

Aims & Scope (Social Sciences)

Article

**JEL Classification: M41, M21, M15**

**Yevheniia Khaustova,**

Kiev National University of Technologies and Design, Ukraine

<https://orcid.org/0000-0003-1436-613711>

**Oleksandr Atamas,**

Dnipro State Agrarian and Economic University, Ukraine

<https://orcid.org/0000-0002-7511-8586>

## **DEVELOPMENT OF CORPORATE RESPONSIBILITY OF BUSINESS IN THE SOCIAL SECURITY SYSTEM**

*Received 15 September 2024; accepted 27 September 2024; published 15 October 2024*

**Abstract.** *The challenge and need of society in the 21st century is the development of corporate social responsibility. Corporate responsibility of business directly affects social security at all hierarchical levels of the economy. The purpose of the study is to extend the theoretical and methodical foundations and develop practical recommendations for the development of corporate social responsibility of enterprises. The following methods of inquiry were used during the study: economic-mathematical method, sociological method and method of expert assessment to assess the impact of corporate culture (CC) on corporate social responsibility (CSR); graphical-analytical to illustrate the processes under study. As a result of the study, methodical support for assessment of the impact of CC on the development of CSR was developed based on the systematization of methods for study of CC, indicators for assessment of the economic and social effectiveness of the impact of CC and development of methods for assessment of its impact on the activity of an enterprise and development of CSR. In conclusion, scientific and practical recommendations for the formation of positive CC at the microeconomic level were substantiated, which include the use of the proposed system of tools (organizational, economic, socio-psychological, information, etc.), a set of measures to improve labour motivation, overcome distortions in labour evaluation and labour incentives, use the potential of social partnership.*

**Keywords:** *social security; corporate social responsibility; corporate culture; social partnership; "golden section".*

**Citation:** Khaustova, Y.; Atamas, O. (2024). DEVELOPMENT OF CORPORATE RESPONSIBILITY OF BUSINESS IN THE SOCIAL SECURITY SYSTEM. Conferencii, (2024) 10. [http://doi.org/10.51586/2024\\_10\\_33](http://doi.org/10.51586/2024_10_33)

### **Introduction**

Social security is a universal scientific, political, legal, educational, juridical, social, managerial, medical and psychological category. Whichever way one look at it, it is vital — like water, air, heat, food, and so on. A person in danger loses health and satisfaction with life, needs protection from dangers, from violation of human rights and freedoms (Drèze and Khera, 2017). Dangers in the life of a person change his/her world-view, primary needs become a priority, and everything related to development is postponed for a certain period or not realized at all. Deformation of consciousness occurs and circumstances arise when a person, due to the absence of conditions of social security, is faced with a choice — to continue living in the current conditions or change these conditions, or leave their homes, move to safer and more favourable conditions for themselves and their families (Fehr et al., 2017). It is in vain to expect significant success in human and social development from people living in conditions of constant danger.

Under such conditions, an accelerated degradation of society occurs, which does not contribute to social security of a person. In this situation, the moral and spiritual decline is increased, civil society is not a subject of social relations, but plays the role of an object that is satisfied with any improvement of the situation, and is not the creator of its future (Sarker et al., 2017). The low level of social security of society is determined by weak legal and contractual protection of its members, pessimistic prospects for social, labour and innovation activity of citizens, high levels of poverty, unemployment, crime and inequality, as well as growing corruption and shadow relations (Gregor and Lee-Archer, 2016). These negative phenomena undermine the national unity and consolidation of the nation, devalue the prospects for a successful future of both the state and a person.

Globalization, integration processes, new approaches to environmental protection along with the rapid development of scientific and technological progress, new requirements for infrastructure facilities, departure from a single value system has led to the formation of new priorities: formation of socially responsible business, sustainable development of the global socio-economic system, balanced nature management.

At the same time, the intensification of competition in world markets forces business structures to seek advantages over competitors that would ensure the loyalty of economic agents (interested in cooperation) and this loyalty can be provided by various forms of corporate social responsibility; high level of environmental turbulence, which can be reduced through social actions, as social responsibility allows to build trust-based relationships (Li and Lin, 2016); growth of public self-organization, as business must take into account in its activities the growing importance of expectations of change in the well-being of society from business (Liu and Zhang, 2020); innovative changes, as innovative business activity provides technical and technological changes and progress, etc.

### **Literature Review**

Corporate social responsibility (CSR) is an important component of the concept of modern enterprise development in the social security system of a country. Due to the high level of development of CSR the company acquires a number of advantages and occupies an important place in the life of society. However, the managers of enterprises having no effective tools for implementation of the principles of CSR leads to the absence or partial loss, at best, of social activity and significance, reduced business reputation and business competitiveness (Liang and Renneboog, 2017).

Corporate social responsibility, in the current sense, is a system of consistent economic, social, environmental measures that are voluntarily carried out by businesses in accordance with ethical norms, rules and values of organizations, which are implemented through continuous interaction with stakeholders, which comply with applicable law and correspond to international norms of behaviour, which are aimed at long-term improvement of image and business reputation, growth of capitalization, competitiveness and ensuring sustainable development of business entities and improving the welfare of society.

However, considering the evolution of the concept of CSR, one can conclude that corporate social responsibility should be developed on the basis of a “core” taking into account alternative concepts such as a scientific concept and practical activities and be closely linked with institutional theory, theories of law, management, economic theories, social and environmental theories and practical actions to satisfy all parties concerned, or stakeholders (Tilt, 2016). Feedback is also important, that is, the contribution (labour, capital, resources, purchasing power, distribution of information about the company, etc.) of stakeholders should ensure the success of the company (Agudelo et al., 2019).

Today, there is an opinion among scientists that the formation of a single theory of CSR is taking place, which is subject to the dialectic of normative and instrumental approaches. The normative approach considers CSR from the standpoint of obligation and is aimed at the moral justification of the conduct of companies and individual managers (Tran, 2019). The instrumental

approach, which has become especially important in recent years, links socially responsible business with its efficiency (Lau et al., 2016).

