

SOCIAL RESPONSIBILITY AS A COMPONENT OF ENSURING THE ORGANIZATION'S COMPETITIVENESS

In the article, it has been grounded that social responsibility is related to the organization's competitiveness. The main approaches to defining the concept of «social responsibility» have been analyzed. It is established that the concept of «social responsibility» has different interpretations in various scientific papers, legislation, and regulations and in essence, covers the multifaceted business' aspects. The article proves that competitiveness is influenced by technical and economic, commercial and regulatory factors of the enterprise. The authors propose a set of motivational factors for social responsibility' implementing at the enterprise. It is grounded that efforts to promoting the socially responsible steps are profitable, efficient; on the one hand, they increase profits, and on the other – enrich the company with new strategic competencies.

Keywords: social responsibility; competitiveness; organization; management; innovation; competitive advantages; enterprise, start-up.

Formulation of scientific problem and its significance. During the years of Ukraine's independence, the problem of competitiveness increasing has become the number one problem for the national economy and domestic enterprises. To be competitive for an enterprise means to work at the market, to make a profit, to perform social functions. In Ukrainian realities, enterprises use certain strategic alternatives of competitive behaviour that occurs mostly intuitively, without a fundamental theoretical basis and careful strategic analysis. Therefore, the effective operation and further development of domestic enterprises are impossible without the scientifically grounded measures to develop and implement a competitiveness management mechanism aimed at increasing resilience, maintaining existing and achieving new competitive advantages, ensuring the sustainability of competitive positions of economic entities by constantly balancing their potential with the requirements of the environment. Business integration into the international economic space obliges domestic organizations to consider the issue of increasing the competitiveness' level from new positions. In the context of globalization, traditional



methods of assessing the enterprise's competitiveness require an additional tool that contains not only economic but also social aspects [1].

It is believed that to ensure sustainable development and a high level of enterprise' competitiveness, corporate social responsibility is no less important than a developed economic infrastructure, political stability or innovative projects' implementation. Today, an organization is not just an economic entity, it is an organic part of a complex, interconnected, interdependent set of institutions. These institutions have a significant impact on the organization, acting as consumers, suppliers, authorities, intermediaries, arbitrators and more. So. The economic, social, environmental, political interests, motives and aspirations are intertwined in this difficult network of relations.

Recent theoretical and applied studies of competitiveness' methodological aspects show that the activities of socially responsible business organizations demonstrate different, differentiated effects of certain areas of social responsibility on the enterprise's competitiveness. This actualizes the choice of the optimal version of the social responsibility system, the need of finding the most acceptable solutions for the volume and structure of social investment to ensure competitiveness. That is why the impact' problems of social responsibility of the organization are key to ensuring a high level of competitiveness.

Analysis of recent research and publications shows that the topic of the social responsibility impact on the level of competitiveness is constantly in the field of interests of foreign and domestic scientists, such as V. Borysov, M. Korsakov, S. Lytovchenko, E. Panchenko, A. Kredisov, P. Drucker, K. Davis, M. Mescon and etc. The scientific works of leading foreign scientists as G. Assel, F. Kotler, M. Porter, F. Taylor, A. Smith, A. Fayol, R. Waterman, E. Chamberlain, J. Schumpeter and others are devoted to the study of theoretical, methodological and practical issues of competitiveness management. A wide range of issues related to the characteristics of the enterprise's competitiveness' components, the assessment of factors influencing the products' competitiveness, considered by such Ukrainian scientists as D. Bogynia, A. Voronkova, V. Herasymchuk, S. Dovbnia, M. Doronina, Yu. Ivanov, A. Kolot, N. Lukianchenko, O. Novikova and others. However, due to the complexity of social and economic processes, the practical aspects remain unclear, namely the role of social responsibility in its competitiveness and the implementation of the social component in the business environment of Ukraine.

The purpose of the article is to study the essence, define the conceptual content and justify the need to implement social responsibility in the system of the enterprise's strategic management as a necessary prerequisite for ensuring a high level of competitiveness in the long run.

Presentation of the main material. Today, social responsibility in its evolution goes through a number of stages of development and is an innovative vector in Ukraine's business, and therefore the study and search for solutions to the interaction of government, business and society raises the problem of enterprise competitiveness to a qualitatively new level. Now there is a need for full integration of social responsibility in the activities of economic entities, while the implementation of its principles in the practice of domestic enterprises should expand the range of opportunities for long-term competitive advantage in a new technical and economic paradigm that takes into account changing economic development and intense competition.

