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O. O. Oliinyk, Cand. Sc. (Econ.)

National University of Water Management and Natural Resources Use, Rivne, Ukraine, e-mail: oliynuk\_olena@ukr.net

## CORPORATE SOCIAL RESPONSIBILITY IN THE FIELD OF OCCUPATIONAL SAFETY AND HEALTH

О. О. Олійник, канд. екон. наук

Національний університет водного господарства та природокористування, м. Рівне, Україна, e-mail: oliynuk\_olena@ukr.net

## КОРПОРАТИВНА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ У СФЕРІ ОХОРОНИ ПРАЦІ

**Purpose.** The main aim is to develop conceptual basis for corporate social responsibility implementation in the field of occupational safety and health.

**Methodology.** The fundamental tenets of modern economic theory, research studies of national and foreign scholars on issues of social and labour relations, social responsibility, and risk management form the theoretical and methodological basis of the study. The author used comparative analysis – to analyse corporate social responsibility in the field of occupational safety and health of domestic legal entities; statistical analysis – to assess occupational injuries and working conditions in Ukraine; structural, logical, and dialectical approaches and systems analysis – to develop conceptual basis for corporate social responsibility implementation in the field of occupational safety and health.

**Findings.** Based on the generalization and systematization of scientific approaches on the determination of the essence of corporate social responsibility in labour relations, analysis of CSR reports of Ukrainian legal entities, the author defined the components of corporate social responsibility in the field of occupational safety and health. The article also provides conceptual bases for corporate social responsibility implementation in the field of occupational safety and health, in particular its aim, principles, objectives, instruments and expected results.

**Originality.** The given research improved conceptual basis for corporate social responsibility implementation in the field of occupational safety and health which reveals the key role of social responsibility in occupational safety and health management system. The noted fundamentals significantly differ from the existing practice; in particular the elaborated conceptual bases include management tools whose use would create preconditions for effective risk prevention in labour relations.

**Practical value.** The developed and substantiated conceptual principles concerning the improvement of occupational safety and health management based on CSR can be used to elaborate measures preventing injuries, improve working conditions, conditions of employment, safe working practices, as well as to reduce temporary disability. They would also serve as a basis to improve interaction between the social partners and ensure competitive advantage of the organization.

**Keywords:** *occupational injuries, working conditions, temporary disability, corporate social responsibility, occupational safety and health, labour relations, risks in labour relations*

**Introduction.** According to the Constitution of Ukraine every worker has the right to working conditions which respect his or her health, safety and dignity. At the same time, Article 13 of the Law of Ukraine “On Occupational Health and Safety” (hereinafter referred to as: OHS) states that every employer should provide and maintain, as far as it is reasonably practicable, a working environment that is safe and without risk to the health of their employees in accordance with the current legislation, in particular in the field of OHS. However, political and economic conditions in the country, as well as the growth of social tension in the society have deteriorated lately and formed a number of negative processes and phenomena in the field of OHS. Despite a gradual reduction, the annual occupational injury rate stays very high. In 2015, rate of 1+ day injuries, including fatalities, equalled 0.6 per 1,000 employees. Simulta-

neously, the period of temporary disability of one injured lasted for 47.7 days [1].

Human factor remains the main reason for occupational injury risk: every fifth work-related injure is caused by the violations of labour and production discipline. First and foremost, these events include weaknesses and shortcomings in occupational safety and health management at enterprises on the part of employers, as well as neglecting personal safety on the part of employees. It should be noted that over recent years, the percentage of occupational accidents has been continuously growing due to the violation of safety directives while operating equipment, machines, and mechanisms; and those are such accidents which could be avoided [1]. Thus, due to the fact that both employers and employees have very similar perceptions of the respective, today there is a need to change attitude to safety for both of them.

Accordingly, in adverse working conditions there is negative dynamics of employment. In particular, the

share of workers who work in conditions that do not meet sanitary requirements was 26 % in 2015. We should underline that more than a half of employees work in adverse conditions in such economic activities as mining, manufacture of coke and refined petroleum products, and fabricated metal products manufacturing [2].

