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DOI <https://doi.org/10.26661/2414-0287-2021-1-49-09>**METHODS AND INSTRUMENTS OF CORPORATE SOCIAL RESPONSIBILITY PROVIDING STRATEGIES****Urusova Z.P.***Zaporizhzhia National University*  
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ORCID 0000-0001-6776-9058**Key words:**

strategy, strategic management, corporate social responsibility, mission, goals, strategy formation methods, SWOT-analysis, SMART methodology, stratagems.

The main trend in recent times has been the impact of business on all aspects of society, which in turn, has increased the importance of corporate social responsibility. Business is directly related to the well-being of people, their material, social and intellectual needs, the reduction of inequality and the eradication of unemployment. The enterprises social responsibility is an objective stage in their further development, responding to the challenges of a world economy with a dynamically changing environment. The aim of the study is to support a strategic corporate social responsibility management approach that addresses the social needs of the external and internal environment of enterprises. The article proposes a scientific approach to the choice of methods and tools for strategic planning of enterprises social responsibility. The usage of generally accepted recommendations for the development of a company strategy to justify the stages of CSR strategy development has been proposed. Throughout the development of the Strategic Management Theory, the stages of strategy development have been formed, the usefulness of which is uncontroversial. The methodological basis of the study is a set of general scientific methods, such as theoretical synthesis, comparison, as well as a systematic approach to the development of coherent strategies for different levels of enterprise management, with an emphasis on CSR principles.

The strategy development methodology includes the phases of mission and goal identification, strategic analysis, development of strategic options, selection of strategies and evaluation of strategy implementation. The content of each phase should therefore be consistent with the other strategies of the strategic management process in developing the CSR strategy. Certain tools are proposed for each stage of the CSR strategy management.

**МЕТОДИ ТА ІНСТРУМЕНТИ СТРАТЕГІЇ ВПРОВАДЖЕННЯ КОРПОРАТИВНОЇ СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ****Урусова З.П.***Запорізький національний університет*  
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стратегія, стратегічне управління, корпоративна соціальна відповідальність, місія, цілі, методи формування стратегії, SWOT-аналіз, методика SMART, стратагеми.

Основною тенденцією останнього часу є вплив бізнесу на всі сторони життя суспільства, що обумовлює зростання високої значимості соціальної відповідальності підприємств. Бізнес має безпосереднє відношення до добробуту людей, до задоволення їх матеріальних, соціальних і інтелектуальних потреб, до скорочення нерівності і викориненню безробіття. Соціальна відповідальність підприємств – це об'єктивний етап в їх подальшому розвитку, відповідь на виклики глобальної економіки, зовнішнього середовища що динамічно змінюється. Метою дослідження є обґрунтування підходу до розробки стратегічного управління корпоративною соціальною відповідальністю, який орієнтується на задоволення соціальних вимог зовнішнього та внутрішнього середовищ підприємств. В роботі пропонується науковий підхід до вибору методів і інструментів стратегічного планування соціальної відповідальності підприємств. В проведеному дослідженні пропонуємо для обґрунтування етапів розробки стратегії КСВ використовувати загальноприйняті рекомендації для розробки стратегії на підприємстві. За період розвитку теорії стратегічного управління сформовані етапи розробки стратегії доцільність яких не

викликає протиріч або обговорення. Методологічною основою дослідження є сукупність загальнонаукових методів, таких, як теоретичне узагальнення, порівняння, а також системний підхід щодо формування взаємопов'язаних стратегій для різних рівнів управління підприємством з орієнтацією на принципи КСВ. Методика формування стратегії включає такі етапи, як визначення місії та цілей, стратегічний аналіз, розробка стратегічних альтернатив, вибір стратегії та оцінка реалізація стратегії. Тому розробляючи стратегію КСВ зміст кожного етапу слід узгоджувати з іншими стратегіями процесу стратегічного управління. Для кожного етапу управління стратегією КСВ запропоновано використовувати певні інструменти.

### Statement of the problem

Strategic planning research aims at the elaboration of well-funded strategies whose main purpose is to satisfy the interests of owners (shareholders). Accordingly, the choice of different strategic alternatives and the formation of product and marketing strategies have been extensively studied.

Social responsibility nowadays is seen only as the need to take into account the social and political factors influencing economic policy. In the process of the business social responsibility characterizing most scientists focused only on verbal description of its integration into the corporate governance system without detailing and modelling the process. Today, there is limited development in this area and weak strategic management. In view of the above, the relevance of the article is obvious and timely.