Having considered the scientific works (Frynas and Yamahaki, 2016; Schrempf-Stirling et al., 2016;), one can argue that like any management concept, the implementation of CSR is based on a certain system of principles that determine the structure, methods and appropriate processes.

Without diminishing the importance of scientific achievements of scientists, under the conditions of the implementation of the sustainable development strategy, the growing role of CSR of business entities and assessment of the impact of CSR on their activities, one can identify a number of issues of theoretical and practical nature that need to be addressed. Specifically, it is the development of a mechanism for the implementation of CSR, which will allow not only to implement the principles of CSR in the activities, but also to obtain effective results that will satisfy the interests of all stakeholders. An important component of this process is the development and implementation of key qualitative and quantitative parameters to assess the effectiveness of CSR and guidelines for defining an integrated indicator that would show the level of social activity of an enterprise. Development of forms and areas of CSR of an enterprise, their adaptation to needs of a society, requirements of the legislation and CSR measures going beyond legislation will provide long-term competitiveness for the enterprise, and benefits — to the society and the state. Therefore, the development of theoretical, methodical and practical principles on this issue is timely and relevant.

Global experience shows that corporate culture (CC) can be an important tool for sustainable development of corporate social responsibility (CSR) (Crane and Glozer, 2016), an effective means of effective business activity (Jamali et al., 2017), a factor in achieving social peace and prosperity (Shaukat et al., 2016). The purpose of the study is to extend the theoretical and methodical foundations and develop practical recommendations for the development of corporate social responsibility of enterprises.

## Methods

Taking into account the theory of parties concerned (stakeholders), the authors proposed a methodical approach to assessing the impact of CC on interaction with stakeholders.

The idea of the approach is that the impact of CC (with many of its structural elements) covers the various interests of stakeholders (going beyond purely CSR), which consideration largely depends on the stable development of a enterprise as a whole and social and labour relations in particular.

In general, depending on the task to be solved, the stakeholder “ $\alpha$ ” is determined as one of the elements of the list: “consumers” ( $\alpha=1$ ), “hired workers” ( $\alpha=2$ ), “managers” ( $\alpha=3$ ), “business owners” ( $\alpha=4$ ), “shareholders” ( $\alpha=5$ ), “customers” ( $\alpha=6$ ), “suppliers” ( $\alpha=7$ ), “partners” ( $\alpha=8$ ), “competitors” ( $\alpha=9$ ), “state” ( $\alpha=10$ ), etc. Regarding the measured indicator — discrete items  $G_{ab}, b=1,2,\dots,B$ , as such we consider it possible to use any indicator of efficiency, both the ones mentioned in the economic literature, and the new ones, the introduction of which is considered appropriate for the task being solved. It is important that they reflect the interests, needs or expectations of a stakeholder. For example, for the stakeholder as a “hired worker” the following measured indicators can be used (the list is not complete): “wage”, “labour productivity”, “satisfaction with working conditions”, etc.

To use the proposed methodical approach, it is important to determine the significant structural elements of CC. For this technique, the most significant elements of CC — discrete items of significant elements ( $E_a$ ) are as follows:

1. Speech, gestures, facial expressions, system of verbal, written and non-verbal communication. These components are combined into a group named “communications” and marked with the symbol  $E_a 1$ .

2. Awareness of one's role in the organization from the standpoint of concealment and expression of intentions, cooperation or individual self-expression: a group named “role” marked with the symbol  $E_a 2$ .

3. Appearance of workers: neatness, availability of work clothes, uniforms: a group named “appearance” marked with the symbol  $E_a 3$ .

4. Labour discipline, daily schedule, their observance: a group named “schedule” marked with the symbol  $E_a 4$ .

5. Meal arrangements: duration and frequency of meals, availability of canteens, availability of food: a group named “meals” marked with the symbol  $E_a 5$ .

6. Socio-labour and economic relationships (with business partners, consumers); a group named “relationships” marked with the symbol  $E_a 6$ .

7. Norms and values of the organization, their acceptance and observance by employees: a group named “norms” marked with the symbol  $E_a 7$ .

8. Work ethics, motivation: responsibility for the performed work, the quality of work, work evaluation, reward for results: a group named “ethics” marked with the symbol  $E_a 8$ .

9. Faith: faith in success, help, support, justice, own strength: a group named “faith” marked with the symbol  $E_a 9$ .

10. Symbols: rituals, slogans, organization taboos: a group named “symbols” marked with the symbol  $E_a 10$ .

## Results

Considering the fundamental difficulty of the quantitative measurement of the values of these elements, the problem of quantitative identification is proposed to solve with the involvement of experts and the use of a scale from 0 to 100. In this case, for each stakeholder within each significant element of CC one obtains the opportunity to identify the numerical value of the efficiency of its impact as a measured parameter using expert assessment. Next is the work with incident matrices separately for each “ $i$ ”. Actually, the evaluation of the effectiveness of an enterprise as a reaction to the impact of CC is carried out based on the information (1;1) ... (B; M) from the above incident matrices. A schematic example of the matrix is given below (Table 1).

**Table 1. Incident matrix to determine the impact of elements of corporate culture (  $E_f 1$  ) on the measured indicators  $G_{ab}$  for each stakeholder**

Symbol	$E_a 1$	$E_a 2$	$E_a 3$	...	$E_a M$
$G_{ab} 1$	(1;1)	(1;2)	(1;3)	...	(1;M)
$G_{ab} 2$	(2;1)	(2;2)	(2;3)	...	(2;M)
...	...	...	...	...	...
$G_{ab} B$	(B;1)	(B;2)	(B;3)	...	(B;M)

The proposed methodical approach to assessing the impact of CC on interaction with stakeholders is implemented further in the analytical section of the paper based on the involvement of expert assessments using a scale (from 0 to 100).

The application of the methodical approach makes it possible to increase the positive impact of CC on relations with all stakeholders taking into account various aspects and areas of such relations. Specifically, the impact of CC on CSR is explained as follows:

- firstly, CC provides workers with a corporate identity, forms involvement in the goals of the enterprise, a responsible attitude to their workplace, their own work, a sense of social cohesion, stability, social security;

- secondly, CC promotes awareness of values, norms and rules formed in the enterprise, helps workers to interpret events, and accordingly, to adequately determine their work behaviour in the interests of recognition of themselves and their work by management and colleagues;

- thirdly, the presence of CC stimulates self-awareness and social responsibility of a worker for the results of own work, for the formation of stable relationships with colleagues, management, consumers and customers.

