

GCPMED 2018
**International Scientific Conference "Global Challenges and
Prospects of the Modern Economic Development"**

**SUSTAINABLE DEVELOPMENT MANAGEMENT OF THE
COMPANY BASED ON CORPORATE SOCIAL RESPONSIBILITY
PRINCIPLES**

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Abstract

The article reviews the subject of company's sustainable development and corporate social responsibility (CSR) in terms of their possible practical use in managing the company's sustainable development based on integrating the principles of corporate social responsibility in the long-term. In addition, it identifies common approaches and principles that allow expanding the boundaries of the concept of managing the sustainable development of the company in modern conditions of macroeconomic instability as well as new challenges of a market economy. Sticking to this logic, the problem of managing a company's sustainable development should simultaneously cover four dimensions of its business environment: economic, social, environmental, and managerial at all levels of social structure in accordance with the principles of the Four-Dimensional Criterion Concept (QBL), which connects business value with public interests. In order to maintain its competitiveness in the long-term, business must be able to evaluate the results of implementing the principles of sustainability and apply these in practice. A systematic approach means that each company has a direct or indirect effect on the welfare of society. From the point of view of the company, the opposite effect is important, i.e., how the social development trends influence the company's business. Company's involvement into resolving issues regarding the global stability creates additional opportunities and competitive advantages, thus, enhancing the real value of the business for the stakeholders (owners).

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Keywords: Sustainable development management of the company, corporate social responsibility, integration of corporate social responsibility principles, long-term perspective.



1. Introduction

The number of researches on the topic of sustainable development has been increasing recently. Hence, the impact of the principles of social responsibility on the company's performance show that interest in issues of management and assessment of sustainable development in Russian companies has been growing at a constant pace lately.

The growing importance of intangible factors of economic growth makes companies strive for innovation and introduce new achievements based on social, environmental and management resources, which, in turn, sets the economic imperatives for assessing business socialization in the context of the need to ensure environmental safety through new management technologies. There is no doubt that the “new economy” of sustainable companies is becoming a vital characteristic of post-industrialism. The main idea consists of the need to change the system of values, stereotypes of thinking and standards that are embedded into today’s market economy framework (Bakulina & Rasteryaev, 2017).

The relevance of the study emphasized by the fact that, in the conditions of the economic space globalization, the problems associated with integrating processes of corporate social responsibility into the system of corporate governance must be resolved.

2. Problem Statement

The topic is relevant for businesses seeking new approaches to ensuring their competitiveness. Integrating the principles of corporate social responsibility into the sustainable development management of a company means a transition to socially oriented management technologies that optimally combine the interests of the state, society and business, who are interested in the results of the company's activities in the long-term, unlike traditional ways of doing business.

3. Research Questions

Article outlines theoretical principles and approaches to sustainable development of the company. These findings also consider a practical use rather than purely theoretical, thus, could be applied to construct modern business processes. As the research outcome we have developed proposals, based on which it would be possible to create a comprehensive methodology for assessing and managing the value of a company, based on the principles of corporate social responsibility in forecasting and implementing its activities.

4. Purpose of the Study

The goal is to establish the theoretical foundation for the development of a universal methodology for the construction of a balanced and harmonized company, in terms of, economic indicators and common values.

5. Research Methods

The methodology is an integration of the concepts of sustainable development of the company, corporate social responsibility. In the course of the study, an application of general scientific methods of cognition took place, in particular, scientific abstraction, empirical analysis, logical and historical approaches, system and situational analysis, methods of expert assessments, analysis and synthesis.

Worldwide practice confirms that the relevance of managing sustainable development based on the principles of social responsibility under conditions of market economy uncertainty and macroeconomic instability is confirmed by the growth of responsible investment (global socially responsible investment is estimated at 10.9 trillion dollars) (Kabir, 2017).

An increase in the number of published reports in areas of social responsibility and sustainable development (more than 22,000 non-financial reports are issued annually in the world), and the growing popularity of standards and guidelines for sustainable development.

The state and business, especially the large ones, are equally interested in managing the company's sustainable development, ensuring social stability in society, namely:

- The state is in a prosperous and stable society, and since the overwhelming part of society is employees, companies cannot escape corporate responsibility in front of their employees for meeting their needs.

- Business - in the creation of intellectual human capital both within the company and in the scale of the national economy, which becomes especially relevant in modern conditions.

In Russia, leading socially responsible companies identify several interrelated characteristics of their vision of the concept in this area:

CSR is a strategic business approach to managing the social, environmental and economic responsibility of a company, which allows you to identify and formulate range of commitments and areas of responsibility, and implement them according to the principle of continuous improvement as part of the overall business strategy (Brammer, Brooks, & Pavelin, 2006);

CSR is a set of principles of behavior and management, taken voluntarily by the company and having a significant impact on the decision-making process of any level, based on responsible attitude and taking into account the wishes of the parties strategically important for the sustainable development of business (Salewski & Zülch, 2014);

CSR is a management system, which is a set of mechanisms and tools that allow you to manage in coordinated and balanced non-financial aspects of the company (Tonysheva & Chumlyakova, 2016).

The common thing, in our opinion, is that corporate social responsibility (CSR) acts as a basic value in society and as an instrument for solving a set of socio-economic tasks.

With such a construction, social responsibility (CSR) becomes a powerful factor in managing the sustainable development of the company and society as a whole, strengthening its business reputation and competitiveness, increasing its benefit in terms of meeting the interests of stakeholders in creating shared values (Kim, Park, & Wier, 2012).

