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## **ORGANIZATIONAL COMPONENTS OF THE GROWTH OF THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY UNDER THE CONDITIONS OF SOCIAL TRANSFORMATIONS**

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**Abstract.** *A conceptual approach to the development of corporate social responsibility, which ways of implementation are focused on the development of methodical foundations for the adaptation of international standards of social responsibility, the mechanism of formation of information support for corporate social responsibility and the relationship of indicators of economic and social reporting, was identified in the article. There was developed a methodical approach to implementation of provisions of the international standards of social responsibility on the basis of consecutive actions on formation of: 1) business development priorities that take into account the areas of its social responsibility and minimize conflicts of interest of stakeholders; 2) relationship of indicators of economic and social reporting, which contributes to the consistent disclosure of non-financial and financial information in social reporting for stakeholders. The tools of formation of information support of social responsibility of business were proposed, and its formation is based on organizational and technical components allowing to improve the quality of information support of social responsibility, to optimize the process of formation of information about social responsibility for stakeholders.*

**Keywords:** *social responsibility of business, concept of corporate social responsibility, business structure, social tension, socio-economic balance.*

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### **Introduction**

In the context of growing economic and social problems in the world society under the influence of global factors and threats, increasing corporate social responsibility and strengthening its institutional framework is a complex and ambiguous but very urgent issue requiring solution. The participation of business communities in the social development of the country should have a positive impact on maintaining socio-economic balance in society. Understanding the social significance of business activity in the social sphere is reflected in the spread of the concept of corporate social responsibility (CSR). Corporate social responsibility should become an integral part of the development strategy of society, from the implementation of which business structures

will be able to gain a number of competitive advantages and new opportunities in the domestic and global markets seeking to increase productivity, form positive investor opinion, improve image perception of business structure, establish sustainable partnerships, including with public authorities (Wicks & Freeman, 2009).

### **Literature Review**

Current trends in the development of socially oriented economy, the search for new approaches to doing business and methods of making socially oriented management decisions are characterized by significant changes in the social and economic spheres of activity of economic entities. Management decisions aimed at reducing social tensions, improving the quality of life, protecting the environment, participation in overcoming social problems become especially relevant. All this indicates the growing importance of social responsibility in shaping the strategic interests of business. In addition, the desire of economic entities to build sustainable relationships with stakeholders led to a rethinking by society of the social significance of economic entities and resulted in the need to inform the public about the results of social activity of companies (Feola, 2015). The dynamic development of social and economic relations leads to the emergence of such categories as “business environment”, “ethical behaviour”, “business culture”, which, in general, were seen not only as a “reaction” to the need for national business to fulfil social obligations, but also as the ability to coordinate their behaviour with the needs of society in terms of building a socially oriented economy.

In the works of such scientists as: Wood (1991), Waddock (2009) corporate social responsibility is seen as “... a philosophy of behaviour and the concept of building by the business community, companies and individual business representatives of their activities for the purpose of sustainable development and conservation of resources for future generations based on the following principles: a) production of quality products and services for consumers; b) creation of attractive jobs, investment in the development of production and human potential; c) strict compliance with the law: tax, labour, and environmental one; d) building good faith and mutually beneficial relationships with all stakeholders; e) effective business focused on creating added economic value and increasing national competitiveness in the interests of society; f) taking into account public and social expectations, generally accepted ethical norms in the practice of business”.

Considering corporate social responsibility as a corresponding socio-economic institution (Meseguer-Sánchez et al., 2021; Stainer, 2006) distinguish the following components of responsibility: legal, social, economic, and professional.

Specifically, Blowfield (2014), Cochran (2007), Kolk et al. (2017) present corporate social responsibility in the form of a multilevel pyramid, which is based on the mutual subordination of different levels of corporate social responsibility: legal, economic, ethical and philanthropic. The pyramid is based on economic responsibility, which is formulated as a basic production function in the market. This function allows to satisfy the needs of the population and, accordingly, to make a profit. Legal responsibility implies the necessity of observance of the legislation by participants of business under the conditions of market economy, compliance of activity with the public expectations recorded in regulatory legal acts. Ethical responsibility involves the compliance of business practices with the expectations of society, which are not specified in the law. In its turn, the level of philanthropic responsibility forces the company to take such actions that will be aimed at maintaining and developing social wealth through voluntary participation in the implementation of various social programs.

In the works of such researchers as: Mullerat (2010), Rank & Contreras (2021) the dual nature of social responsibility is emphasized: firstly, as a set of policies and actions related to key values, which meets the requirements of legality and takes into account the interests of society, and secondly, as the movement of business to the main goal — sustainable and stable development.

