies in these sectors are oriented towards both individual customers and business organizations, which, in our view, explains the relatively lower emphasis on proclaiming key organizational priorities.

In sectors with a low degree of value disclosure, companies tend to focus more on publicizing operational information relevant to customer needs. In the study, such sectors include "Construction" (21.74%) and "Brewing" (16.67%).

Interesting insights can be gained by narrowing the focus of the research to examine the degree of value disclosure only among companies that have proclaimed key elements of their publicized culture (mission, vision, and values/principles) (see Figure 2). The most significant findings can be summarized as follows:

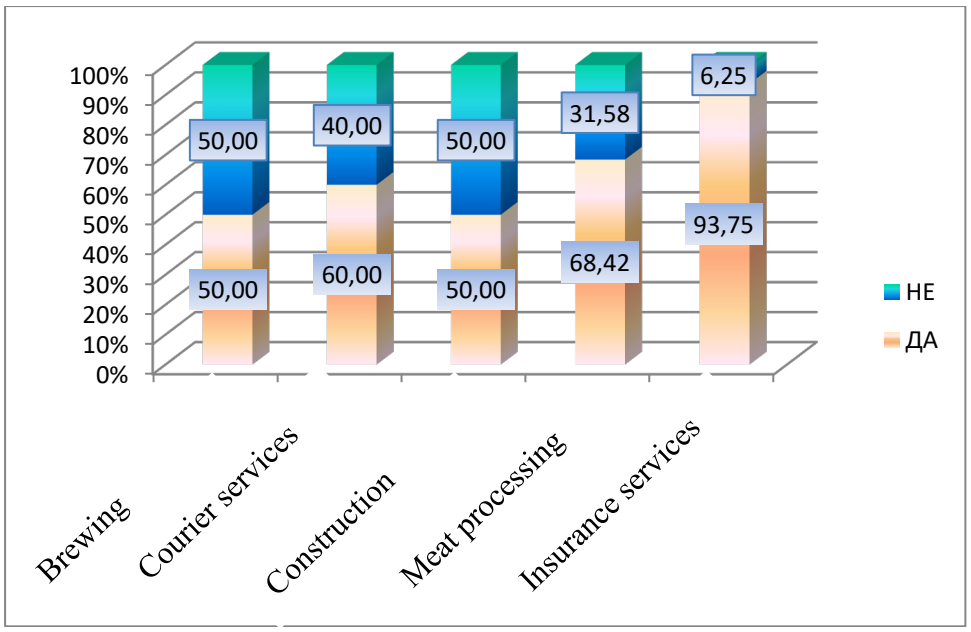

Figure 2. ***Relative share (%) of companies that have disclosed values compared to all companies that have disclosed key cultural elements.***

Source*: Compiled by the author based on information from the official web pages of the companies*

On average, nearly two-thirds of these companies (64.43%) have presented value systems on their official websites.

2. At least half of the companies that have disclosed key elements in each sector have proclaimed organizational values. This indicates that values hold an important place in the portfolio of primary elements of the publicized official culture.

Regarding the role of values in terms of their importance to business organizations in Bulgaria, it is essential to determine their rank among other cultural elements (see Table 3).

Table 3

Rank (Position) of Values Among Other Elements of Publicized Culture

Position / Sectors	To all elements of culture	To the core elements of culture
Brewing	5	3
Courier services	5	3
Construction	5	2
Meat processing	4	2
Insurance services	2	1

Note: 1 – highest rank, 5 – lowest rank.

***Source**: Compiled by the author.*

The analysis of these results allows for several key observations regarding the role that senior executives assign to values/principles within organizations:

First of all, their position among all elements of formal culture shows that values hold a moderate significance as a communication tool. In most of the examined economic sectors, they occupy a steady fifth position, and in no sector other than insurance do they rank among the top three most disclosed elements online. These findings suggest that senior managers of companies in Bulgaria generally undervalue the importance of organizational values and their potential for conveying meaningful strategic messages to consumers and other business partners.

Secondly, the results on the rank of values in relation to the primary elements of the official public culture only reinforce the above conclusions. Even though at least 50% of companies in the brewing, courier services, construction, and meat processing sectors have disclosed values/principles, these are either less significant compared to mission and vision or rank second. This indicates that in these sectors, managers perceive the driving forces of their companies rather as subordinate elements to the meaning of their existence and overarching goals.

Thirdly, there is an obvious difference in the attitude towards values of insurance companies compared to all other firms. In these organizations, values/principles have a dominant role relative to mission and vision and in the hierarchy of all values they are second in rank among all elements (after company history). These results confirm the above conclusion about the high importance of values for insurance companies and underline their key role in the successful positioning of firms in the dynamic and highly competitive insurance and financial services market.

The content analysis of the value systems disclosed online by companies from the five studied sectors allows for the synthesis of the information presented in Table 4.

