

JEL Classification:  
H53; I23; I25

UDC 378.6:005.35

DOI: 10.30857/2415-  
3206.2021.1.4

## SOCIAL RESPONSIBILITY OF BUSINESS IN PREVENTING A COVID-19 PANDEMIC

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**BACKGROUND AND OBJECTIVES.** To build an effective market economy and democratic society, Ukraine needs to create a platform for dialogue between the government, business and civil society. Social responsibility of business is one of the key factors for building such a dialogue. The main problem of modern information support of social responsibility of business is the lack of a mechanism for its formation, which served as the basis for the improvement of methodological foundations for the formation of information support of social responsibility of business.

**METHODS.** The proposed system of parameters and criteria is the basis of a survey (using the method of hierarchy analysis), to assess the state of information support for social responsibility of business in the enterprises of the Kyiv region (Ukraine).

**FINDINGS.** A conceptual approach to the development of social responsibility in business has been formed, the implementation of which is based on the development of a methodological framework in three areas. The first one is implemented in the work by adapting the provisions of international standards of social responsibility. The second direction is represented by the development of the mechanism of formation of information support of social responsibility of business, which provides, on the one hand, monitoring in the implementation of quality assessment of information support of social responsibility

of business, and, on the other hand, optimization of the process of formation of information on social responsibility of the enterprise for stakeholders. The third direction of the conceptual approach is implemented in the work through the formation of the relationship between financial and social reporting indicators, which promotes consistent disclosure of non-financial and financial information in social reporting for stakeholders, which in the context of the COVID-19 pandemic is of particular importance.

**CONCLUSION.** The formation of information support for social responsibility of business should be seen as a combination of three pillars: theoretical, structural and process. The implementation of the mechanism is aimed at unifying the structure and content of social reporting and meeting the information needs of stakeholders, the implementation of international standards of social responsibility of business, based on the results of evaluation of their provisions and the development of terminology of the fundamental categories of the "open society". Implementation of the methodological approach will allow to form the enterprise's development priorities in terms of social responsibility of business, minimise conflicts of stakeholders and ensure the formation of interrelation between financial and social reporting indicators.

**KEYWORDS:** social responsibility of business; COVID-19.

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
10	3	1

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## СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ БІЗНЕСУ В УМОВАХ ЗАПОБІГАННЯ ПАНДЕМІЇ COVID-19

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### ПОСТАНОВКА ПРОБЛЕМИ ТА ЗАВДАННЯ.

Для побудови ефективної ринкової економіки та демократичного суспільства Україні необхідно створити платформу для діалогу між Урядом, бізнесом і громадянським суспільством. Соціальна відповідальність бізнесу є одним з ключових чинників для побудови такого діалогу. Основною проблемою сучасного інформаційного забезпечення соціальної відповідальності бізнесу є відсутність механізму його формування, що послужило основою для вдосконалення методичних основ формування інформаційного забезпечення соціальної відповідальності бізнесу.

**МЕТОДИ.** Запропонована система параметрів і критеріїв покладено в основу анкетування (із застосуванням методу аналізу ієрархій), проведення оцінки стану інформаційного забезпечення соціальної відповідальності бізнесу на підприємствах Київського регіону (Україна).

**РЕЗУЛЬТАТИ.** Сформовано концептуальний підхід до розвитку соціальної відповідальності бізнесу, в основу реалізації якого покладено розробку методичних основ за трьома напрямками. Перший напрям реалізований за допомогою адаптації положень міжнародних стандартів соціальної відповідальності. Другий напрямок представлено розробкою механізму формування механізму формування інформаційного забезпечення соціальної відповідальності бізнесу, який забезпечує з одного боку моніторинг в здійсненні

оцінки якості інформаційного забезпечення соціальної відповідальності бізнесу, а з іншого – оптимізацію процесу формування інформації про соціальну відповідальність підприємства для зацікавлених сторін. Третій напрям концептуального підходу реалізовано в роботі за допомогою формування взаємозв'язку показників фінансової і соціальної звітності, що сприяє послідовному розкриттю інформації нефінансового і фінансового характеру в соціальній звітності для зацікавлених сторін, яке в умовах пандемії COVID-19 набуває особливої значущості.