In a number of publications (Baskin, 2006; Hansen et al., 2011), the concept of corporate social responsibility is characterized as a basic condition for a high degree of social activity,

primarily compliance with statutory norms and social standards in the sense that socially responsible business must adhere to tax regime, adhere to the order of labour protection of employees and fulfil other obligations established at the legislative level and at the level of social protection.

The scientists Crane and Matten distinguish between “open” (US) and “closed” (Europe) forms of corporate social responsibility. The open form of corporate social responsibility implies a line of corporate behaviour that leads the corporation to taking responsibility for addressing issues in which society is interested. The open form of CSR usually affects voluntary and independent lines of conduct, programs and business strategies on issues that are formed by the business structures themselves and/or their stakeholders as part of their responsibility to society. The closed form of CSR forms the formal and informal institutions of the country and usually includes those values, norms and rules that often lead to mandatory requirements for business structures in matters that consider the public, political and economic interests of society as appropriate and reasonable obligations of legal entities.

Economic institutions are formed in society due to the fact that people in social groups try to realize their needs together. As part of public practice, they find some acceptable examples, patterns of behaviour, which gradually through repetition and evaluation are transformed into standardized customs and habits. For some time, these examples and patterns of behaviour have been supported, accepted, and legalized by public opinion (Strange & Bayley. 2008).

Based on the above, it can be argued that the institution of corporate social responsibility has all the characteristics of an economic institution, and the establishment of “norms and rules” can occur both at the legislative level and at the level of a single business entity.

The purpose of the study is to develop practical recommendations and tools for the development of corporate social responsibility in the business environment and the social model of society.

## **Methods**

The study methodology is based on the following grounds:

1. The model of an open business system. As the concept of “social” suggests that any business structure is related to society, so social responsibility is the responsibility of business to society. However, responsibility is a relationship guaranteed by society and the state, which ensures the interests and freedoms of all related parties and should include three components: 1) awareness of responsibility, 2) assessment of behaviour and 3) application of sanctions. The initial sphere of formation of the system of social responsibility of business is social and labour relations and related economic and political relations. From this standpoint, social responsibility acts as a method of civilized resolution of social and labour conflicts, which contains a mechanism for achieving social stability in society.

2. The concept of sustainable development of society and business. The concept defines the sustainable development of business as a responsible, fully accountable and transparent factor in terms of economic activity that ensures the conservation of the environment and resources for future generations. Such business structures demonstrate responsibility in relation to the interests of all people, show respect to them, value and take into account the views of contractors and interested persons and parties, bring good profits to shareholders; contribute to the growth of independence of local communities and their sustainability in development; permanently inform the interested parties in the society about the state of their affairs.

3. Dualism of social responsibility of business. The concepts of social responsibility and CSR can be considered in two ways: both as a relation to a particular economic entity that implements voluntary social responsibility, and as the level of social responsibility implemented by business, and the concept of CSR is perceived as the highest level of voluntary social responsibility through environmental, economic and social programs. Corporate social responsibility in developed countries has the following three attributes: 1) fulfilment of social obligations provided by law by

business structures, and readiness to bear the corresponding mandatory expenses (basic component of social responsibility); 2) readiness to voluntarily bear non-compulsory expenditures for social and environmental needs, only within the limits established by tax, labour, environmental and other legislation based not on the requirements of the law, but for moral, ethical reasons forming coordinated programs of economic, environmental and social development; 3) availability of regular transparent externally evaluated public reporting, which is the most important indicator of CSR.

Environmental and social components are less mobile. They interact with formal institutions through informal ones. In the socio-ecological-economic system, not only satisfaction of the material needs of the population, but also that of the full range of their needs, including environmental ones, such as the need for a clean environment, environmentally friendly food, and environmentally friendly services is considered as a result of economic growth.

## Results

### The crucial role of corporate social responsibility

Corporate social responsibility is in fact a concept according to which business structures make voluntary commitments to address social, economic and environmental issues that relate not only to the internal but also to the external environment of the organization. Various models of CSR formed so far in the world practice reflect the structure of society, which developed to the extent of the formation and development of democratic institutions and state administration. Socially responsible business activity is strictly regulated either by the current commercial, tax, labour legislation, or effective mechanisms created by the state to stimulate business to contribute to social development. That is, consolidating the role of the parties, measures of their participation and interaction, ensures the formation of an effective structure of society management (Reyes-Menendez et al., 2020).