High occupational injuries, employment in poor working conditions, labour rights violations together with the lack of social dialogue are revealed in excessive labour risks. The provided statistical indicators confirm the lack of effectiveness of existing regulatory mechanisms in this area. There is a need to search for innovative tools in OHS management. Therefore, an important scientific task is to study the role and importance of corporate social responsibility, and to establish effective cooperation of social partners in order to ensure decent work and sustainable development are.

**Unsolved aspect of the problem.** There is a growing interest in social responsibility of the corporations among national and foreign academicians and practitioners, including O. Amosha, D. Baiura, O. Brintseva [3], A. Vasylyk, O. Hrishnova [4], V. Zvonar, A. Kolot [5, 6], A. Carroll, E. Libanova, H. Nazarova, O. Novikova, U. Sadova, M. Semykina, R. Freeman, A. Tsyn [7] etc. The essence of corporate social responsibility (CSR) in the most general interpretation outlines a rational response to conflicting expectations of stakeholders (parties that have interests in an enterprise or project) aimed at sustainable development of the company. It is the responsibility of those who make business decisions to those at whom these decisions are aimed. At its core, corporate social responsibility is a specific type of social commitments (mostly voluntary ones) to employees, partners, civil society and the society as a whole implemented in corporate governance [5].

While analysing scientific achievements in this field we can state that there are two key CSR components: internal and external ones. Most researchers associate internal dimension of social responsibility with employees, specifying the content of socially responsible actions in the following areas: wages, health and safety at work, employment, human resources development and social costs, social partnership [4].

Health and safety at work is one of the most important directions of social responsibility in employment relations. The importance of socially responsible practices is primarily caused by the fact that not only health, but also the lives of workers depend on the quality of OHS activities. Therefore, safety improvement should be considered a priority in the CSR agenda and one of the key drivers of long-term competitiveness and economic efficiency of the organization.

**Analysis of the recent research and publications.** There is a need to promote social responsibility in the field of OHS due to several factors, in particular:

- financial and economic weakness of a significant share of businesses, organizations and institutions in Ukraine, when within the framework of constant shortage of funds the dissemination of social responsibility ideas and principles in the field of health becomes more complicated;

- legal nihilism and deformation of legal consciousness, when the desire to circumvent the law dominates in most cases, partly due to the instability and selective application of the law in Ukraine;

- terminological (regulatory) uncertainty which leads to basic lack of understanding of basic objectives and mechanisms of social responsibility implementation strategies in the field of OHS by both employers and other business entities [7].

Hence, the search for modern approaches to OHS management becomes very reasonable. As of today the scientists have identified key areas of social responsibility implementation in the field of occupational conditions and safety:

- 1) an employer's and trade union organizations' social responsibility for the establishment of safe working conditions;

- 2) social responsibility of the state for providing employees with the insurance against industrial accidents and occupational diseases, as well as for monitoring and controlling occupational conditions and safety;

- 3) social responsibility of an employee to follow safety and health requirements [6].

At the same time, the concept of Corporate Social Responsibility (CSR) of an enterprise in the field of OHS is generally understood as establishing a system of legal, social, economic, organizational and technical, sanitary and preventive measures and means to preserve life, health and human performance in the workplace which involves not only compliance with domestic and international law, but also provides additional guarantees in the field of industrial safety [4].

**Unsolved aspect of the problem.** Elaborated scientific and methodological doctrines provide a framework and dissemination of the CSR principles in employment relations. However, a specific connotation of practical corporate social responsibility implementation in the field of labour, its place and role in ensuring decent working conditions, determining the prospects of CSR implementation in OHS management and the formation of socially responsible behaviour of social partners has not been unified.

**Objectives of the study.** The study has the followings research objectives and aims: 1) to investigate the nature of social responsibility in the field of OHS; 2) to substantiate conceptual basis of the CSR implementation in the field of OHS and the need for their implementation in management at different hierarchical levels.