**ВИСНОВКИ.** Формування інформаційного забезпечення соціальної відповідальності бізнесу слід розглядати як сукупність трьох основ: теоретичної, структурної та процесної. Реалізація механізму спрямована на уніфікацію структури і змісту соціальної звітності та задоволення інформаційних потреб зацікавленими сторонами, реалізацію міжнародних стандартів соціальної відповідальності бізнесу, заснований на результатах оцінки їх положень і розвитку термінології основних категорій «відкритого суспільства». Реалізація методичного підходу дозволить сформувати пріоритети розвитку підприємства в умовах соціальної відповідальності бізнесу, мінімізувати конфлікти зацікавлених сторін і забезпечить формування взаємозв'язку показників фінансової і соціальної звітності.

**КЛЮЧОВІ СЛОВА:** соціальна відповідальність бізнесу; COVID-19.

## **INTRODUCTION.**

The development of socio-economic relations in Ukraine leads to the need to adapt the functioning of enterprises to modern economic conditions (Bay et al., 2011). The activity of any enterprise relies on the readiness of society to develop this kind of activity (Baiura, 2009). In order to have constant public support, enterprises need to carry out certain social activities (financing of charitable projects, social protection of employees, taking care of the environmental situation) (Voronchak, 2009), thus emphasizing their social importance (Berezina, 2016). Achieving a balance of economic and social goals of the enterprise (Gerasimchuk et al., 2014) is the basis on which the process of development of socially-oriented economy in general and social responsibility of business in particular is based (Boretska, 2013). This problem should be considered from the perspective of improving both the areas of social responsibility (Getman et al., 2006) and their information support to improve the performance of enterprises (Butko et al., 2010). The relevance of the research topic is determined by: the need to study stakeholders' needs for information on social responsibility of business (Gogulya et al., 2008); development of scientific and methodological approach to implementation and testing the provisions of international standards of social responsibility of business (Hetman et al., 2014); formation of directions of social responsibility of enterprises and development of appropriate information support (Schaefer et al., 2014).

The aim of the study is to comprehensively address the development of corporate social responsibility in an entrepreneurial environment in the context of COVID-19 pandemic prevention. The study was conducted in 2020 based on data from the Kyiv region (Ukraine).

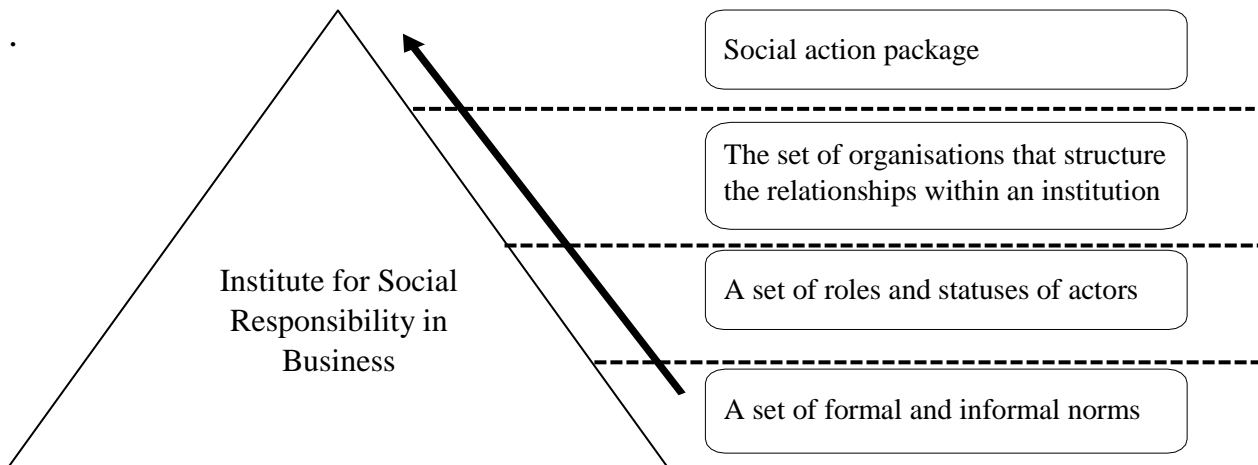
## **MATERIALS AND METHODS.**

The following general scientific and special methods were used to achieve the set goal and to solve the relevant tasks: analysis and synthesis, induction and deduction – to study the conceptual framework; institutional approach – to improve the hierarchical structure and content of the elements of social responsibility of business; comparative analysis and questionnaires – to study the experience of global companies and domestic enterprises in social responsibility; logical – to study the modern process of information formation; and methodological approach – to study the process of social responsibility formation. The data were processed using a personal computer using the EXCEL for Windows package.