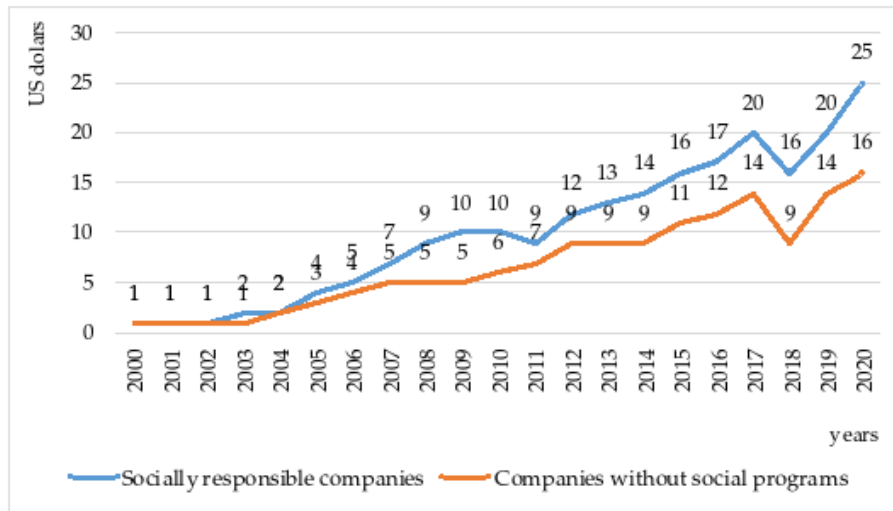
In the countries with developed economies, the initiative for social responsibility came directly from business. As a result, three separate independent subjects were formed in these countries, which influenced the formation of the concept and practice of corporate social responsibility: the state represented by the government, civil society mainly represented by socially oriented non-profit organizations, and business (Carroll, 1991). Thus, over time, a certain mobile tripartite compromise was developed between these subjects, with certain specifics for these countries. The task of determining the direction of development of the business structure in order to achieve competitive advantages in the long run (taking into account the resource constraints of flexible regulation and rapid response to changes in environmental factors) necessitates the development of strategic aspects. Development of the general strategy and the strategy of activity as an independent economic category, is caused by economic instability in a society, competitiveness in the domestic and international markets, efficiency of use of resources, diversification of business activity, business activity, financial stability of business and directed on achievement of the maximum financial effect in the long run strategic perspective (Burton et al., 2000).

The practical significance of active participation of business in the financing of economic, environmental and social spheres of activity is manifested in a number of advantages: strengthening business reputation, increasing the transparency of the business structure, increasing investment attractiveness, increasing profitability, maintaining social stability in society as a whole (Hwang & Metcalfe, 2016).

According to a large-scale study conducted by the scientists of Harvard Business School, organizations that have social programs win by all significant indicators as compared to companies that have no such programs. According to return on assets (ROA), \$1 invested in a socially responsible business in 2000 brought investors \$7.4 by 2020, while \$1 invested in a company of the same sector of the economy without a social program brought investors only \$3.94 by 2020 (Fig. 1).

Comparison by return on equity (ROE) also confirmed that socially responsible business structures are more efficient: \$1 invested by such companies in their own projects in 2000 was

converted to \$26 by 2010. Whereas the return on equity of companies without social programs averaged \$1 to \$15.8 (Ervits, 2021).

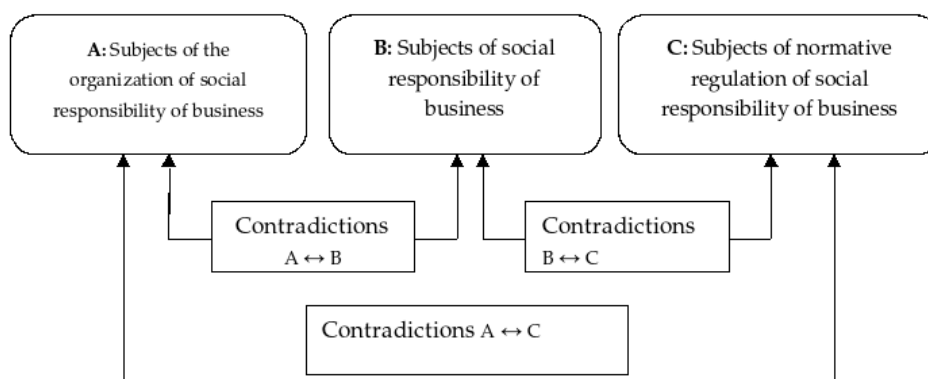


**Figure 1. Comparison of return on equity (ROE) of socially responsible business structures and business structures without social programs (HBS. Social Enterprise, 2021)**

Gross revenue of socially responsible business structures in the long run was 7.96 % higher than that of their competitors, and the level of labour efficiency cut all records exceeding the same indicator of less socially active companies by 38.2 %.

