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SOCIAL RESPONSIBILITY AS AN INSTRUMENT OF MARKETING STRATEGY TO ENSURE THE COMPETITIVENESS OF ENTERPRISES TOWARDS SUSTAINABLE DEVELOPMENT

The article summarizes issues regarding the role of social responsibility as a fundamental tool in shaping marketing strategy and enhancing the competitiveness of enterprises, focusing on promoting sustainable development. How companies can integrate social responsibility into their core strategies is examined to not only meet ethical and social expectations but also gain a competitive advantage in the market. The main goal of the article is to explore the essence, define the conceptual content, and justify the implementation of the concept of social responsibility into the system of strategic marketing management of a company as a necessary prerequisite for ensuring its competitiveness in the direction of sustainable development. The systematic review of the literature indicates the debatability and certain divergences in understanding and interpreting the essence of social responsibility, the implementation of the concept, and its integration into the formation of a competitive marketing strategy. The relevance of addressing this issue lies in the fact that the formation of a culture of social responsibility oriented towards stakeholders should become one of the tools for ensuring the prerequisites for the competitive advantages of modern enterprises, strengthening their image, and increasing business profits by creating value, enhancing innovation, improving relationships with customers and employees, and expanding growth opportunities. The analysis includes examples and thematic studies that illustrate the successful implementation of social responsibility initiatives, emphasizing their positive impact on brand image and customer loyalty. By aligning corporate goals with social and environmental objectives, the article advocates for a holistic approach to business that not only contributes to the common good but also positions companies as drivers of positive change in the global market. The research concludes that modern conditions require enterprises to adopt an innovative approach to development, and social responsibility, acting as a system of relationships with stakeholders, becomes a key direction in this development. Integrating social responsibility into all aspects of company activity, including its philosophy and the system of strategic marketing management, will help ensure not only a positive image but also sustainable competitiveness in the long term.

Key words: *social responsibility, competitiveness, competitive marketing strategy, sustainable development, effectiveness, image, brand.*

СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ ЯК ІНСТРУМЕНТ МАРКЕТИНГОВОЇ СТРАТЕГІЇ ЗАБЕЗПЕЧЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВ В КОНТЕКСТІ СТАЛОГО РОЗВИТКУ

У статті узагальнюються питання щодо ролі соціальної відповідальності як основного інструменту у формуванні маркетингової стратегії та підвищенні конкурентоспроможності підприємств, зосереджуючись на сприянні сталому розвитку. Розглядаються способи, за допомогою яких підприємства можуть інтегрувати соціальну відповідальність у свої основні стратегії, щоб не лише відповідати етичним і суспільним очікуванням, але й отримати конкурентну перевагу на ринку. Основною метою статті є дослідження сутності, визначення концептуального змісту та обґрунтування впровадження концепції соціальної відповідальності в систему стратегічного маркетингового управління підприємством як необхідної передумови забезпечення його конкурентоспроможності в напрямку сталого розвитку. Систематизація літературних джерел свідчить про дискусійність та певні розбіжності у розумінні та трактуванні сутності соціальної відповідальності, впровадження концепції соціальної відповідальності та її інтеграції у формування м маркетингової стратегії конкурентоспроможності. Актуальність вирішення поставленої проблеми полягає у тому, що формування культури соціальної відповідальності з орієнтацією

на зацікавлені сторони, має стати одним із інструментів забезпечення передумов конкурентних переваг сучасних підприємств, зміцнення іміджу та збільшення прибутку бізнесу шляхом створення цінності, збільшення інновацій, покращення відносин із клієнтами та працівниками та розширення можливостей для зростання. Аналіз охоплює приклади та тематичні дослідження, які ілюструють успішне впровадження ініціатив соціальної відповідальності, підкреслюючи їх позитивний вплив на імідж бренду та лояльність клієнтів. Поєднуючи корпоративні цілі з соціальними та екологічними цілями, стаття виступає за цілісний підхід до бізнесу, який не тільки сприяє загальному благу, але й позиціонує компанії як рушіїв позитивних змін на глобальному ринку. Дослідження зводиться до висновків, що сучасні умови вимагають від підприємств інноваційного підходу до розвитку, а соціальна відповідальність, виступаючи системою взаємозв'язків із зацікавленими сторонами, стає ключовим напрямком цього розвитку. Інтеграція соціальної відповідальності в усі аспекти діяльності компанії, включаючи її філософію та систему стратегічного маркетингового управління підприємством, буде допомагати забезпечити не лише позитивний імідж, але й стійку конкурентоспроможність у подальшій перспективі.

