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### LEVERAGE OF SOCIAL RESPONSIBILITY IN THE PROCESS OF ECONOMIC MINIMIZATION OF CONFLICT ON THE PROCESSING ENTERPRISES

**Abstract.** The article discusses reasons of appearing economic conflicts in the processing enterprises in the context of social responsibility. There is a problem of finding new mechanisms of personnel management that meets the new requirements and provide search for ways to eliminate and minimize such conflicts. Modern innovative approaches to social enterprise development stimulate and shape its strategic direction. Personnel management as a key element of corporate social responsibility can have an important impact on the elimination of conflicts by choosing the appropriate personnel – the strategy. The article suggests some ways to prevent, minimize and eliminate such conflicts in the socio – economic development and social responsibility.

**Key terms:** corporate social responsibility, economic conflict, human resource management, personnel, staff, methods of personnel management, strategic human resources management, conflict situation, minimizing economic conflict.

**Анотація.** У статті розглянуто причини виникнення економічних конфліктів на переробних підприємствах в контексті соціальної відповідальності бізнесу. Постає проблема пошуку нових механізмів управління персоналом, які відповідатимуть новим вимогам і забезпечить пошук шляхів усунення та мінімізації конфліктів. Сучасні інноваційні підходи до соціального розвитку підприємства стимулюють і формують принципово нові його стратегічні напрямки. Управління персоналом, як основний елемент концепції соціальної відповідальності має важливий вплив на усунення конфліктів шляхом вибору відповідної персонал – стратегії. Запропоновано шляхи їх попередження, мінімізації та усунення в процесі соціально – економічного розвитку та соціальної відповідальності бізнесу.

**Ключові слова:** соціальна відповідальність бізнесу, економічний конфлікт, управління персоналом, кадрова політика, персонал, методи управління персоналом, стратегічне управління персоналом, конфліктна ситуація, мінімізація економічних конфліктів.

**Анотация.** В статье рассмотрены причины возникновения экономических конфликтов на перерабатывающих предприятиях в контексте социальной ответственности бизнеса. Возникает проблема поиска новых механизмов управления персоналом, которые будут отвечать новым требованиям и обеспечат поиск путей устранения и минимизации конфликтов. Современные инновационные подходы к социальному развитию предприятия стимулируют и формируют принципиально новые его стратегические направления. Управление персоналом, как основной элемент концепции социальной ответственности имеет важное влияние на устранение конфликтов путем выбора соответствующей персонал – стратегии. Предложены пути их предупреждения, минимизации и устранения в процессе социально – экономического развития и социальной ответственности бизнеса.

**Ключевые слова:** социальная ответственность бизнеса, экономический конфликт, управление персоналом, кадровая политика, персонал, методы управления персоналом, стратегическое управление персоналом, конфликтная ситуация, минимизация экономических конфликтов.

**Problem defining.** In modern conditions of socio-economic development of the processing enterprises, an important issue is some aspects of management related to the prevention and to identify ways of eliminating economic conflicts. It is established that most often conflicts in the enterprises are caused by a disruption in the systems functioning and the management of economic activities, and the existence and development of each organization associated with the permanent resolution of conflicts at the micro and macro levels. Of particular topicality to the solution of economic conflicts have developed with the development and application of aspects of the social responsibility of business where the focus is to address socio-economic needs of staff, consumers and companies.

**Analysis of recent researches and publications.** The study of theoretical and practical problems of the prevention and minimization of negative consequences of economic conflicts at the enterprises is the main focus in papers of some domestic and foreign researchers such as: Abayev, Amelin, Atamanchuk, Hryshova, Jeffrey, Dean, Carroll, Kuzhel, Shabatura, Mitya, Puryhin, Chirva, Sorokin, Stoyanov-Smith, Shvayba, Hye Sung. Scientist's created a significant contribution to the theoretical and methodological perspective and examined the problem in many methodological and applied aspects. However, from a practical point of view, namely in terms of social responsibility ways to minimize the economic conflicts at the processing enterprises paid enough. In particular, controversial issues of new and improvement of existing ways to prevent and resolve conflicts.

**The article aim** is to research and identify problems that cause economic conflict at the processing enterprises and search of ways of their prevention and elimination in the aspect of social responsibility of business.

