THE SUBSTANTIATION OF THE STRATEGY OF SOCIAL RESPONSIBILITY OF THE ENTERPRISE
WITH THE AIM OF PROVIDING EFFICIENCY OF ITS ACTIVITIES

The purpose of the article is the substantiation of strategies scenarios of the enterprise in the field of social responsibility by constructing the matrix "Social responsibility – productivity activities", with the aim of improving the level of efficiency of the enterprise activity (for an example of food industry enterprises). There was substantiated the strategy of social responsibility of the enterprise through the development of the matrix "Social responsibility – efficiency of the activities "with quadrants (I. "The Leaders of trust" – progressive adaptants; II "The Skeptical businessmen" progressive dezadaptants; III "Foolish organization " regressive dezadaptants; IV "Inexperienced idealists “ – regressive dezadaptants) and corresponding directions of the improvement of social responsibility, namely: improvement of economic potential, optimization of environmental policy, promotion of socio-work activities, regulation of legal relations, which will boost efficiency of the activities. The matrix is built on the basis of the calculated in previous researches generalizing indicator of the effectiveness of activities and complex indicator of social responsibility.

Keywords: social responsibility, productivity activities, component productivity activities, consistency of purposes and interests, complex indicator of enterprise social responsibility, generalizing productivity activities indicator of enterprise, matrix Social responsibility – Productivity activities.

DOI: 10.21272/mmi.2017.3-25

Statement of the problem. The attention of the world community and almost all countries is being increasingly focused on the social side of activities of enterprises. This concerns enterprises of all forms of the ownership in any field of activities, despite their geographical location. Therefore, in the current economic conditions more and more enterprises begin to pay attention to issues of social responsibility.

As soon as the development of enterprises growing and also international management standards are being introduced, managers begin to offer a system of social responsibility in daily activities. They realize that socially responsible behavior helps to increase the cost of companies and the value of sales of the products, to improve the image, it gives more opportunities to motivate the staff and increases the effectiveness of the activities in general.

Analysis of recent researches and publications. A significant contribution to the study of problems related to social responsibility of the enterprise, have been made by domestic and foreign scientists: H. Bowen [8], D. Decenzo [9], A. Carroll [10], F. Kotler [11], N. Lee [11], C. Litovchenko [15], I. Makarenko [16], O. Plakhotnyi [17], R. Khachaturov [12], N. Friedman [13], E. Freeman [14], R. Akutian [12] and others.

The issue concerns the research of the productivity activities of the enterprise, and are revealed in the researches of domestic and foreign scientists: R. Darmits [19], V. Dolgy [22], I. Naumenko [20], S. Pilipenko [21], L. Fedulova [18] and others.
Taking into account the absolute value and significance of the research, the influence of social responsibility on the efficiency of the enterprises is studied on the insufficient level. Under the productivity activities the authors understand a degree of the results conformity with regard to economic, environmental, social and legal goals of the enterprise, formed according to the external and internal environment and expressed in quantitative and qualitative indicators and which enables to use cumulative potential for further operating of the enterprise [6], determining the relevance of the research topic.

The object of the research. To substantiate the strategies scenarios of the enterprise in the field of social responsibility by constructing the matrix "Social responsibility – Productivity activities", with the aim of improving the level of efficiency of the enterprise activity.

The introduction of social responsibility by the management of the enterprise has a number of advantages. In particular, this gives additional motivation to the staff providing customer support and approval of partners and investors. The carried out by PR Agency Cone research reveals that more than 75% of respondents pay great attention to the activity of the enterprise in the solving of social problems, considering it as a possible place of work and recommending its products or services. According to the research "Monitor of corporate social responsibility", factors of corporate social responsibility define the image of the company by 49%, its brand by 35% and the financial condition is only by 10% [1].

A few years ago a similar research was carried out in Ukraine by UMG - Research International. It was found that 64% of respondents understand “social responsibility” as the responsibility of enterprises to society, 41% – to employees, 23% – to the state (the respondents had an opportunity to choose one or more answers). Interesting, that while making a purchase an important factor when choosing a product for 21% of Ukrainians is a social activity of the producer: 60% of respondents trust such enterprises more [5].