Ключові слова: соціальна відповідальність, конкурентоспроможність, маркетингова стратегія конкурентоспроможності, сталий розвиток, ефективність, імідж, бренд.

Introduction. In the global economic context, where the success of companies is determined not only by financial indicators but also by their ability to interact with society and respond to social issues, the concept of social responsibility becomes critical for achieving competitive advantages. Modern society, rational and just, expects businesses to be aware of their impact on the surrounding environment and to be ready to prevent and mitigate the negative consequences of their activities by adhering to the principles of sustainable development and social responsibility.

As society increasingly focuses on issues of sustainable development and social responsibility, businesses become aware that their actions have a significant impact on the environment and society as a whole. In their efforts to ensure not only financial success but also contribute to the well-being of society, they turn to the implementation of socially responsible practices. Over the last decade, corporate social responsibility has transformed from a moral initiative into an effective tool of strategic marketing. Companies are increasingly realizing that their contribution to social and environmental issues not only aligns with contemporary standards of responsibility towards society but also becomes a key factor in competitiveness in the rapidly changing business environment. In this context, social responsibility evolves into a necessary instrument of marketing strategy aimed at achieving sustainable development.

It is important to note that sustainable development of the economy and society as a whole, the implementation of the concept of prosperity, and the formation of socially-oriented economic systems have long been the main directions of development for the global community. Today, the development of the concept of corporate social responsibility has become perhaps the most significant factor in ensuring competitive positions and brand recognition. This concept is based on principles whereby companies integrate social and environmental issues into their commercial activities and interact with stakeholders voluntarily. Currently, socially responsible business activities are a widely accepted standard followed by many large, medium, and even small companies worldwide (*Kuzmak and Kuzmak, 2023*).

In the current conditions of business process development, social responsibility is transforming from an element of communication strategy into a necessary component for the development and viability of the enterprise. This is especially relevant in situations of turbulence and uncertainty, including armed conflict, where business and society find themselves in the same boat. The strategic thinking of a modern enterprise lies in the understanding that supporting partners and society is now a crucial stage for ensuring the future.

The positive reputation of a commercial company is determined not only by its profit and the high quality of its products but also by the extent to which its activities align with the “current economic, legal, and ethical expectations of society regarding this organization” (*Carrol, 1999, c. 269*).

The concept of social responsibility in the business context transforms enterprises into agents of change, combining profitability with a beneficial impact on society. This requires companies to make decisions and take actions that align with the goals and values of society, not limited to profit maximization alone. Within this concept, Corporate Social Responsibility (CSR) becomes a strategic management tool, where companies integrate social and environmental aspects into their operations, considering employees and customers as key stakeholders.

As indicated by the CEO of MBA and founder of Branding Bosses Nadia Kaminskaya, 88% of consumers want brands to help them become more environmentally and socially responsible, and 90% will switch to a brand that supports a good cause. By practicing ecological and ethical marketing, the company not only does the right things but also attracts customers who share its values (*Kaminskaya N., 2023*). In addition, almost 9 out of 10 (88%) believe that sustainability should be standard practice for brands (*Marketing Charts, 2021*).

The transition of Ukraine to sustainable economic development, its integration into the European and global community, and modern practices of conducting economic activities both on national and global markets increasingly indicate that corporate social responsibility is a factor in increasing profitability, enhancing company image, reducing costs, boosting employee morale and customer loyalty, among other advantages. Additionally, for enterprises pursuing a multinational business strategy, community engagement can be beneficial in supporting efforts to enter new markets, attracting potential employees, and creating or strengthening the company's reputation, brand, and products.

Literature Review. It should be noted that issues related to the theory of social responsibility, competitiveness strategies, sustainable development, and marketing technologies in enterprise activities have been explored in numerous works by both domestic and international scholars and specialists. In their research, the essence of marketing, features of applying elements and marketing tools in enterprise activities, and various approaches to addressing marketing development and managing marketing processes have been investigated. This underscores the acute necessity and relevance of the given problem.