Table 4

Characteristics of Values/Principles in the Studied Economic Sectors in Bulgaria

Indicators / **Sectors**	**Number of values**	**Value core**	**Value type**	**Degree of similarity**
Brewing	very small	-[1]	instrumental and ultimate	low
Courier services	small	innovation, trust, flexibility	instrumental	high
Construction	very small	quality, customer orientation, professionalism, responsibility, honesty and ethics, security, and care	instrumental	medium
Meat processing	very small and small	quality, customer orientation, production traditions, safety, and security	instrumental	high
Insurance services	small	commitment to customers, honesty, and integrity, responsibility	instrumental	medium

***Source**: Compiled by the author.*

[1] For the brewing sector, a core of values has not been synthesized, due to the fact that only two of the companies surveyed have disclosed values on their web pages.

Based on the data several patterns can be outlined:

✔ The value cores of the studied business organizations in Bulgaria are predominantly built around a small number of key priorities, fully aligning with MacLeod's (2016) recommendation for an optimal number. The results indicate that the majority of companies disclose between three and six categories, which clearly suggests that top management understands their role as the main driving force of the business. At the same time, a very small number of companies in individual sectors disclose a larger number of values, but these are exceptions to the general rule.

✔ Organizations from different sectors exhibit distinct values, which are entirely determined by nature and specifics of their activities. However, it is notable that the category "customer orientation/commitment" predominates in the value core of most sectors. In this regard, we believe that this is the leading value with primary importance in the priority system of contemporary Bulgarian business organizations, fully relevant to the dynamic and highly competitive market environment. Additional categories that often complement the value core include product/work quality, accountability, honesty and ethics in relationships, and employee safety/security. Collectively, these principles serve as the cornerstone of organizational culture in Bulgarian companies, forming the basis upon which individual value systems are further built.

As noted, given the different nature of activities, specific values characteristic of individual sectors is also observed. Examples include flexibility in the courier services sector, professionalism in construction, traditions in the meat processing business, and teamwork in insurance companies.

✔ The analysis of the essence and orientation of values reveals that Bulgarian managers prioritize "instrumental" categories, which significantly contribute to achieving organizational goals when integrated into operations. The only notable "ultimate" value that holds a central place in these value systems is customer orientation, situated at the core of the value framework. Conversely, another critical "ultimate" value—concern/orientation towards people—which plays a vital role in fostering development and competitiveness, is markedly underrepresented and appears in the systems of only a few organizations. This underscores a clear tendency among Bulgarian leaders to focus more on task-oriented objectives rather than people-centric approaches.

✔ Firms within the analyzed sectors exhibit a moderate to high degree of similarity in the values they disclose[2]. This indicates that each sector

[2] An exception is the brewing sector, where a low degree of similarity of values has been established, but since only two companies have disclosed such, it is not plausible to deduce a certain regularity.

encompasses a set of universal categories pertinent to its specific economic activity and intrinsic to its industrial culture. Senior managers regard these categories as significant and strive to embed them into the organizational mindset and practices of their employees.

Based on the findings, observations, and weaknesses identified in defining and proclaiming values/principles within Bulgarian business organizations, the following recommendations are suggested for managerial teams:

1. To increase the degree of value disclosure on the official websites of companies and across social media platforms. This aims to elevate the significance of values within the portfolio of publicly shared corporate culture on the internet.

2. To improve the integration of values/principles with the organization's mission and vision to achieve a higher level of cohesiveness and strength in the overall message. Ensuring compatibility among these three strategic documents creates opportunities for synergy and enhances the impact of communications with external stakeholders.

3. When defining values, clearly and explicitly emphasize the commitments (legal, societal, ethical, etc.) that companies undertake while pursuing their objectives. This contributes to building a positive public image of socially responsible business entities.

4. To formulate company values in a way that underscores the organization’s uniqueness. While there may be a set of core values/principles within each sector, every company should incorporate distinctive priorities that enhance its recognition, especially in highly competitive business environments.

5. Although defining values is the prerogative of senior management, involving employees from all organizational levels in the development process is highly recommended. This approach fosters better understanding of values as core organizational priorities and ensures greater commitment to implementing them effectively in daily operations.

Conclusion

From the survey, it was found that in the studied sectors of the Bulgarian economy (with the exception of the insurance sector), values/principles do not take their rightful place as a main strategic document in the system of public culture of business organizations. In addition to the relatively low degree of their disclosure, some inaccuracies in their formulation are also reported, which implies an increase in the degree of cultural competence on the part of senior

management. In view of this, recommendations have been made that will make it possible to use the potential of values to improve the image of companies in the digital environment. In the context of the study, an important issue for future studies on the topic is to what extent the level of disclosure of values has an impact on the performance and results of companies.

References

Angelov, A. (1998) *Osnovi na menidzhmanta*. Sofia: Trakia-M.

Dimitrov, K., Dimitrov, K., Slavova, P. (2024) *Organizacionno liderstvo chrez provazglasena kultura*. Sofia: Izd. kompleks - UNSS.