**Explanation of scientific results.** Recently Ukraine has seen positive dynamics of domestic implementation of socially responsible practices. The number of companies that integrate CSR principles in management is gradually increasing. More and more companies submit social reports and disclose them to a wide range of stakeholders. Corporate social responsibility is deliberately used as an important tool for regulating social and labour issues, risk management in labour relations, the formation of a positive image of the employer in the labour market. Thus, the research of modern practices of corporate social responsibility implementation in employment relations is an urgent task today; moreover, it will allow streamlining socially responsible initiatives, as

well as developing a system of directions and components of internal corporate social responsibility.

Defining the directions and components of corporate social responsibility in the field of OHS is characterized by the differences in business behaviour of the certain market participants in Ukraine (Table 1).

After examining the practice of implementing corporate social responsibility in the field of OHS demonstrated by the entities in Ukraine, we can select components that are common to all internal socially responsible initiatives. Those mechanisms particularly include the costs (investment) for safety and health, organizing educational events and trainings, focusing on preventive measures, and holding thematic instructions. However, some companies are expanding the list of socially responsible practices in health and safety through the introduction of health and safety management system according to international standards, or staff evacuation trainings etc. Thus, it can be argued that today approaches of domestic enterprises to the role and components of corporate social responsibility in the field of OHS vary greatly and this trend hinders the development of effective control mechanisms in this field.

It should be underlined that the effect of the CSR use in OHS management system may be obtained only if compliance with socially responsible behaviour will be carried out regularly through the implementation of CSR principles in daily business activities and constant

interaction between the social partners. Consequently, the elaboration of the conceptual basis for corporate social responsibility implementation in the field of OHS which can ensure decent working conditions and continuous improvement of management in this area is a burning scientific task (Figure).

In the suggested system, the role of corporate social responsibility concept will include the following:

- social responsibility as a special approach to OHS management will provide an opportunity to rethink the list of priority goals and objectives;
- social responsibility will develop a code of conduct for management principles that will guide the company in the decision-making process at all levels;
- social responsibility is a management system that will function through the use of elaborated tools that will coordinate the socially responsible risk management in employment relations and monitor its results by conducting the corresponding evaluation [4].

At the same time the choice of tools is one of the most important elements of implementing CSR conceptual principles in the field of OHS, because the effective health and safety system is formed on their basis. This choice should be based on the current status determination, risk assessment, analysis of existing possibilities for priority areas of social responsibility. The development, approval and implementation of internal socially responsible activities should be an integral part of

Table 1

Corporate Social Responsibility Components in the Field of OHS of the Certain Economic Entities in Ukraine [8–10]

Economic Entity	Corporate Social Responsibility Components in the Field of OHS
“Obolon” Public Joint-Stock Company (PAT “Obolon”)	OHS system includes a number of tools to ensure safety and proper working conditions, in particular: OHSAS 18001: 2007 – Occupational Health and Safety Management (OHS); safety and health monitoring; workplace certification; Committee on Health, Sanitation and Environment; registers of hazard identification and risk assessment; investments in health and safety; protecting the rights of persons with disabilities; prevention and control measures
“Volia-Kabel” Company with Limited Liability (TzOV “Volia-Kabel”)	Working conditions which respect employees’ health, safety and dignity are guaranteed in accordance with the Ukrainian legislation and occupational safety requirements. All employees during the employment procedure listen to appropriate instructions and know what to do in emergency situations. The technical unit staff are equipped with everything necessary to avoid injury and danger to outsiders. The company has got guidelines for each type of work; safety engineer, section supervisors and unit management control the compliance with the noted instructions. There is an annual training in OHS and electrical safety
“Astarta-Kyiv” Agro industrial holding (Agro-promholding “Astarta-Kyiv”)	The company is committed to the implementation and maintenance of an Occupational Health and Safety Management System for all projects undertaken by the entity. The system is designed to comply with the requirements of the Occupational Health and Safety requirements; particularly through the prioritized implementation of preventive measures. The company holds on-going trainings, seminars, and conferences on OHS. There is a working group of experts on health and safety who have organized training and education in the field of OHS, prearranged visits to production units and facilities in order to conduct analysis of OHS and elaborate activities aimed at testing modern means of individual protection, clothing, and footwear. The company conducted employee evacuation training. The management team has prepared a Corporate Integrated Management System of Occupational Health and Industrial Safety according to the requirements for occupational health and safety management best practice stated in the international standard OHSAS 18001 – Occupational Health and Safety Management (OHS). The company systematically monitors working conditions, arranges annual medical examination for the employees who work in hazardous conditions and holds the certification of workplaces by working conditions. The enterprise has also developed programmes of additional education and training aimed at achieving the best possible working conditions and workplace health and safety, aligned to internationally recognized best practice

