

Tetiana NETETSKA

Associate Professor of the Cross-Cultural Communication, and Foreign Languages
Department, National technical University «Kharkiv Polytechnic Institute»

ORCID ID: 0000-0001-5298-0563

E-mail: tannett29@gmail.com

Nataliia MECHENKOVA

Teacher of the of the Cross-Cultural Communication and Foreign Languages Department,
National technical University «Kharkiv Polytechnic Institute»

ORCID ID: 0000-0002-6893-8754

E-mail: nataforbusiness@gmail.com

**THE ASPECTS OF PUBLIC RELATIONS IN THE STRUCTURE OF CORPORATE SOCIAL
RESPONSIBILITY**

Netetska, T. The aspects of public relations in the structure of corporate social responsibility [text] / Tetiana Netetska, Nataliia Mechenkova // Ukrainian Journal of Applied Economics. – 2020. – Volume 5. – № 2. – P. 181 – 187. – ISSN 2415-8453.

Abstract

The article considers aspects of Public Relations in the structure of corporate social responsibility. Now in the world practice it is an integral part of the world business. It is shown that according to many experts, they are closely related and in large companies most workflows focus on PR with CSR.

All the participants of business process have been involved in solving of this problem. And the nowadays concept of corporate social responsibility is the contemporary answer to it. The main communication between a company and the society is carried out through PR, so these employees are engaged in the process more than others. Thus, public relations became one of the main instruments in CSR interaction.

Thanks to the creative field of PR, most of the classic tools, activities can be implemented in countless options in practice. The concept of corporate social responsibility is revealed, which includes: work with partners, social aspects of interaction with suppliers and customers, ensuring the safety of staff, environmental responsibility, policy and use of natural resources, interaction with authorities, government agencies and public organizations to address general social problems.

The article focuses on the fact that the organization, as a cyclically developing system, cannot completely avoid crises throughout its existence. That is why it is so important to timely predict and forecast the crisis, to correctly determine its causes and possible mechanisms for resolving or mitigating the crisis itself. The aim of the work was to show that the role of corporate social responsibility in different crises is varied. Corporate social responsibility is one of the few ways out of the crisis. The concept of corporate social responsibility radically changes the role of corporations in the economy. Business is seen not only as a major catalyst for economic growth, but also as an institution that is actively involved in maintaining social stability in society.

Keywords: public relations (PR), corporate social responsibility (CSR), crisis.

Тетяна НЕТЕЦЬКА

доцент кафедри міжкультурної комунікації та іноземної мови Національного технічного університету «Харківський політехнічний інститут»,

Наталія МЕЧЕНКОВА

викладач кафедри міжкультурної комунікації та іноземної мови Національного технічного університету «Харківський політехнічний інститут»

АСПЕКТИ ПАБЛІК РИЛЕЙШЕНЗ У СТРУКТУРІ КОРПОРАТИВНОЇ СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ

Анотація

У статті розглядаються аспекти паблік рилейшенз у структурі корпоративної соціальної відповідальності. Зараз у світовій практиці це є невід'ємною частиною світового бізнесу. Доведено, що на думку багатьох фахівців, вони тісно пов'язані і в великих компаніях більшість робочих процесів зосереджуються на ПР з КСВ. Завдяки творчій сфері піар більшість видів активності можуть бути реалізовані у чисельних варіантах на практиці. Розкриті поняття корпоративної соціальної відповідальності, яке включає в себе: роботу з партнерами, соціальні аспекти взаємодії з постачальниками і покупцями, безпеку персоналу на робочому місці, екологічну відповідальність, політику і використання природних ресурсів, взаємодію з органами влади, державними структурами і громадськими організаціями для рішення загальних соціальних проблем. У статті приділено увагу тому, що організація як система, що циклічно розвивається, не може повністю уникнути криз протягом усього свого існування. Тому так важливо своєчасно передбачити й прогнозувати кризу, правильно визначити її причини та можливі механізми вирішення або пом'якшення самої кризи. Метою роботи було показати, що роль корпоративної соціальної відповідальності в умовах різних криз не є однаковою. Корпоративна соціальна відповідальність – це один з небагатьох шляхів виходу з кризи. Концепція соціальної відповідальності бізнесу докорінно змінює роль корпорацій в економіці. Бізнес розглядається не тільки як основний каталізатор економічного зростання, але також в якості інституту, який бере активну участь у підтримці соціальної стабільності в суспільстві.