## **RESULTS AND DISCUSSION.**

The study of the role of the institution of social responsibility of business in the entrepreneurial environment, which consists in the formation of norms of behaviour (the so-called "rules of the game"), allowed to improve the hierarchical structure and content of the elements of social responsibility of

business, whose interrelation and interdependence underlie the coordination of the interests of stakeholders in the entrepreneurial environment (Figure 1).

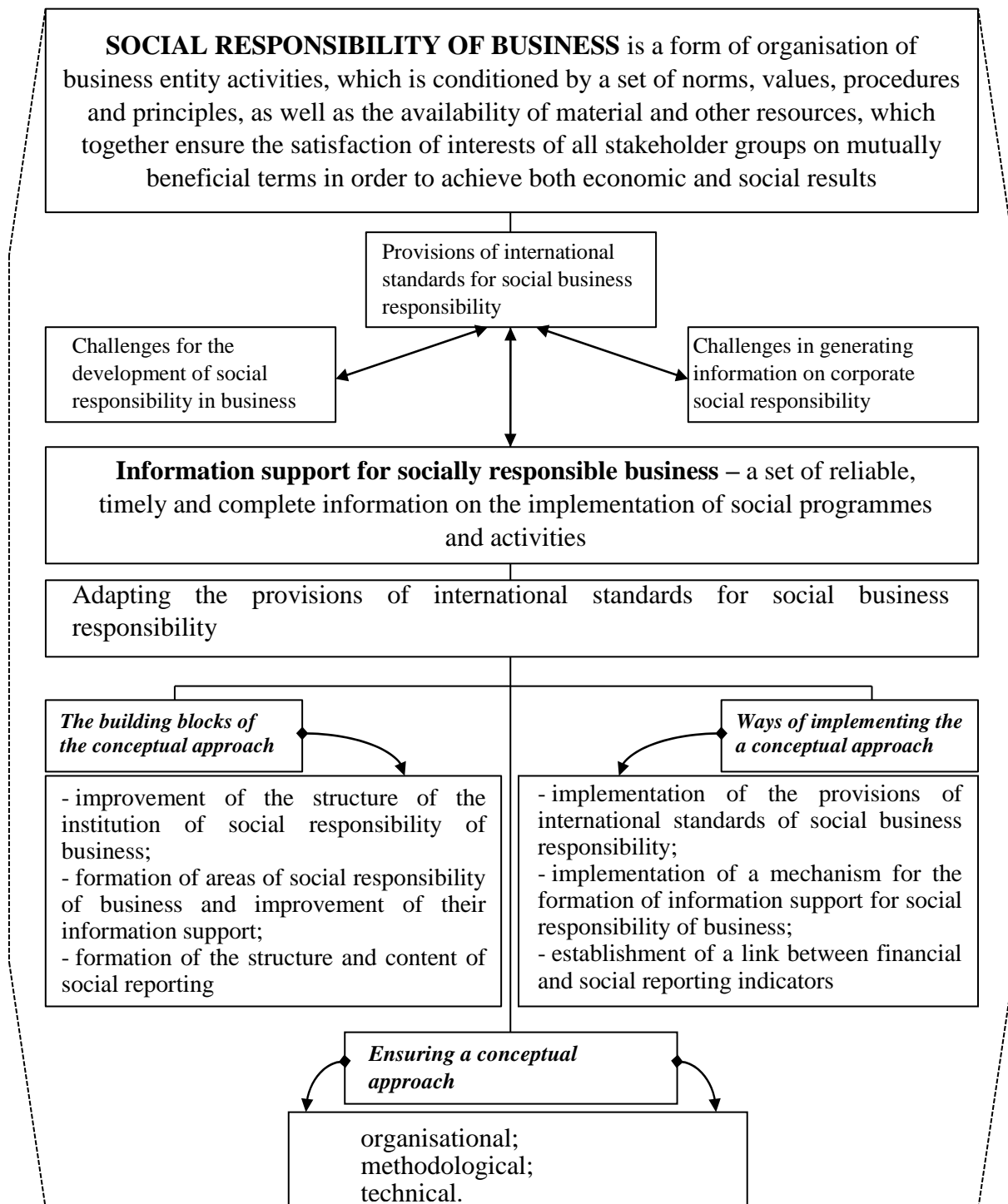


Source: Boretska (2013).