In modern market conditions for many enterprises social responsibility is a necessary condition for further successful activities. Every day a growing number of initiative groups, civic organizations, public associations, influencing consumer opinion, and having an interest for a wide range of relevant issues ranging from genetically modified foods to global warming and preservation of the native city.

Currently there is no legislative base for the regulation of socially responsible activities of enterprises, encouragement and support from the state in form of lower taxes, payment of grants, subsidies, etc. in Ukraine. According to CSR REVIEW, the main analytical media portal on corporate social responsibility [4] in 2011, it was adopted a new strategy of the European Commission on corporate social responsibility. This document is considered as a part of the general development strategy of Europe - 2020 and is a stimulus for many countries of the European Union to develop national policies of social responsibility. The main objective of social responsibility in these countries is to support the development of companies and it involves the improvement of the situation on the labour market, improving the quality of products and services. In more than 30 countries (Australia, Austria, Bahrain, Belgium, UK, Hong Kong, Greece, Denmark, Israel, Iceland, Spain, Italy, Canada, Cyprus, Luxembourg, Malta, Netherlands, New Zealand, Norway, UAE, South Korea, Portugal, Puerto Rico, Singapore, Slovenia, USA, Taiwan, China, Finland, France, Czech Republic, Switzerland, Sweden, Japan) with the economy transferred into innovation, social responsibility has been recognized at the national level and supported by national policies, but in Ukraine this process is still under development [7].

The examples of successful social responsible activities exist in the CIS countries. A vivid example can be the leading enterprises of the Republic of Belarus. For example, the company JSC "Komintern" was developed, implemented and certified in the National certification system of the Republic of Belarus, the system of quality management meets the requirements of STB ISO 9001, management system of labour and industrial safety in accordance with OHSAS 18001 : 2007, system of environmental management in accordance with the requirements of the international standard ISO 14001 : 2004. Certificates are issued by the international technical society of BUREAU VERITAS Certification. Also,
Розділ 4 Проблеми управління інноваційним розвитком

the company runs a Policy in the field of occupational health, safety and environmental protection [3].

Confectionery factory “Spartak” is the largest manufacturer of confectionery products in Belarus. Quality requirements of the products are defined by technical specifications and national standards. 99.9% of the products of the General are certified. The company's products are certified according to international standards: ISO 9001 (quality management system), ISO 14001 (environmental management system), HACCP (hazard analysis and critical control points) [2]. In addition, all employees have a right to get free complex medical examination once a year and throughout the year in case of need. The company regularly takes part in charitable events. The activities of such enterprises are supported at the state level, for example, there are cases of reduction of the taxes paid.

The increased social orientation of economic growth involves improving of the efficiency of enterprises on basis of the creation of social values for all the participants of internal and external business processes. Thus, the mission of the enterprise on the market is changing fundamentally, that today is connected with the need to meet not only material but also spiritual needs of the market through the production and implementation of socially significant products meeting international quality standards.

In connection with the innovative orientation of the economy, certain social and economic policy of the state, all aspects of the management of modern enterprises acquire a certain social significance. And enterprises are in need to develop strategies of social responsibility and ways of increasing social responsibility with the aim of ensuring the effectiveness of their activities.

The authors propose a definition of social responsibility strategy in ensuring efficiency of activity of the enterprise is such strategy where enterprise activities are directed to satisfy the interests of participants in internal and external business processes to achieve business objectives. The productivity activities of the company in such strategy increase at least in a year. This is due to the fact that any socially responsible activity – mainly investing in social initiatives, in order to satisfy the interests of participants in internal and external business processes. The result of such activities is an increase of the trust to enterprise; as a result, improvement loyalty of suppliers, shareholders, sales growth, efficiency of workers, attracting new investments, stability, financial results, etc. All of these aren’t an instantaneous result, but the medium-term perspective.

Proposed matrix "Social-responsibility – Productivity activities" is based on economic and mathematical models of the influence of a generalizing indicator of social responsibility on the summary measure of productivity activities [6]. The matrix is divided into quadrants, each of them is connected with a certain strategy (table 1, Fig. 1).