Entrepreneurs who implement social responsibility programs gain a competitive advantage in various areas of their activities. These benefits do not appear immediately, because different social projects have different periods of appearance of their effectiveness for the business. Competitive advantages are positively significant in terms of quality lines of the behavior of the firm, which in various respects provide it with an advantage over competitors [2]. Competitive advantages are a criterion for the competitiveness of any enterprise, their availability and implementation provide an economic advantage over competitors. Competitiveness has many definitions, and in each case has different manifestations. In general, competitiveness is an opportunity for a company to sell its products on the market. Competitiveness is due to technical and economic, commercial, and regulatory factors of the enterprise.

Technical and economic factors include: the products' quality, market price and costs of operation (use) or consumption of products or services. These characteristics, in turn, depend on productivity and labor intensity, production costs and so on.

Commercial factors determine the conditions of goods' sale in a particular market and include: market conditions, the competition level, the relationship between supply and demand for this product, national and regional market characteristics, the level of consumer profits, etc.); level of service (availability of dealer-distribution points of the manufacturer and service stations in the region of consumption, quality of service, repair and other services provided); advertising (the presence and effectiveness of advertising and other means of



influencing the consumer in order to generate demand) and the image of the company (brand popularity, reputation of the company, company, country).

Regulatory factors include the requirements of legal, technical, environmental, moral and ethical and other safety types of the enterprise's products in this market. In case of non-compliance of products with the norms of standards and legislation in force in the given market during the considered period, the products cannot be sold on this market.

In the context of globalization of the economy and intensification of competition, it becomes obvious that the social policy implemented by organizations affects both the organization's positive image and the compliance of enterprise behavior with the expectations of the population and government, acting as a competitive advantage. The reputation of a socially responsible organization is especially important for those enterprises that, due to the specifics of production, need highly qualified specialists of a narrow profile, i.e. the labor supply for them is quite limited. Social responsibility programs implemented by the company become competitive advantages that attract the most intelligent and creative workers, for the management of which are particularly effective intangible incentives.

Ukraine's focus on socially-oriented business management, without which Ukraine's successful integration into the world economic system is impossible, poses new challenges for domestic companies, the importance of which is related to social responsibility, i.e., at the state level – responsibility to society and separately to each citizen, and at the business level – responsibility to the state itself, its staff and consumers [3].

Social responsibility belongs to a class of such concepts that do not have a single precise definition. The concept of social responsibility includes, first, the fulfillment by businesses of social obligations provided by law, and the willingness to strictly bear the relevant mandatory costs. Secondly, social responsibility is the willingness to voluntarily bear the nonobligatory costs of social needs that go beyond the limits set by tax, labor, environmental and other legislation, based not on the requirements of the law, but on moral and ethical considerations. In the scientific literature, social responsibility is seen as a dialectical relationship between the individual and society, characterized by mutual rights and responsibilities to comply with the requirements of social norms and the use of various means of influence in the event of their violation.

Social responsibility is a certain level of voluntary useless support for solving social problems by the entrepreneur, which takes place outside the requirements of government agencies and over them [4, P. 189]. Social responsibility is a sphere of enterprise' activity, which is characterized by the solution of socially significant problems both in the business and outside it, i.e. at the production (local), local, regional and national levels [5, P. 188]. Social responsibility is an integral part of the overall economic efficiency of enterprises. it must be inherent in every enterprise and the entire business sector of the state. Awareness of the importance of this factor will increase the attention of entrepreneurs to the parameters of socio-economic activities of companies, such as timely remuneration of staff not lower than the minimum set, payment of taxes in full, production of goods and services according to quality standards, compliance with environmental standards [6].

Issues of social responsibility have recently become very relevant. All over the world, both large multinational companies and small local businesses are rethinking the meaning of their operations and formulating new strategies that will enable them to better respond to the needs of consumers, partners, staff, society and the environment. The principles of social responsibility become one of the components of a successful strategy that strengthens the image and reputation and competitiveness of the enterprise, attracts customers and retains the best employees [7].

In our opinion, the set of motivational factors for the social responsibility implementation at the enterprise should include two directions:

1) receiving benefits (active motivation) – the formation of favorable conditions for business in the future; compliance with the expectations and moods of society, building an attractive image of the company; improving the economic performance in the long run; attracting new investments, etc.

2) avoidance of risks (reactive motivation) – avoidance of litigation, which may be caused by lawsuits from consumers and employees; maintaining a good reputation; maintaining partnerships with companies that work on the principles of social responsibility and require the same from partners, etc.

The tools for implementing the concept of social responsibility are quite simple to understand and implement some of its elements in the management of any enterprise. After getting acquainted with the theoretical basis of socially responsible business, each manager can choose the necessary elements for him and improve and combine them in their activities to obtain maximum competitive advantages in the

market. At the same time, the spread of these tools in the management of domestic enterprises will create a growing positive effect on the country's economy and society as a whole. Types of social programs: companies' own programs; partnership programs with local and regional government bodies; partnership programs with non-profit organizations; programs of cooperation with public organizations and professional associations; information cooperation programs with the media.