### Analysis of recent research and publications

At present, many authors point to the need to adapt the experience of social planning on the basis of new economic realities, stressing the need to expand the scope of social planning, to include social investment in social plans, aimed at solving social problems in the external environment. The development of a corporate social responsibility (CSR) strategy is covered in their research by foreign and domestic scientists T. Grybtsova [1, p. 90-97], O. Lazorenko [2], G. Mysko [3, p. 112-124], N. Shmygol [4, p. 212-216] and others. They see the development of an CSR strategy as key to the implementation of CSR in an enterprise's operations.

For example in research on strategic management, G. Mysko [3, p. 112-124] examines how "the process based on a set of management decisions and their processes concerns the detail of measures within the overall direction of enterprise development". This proves that «the choice and formation of a strategy requires careful study of the current results of the activity, research of short-term goals and the establishment of a long-term strategic direction».

Foreign scholars have also paid attention to the development of corporate social responsibility strategies. In 1954, P. Drucker in the book «Management Practices» proposed the concept of management by objectives (MBO).

Under this concept, an organization will be more effective if it has established a clear hierarchical system of objectives in which each successive level of objectives contributes to the achievement of higher-level goals and all individual objectives, Together, they should be coordinated with each other and ensure that the overall objectives of the organization are achieved. At the same time, the complexity of the control and self-monitoring system should

be within the limits necessary to achieve the objectives of the organization, control should not be an end in itself [5, p. 62–63].

In 1962 A. Chandler published the book «Strategy and Structure» [6], in which the foundations of strategic management were revealed. But the most comprehensive issues of strategic social responsibility planning are developed in I. Ansoff's work, which argues for the need for companies to formulate commercial socio-political strategies that take into account the interests of all constituencies [7, p. 449–461].

### Objectives of the article

The purpose of the study is to support a strategic corporate social responsibility management approach that addresses the social needs of the external and internal environment of enterprises.

### The main material of the research

In order to enhance the positive impact of social responsibility on the development of an enterprise, it is important to consider it as an object of management and thus to exercise managerial influence through management functions such as planning, organization and control. Strategic planning plays a leading role in a social responsibility management system aimed at harmonizing the interests of pressure groups in order to ensure the sustainable development of the enterprise.

To this end, the interests of the groups are analyzed, contradictions are agreed, mechanisms of interaction are developed, social investments are made according to the enterprise's internal capacities.

Other management functions (organization, motivation, control) aim at maintaining the highest possible and stable level of achievement of the organizational objectives of an enterprise as set out in the strategic planning process. They are generally presented in terms of objectives to individual units, which include them under their direction and control. Strategic planning for social responsibility includes the following:

- development of an economic strategy;
- development of a social strategy;
- development of a policy strategy.

The strategic planning of social responsibility ensures the link between economic and social policy. This relationship is based on the fact that economic processes always have a social dimension, without which their effectiveness cannot be achieved.

In turn, social phenomena always have an economic basis without which they cannot be realized. In order to ensure the competitive development of an enterprise's economic strategy, it is important to anticipate and take into

account the economic, social, legislative, moral and ethical requirements of society.

In the management of social responsibility, current problems include the analysis of social activities, the forecasting of social problems, the elaboration of a strategy of social responsibility, the definition of the relationship between social responsibility and economic activities, Economic policy of the enterprise, financing systems, incentives, supervision and control. These complex management challenges are central to strategic planning in social responsibility management.

The CSR concept helps to address the long-term relationship not only with the target segment but also with the rest of society. When a buyer buys a product/service, it values the company as a whole, which is the result of coordinated organizational, marketing, social initiatives. In marketing, the concept of building long-term relationships with consumers, counterparties (suppliers, intermediaries) and other stakeholders is based on a customer relationship management system.

Companies, implementing the principles of strategic management, have voluntary responsibility for the formation and development of long-term mutually beneficial relationships in the process of interaction of the organization with customers and society as a whole.

The theoretical and practical issues of reconciling the interests, goals and objectives of the socio-economic development of systems at different levels are of great importance. Leading scholars predict in the near future another gradual transition to an economy based on something other than the existing operating principles.

First of all, it involves the efficient use of resources and the construction of fundamentally different business models (co-ownership and consumption, etc.). As a result of these changes, profound changes and management practices are taking place. They will be transformed from traditional to innovative through new approaches and tools. Strategic management is one such tool.