In opinion of the authors, the impact of corporate culture on the state of CSR will be positive and focused on stabilization of such relations and their harmonious development provided positive

changes in the motivational functions of such culture, increasing mutual trust of employees and employers in the most important issues concerning social security, creation of favourable conditions for work, professional development. Only then will CC have a positive meaning reflecting a set of common goals, interests, values, traditions, regulations and standards, norms of behaviour that for all stakeholders (and social partners in particular) will serve as drivers of their partnership in achieving economic growth, innovative development, manifestation of social responsibility in solving common problems, achieving common goals.

At Bulgarian enterprises, the role of a positive corporate culture in the development of labour potential is significantly underestimated by managers, and a negative corporate culture is deprived of attention. This is explained by the lack of adaptation of enterprises and their inherent corporate culture to market conditions.

To overcome the above obstacles in the development of positive CC, in particular strengthening its motivational functions, a methodical approach to assessing the impact of CC components on the components of work motivation (using the example of Bulgarian Energy Holding) was developed. Modern practice of CC requires the use of a wide range of levers to influence work motivation. Eight of them, with a corresponding rating, are presented in Table 2.

**Table 2. Assessment of impact of components of enterprise corporate culture on separate components of motivation of labour activity**

Indicators		Components of labor activity motivation system							
		Income stability	Career growth, rotation	Work safety	Fair motivation system	Working conditions	High wages	Interesting and useful work	Opportunities for recovery
Corporate culture components	Values and value orientation	0.9	+ 0.6	0.8	0.8	0.9	0.9	0.8	0.8
	Behavioral stereotypes	0.6	0.9	0.9	0.7	0.7	0.7	0.6	0.8
	Standards of behavior	0.7	0.6	0.8	0.8	0.6	0.7	0.5	0.5
	Social responsibility	0.7	0.8	0.7	0.8	0.7	0.7	0.6	0.6
	Team work	0.8	0.8	0.8	0.7	0.6	0.6	0.7	0.7
	Psychological climate	0.6	0.7	0.6	0.8	0.8	0.6	0.6	0.7
	Ability to support	0.6	0.7	0.7	0.7	0.6	+ 0.7	0.7	0.7
	Symbols, ideas, traditions	0.4	0.3	0.3	0.5	0.5	0.4	0.4	0.3

The “income stability” is most influenced (0.9 on a scale from 0 to 1) by values and value orientation in the corporate culture. The above values have the same impact (0.9) on such motivation factors as “working conditions” and “high wages”. They have the least impact on such motivation factor as “career growth, rotation”. On average, their impact on the components of the motivation system is estimated at the value of 0.813 ( $((0.9+0.6+0.8+0.8+0.9+0.9+0.8+0.8)/8 = 0.813)$ ).

The lowest (according to the data obtained) impact on the components of the system of work motivation is exercised by such elements of corporate culture as “symbols, ideas, traditions”: from 0.3 for “work safety” and “opportunities for recovery”, to 0.5 for “fair motivation system” and “working conditions”.

The assessment “on average” reveals these priorities by the impact of the elements of corporate culture on the set of components of the system of work motivation:

- 1) “values and value orientation” — 0.813;

- 2) “behavioral stereotypes” — 0.738;
- 3) “standards of behavior” — 0.650;
- 4) “social responsibility” — 0.700; “team work” — 0.713;
- 5) “psychological climate” — 0.675; “ability to support” — 0.675;
- 6) “symbols, ideas, traditions” — 0.388.

This way (by averaging) priorities for the impact of all elements of corporate culture on individual components of the system of work motivation are identified: “fair motivation system” — 0.725  $((0.8+0.7+0.8+0.8+0.7+0.8+0.7+0.5)/8=0.725)$ ; “work safety” — 0.700; “working conditions” and “career growth, rotation” — 0.675 and 0.663; “income stability” and “high wages”; “opportunities for recovery” — 0.638, respectively; “interesting and useful work” — 0.613.

**Table 3. Significance of components of corporate culture as levers of influence on the motivation of workers of an enterprise**

Priorities, values	Presence in labor activity motivation system	Presence among the values of a corporate culture	Significance of a component of corporate culture as a lever to influence on the motivation of labor activity in relation to its end results
Income	+	+	0.96
Career growth, rotation	+	+	0.72
Autonomy, independence	+	+	0.64
Social privileges	+	+	0.56
Work safety	+	+	0.81
Responsibility	+	+	0.43
Respect, recognition	+	+	0.68
Fair motivation system	+	+	0.82
Working conditions	+	+	0.88
Medical insurance (as an idea)	+	+	0.45
High wages	+	+	0.98
Interesting and useful work	+	+	0.77
Diversity, changes	+	+	0.42
Work structuring	+	+	0.40
Self improvement	+	+	0.63
Opportunities for training	+	+	0.62
Opportunities for recovery	+	+	0.76
Cooperation, interaction	+	+	0.68

So, among the elements of CC, according to the above data, “declared values” prevail, and among the motivators of labor activity — “fair motivation system”. The authors consider it possible to attribute them to the “flagships” that one should be guided by in the first place to motivate labor activity in an enterprise. In continuation of the opinion, it should be noted that an enterprise is interested not so much in components of motivation of labor activity, as in its end results. Therefore, the analysis of the dependence of the result of labor activity on the impact of the elements of CC on the components of work motivation seems to be justified. Using the method of expert assessment, the significance of this impact (Table 3) was identified (elements with the value of no less than 0.3 on a scale from 0 to 1 were selected).

The inclusion of the levers of the influence of corporate culture on work motivation to a certain group of priorities and values listed in Table 3 is debatable. Thus, the “opportunity for training”, which was identified by respondents as one of the important and effective levers of

corporate culture (weight of influence on work motivation is 0.62), refers to many motivators — income, career growth, respect, self-improvement, etc.