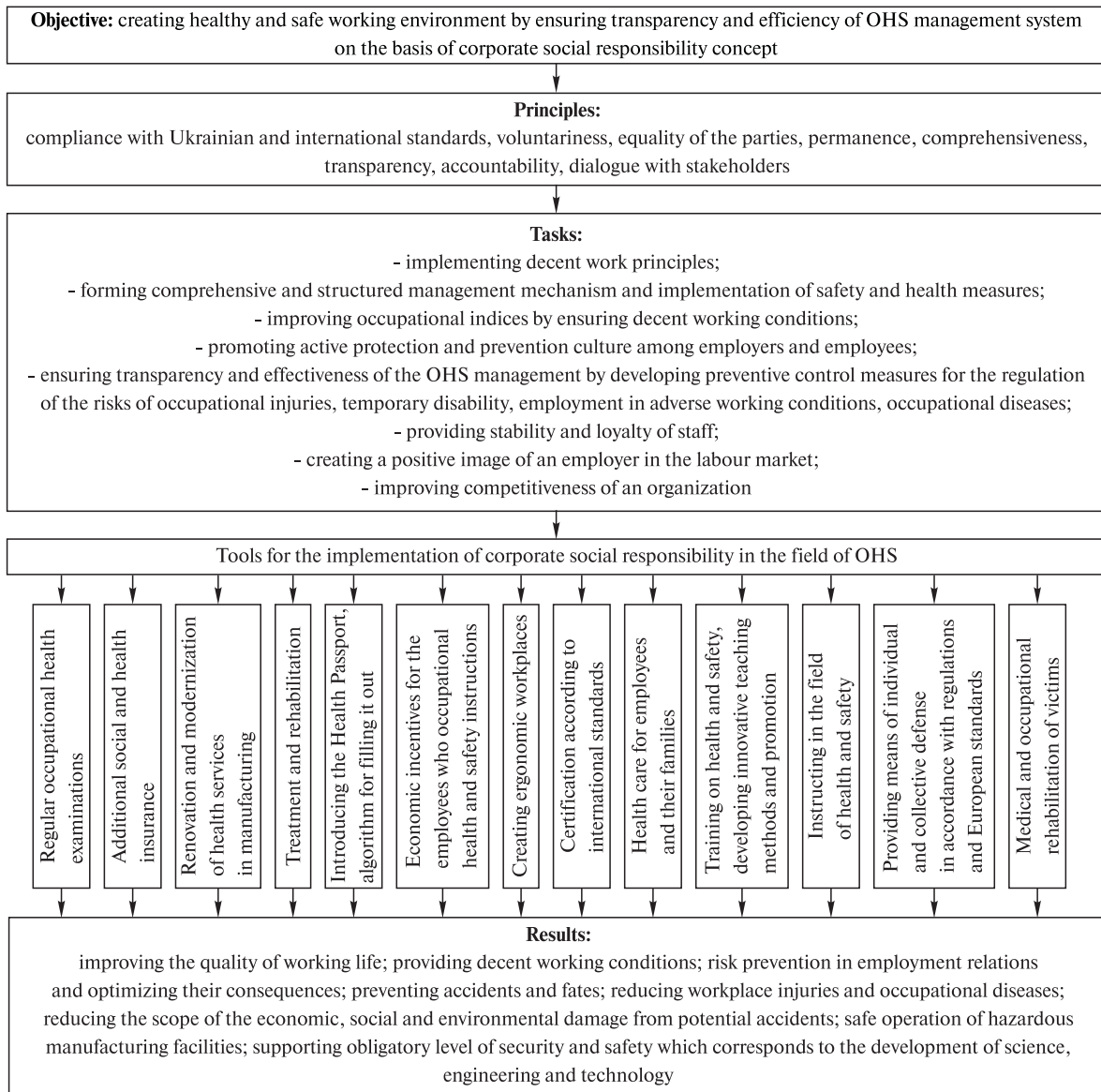


Fig. Conceptual basis for corporate social responsibility implementation in the field of OHS

the general programme of organizational management. They include defining the amount of resources allocated to achieve these objectives, outlining the sources of their involvement according to defined areas, the distribution of the competences between the performers. The noted events, in their turn, should meet the requirements of appropriateness, relevance and effectiveness.

The ultimate goal of the corporate social responsibility implementation is to create an efficient and effective system of risk prevention and elimination in the field of occupational safety and to minimize their negative consequences for both an employer (damage to equipment, compensation effects, destruction of buildings), and for an employee (sick leave, health deterioration, death). Probability of such risks reduces with improved working conditions, better-quality safety and health. The need for the implementation of social responsibility in the field of OHS arises from the need to create workplace conditions favourable for employees' life and health. So, safe work should be a prerequisite for any enterprise.

Management efforts should be directed at identifying hazards, assessing risks, and analysing their effects in order to improve OHS management. For each injury and accident case has its reasons, and therefore can be prevented by a proper timely action.

In order to achieve the goals and objectives, select and use socially responsible tools that would be most relevant at this stage of development and consistent with the business strategy of the organization it is necessary to take into account the principles of socially responsible risk management in employment relations: compliance with Ukrainian and international standards, voluntariness, equality of the parties, permanence, comprehensiveness, transparency, accountability, dialogue with stakeholders [4]. The application of these principles will help to determine the priority areas of corporate social responsibility implementation in the field of OHS, as well as to verify effective regulatory measures.

**Conclusions and recommendations for further research.** The results of this study helped to develop con-



ceptual basis for the corporate social responsibility implementation in the field of OHS. The conceptual principles include the CSR objective, principles, tasks and tools in the field of OHS, and expected results. Application of the developed conceptual basis at a micro-level will allow us to:

- identify and assess issues in the field of OHS based on risk assessment;
- envisage the risks in employment relations and their prospective consequences for all social partners;
- identify trends and develop management solutions to improve the current state of the socially responsible OHS management;
- use innovative management techniques and methods aimed at occupational injury prevention and improvement of working conditions and environment, practice strict adherence to all rules and regulations in the field of OHS;
- continue to implement appropriate planned activities and arrangements on a regular basis with the use of internal and external audit;
- form a positive image of an employer focused on the priority of decent and productive employment, employees' lives, overall health and wellbeing.

Therefore, the CSR concept should be viewed as an important and necessary condition for the sustainable development of an organization. The key evidence provided in the study identifies the gaps and areas for further research, in particular the formation of effective interaction between the social partners in the field of OHS management in order to develop and implement the crucial measures and monitor their implementation.

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**Мета.** Розробити концептуальні засади реалізації корпоративної соціальної відповідальності у сфері охорони праці.