Ключові слова: паблік рилейшенз (ПР), корпоративна соціальна відповідальність (КСВ), криза.

JEL classification: M14

Introduction

There are many new things in the world. Many definitions, rules, and evaluations change under the pressure of 21st century trends. We cannot fail to notice this, because globalization as one of the main topics affects everyone. We are not limited by area, information, work or point of view to notice this fact. If an ordinary person understands this, then businessmen feel the influence better in various areas where they work and interact to solve problems.

The modern society is interested in many questions such as news, ecology, politics, business models, social norms of behavior and etc. You can't "close the company doors" now because of clear politics in all the points [1, p. 24]. To survive you should be more social, it gives you some commercial attractiveness, ability to get more profits from the authorities and less taxes. So, companies follow trends to build business in new conditions [2].

All the participants of business process have been involved in solving of this problem. And the nowadays concept of corporate social responsibility is the contemporary answer to it. The main communication between a company and the society is carried out through PR (a professional or group of people), so these employees are engaged in the process more than

others. Thus, public relations became one of the main instruments in CSR interaction. "Business to-day is taking the public into partnership" [3, p. 10].

This tendency is up-to-day in the USA and European countries. Ukrainian business is looking at the concept and begins to follow it. We can see now just the first steps. This topic is not studied enough for the country [4]. The Ukrainian experience is quite young but well enough to be more progressive and get investments. The wish to become a European country and to get more respect and trust helps the national business to improve this tendency. Such opinions are known from the companies' histories, studied and discussed in PR and business literature, in cross-cultural interaction.

To begin with, you should define the basic terms that gradually take root or adapt to the Ukrainian market.

In essence, CSR is a multifaceted concept, is considered in a number of theories and applies many approaches. For example, in an article by Elisabet Garriga & Doménec Melè [5] there are 4 main groups that relate to certain areas of activity: CSR – a means of achieving economic results, theories related to corporate power and responsible use of it in politics, integration theory, where big business is involved in satisfying social needs and ethical theories based on the responsibilities of companies to society. In practice, the theory of CSR contains four aspects related to profit, political effectiveness, social requirements and ethical values.

Throughout the development of business in Western countries, the very concept of CSR has changed. Introduced as a term in the 1970s, each decade transformed it and interpreted it as market conditions demanded.

Highlighting the main points that are often encountered in different approaches, it can be determined that if social responsibility requires the observance of the rules, principles of requirements and principles of society, then corporate social responsibility, which primarily concerns large organizations, is the realization of the interests of the company through social security of its development, team and active participation of the company in the development of society.

The concept of corporate social responsibility includes: work with partners, social aspects of interaction with suppliers and customers, ensuring the safety of staff, Environmental responsibility, policies and the use of natural resources, interaction with authorities, government agencies and public organizations to address common social issues.

For the Ukrainian experience in developing CSR, according to practitioners, relevant "that companies in Ukraine are increasingly demonstrating their social mission – to change people's lives for the better" [6, p. 15].

Now CSR in the world practice is an integral part of the world business.

According to many experts, PR is now closely related to CSR, and in large companies concentrates most of the PR workflows of CSR.

