IMPLEMENTATION OF INTEGRATING CORPORATE SOCIAL RESPONSIBILITY WITH COMPETITIVE MARKETING STRATEGY IN UKRAINE

The financial crisis has heightened the global trend to increasing attention from society and private sector as questions of sustainability and green agendas in the world over. The recent researches show a positive relationship between profits and environmental performance, which can be demonstrated by a case of Shell. Shell has used its profits to maintain massive investment through the recession, securing jobs in the UK and beyond and laying the foundations for tomorrow’s energy supplies. As part of this Shell is raising its production of natural gas. It generates between 50% and 70% less CO2 than coal when burned to generate electricity, and is thus critical to helping the UK meet its CO2 reduction targets [1].

Still the issue of continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large remains to be solved in Ukraine. Only 10 percent of the top 100 Ukrainian companies issue non-financial reports, compared with 80 percent in developed countries. Many large Ukrainian companies with a significant impact on the economy show no signs of any tangible social responsibility [2].

Yet the future of corporate social responsibility depends on the ability of the Ukrainian companies to implement tailored strategy of the CSR and competitive marketing strategy. The principal causes of the misalignment between business and CSR strategies in Ukraine can be traced to how companies’ structure, fund, and staff their CSR departments. Mostly if Ukrainian companies implement their social projects, they do through a corporate contributions office, community relations office, or a corporate foundation, which tend to be isolated from line-management and business decisions.

In recent years, most Western companies tend to implement Socially Anchored Strategy (SAS), which composes business core competitiveness and social conscience. It has become an intangible resource to increase the company’s competitive advantage, especially in markets that are sensitive to its impact on
society and the environment. An important step in the integration process is the ability of a company to view itself as something more than a collection of discrete businesses making products. Weaving the SAS throughout the company requires the ability of the company to think about its CSR work as an integral part of its business model. The integration of the SAS consists of four steps: team formation, goal setting, experimentation, and dissemination. Forming cross-functional teams that represent key business and CSR functions provides an important opportunity for manufacturing, operations, marketing, finance, research, and social responsibility managers to work together and create new value for the company. This process can improve the company’s ability to spot and pursue emerging opportunities in the market or venture into new market arenas, which can enhance the company’s overall competitiveness [3].

Ukrainian companies who can convert their core competencies into SAS and integrate them throughout the organization will achieve a competitive advantage by employing competencies to proactively will benefit from an enhanced reputation that comes from placing the highest value on people and the environment and carrying out actions that are consistent with these values. Instead, the truly outstanding companies will find ways to fold notions of stakeholder management, corporate citizenship, corporate philanthropy, and the business model into an integrated strategy that gives them unprecedented competitive advantage in global markets.

Yet the future of corporate social responsibility reporting depends on not only companies social corporate conscience but ability of the Ukrainian non-governmental organizations, media, consumers, academia, think-tanks, trade unions and the state to demand from business a proactive role in finding solutions to the country’s problems. Capital providers, e.g. international financial institutions and international financial markets are becoming the drivers behind the growth of corporate social responsibility in Ukraine, too.

References:
1. Remarks to the Shell Annual Reception, Profits and Corporate Social Responsibility, 2011,
3. Volodymyr Vorobey, Business Sense: Companies catching on to corporate responsibility, Sep 9, 2010,