**Методика.** Теоретичною й методологічною основою дослідження стали фундаментальні положення сучасної економічної теорії, праці вітчизняних і зарубіжних учених із проблем соціально-трудо-вих відносин, соціальної відповідальності, регулювання ризиків. У процесі дослідження було використано: порівняльний аналіз – для діагностики стану корпоративної соціальної відповідальності у сфері охорони праці вітчизняних суб’єктів господарювання; статистичний аналіз – для оцінки виробничого травматизму та умов праці в Україні; структурно-логічний, діалектичний підходи та системний аналіз – для розробки концептуальних засад реалізації корпоративної соціальної відповідальності у сфері охорони праці.

**Результати.** На основі узагальнення й систематизації підходів науковців щодо визначення сутності корпоративної соціальної відповідальності у трудових відносинах, аналізу соціальної звітності суб’єктів господарювання України визначено складові корпоративної соціальної відповідальності у сфері охорони праці. Розроблені концептуальні засади реалізації корпоративної соціальної відповідальності у сфері охорони праці, що включають мету, принципи, завдання, інструменти та очікувані результати.

**Наукова новизна.** Удосконалено концептуальні засади реалізації корпоративної соціальної відповідальності у сфері охорони праці, в яких розкривається ключова роль соціальної відповідальності в системі управління охороною праці. На відміну від наявної практики, обґрунтовані концептуальні засади містять управлінські інструменти, використання яких дозволить створити ефективні передумови запобігання ризиків у трудових відносинах.

**Практична значимість.** Розроблені й обґрунтовані концептуальні засади стосовно вдосконалення управління охороною праці на основі корпоративної соціальної відповідальності можуть бути використані при розробці заходів із попередження виробничого травматизму, покращення умов і безпеки праці, зниження рівня тимчасової втрати працездатності. А також слугуватимуть основою покращення взаємодії соціальних партнерів і забезпечення конкурентних переваг організації.

**Ключові слова:** виробничий травматизм, умови праці, тимчасова втрата працездатності, корпоративна соціальна відповідальність, охорона праці, трудові відносини, ризики у трудових відносинах

**Цель.** Разработать концептуальные основы реализации корпоративной социальной ответственности в сфере охраны труда.

**Методика.** Теоретической и методологической основой исследования стали фундаментальные положения современной экономической теории, труды отечественных и зарубежных ученых по проблемам социально-трудовых отношений, социальной ответственности, регулированию рисков. В процессе исследования были использованы: сравнительный анализ — для диагностики состояния корпоративной социальной ответственности в сфере охраны труда отечественных субъектов хозяйствования; статистический анализ — для оценки производственного травматизма и условий труда в Украине; структурно-логический, диалектический подходы и системный анализ — для разработки концептуальных основ реализации корпоративной социальной ответственности в сфере охраны труда.

**Результаты.** На основе обобщения и систематизации подходов ученых к определению сущности корпоративной социальной ответственности в трудовых отношениях, анализа социальной отчетности субъектов хозяйствования Украины определены составляющие корпоративной социальной ответственности в сфере охраны труда. Разработаны концептуальные основы реализации корпоративной социальной ответственности в сфере охраны труда, включающие цели, принципы, задачи, инструменты и ожидаемые результаты.

**Научная новизна.** Усовершенствованы концептуальные основы реализации корпоративной социальной ответственности в сфере охраны труда, в которых раскрывается ключевая роль социальной ответственности в системе управления охраной труда. В отличие от существующей практики, обоснованные концептуальные основы содержат управленческие инструменты, использование которых позволит создать эффективные предпосылки предотвращения рисков в трудовых отношениях.

**Практическая значимость.** Разработанные и обоснованные концептуальные основы относительно совершенствования управления охраной труда на базе корпоративной социальной ответственности могут быть использованы при разработке мероприятий по предупреждению производственного травматизма, улучшению условий и безопасности труда, снижению уровня временной потере трудоспособности. А также служить основой улучшения взаимодействия социальных партнеров и обеспечения конкурентных преимуществ организации.

**Ключевые слова:** *производственный травматизм, условия труда, временная потеря трудоспособности, корпоративная социальная ответственность, охрана труда, трудовые отношения, риски в трудовых отношениях*

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