In the modern market, a situation has emerged where traditional, so-called "marketing formulas for success" increasingly cease to be the key that opens the doors to a company's success through higher quality, more refined service, lower prices, a larger market share, continuous product improvement, product innovation, growing markets, and exceeding consumer expectations (*Boyett, Joseph and Boyett, Jimmie, 2004*).

To address the situation, Philip Kotler suggests replacing traditional approaches with elements of new marketing approaches: focusing on values that exist throughout consumers' entire lives; orientation towards satisfying multiple stakeholder groups; managing so that all employees are involved in the marketing activities of the enterprise; building a brand through all company activities; customer service orientation; promising less, delivering more; making the value chain a unit of analysis (*Kotler et al., 2019*). In our opinion, in modern minds, the list should include the level of social responsibility of business and the formulation of a policy for achieving sustainable development indicators.

Despite the numerous interpretations of social responsibility that exist today, most of which have the right to exist and provide opportunities to expand and/or deepen its essence, it can be confidently stated that the majority of interpretations revolve around the first formulation of social responsibility by H. Bowen. The author noted: " This concerns the obligations of businessmen to conduct such policies, make decisions, or follow courses of action that are desirable from the standpoint of the goals and values of our society " (*Bowen, 1953*).

K. Davis considers the business enterprise as a joint venture that brings together responsible citizens such as managers, investors, workers, representatives of the local

community, and their groups. This “joint venture” is responsible for satisfying not only economic but also social, psychological, political, and other expectations of society (Davis, 1967, pp. 46-47). It is worth noting that in the mid-1960s, K. Davis formulated the so-called “iron law of responsibility”: those who do not take responsibility commensurate with their power will ultimately lose that power (Davis, 1967, p. 47).

A. Carroll had a different approach to understanding social responsibility, particularly examining it from various perspectives. In the early 1990s, A. Carroll presented a model of social responsibility in the form of a pyramid with four components: economic, legal, ethical, and philanthropic (Carroll, 1991). Today, social responsibility is a global concept evolving through the interaction of thought and practice. Corporate Social Responsibility (CSR) provides a language and perspective known worldwide and becomes increasingly important as stakeholders communicate that modern companies are expected to do more than just make money and comply with the law. Ethics and philanthropy now help justify socially responsible expectations placed on modern organizations striving to be sustainable in a competitive, dynamic global market. Socially responsible firms make special efforts to integrate concern for other stakeholders into their policies, decisions, and activities (Carroll, 2015).

Larry Fink, CEO of BlackRock, one of the world's largest asset managers, expresses in a letter to shareholders the opinion that the purpose of business is to have a positive impact on society. In his view, responsible business should bring benefits to society and address the negative consequences it may have on society, people, and the planet. “ The world is still in crisis and will be for some time. We face a great challenge ahead. The companies that embrace this challenge – that seek to build long-term value for their stakeholders – will help deliver long-term returns to shareholders and build a brighter and more prosperous future for the world ” (Fink's, L. 2021). In essence, the external vectors of corporate culture are considered decisive in this perspective. Fink's stance reflects a growing recognition in the business world that long-term success is intertwined with social responsibility and positive contributions to the broader community and environment.

CSR has become popular in the last decades with companies of all sizes engaging in this field with different objectives. From stakeholder and shareholder relationships to consumer marketing up to the Dow Jones Sustainability Index listing, CSR is proving to be a relevant field for businesses of any sector to invest in. On top of this, previous studies indicate a positive correlation between CSR communication and business returns; in other words, the more a business invests in CSR and communicates in a proper manner the actions undertaken by the firm to different publics (i.e., stakeholders, shareholders and consumers) the more likely there could be an impact on returns at different levels (Inversini & Derchi, 2021).

The founder and lead designer of Passion Lilie emphasizes that public perception plays a crucial role in the success of the company. She also underscores that by creating a positive image in which the company is confident, it can establish a reputation as a socially conscious business (Advance ESG, 2021).