The results obtained during the expert survey can be used in the process of formation and development of innovation-oriented corporate culture of enterprises. The emphasis on innovation is considered to be especially important for enterprises that are promising for the economy.

At different times, researchers have repeatedly drawn parallels between the corporate culture of the enterprise, its successful operation and development. Nevertheless, the assessment of the impact of CC on the activities of the organization from the standpoint of work motivation remains a complex and little-studied issue in the science and practice of management. Among the known research results are those related to the areas of influence of CC on work motivation, identification of cultural relationships and results of production activities such as those presented in Tables 2-3, but a quantitative assessment of such impact (what influences what and the nature of influence), unfortunately remains unnoticed.

The existing assessment techniques are dominated by expert methods and questionnaires that relate to the state, level, quality, effectiveness of corporate culture of enterprises. Without denying their scientific value and practical significance, it is proposed to emphasize the quantification of the impact of CC on work motivation, given the presence of different priorities for different participants involved in the operation of an enterprise. Its scientific and methodical basis is the understanding of the essence of CC of an enterprise as a management tool, which while influencing the motivation covers the interests of almost all parties concerned — “stakeholders” of an enterprise.

According to the results of the study, it can be concluded that, other things being equal, it is possible to determine the impact of CC on work motivation by calculating an integrated indicator, which is the sum of indicators of impact of corporate culture for each group of stakeholders, which includes hired workers, managers, shareholders, consumers, business partners, the state, society.

The authors consider it possible and appropriate to determine specific measurable indicators of the effectiveness of the current system of work motivation assigning each group certain points (in our case, points from – 1 to + 1, Table 4) after their calculation.

**Table 4. Assessment of the impact of enterprise corporate culture on work motivation from the standpoint of “stakeholders”**

“Stakeholder” group	Impact result	Calculation method	Theoretical assessment	Actual assessment
1. Hired workers	Labor productivity	Expert analysis	from – 1 to + 1	0.8
2. Managers	Efficiency	Expert analysis	from – 1 to + 1	0.6
3. Shareholders	Net income per common share	Expert analysis	from – 1 to + 1	0.4
4. Consumers	Meeting the needs for goods and services	Expert analysis	from – 1 to 17	–0.2
5. Partners	Fulfillment of obligations to partners	Expert analysis	from – 1 to 17	0.0
6. State	Execution of the state order	Expert analysis	from – 1 to 17	0.7
7. Society	Implementation of social development programs	Expert analysis	from – 1 to + 1	0.5
Integrated indicator: $(0.8+0.6+0.4-0.2+0.0+0.7+0.5)/77 = 0,4$			from – 1 to + 1	0.4

The final result (integrated indicator) of the impact of corporate culture on work motivation in Table 4 is determined by the weighted average sum of the points for all groups of “stakeholders”.

The data presented in Table 4 demonstrate that in terms of the results of enterprise activity, the greatest impact (0.8 on a scale from – 1 to + 1), expressed in labor productivity, is exercised by the group “hired workers”. Significantly important result, expressed by the execution of the state order, is the result of enterprise operation from the standpoint of the “stakeholder”, which is the state (0.7), and slightly lower, but also high (0.6) result is the result expressed by the efficiency of enterprise managers.

Based on expert assessments, it can be concluded that the correlation between corporate culture and the results of enterprise activity in the opinion of other “stakeholders”, including society (in terms of social development programs), shareholders (in terms of net income per share), partners (in terms of fulfillment of the company obligations to them), consumers of goods and services (in terms of meeting their needs) is lower than the correlation between corporate culture and the above mentioned indicators for other “stakeholders” — hired workers with their labor productivity, the state with the execution of the state order, enterprise managers with the efficiency of enterprise activity, which is significant for them.

This indicates that the corporate culture of an enterprise does not always play a decisive role in making decisions about its development and impact on the system of work motivation regarding the projects conditioned by the participation of “stakeholders”. In this case, the integrated indicator is defined by the value  $0.4 (0.8 + 0.6 + 0.4 - 0.2 + 0.0 + 0.7 + 0.5) / 77 = 0.4$ .

There is a low level of trust of various “stakeholders” in general to the system of factors of corporate culture development, involved work motivators, the system of assessment of enterprise activity, for which one should also find the means of influence “harmonizing” the enterprise as a system that operates in the common socioeconomic field for the member parties.

Since the maximum possible value of the integrated indicator varies (hypothetically) from  $-1$  to  $+1$ , it is necessary to introduce a criterion for ranking the levels of influence of corporate culture of the enterprise on the results of its activity. Using the data of Table 4, the scale of ranking the levels of influence of corporate culture of the enterprise on the results of its activity may be presented as follows (Table 5).

**Table 5. Scale of ranking the levels of influence of corporate culture of the enterprise on the results of its**

Integrated indicator value	Corporate culture impact classifier
from $-1.0$ to $-0.7$	negative, high
from $-0.7$ to $-0.3$	negative, medium
from $-0.3$ to $0.0$	negative, low
from $0.0$ to $+0.3$	positive, low
from $+0.3$ to $+0.7$	positive, medium
from $+0.7$ to $+1.0$	positive, high

The positive impact is associated with the situation when due to the corporate culture the results of the enterprise activity are improved, and the negative impact — when they are degraded.

The “low” classifier of impact refers to the situation when the results of the company activity respond poorly to the application of the principles of corporate culture to it, “medium” — when the company responds generally satisfactorily, and “high” — when the company responds significantly to changes in corporate culture.

In the latter case, corporate culture is a powerful resource for enterprise development, a tool for effective influence on both internal and external environment, being a significant competitive advantage.

It is clear that the impact of corporate culture on the activities of the enterprise is much wider, and the number of indicators to be measured may be larger. Thus, the results of the influence of corporate culture on the results of the enterprise operation through the motivation of work, depending on the group of “stockholders”, can include:

1) for the group of “hired workers”: labor productivity, involvement in the distribution of profits, involvement in decision-making, loyalty to the company, the opportunities for training and retraining;

2) for the group of “managers”: efficiency of management, quality of acceptance of administrative decisions, duration of operation of the enterprise without interference in production process, opportunities for advanced training;

3) for the group of “shareholders”: dividends, the value of “goodwill” — the value of the business exceeding the value of tangible assets, earnings per share;

4) for the group of “consumers”: market share, volumes of consumption of products and services of the enterprise, the quality of products and services manufactured by the enterprise;



5) for the group of “partners”: number of contracts concluded with the company, the stability of agreements, compliance with agreements;

6) for the group of the “state”: participation of the state in joint projects with the enterprise, state orders, number of inspections by state regulatory bodies;

7) for the group of “society”: attitude to the enterprise, ratings of social and economic development of the enterprise, participation of the enterprise in social and economic projects.