**Fig. 1. Hierarchical structure of the elements of the institution of social responsibility of business**

It has been established that international standards for social responsibility of business are aimed at the development of social responsibility practices both at the enterprise level (as instructions) and at the national, international level (as regulatory documents). Coverage by international standards of all areas of social responsibility of business, as well as the commonality and unity of the recommendations that they present, should be based on the necessary information support of social responsibility of business. Interpretation of the essence of social business responsibility in the conditions of modern business environment development is the basis for development of the conceptual approach to development of social business responsibility (Figure 2).

In order to form directions for improvement of methodological foundations for development of social responsibility of business, its current state at the enterprises of Kyiv region (Ukraine) was studied by means of questionnaire survey. This made it possible to identify and systematise the problems of business entities in the implementation of social programmes (activities, projects) and the formation of reporting information. It was found that the main problem is the lack of a mechanism for the formation of information provision of social responsibility of business in the enterprises of the region. The survey involved 17 enterprises (405 respondents) from different sectors of the economy: trade, metallurgy, mechanical engineering, chemical, light and food industries. The respondents included: heads of departments and services (63.9%), leading specialists (24.9%), and employees of departments and services (11.2%).

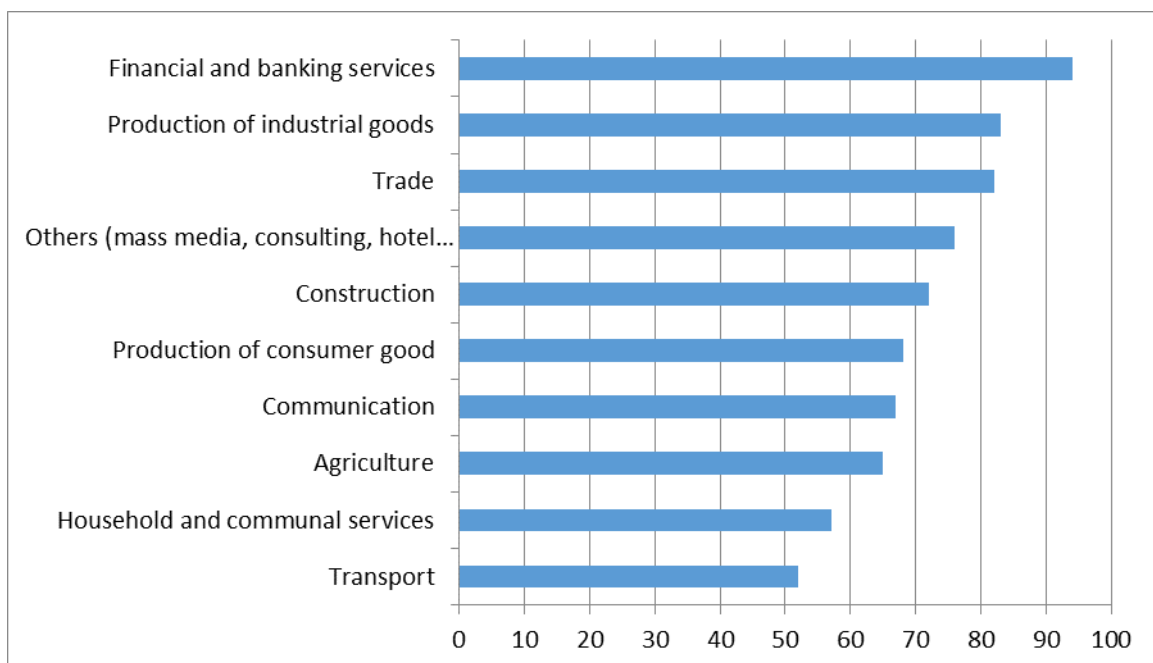


Source: (Butko, 2010; Getman et al., 2014).