Public Relations appeared in the United States about 100 years ago. We can even find examples of PR in Ancient Greece and Rome, but in reality, PR only appeared when the participants in the process realized that they were engaged in certain activities limited to the business sphere. Some scholars have linked the PR's starting point to the creation of the first PR agency, The Publicity Bureau, by Boston journalists. Today there are a number of definitions of PR. Many scientists agree with the US definition: "Public relations is the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends [7, p. 9]. There is British one which was given by Institute of Public Relations (CIPR): "[Public relations] is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics" [8, p. 10].

When a separate direction appeared, a new stage of development of the PR area began.

Many researches are interested in this topic. Ch.J. Fombrun, from 1996 began to study top companies and to 2000 wrote in the research about the importance of social responsibility

for US companies [9]. Also, there are works by M. Friedman, A. Crane, K. Davis, M. Van Marrewijk, G. Tulchinsky writes about the communication of social partnership and PR. There are overviews in many countries which value CSR. Many analysts hold annual polls devoted to trust, Edelman Trust Barometer, Investment Trust Awards, for example. Such initiatives say about the adult business position when a company understands well that lives in some communities.

In Ukraine D. Guz, A. Guz, E.Lazorenko, M. Saprikina are engaged in the studying of corporate social responsibility context [10]. Ukrainian businessmen and the government are arranged in some developing programs for spreading CSR.

PR is a creative sphere, so most of the classic tools, activities can be implemented in countless options in practice. Even in the textbook, the press conference as a method of cooperation with the market and customers, in practice, can target other groups of the target audience or pursue other goals, such as winning a subsequent state tender. procurement, to present themselves through a social or environmental project as a company with certain image characteristics, etc.

Therefore, PR rules today are more flexible to develop the scope of activities and adequately respond to changes and market needs.

Outline of the main research material

The organization, as a cyclically evolving system, cannot completely avoid crises throughout its existence. That is why it is so important to anticipate and forecast the crisis in a timely manner, to correctly determine its causes and possible mechanisms for resolving or mitigating it.

Whereas crisis management should be first of all characterized as a type of management in which hazard prediction, symptom analysis, the development of measures to prevent or reduce the negative consequences of the crisis, and the use of its individual facts for subsequent development are defined in a certain way.

Based on this definition, there are two types of crisis management:

1) **Management in a crisis.** It is important to determine how the company can withstand changes in the external environment. Since people work in any organization, the enterprise produces certain benefits for consumers, the survival of the company and its reorganization is important. Then the development of this company will positively affect both the economy and society as a whole, provided that recreational activities should be carried out taking into account the principles of corporate social responsibility;

2) **Crisis management.** In the process of this kind of management it is determined by what preliminary measures it is possible to maintain the viability of the enterprise and achieve its goals. In this case, the implementation of the ideas of social responsibility contributes to the formation of competitive advantages for the sustainable development of the organization.

Corporate social responsibility is one of the few ways out of the crisis. According to sociological research, a business that behaves socially responsibly is more preferable among buyers and consumers. Here is a simple logic: if the company behaves properly, respectively, it produces a good and quality product. It will not deceive buyers. This is the first thesis that makes socially responsible business profitable. Among other things, the social responsibility of business is an opportunity to create intangible assets, to increase the price of the image. Such activities increase the value of the company in the stock markets, etc.

The role of corporate social responsibility in different crises is varied.

In an **economic crisis** that reflects sharp contradictions in the economic condition of the organization, relationships with business partners, defaults and bankruptcy, corporate social responsibility is expressed in building trust with business partners and can mitigate the economic crisis in the organization.

A **social crisis** arises when the interests of different social groups clash. The purpose of corporate social responsibility is that it is the contradictions and conflicts between the organization and its stakeholders, but also helps to find common goals for all participants.

An **organizational crisis** is manifested in the emergence of confusion, business conflicts, irresponsibility, which paralyzes organizational activities or causes excessive bureaucracy. And not only the organization (represented by management) should be responsible to its employees. Employees in a socially responsible company also tend to trust each other and act in concert.