An increase (as well as a decrease) in the number of indicators does not affect the method of estimating the integrated indicator. The final assessment of the impact of corporate culture on the results of the enterprise activities through the use of a system of work motivation is determined by the scale presented in Table 5.

The application of the proposed methodology (Table 4) of assessment of the impact of CC on work motivation involves regularity and systematical of its conducting. For the purpose a subdivision of persons responsible for formation, support of development of corporate culture (a separate department, working group, a person endowed with the delegated corresponding powers) is created, the procedure for realization of powers is established.

The results of the assessment are communicated to management serving as a basis for further management decisions. In the case of negative impact of corporate culture (rated from 0 to – 1) or positive but weak impact (rated from 0 to + 0.3), it is necessary to make decisions on changes taking into account “bottlenecks”, that is those elements of corporate culture and components of work motivation system, which interfere with implementation of the strategy of social and economic development of the enterprise, achievement of desirable for it results of activity. In the case of positive impact of corporate culture on the work motivation system or the results of the enterprise activities (rated from + 0.3 to + 1.0), it is advisable to support and develop the existing corporate culture in all its entirety.

This way, corporate culture, influencing the work motivation system and the results of the enterprise activities as a whole, becomes a powerful resource for its socioeconomic development, a driving force capable of ensuring a more harmonious development of CSR, increasing competitive advantages of the enterprise in the market of goods and services according to its specialization.

Providing skillful application, CC can be the key to successful development of the enterprise and its staff in particular. This requires knowledge and ability to apply a wide range of levers for its formation, maintenance and development, mastery of methods for assessment of the impact of CC on the work motivation system of the enterprise, the application of its regulatory function.

Based on the above, the need for a system approach to the development of CC is noted through its interaction with work motivation taking into account the priorities of “stakeholders” as effective participants in the operation of the enterprise.

Provisions for effective work motivation are influenced by factors of different levels, which requires their specification in accordance with the study topic. In the context of living standards, a provision is identified that applies to: welfare, effective employment, decent living and working conditions, high levels of consumption, education, advanced training conditions.

There are external (both independent of the worker's awareness and acquired in the course of his life) and internal (gender, age, physiological needs, psychological and socionic type, temperament) factors of influence (Jamali and Karam, 2018). The combination of these factors significantly influences the structure of the motivational complex of a worker and the strength of motivation.

Certainly, the effectiveness of work motivation is significantly influenced not only by the CC of the enterprise, but also the economic situation outside it, in particular (Hong et al., 2016; Cui et al., 2018; Chen et al., 2020): current legal framework, labor market, indicators of quality of life in general, regulatory influence of the state, its employment policy, social, tender, tax policies, policy in the area of science and education, which also significantly affect the motivation to work and, as a consequence, the formation of effective work motivation. The authors consider it possible not to include such influence in the scope of this study limiting only to corporate culture of the enterprise,

considering that it by all means reflects everything concerning specificity of national culture as a whole.

The results of this study suggest that staff motivation for self-development and development of the enterprise as a whole depends largely on corporate culture, which meets modern conditions for the possibility of harmonization of social and labor relations, which directly affects the activities of the enterprise as a whole.

The process of harmonization of social relations concerns the expectations of workers, managers, the population, the state in relation to one another, the principles and rules of their behavior with a complex interrelation of mutual agreements.

To formalize the relations of all stakeholders, one use the designations  $C_a$ : state —  $C_a1$ ; innovators —  $C_a2$ ; partners —  $C_a3$ ; workers —  $C_a4$ ; managers —  $C_a5$ ; investors —  $C_a6$ ; suppliers —  $C_a7$ ; consumers —  $C_a8$ .

The cognitively appropriate model should reflect the factors related to the assessment of consistency (inconsistency) of interests.

In designations  $y_a$  these include interests (their number may be narrowed or supplemented, the names may be changed according to the structure of subjects and priorities) that relate to: purpose of labor activity —  $y_a1$ ; tasks and principles of labor activity —  $y_a2$ ; working conditions —  $y_a3$ ; labor activity motivation system —  $y_a4$ ; work safety —  $y_a5$ ; social protection —  $y_a6$ ; personnel training and development —  $y_a7$ ; business ethics —  $y_a8$ ; principles of rotation and career growth —  $y_a9$ ; working atmosphere in the team —  $y_a10$ ; social priorities and programs —  $y_a11$ .

Achieving consensus in the development of CSR requires the assessment of inconsistencies of interests and their minimization. For the purpose, the creation of a scale of the level of harmony through the assessment of consistency (or inconsistency) of interests in the range from 0 (complete inconsistency, lack of common interests) to 1 (complete consistency, common interests) is provided for. Next, a model of activating the influence of CC on the harmonious development of social and labor relations is created (Table 6).

**Table 6. Integrated assessment of CSR harmony under conditions of CC stability**

Stakeholders (paired relations)	Estimated interest, value	Harmony assessment value	Integral criterion (averaged)
$\{c_a4; c_a5\}$	$y_a1 \div y_a11$	0.5; 0.8; 0.7; 0.4; 0.3; 0.3; 0.4; 0.6; 0.7; 0.7; 0.5	0.4 $\{(0.5 + 0.8 + 0.7 + 0.4 + 0.3 + 0.3 + 0.4 + 0.6 + 0.7 + 0.7 + 0.5) / 11 = 0.54\}$

Criterion:

integral criterion from 0.0 to 0.40 — relations are not harmonious, urgent system intervention is required;

integral criterion from 0.41 to 0.60 — relations in terms of harmony are below the “golden section”, selective intervention is required;

integral criterion from 0.61 to 1.00 — relations in terms of harmony is correlated with the “golden section” and above, no intervention is required

Conclusion: the value of the integral criterion of harmony is 0.54 in the range from 0.41 to 0.60; selective intervention is required to reconcile interests  $y_a1; y_a2; y_a3; y_a4; y_a5; y_a6; y_a7; y_a8; y_a9; y_a10; y_a11$ , where the corresponding value is less than 0.6.

