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Smerichevskiy Serhii

*Doctor of Economic Sciences, Professor,
Head of the Marketing Department*

Kniazieva Tetiana

*Doctor of Economic Sciences, Associate
Professor, Professor of the Marketing
Department*

Ramenska Svitlana

*Candidate of Economic Sciences,
Associate Professor, Associate Professor
of the Marketing Department
National Aviation University
(Kyiv, Ukraine)*

**METHODS OF
MANAGEMENT BY
ENTERPRISE
CORPORATE
SOCIAL
RESPONSIBILITY
DEVELOPMENT:
ECOLOGICAL
COMPONENT**

Statement of problems. In recent years, in post-Soviet countries, including Ukraine, the focus of entrepreneurship on the theme of corporate social responsibility (CSR) has intensified. Such questions as the role,

objectives and tasks of entrepreneurial structures in the field of social responsibility, its importance for the socio-economic development of the country are widely discussed by the state, business and society. This interest is due to a number of reasons. Firstly, growing globalization increasingly stimulates domestic companies to bring their social activity to correspondence with international standards. Secondly, entrepreneurs are paying more attention to the strategic planning of their long run activities. Thirdly, the influence of local communities and nonprofit organizations that encourage businesses to comply with ethical norms of business activity is increasing.

Application of corporate social responsibility principles is rapidly developing in Ukrainian business practice. Most companies publish social reports that describe their social activity, namely: participation in charity, support for sports and environmental events, sponsorship of socially significant projects.

The ambiguity of the concept of «corporate social responsibility (CSR)» and the frequent neglect when considering the CSR of environmental component is one of the reasons for the irresponsible attitude of the business to compliance with environmental legislation and prevention of environmental pollution, which leads to irrational use of natural resources, including energy resources. Companies mainly form ecological culture through environmental «subbotniks», educational programs, leaving without attention the possibility of reducing the consumption of natural resources and reducing environmental pollution as a result of the activity. Energy efficiency issues are often dealt with CSR separately, and company's energy policy is not related to its social activity. The urgency of the research topic is determined by the lack of practical and methodological recommendations for the development of processes of formation and strengthening of environmental responsibility in Ukrainian companies, improvement of approaches to the development of corporate social responsibility, its ecological component. It will improve the efficiency of business structures management, increase their competitiveness, and contribute to improvement of the relationship of entrepreneurs with the state and society.

Analysis of recent research and publications. Work of such foreign and domestic scientists as A. Antonyuk, G. Bagiev, Philip Kotler, Jean-Jacques Lamben, T. Levitte, A. Mazaraki, T. Obolenskaya, B. Bratanich, A. Vičević, S. Ilyashenko, L. Melnyk and others are devoted to the theoretical and methodological issues of corporate social responsibility development. The need to manage the corporate social and environmental responsibility development, theoretical and practical significance of the of corporate social and environmental responsibility processes forecasting for

business entities, the lack of knowledge of the companies' stakeholders influence on strategic planning determined the choice of research topic.

The research objective. Development of methodological recommendations for the management of social and environmentally responsible entrepreneurship development.

The statement of basic materials. The corporate social and environmental responsibility means the company voluntary commitment to implement social and environmentally relevant programs that are related to the business development strategy, which does not contradict the principles of effective corporate governance. This definition reflects three criteria that corporate social and environmental responsibility must meet, namely: its voluntary nature, additional obligations to the society and environment, combined with traditional business orientation. The above mentioned CSR definition with an emphasis on the environmental component allows attention to be drawn to the integration of all aspects of the company's activities aimed at improving and developing the social, economic and environmental spheres, with getting a synergistic effect.

In recent years, understanding CSR has become more profound and includes the development of relationships with stakeholders. In this regard, the CSR covers the following areas (*Rymar, 2010; Stainer, 2006*):

- protection of employees' interests;
- unity of economic freedom and responsibility;
- improvement of relations with consumers;
- participation in solving socially important tasks at the local, regional and national levels;
- environmental protection.