The alignment with the stages of a comprehensive corporate (business) strategy with an CSR focus enhances the implementation of CSR principles in strategic management. Corporate and business strategies integrated with CSR objectives are becoming the basis for improving the operational efficiency of enterprise management systems.

Many definitions of strategic management (management) are used in the scientific literature. Thus, according to one approach, strategic management is one of the management activities aimed at achieving the long-term goals of the system (State, region, organization). According to other authors, strategic management is the process of analysing the situation, designing, adopting, implementing and monitoring the implementation of a strategic decision.

Alfred Chandler is considered one of the founders of strategic management. In 1960, for the first time, he introduced the concept of «strategy» as a definition of the main long-term goals and objectives of the enterprise (organization) and a statement on the course of action, allocation of resources necessary for the achievement of these goals.

In his work «Strategy and Structure: Chapters on the History of the American Industrial Enterprise» A. Chandler

formulated the key concepts and objectives of modern strategic management theory.

According to the proposed concept, the strategy should define the main long-term goals of the economic system and optimize the systematization of actions and resources to achieve them. It was A.Chandler who discovered the great differences between the strategy and the structure of the economic system, and between the processes of policy-making and implementation.

A.Chandler argued that it was the economic system’s strategy that determined its structure, not the other way around.

"If the strategy follows the structure, the result will always be ineffective," A.Chandler stressed in his work. In addition, he indicated the importance of professional management, calling it the «visible hand» of the market, which determines the structure of the whole state economy [6].

J. Wissema [8, p. 176] defines strategic management as management style (driven by consumers, future-oriented, competitive) and methods of communication, communication, decision-making and planning through which managers and line managers make and decide decisions in a timely manner, linked to related to business objectives.

Strategic management provides strategic direction to all employees and synchronization of plans of units responsible for the realization of company objectives. Thus, strategic management is the system of actions needed to achieve the goals set, often with limited resources [8]. The economic categories given in table 1 represent the essence of strategic management.

Table 1 – Economic categories that represent the essence of strategic management

Category	Definition
Strategy	A long-term plan of action under uncertainty.
Mission	An element of strategy reflecting the ability to meet existing market needs.
Internal environment	Human resources, means of production, information and money.
External environment	The set of conditions and factors in which the action takes place.
Strategical analysis	A strategic management tool that identifies and evaluates current activities in order to identify the most perspective directions for development.
Strategical planning	The process of maintaining strategic alignment between objectives, capacities, resources and the market situation.
Strategical decision	A collection of interrelated, focused and coherent management actions that support long-term goals.
Strategical vision	A tool of corporate culture in the form of a description of the future and perspective directions of development.
Strategic objectives elaboration	The process of building a framework of basic guidelines for long-term development.
Competitive advantage.	The combination of factors (assets, characteristics and characteristics) that create a favourable market position.

Scientists distinguish the following five strategic management phases:

1. strategic analysis;
2. definition of strategic objectives;
3. strategy development;
4. strategy implementation;
5. monitoring and evaluation of results.

The first phase is strategic analysis. This phase is a key analytical element of strategic management. It determines the strategic possibilities and prospects for the development of the system (State, region, organization, etc.). The main objective of strategic analysis is to assess the key factors in the external and internal environment, as well as their impact on future development.

The results of the strategic analysis address much of the uncertainty in the management decision-making process. This is made possible by converting the information on the state of the external and internal environment of the system into a database of indicators used for management decisions.

Second stage - setting objectives. Strategic objectives for the development of the system are currently being formulated. Strategic objectives are a framework of benchmarks for long-term development. In contrast to the strategic vision and strategic assets, as well as missions (which precede the formulation of strategic objectives), the strategic objectives have a number of specific characteristics. These figures are given in the method for determining a reasonable goal SMART proposed by P. Drucker in 1954 [5, P. 62-63].

According to this methodology, the strategic objectives should be:

- Specific;
- Measurable;
- Achievable;
- Realistic;
- Timed.

The outcome of the strategic objectives phase is the establishment of a system of long-term development criteria, as well as the formulation of policies in key areas of vision.

The third stage is the development of a strategy. This phase builds on the two previous ones and aims at selecting one of the strategic alternatives. The final form of the strategy is chosen from forecasting (second phase of strategic management) to strategic planning (third phase) based on strategic analysis (first phase).