Over 2000 conducted studies indicate a correlation between ESG (environmental, social, governance) factors and financial indicators, starting from the 1970s (Friede, Busch, & Bassen, 2015). Most of them confirm the existence of a clear positive correlation between sustainable commercial success, financial performance, and a company's efforts in the field of sustainable development (Khan, Serafeim, & Yoon, 2016). In other words, ESG is beneficial for business. Most investors consider ESG as a sign of ethical corporate behavior that minimizes risk (Chastity, 2020). ESG can increase business profits by creating value, increasing innovation, improving relationships with customers and employees, and expanding growth opportunities (Im, Liu, & Song, 2022).

Whole articles. The purpose of the article is to investigate the essence, define the conceptual content, and justify the implementation of the concept of social responsibility into the system of strategic marketing management of a company as a necessary precondition for ensuring its competitiveness in the direction of sustainable development.

Results and Discussion. In recent years, there has been a growing public interest in assessing the corporate social responsibility of domestic companies, which can be attributed to the influence of globalization in the realm of business processes. The majority of domestic enterprises expanding their operations into international markets emphasize that the implementation of corporate social responsibility is a key aspect of strategic management. Moreover, high international standards for social responsibility of business entities indicate how successful and profitable corporate social responsibility can be in the long-term perspective.

At the global level, the basis for the development of the standard of socially responsible business was the recognition of the role of sustainable organizational development at the United Nations Conference on Environment and Development in Rio de Janeiro (1992) (*UN, 1992*). In 2015, in New York, as part of the agenda of the summit "Transforming Our World: The 2030 Agenda for Sustainable Development," the United Nations General Assembly approved 17 sustainable development goals aimed at combating poverty, protecting the planet, and improving the lives and prospects of everyone worldwide. It called on states, the public sector, and businesses to unite for their implementation (*UN, 2015*).

During the end of the 20th and the beginning of the 21st century, Friedman's doctrine, asserting that the costs of ethically responsible behavior outweigh its benefits, began to face criticism. Society increasingly pays attention to the ecological and social aspects of corporate activities. During this period, the idea of responsible investing gained popularity. This approach posits that in the process of investment analysis and decision-making, it is crucial to consider not only financial but also environmental, social, and governance aspects of companies' activities (*Kuzmak and Kuzmak, 2023*). This is expressed through the consideration of the so-called ESG factors: Environmental, Social, and Governance (*Kuzmak et al., 2021*). Such an approach contributes to the creation of an investment portfolio that takes into account not only profitability but also sustainability, social responsibility, and the ethics of entrepreneurial activities.

The UN Global Compact and international standards SA 8000 and ISO 26000 define key principles of social responsibility, placing them at the core of corporate activities. The UN Global Compact, initiated in 2000, is recognized as the world's largest initiative to promote corporate, social, and environmental responsibility within the business community. The Global Compact's Worldwide Network, bringing together signatories from 163 countries worldwide, comprises over 24,000 participants. This initiative encourages companies to implement principles of responsible conduct and monitor the social and environmental aspects of their activities. The Global Compact plays a crucial role in motivating companies to adopt responsible behavior and track their operations' social and environmental aspects. In Ukraine, the local network of the UN Global Compact began its activities in 2006 and counts 138 Ukrainian signatories (as of November 2023) (*UN Global Compact, 2023*). This indicates, while not necessarily active participation by Ukrainian companies, their involvement in global initiatives aimed at implementing social responsibility and promoting sustainable development.

At the beginning of 2005, Kofi Annan, the then Secretary-General of the United Nations, initiated the creation of a group of the world's largest institutional investors who joined forces to develop the Principles for Responsible Investment (PRI). This group, initially composed of 20 individuals and institutions from 12 countries, received support from a group of 70 experts in the field of investments, representatives of intergovernmental organizations,

and civil society. The Principles for Responsible Investment were developed with the support of the UN and were first implemented on the New York Stock Exchange in 2006. These principles quickly gained popularity, and investors from various countries joined them. The PRI is coordinated by an independent organization that facilitates the incorporation of these principles into the practice of investment management. From 2006 to 2023, the number of organizations that signed the PRI increased from 100 to 3826. The total assets under their management exceeded \$120 trillion, indicating a significant impact and widespread acceptance of responsible investment principles in the global market (*PRI, 2023*).