Entrepreneurship environmental liability is actively developing if it contributes to the profits increase. Entrepreneurs consider the protection of the environment as an additional activity in relation to their strategic objectives, such as profit, income, market share, competitiveness, job creation, labor productivity and staff motivation. Thus, environmental protection is easily integrated into the decision-making process at the level of enterprise, if it relates to economic feasibility. Investing in environmental projects costs reducing can be achieved by reducing the amount of waste and other types of environmental pollution, as well as minimizing resources and energy consumption.

Environmental problems are solved quickly and efficiently when lenders, investors, buyers become the allies of environmentalists, when financial interests are combined with the corporation environmental goals. In this regard, the application of financial instruments for the business social and environmental responsibility development represents the undoubtedly

practical interest. The absence of serious and permanent financial and economic incentives for environmental production leads to a huge gap in the enterprises competition. Those companies that are open to the public or work in the foreign markets, that are subjects of foreign economic activity have effective corporate environmental programs. Otherwise, the companies are not able to enter the world stock exchanges with their shares. As a rule, they do not occupy leading positions in the domestic market, since they compete with companies that do not invest in environmental safety.

The ecological efficiency of production should be transferred into the factor of business structures capitalization for the successful implementation of environmental policy and environmental protection. A business that meets environmental requirements and is transparent should be more expensive than a business that is less environmentally oriented and more closed.

The development of the environmental responsibility system led to the creation in 1997 of the Global Reporting Initiative (GRI). The basic GRI principle is the principle of «triune», which means the unity of three sides of the company: economic, social and environmental. GRI reporting has a voluntary nature, that is, the company has the right to decide on its own, whether to participate and to what extent in this process.

In addition, the peculiarity of the new European environmental legislation in the field of environmental policy is the need to divide the environmental responsibility among economic entities, to terminate the transfer of environmental problems from one part of the product chain to other. One of the basic principles of the so-called Integrated Product Policy of the EU is to involve a wide range of stakeholders, including suppliers of raw materials, product designers, marketers, manufacturers, wholesale and retail companies, customers, consumers and other to manage environmental product safety throughout all life cycle chain.

It is possible to identify the following modern trends in the practice of corporate social and environmental responsibility (*Antoniuk, Shmygol, 2011; Kuziak, 2012*):

- the consideration and inclusion of environmental and social indicators to company's business plans as a criteria for management efficiency;
- strategies for the companies' development are developed taking into account the views of a wide range of stakeholders;
- financial and non-financial indicators are disclosed in the companies' corporate reporting;
- eco-ratings are used to improve the business competitiveness and sustainability.

Factors that influence the development of CSR in Ukraine can be divided into groups as presented in Figure 1.4.

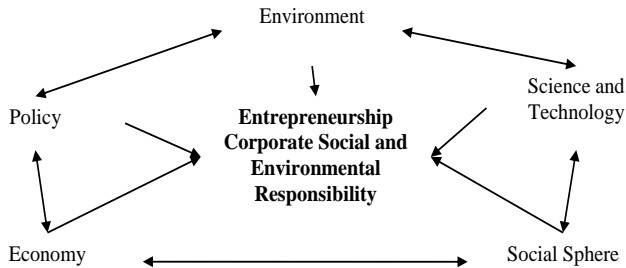


Figure 1.4 Factors that influence the development of CSR in Ukraine

Source: compiled by authors (Kima, Songb, Lee, 2016; Kuziak, 2012; Mahmoud, Blankson, Hinson, 2017)

Block of factors «Politics». Features of the political situation in the country affect the business socio-environmental responsibility development. The low level of population income and sharp social problems impede the resolution of environmental issues to the background. As a result, the lack of state policy emphasis to promote environmental initiatives in companies. Insufficient promotion of environmental innovations through market tools force companies to apply traditional management, which tend to focus not on the prevention of pollution, but on their localization and elimination. Disregard to environmental issues limits the ability of companies to enter the international market and work on favorable terms.

The lack of infrastructure and experience to solve social and environmental problems, low level of decision makers' competence lead to decrease of targeted programs efficiency and inhibit the legislative process.

Block of factors «Economics». The unstable economic situation forces companies to optimize their costs to ensure profitability, that inevitably reduces opportunities to develop social and environmental activities. The social package, for example, the provision of voluntary health insurance, food subsidies, the list of environmental measures, including the refusal of non-financial reporting, are decreasing. Many small and medium-sized enterprises are guided by the principles of «survival». Their main task is to stay in the market, to ensure company's

profitability. The policy of social responsibility development and public participation, mainly, is carried out by large national companies and divisions of international corporations.