**Explanation of main content.** For a long time considered the conflict at the macro level and identified as class struggle for position in the system of industrial relations. However, the important is the solution of conflicts in the enterprises, from the increase in production volume which depends on the state and prosperity of the national economy. Processing companies provide high-quality food products, so you can see the actual search for solutions to conflicts in this area with the aim of improving economic performance. Along with the economic aspects of an increasingly important role in ensuring the competitiveness of processing enterprises, achieving high productivity and profitability of production play a non-economic indicators of the enterprise, which constantly conflict situations is the level of social security of employees; care about the health and safety of citizens; to meet the expectations of consumers; reasonableness of pricing; responsibility for their suppliers; responsibility for those who are engaged in realization of products

(services); ethics and integrity in relations with consumers; information on the company and products (services); continuous assessment of level of satisfaction of needs of consumers; the priority of consumer interests when resolving conflicts; integrity and accuracy of advertising; timely payment of taxes; the support of social movements for the quality and charity; the upgrading of the technological base with the objective of improving product quality and rational use of productive resources with the aim of protecting the environment.

The activity of the processing enterprises based on the principles of social responsibility of business. The importance of social responsibility for the activities of the domestic processing plants is very significant, it is aimed at:

- high standards of business performance;
- social standards;
- quality of work with personnel;
- minimizing the harmful impact on the environment in order to align the existing economic and social disparities;
- establishment of partner relations between business, society and country;
- improving business performance in the long term.

The refore, the quality of staff and the appropriate psychological climate in the team of the processing enterprises depends directly on the personnel management in the context of social responsibility of business. Significant and noticeable changes in personnel management occurring in the private sector, which goes into more strategic forms of relationship with contry and society. The concept of "social responsibility" shows this interaction. In the late 1970s, Carroll suggested to treat corporate social responsibility as economic, legal, ethical and discretionary expectations that society imposes on organizations in a given period of time. He also developed a model based on the recognition of the importance of the social contract, which covers four types of social responsibility: economic, legal, ethical and so-called discretio. Carroll connects with the sphere in which society has not yet formed clear expectations, and it is the same content, which implies a voluntary choice of an individual manager. According to the scientist, the required types of corporate social responsibility is not mutually exclusive of each other, and do not form a continuum with economic concerns on one end and social on the second, and relate to each other rather in the manner of historical evolution. Although all of these types of liability already exist in the business organisations, – he noted, – the history of business indicates more early attention to economic and legal aspects and a later – to the ethical and discretionary aspects. Moreover, taken any responsibility or action of business could have built-in economic, legal, ethical, and discretionary motives.

Developing the logic K. Davis and other developers the basic concepts of corporate social responsibility, Carroll puts in a management context because it can be used to help identify the cause of specific business activities, and to draw attention to the ethical and discretionary conditions that their managers often forget. As a result of such dynamic changes is clearly a problem finding new mechanisms of personnel management to meet new requirements and provide search for ways to resolve and minimize conflicts. Modern innovative approaches to social enterprise development stimulate and shape a fundamentally new strategic direction. One such area is in the effective management of staff, based on a system of values which forms the enterprise. In modern conditions, considering the mechanism of personnel management in general, start with a system of values, and then to choose the forms and methods of personnel management that impressed the system, personnel policy (recruitment, training, staff development) considering the psychological requirements and the impact of external and internal factors. The foundation of personnel management is, after all, the organizational culture, with its functions: alarm, integrating, governing, motivational, economic, and other.

At sufficiently enshrined in the activities of the company already listed features in the organizational culture and others, they become an influential factor in the regulation of the relationship between staff at different levels in the hierarchy. If we consider the organizational culture and model the behavior of people, it can be considered as a factor of psychological influence. Aspects of personnel management can be viewed in the context of hierarchy, highlighting the top link – management and lower – subordinate employees. For the lower-level value system is dominant, as this category of employees adopts what is declared at the highest levels, so they act as the subjects of decision (but not necessarily perception) system of imposed values, not ideology. Thus, if we consider the system of values as dominant in the concept of personnel management, it is formed by the ideological representatives of the ruling elite and the owners, and hired workers usually are not privy to the culture of the organization. However, they must understand the importance of the qualification as the basis of their own productivity and self-improvement, which is a system of social guarantees and security. The economic value of an employee is determined by the skills, General knowledge, ability to effectively solve complex problems that allow employee to adapt quickly to economic and social conditions of life. Therefore the concept of personnel management an important role is played by the following subsystems: management, motivation, management development and socio-psychological methods of management. They shape the priorities, the corporate model of

competences, ethics of business relations, formal and informal norms of behavior.

