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**SOCIAL COMPONENT OF INCREASING  
THE COMPETITIVENESS OF ENTERPRISES**

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**СОЦІАЛЬНА СКЛАДОВА ПІДВИЩЕННЯ  
КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВ**

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**СОЦИАЛЬНАЯ СОСТАВЛЯЮЩАЯ ПОВЫШЕНИЯ  
КОНКУРЕНТОСПОСОБНОСТИ ПРЕДПРИЯТИЙ**

The article examines the social component of improving the competitiveness of enterprises. It has been determined that social responsibility of a business is a social component, which is one of the competitive advantages of modern enterprises of the national economy. The concept of social responsibility is characterized and its role and importance in the development of enterprises are defined. It is determined that the socially responsible functions of the enterprise, the ways of developing its social infrastructure, the formation and improvement of social protection systems for workers, the introduction of norms of ethical behavior between subordinates, suppliers and consumers are the priority tasks of the national economy.

**Keywords:** social component; competitive advantage; corporate social responsibility; national economy; social policy.

Table: 1. References: 13.

У статті досліджено соціальну складову підвищення конкурентоспроможності підприємств. З'ясовано, що соціальною складовою є соціальна відповідальність бізнесу, яка виступає однією з конкурентних переваг сучасних підприємств національної економіки. Охарактеризовано поняття соціальної відповідальності та визначено її роль, значення в розвитку підприємств. Визначено, що соціально відповідальні функції підприємства, шляхи розвитку його соціальної інфраструктури, формування та удосконалення систем соціального захисту працівників, впровадження норм етичної поведінки між підлеглими, постачальниками та споживачами – це пріоритетні практичні завдання національної економіки.

**Ключові слова:** соціальна складова; конкурентна перевага; соціальна відповідальність бізнесу; національна економіка; соціальна політика.

Табл.: 1. Бібл.: 13.

В статье исследована социальная составляющая повышения конкурентоспособности предприятий. Выяснено, что социальной составляющей является социальная ответственность бизнеса, которая выступает одним из конкурентных преимуществ современных предприятий национальной экономики. Охарактеризованы понятия социальной ответственности и определены его роль, значение в развитии предприятий. Определено, что социально ответственные функции предприятия, пути развития его социальной инфраструктуры, формирования и совершенствования систем социальной защиты работников, внедрение норм этического поведения между подчиненными, поставщиками и потребителями – это приоритетные практические задачи национальной экономики.

**Ключевые слова:** социальная составляющая; конкурентное преимущество; социальная ответственность бизнеса; национальная экономика; социальная политика.

Табл.: 1. Библ.: 13.

JEL classification: D29

**Formulation of the problem.** The national business development, integration of Ukraine in world economic community, increasing of competitiveness put forward many tasks for enterprises. The consequences of financial crisis concerned the decreasing of incomes and life quality of citizens, dissemination of poverty in society, it becomes more difficult for country to finance and carry out the social policy in country, that causes the increasing of social component and especially social corporate responsibility of business. The development of this responsibility and state support is one of the most important tasks of national economy that is greatly impacted by social factors as competitive advantages in enterprise activity. Such a way, we can define the problem of social responsibility at enterprises as one of the most burning issues and research directions of national scientists in the conditions of social oriented economy.

**Analysis of recent research and publications.** The great contribution to researching the problem of such social component as social responsibility make such scientists: S. B. Banerjee, E. E. Cheltenham (2007) [8], Z. I. Halushko (2010) [4], O. V. Dudkin (2009) [12], I. F. Komarnytskiy (2010) [4], U. M. Petrushenko (2009) [12], L. F. Tovma (2012) [9] and others. The process of social responsibility on reprocessors is investigated by such scientists: I. U. Gryshova (2014, 2015) [2; 7; 11], T. S. Shabaturova (2015) [7], M. U. Shcherbata (2015) [11].

**Selection of previously unsettled parts of the general problem.** But concerning large number of researching we find the social responsibility as a social component of competitiveness is not fully researched.

**The purpose of the article.** The main aim of this article is to research the social responsibility as main social component of enterprises and that is one of the competitive advantages of modern enterprises in national economy.