***Micro level of social responsibility of business and its specifics***

The transition to activities based on corporate social responsibility requires a fundamentally new approach to the problem of management and establishing relationships with all stakeholders, which goes beyond traditional social protection. The authors fully share the view of (Spence 2016; Trollman & Colwill, 2021) who note that “only the formation of appropriate organizational mechanisms, procedures, approaches and models of behaviour together can mean that the company acquires the ability to respond to some extent to influence of society. Organizational structure and management competencies play an important role in the effectiveness of receptivity to social needs and expectations” (Wagenaar, 2011). It should not go unnoticed that in the process of social responsibility of business contradictions may arise between subjects, which is demonstrated in Figure 2.



**Figure 2. Contradictions that arise between the subjects of corporate social responsibility**

The nature of the contradictions between the subjects of corporate social responsibility and ways to resolve them are presented in Table 1.

**Table 1. Nature of the contradictions between the subjects of corporate social responsibility and possible ways to resolve them**

Group of contradictions	Nature of contradictions	Ways to resolve contradictions
A ↔ C Between business entities and subjects of normative regulation of corporate social responsibility	<ul style="list-style-type: none"> <li>- Contradictions due to the lack of the necessary legal framework for corporate social responsibility and the submission of appropriate reporting forms;</li> <li>- Contradictions related to the lack of approaches to building information support for corporate social responsibility, primarily due to differences in the requirements of national and international accounting and reporting standards.</li> <li>- Contradictions based on the lack of necessary practical and theoretical knowledge of the subjects of the organization for ensuring and effective formation of information support for corporate social responsibility;</li> </ul>	<ul style="list-style-type: none"> <li>- Formation of socioeconomic policy of the state aimed at the development of the institution of social responsibility and the development of the business environment;</li> <li>- Development of the legislative base corresponding to the level of development of social and economic relations, and the normative acts regulating corporate social responsibility and the appropriate reporting.</li> </ul>
A ↔ B Between business entities and subjects of corporate social responsibility	<ul style="list-style-type: none"> <li>- Contradictions associated with the selection of the necessary information to determine the results and consequences of social programs and activities;</li> <li>- Contradictions arising from possible inconsistencies with the expectations of the subjects;</li> <li>- Provision of real results of social programs and activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Development of internal provisions on corporate social responsibility and standards of its information support, which note the key issues of its organization, including the issue of preparation of appropriate reporting forms, the relationship of their indicators</li> <li>- Study and analysis of the practice of operation of leading foreign and national business entities, approaches to social reporting;</li> <li>- Constant interaction with the subjects of normative regulation of corporate social responsibility.</li> </ul>
B ↔ C Between business entities and subjects of normative regulation of corporate social responsibility	<ul style="list-style-type: none"> <li>- Contradictions arising from the inability of the subjects of normative regulation to quickly respond in the legislative field to the dynamic development of social and economic relations;</li> <li>- Contradictions related to the lack of feedback between the practice of providing the system of corporate social responsibility with the necessary information and legislative initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Constant assessment of the relevance of information in the system of corporate social responsibility, on the basis of which measures are developed focused on development of corporate social responsibility;</li> <li>- Joint development of approaches to formation of information support for the system of corporate social responsibility in accordance with all the requirements of regulatory legal acts at the micro level and macro level.</li> </ul>

Analysing the data in Table 1, one can conclude that all the contradictions between the subjects of corporate social responsibility should be divided into two groups: 1) contradictions related with the lack of legal framework regulating corporate social responsibility; 2) contradictions related with the lack of organization of information flows between structural units in the field of corporate social responsibility.

The second group of contradictions is derived from the first group of contradictions, as it is obvious that the existence of objective contradictions between the subjects of corporate social responsibility is caused mainly by the lack of clear statutory rules.

If the resolution of the first group of contradictions depends on the actions of public authorities and is in the legislative plane, the resolution of the second group of contradictions lies with the subjects of organization and management of social responsibility (Young & Marais, 2012). The resolution of the second group of contradictions should be based on a clear definition of the structure, composition and directions of information flows on social responsibility between structural units of business. Here it should be noted that the concept of “process” simultaneously characterizes the structure (statics) and operation (dynamics) of the system of social responsibility, and this explains the fact that often “connection” and “process” are used as synonyms in the study of economic systems of different levels.

Based on the understanding of the concept of “process” as a stable and purposeful set of interrelated actions that will use a certain technology to turn “inputs” into “outputs” to obtain predetermined results, it should be noted that the process of providing information to subjects of social responsibility involves formation of certain information flows of corporate social responsibility (Santana & Wood, 2009). The structure, content and schedules of information flow must be clearly defined and recorded.

However, many business structures have no understanding of CSR as a system in the management of a company reducing it to separate directions of activity, which have no relation to the general concept of activity. Very often it is not taken into account that the main direction of corporate social responsibility is to provide services compliant with standards and manufacture quality products that meet the needs of society and use in their activities methods that receive public approval (Boström, 2012).