A **psychological crisis** manifests itself in the form of stress of employees, in the emergence of feelings of insecurity, dissatisfaction with work and social status. This is a crisis in the socio-psychological climate of the team. Internal corporate social responsibility programs are fully aimed at preventing such crises, which are designed to neutralize all the listed negative consequences of psychological crises.

A **technological crisis** may look like an exacerbation of the contradictions between trends, opportunities and consequences of scientific and technological progress. When introducing innovations into production, it is necessary to be guided by the principles of corporate social responsibility, as the consequences of the introduction of any innovations can have a negative impact on the organization, its environment and society as a whole. Corporate social responsibility should prevent the implementation of developments, and hence innovations, which are expected to have a negative impact on the future development of the company. Corporate social responsibility should play the role of a brake for the entrepreneur, who before doing something, must think about the consequences

PR tools are a necessary element in maintaining corporate social responsibility.

An **economic crisis** primarily adjusts to the B2B market and the main PR tools are industry and business events, conferences, work in electronic communities with specialized and general economic media, press conferences, work with opinion leaders, project or product presentations, networking. It is also necessary to add building relationships with investors, creating and managing the company's image, corporate identity, lobbying, working with the media.

During a **social crisis**, the main work is focused on the markets B2C, C2B (in the most developed countries). And PR tools are connected with news stories, press conferences for the media, charity, participation in social projects at the city or regional or national levels, work with social networks and opinion leaders, special events for social groups, the company's image, live shows, PR and interactive boom.

The main market for work during an **organizational crisis** is B2B, B2C. Internal PR tools: establishing communication through team building, corporate publication, motivational and training programs, building relationships with investors, top management.

During a **psychological crisis**, the main focus of work is on internal PR. This is work with micro-opinion leaders, social networks, training sessions and team building, an interactive boom.

B2C and C2C are the main markets for work during a **technological crisis**. The tools can be any tools in the field of reputational PR, aimed at the future for business development: media - cooperation, mainly Internet - media, as well as relations with the government, image or company image management, lobbying, media and live PR

According to the researches [11] there are four types of social responsible companies in Ukraine:

- Branches of multinational corporations that have international corporate strategies,
- Progressive Ukrainian companies that realize some activities for long-term development and international legalization of the business in the West,
- Opportunistic companies. They use CRS as a trend, so they action an integral part of the PR strategy and help to increase reputation value,

- Companies that consider the fact of compliance with legal norms stimulate this interest [12].

Conclusions and prospects for further researches

According to sociological research, Ukrainian business is ready to implement corporate social responsibility programs, it is interested in it. However, the challenge is to help businesses stimulate this interest.

There are three sectors in Ukraine: public organizations, government agencies and business. The state tries to drive everything into some normative-legal acts and to distribute social projects between business structures by order. Of course, businesses react negatively to such interference. Corporate social responsibility is a good will that cannot be enshrined in law.

The concept of corporate social responsibility is radically changing the role of corporations in the economy. Business is seen not only as a major catalyst for economic growth, but also as an institution that takes an active part in maintaining social stability in society.

In times of crisis, business is struggling to cope with its main task in relation to society, namely the creation and preservation of jobs, as well as maintaining a competitive level of wages.

The most popular corporate social practices in the field of labor relations in Ukraine are personal growth programs for employees and programs for working with students (internships). And the third popular direction is corporate volunteering. 67% of companies raise funds for charity. And communicate with employees on corporate social responsibility most often through a corporate newspaper or website. The format of such communications in the world is much more diverse.

Summing up, it should be said that corporate social responsibility is not just the responsibility of the company to the people, organizations that it faces in the process of activity, to society as a whole, not just a set of principles according to which the company builds its business processes. and the philosophy of organizing business and social activities, which are adhered to by companies that care about their development, ensuring a decent standard of living, the development of society as a whole and the preservation of the environment for future generations.

The CSR concept is gradually developing and becomes an important component of business communication in Ukraine, in different stages of company development and market conditions.

