

STUDY OF METHODS OF MEASURING SOCIAL RESPONSIBILITY OF BUSINESS IN THE SYSTEM OF SUSTAINABLE DEVELOPMENT OF THE REGION

Klius Yuliia

*Doctor of Economic Sciences, Professor,
Head of Department of Accounting and Taxation
Volodymyr Dahl East Ukrainian National University
ORCID: 0000-0002-1841-2578*

Nizhnikov Illya

*Postgraduate
Volodymyr Dahl East Ukrainian National University*

The article proves that in modern conditions the sustainable development of regions is possible on the basis of the creation and development of institutions of coordination of interests between all the main participants of market relations: business, state, society. Business should assume responsibility for many areas of society development directly related to its economic activity (ecology, social programmes in the field of territorial development, improvement of the quality of life of the entire population: health care, labour protection, education, culture, sports). Analysis of the mechanisms of social responsibility implementation in practice shows that at the current stage of development socially responsible business behaviour should be elevated to the rank of the main direction of state policy. To achieve political, economic and social goals facing society, it is necessary to consistently implement large-scale measures to create social infrastructure in industrial regions, protect and expand the reproduction of natural resources, and create conditions for sustainable socio-economic development. The interrelationships of business social responsibility and sustainable development are studied, and priorities on the part of business and the territories of presence are identified. The experience is generalised and methodological approaches to macroeconomic assessment of damage and losses of the region's economy due to the environmental factor in accordance with different development scenarios are proposed. The theoretical foundations of the social responsibility of business as a system that naturally ensures the increase of socio-economic development of regions on the basis of the principles of sustainable development, necessity and sufficiency for sustainable development of the territory are developed; it is determined that the nature of compensation measures depends largely on the structure, functions and main directions of the implementation of social responsibility of business. A set of methodological approaches to the social assessment of business in the system of sustainable socio-economic development of the region

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Formulation of the problem. Currently, there is no single scientifically grounded methodology for assessing the social responsibility of business. The study of various approaches to measuring the phenomenon under study shows that the main problem of the assessment is the multidirectional and multilevel nature of social responsibility. Some of the approaches are based on the comparison of indicators with benchmark indicators, while others study qualitative characteristics. In international practice, the system of indicators of corporate social responsibility, which are extrapolated to the entire social responsibility of business, is widespread.

The first place in terms of popularity is occupied by the rating of socially responsible companies. According to international researchers, stock markets alone use more than 100 indicators to assess social investment in the context of sustainable development.

Analysis of recent achievements and publications.

In the 1950s, the concept of social responsibility was first scientifically defined. In the following years, this concept was considered by many scholars and practitioners. Among foreign scholars, it is worth noting the following: T. Donaldson, A. Carroll, R. Kaplan, D. Norton, M. Friedman, J. Valiente, C. Manuel, S. Figares and others. This issue has

also been elaborated in the works of such domestic scholars as O. Buyan, A. Kolota, O. Hryshnova, V. Yevtushenko, M. Sukhoterina, L. Petrashko, O. Zakharkina, V. Shapoval, T. Khlevytska, S. Filippova and others. For example, V. Yevtushenko analysed theoretical and methodological, as well as practical approaches to assessing social responsibility. A. Kovalevska and N. Kusyк in their work carried out a comprehensive analysis of methods for assessing the effectiveness of socially responsible business activities. O. Zateishchykova studied and systematised approaches to assessing the social responsibility of enterprises. Bobko L. O. and Maziar A. identified the problems of formation and development of corporate social responsibility in our country.

Despite numerous studies in this area, it should be noted that the aspects of measuring corporate social responsibility remain the subject of debate and require modern clarifications based not only on theoretical knowledge but also on the analysis of the practices of implementing social responsibility by modern business structures. The above is the **purpose** of this article.

Presentation of the main material. The analysis of the proposed methods shows that, despite the variety of

options, the common disadvantage of almost all methods is high subjectivity and poor consideration of the interests of stakeholders, except for the employees themselves. In addition, most often the methodology is applicable only to companies in a particular industry (for which it was originally developed), and there is no possibility to compare enterprises of different industries by the level of social responsibility. There are no general methodological approaches to assessing the social responsibility of a business; there are a sufficient number of private options applicable in this or that subjective case, in this or that industry. Each business entity assesses the degree of its involvement in the implementation of social responsibility according to the most appropriate methodology, different indicators are used, which does not allow any uniform ranking of business participants.