Since corporate social responsibility can only be exercised through regular dialogue with stakeholders, as part of the strategic planning and management of the corporation, decisions concerning corporate social responsibility must be made at all levels of business management: owners, shareholders, board of directors and managers (Tilley, 2000). Given the above, to improve the mechanism of influence of CSR on the sustainable development of the business structure, it is proposed to pay more attention to the introduction of principles and tools of corporate social responsibility and non-financial risk management in the practice of social management.

Based on the analysis of the practice of social responsibility management accumulated over the last few years, the authors propose a mechanism for inclusion of corporate social responsibility programs in the activities of business structures focused on the achievement of sustainable development by them. The proposed mechanism of implementation consists of two elements. The first element is the procedure of consistent, step-by-step implementation of CSR principles in the practice of corporate governance of the business structure and the second element is the structure of internal management of corporate social responsibility programs.

The procedure consists of the following seven successive stages of implementation of CSR principles in the activity of a business structure:

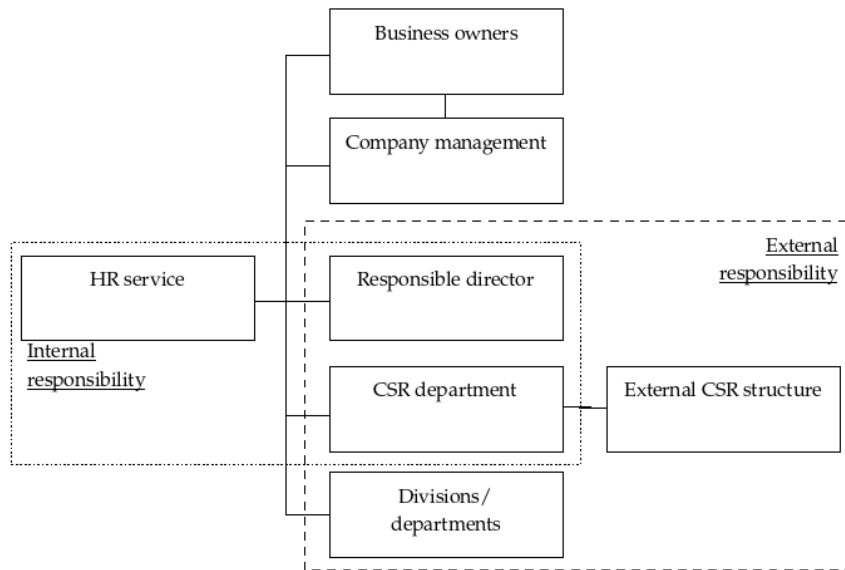
1. Approval of a strategic decision on the implementation of the CSR system.
2. Formation of the management structure of social programs.
3. Definition of the principles and values of social business policy.
4. Formation of the concept of social responsibility.
5. Training of employees in the field of social responsibility.
6. Implementation of corporate social responsibility programs.
7. Assessment of the results of corporate social responsibility.

Each of the stages, except for the stage “CSR Assessment”, consists of several, from 2 to 6, sub-stages. The key ones are as follows: 1) formation of a new ideology of a business structure; 2) development and adoption of a code of social responsibility; 3) identification of key indicators a business structure should seek to achieve; 4) creation of corporate innovations, approval of the list of social projects and their implementation.

The second element of the proposed mechanism, the structure of internal management of corporate social responsibility programs, is presented in Figure 3.

In the structure of internal management of corporate social responsibility programs there are internal and external management levels, internal and external responsibility. The internal level of management is responsible for social investments aimed at the implementation of internal personnel development programs, health care, creating safe working conditions and more. The external level is responsible for investing in the development of local communities, environmental protection, resource conservation, honest business practices in relation to consumers and partners. If necessary, business structures attract external organizations to implement their own corporate social responsibility programs. In the current conditions, the basis of business is the focus on achieving economic and social goals of management, consistent and interdependent implementation of which ultimately affects the financial performance. To achieve these goals, management staff must be

provided with prompt and reliable information that fully meets the goals and priorities of the business. In turn, for the successful operation of business in a socially oriented economy certain tools are required that will ensure compliance with the interests of business and society.



**Figure 3. Structure of internal management of corporate social responsibility programs**  
(Dudko, 2021)

These tools are international standards of corporate social responsibility. The international standards ISO 26000 and GRI are most attractive for companies as they allow to determine the areas of social responsibility. The ISO 26000 and GRI standards are designed for market conditions, which makes it possible to apply them to businesses of all types, in the public and private sectors, in developed and developing countries, as well as in countries with transition economies (Tschopp & Nastanski, 2014). At the same time, it should be noted that the ISO 26000 standard is a guide on socially responsible activities, while the GRI standard (G4) focuses exclusively on reporting in the field of sustainable development, so special attention will be paid to the first standard (OECD Guidelines/GRI synergies between the OECD guidelines for Multinational Enterprises (MNEs) and the GRI).

