

**UDC 658.339.13.01**

**JEL Classification Code A13**

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## **SOCIAL-CULTUROLOGICAL ASPECTS OF COMPETITION**

**Abstract.** The social-cultural aspects of competition are highlighted as consistent pattern of its evolution. The role of social capital and social values in the competitive environment is emphasized. The accent is made on the refocusing of the key functions of the competition towards socialization. The importance of the development of fair competition, the emerging of the contemporary ethical competencies and culture of market behavior are stressed. Generalized and analyzed theoretical assertions of the past and modern researchers have caused the hypothesis of this study, which consists in assumption about the inevitability and objectivity of the spread of socio-cultural trends in the economic space, influencing the formation of the main directions and concepts of competition, rethinking the nature of competition, its content characteristics and basic functions. The scientific validity of the theses, covered in the article, is based on such approaches: the necessity of transition from the paradigm of “competitive struggle” to the paradigm of development of fair competition is substantiated; it is argued that the functions of competition will be transformed with the processes of socialization of labor, the growth of the role of social capital and the value of human factor in economic processes; it is proved that in the conditions of the expansion of integration processes and the growth of cultural integration, competition is filled with new content and requires an adequate mechanism; the position has been developed to identify the factors, forms, and the main positive and negative aspects of competition. An important component of the researches is the emphasizing of the role of social values as a motivator, aimed at the ethical relationships forming in a competitive environment.

**Key words:** competition, socio-cultural factor, functions of competition, social capital, social values, competitive behavior, culture of competition, competitive environment.

### **Problem definition**

The competition in its socio-economic nature belongs to controversial phenomena, which combines both negative and positive hues. Even from the historical point of view, the concept evolved from understanding competition as literal ‘contest’, or ‘collision’, to rational behavior of market subjects in the context of limited resources. As behavior of economical agents is observed in the market field, the laws of the market and its structure should determine the behavior of the enterprises which are present in that market. However, all the market subjects are functioning in the socio-cultural space, and if its laws are neglected, the consequences may be unpredictable, in particular in the current era, rich in conflicts. Therefore it is reasonable to research competition through not only economical but also socio-cultural prism.

### **Analysis of the latest publications**

Both foreign and local researchers have paid thorough attention in their publications to the matter of competition as an objective matter, when exploring different aspects of the phenomenon. Usually the scientists focus on the factors of competitiveness, increasing competitiveness on

macro- and microlevel, and competitiveness of the personnel [2; 4; 5; 8; 10; 11]. National researchers do not ignore the question of social responsibility and its role in boosting competitive advantages of the enterprises [3; 6; 12].

In the context of new exercises of the competition in current realities and economic transformation the attention is worth to be paid to publications [3; 7; 9; 13], which in particular state that ‘competition is losing its traditional shapes and becomes global in its nature [3, p. 7], obtaining both positive and negative features’.

The global character of competitiveness in the context of the choice of forms and methods of competition is emphasized by domestic researchers. In particular, L. O. Zhylinska marks the irreversible process of globalization, “which significantly changes the conditions of enterprise management” [2, p. 73], so the struggle for sales markets is aggravating. Considering globalization as the latest factor in the impact on competition, the scientist proposes a set of measures aimed at increasing the competitiveness of industrial enterprises. Among such measures proposed in the article is to use a program-target approach, “which is most consistently and deeply manifested through the development and practical implementation of target programs” [2, p. 74].

N. Tarnavska considers the globalization factor for competitiveness more widely, investigating the problem of the global market and new manifestations of competition in the era of knowledge economy and the use of information technologies. Emphasizing the peculiarities of a new type of society, the scientist insists on the need “to carry out additional research on the nature of competition and its modern manifestations, a deep rethinking of the essence and driving forces of the transformation of management systems by domestic business entities, taking into account the dynamism and non-linearity of the development of market environment” [9, p. 5]. The change in the nature of competition, according to the author of the article, requires revision of the main functions of marketing, production, research and shifting the emphasis on the intellectual component of the product. In this direction, the author points to the role of competence in key competitive advantages. Other researchers share the view of the role of

intellectual capital and the competence of knowledge carriers in securing the competitiveness of a modern enterprise. [3; 8; 10]. Thus, in the monograph “Strategy of social development: mechanisms of decision-making” it is indicated that “at the beginning of the XXI century the main competitive advantage for any enterprise is its human resources. Moreover, in the strategic perspective, the significance of the human factor will grow” [3, p. 18].