However, the development of social partnership is impossible without structuring business according to the scale of social responsibility. Municipal and regional authorities need to assess the effectiveness of social participation in order to have additional leverage over business, to get additional opportunities to attract resources in solving social problems in the territories where they operate. Businesses themselves are also interested in such an assessment, as it is a prerequisite for entering the global market and allows them to attract foreign investment.

Experts have repeatedly attempted to develop evaluation indicators for rating business entities in terms of their social responsibility. However, such measurements require special research both inside and outside the enterprise, which entails significant organisational, personnel and financial costs and makes it difficult for a wide range of enterprises and organisations to apply the methods.

There are three main approaches to assessing the effectiveness of an enterprise's social policy:

1. In terms of the dynamics of social investment growth and the development of the organisation's social policy. The advantage of this assessment option is that it encourages the increase in the volume of cash injections into the social policy of the enterprise. The disadvantage is the possibility of unjustified growth of social investments. Their volume may not correspond to the real social needs of the company's and the region's development.

2. Comparison with the average costs of internal and external social investments. The evaluation of averages simplifies the process, a norm is set, and the assessment is reduced to an indicator above or below the norm. Unfortunately, this approach perpetuates established practices that may well be sub-optimal. It is not possible to set targets to address real social development challenges.

3. Development of optimal normative indicators of internal and external social investments and efficiency assessment as a comparison with these indicators, which requires identifying priority tasks of social development, including with respect to a particular enterprise or region.

During the Soviet period of development, a methodology was being developed, with the help of which assessment and self-assessment on the basis of standard accounting and reporting data, the use of simplified forms of social reporting

and social audit for small and medium-sized businesses, as well as sectoral methodologies for assessing investments in the development of the social sphere are possible. The first attempts at such developments were made back in the 1980s by the social services of the USSR Ministry of Defence Industry and the USSR Ministry of Oil and Gas Construction.

The developed methodologies are based on a cross-cutting assessment, by sector and scale, of social investments and did not involve the introduction of complex calculation indicators, which made it possible to compare different companies, organisations and institutions regardless of their type, type, scale of activity, legal form, departmental affiliation and location. At the same time, the comparison is based on performance indicators specific to each business.

Based on the results of the calculations, three types of social investment efficiency can be distinguished:

1. Resultant = R/G – the ratio of the result obtained to the goal set (more effective is the activity that makes it possible to achieve the desired results).

2. Economic = P/I – the ratio of results to resource inputs (more effective is the activity that allows to obtain the result with lower costs).

3. Expediency = G/P – the ratio of goals to real social problems (more effective are those activities that solve real social problems).

Thus, the effectiveness of socially responsible business can be assessed from two perspectives:

1. For society (the amount of social costs).

2. For the business (what these expenditures give to the business itself – achievement of greater publicity, improvement of public opinion, growth of financial indicators, capitalisation).

The evaluation system laid down in these methodologies uses standard data on the company's social policy and does not imply additional research. The scientific and methodological task, therefore, is to identify correlations between the volume of social investments and indicators of the quality of life in the region of presence and the development of social infrastructure, increasing the investment attractiveness of a business entity.

Among modern attempts to create a unified methodology, development is of interest. It is focused on assessing the dynamics of business investment indicators in social responsibility and social policy programmes, allowing to evaluate and compare social investments and social policy regardless of the profile and scale of companies' and organisations' activities. The basis for such a comparison is the distribution of points in the main areas of social policy. The actual scores are determined in proportion to the dynamics of these indicators over a specific time period. The result of the assessment in this case is the sum of the points scored.

To assess efficiency, this methodology suggests using the following indicators:

- 1) the ratio of wage growth rate to the growth rate of labour productivity for the comparable period;

- 2) staff turnover for the reporting period.