Thus, the current business management under conditions of socialization involves the development of a special documentation system and the procedure for its management. Despite the fact that the practice of development of such documentation has existed for a long time, quite often the presence of these documents is a formality as their provisions are not implemented or partially implemented in business activity. This situation allows to state the need to expand the arsenal of methodical solutions aimed at implementing the provisions of ISO 26000. As for this paper, it may be appropriate to improve the methodical approach to the implementation of the provisions of ISO 26000 and GRI, which is aimed at: 1) formation of priorities of business development in the conditions of social responsibility of business, which will allow to develop the mechanism of formation of information support for corporate social responsibility; 2) development of the mechanism of formation of information support for corporate social responsibility adapted to modern realities of the enterprises of the region, which will create preconditions for social reporting of business; 3) formation of interrelation of indicators of financial and social reporting of business (Aslaksen et al., 2021).

In opinion of the authors, if one ignores the setting of a clear goal and priorities of business activity (their relationship and interdependence) in the conditions of social responsibility this will inevitably lead to the distraction of the attention of employees, which will result in the generalization of management decisions and their focus on achieving common, abstract goals within socially responsible activities.



That is why the first direction of the methodical approach to the implementation of ISO 26000 and GRI is to study the goals and priorities of business development in order to organically subordinate the process of accumulation and systematization of information to business tasks in the context of socially responsible activities. Studying the goals and priorities of business development is the most general approach, and at the same time it can be implemented by business structures of different sectors of the economy, as it characterizes the goals through the prism of analysis of internal and external factors (most important for research) (SAI, 2018).

In turn, the correct goal setting requires an appropriate mechanism for the formation of information support for corporate social responsibility. Here it should be noted that in modern conditions the organizational structure of the management apparatus in most cases is not suitable for the structure of the managed object, does not have the necessary diversity, as the principle of functional division of management work most often causes duplication of actions.

When forming information on corporate social responsibility, it is necessary to take into account the fact that more significant control over its structure and content is exercised by managers of responsibility centres. For this reason, all information about corporate social responsibility should be interdependent. At the same time, the logic of the interdependence should be based on the fact that each management function is characterized as a process that is a complex sequence of operations of analysis and synthesis, which are intertwined and complementary in reporting (this is primarily about social reporting) (Laszlo & Zhexembayeva, 2011). In this respect, the content of each function determines the method of information collection, and, consequently, the structure and content of reporting.

Analysis of the structure of these social reports allows to conclude that most companies provide information in terms of three activities within social reporting:

1. Economic (covers the principles of interaction, areas of cooperation with consumers, suppliers, staff, etc.).
2. Environmental (information on the consumption of raw materials, energy, water, as well as on measures to protect the environment).
3. Social (information on the organization and remuneration of labour, respect for human rights).

Despite the fact that the reports show comparability of approaches to the disclosure of information about the environment, labour relations and interaction with stakeholders, one cannot pass over, as a rule, the lack of a clear goal within each area of corporate social responsibility. Finally, this leads to the fact that the areas of social responsibility of a business entity are determined on the basis of personal judgments and experience of owners, management staff. The largest diversity in the presentation of information is observed in the sections of reports on social programs and activities, and with that business entities attract the attention of report users to those areas of social responsibility where the most significant results have been achieved (Alam et al., 2021; Chang et al., 2020). This approach leads to setting the goal of social responsibility of a business entity based on the consequences of its work and the result obtained from the financing of social programs and activities.

Here one can note that when setting goals of activity in the context of social responsibility, the most important components of the process are not identified clearly enough, namely: objectives that contribute to the achievement of goals, the principles of social responsibility, through the lens of which goals and areas of activity, measures to achieve a goal will be adjusted. At the same time, when analysing the areas of corporate social responsibility, one can say about the external and internal areas of corporate social responsibility. The first area is manifested in the attitude towards employees (including labour relations, labour protection and workspace safety), and the second area — in relations with society (focused on the environment protection, protection of the interests of consumers, active participation in society life) (Wehrmeyer et al., 2019).