**Presenting main material.** Such factors as social responsible functions at enterprise, ways to development the social infrastructure, creating and improving the systems of social protection of employees, introduction of ethic norms for employers, suppliers, consumers, promotion the positive emotional atmosphere begin to play great role for profits and social development of enterprises that is important task of national economy. Such transformation of social priorities needs implementing to social policy of processing enterprises the principles and methods of social responsibility that could be one of the directions of social development improving. We need to say, that in the conditions of Ukraine's adaptation to European development and economy of European standards, it is necessary for government to refuse old economic model and create new one that based on the modern requirements concerning the international experience of development foreign countries.

Considering the European integration processes in Ukraine and civilized transformation in society such issues as social and cultural sphere, human resources and humanization of economic relations need close attention. Advisor to the Director of the National Institute for Strategic Researches at the meeting of the WG «Cultural and social dimensions of European integration of Ukraine», said: Working Group «Ukraine – EU: towards social and cultural cooperation» in their research and recommendations rests with the decision by the European Commission in March 2010, an important document «Europe 2020 Strategy for smart, sustainable and overall growth» [1]. This strategy defines five development goals by 2020: employment; research and innovation; energy and climate change; education; the fight against poverty.

The strategy also defines the tools to achieve these goals – a new economic governance, supported by the internal market; budget; trade relations; foreign economic policy; regulation and support for economic and monetary union. Considering the European integration processes in Ukraine, it is necessary when developing their own strategies to take into account trends EU strategic documents adopted by the European Commission, while taking care of its own interests of Ukrainian society.

Therefore, to bring Ukraine closer to European policies, the working group has selected four key themes, including the top ranked «Social Responsibility as a precondition for overall sustainable development» [1]. Analyzing the above, it should be noted that social responsibility is the main component of improving social competitiveness of national enterprises, including processing. Therefore, it is necessary to examine in detail this concept to highlight the importance for use in the development of national economy.

Social Responsibility is treated differently by scientists and companies, although they have a common basis: a socially responsible organization concerned with how companies manage commercial activities to create a positive impact on society. The discrepancy between the definitions may apply to more ethical behavior, sustainable development, environment, philanthropic ideas [4].

Green Paper the European Union (2001) defines social business responsibility (hereafter – SBR) as «the integration of social and environmental aspects in the daily business of an enterprise and in their interaction with stakeholders on a freewill basis» [3].

International Forum of Business Leaders (BLF) understands SBR as promoting responsible business practice that gives benefits both business and society and helping to achieve social, economic and environmentally sustainable development to maximize the positive impact of business on society while minimizing its negative impact [4].

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Social Responsibility of agrarian sphere research national scientists, including I. U. Gryshova (2014) explores the mechanisms of action of social responsibility to the market value of the business and sustainable development of the national economy in modern conditions [7].

Most definitions emphasize the relationship between economic, environmental and social aspects which are the components of sustainable development of enterprises and influence the activities of processing enterprises. It is necessary to harmonize these components in the form of social responsibility, which shows itself in the social importance of food, social policy, economic profitability of businesses and environmental safety of production.

The economic component explains the qualitative changes that allow any entity to realize their potential, reasonably and optimum use their resources, providing revenue stability and peaceful operate within the environment. The social component emphasizes the importance of maintaining stability of the existing social systems and encourages everyone to consider the interests of society by taking responsibility for the impact of their activities on others and the environment in all aspects. Environmental – represents the possibility of self preservation of ecosystems [8]. The interaction of these aspects means a transition to a new stage of civilization, purpose and values of which are oriented to stability in all spheres of society, preserving the fundamental right to a viable and life supporting environment for future generations [9].

For support of UN among all enterprises in developed regions of Ukraine such as Kyiv, Kharkiv, Lviv, Donetsk, Odesa, Dnipropetrovsk it was organized questionnaire survey concerned the social responsibility and its implementing in management activity. The results of survey are in the Table.

Table 1

*Social responsibility directions*

<b>Social responsibility directions</b>	<b>Number of respondents, %</b>
Improving the working conditions	65,5
Study and development	63,2
Charity	56,0
Ethic relation with consumers	49,5
Participation in programmers of social development	32,3
Realization of ecologic programmers	29,8
Policy the rights of shareholders and (or) investors	20,8
Open communication of information about the company	18,7
Providing high quality products	10,0
Charity, philanthropy and patronage	5, 0

Source: [10].