Thus, the enterprise's social responsibility becomes a key factor of competitiveness, because it: meets the growing needs of the external environment in which it functioning; is an argument in favor of attracting young professionals who are now becoming more attentive to the obligations of their company; a certain mechanism for the development of the innovations; paves the way for change management and the integration of social development and competitiveness growth, ensuring sustainable long-term development; has a positive impact on the overall behavior of employees at work, which leads to increased organizational efficiency and economic performance through better communication, improving product quality and tracking by employees themselves.

Efforts to promoting the socially responsible steps are profitable, efficient; on the one hand, they increase profits, and on the other - enrich the company with new strategic competencies.

Conclusions. Thus, today to ensure the enterprise's competitiveness, various methods are used and one of the most effective is social responsibility. Acting as a kind of innovative vector of domestic enterprises development, social responsibility, as a system of stakeholder relations, should be integrated into all areas of the company, become its philosophy and, ultimately, fit organically and reasonably into a long-term strategy to ensure competitiveness. The social responsibility of domestic enterprises will help to improve the competitive position not only of the companies themselves but also of the state. In addition, the development of the social responsibility of Ukrainian businesses will allow domestic companies to integrate into the global business community, and such a competitive advantage is difficult to overestimate. Thus, the use of the principles of social responsibility is an integral part of the development of market relations, an effective tool in competition and a prerequisite for the integration of the Ukrainian economy into the world market.

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СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ ЯК КОМПОНЕНТ ЗАБЕЗПЕЧЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ОРГАНІЗАЦІЇ

В статті обґрунтовано, що соціальна відповідальність має тісний зв'язок із конкурентоспроможністю підприємства. Питання впровадження соціальної відповідальності бізнесу розглянуто не тільки з



точки зору проблем соціальної сфери суспільства та необхідності забезпечення соціальних гарантій працюючого населення, а й з позиції використання соціальної відповідальності бізнесу для створення конкурентних переваг для окремого підприємства, налагодження зв'язків з громадськістю та органами центральної і місцевої влади, підтримання позитивного іміджу компанії. В статті проведений аналіз підходів до визначення поняття «соціальна відповідальність». Підкреслено необхідність збалансування соціальних зобов'язань компанії, оскільки вони можуть бути чинити як позитивний, так і негативний вплив на конкурентоспроможність організації. Встановлено, що поняття «соціальна відповідальність» має різне тлумачення в різних наукових роботах, законодавчих актах і нормативних документах і за своєю суттю охоплює багатогранні аспекти ведення бізнесу. Авторами запропоновано визначення конкурентоспроможності та конкурентним перевагам, деталізовано склад техніко-економічних, комерційних та нормативно-правових факторів, що обумовлюють конкурентоспроможність кожного підприємства. Авторами запропоновано комплекс мотиваційних факторів впровадження соціальної відповідальності на підприємстві. Дано опис базового інструментарію впровадження концепції соціальної відповідальності бізнесу, використання якого у різних комбінаціях дозволить кожному управлінцю знайти необхідну комбінацію дій та мотивів створення соціально відповідального бізнесу свого підприємства. Обґрунтовано, що зусилля із просування соціально або суспільно відповідальних кроків є рентабельними, вигідними, з одного боку, вони підвищують прибуток, а з іншого – збагачують підприємство новими стратегічними компетенціями.

Ключові слова: соціальна відповідальність; конкурентоспроможність; організація; менеджмент; інновація; конкурентні переваги; підприємство; стартап.

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СОЦИАЛЬНАЯ ОТВЕТСТВЕННОСТЬ КАК КОМПОНЕНТ ОБЕСПЕЧЕНИЯ КОНКУРЕНТОСПОСОБНОСТИ ОРГАНИЗАЦИИ

В статье обосновано, что социальная ответственность имеет тесную связь с конкурентоспособностью предприятия. В статье проведен анализ подходов к определению понятия «социальная ответственность».

Установлено, что понятие «социальная ответственность» имеет различное толкование в различных научных работах, законодательных актах и нормативных документах и по своей сути охватывает многогранные аспекты ведения бизнеса. В статье доказано, что конкурентоспособность обусловлена технико-экономическими, коммерческими и нормативно-правовыми факторами деятельности предприятия. Авторами предложен комплекс мотивационных факторов внедрения социальной ответственности на предприятии. Обосновано, что усилия по продвижению социально или общественно ответственных шагов являются рентабельными, выгодным, с одной стороны, они повышают прибыль, а с другой – обогащают предприятие новыми стратегическими компетенциями.

Ключевые слова: социальная ответственность; конкурентоспособность; организация; менеджмент; инновация; конкурентные преимущества; предприятие; стартап.

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