The logic of the developed model is based on the following provisions:

- A goal of the activity can be both purely economic (for example, profit maximization) and social (for example, improving the working conditions of employees). However, achieving the goal

becomes possible through consistent problem setting and solving in the area of social responsibility, according to the provisions of ISO 26000;

**Table 2. Practical implementation of the model of business development prioritization in the context of corporate social responsibility**

Activity objectives	Principles of social responsibility	Indicators
<p>1. Goal — profit optimization in the area of labor relations</p> <ul style="list-style-type: none"> <li>– To forecast steps to counteract the activities of workers that are not stipulated by employment contracts of workers;</li> <li>– To develop an appropriate system of payment for overtime and extra work;</li> <li>– To timely notify, inform and together with representatives of workers balance the possible negative impact of profit optimization on labor relations.</li> </ul>	<p>“Transparency”, “ethical behavior”, “observance of human rights”, “observance of the rule of law”.</p>	<p>Financial indicators:</p> <ul style="list-style-type: none"> <li>– Amount of bonuses, incentives for workers who participate in achieving the set goal.</li> </ul> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Total number and percentage of additional workers;</li> <li>– Total number and turnover of personnel (if it is necessary for production modernization);</li> <li>– Number of workers who support the taken decision.</li> </ul>
<p>2. Goal — labor protection and workspace safety</p> <ul style="list-style-type: none"> <li>– To analyze the risks related with labor protection, which may conditioned by the need of profit optimization;</li> <li>– To provide the necessary safety equipment, including personal protective equipment necessary for prevention of occupational injuries, diseases and accidents, and for actions in case of emergencies;</li> <li>– To record and investigate all cases and problems related to labor protection and safety, in order to minimize or eliminate them.</li> </ul>	<p>“Accountability”, “transparency”, “observance of the rule of law”, “observance of human rights”, “ethical behavior”, “compliance with international standards of behavior”</p>	<p>Financial indicators:</p> <p>Amount of expenses for additional labor protection and workspace safety due to the achievement of the set goal.</p> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Total number and percentage of workers-members of joint management committees, and those of health and safety staff;</li> <li>– Total number of injuries, accidents, and the coefficient of injuries directly related to profit optimization.</li> </ul>
<p>Goal — worker training</p> <ul style="list-style-type: none"> <li>– To provide all workers with opportunities for the development of skills and abilities, as well as opportunities for career growth, including those who are not directly involved in the implementation of the set goal of the activity;</li> <li>– If necessary, to provide support for workers in training in other specialties and areas of work necessary to fulfill new functional responsibilities;</li> <li>– Develop training programs, advanced training programs together with representatives of workers and managers.</li> </ul>	<p>“Transparency”, “observance of human rights”, “respect for the interests of stakeholders”</p>	<p>Financial indicators:</p> <ul style="list-style-type: none"> <li>– Amount of expenses for creation of new jobs, training of workers.</li> </ul> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Average number of training hours per worker;</li> <li>– Total number, nature of the implemented programs and assistance provided in advanced training of workers;</li> <li>– Total number and percentage of all workers who have successfully passed training programs, advanced training.</li> </ul>
<p>Goal — environment protection</p> <ul style="list-style-type: none"> <li>– To determine the possible consequences of profit optimization for the environment;</li> <li>– To implement measures aimed at prevention of the environment pollution;</li> <li>– To measure, record the possible consequences of activities and report them to the local community and relevant government agencies.</li> </ul>	<p>“Accountability”, “transparency”, “observance of the rule of law”, “observance of human rights”, “ethical behavior”, “compliance with international standards of behavior”</p>	<p>Financial indicators:</p> <ul style="list-style-type: none"> <li>– Amount of expenses for the environment protection and prevention of consequences of activities.</li> </ul> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Total amount of emissions of harmful substances into the atmosphere directly related to profit maximization;</li> <li>– Total amount of hazardous and safe waste generated in the process of achieving the set goal.</li> </ul>
<p>Goal — consumer protection</p> <ul style="list-style-type: none"> <li>– To analyze the process of profit optimization with respect to the relationship with the quality of products or services provided;</li> <li>– To manufacture products and provide services that are safe for consumers;</li> <li>– To take measures to prevent cases where a product may become dangerous during improper handling or storage.</li> </ul>	<p>“Accountability”, “transparency”, “respect for the interests of stakeholders”, “observance of the rule of law”, “ethical behavior”, “observance of international standards of behavior”</p>	<p>Financial indicators:</p> <ul style="list-style-type: none"> <li>– Amount of expenses for marketing studies, improvement of the quality of products and services.</li> </ul> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Total number of cases of compliance and non-compliance of products, services with the requirements of legislation and internal quality standards;</li> <li>– Total number of substantiated complaints about product quality</li> </ul>
<p>Goal — concern for society</p> <ul style="list-style-type: none"> <li>– To consult with representatives of community groups in determining investment priorities and those of community development activities;</li> <li>– To participate in local associations in order to contribute to the public good in achieving own goals;</li> <li>– To support transparent relations with local government officials and political representatives, without hiding the purpose of activities.</li> </ul>	<p>“Accountability”, “transparency”, “ethical behavior”, “respect for the interests of stakeholders”, “observance of the rule of law”, “observance of international standards of behavior”, “observance of human rights”</p>	<p>Financial indicators:</p> <ul style="list-style-type: none"> <li>– Amount of expenses for separate and joint social programs and activities.</li> </ul> <p>Non-financial indicators:</p> <ul style="list-style-type: none"> <li>– Total number of social programs and activities implemented independently and together with other organizations;</li> <li>– Total number and percentage of residents who support social projects.</li> </ul>