The implementation is impossible without a strategic personnel management. In processing plants it solves the following problems:

1) provides enterprises with the required human resources according to their strategy;

2) forms the internal environment of the enterprise in such a way that organizational culture, values and priorities in requirements create conditions and stimulate the reproduction and realization of human resources and proper strategic management;

3) eliminates the contradictions in the issues of centralization-decentralization of personnel management. Tasks of strategic management personnel of the processing enterprises depends not only on the perfection of their development the Director, but also from the implementation of the strategy implementers. It depends on them getting maximum profit, and therefore resolve conflict situations increase the productivity of employees.

Strategic HR management is through developing the personnel strategy. The object of this strategy are individuals with an employment relationship with the company-employer, are characterized by a defined qualitative and quantitative characteristics that determine their ability to work in the interests of the company. The subject of personal-strategy is the system of governance, which includes management services, staff, structural subdivisions of the company on the principle of functional subordination and line managers at all levels of management.

The exact application of the personnel strategy established by the ability of the staff to productive and creative work, intellectual development, the generation of new ideas, acquire new knowledge and skills in a harmonious ratio of personnel potential of the company. Considering the needs of perrona enterprises, the primary problem which is the lack of qualified personnel, capable to work on the latest technology and produce quality products that meet modern demands of society and their activity is directed on innovative development. Upgrading of the technological base with the objective of expanding the range of products and the rational use of production resources to meet public needs and decrease the environmental pollution. These measures also have a social aspect that primarily concerns the interests of society and there is such a connection: the company – the company's staff. This chain can be explained in such a way that satisfied the needs of society positively and profitably affect the company that motivates staff to more productive and efficient work, which in turn will reduce the likelihood of economic conflict.

An important component of strategic HR management is HR policy. It is a strategy of work with personnel, the corresponding concept of development

of processing enterprises. World experience shows that most companies and organizations are developing their own principles of personnel management policy. The main principles are: lifetime employment; the recruitment of high class; the opportunity for career growth; long period of preparation; single status; the system of certifications and interview; sustainable beliefs, values, culture; respect for the individual; involvement of staff in the office; maximum liability; enhanced horizontal communication; the promotion of divergent views.

At processing enterprises, to increase their yield through efficient use of labor resources and minimize conflicts scientists have developed individual strategies of personnel management and formed a perfect policy in the context of social responsibility, the general principles of which are:

- scientific quality and innovation (the implementation of the latest scientific and innovative recommendations in the sphere of personnel management);
- justice;
- integrity and consistency of the work with personnel;
- sequence;
- compliance with labour legislation;
- the equality of all personnel and non-discrimination;
- efficiency (cost of training);
- specificity and targeting.

Important in personnel management and to identify ways of eliminating economic conflicts in processing plants is the concept of social responsibility where the owner has to make decisions and take actions that will benefit companies and businesses. Therefore, the motivation of social responsibility of owner and as a result of the enterprise, take into account the interests of society, is the result of a sequence of stages: needs – motives – socially responsible actions – aims.

In the practice of management there are a variety of forms of organizational structures, efficient management at every level allows to resolve economic conflicts. Each of them has its advantages and disadvantages. It so happened that the main form of organizational structures at the present stage is a linear functional, has a number of positives that appear in full in the conditions of stable production. The dynamism of the external environment leads to the manifestation of negative consequences for the functioning of such structures. One of the drawbacks of linear-functional structures is the occurrence of various conflict situations between functional and line managers, driven by a clear allocation of all types of activities and division of functions. As a result, this leads to the fact that each member of the management activities only sees his goal. Flexibility and a clear focus on the achievement of objectives matrix management structure can be contrasted with the complexity of