Then, based on the calculated indicators, enterprises are ranked by the level of social responsibility. On the basis of this methodology, a system of indicators – "information map" – has been developed, which assesses the social responsibility of a business in four categories:

- 1) internal expenditures in human capital;
- 2) expenditures in the development of relations with stakeholders;
- 3) investments in the social infrastructure of the territory of presence;
- 4) image components of social responsibility (stability of economic indicators, growth of publicity, recognition of the company). economic performance, increased visibility, recognition and respect).

Based on the studies [3; 5], we propose to group the indicators of social responsibility of business into three areas: economic, social and environmental (Table 1).

Each of the directions can be characterised through the allocation of structural hierarchical levels from the micro-level (the level of an individual enterprise) to the mega-level (the global level including transnational corporations and international commodity markets). Intermediate levels include the macro level (the level of interaction between institutional structures) and the meso level (industry level). Social responsibility indicators are present at each level, varying in relation to the scale of manifestation. Thus, if at the mega level the requirements of the world community for socially responsible business are discussed, then at the micro level we will talk about the formation of a pool of highly qualified employees or the level of impact of negative externalities of the production activities of a particular business entity on the population living in the

territory affected by its activities on the territory of the spreading area.

This gradation allows us to generalise the characteristics of socially responsible business conduct and detail them by the range of coverage. From the author's point of view, this list of indicators is not exhaustive and can be expanded as the ideas of social responsibility of business are implemented, but it includes the most significant relevant aspects of the phenomenon under study.

In our opinion, it is necessary to introduce an aggregated calculated indicator of social responsibility of business, which allows to assess the level of consideration of the interests of the territory of presence in accordance with the paradigm of sustainable and sustainable development.

When calculating this indicator, we propose to take into account two circumstances. Firstly, to take into account the financial costs incurred by the firm to implement socially responsible measures in the territory of presence within the framework of levelling the damage inflicted on it. Secondly, to proceed from the understanding that investments to compensate for damage to the territory of presence should be fairly distributed among economic entities involved in the distribution of rent from coal mining.

As such an indicator we propose to use the coefficient of sufficiency of investments for levelling the damage caused to the territory of presence within the framework of social responsibility of business.

We propose to calculate this indicator by the formula:

$$Y_{sr} = (I_t + N_t) / U_t, \quad (1)$$

where

I_t – financial costs of levelling the damage caused to the territory of presence within the framework of implementation

Table 1

Indicators of social responsibility of business

Direction	Mega-level (global)	Macro-level (state/regional)	Mesolevel (industry)	Micro-level (business entity)
Economic	The growth of transnational corporations. Development of international commodity trading markets. Requirements of the world community to conduct socially responsible business. The world community's requirements for running a socially responsible business.	Interaction with representatives of the authorities. Legitimacy of business. Doing business on the territory of several subjects. Interaction with various NGOs.	Shaping investor demand for socially responsible business behaviour. Interaction with competitors. Taking into account the interests of key stakeholders.	Building a pool of highly qualified employees. Impact of the reputational component on the value of the business. Opportunity to operate in the absence of negative public response. Production of quality products
Social	Decrease in the general standard of living. Growth of social stratification.	Socio-cultural peculiarities of the country. Growth of prosperity of a small number of people against the background of the general crisis. general crisis of the social sphere.	Changing consumer expectations.	Impact on the welfare of own staff
Environmental	Global warming. Reduction of fossil resources.	General state of the natural environment in the country.	Level of negative impact of the industry on the environment of the territory of presence. The relationship between the morbidity of the population and the impact of the industry on this indicator.	The level of impact of negative externalities on the population who are not employees of the company but live in the area of its influence.

of socially responsible measures by coal mining companies in the current calendar year in the territory of presence;

Nt – tax payments to the budget system from coal mining enterprises in the current period of time (calendar year);

Ut – total damage caused by enterprises to the territory of presence in the current year.

The reference value of the calculated indicator should not be less than 0.75, as 25% of the investments on levelling the damage caused to the territory of presence should be made by the state, as one of the recipients of the rent from coal mining activities. Reference value of the indicator was formed on the basis of the response of the consulting firm VYGON Consulting, according to which the state withdraws 25% of the cash flow, formed by coal mining enterprises.