The fourth step is the implementation of the strategy. This phase contains specific strategic objectives and the achievement of defined quantitative and qualitative strategic targets. The project approach ensures good results from the strategy. The characteristics and principles of which best meet the requirements of achievable strategic objectives. It should be noted, however, that in order to enhance the effectiveness of the implementation phase of the strategy, it is necessary to ensure:

- establishment of effective mechanisms for the implementation of the strategy envisaged by the organizationally (separately distributed structure) and resources (personnel, finance, materials, information, etc.);
- development of theoretical knowledge and practical skills for strategic and project management;

- establishment of an effective system of motivation for actors involved in the implementation of the strategy.

The fifth step is to monitor and evaluate the results of the strategy. At this stage, the following tasks are being carried out:

- establishing a benchmarking system;
- establishing criteria for assessing compliance with the strategic objectives of adopted standards and standards;
- taking into account the timeliness and completeness of objectives;
- monitoring the achievement of intermediate and final strategic objectives;
- determining the reasons for deviations from the strategy;
- performing corrective actions if necessary.

Existing theoretical and methodological support for strategic management at different stages uses such tools (table 2).

It could be seen that the main tools of strategic management are: SWOT analysis; Porter's Five-Step Model; SMART target-setting system; balanced scorecard system; financial and marketing planning system; Budgeting system; Key Performance Indicators Systems (KPI) [9].

Scientists divide all existing methods used in strategic management into:

- formal models;
- quantitative methods;
- qualitative methods;
- authorial methodological developments.

Theory and practice show that strategic management uses specific tools such as, for example, a method of crafting tricks. In addition, risk management tools such as failure method, acceptance method, etc. In turn, project management tools are actively used in strategic management (Gantt diagram, Ishikawa diagram, etc.) [9].

Thus, the modern theory of strategic management has a well-structured and well-developed toolbox. Existing methodological developments in strategic management can be used not only in the corporate sector but also in public and municipal management.

This is due to the universality of approaches and principles of strategic management of systems at different (macro, meso, micro) levels. Consequently, theoretical approaches and strategic management tools, with the necessary adaptations, can be used to implement a corporate social responsibility strategy.

## Conclusions

A priority for enterprises at this stage is the integration of the principles of social responsibility into the company's strategy for achieving systemic impact in the field of social activities.

The benefits of implementing corporate responsibility strategies for companies include increased staff satisfaction, lower staff turnover and higher brand costs.

Companies that do not join this game lose opportunities in business, lose competitive advantage and lag behind in management. Without CSR strategies, they do not, first, control and control the impact of their production on society and the environment, and, second, realize their full economic potential.

Table 2 – Characteristics of key strategic management tools

Tool	Short description
Stage 1. Strategic analysis	
SWOT-analysis	A method of analysis used to assess the impact of external and internal factors on the project. All factors fall into four categories: strengths, weaknesses, opportunities and threats. The method involves defining the project objective and identifying internal and external factors that contribute to or complicate the achievement of strategic objectives
Porter's model	Methodology of sectoral analysis and development of business development strategy. It includes an analysis of five forces: threat of substitution; threat of new players; market power of suppliers; market power of consumers; level of competition.
Stage 2. Setting objectives	
SMART- method	A method of formulating objectives that requires compliance with specific requirements. According to the SMART methodology, the objectives should be: specific; measurable; achievable; realistic; timed.
Guiding Policies	Methodology for the allocation of key perspectives and activities and the formulation of fundamental approaches and principles in the formulation of strategic projections and development scenarios.
Stage 3. Development of a strategy	
<i>Stratagems</i>	The methodology for drawing up a short initial plan in the form of an action algorithm based on a thorough study of the situation and a specific competitive environment. Stratagems are constructed for each of the possible development scenarios.
Road maps	Detailed planning methodology based on the accepted mission and strategy developed, describing the key stages of each activity
Stage 4. Implementation of the strategy	
Balanced score card	A system of accessible and reliable activity indicators that provides timely information on deviations from these planned values, as well as prevents or removes the reasons for such deviations by performing corrective actions.
Stage 5. Monitoring and evaluation the results of the strategy	
Key Performance Indicators Systems (KPI)	A tool of measurement the achievement of a goal. A system of quantitative and qualitative indicators reflecting the effectiveness and efficiency of each of the activities under each of their objectives

Source: Compiled by the author on the basis of [9]

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