- The objectives of activity within the areas of social responsibility are focused on necessity of building a single enterprise management system as set of functionally independent subsystems;
- All provisions of the ISO 26000 (namely: areas of social responsibility and its principles) and GRI (in terms of the list of indicators of social responsibility) standards are equivalent.

The implementation of the developed model allows to consistently integrate the goals of social responsibility into the general mission of the business taking into account the specific features of its activities. In turn, such detailed elaboration of objectives within the areas of social responsibility promotes more effective generation of information in a company (Ali et al., 2017). In Table 2, a fragment of the practical implementation of the above model is presented using the example of the goal of business profit optimization, which is especially relevant for national enterprises under conditions of a significant reduction in the solvency of individuals and legal entities.

Thus, within this stage of the study the methodical approach to the implementation of the provisions of international standards of corporate social responsibility was improved, and its practical significance and logic in modern conditions were also determined. Specifically, there was developed a model of business development prioritization in the context of corporate social responsibility focused on the implementation of the provisions of ISO 26000 and GRI standards, which practical implementation will allow to reasonably move to development of a mechanism for generation of information support for corporate social responsibility.

## **Discussion**

For the formation and development of corporate social responsibility, certain tools are needed that will ensure the interests of business and society. As mentioned above, these tools are international standards of corporate social responsibility, the provisions of which are focused on regulation of the three main aspects of any business activity: economic, social and environmental. The provisions of international standards of corporate social responsibility allow to form in business entities the understanding of the fact that in the current conditions business activity should be focused not only on making a profit and its maximization, but also on harmonization of relations with stakeholders.

So, the standards of social responsibility should contain not only uniform requirements for corporate social responsibility, but also form in business entities and its stakeholders reference models and patterns of behaviour in a market environment. With that, the latter must be subject to criterion assessment on the side of the state and international organizations. The need for assessment of corporate social responsibility on the side of the state is explained by a number of objective reasons: 1) Firstly, the harmonization of accounting has a positive impact on the development of social responsibility standards, which implies that the information generated in the accounting system is the basis for financial and social reporting. In turn, this information is the basis for assessment of the social responsibility of a separate entity; 2) Secondly, the development of standards of social responsibility is facilitated by the activities of leading global and national companies. The assessment of the activities of these companies on the side of the state leads to the normative consolidation of areas of social responsibility, which, ultimately, leads to its unification.

## **Conclusion**

According to the theory of stakeholders, the subjects of corporate social responsibility are identified and classified, and their interests, contributions and incentives at the level of the state and business entities are analysed and compared. This allowed to substantiate the causes of conflicts of interest of internal and external stakeholders of enterprises, which are characterized by insufficient level of development of corporate social responsibility and lack of understanding of the needs of stakeholders in information about it.

The study of the essence of the institutional approach and the specifics of its application to the study of corporate social responsibility allowed to improve the hierarchical structure and content of the elements of the institution of corporate social responsibility. The basis of the hierarchical structure were elements of corporate social responsibility aimed at development of norms of behaviour in the business environment based in favour of stakeholders in business.

The conceptual approach to development of corporate social responsibility, which implementation is based on development of methodical foundations in three areas is formed. The first area is implemented in the scientific work by adapting the provisions of international standards of social responsibility. The scientific work defines the sequence of implementation of a set of interrelated actions to identify priorities for enterprise development, which take into account the areas of corporate social responsibility and minimize conflicts of interest of stakeholders. The second area is presented in the work by developing the mechanism for development of a mechanism for creation of information support for corporate social responsibility, which provides monitoring in assessing the quality of information on corporate social responsibility, on one hand, and the optimization of the process of generation of information on corporate social responsibility for stakeholders, on the other hand. The third area of the conceptual approach is implemented in the work through the formation of the relationship of financial and social reporting indicators, which contributes to the consistent disclosure of non-financial and financial information in social reporting for stakeholders.

The methodical approach to implementation of the international standards of corporate social responsibility based on results of assessment of their provisions and development of terminology of the basic categories of “open society” is improved. The implementation of the methodical approach will allow to form the priorities of enterprise development in the context of corporate social responsibility, minimize conflicts of stakeholders and ensure the formation of the relationship between indicators of financial and social reporting.

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