Literature

1. Buxbaum R. M. *European Business Law: legal and economic analysis on integration and harmonization*. Berlin-NewYork: De Gruyter, 1998. 400 p.
2. Lebow R. N. *The Politics and Business of Self-Interest from Tocqueville to Trump*. Germany, Stuttgart: Macmillan, 2017. 125 p.
3. Bernayse E. *Propaganda and Public Relations*. USA, New York, 1928. 168 p.
4. Ахновська І., Лепіхова О. Механізм впровадження корпоративної соціальної відповідальності на підприємствах України. *Економіка і організація управління*. 2016. №1 (21). С. 36-44.
5. Garriga E. & Melé D. Corporate Social responsibility theories: Mapping the Territory. *Journal of Business Ethics*. 2004. Issue 53.P.51-71.
6. Саприкіна М. «Практики КСВ в Україні 2019». Київ: центр «Розвиток КСВ», 2019. 152 с.
7. Watson T. & Noble P. *Evaluation public relations: a best practice guide to public relations planning, research & evaluation*. London and Philadelphia, 2007. 252 p.
8. Fombrun C.J., Gardberg N. *Who's tops in corporate reputation? Corporate Reputation Review*. 2000. Volume 3 (1). P. 13–17.

-
9. CSR Ukraine 2020. Веб-сайт. URL: <http://csr-ua.info/csr-ukraine/>
 10. Зінченко А.Г., Саприкіна М.А. Корпоративна соціальна відповідальність 2005-2010 : стан та перспективи розвитку. Київ: Вид-во Фарбований лист, 2010. 56 с.
 11. Гоголя О.П., Кудінова І.П. Соціальна відповідальність бізнесу. Київ: Національний університет біоресурсів та природокористування України, 2008. 79 с.

References

1. Buxbaum, R. M. (1998). *European Business Law: legal and economic analysis on integration and harmonization*. Berlin-New York.
2. Lebow, R. N. (2018). *The Politics and Business of Self-Interest from Tocqueville to Trump*. Macmillan. Stuttgart. Germany.
3. Bernayse E. (1928). *Propaganda and Public Relations*. New York. USA.
4. Akhnovs'ka I., Lepikhova O. (2016). «The mechanism of introduction of corporate social responsibility at the enterprises of Ukraine». *Economika i orhanizatsiia upravlinnia*. Issue №1 (21), pp. 36-44.
5. Garriga Elisabet & Melé Domènec (2004) «Corporate Social responsibility theories: Mapping the Territory». *Journal of Business Ethics*. Issue 53, pp.51-71.
6. *Praktyky CSR v Ukraini 2019*. (2019). In. Saprykinoi M. (ed.). Tsentr «Rozvytok CSR». Kyiv. Ukraine.
7. Watson, T. & Noble, P. (2007). *Evaluation public relations: a best practice guide to public relations planning, research & evaluation*. London and Philadelphia.
8. Fombrun, C.J., Gardberg, N. (2000). *Who's tops in corporate reputation? Corporate Reputation Review*. Volume 3 (1), pp. 13-17.
9. *The Corporate Social Responsibility in Ukraine 2020*. Веб-сайт. Available at: <http://csr-ua.info/csr-ukraine/>
10. Zinchenko A.H., Saprykina M.A. (2010). *Korporatyvna sotsial'na vidpovidal'nist' 2005-2010: stan ta perspektyvy rozvytku*. [Corporate social responsibility 2005-2010: state and prospects of development]. Vyd-vo Farbovanyj lyst. Kyiv. Ukraine.
11. Hohulia O.P., Kudinova I.P. (2008). *Sotsial'na vidpovidal'nist' biznesu*. [Social responsibility of business]. Natsional'nyj universytet bioresursiv ta pryrodokorystuvannia Ukrainy. Kyiv. Ukraine.

Стаття надійшла до редакції 11.03.2020 р.