Dimitrov, K., Ivanov, I., Geshkov, M. (2018) *Proklamiranata firmena kultura vav virtualnoto prostranstvo*. Sofia: Izd. kompleks - UNSS.

Kuzmanova, M., Aleksandrova, M. (2013) *Menidzhmant. Teoria i praktika*. Sofia: „Vezni-4“

Makeev, V. A. (2012) *Korporativnaya kulytura kak faktor эffektivnoj deyatelynosti organizacii*. Moskva:“LIBROKOM“.

Minkov, I. (2022) Harakteristiki na opublichenata v internet firmena kultura v savremennata biznes sreda. *Choveshki resursi & tehnologii = HR & Technologies*, Varna: Sdruzhenie "Kreativno prostranstvo", 1, 18-29.

Sariev, I., Manoilov, G., Karagegov, S. (2010) *Shest stapki kam ustojchiva efektivnost*. Sofia: „Klasika i stil“ OOD

Serafimova, D. (2007) *Osnovi na upravlenieto*. Varna: Steno.

Stancheva, A. i kol. (2010) *Teoria na upravlenieto*. Varna: „Nauka i ikonomika“

Hristov, S. (1997) *Osnovi na upravlenieto*. Varna: Univ. Izdatelstvo.

Shemetov, P. V., Cherednikova, L. E., Petuhova, S. V. (2012) *Menedzhment*. Moskva: Omega-L.

Ahern, K. R., Daminelli, D. & Fracassi, C. (2015) Lost in translation? The effect of cultural values on mergers around the world. *Journal of Financial Economics*, *117*(1), 165-189.

Carvalho, J. M. (2022). How are the vision, mission, and values disclosed on the websites of large companies?. In *Marketing and Smart Technologies: Proceedings of ICMarkTech 2021, Volume 2* (pp. 239-249). Singapore: Springer Nature Singapore.

Dermol, V. & Širca, N. T. (2018). Communication, company mission, organizational values, and company performance. *Procedia-social and behavioral sciences*, *238*, 542-551.

Guiso, L., Sapienza, P. & Zingales, L. (2015) The value of corporate culture. *Journal of financial economics*, *117*(1), 60-76.

Hartnell, C. A., Ou, A. Y. & Kinicki, A. (2011) Organizational culture and organizational effectiveness: A meta-analytic investigation of the competing values framework's theoretical suppositions. *Journal of Applied Psychology, 96*(4), 677–694.

Lee, J. H. (2023) Analysis of Mission, Vision, and Core values in Korean Tertiary General Hospitals Through Text Mining. *Korea Journal of Hospital Management*, *28*(2), 32-43.

MacLeod, L. (2016) Mission, vision and values statements: the physician leader's role. *Physician Leadership Journal*, vol. 3, no. 5, pp. 18-25.

Prushkivskyi, V. H., Prushkivska, E. V. & Lytovka, V. A. (2021) Values as the basis of corporate culture. *Economic Bulletin of the National Mining University Scientific Journal*, *73*(73), 45-54.

Rothaermel, F. (2017) *Srategic Management*.NY: McGraw-Hill Education.

Schermerhorn, J. (2013) *Introduction to management*.Willey.

Schwartz, M. S. (2013) Developing and sustaining an ethical corporate culture: The core elements. *Business Horizons*, *56*(1), 39-50.

Walsh, P. R., Dodds, R., Priskin, J., Day, J. & Belozerova, O. (2021) The corporate responsibility paradox: A multi-national investigation of business traveller attitudes and their sustainable travel behaviour. *Sustainability*, *13*(8), 4343.

Warrick, D. (2017) What leaders need to know about organizational culture. *Business Horizons*, 60 (3), pp. 395-404.

Ilian Ivanov Minkov is an Associate Professor, PhD in Economics at the Department of Industrial Business and Logistics, University of Economics – Varna, Bulgaria. **Research interests:** company/organizational culture, business planning, competitiveness management.

ORCID ID: 0009-0000-3426-1880

ISSN 0323-9004

Economic Archive

Svishtov, Year LXXVII, Issue 4 - 2024

D. A. TSENOV ACADEMY OF ECONOMICS
SVISHTOV

Икономически архив Година LXXVII книга 4 - 2024
Economic Archive Year LXXVII, Issue 4 - 2024

Editorial address:
2, Emanuil Chakarov street, Svishtov 5250
Prof. Teodora Dimitrova, PhD – Editor-in-Chief
☎ (++359) 631 66 201
Elena Petkova – technical secretary
☎ (++359) 631 66 201, e-mail: nsarhiv@uni-svishtov.bg
Blagovesta Borisova – computer graphic design
☎ (++359) 882 552 516, e-mail: b.borisova@uni-svishtov.bg
Milena Aleksandrova – computer graphic design
☎ (++359) 888 303 402, e-mail: m.aleksandrova@uni-svishtov.bg

ECONOMIC ARCHIVE

YEAR LXXVII, BOOK 4 – 2024

CONTENTS