A significant factor contributing to the widespread adoption of responsible investment practices is the increasing demand from clients and other beneficiaries who express a growing desire for more information on how and where their finances are invested. There has been a rise in expectations for transparency in investment decisions, accompanied by growing public pressure. This is driven by the awareness that Environmental, Social, and Governance (ESG) factors impact the value, profitability, and reputation of companies. There is a heightened understanding that the environmental and social aspects of a company's operations have a substantial influence on its value and profitability. Consequently, there is increased attention to the social and environmental consequences of investing. Today, most major global banks have specialized divisions dedicated to responsible investment. Companies specializing in ESG investment consulting are also actively growing, driven by rising demand for these services from investors and businesses that prioritize sustainability and social responsibility in their financial strategies.

The Kantar Purpose 2020 study revealed a direct correlation between public perception and the impact of this perception on brand value growth. Companies that received high public ratings for their influence showed impressive brand value growth - 175% over 12 years. Meanwhile, enterprises with low positive impact demonstrated only a 70% increase (*Kantar, 2020*). This indicates that a positive reputation in the public eye and a company's interaction with society can have a significant impact on its financial success and competitiveness. The increasing emphasis on social responsibility and brand values suggests that consumers and investors increasingly value companies that actively prioritize social, environmental, and ethical aspects in their operations.

The results of the PwC Global Consumer Insights Pulse Survey 2021 indicate a significant impact of corporate values on consumers. According to this data, 53% of respondents have chosen to support companies "very often or often" that have strong corporate values and demonstrate a commitment to acting ethically (*PwC Global, 2021*). This indicates that consumers are becoming increasingly conscious and discerning, considering not only the quality of products or services but also the ethical and social aspects of companies' activities. Companies that actively communicate their corporate values and engage in responsible practices have the opportunity to gain and maintain consumer support and loyalty.

The following figures also illustrate the significant impact of corporate values on consumers both in the United States and the United Kingdom. Seventy-seven percent of American consumers are motivated to make a purchase, taking corporate values into account (*Feefo, 2021*). This indicates that a majority of consumers consider brand values to be an important factor in their purchasing decisions. In the United Kingdom, 74% of consumers also take corporate values into account before making a purchase (*Feefo, 2021*). This confirms a similar trend among British consumers who actively consider brand values in their purchasing decisions. Both figures demonstrate a growing consumer demand for social and environmental responsibility from companies. Additionally, 57% of consumers in the United Kingdom indicated that companies should be socially and environmentally responsible (*Feefo, 2021*),

highlighting the increasing awareness and demands for sustainability and social responsibility in business.

Consumers are not the only ones attracted to companies that operate socially responsibly; the strategy of sustainable development is becoming an increasingly important factor in the choice of employment for many workers. Modern employees express interest in working for companies that prioritize social responsibility and sustainable development. They often seek employment not only for financial gain but also to contribute to the improvement of society and the environment.

Modern society shows a tendency to prioritize culture, diversity, and social impact compared to the traditional approach based solely on financial benefits. In other words, a shift in values is occurring in the work environment today, especially among Millennials and Generation Z representatives. Deloitte research results indicate that approximately 44% of Millennials and 49% of Generation Z rely on their personal ethics when choosing the type of work and companies they join (*Deloitte, 2021*). Research from Porter Novelli also indicates that 70% of 1004 surveyed adult citizens in the United States, regarding the purposefulness of companies and social justice, believe that they would not work for a company without a strong purpose (*Porter Novelli, 2020*). The provided data indicates that, for a significant portion of the younger generation, having ethical values and personal ethics in the workplace is more important than ever. Additionally, a substantial majority of adult citizens in the United States consider the purpose of the company and social justice as crucial criteria when choosing a workplace. Personal ethics becomes a significant factor in making decisions about job and company selection. This reflects a general trend towards greater social engagement and a desire for purposeful professional activities in one's career. This points to a growing interest among citizens in seeking employment opportunities with companies that actively prioritize their mission and goals directed towards social responsibility. For companies, this serves as a signal of the importance of establishing a clear mission and actively implementing socially responsible practices to attract and retain talented employees.