ISO 26000 International Standard (ISO 26000: 2010 Guidance on social responsibility) - CSR is the company's responsibility for the consequences of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development (including

health and social welfare). Company's behavior must take into account the expectations of interested parties, comply with applicable legislation, obey international standards of conduct, and be integrated into the mainstream activity.

We believe that following the principles of CSR in current and strategic activities allows companies to gain crucial competitive advantages. Moreover, the integration of the principles of social responsibility into the management of sustainable development of the company is possible as follows:

- Strategic approach examines the integration of social responsibility in the management of sustainable development of the company through the prism of structural and functional relationships, while reflecting interaction of different bodies of all hierarchical levels of management with the formation of socially responsible behavior in accordance with the current legislation in the long-term (Rahman & Post, 2012).

- An integrative approach - the integration of business social responsibility in sustainable development management will be carried out through the adherence of a number of principles of responsible behaviour (Kozhevina & Bataeva, 2017).

Consideration of CSR as a system of obligations voluntarily assumed by a corporation and implemented in the interests of society and its participants in the long-term, requires the disclosure of basic principles more fully from the systems approach point of view.

The application of a systems approach in researching the problems of managing sustainable development of a company where it seen as an element of an economic system, requires closer attention to the principles analysis of sustainable development at various levels of the economic system and integrating them into managing a company. Based upon that, we might characterize how well a company is able to function and develop in a continually changeable internal and external environments, while coordinating and realizing the interests of the parties, and taking into account the creation of common values.

Therefore, business that is sustainable in the long term, apart from its economic benefits, should also take into account other non-economic components of the value of the goods created or consumed by it (Dahlsrud, 2008). According to the systems approach, companies are responsible for the results of their activities not only to their owners (shareholders), but also to other stakeholders in the long-term. This will avoid the situation when decisions made by company managers aimed at obtaining a short-term economic effect make the business unsustainable (Kharin, 2014).

Sticking to this logic, the problem of managing a company's sustainable development should simultaneously cover four dimensions of its business environment: economic, social, environmental, and managerial at all levels of social structure in accordance with the principles of the Four-Dimensional Criterion Concept (QBL), which connects business value with public interests.

Company's engagement in the process of solving issues related to the global sustainability creates additional opportunities and competitive advantages for it, therefore such a business has great value for owners. Today, there is little doubt that the broadly interpreted principles of the company's sustainable development determine many aspects of the company's activities (Mnatsakanyan & Kharin, 2016).

Integrating the principles of social responsibility into their decisions and activities, a company can receive important benefits, and this activity requires effective management of the company's sustainable development (Becchetti, Di Giacomo, & Pinnacchio, 2008).

In our country, the process of institutionalization of corporate social responsibility takes place under conditions of insufficiently active role of the state, development of civil society institutions, and a fully unmotivated business environment. Since the rules of interaction between institutions, the roles of individual parties, as well as the measures for their participation in social development are not sufficiently developed, in the business environment, the effectiveness of this approach and the corresponding tools still seem highly debatable (Belyaeva, 2011).

Meanwhile, practice shows that Russian companies have all the opportunities to form a fairly efficient and constructive systematic approach to managing the company's sustainable development in the context of corporate social responsibility. This approach will contribute to the achievement of business goals and the development of social responsibility within the country in order to achieve competitive advantages.

In Russia, the number of companies integrating corporate social responsibility in their corporate strategies is growing. As a rule, at the corporate level, these principles are enshrined in strategic documents of the company, for example: strategy or policy in the field of corporate social responsibility, the company's mission, and company values, ethical code; Code of Corporate Conduct / Governance, etc. The strategic documents set out the basic values and principles of responsible activity, outline the circle of stakeholders of the company and describe the company's obligations towards them (Belyaeva et al., 2016).

By considering and integrating the expectations and thoughts of stakeholders into the company's strategy, management optimizes shareholder returns in the long-term. Brammer, Brooks, & Pavelin (2006) in their study found that companies that rank among the top 100 American socially responsible companies (America's 100 Best Corporate Citizens) have the highest profitability, which indicates the positive impact of corporate social responsibility on the financial condition of the company (Brammer et al., 2006).

6. Findings

Overall it can be concluded that the concept of managing a company's sustainable development means evolving from traditional ways of doing business, which focused exclusively on the interests of shareholders, to community-oriented business practices based on the integration of corporate social responsibility principles. There is evidence that companies' use of sustainable development practices gives them tangible advantages over competitors. Other studies noted the growing popularity of ideas for the concept of sustainable development in the activities of companies. Thus, the strategic role of introducing the principles of corporate social responsibility is to promote the company's sustainable development management model, strengthen the company's competitiveness, develop human capital, and form a shared value between the company and stakeholders.

Due to the integration of corporate social responsibility inside business processes, companies receive the following benefits, such as: increased trust in the company and its business reputation, image

at the local, national and international levels; improvement of intra-company relationships; improving relations with state authorities; reducing non-financial risks (social and environmental); increase the value of the company (indirectly); improving relations with existing ones and attracting new investors (ethical), etc.

7. Conclusion

In order to maintain its competitiveness in the long-term, business must be able to evaluate the results of implementing the principles of sustainability and apply these in practice. A systematic approach means that each company has a direct or indirect effect on the welfare of society. From the point of view of the company, the opposite effect is important, i.e., how the social development trends influence the company's business. Company's involvement into resolving issues regarding the global stability creates additional opportunities and competitive advantages, thus, enhancing the real value of the business for the stakeholders (owners). Even in the case when a company does not formally classify sustainability among its strategic goals, the impact of general social trends largely determines how a company conducts its business. Nowadays, there is little doubt that the broadly interpreted principles of the company's sustainable development determine many aspects of the company's activities.

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