It is obvious, that the problems of the socio-cultural context of competitiveness are closely linked to personnel and effective personnel policy, since, as scientists point out, “sustainable economic development and strengthening of enterprise competitiveness are the result of the implementation of personnel policy through the effective use of social, human and intellectual capital” [3, p. 17]. Considering personnel policy in a narrow and broad sense, the authors of the monograph emphasize that “the main goal of the implementation of personnel policy is the formation of additional competitive advantages by bringing social, human and intellectual capital in line with the chosen strategy of enterprise development through the application of certain measures” [3, p. 17], that is, the social aspect in the competitiveness of enterprises is partially present.

In the scientific community, a resource-based approach to the essential interpretation and consideration of competitiveness is widespread. It is precisely from such positions that scientists K. O. Kuznetsova, V.O Shpilyova. consider the system of factors of the external and internal environment that influence the formation of competitiveness of an enterprise. Thus, K. O Kuznetsova proposes to consider the logical and structural scheme of forming the competitiveness of the enterprise, which, according to the author, “allows us to visually follow the interaction of external and internal factors affecting this process; to separate the components that are “weak” sides when transferring the scheme to a particular enterprise, as well as to assess their impact in order to develop recommendations for their improvement. “[5, p. 222]. The author's approach to the reflection of the three levels of competitiveness, which have a mutual influence on each other: the lower level – competitiveness of products, the higher level –

competitiveness of the industry, the middle level – competitiveness of the enterprise, represents a scientific interest. All levels have their own components, however, the author considers the social component in a relationship with the political one only for the higher level (branch). The changing conditions of the present do not allow to take into account all the factors that affect competitiveness, and scientists appropriately point out that “a set of factors that determine the competitiveness of an enterprise is so significant and peculiar that it is impossible to propose a single methodology for the formation of the database, its processing and identification of significance for making corresponding decisions [10, p. 18]. However, let us note that considering the strategy of increasing competitiveness, among internal factors, V. O Shpilyova emphasizes the values and corporate culture, that is, the indirectly present socio-cultural context in the studied issues.

The change in the nature of competitive relations under the influence of globalization and other processes leads to a rethinking of the content of modern strategies of competitiveness and its filling with social aspects, social responsibility, which confirms the relevance and expediency to highlight the socio-cultural aspects of competition as an objective pattern of its evolutionary development. And these aspects are emphasized by Y. M. Melnyk [6], who in his article offers the author's vision of competitiveness and social competition of business, determines the factors of the micro and macro environment of social activity of the enterprise, direction and components of the social strategy. Y. M. Melnyk considers social competition in business”, as “the process of achieving competitive advantages on the basis of the system of relationships existing between the business entities and the society in which they operate, in order to achieve mutual economic and social effect” [6, p. 51], and considers social competitiveness as “one of the most important at the current stage of economic development” [6, p. 51].

The given review of modern literary sources outlines the breadth of competitiveness issues in the theoretically applied and conceptual dimensions, substantiates and emphasizes the scientific legitimacy, expediency and relevance

of developing the direction of research proposed in the article.

Analysis of the content and results of scientific research and publications also indicates that issues related to the socio-cultural aspects of competition as a special phenomenon of our time, are studied superficially, not tied systematically to the culturological factor, which becomes a model of contemporary thinking and development of the society as a whole.

### **Research objective**

Highlighting of the socio-cultural aspects of competition as a consistent pattern in its evolutionary development.