As we can see, research by representatives of the scientific community and global corporations in various fields indicates that social responsibility for businesses can have numerous advantages that impact their activities and competitiveness, namely: improvement of financial indicators; enhancement of brand image and reputation; increased sales and consumer loyalty; reduction of staff turnover, increased employee dedication; alleviation of pressure from regulatory authorities.

So, research confirms a direct correlation between the implementation of effective corporate social responsibility policies by a company and the improvement of its financial indicators. One example is the company Unilever, which in 2010 defined its strategy, the “Sustainable Living Plan”, aimed at improving the social and environmental aspects of its activities. This strategy involved reducing the environmental impact of production, improving the living conditions of billions of people, and increasing sales volumes. As a result, in its report on progress over 10 years “Unilever Sustainable Living Plan 2010 to 2020: Summary of 10 years’ progress” (*Unilever, 2021*) the company points out a direct correlation and an increase in sales volumes of products with a high degree of ecological and social responsibility. According to Unilever's reports, there is an announced growth in the sales volumes of products with a high degree of ecological and social responsibility. Additionally, the strategy has led to an increase in the company's image and consumer loyalty. Consumers prefer the company's products due to its social responsibility.

Another example is Google and its parent company, Alphabet, which invest significant resources in social and environmental initiatives. As a result, the focus on innovation and social responsibility makes Alphabet attractive to investors. Their technologies and services not only

achieve financial success but also make a substantial contribution to the development of society and the environment (*Panmore Institute, 2023*).

Microsoft actively implements social responsibility initiatives, including programs such as “AI for Good” and “Tech for Social Impact”. These initiatives aim to use advanced technologies, such as artificial intelligence (AI) and other innovations, to address social issues and support projects aimed at improving the global community.

The “AI for Good” program focuses on using artificial intelligence to tackle global challenges such as climate change, access to healthcare, education, and other critical areas. This program serves as an example of how technology can be used to achieve social responsibility and address global challenges. “Tech for Social Impact” encompasses a wide range of projects that use technology to improve people's lives and address social issues. This may include creating innovative solutions for the most vulnerable populations, developing projects to address environmental issues, and supporting humanitarian initiatives.

These initiatives not only help Microsoft assert its reputation as an innovative and socially responsible company but also actively contribute to the development of society. They strengthen Microsoft's ability to attract highly skilled professionals and establish partnerships with organizations that share similar values, thereby contributing to the financial success of the company (*Microsoft, 2023*).

The company Salesforce (*Salesforce, 2020*) is known for high standards of social responsibility and actively implements programs aimed at creating a positive impact on society and reducing employee turnover. Taking a closer look, Salesforce has adopted the “1-1-1 model”, in which they contribute 1% of their product, 1% of employees' time, and 1% of funds to charity and social initiatives. This model facilitates the integration of socially responsible practices into all aspects of their operations.

The company actively supports the “Equality for All” initiative with the aim of building an inclusive and diverse working environment. This includes measures to increase diversity within the company and expand opportunities for all employees. The company encourages its employees to participate in volunteer programs and community initiatives through “Employee Volunteer Programs”. This helps strengthen internal corporate culture and a sense of belonging. These socially responsible initiatives contribute to building a positive company image, increasing employee commitment, and reducing turnover. As a result, Salesforce is recognized not only as a technological leader but also as an example of corporate responsibility on a global scale.

In Ukraine, there is growing attention to the social responsibility of businesses. Enterprises perceive it not only as a means of fulfilling social obligations but also as a strategic tool to enhance the loyalty of employees, clients, and local communities. Additionally, the acceptance of social responsibility as an opportunity to attract “green” financing is noted. It is important to emphasize that the implementation of sustainable business practices is a complex process that requires a comprehensive transformation of the business model and additional investments.

It is important to note that Ukraine is paying significant attention to the development of social responsibility in business, directing efforts at both national and global levels. In February 2010, the first meeting of the Advisory Council on the development of the National Concept of Corporate Social Responsibility in Ukraine was held. Ukraine is actively building institutional infrastructure in this direction through the establishment of centers and communities, facilitating the exchange of experience and supporting socially responsible initiatives. In particular, the Center for Corporate Social Responsibility Development and the Community of Socially Responsible Business have been established (*UN Global Compact, 2023*). In 2019, for the first time, large companies in Ukraine were obligated to prepare a management report for

the year 2018, reflecting their commitment to transparency and responsibility. Additionally, since March 2020, the new Corporate Governance Code recommends that Ukrainian companies disclose information regarding the development of ESG (Environmental, Social, and Governance) projects (*National Securities and Stock Market Commission, 2020*).