Here are the comments on the information given in Table 6.

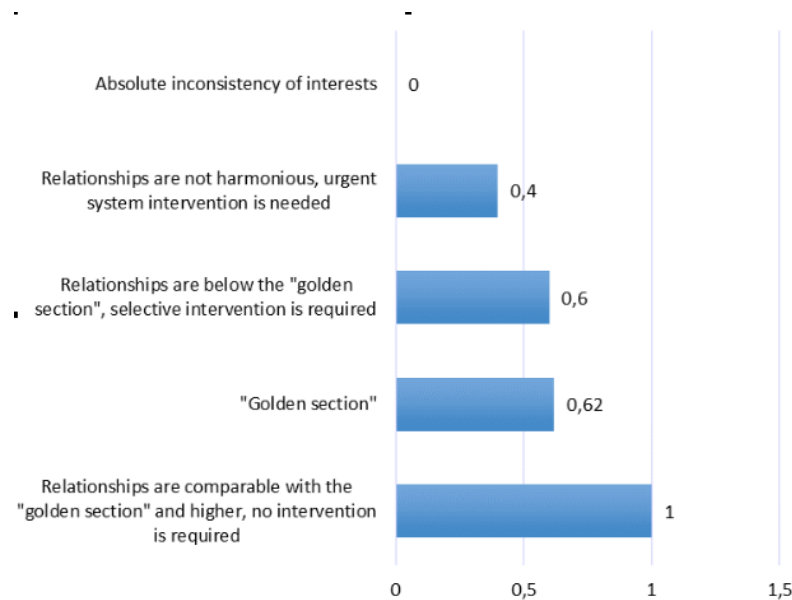
First comment. Paired relations between stakeholders must relate to all 28 pairs — from  $\{c_a1; c_a2\}$  to  $\{c_a7; c_a8\}$ , that is one row of the table (second) in general should be expanded to 28 rows.

Second comment. For each paired relation, only the interests inherent in its elements, common to them are selected. In this case, there were selected the interests, which are common for the pair  $\{c_a4; c_a5\}$  — stakeholder-“worker” ( $c_a4$ ) and stakeholder-“manager” ( $c_a5$ ).

Third comment. Estimates of consistency of interests are formed according to the rule of determining the share of positive answers in the general list of answers (for example, for the interest with 5 positive answers of 10, the estimate is  $5/10 = 0.5$ ).

Fourth comment. The integral criterion of harmony is determined by averaging the criteria for the paired relation under consideration.

Fifth comment. The value of “ $x$ ” of the “golden section” defined by the ratio  $1/x = x/(1-x)$ , which is  $x = 0.62$  was selected as a benchmark for the criterion of harmony assessment. In this case, its value is a measure of consistency of interests. The “interval” vision of the corresponding scale is illustrated by Figure 1.



**Figure 1. Scale of harmony of corporate social responsibility**

Sixth comment. The integral estimation leads to one of the conclusions: urgent intervention of a system nature is required when CSR is not harmonious (integrated value from 0.0 to 0.40); selective intervention is required (integrated value from 0.40 to 0.60); no need for intervention (integrated value from 0.60 to 1.00).

System intervention means that fundamental review of all CC provisions is required, selective intervention implies that it is necessary to review only those provisions that relate to the interests where the value of harmony is below 0.60.

This formulation can be used in any enterprises, regardless of their industry specifics, in the interests of regulating the development of corporate policy, codes of corporate conduct, building strategies for enterprise development and programs for harmonization of social and labor relations. The implementation of the above portfolio of tasks of harmonization is impossible without a corresponding mechanism, which is used not only for initiation of certain means, but also for resolving urgent problems caused by existence of resistance to changes from stakeholders.

### Discussion

The proposed model is based on the belief that a person (worker, head of the enterprise), being a subject of synergetic nature, embodies his/her individuality in work making efforts mainly to perform those actions that meet his/her needs and have the highest, according to their level corporate culture, probability of success.

From the standpoint of synergy, a person is able to “build”, structure and program himself/herself, it is only necessary to correctly initiate the desired trends of its self-development embodying them through elements of corporate culture in social and labour relations (Sen et al., 2016). Remaining at the same time relatively independent in labour behaviour, with his/her ability to synergism a worker as a person provides, in opinion of the authors, in conjunction with the

features of corporatism, the presence of fluctuations that cause deviations from the planned work results. These include: administrative decisions; competitive relations; decisions of innovators, investors, suppliers, consumers, local governments; decisions on modernization, restructuring. This, together with resistance to changes in labour behaviour, once again emphasizes the need for a “stabilizing” core of social and labour relations — the corporate culture.

However, these fluctuations appear as a kind of “innovative” signals that help to overcome the conservative homogeneity of corporate culture, without bringing the situation to the bifurcation phase, when the simultaneous presence of elements of old and new quality causes an unbalanced state, undesirable for the production process (Liao et. al., 2018). This applies to changes in the goals of the enterprise activities, management methods, decisions on the organization of a new structure or liquidation of the old one. In this case, the duration of objectively conditioned changes is determined by the time of the system return to the state of structural inhomogeneity, the formation of a new energy potential of self-development (He and Harris, 2020). As for bifurcations, the phenomenon of their presence and action is manifested by innovations and diversifications, because it is thanks to bifurcations in the enterprise that new solutions appear both for the development of corporate culture and for intensifying its impact on social and labour relations (Wang and Sarkis, 2017).

Thus, it is quite reasonable to conclude that from the standpoint of synergetic labour potential of the enterprise as a basic category of its intellectual and innovative socio-economic development is evolving through the emergence of new system qualities in the form of corporate culture and transformations of the latter causing harmony of social and labour relations.