For results of researchers of Walker Information it was found that the greater level of social responsibility the greater level of trust to the company and so the effectiveness increases, profits large and financial sustainability grows. Such facts confirm the great role of social responsibility as competitive advantage of enterprise.

Due to the recent state of the Ukrainian economic development, the national processing enterprises need creation of the model of social oriented management, which suits the values of the society, needs of working groups and the enterprises owners' economical orientations. The enlargement of the sphere of formation of socially oriented management makes necessary the solution of additional problems – training new social managers, who gain the theoretical knowledge of the social technologies as well as special culture and scientific vision of the social economic realities. Thus, the main socially-ethical priorities for social manager ought to be: confidence in usefulness of his work for himself or society; the will to honest work with partners and competitors; belief in pure business; desire to innovations; striving to honest business.

The basis of the socially-oriented management are social technologies, the formation of effective human resources politics, adoption, making management decisions of social nature. Only using the rules of the social responsibility and business ethics one can build correct human relationships and coordination in the society, which is so necessary in achievement of economical growth and effective activity of processing enterprises.

The role of social responsibility in the activities of domestic processing enterprises significant, as aimed at maintaining high standards of economy, social standards and quality of personnel, minimize harmful effects on the environment; establishment of partnership relations between business, society and the state; improving business activity for the long term [11, p. 17-28].

Participation in the development of social infrastructure as a tool for improving competitiveness of processing enterprises is an important factor to ensure favorable conditions for economic activity; investing resources in the development of the domestic habitat (staff, environment, cooperation) brings certain benefits, particularly in the form of improved reputation. Foreign experience shows that the world's corporations consider their reputation as the most profitable and liquid asset, promoting to attract investment flows, to create the economic potential and increase the market value of the business.

Among the most frequently used actions while implementing social responsibility programs for image of national processing enterprises can be called such: improving the efficiency of production activities by finding ways to reduce air pollution and adapt production to environmental, technological, sanitary norms and standards; increasing the motivation methods by tangible and intangible incentives, leading to increased productivity, because the emphasis should be on workers who are citizens, consumers, parents and residents of a particular locality that is socially useful function for the enterprise; improving the social and psychological climate of the collective by the psychological factors of motivation and caring for workers, thereby increasing productivity; training and retraining of workers by the company, opportunity for career growth that promotes awareness of the importance of staff in the development and stabilization of the company; improve the reputation of the enterprise reduces the risk of possible loss of markets, increases the probability of access to foreign markets through improved image of companies; large the opportunities to attract investors, including foreign, by ethic investment, due to ethic reasons attracting and ethic business strategy.

There are contradictory signs of socialization of business taking place in Ukraine and hinder the development of SBR:

- 1) the tendency of gradual concentration of ownership;
- 2) even after the privatization much of the property was in the possession of employees of enterprises, real mechanisms of labor collective in the enterprise management have not been made;
- 3) there is a combination of functions of top management and owners that become possible after the transfer of shares that were distributed among employees, to managers;
- 4) among all the stakeholders the entrepreneurs those whose are ready to coordinate with the representatives of the interests of government institutions [12, 25-31]. That is why, for approval as a competitive advantage and the development of socially responsible business leaders should clearly know its structure and use of different kinds of instruments at all levels for consumer, subordinates, society and the country, shareholders or companions [13].

**Conclusions.** Such a way, taking into account the steps above, social responsibility is a significant competitive advantage and social component of processing enterprises in the national economy. Therefore, we must analyze what the companies of other industries do in this direction, including competitors, and what they do not. SBR for processing enterprises is an important prerequisite for the operation and development in the long term and social component of competitiveness. Managers should understand its importance and consider as one of the tools of modern management. The main directions of social policy and SBR at processing enterprises

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should be not only social support of the population, but also actions for improving human development, improving the quality of human capital as the basis for economic growth. In addition of their own actions, companies should be considered state action. We must understand that the level of SBR is one of the main factors of well-being and quality of life of the society which we consider as a perspective field of researching for future studies.

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