The presentation by the National Bank of Ukraine (NBU) of the sustainable development policy for the financial sector in November 2021 is another important step towards the country's sustainable development. The policy for the period until 2025 sets clear objectives for financial institutions in Ukraine aimed at integrating the principles of environmental, social, and governance responsibility (ESG) into their activities from the beginning of 2022. Key provisions include the disclosure of information regarding the sustainability of the activities of financial institutions and the reflection of their impact on the environment. Furthermore, during the selection of projects for financing, financial institutions will assess their impact on ecology, the sustainability of economic activities, and energy efficiency (*Kuzmak and Kuzmak, 2023a*).

Despite the increasing relevance of incorporating principles of social responsibility into the strategies of modern corporations, global and Ukrainian experiences indicate the existence of numerous obstacles and factors complicating their implementation and adherence. Among the issues of corporate social responsibility, it is important to highlight the limited promotion and practical implementation of these principles. On this path, difficulties arise, such as violations of international human rights and labor norms, non-compliance with socio-legal and labor standards, low wage levels, delayed salary payments, as well as limited investments in occupational safety, employee health, and professional development. These challenges underscore the need for systemic changes and improvements in corporate practices for the effective and real integration of social responsibility into modern business (*Stern, 2022*).

Among other challenges, it is important to note the lack of a sufficient number of interested and competent managers. Implementing a social responsibility policy in business requires active integration at the strategic management level in various departments such as marketing, production, and sales. It also requires an understanding of the strategy and readiness for its implementation at the operational level. In addition to this, there are other challenges such as low product quality, non-compliance with technical production requirements, environmental pollution, and unfair competition. It is also important to consider the lack of financial resources, inconsistency in criteria for evaluating corporate social responsibility, a low level of corporate culture, legal nihilism, and lobbying of interests. These problems require systemic solutions and collective efforts to achieve effective integration of social responsibility into business practices (*Kurland et al., 2022*).

Therefore, factors hindering the development of business social responsibility in Ukraine can be listed as follows: imperfections in the regulatory and legal framework; the absence of independent public expertise on social-cultural projects and programs; imperfections in tax legislation; existing legislative limitations on the scope and methods of providing potential assistance to those in need; the absence of a regional law on charitable activities; a large number of requests against the backdrop of limited charitable resources; the absence of a social responsibility business system; the absence of a system informing the public about social and charitable projects, investors in social programs; insufficient cultural level of organizational management; the unwillingness of some enterprise leaders to adhere to the principles of social responsibility and participate in shaping the positive image of the company.

Conclusions, discussions and recommendations. The research of both global and domestic experiences confirms that social responsibility not only enhances the image of a company but also becomes a key factor for long-term competitiveness. Unfortunately, most Ukrainian companies that understand the importance of social responsibility apply it

inconsistently and situational. The effectiveness of a business's social orientation increases when it is integrated into the enterprise management strategy.

In the formation of corporate strategy, it is crucial to consider social responsibility to enhance the competitiveness of Ukrainian companies. This involves incorporating social responsibility into the development of marketing strategy, basing corporate strategy on an understanding of societal needs, and improving relationships with stakeholders. Each stage of strategy formation should be aligned with the concept of socially responsible business.

Modern conditions demand an innovative approach to the development of enterprises, and social responsibility, acting as a system of relationships with stakeholders, becomes a key direction in this development. Integrating social responsibility into all aspects of company activity, including its philosophy and strategy, will help ensure not only a positive image but also sustainable competitiveness in the future.

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Formal analysis: Kuzmak Oleh

Acquisition of financing: Kuzmak Oleh

Investigation: Kuzmak Oleh

Methodology: Kuzmak Oleh

Project administration: Kuzmak Oleh

Resource: Kuzmak Oleh

Supervision: Kuzmak Oleh

Confirmation: Kuzmak Oleh

Visualization: Kuzmak Oleh

Written: Kuzmak Oleh

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