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SOCIAL RESPONSIBILITY AS A FACTOR IN ENSURING A COMPANY'S COMPETITIVENESS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ ЯК ФАКТОР ЗАБЕЗПЕЧЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВА В КОНТЕКСТІ СТАЛОГО РОЗВИТКУ

This article examines in detail the role of corporate social responsibility in shaping enterprise competitiveness in the modern economy, where increasing uncertainty, rapid technological change, and intensifying global competition require businesses to adopt more sustainable, flexible, and adaptive development strategies. In such conditions, companies are no longer evaluated solely on financial performance, but also on their social and environmental impact. It is argued that integrating the principles of social responsibility into an enterprise's management system not only improves its public image but also helps build long-term trust with key stakeholders, including customers, employees, investors, partners, and local communities.

Such integration helps to enhance corporate reputation, strengthen stakeholder engagement, and significantly reduce non-financial risks, such as reputational damage, environmental liabilities, regulatory pressures, and potential social conflicts. Moreover, socially responsible companies are better positioned to respond to crises and maintain operational stability in uncertain environments. It is established that, in the context of globalisation and the digital transformation of business processes, corporate social responsibility is becoming a crucial instrument for advancing sustainable development and ensuring long-term business resilience.

Modern enterprises are increasingly expected to operate transparently, ethically, and in alignment with international sustainability standards and best practices. The main areas of implementation of socially responsible business activities are analysed, including investment in human capital development through continuous education and professional training; ensuring environmental responsibility by reducing emissions, waste, and resource consumption; enhancing transparency and accountability through corporate governance; and adopting comprehensive, integrated non-financial reporting practices.

Furthermore, it has been demonstrated that applying ESG (Environmental, Social, and Governance) principles, together with a strategic focus on achieving the Sustainable Development Goals, contributes to the long-term economic growth and sustainable development of enterprises. These approaches

improve investment attractiveness, increase access to financial resources, facilitate entry into international markets, and create sustainable competitive advantages, thereby ensuring resilience, innovation capacity, and stability in a rapidly changing, highly competitive business environment.

У статті комплексно досліджено роль корпоративної соціальної відповідальності у формуванні та зміцненні конкурентоспроможності підприємств в умовах сучасної економіки, що характеризується високим рівнем динамічності, глобалізаційними процесами та цифровою трансформацією бізнес-середовища. Обгрунтовано, що інтеграція принципів соціальної відповідальності у систему стратегічного та операційного управління підприємством виступає важливим чинником підвищення його ділової репутації, формування довіри з боку споживачів, партнерів та інвесторів, а також сприяє налагодженню ефективної взаємодії зі стейкхолдерами. Доведено, що впровадження практик корпоративної соціальної відповідальності дозволяє мінімізувати нефінансові ризики, зокрема репутаційні, екологічні та соціальні, що в кінцевому підсумку позитивно впливає на стійкість бізнесу.

Визначено, що в умовах посилення конкуренції та зростання вимог до прозорості діяльності підприємств корпоративна соціальна відповідальність трансформується у стратегічний інструмент реалізації концепції сталого розвитку. Проаналізовано ключові напрями впровадження соціально відповідальної діяльності, серед яких особливу увагу приділено розвитку людського капіталу, забезпеченню екологічної безпеки, впровадженню принципів етичного ведення бізнесу, підвищенню рівня корпоративного управління та прозорості діяльності через використання нефінансової звітності. Акцентовано увагу на значенні цифрових технологій як каталізатора поширення практик КСВ та підвищення ефективності комунікацій із зацікавленими сторонами.

Доведено, що застосування принципів ESG (Environmental, Social, Governance) та орієнтація на Цілі сталого розвитку створюють передумови для довгострокового економічного зростання підприємств, підвищення їх інвестиційної привабливості та формування стійких конкурентних переваг як на національному, так і на міжнародному ринках. Узагальнено, що корпоративна соціальна відповідальність є не лише елементом іміджу, а й важливим інструментом стратегічного розвитку підприємства в умовах сучасних викликів.

Key words: corporate social responsibility, sustainable development, competitiveness, the Terston method, stakeholders, ESG principles, non-financial reporting, company management.

Ключові слова: корпоративна соціальна відповідальність, сталий розвиток, конкурентоспроможність, метод Терстоуна, стейкхолдери, ESG-принципи, нефінансова звітність, управління підприємством.