### **Methodological approach**

To reveal the content of the article and to achieve the goal, a set of scientific methods that ensured the conceptual integrity of the study, in particular: historical and logical – to study the evolutionary path of the nature of competition, which in its development was the industrial and informational stages; systemic – to form a conceptual approach to the disclosure of the nature of competition on the basis of socio-cultural aspects and to assess the competitive factors that influence the behavior of competing subjects; synergetic - to formulate the theoretical positions of the idea of transformation of the main functions of competition and the formation of a model of a competitive economy based on a combination of human and technological factors; methods of dialectical logic, induction and deduction – to substantiate the preconditions of the spread of the socio-cultural phenomenon in all spheres of economic and social life of society and the filling of competition with social content. In an applied sense, an important method of research is synthesis and analysis, which is used to account for the interaction of external and internal factors of influence on the emergence of new forms of competition.

Also, for the analysis of the subject of study were important methodological principles: objectivity – to outline the laws of the development of competition and change its functional role in the conditions of innovation and information economy; generalization – to outline the global and local

causes of the emergence of new competitive relationships and the expansion of objects of competition.

### **The main material**

General tendencies of changes in macro-environment influence the development of economic theories, concepts and systems. The values determine key elements of competition and the dominating type of culture affects the behavior of market entities, theories of competition, decision making, strategic choices. Consequently, there is significant impact of culturological factors on the formation of key dimensions and concepts of competition. So, currently a vivid trend is observed. The evolution of socio-cultural phenomena penetrates all spheres of economic and social life, and requires to be considered on the theoretical levels.

From the logical point of view competition in its development has passed the industrial and informational stages, and has entered the phase of new stage with social humanistic features, which is being founded now. Each stage reflects the nature of competition, which is sometimes quite ambiguous. Nowadays the objective reality has obviously been formed for studying socio-culturological aspects of competition, linked to spreading socialization and growing role of social capital in economic processes. Social capital as well as social relationship is becoming important compound of the wide institutional environment, which covers the idea of competition. The development of the concept of social capital and the univocal acknowledgement of the global importance of social relations activate the demand for the values of social nature. In particular, these are compliance, trust, social accountability, cooperation, fairness etc. These and many other values are becoming a norm of social capital and are intertwined within the network of competitive environment as a progressive innovation. More and more enterprises frequently relate their mission to social principles. As the academics state, "social principles are closely linked with enterprise mission, that is, its socio-historical purpose: the sense of its work, and social need for the products (services). The social norms and standards are correspondingly determined by technical and economical characteristics of the

enterprise. The social development strategy is also influenced by available social perspective of the enterprise" [3, p. 22].

So with the change of focuses in the interpretation of the competition, its characteristics and key functions changed, too. The functions are: regulative, distributive, simulative, generating and protective. At the same time, the tasks, objects and its role in the market positioning have altered.

The regulative function of the competition is aimed at studying the needs and preferences of the consumer, and motivating entrepreneurs produce goods which consumers need. Under social factors an innovative product is becoming more competitive, as it contains not only economical but also social good. In this regard, it should be noted that competition is a self-regulator of the society. It shaped the social concepts of an individual and highlights the impact of competition on social development.

The distributive function on the enterprise level fosters the distribution of income in dependence with types of business. On the national level it encourages flow of capital between domains and spheres. Disregarding the fact that nowadays the flow of capital does not fully cover social sphere, in any case the growth of socio-cultural paradigm of management and establishment of socially focused economy will promote the development of social sector.

The motivating function is especially important, as it encourages search of innovative solutions to increase competitive demand of the product. Innovations become a value. That it, the competition is worth being seen in the categories of motivation and values, in particular, in terms of the competition between personnel. The competition promoted professional development and seek of new competencies, as well as robust entrepreneurial activity. However, in the socialized and spiritual society, the competition should not foster demand on solely material goods, stimulating consumerism. On the contrary, current managers have to put it as a goal of competition to stimulate the demand on competitive ideas, which are able to transform egoistic and aggressive aims of the enterprises, desiring to make the market comfortable for all.