The search for attractors (attractive goals) — trajectories, areas in which potential progressive socio-economic development after bifurcation points is characteristic of relative stability, which has not yet been discussed here, is a relatively difficult task regarding enterprises with teams of workers engaged in production activities. In the socio-economic processes related to the development of the enterprise, according to the authors, an idea (mission) that unites the disparate team of the enterprise into a single system integrity can be considered as such attractor. In general, it is a goal that the company sets at a certain stage of its life cycle, which would be equally perceived and shared by the vast majority (preferably all) of workers and staff as a whole (Shabana et al., 2017).

Denying the very possibility of the existence of a universal attractor, at the a priori level (as the implementation of corresponding studies is assumed impossible), the authors express confidence that at every stage of the enterprise activity it is possible to create conditions for a harmonious combination of determinants of development and random situations, which, complementing each other in the process of production activities, contribute to the emergence of new relationships and properties in both corporate culture and social and labour relations.

Confidence is added by the recognition of the ability of complex systems to develop adapting to situations, restore balance, respond to qualitative transformations and changes (Kim et al., 2018). Socio-economic self-organization through structuring links and levels can lead to the creation of more advanced products of technical, economic, social, information nature, including elements of corporate culture and social and labour relations (Benlemlih and Bitar, 2018).

The coherent interaction of stakeholders through their cooperation, which is the basis of the proposed model (model of activating the influence of CC on the development of CSR), necessitates consideration of subordination mechanisms in it. Traditional system-hierarchical ideas about the means of influence are not able to contribute to high management efficiency in the harmonization of social and labour relations (Alabdullah et al., 2019). The main disadvantage of such ideas is the lack of self-organization, cooperative principles, which determines the absolute dominance of the needs and interests of the subject of management as an organization from the standpoint of managerial pressure, which does not always provide the necessary efficiency of enterprise activities.

Instead, the synergetic principles applied to the behaviour of stakeholders provide greater perfection of the mechanism for identifying and reconciling the interests of subjects and objects of management, which ensures bringing the enterprise to the planned areas of development (Lopatta et

al., 2016). As noted above, management of the impact of corporate culture on the harmonization of social and labour relations, is reduced to identification of possible attractive states, the choice of the desired ones among them, the activation of means of influence to bring social and labour relations just to this state. Minor impacts, if they correspond to the trends of evolution of socio-economic development of the enterprise, can have significant consequences, instead, significant impacts that do not correspond to these trends may be insignificant (Martínez et al., 2016).

Thus, by its nature, the proposed model of the mechanism of influence of corporate culture on the harmonization of social and labour relations belongs to the class of “flexibly adapted”, as it reflects the possibility of adjusting the activities of the enterprise in the right direction. Excessive rigidity would not allow the development of creative innovations, open new opportunities for productive socio-economic development of the enterprise.

Harmonious relations are formed as subject-subject ones when influence is considered not as constant total control, but as “point” subordination to common interests through self-government and self-organization (McCarthy et al., 2017). In this interaction of stakeholders, there occurs the adjustment of CSR vector, in which contradictions are transformed from a factor of inconsistency into a source of synergy (Albuquerque et al., 2019).

The effectiveness of the influence of corporate culture on the state of CSR is considered in the context of cognitive ideas about the reflection of changes related to corporate culture and the relationships formed on its basis, on the results of the enterprise activities.

### Conclusion

A model for activation of the influence of corporate culture on the development of corporate responsibility at the microeconomic level has been developed, which, providing for analysis of the interests of stakeholders identified by diagnostics, allows to identify the state of harmonization and to form a decision on the introduction of one of the groups of tools — radical changes (in case the value of harmonization is less than 0.4); selective changes (the value of harmonization is in the range from 0.4 to 0.6); stabilization (the value of harmonization is in the range from 0.6 to 1).

The practical significance of the model is as follows:

- 1) it systematically combines the task of defining the mission, corporate goals of the enterprise with the formation of a strategy for harmonization of CSR;
- 2) it involves the use of methodical approaches developed by the author to diagnose the state of corporate culture and CSR, their assessment by the criterion of harmony;
- 3) it is focused on the implementation of the tasks of harmonization of CSR through strategic, tactical and operational measures and provides opportunities for their flexible adjustment based on observations, analysis and control with the participation of social partners and taking into account the interests of all stakeholders.

This model can be used in any enterprises, regardless of their industry specifics, in the interests of regulating the development of corporate policy, codes of corporate conduct, building strategies for enterprise development and programs for harmonization of corporate responsibility.

**Funding:** This research received no external funding.

**Conflicts of Interest:** The authors declares that there are no potential conflicts of interest in publishing this work. Furthermore, the author has witnessed ethical issues such as plagiarism, informed consent, misconduct, data fabrication, double publication or submission, and redundancy.

**Publisher’s Note:** European Academy of Sciences Ltd remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

### References

- Agudelo, Mauricio Andrés Latapí, Lára Jóhannsdóttir, and Brynhildur Davídsdóttir. (2019). A literature review of the history and evolution of corporate social responsibility. *International Journal of Corporate Social Responsibility* 4(1): 1–23. doi.org/10.1186/s40991-018-0039-y
- Alabdullah, Tariq Tawfeeq Yousif, Essia Ries Ahmed, and Mohammed Muneerali. (2019). Effect of board size and duality on corporate social responsibility: what has improved in corporate governance in Asia? *Journal of Accounting Science* 3(2): 121–135. doi.org/10.21070/jas.v3i2.2810
- Albuquerque, Rui, Yrjö Koskinen, and Chendi Zhang. (2019). Corporate social responsibility and firm risk: Theory and empirical evidence. *Management Science* 65(10): 4451–4469. doi.org/10.1287/mnsc.2018.3043