GENERAL DESCRIPTION OF THE PROBLEM AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

In today's economic climate, businesses operate in an environment characterised by fierce competition, rapid technological change, and the globalisation of economic processes. Traditional approaches to building competitive advantage, based primarily on economic and financial indicators, are gradually losing their effectiveness. Instead, the social, environmental, and managerial aspects of business operations are becoming increasingly important.

A socially responsible management model creates the conditions for developing human capital, strengthening the company's reputation, and increasing trust among partners and investors. At the same time, it helps to reduce social and environmental risks and ensures the long-term stability of the enterprise's development.

As Ukraine integrates into the global economic landscape, businesses are increasingly aligning themselves with international management standards that require the implementation of corporate social responsibility principles. This necessitates research into the role of socially responsible business in ensuring corporate competitiveness and achieving sustainable development goals.

ANALYSIS OF RECENT STUDIES AND PUBLICATIONS

Both international and domestic scholars are actively researching corporate social responsibility. Ukrainian researchers such as N. Bibik [1], O. Berezina [2], O. Buyan [3], A. Zinchenko [4], Y. Saienko [5], M. Saprykina [6], and others have made a significant contribution to the development of the theoretical and practical aspects of socially responsible business.

Academic literature notes that corporate social responsibility is an important element of modern enterprise management, combining a business's economic interests with society's social needs. Researchers emphasise that implementing socially responsible practices enables enterprises to build a positive image, increase consumer trust, and gain additional competitive advantages.

In accordance with the international standard ISO 26000, social responsibility is an organisation's responsibility for the impact of its activities on society and the environment, achieved through transparent and ethical behaviour. This approach involves considering the interests of various stakeholder groups and integrating the principles of sustainable development into strategic enterprise management.

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At the same time, recent research highlights the importance of adopting an ESG approach, which involves integrating environmental, social, and governance factors into business operations. It is precisely the combination of economic performance with the social and environmental aspects of operations that forms the basis for sustainable business development.

OBJECTIVES OF THE ARTICLE

The main objective of the article is to develop a methodological approach to assessing the level of corporate social responsibility of enterprises in the context of ensuring their competitiveness and sustainable development. The study also aims to identify key factors influencing CSR formation, evaluate their impact on enterprise performance, and justify the application of modern assessment methods, including Thurstone's pairwise comparison method. Additionally, the article seeks to determine the relationship between CSR implementation, ESG principles, and the long-term competitiveness of enterprises.

PRESENTATION OF THE MAIN RESEARCH MATERIAL

Corporate social responsibility (CSR) has, over the past few decades, become a key component of strategic business development in most countries worldwide. Its significance stems from the need to reconcile the economic outcomes of business activities with the social and environmental consequences of its operations. In today's business environment, integrating social responsibility principles into a company's management system is regarded as an integral element in building long-term competitive advantage.

The theoretical and methodological basis for implementing corporate social responsibility is a systematic approach that carefully considers the interrelationships among an organisation's economic, social, and environmental aspects. At the same time, a logical approach ensures the strategy for socially responsible development is consistent and aligned with the enterprise's overall corporate strategy. In view of this, the implementation of CSR should be regarded as a long-term, multi-level process that includes making strategic decisions, fostering a corporate culture of responsible business conduct, and creating mechanisms for stakeholder engagement [7].

In accordance with the international standard ISO 26000, social responsibility is defined as an organisation's responsibility for the impact of its management decisions and economic activities on society and the natural environment. This responsibility is realised through transparent, ethical behaviour that contributes to achieving sustainable development goals, ensures the well-being of society, and takes into account the expectations of key stakeholders. An important aspect is the compliance of the enterprise's activities with current legislation and international standards of conduct, as well as the integration of social responsibility principles into all areas of the organisation's operations.

The long-term sustainable development of an enterprise depends to a large extent on its level of viability. Vitality should be understood as a comprehensive measure of the effectiveness of managerial, production, and economic processes, reflecting the organisation's ability to adapt to changes in the external environment and ensure stable operation. An enterprise's vitality is determined by a system of key performance indicators that characterise economic efficiency, social stability, and environmental responsibility.