**Fig. 2. A conceptual approach to the development of corporate social responsibility**

The formation of the areas of the social responsibility of business is based on the monitoring of the implementation of social programs and activities of the enterprises in the Kyiv region (Ukraine): 58.82% of the surveyed enterprises

regularly conduct activities in the field of labor protection; 52.94% implement social programs for clients to protect their interests; 64.71% are actively involved in training their employees through training courses by themselves or with the help of outside organizations; 29.41% conduct activities related to the improvement of the environmental protection. It has been established that the formation of information support for social responsibility of business should be based on object-subject approach, which is considered by the author as a set of sequential actions for the formation of objects, subjects and information about social responsibility. Parameterization of the elements of information support for social responsibility of business served as the basis for improving the methodological approach to assessing the state of information support for social responsibility of business (Figure 3).



Source: compiled by the author on the basis of survey data and the Ukrstatistika website.

**Fig. 3. The state of information support for social responsibility in businesses in the Kyiv region (Ukraine)**

The results of the assessment showed that the majority of surveyed enterprises of Kyiv region have medium and low level of information support of social responsibility of business, which served as the basis for improvement of methodological framework of formation of information support of social responsibility of business. The essence of the proposed methodological approach to the implementation of the provisions of international standards of social responsibility of business lies in the possibility of formation of enterprise development priorities in terms of business socialization, which will minimize stakeholder conflicts. The implementation of the methodological approach is a

set of measures of theoretical and practical nature aimed at the formation of relevant results and carried out within the framework of the identified areas. The implementation of the mechanism for the formation of information support for social responsibility of business helps stakeholders to obtain necessary and sufficient information for making managerial decisions and allows the unification of the structure and content of social reporting, which was developed by the author. The content of the sections of social reporting allows to meet the information needs of all stakeholders to the maximum extent, and also fully demonstrates the results of the social activities of the enterprise.

The results of the study of the stages of social reporting are the basis for the regulation and unification of the process of formation of information support for social responsibility of the business. The author has developed an internal corporate standard "Information support of social responsibility of business" (Table 1).

*Table 1*

**Structure of the internal company standard "Information support for corporate social responsibility"**

<b>1.</b>	<b>GENERAL PROVISIONS</b> (purpose, objectives, basis for development, scope, duration, etc.)
<b>2.</b>	<b>BASIC TERMS AND DEFINITIONS</b>
<b>3.</b>	<b>CONTENT OF THE INTERNAL COMPANY STANDARD</b> (factors influencing the development of a methodology, principles and stages of development of a methodology, elements of a methodology)
<b>4.</b>	<b>APPLICATIONS</b> (periodicity and technique of formation of information, route maps of information flows, methodological recommendations for interrelation of indicators of social and financial reporting)

The main feature of the standard is the comprehensiveness in addressing organisational, methodological and technical issues in the formation of information support and the unification of approaches to the procedure for reflecting information on social responsibility and the relationship between financial and social reporting indicators.

**CONCLUSION.**

The study of the essence of the institutional approach and peculiarities of its application to the study of social responsibility of business, allowed to improve the hierarchical structure and content of the elements of the institute of social responsibility of business. The hierarchical structure is based on the elements of social responsibility of business, aimed at the formation of norms of behavior in the business environment, based on the interests of enterprise stakeholders. The directions of improvement of methodological foundations for the development of social responsibility of business were preceded by the

assessment of its current state in the enterprises of the region, which allowed us to identify and systematize the problems of business entities in the implementation of social programs (activities, projects) and in the formation of reporting information (internal analytical reports, social reporting). An approach to the formation of information support of social responsibility at the enterprise was developed, the practical implementation of which was reflected in the development of an internal corporate standard "Information support of social responsibility of business". The main feature of the standard is its focus on regulating and unifying the approach to the formation of information support and to the procedure for reflecting information on social programmes and activities and the relationship between financial and social reporting indicators, which will optimise the process of making managerial decisions concerning the social responsibility of the enterprise.

#### **ACKNOWLEDGEMENT.**

The author is grateful to the managers of enterprises in the Kyiv region for their help and assistance in the fieldwork.

#### **ABBREVIATIONS:**

%	Percentage
COVID-19	Corona Virus Disease 2019, corona virus infection 2019-nCoV
Fig.	Figures
SRB	Social responsibility of business

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#### HOW TO CITE THIS ARTICLE

Dudko, P. (2021). Social responsibility of business in preventing a COVID-19 pandemic. *Management*, 1(33): 43–51. <https://doi.org/10.30857/2415-3206.2021.1.4>.