- Benlemlih, Mohammed, and Mohammad Bitar. (2018). Corporate social responsibility and investment efficiency. *Journal of Business Ethics* 148(3): 647–671. doi.org/10.1007/s10551-016-3020-2
- Chen, Tao, Hui Dong, and Chen Lin. (2020). Institutional shareholders and corporate social responsibility. *Journal of Financial Economics* 135(2): 483–504. doi.org/10.1016/j.jfineco.2019.06.007
- Crane, Andrew, and Sarah Glozer. (2016). Researching corporate social responsibility communication: Themes, opportunities and challenges. *Journal of management studies* 53(7): 1223–1252. doi.org/10.1111/joms.12196
- Cui, Jinhua, Hoje Jo, and Haejung Na. (2018). Does corporate social responsibility affect information asymmetry?. *Journal of Business Ethics* 148(3): 549–572. doi.org/10.1007/s10551-015-3003-8
- Drèze, Jean, and Reetika Khera. (2017). Recent social security initiatives in India. *World Development* 98: 555–572. doi.org/10.1016/j.worlddev.2017.05.035
- Fehr, Hans, Manuel Kallweit, and Fabian Kindermann. (2017). Families and social security. *European Economic Review* 91: 30–56. doi.org/10.1016/j.euroecorev.2016.09.007
- Frynas, Jędrzej George, and Camila Yamahaki. (2016). Corporate social responsibility: Review and roadmap of theoretical perspectives. *Business Ethics: A European Review* 25(3): 258–285. doi.org/10.1111/beer.12115
- Gregor, Shirley, and Brian Lee-Archer. (2016). The digital nudge in social security administration. *International Social Security Review* 69(3-4): 63–83. doi.org/10.1111/issr.12111
- He, Hongwei, and Lloyd Harris. (2020). The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy. *Journal of business research* 116: 176–182. doi.org/10.1016/j.jbusres.2020.05.030
- Hong, Bryan, Zhichuan Li, and Dylan Minor. (2016). Corporate governance and executive compensation for corporate social responsibility. *Journal of Business Ethics* 136(1): 199–213. doi.org/10.1007/s10551-015-2962-0
- Jamali, Dima, and Charlotte Karam. (2018). Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Reviews* 20(1): 32–61. doi.org/10.1111/ijmr.12112
- Jamali, Dima, Peter Lund-Thomsen, and Soren Jeppesen. (2017). SMEs and CSR in developing countries. *Business & Society* 56(1): 11–22. doi.org/10.1177/0007650315571258
- Kim, Kwang-Ho, MinChung Kim, and Cuili Qian. (2018). Effects of corporate social responsibility on corporate financial performance: A competitive-action perspective. *Journal of Management* 44(3): 1097–1118. doi.org/10.1177/0149206315602530
- Lau, ChungMing, Yuan Lu, and Qiang Liang. (2016). Corporate social responsibility in China: A corporate governance approach. *Journal of Business Ethics* 136(1): 73–87. doi.org/10.1007/s10551-014-2513-0
- Li, Shiyu, and Shuanglin Lin. (2016). Population aging and China's social security reforms. *Journal of Policy Modeling* 38(1): 65–95. doi.org/10.1016/j.jpolmod.2015.10.001
- Liang, Hao, and Luc Renneboog. (2017). On the foundations of corporate social responsibility. *The Journal of Finance* 72(2): 853–910. doi.org/10.1111/jofi.12487
- Liao, Lin, Teng Philip Lin, and Yuyu Zhang. (2018). Corporate board and corporate social responsibility assurance: Evidence from China. *Journal of Business Ethics* 150(1): 211–225. doi.org/10.1007/s10551-016-3176-9
- Liu, Gang, and Hanwen Zhang. (2020). An ontology constructing technology oriented on massive social security policy documents. *Cognitive Systems Research* 60: 97–105. doi.org/10.1016/j.cogsys.2019.09.005
- Lopatta, Kerstin, Frerich Buchholz, and Thomas Kaspereit. (2016). Asymmetric information and corporate social responsibility. *Business & Society* 55(3): 458–488. doi.org/10.1177/0007650315575488
- Martínez, Jesús Barrena, Macarena López Fernández, and Pedro Miguel Romero Fernández. (2016). Corporate social responsibility: Evolution through institutional and stakeholder perspectives. *European journal of management and business economics* 25(1): 8–14. doi.org/10.1016/j.redee.2015.11.002
- McCarthy, Scott, Barry Oliver, and Sizhe Song. (2017). Corporate social responsibility and CEO confidence. *Journal of Banking & Finance* 75: 280–291. doi.org/10.1016/j.jbankfin.2016.11.024
- Sarker, Md Nazirul Islam, and Zhang Jie. (2017). Social security for vulnerable groups in Bangladesh on government perspective: Contribution of research leader. *Journal of Public Policy and Administration* 1(1): 1–9. doi:10.11648/j.jpaa.20170101.11
- Schrempf-Stirling, Judith, Guido Palazzo, and Robert A. Phillips. (2016). Historic corporate social responsibility. *Academy of Management Review* 41(4): 700–719. doi.org/10.5465/amr.2014.0137
- Sen, Sankar, Shuili Du, and C. B. Bhattacharya. (2016). Corporate social responsibility: A consumer psychology perspective. *Current Opinion in Psychology* 10: 70–75. doi.org/10.1016/j.copsyc.2015.12.014
- Shabana, Kareem M., Ann K. Buchholtz, and Archie B. Carroll. (2017). The institutionalization of corporate social responsibility reporting. *Business & Society* 56(8): 1107–1135. doi.org/10.1177/0007650316628177
- Shaukat, Amama, Yan Qiu, and Grzegorz Trojanowski. (2016). Board attributes, corporate social responsibility strategy, and corporate environmental and social performance. *Journal of Business Ethics* 135(3): 569–585. doi.org/10.1007/s10551-014-2460-9
- Tilt, Carol A. (2016). Corporate social responsibility research: the importance of context. *International journal of corporate social responsibility* 1(1): 1–9. doi.org/10.1186/s40991-016-0003-7
- Tran, Ben. (2019). Corporate social responsibility. In *Advanced Methodologies and Technologies in Business Operations and Management*: 270–281. doi.org/10.4018/978-1-5225-7362-3.ch020
- Wang, Zhihong, and Joseph Sarkis. (2017). Corporate social responsibility governance, outcomes, and financial performance. *Journal of cleaner production* 162: 1607–1616. doi.org/10.1016/j.jclepro.2017.06.142



© 2024 by the author(s). Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).