The International Labour Organisation makes a significant contribution to the development of conceptual approaches to ensuring the sustainable development of viable enterprises. As part of the implementation of the 2030 Agenda for Sustainable Development, it has established strategic guidelines for supporting entrepreneurship based on the principles of decent work, social dialogue, and the responsible use of resources. In this context, the viability of an enterprise is viewed as the integrated result of economic efficiency, social responsibility, and environmental sustainability.

The International Labour Organisation emphasises that the development of viable enterprises is possible provided several basic conditions are met. These include an effective management system and well-established social dialogue between employers and workers, a stable macroeconomic environment, and adequate levels of infrastructure and development of information and communication technology. Other important prerequisites include access to education and vocational training, the creation of a supportive institutional environment, and mechanisms that encourage enterprises to take a responsible approach to the environmental impact of their activities.

Implementing corporate social responsibility requires aligning a company's strategic objectives with the interests of its stakeholders, including employees, consumers, investors, public authorities, and local communities. This process requires modern methods to assess the effectiveness of managing socially responsible activities.

The development of a company's corporate social responsibility is influenced by a combination of diverse factors that reflect both the company's internal potential and the conditions of its external operations. A comprehensive and systematic study of these factors is a necessary prerequisite for establishing an effective CSR management mechanism and ensuring that socially responsible practices are aligned with the company's sustainable development strategy.

Given that the activities of any enterprise take place in two interrelated spheres — internal and external — it is appropriate to develop a classification of factors influencing corporate social responsibility, based on the type of business environment.

Endogenous factors characterise the internal environment of an enterprise and fall within the sphere of direct managerial influence (corporate culture, leadership and management philosophy; the availability of the company's internal resources; the company's strategy and objectives; the human resources management system; the effectiveness of internal communication regarding CSR objectives and outcomes; organisational structure). Assessing these factors enables the organisation to determine its existing internal capacity to implement CSR, as well as identify areas for further development and strengthening.

In contrast, exogenous factors arise in the external environment and are not subject to direct control by the organisation, yet require constant monitoring and adaptation (socio-political context; cultural characteristics and local norms; legislation and government regulation; international standards and initiatives; technological changes; partners' requirements regarding sustainable practices; growing demand for eco-friendly, ethical and locally sourced products; media and public opinion; societal and community expectations). Analysing these factors enables a timely response to external challenges, minimises risks, and allows for the effective utilisation of opportunities to develop corporate social responsibility.

Thus, the development of CSR results from the interaction between endogenous and exogenous factors; a systematic assessment of these factors establishes an effective management mechanism, enhances the enterprise's adaptability to external environmental changes, and facilitates the achievement of sustainable development goals.

An in-depth analysis of the factors driving CSR involves not only their identification but also a quantitative assessment of their significance and impact. To this end, the study conducted a two-stage assessment of the factors influencing corporate CSR based on an expert survey. The proposed algorithm combines two methods of expert assessment: the rating method and Thurstone's paired-comparison method (Fig. 1).

In the study, a sample of corporate social responsibility factors was selected for expert evaluation. Each pair of factors was compared by several experts, which enabled the creation of a preference frequency matrix. On this basis, the corresponding probabilities were determined, and the data were converted to the standard normal distribution scale. The results obtained enabled ranking CSR factors by their influence on the enterprise's viability and competitiveness.

Thus, applying the pairwise comparison method in the study of corporate social responsibility enables a more accurate determination of strategic priorities for the enterprise's development and improves the effectiveness of management decisions in sustainable development. To improve the effectiveness of CSR management, the author proposes applying L. Terstown's pairwise comparison method [8]. This method converts subjective assessments by experts or consumers into a quantitative interval scale.

The findings of the study reveal that, for Ukrainian enterprises, the most significant factors influencing the promotion of corporate social responsibility are: legislative and state regulation; the availability of internal resources; the enterprise's strategic objectives and goals; managerial leadership and management philosophy; the size of the enterprise; and its ownership structure.

The results obtained indicate a systematic nature to the development of CSR in domestic enterprises, as its development is significantly influenced by both external environmental factors and internal factors that the enterprise can regulate through the organisation of its own activities.

The fact that the 'legislation and state regulation' factor received the highest weighting underscores the regulatory environment's decisive role in both stimulating and hindering the development of ESG initiatives. At the same time, it should be noted that in the Ukrainian business environment, ESG principles and values have not yet fully established themselves, which creates a need for enterprises to rely on external incentives and regulatory mechanisms to implement environmental standards, ensure compliance with labour rights, and develop non-financial reporting. This is also linked to the significance of the 'enterprise ownership structure' factor, as practice shows that enterprises with state ownership more often demonstrate a higher level of social engagement.