<table>
<thead>
<tr>
<th>Quadrant name</th>
<th>Parameters</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. &quot;Leaders of trust&quot; – progressive adaptant</td>
<td>The objectives of the company are agreed with the interests of the participants of business processes on economic, environmental, social and legal components</td>
<td>To maintain the level of trust and try to bring new social initiatives into society</td>
</tr>
<tr>
<td>II &quot;Skeptical businessman&quot; progressive dezadaptant</td>
<td>The profit is more important than the interests and trust of the participants of business processes</td>
<td>To increase the level of social responsibility for the necessary components</td>
</tr>
<tr>
<td>III &quot;Foolish organization&quot; regressive dezadaptant</td>
<td>There are no reliable ways to return the lost trust of society, they don’t know how to survive and operate in given circumstances - &quot;drifting&quot;</td>
<td>To regain the trust of society, improve the reputation</td>
</tr>
<tr>
<td>IV &quot;Inexperienced idealist&quot; regressive adaptant</td>
<td>The funds are invested in one or more components of social responsibility, however, the resources are inefficiently allocated to satisfy the interests of participants in business affecting the productivity activities</td>
<td>To agree the interests of participants in internal and external business processes with the goals of the enterprise</td>
</tr>
</tbody>
</table>

Table 1 – The strategy of social responsibility for the quadrants of the matrix "Social-responsibility – Productivity activities" (authors own contribution)
О.І. Гарафонова, Г.В. Жосан, Л.М. Акімова. Обґрунтування стратегії соціальної відповідальності підприємства з метою забезпечення результативності його діяльності

Маркетинг і менеджмент інновацій, 2017, № 3
http://mmi.fem.sumdu.edu.ua/

Figure 1 – Matrix “Social-responsibility – Productivity activities” (developed by authors)

We analyze more detailed description of strategies for quadrants I, II, III, IV:

I. In this quadrant the complex indicator of social responsibility and generalized indicator of the productivity activities are at an enough high level and have a tendency to increase. This suggests that the objectives (economic, environmental, social and legal) of the company are agreed with the interests of participants in internal and external business processes (economic, environmental, social, labor and legal) for all or almost all areas. They have enough money to invest in all directions of social responsibility, the level of public trust to them is quite high, as a result, the productivity is also high. The management of such enterprises should carefully monitor the level of trust and try to maintain it.

II. This quadrant is mainly for enterprises with sharply decreased level of social responsibility, but on the wave of trust they were able to keep the level of productivity activities. This stage is transitional. The reasons of such state may be different: the management did not take into account their financial capabilities, the company was hit by the crisis wave, the management paid attention to only one of the components of social responsibility etc. There are following options to get out of quadrant II: the enterprise increases the level of social responsibility (table. 1) and in case of coincidence of the directions of meeting the interests of internal and external business processes and goals of the company, enters quadrant I. Or the level of productivity decreases and it enters quadrant IV, but in a year, in return for the implementation of measures of improvement of the level of the integrated indicator
of social responsibility (table. 1), it enters quadrant I.

III. The most difficult to get out. Any enterprise from any quadrant in the matrix can get into here. It is a complete loss of trust. The reasons of such state of the company can be quite different. However, this transition mainly occurs after high level of social responsibility where the credibility of the enterprise is quite high and suddenly the management forgets about the interests of participants in internal and external business processes for the sake of momentary benefit for itself (for example, replacement of expensive raw material with cheaper ones, affecting on quality and consumer trust). This benefit can’t decrease the productivity, but it’s enough to reduce the social responsibility and loss of trust in the company. There is only one option – a gradual return of trust. Another type of companies that can enter this square is newcomers to the market. They are unknown, have no reputation and not effective enough. The option for getting out is the same.

IV. Most of all the companies enter this quadrant. The company’s management rather inefficiently arranges resources to meet the interests of participants in internal and external business processes and, as a result, increase of social responsibility. The objectives of the enterprise aren’t agreed in any way with the specified interests. As a result, the comprehensive indicator of social responsibility is quite high due to the volume of invested in social initiatives funds, but the level of confidence, because of the illiterate policy of the management doesn’t help to improve the productivity. Ways to get out: either to agree the interests of participants in internal and external business processes with the goals of the enterprise, to improve the productivity and enter quadrant I. Or the level of an integrated indicator of social responsibility will decrease and the company will lose the trust of society and moves into quadrant III. However, it is possible that the company’s management decides to focus only on the goals of the enterprise, then the productivity activities increases but there is possible loss of confidence in quadrant II.