Usually the managers of small and medium-sized businesses do not pay enough attention to issues of social and environmental responsibility. Small business carries out the direct financing of environmental protection measures in rare cases. The most common tools for natural resources using are tax breaks, environmental insurance, leasing of environmentally safe industrial goods, energy service contracts.

The low investment attractiveness of enterprises has led investors to no finance of social and environmental projects. To date, the enterprises themselves are the driven force of environmental innovations. The lack of strategic long-term planning, the low level of stock market development, the lack of business transparency reduces opportunities to attract investment in the implementation of social and environmental projects. Foreign financial institutions mainly support the development of foreign business.

Block of factors «Society (social sphere)». Problems of business corporate social and environmental responsibility development are connected with the peculiarities of the population mentality and the traditions of corporate governance. These features can be attributed, first of all, to high social expectations with a low social activity of society.

Social problems are solved either by the state or company management, the staff is not ready to take responsibility for solving social and environmental issues. In addition, there are certain traditions of labor relations, for example, the employee loyalty to the organization due to providing social guarantees (services of medical institutions, trips to the sanatorium and children's health camps, etc.) at a low level of wages. The effectiveness of employee performance is not measured by its effectiveness, but by loyalty to management.

There is a lack of «green PR» in the media and, at times, negative attitude of the press to the environment-friendly activity of environmentally-oriented companies.

Block of factors «Technology and science». At the moment, it is necessary to develop unified scientific principles of management of the business social and environmental responsibility development. The absence of criteria for assessing companies socio-environmental behavior complicates the definition of the vector and trajectories of business development in this area. The weakness of managerial relations

impedes the transfer of technology from science to business. The unnecessary of research for the business constrains the development of technologies.

Block of factors «Environment». Climatic and geographical features of the country, the presence of mono cities determine the dependence of the inhabitants on one enterprise, which solves their social problems. Despite the widespread application of the CSR principles in the world, in our country a question about the expediency of investing and efforts in social and environmental activity often arises. At times, it seems that it is easier and more efficient to invest resources in advertising, to support the image of the company through the establishment of management relations with local state authorities and local administration, and to express social responsibility by one-time charity actions.

However, the facts point the opposite, compliance with the rules of corporate behavior is becoming a global trend. International companies have developed the best world standards that meet the requirements of all stakeholders, including in the field of social and environmental responsibility. These factors are now global and universal, and their importance, and, consequently, the requirements to companies will grow. Obviously, domestic companies have to adapt to these realities in order to become or remain prominent participants in the world's capital markets, to maintain sustainable development.

Expansion of social and environmental responsibility of the business is a global trend. Companies perceive corporate social and environmental responsibility (CSER) as a tool for reducing non-financial risks, enhancing competitiveness, developing relationships with government and society. Meanwhile, in the post-Soviet countries, CSER is rapidly developed in large corporations, in particular in fuel and energy companies. The peculiarity of the domestic version of the CSER is the significant emphasis on the administrative approach, the development of social responsibility as a response to the mandatory requirement of the state.

The reasons for ineffective implementation of corporate social and environmental responsibility by domestic enterprises lay in the sphere of low level strategic planning and management. At the same time, taking into account the current geopolitical situation, conditions become increasingly rigid, the level of competition in international trade steadily increase. The rapidly growing number of transnational corporations complicates conditions for small and medium-sized businesses

development. The world economy dictates new rules for the game, when business must take on not only economic but also social functions, and social and environmental responsibility should become the norm of business conducting, one of the criteria in the business decision-making process.

From the point of view of foreign and domestic researchers in the field of strategic management, an effective innovation breakthrough in the field of creation and development of CSER requires the transition to a qualitatively new level of management, which includes a scientifically based synthesis based on strategic goals and tasks forecasting, planning and implementation.

One of the most popular strategic planning tools among large corporations is the scenario approach. An important feature of the scenario approach is its flexibility, ability to apply different tools at the stages of the scenario study. The popularity of the scenario approach largely depends on the fact that in the middle of the twentieth century events that could not have been predicted based on an analysis of past trends had a huge impact on the future in a global scale. One such event was the oil crisis of 1973. The successful outcome of the Royal Dutch Shell Corporation from this crisis has happened thanks to the application of the scenario approach and an incentive for its widespread use.