The second most influential factor is the resource factor. The implementation of CSR initiatives requires financial, human, and organisational resources; therefore, companies with a stronger resource base have greater opportunities to implement them. In this context, the significance of the 'company size' factor is logical, as it is directly linked to the scale of available resources, including those for implementing socially responsible practices.

At the same time, resource availability alone does not guarantee CSR effectiveness, particularly in the absence of a strategic vision and effective managerial leadership. It is the management that plays a key role in shaping social responsibility values, supporting relevant initiatives, and developing corporate culture. The integration of CSR into the company's strategic objectives and long-term business model is a crucial factor in ensuring sustainable development and building competitive advantages in the modern economic environment.

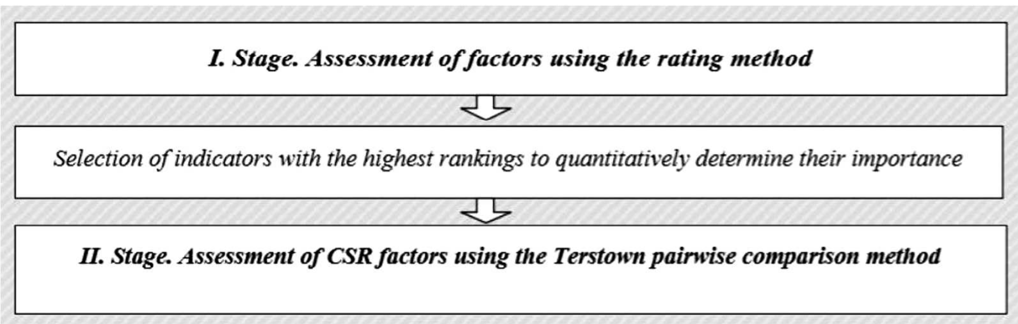

Fig. 1. Stages in assessing the factors influencing the formation and the development of enterprises' CSR

Source: author's own work.

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CONCLUSIONS AND PROSPECTS FOR FURTHER RESEARCH IN THIS AREA

The study found that corporate social responsibility is fundamental to ensuring a company's competitiveness in today's economy. Its implementation enables the integration of economic, social, and environmental aspects of business operations, in line with the concept of sustainable development.

It has been demonstrated that integrating the principles of social responsibility into a company's management system contributes to more efficient resource use, the development of a positive business reputation, the strengthening of stakeholder trust, and the reduction of risks. Of particular importance is the implementation of ESG approaches, which ensure a comprehensive assessment of a company's activities and a focus on long-term development.

It has been established that socially responsible corporate activities contribute to increasing their investment attractiveness, expanding market opportunities, and building sustainable competitive advantages. In today's environment, it is precisely those enterprises that actively implement the principles of sustainable development that have a better chance of operating successfully in the long term.

To enhance the effectiveness of business operations, it is advisable to integrate corporate social responsibility principles into strategic management, expand the practice of non-financial reporting, and ensure a balance between economic performance and social and environmental objectives.

Prospects for further research include developing methodological approaches to assess the effectiveness of enterprises' socially responsible activities and determine their impact on business performance.

An important finding of the study is the identification of a set of factors influencing the formation and development of corporate social responsibility within an enterprise. It has been established that the effectiveness of CSR implementation is determined by the complex interaction of endogenous and exogenous factors, among which the regulatory environment, the enterprise's resource potential, strategic development guidelines, managerial leadership, and ownership structure are key. Such a systematic approach to analysing factors allows not only for identifying their influence but also for formulating well-founded directions for enhancing the effectiveness of enterprises' socially responsible activities, which, in turn, contributes to strengthening their competitive positions and ensuring sustainable development.

It is also worth noting the importance of using Louis Thurstone's pairwise comparison method in assessing corporate social responsibility factors. The application of this approach enables the transformation of subjective expert judgements into quantifiable indicators, thereby enhancing the soundness of management decisions. The Thurstone method enables factors to be ranked according to their degree of influence, which is particularly important when formulating strategic priorities for the enterprise's development. Thus, the use of this toolkit contributes to improving the accuracy of analytical assessments and the effectiveness of corporate social responsibility management in the context of sustainable development.

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