However, the matrix of “Social-responsibility – Productivity activities” can have an additional field “Field of lost trust”. It includes enterprises that don’t meet expectations of internal and external business processes, or don’t satisfy their interests. Such an enterprise has no right to be in the matrix, its activity is not socially responsible. In the current economic conditions, enterprises of the “Field of lost trust” should exit the market, because their activities aren’t only beneficial for society, but also can be harmful.

Thus, considering any of the strategies in the matrix, “Social responsibility - Productivity activities”, one of the options to get out of the crisis situation can become increase of the level of social responsibility.

In previous researches we have calculated the composite indicator of social responsibility of the enterprise on the basis of an assessment of the degree of influence of economic, environmental, social, labor and regulatory component that are formed of individual indicators allowing the establishment of the level of social responsibility of the enterprise (very low, low, medium, high, very high) [6].

Thus, for increasing of the values of a complex indicator of social responsibility, should be improved the quality of these components. We have proposed ways of increasing the level of social responsibility according to the components:

1. Improvement of the economic potential:
   - conscientious and prompt payment of taxes, forming regional and local budgets;
   - implementation of projects promoting socio-economic development;
   - reporting of the enterprises to society about participation in social events (Gris AA10001, ISO 14 000);
   - promoting among managers of economic ethics (ethics of labor relations, norms of organizational behavior etc);
   - accordance with the norms and standards of the world economic community (ISO 9001, ISO 14001, OHSAS 1800, SA 8000, ISO 26000).

2. Regulation of legal relations:
   - accordance with the legislation of the country of location of the enterprise;
   - accordance with international agreements, including the principles of the UN Global compact;
   - effectiveness of internal regulatory documents and their accordance with existing legislation;
О.І. Гараконова, Г.В. Жосан, Л.М. Акімова. Обґрунтування стратегії соціальної відповідальності підприємства з метою забезпечення результативності його діяльності

- building partnerships with the authorities, public and media.

3. Promotion of socio-labor activity:
   - participation in charity projects in the social field at national and international levels;
   - providing jobs with competitive pay levels and social benefits;
   - ensuring proper working conditions and high level of social conditions, based on priority of worker safety and the preservation of their health;
   - promoting comprehensive professional and cultural development of employees;
   - providing charitable help to socially vulnerable categories of citizens;
   - implementation of programs to raise the educational level providing contributions to training and retraining of workers and their children;
   - ensuring of health care, namely, free medical examination, treatment and health improvement of employees and their families;
   - assistance to needy and large families, the disabled.

4. Optimization of environmental policy; use of resource-saving technologies; ensuring environmental and industrial safety of production; production of necessary to society environmentally friendly products in the most efficient way taking into account the interests of business and society in the volume, quality and range that meet market demand; implementation of socially significant charity projects in the nature-conservative field at national and international levels.

Let us analyze the matrix "Social responsibility - Productivity activities" of food industry enterprises of Kherson region more detailed: PAO "Kalanchatskyi Maslosyrzavod" (PAO "NM"), PAO "Novokakhovskyi Maslosyrzavod" (PAO "NKM"), PAO "Chaplynskyi Maslosyrzavod" (PAO "ChM"), PAO "Beryslavskyi Syrzavod" (PAO "BS"), PAO "Ivanivsskyi Syrzavod" (PAO "IS"), PAO "Novotroitskyi Syrzavod" (PAO "NVS") for 2011-2015 (Fig. 2).

Figure 2 – Matrix “Social-responsibility – Productivity activities” of 2011 (developed by authors)
Розділ 4 Проблеми управління інноваційним розвитком

To bring a complex indicator of social responsibility and generalizing indicator of efficiency of enterprise activity to a common scale, it was used a scoring scale from 0 to 10. As noted above, there is a “Field of lost trust”, which is located outside of the matrix. It includes companies in which the complex indicator of social responsibility is below 0.