management in such structures, which often leads to conflict situations. The effective of organizational management structure is also associated with the nature of the relationship between structural divisions of the company. Thus, in a situation where most of the decisions taken at the highest level of management, communication between the functional units of middle level are very weak, which affects not only the socio-psychological climate in the team, but also can be a significant barrier to innovation in production basis. Problem of modern organizational structures is also duplication of functions as a consequence of the decentralization of management and implementation of the various functional units similar functions, which complicates the process of interaction of units. As a rule, the user performs the Union of all control functions into a single unit, and as a result, operational decisions dominate over strategic. As one of the disadvantages of modern organizational structures of management should also emphasize the discrepancy between different lines of management of relations and activities. The interaction of the structural units depends on information flows, and therefore the importance of targeting information. Most often the organization of document circulation at the enterprise is considered as a separate control area that is not rational, as the process must be a stage of improvement of the enterprise organizational structure. As a socio-economic phenomenon, the conflict remains a tendency to complication, the updating of structure factors that breed it. Different types of conflict interact, complement each other, acquiring new lines and shapes. This determines the dynamics and complexity of socio-economic conflicts. The conflict – a special kind of social and economic cooperation, which has a number of characteristics: first, the opposite parties to the conflict (the opposite should be expressed clearly brought to the “boiling point”); Second, within the conflict interaction between participants No communication: they not only listen but do not hear each other; third, breach of integrity, blocking the normal functioning of the socio-economic system as a whole. Economic conflicts based on economic contradictions, when the economic needs of one side are met or can be met at the expense of another. The deeper these contradictions, the stronger the collision, the deep and lasting conflicts that make them difficult to solve. Economic conflicts often arise between individuals.

Given the nature of the conflicts at the processing enterprises in the aspect of social responsibility, according to which the management process and prevent the negative consequences of conflict interaction and manifest functions of the conflict itself, it is possible to allocate the following reasons of their occurrence: the lack of resources to be distributed in economic activities of enterprises; the relationship of

tasks; differences in objectives, interests between Manager and employees; violation of legislation on remuneration of labour; differences in interests, values, life experiences among employees; lack of education, low professional and qualification training of employees; low level of professional qualification and training of employees; violations of the conclusion and implementation of collective agreements; weak communication; flawed organizational structure and its system of governance; unclear delineation of rights and duties of office staff; the contradiction between the types and functions of the employment of the employee; uncertainty in the development of professional growth, career; inadequate working conditions; lack of understanding between managers and employees; social psychological state of the company.

To prevent and to minimize the economic conflicts at the processing enterprises identified the basic social responsibility to principles, among which are: the appropriateness of selection decisions, adaptability, timeliness, and accuracy of the problem analysis, efficiency, rationality, comprehensiveness, stability, prospectivity, consistency with the interests of the staff and avoid consequences. However, conflict, as a powerful economic factor, is the catalyst of enterprise development, due to its high importance and organizational impact. This is evident in his features, which are both constructive and destructive.

On the basis of theoretical analysis of the literature found that the most common method of conflict resolution in the world is the process of negotiations, moreover, in developed countries through negotiations resolve even criminal cases. In the presence of mature technologies, the negotiation process may take a leading place among the regulators of a mechanism of conflict resolution in labor relations between the main economic actors, namely employers and employees in processing enterprises in the context of social responsibility of business.

In addition, an important factor in the prevention and minimization of negative effects is the study and analysis of the main requirements of employees, including wage which acts as a major motivator to work. In such cases, it is important for management to motivate the staff by providing professional development, training and Advisory services for the funds of the company.

The management is important to recognize that economic conflicts affecting the performance of the enterprise by changing various parameters, including output, revenue, income and so on. This change indicators can be both positive and negative. However, clearly aware that it is because with effective conflict management optimization possible influence on the impact of conflict.

**Conclusions and recommendations for further research.** Consequently, the role of social

responsibility in the activities of the domestic processing enterprises is very significant. However, the imperfection in human resources and the lack of a formalized mechanism of managerial decision-making conflict resolution lead to the fact that the studied enterprises are facing difficulties, resulting in measures to prevent and minimize the negative consequences of conflicts remain ineffective. Change management involves continuous assessment of the adequacy of the organizational structure with the goals and objectives of the organization. Serious problem of domestic enterprises is the insufficient preparedness of managers to take managerial decisions and the use of effective methods of conflict prevention, need to minimize their consequences in terms of social responsibility.

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