Since the spread of the scenario approach and getting popularity in a wide variety of fields until the early 1970's, academic schools of scenario approach have developed in the United States, France, as well as in the Netherlands and Sweden. For Sweden and the Netherlands qualitative approaches are typical for scenario studies, where a significant role is played by working with experts, seminars, conferences, brainstorming, and other methods for public discussions forming. The French school «La prospective» is characterized by combination of qualitative and quantitative approaches. There are also known attempts to build scenarios based solely on precise models and quantitative approaches, but they require strong simplifications and usually do not allow to consider many qualitative factors that characterize social systems.

The main types of scenario approach include forecasting, scenario forecasting, reverse forecasting and reverse forecasting with the participation of stakeholders (Figure 1.5).

Distinctive feature of the first type of forecasting scenario approach is identifying the trends, dynamics of the object of research development based on the analysis of its current state and in the past. The result of

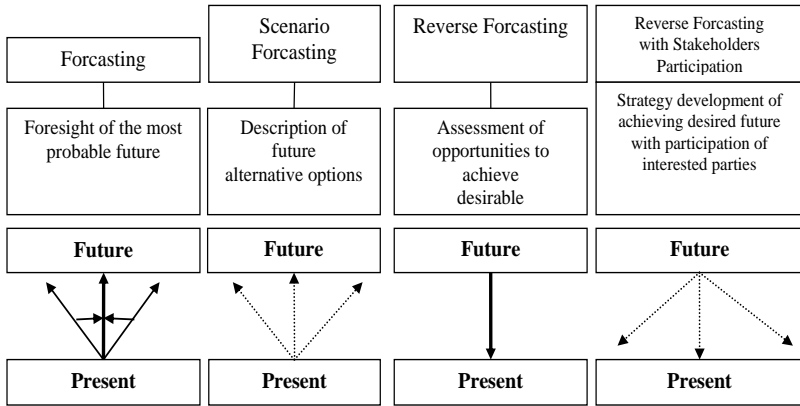


Figure 1.5 Typology of scenario approach

Source: improved by authors (Kima, Songb, Lee, 2016; Kuziak, 2012; Mahmoud, Blankson, Hinson, 2017; Kuziak, 2012)

forecasting is creation of the most likely picture of the future. However, this method can be used in conditions of relatively stable external environment.

Scenario Forecasting is a technology for creating strategies. It envisages the development of several scenarios for the future, each of which is implemented under certain conditions. The specificity of scenario forecasting is that this method allows you to analyze the actions being taken now, taking into account future trends. Creation of several scenarios should be result of the method application. Based on these scenarios experts make recommendations for strategy formation. The process of developing scenarios is quite long, time-consuming and resource-intensive.

The next type of scenario approach is the reverse forecasting method. In this approach, the scenarios are built in reverse order. Before the consideration there is a certain vision of the future, and in the process of the study a chain of events connected with time is built up. The realization of events will lead to a vision of the future set at the beginning of the study. The main question of this technique is: «What can we do today to achieve the desired result?» This technique is often seen as the opposite to forecasting.

Reverse forecasting with stakeholder participation (participatory backcasting) differs from the previous type by the fact that, in addition to expert opinions the views of a wide range of interested persons are

taken into account while the image of the future and the strategy for its achievement has been formulating.

All of the above scenario approach types are interconnected, and each method can be applied depending on the period of forecasting. The method of reverse forecasting is most suitable for a long-term strategy development. For medium-term planning scenario forecasting is used. Direct forecasting allows you to define a plan of measures for the near future. The short-term planning uses the «Next Steps» technique, where the next specific action is planned, taking into account the assessment of all possible risks and consequences.

Summarizing the results of research by using the method of reverse forecasting with the stakeholders participation it is possible to present this method as a general procedure consisting of six steps (Figure 1.6).