According to figure 2 we can make following conclusions. There were three companies in the IV quadrant: PAO "Beryslavskyi Syrzavod", PAO "Ivanivskyi Syrzavod", PAO "Novotroitskyi Syrzavod" with quite high indicators of social responsibility and low level of effectiveness. On the example of PAO "Novotroitskyi Syrzavod", it can be assumed that this position of the enterprise was connected with the fact that the management paid attention mainly to economic and socio-labor components (0.9948 and 0.9883 respectively) and regulatory (0.4823), ignoring the environmental component (0,1026). Thus, the comprehensive indicator was enough high, however, the achieving an agreement of interests of participants of business processes with the goals of the enterprise was unsuccessful and generalized indicator of its productivity remained at the low level. The only way to get out for these enterprises was the use of the above proposed areas for all components evently to exit in the quadrant. PAO "Kalanchatskyi Maslosyrzavod" and PAO "Novokakhovskiy Maslosyrzavod" were in the worst III quadrant, showing improper carrying out of social responsibility of the enterprise and the threat of public trust loss. PAO "Chaplynskiy Maslosyrzavod" was in "Field loss of trust" because of the negative complex indicator of social responsibility.

![Matrix “Social-responsibility – Productivity activities” of 2012 (developed by authors)](image)

In 2012, the positions in the matrix of the enterprise PAO "Beryslavskyi Syrzavod" and PAO "Chaplynskiy Maslosyrzavod" were stay almost the same, except that the first enterprise raised the composite indicator of productivity activity that reflected growing credibility of the enterprise. The management of PAO "Novotroitskyi Syrzavod" managed to increase the level of productivity. This showed that the interests of participants in internal and external business processes were agreed with
goals of the enterprise in all directions more evenly. In particular, the levels of environmental components to 0,2179 were increased. PAO "Ivanivskyi Syrzavod" and PAO "Kalanchatskiy Maslosyrzavod" in 2012 turned out to be in the III quadrant. However, the level of both indicators of the first enterprise was slightly increased and of the second - decreased.

**Figure 4 – Matrix "Social-responsibility – Productivity activities" of 2013 (developed by authors)**

In 2013, all companies, except PAO "Chaplynskiy Maslosyrzavod" (low level of confidence) were in the IV quadrant. For PAO "Beryslavskyi Syrzavod", PAO "Ivanivskyi Syrzavod", PAO "Novotroitskiy Syrzavod", PAO "Kalanchatskiy Maslosyrzavod" it was a positive dynamics, because they increased the complex indicator of social responsibility and in 2014 had a chance to raise also generalized indicator of productivity. This year was transitional for researched enterprises.

Already in 2014 (Fig. 5) the situation changed. PAO "Kalanchatskiy Maslosyrzavod" moved into "Field of lost trust". It happened because of the decision of the management to dramatically raise the level of productivity and attention paid to the economic component of social responsibility [6], ignoring other components. PAO "Chaplynskiy Maslosyrzavod" failed to keep positive dynamics and it also returned in "Field of lost trust", but the level of both indicators was higher than in previous years. PAO "Beryslavskyi Syrzavod" had lost the leading position. The reason was the changing of the management in accordance with company policy in relation to social responsibility. PAO "Ivanivskyi Syrzavod"and PAO "Novotroitskiy Syrzavod" managed in 2014 to stay in the IV quadrant of the matrix, "Social responsibility - Productivity activities". However, already in 2015 (Fig. 6) PAO "Novotroitskiy Syrzavod" moved into "Field of lost trust" and soon exited the market.
Розділ 4 Проблеми управління інноваційним розвитком

Фігура 5 – Матриця “Соціальна відповідальність – Діяльність продуктивності” за 2014 рік (створена авторами)

Фігура 6 – Матриця “Соціальна відповідальність – Діяльність продуктивності” за 2015 рік (створена авторами)
As you can see from the dynamics of the movements of the enterprises in the matrix, "Social responsibility – Productivity activities", most managers do not understand the basics of social responsibility. Namely, the satisfaction of interests of participants in internal and external business processes on all components (economic, environmental, social, labor and regulatory). Most businesses pay enough attention to one or two components and, as a rule, forget at all about one them. Because of this, level of social responsibility decreases, the company loses the trust of society and reduces the indicator of the productivity activities.