As a result of a simple transformation of this formula, it is possible to calculate the necessary level of investment in levelling the damage caused to the territory of presence within the framework of social responsibility of business, which meets the criterion of sustainable territorial development. This criterion is taken as a full levelling of the damage caused to the natural and social sphere as a result of coal mining activities

$$I_t = 0.75 U_t - N_t, \quad (2)$$

The proposed indicator allows to determine the level of social responsibility of business to the territory of presence from the position of ensuring its sustainable development. In turn, the total amount of investment from the state, region and municipality should be at least 25% of the level of business

investment in environmental, infrastructural and social activities as part of its social responsibility in accordance with the criteria of sustainable territorial development.

The indicator is rather simplified, but it allows us to determine, without lengthy mathematical calculations, to what extent the business activity complies with the principles of social responsibility, first of all, to the territory of presence. to the territory of presence.

Conclusions. In general, we propose to consider that social responsibility of business is an obligatory complex activity of industrial enterprises aimed at achieving the goals of sustainable development of the territories of presence, ensuring environmental sustainability, development of human capital, formation of global partnership to implement the principles of sustainable development and sharing the burden of public expenditure on social policy, with the amount of financial participation directly depending on the total amount of damage caused by industrial activity. the total amount of damage caused by industrial activities. There is a sufficient number of methods for assessing the social responsibility of business according to different groups of indicators and indicators developed by both domestic and Western researchers. Each of the methodologies has its own advantages and disadvantages. In general, the indicators are grouped into four areas: responsibility to employees, interaction with counterparties, social investments as a tribute to relations with the authorities, and presentation by companies of the results of their social activities.

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Ключ Юлія Ігорівна, доктор економічних наук, професор, завідувач кафедри обліку і оподаткування, Східноукраїнський національний університет імені Володимира Даля

Ніжніков Ілля Михайлович, аспірант, Східноукраїнський національний університет імені Володимира Даля **ДОСЛІДЖЕННЯ МЕТОДІВ ВИМІРЮВАННЯ СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ БІЗНЕСУ В СИСТЕМІ СТАЛОГО РОЗВИТКУ РЕГІОНУ**

У статті доведено, що в сучасних умовах сталий розвиток регіонів можливий на основі створення і розвитку інститутів узгодження інтересів між усіма основними учасниками ринкових відносин: бізнесом, державою, суспільством. Бізнес повинен узяти на себе відповідальність за велику кількість напрямів розвитку суспільства, безпосередньо пов'язаних з його господарською діяльністю (екологія, соціальні програми в галузі розвитку територій, підвищення якості життя всього населення: охорони здоров'я, охорони праці, підвищення рівня якості різних рівнів освіти, культури, спорту). Аналіз діючих на практиці механізмів реалізації соціальної відповідальності, проведений в статті, показує, що на сучасному етапі розвитку соціально відповідальна поведінка бізнесу має бути зведена в ранг основного напрямку державної політики. Для досягнення політичних, економічних і соціальних цілей, що стоять перед суспільством у напрямку забезпечення сталого розвитку регіонів, необхідне послідовне здійснення великомасштабних заходів зі створення соціальної інфраструктури промислових регіонів, охорони та розширеного відтворення природних ресурсів, створення умов для сталого соціально-економічного розвитку. Вивчено взаємозв'язки соціальної відповідальності бізнесу та сталого розвитку, визначено пріоритети з боку бізнесу та територій присутності. Узагальнено досвід і запропоновано методичні підходи до макроекономічної оцінки збитків і втрат економіки регіону через екологічний фактор відповідно до різних сценаріїв розвитку. Розроблено теоретичні засади соціальної відповідальності бізнесу як системи, що закономірно забезпечує підвищення соціально-економічного розвитку регіонів на базі принципів сталого розвитку, необхідності та достатності для сталого розвитку території; визначено, що характер компенсаційних заходів значною мірою залежить від структури, функцій та основних напрямів реалізації соціальної відповідальності бізнесу. Розроблено комплекс методичних підходів до соціальної оцінки бізнесу в системі сталого соціально-економічного розвитку регіону.

Ключові слова: соціальна відповідальність, бізнес, сталий розвиток, регіон, оцінювання, рівень.

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