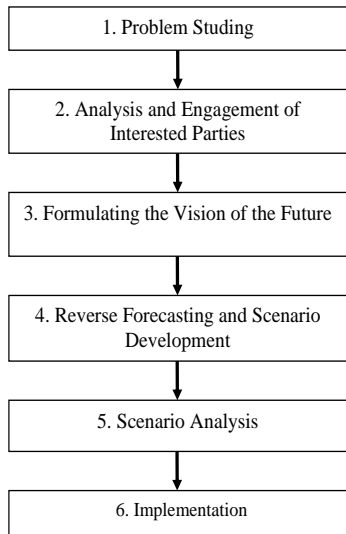


Figure 1.6 Procedure for implementation of the reverse forecasting method with the participation of interested parties

Source: compiled by authors (Blankson, Hinson, 2017; Prakash, 2002; Stainer, 2006

It should be noted that, although the general procedure is depicted as stepwise and linear, it is not definitely so. Iterative cycles are possible in those cases when there is a mutual influence between one by one two steps.

In addition, the process of reverse forecasting is dynamic because some stakeholders can exit the process and new ones can join it. The method of reverse forecasting is problem-oriented, multidisciplinary, and involvement of stakeholders makes this method transdisciplinary. Stakeholder involvement is important not only from the point of view of taking into account their specific knowledge, but also from the point of view of their approval of the reverse forecasting results and action plan for further implementation.

Thus, the use of the reverse forecasting method with the participation of interested parties most fully meets the requirements to predicting the complex economic systems in the entrepreneurship environment and the future uncertainty. This method is the most effective for managing corporate social and environmental responsibility development. The method of reverse forecasting allows you to analyze the current state of socio-environmental responsibility of domestic business structures, to identify the strengths and weaknesses, as well as to determine the trajectories of the movement to the set goal.

Conclusions. As noted earlier in 2012 at the United Nations Conference on Sustainable Development of «Rio + 20», the transition to a new economic development of the green or low carbon world economy should not only help to prevent the exhaustion of non-renewable natural resources, but also to ensure reduction of environmental pollution risks, increase welfare and guarantee ecological safety and social justice for the population of the planet. The need to stimulate resources efficient development of the domestic economy determines the relationship between energy efficiency and environmental responsibility within the framework of corporate social responsibility of each business entity.

The relationship between the development of corporate social and environmental responsibility and the voluntary agreement of the company to follow the principles of sustainable development and prevention of pollution, to develop and implement environmentally sound technologies, including energy efficiency, are established. The work concludes that corporate responsibility links the protection of the environment with the need to save energy resources. A systemic approach to management, a change in the thinking of top management and company staff will allow us to formulate the right strategy and energy efficiency programs to achieve set goals and tasks.

The method of reverse forecasting with the participation of stakeholders is used as a tool for managing the corporate social and

environmental responsibility development, in particular energy efficiency, as an environmental component of corporate social and environmental responsibility.

The methodical recommendations for management of corporate social and environmental responsibility development of entrepreneurship in the form of a procedure that includes the following steps: problem study, stakeholder analysis and involvement, formulation of the vision of the future, reverse forecasting and scenario development, scenario analysis, implementation, periodical programs review are developed.

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Tarasenko Iryna

Doctor of Economic Sciences, Professor

Verhun Antonina

PhD in Economics, Associate Professor

Nefedova Tatyana

PhD in Economics, Associate Professor

Borolis Inna

Senior Teacher

Kyiv National University of

Technologies and Design, (Kyiv,

Ukraine)

**METHODOLOGICAL
APPROACH TO THE
FORMATION OF
THE MONITORING
SYSTEM FOR THE
COMPETITIVENESS
OF INSTITUTIONS
OF HIGHER
EDUCATION**

Establishment and development of the educational sphere in Ukraine requires from educational institutions the formation of a market-oriented management strategy of institutions of higher education (IHEs) at a specific market of educational services aimed at creating and increasing their competitive advantage. According to the results of the research, the conclusion has been made about the fact that the level of the IHE competitiveness greatly depends on the level of strategic management and technology. The main goals of the strategic management in the context of ensuring competitiveness are to be the following: to expand the number of training programs and specialties in the field of pre-university and university education; to improve the quality of specialist training in accordance with the modern requirements; to increase scientific and academic potential; to implement new educational technology and teaching methods; to conduct scientific research and developments at a high level; to optimize the IHE structure; to improve material and technical resources of the educational institution according to the current standards.