Conclusions. Thus, there are no specific regulatory laws in the field of corporate social responsibility, tax privileges and national strategy in Ukraine. There is no exclusively public funding in areas that are traditionally considered to be social, namely, education, health, culture, etc. in developed countries. There are some social problems in Ukraine that the government cannot quickly and effectively solve, participation of enterprises is also needed. The main subjects of the processes of implementing social responsibility in Ukraine are enterprises, including the food industry. Heads of the enterprises do not have sufficient experience for successfully combining their goals with the interests of consumers, suppliers, shareholders, state, local communities and other participants in the business processes. Because of this, attempts to introduce social responsibility are often unsuccessful, due to the decrease of the productivity activities of the enterprise. However, while introduction of the author’s offered directions of improvement of all components of the complex indicator of social responsibility evenly and agreed with the objectives of the enterprise, there exists a possibility of increase the trust to enterprises and the improvement of both indicators. Developed by the author matrix "Social responsibility - Productivity activities" helps to track the dynamics of activity of the enterprise and to observe whether there are some results of the implementation of certain directions of increase of the components of social responsibility. The next step of the research is to forecast the development of enterprises, under condition of even implementation of proposed directions.

We offer the strategies of social responsibility of the enterprise on the basis of the matrix "Social responsibility – productivity activities" that allows to determine the position of each of the enterprises visually according to quadrants (I. "The Leaders of trust" - progressive adaptants; II "The Skeptical businessmen" progressive dezadaptants; III "Foolish organization" regressive dezadaptants; IV "Inexperienced idealists" - regressive dezadaptants) and directions of improving of social responsibility on components (economic, environmental, social, labor and regulatory) to ensure productivity activities. "Inexperienced idealist" – the regressive adaptant in 2015 was the company PAO "Ivanovskiy syrzavod" and "Reckless organizers" – the regressive dezadaptants were PAO "Kalanchatskyi Maslosyrzavod", PAO "Chaplynskyi Maslosyrzavod", PAO "Novokakhovskyi Maslosyrzavod ", in the "Field of lost trust" was PAO "Novotroitskyi Syrzavod".

As a further research, the authors offer the study, implementation and popularization among local enterprises in the areas of sustainable development as a tool for achieving business reputation and profits of the enterprise.
Розділ 4 Проблеми управління інноваційним розвитком


О.І. Гарафонова, Г.В. Жосан, Л.М. Акімова. Обґрунтування стратегії соціальної відповідальності підприємства з метою забезпечення результативності його діяльності

4 (4), 497-505.

О.І. Гарафонова, д-р екон. наук, доцент, професор кафедри менеджменту, ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана» (м. Київ, Україна);
Г.В. Жосан, канд. екон. наук, асистент кафедри менеджменту та маркетингу, Херсонський національний технічний університет (м. Херсон, Україна);
Л.М. Акімова, канд. екон. наук, доцент кафедрі фінансів та економіки природокористування, Національний університет водного господарства та природокористування (м. Рівне, Україна)

Обґрунтування стратегії соціальної відповідальності підприємства з метою забезпечення результативності його діяльності


Ключові слова: соціальна відповідальність, результативність діяльності, компонент, узгоджність цілей з інтересами, комплексний показник соціальної відповідальності підприємства, узагальнений показник результативності діяльності підприємства, матриця «Соціальна відповідальност – Результативність діяльності».
А.І. Гарафонова, д-р экон. наук, доцент, професор кафедри менеджменту, ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана» (г. Київ, Україна);
А.В. Жосан, канд. экон. наук, асистент кафедри менеджменту і маркетинга, Херсонський національний технічний університет (г. Херсон, Україна);
Л.Н. Акимова, канд. экон. наук, доцент, доцент кафедри фінансів і економіки природопольвідіння, Національний університет водного господарства і природопольвідіння (г. Ровно, Україна)

Обосновання стратегії соціальної відповідності підприємства з метою забезпечення результативності його діяльності


Ключові слова: соціальна відповідність, результативність діяльності, компонента, згортаність цілей і зі східства, комплексний показник соціальної відповідності підприємства, обґрунтований показник результативності діяльності підприємства, матриця «Соціальна відповідність - результативність діяльності».

Отримано 20.02.2017 р.