The protective function is linked to viewing competition as a protective reaction and response,

not an aggressive and self-dominant one, but with a thorough consideration of its social consequences. The role of protective function grows in the conditions of concentrated capital and bigger businesses. The necessity of abiding to social standards requires lawful, transparent and open work.

Here it is reasonable to mention the need of wider practical usage of article 33 'Rules of professional ethics' of Ukrainian Law 'On the protection from unfair competition'. The norm should be rather mandatory than recommendatory. The rules have to be applied during negotiations, contracting, shaping statutes and other important documents. Abidance to the competition-related legal framework could increase the level of corporate social responsibility, having lowered the cases of unfair competition.

Fair competition is shaping modern ethical competencies and culture of behavior in the market through the corresponding values: order, accountability, entirety, obligation, etc. Human factor becomes significant competitive advantage. The high quality social capital may bring advantaged to any enterprise and economy as a whole. It is important to systematically increase level of life of the employees to achieve those competitive advantages. The economical processes have no sense of they do not take into account the value of human capital. Therefore, the enterprises and other employers should not only create jobs, but also intellectualize the production, and provide the required level of financial compensation, as low labor is not interested in innovation or efficiency. The formation of competitive economy based on the model of high quality and cost of human factor ought to be simultaneous with the technical compound. It implies heavy investments in both social sphere and production development. But only the combination of human and technical factors can achieve the innovative competitive advantages.

Currently competition becomes an important prerequisite of social life and economic development. It influences mindset matrix of a person and the whole society, and is at the same time an outcome of such development. Positive competition stimulates personal career building and innovations at enterprises. So a new task arises: to develop a mechanism of the competition impact on social processes.

The growth and development of social relations and cultural integration bring new sense

of competition. In the new global cultural perspective, the individual creative self-representation is strengthened, as well as personal world view. These factors are less influenced by institutions. It is important to create a system of adaptation, oriented at different levels of cultural and educational development of a person. However, it is not recommendable to unify the universe of images, making them primitive, mass-oriented and serial, which shapes a standard citizen of the world. The competition should concur under the principles of social policy, ecological and technical safety, harmony based on culture of behavior and law.

The content above is summarized by the opinion of the academics who state that "the competition bears both positive and negative sides, and their proportion depends on the types and forms of the competition, and influence of the regulating activity of the government on it. The competition is seen as flexible and thin mechanism. The flexibility of competitive mechanism is exposed in its momentous reaction on any inner changes. At the time when the changes have occurred, those enterprises, which had been most adaptive, would be in a winning position" [4, p. 270–271].

#### **Summaries and perspective of further research**

The competition, according to the economic law of competition, is a natural phenomenon and is active since the commodity production emerged. However, the global and local changes impacted the nature of competition, having widened its objects and the competitive field. At the same time they caused new competitive relations, which are called "hypercompetition". The competitive factors become acting systematically, entirely, rather than one by one. It causes unsafe competition with the varying interests of the competing parties. The behavior of the subjects is becoming more aggressive and brutal in the selection of means, and ignoring the law. It has to be noticed that there are parallel processes going on. The socialization of humanity, spreading of humanistic views, and building of civil society influence competition, directing it towards its socio-cultural compound.

The global factors, world order, religious trends, national traditions, and mindset postulates are shaping new values, which soon will have to

transform into new economic model of market behavior. So, the market institutions, normative and legal basis in the field of competition, ought to be formed due to the newly emerged values, with trust dominating among them. The new values are shaping the market behavior rules, so the competitive behavior should be fair, in accordance with the culture of competition and its environment.

Taking into account rapid spread of socio-cultural phenomenon across all spheres of social life, the competition is under its influence as well. Consequently, the conceptual research needs to be conducted, methodological search of functions and forms of competition should be deepened, and the mechanism of evaluation of the impact of socio-cultural factors on competitive strategies has to be developed.

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