

Anastasiya Yu.
Ladogina ¹

Anna V.
Kukushkina

Araz O. Mursaliev

Valery I. Salygin

Article info:

Received 07.09.2021.

Accepted 25.11.2021.

UDC – 005.336.3

DOI – 10.24874/IJQR16.04-08



ETHICAL ASPECTS OF QUALITY IN THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Abstract: *This paper considers the extra component of quality, which goes beyond the limits of government norms and standards, as well as general market requirements to the quality of products that are dictated by competition. It includes ethical aspects of quality, which are connected to companies' manifesting corporate social and ecological responsibility. We determine the influence of three factors - buyer sophistication, market competition freedom, and entrepreneurs' non-commercial initiatives – on the ethical aspects of quality in the concept of corporate social responsibility.*

The purpose of this research is to study the international experience and specifics of developed and developing countries in the selected factors' influence on the ethical aspects of quality of products. The authors determine the key factor (combination of factors), which determines the ethical aspects of quality in the concept of corporate social responsibility – separately for developed and developing countries. To study corporate social responsibility, we use the materials of the dataset “Social entrepreneurship in the world economy: from virtual scores to big data – 2020” (<https://iscvolga.ru/dataset-social-predprinim>). To study corporate ecological responsibility, we use the materials of the dataset “Corporate social responsibility, sustainable development and fight against climate change: imitation modelling and neural network analysis in regions of the world – 2020” (<https://iscvolga.ru/dataset-climate-change>). We determined that the change of the existing model of conducting entrepreneurial activities in the modern conditions creates challenges for economic companies; one of these challenges is the provision of quality of products based on the observation of ethical norms in the concept of corporate social responsibility of company employees.

Keywords: *Ethical Aspects of Quality, Concept of Corporate Culture, International Experience of Corporate Social Responsibility*

1. Introduction

Corporate social responsibility being a public phenomenon, drew the large interest of scholars in the 1970s–1980s, when the

problems of society, quality of products, and quality of services became very urgent. They were caused by social tension: unemployment, economic instability, ecological problems, information expansion, etc. Modern public relations are under

¹ Corresponding author: Anastasiya Yu. Ladogina
Email: a.ladogina@gmail.com

unprecedented influence, as a result of which traditional approaches to their formation show the increasing mismatch with public requirements. Simultaneously, the solutions to dominating problems in the sphere of public relations are more and more influenced by corporate social responsibility. Its public value becomes more obvious and important.

The research aims to characterize and study the specifics of international experience and the specifics of developed and developing countries in the impact of the selected factors on ethical aspects of quality products.

The research hypothesis is as follows: observation of ethical norms – as a part of corporate social responsibility – is the background of quality company products.

2. Literature Review

Having analysed the works of modern authors (Eicher, 2008; Barth, & Wolff, 2009; Idowu & Walter, 2009; Kudlasevych, 2011; Popkova & Sergi, 2020), we see that the notion of corporate social responsibility has been introduced in the scientific discourse to determine the business's attitude towards society; it has wide historical and theoretical elaboration and practical direction.

In the sphere of social marketing, there are a lot of scientific studies, which prove the existence of a sustainable and vivid connection between the level of corporate social responsibility, social consequences, and management of social capital of business and its competitiveness in the targeted territorial market of quality of products and services (Simchenko & Piskun, 2019).

Thus, the works Crowther and Aras (2007), Jonker and de Witte (2006), and Rosam and Peddle (2004) are devoted to the problem of corporate social responsibility and social partnership; the works Bayura and Buyan (2012) and Hancock (2005) cover the issue of corporate social responsibility in reference to social investments and audit; the works Gheraia et al. (2019) and Reyterovych and Puhka (2013) dwell on corporate social

responsibility and ethics of social and labour relations and quality of products and services; Stanislavyk (2016) elaborates different approaches to the development of corporate social responsibility and quality management of products and services. Kotler and Lee (2006) focus on the close connection between corporate social responsibility and the development of social interrelations with employees, managers, stockholders, etc. Such a wide range of scientific works is a sign of the topicality of the studied issue among scholars, as well as in society and public and government institutions.

As for scientific works on corporate social responsibility, it should be noted that a lot of scholars, e.g., (Butko & Murashko, 2009), think that it is based on the basic characteristics of such categories as responsibility, social responsibility, corporations, and quality. At the same time, representatives of different spheres of knowledge contribute to the notions of corporate social responsibility and quality of products in different aspects, which leads to its ambiguous treatment. We see that when elaborating on the considered issue certain scholars use the terms “corporate social responsibility” (Butko & Murashko, 2009; Golovinov & Dmytrychenko, 2014); “social direction of business” (Grishnova, 2010); “social and moral responsibility” (Alekseev et al., 2021; Pyenska, 2015). These notions are similar to their essence and contents. They define the social value and role of business in society and its influence on society on the whole and each individual separately, and the influence of business on the quality of services and products.

According to one – among others – scientific view, the notion of “corporation” means society, union, or group of persons that are united by common professional or public interests for manufacturing high-quality products and services. In social sciences, the notion “corporation” focuses on the existence of a certain corporate character, which is peculiar for the presence of specific social relations in the economic and entrepreneurial

activities on producing the quality of goods and services. At the same time, the sociological treatment of "corporatism" is given as a "mechanism that allows associations (corporations), as intermediaries, to perform the interaction between their members (individuals, groups, companies, entrepreneurial structures, and communities) and to be the representatives of their interests in the cooperation with government bodies". The theoretical substantiation of this problem should be supplemented by the position of J. McGuire – "corporate has not only economic and legal obligations but also certain responsibility before the public, which goes beyond its limits" – and the developments of representatives of economic sciences, according to which corporation has the most important attribute – component of capital and a certain level of centralization of the managerial functions and authorities. Corporations, as economic unions, have the common market policy, strategy, tactics, and practice, which are aimed at providing the common mutually beneficial socio-economic interests and needs.

In the social relations system, socio-economic interests and needs for the quality of goods and services play a decisive role in society. In this context, the notion of "social" will come to the foreground.

The roots of the category "social" lie in Latin "socialis" – "public". This definition means "everything human, i.e., everything that is connected to the public life of people, different forms of their relations, and, primarily, that which is related to society and community. The social aspect is the quality inherent to a person and society, which forms as a result of the socialization processes. This notion reflects the contents and character of relations between subjects (individuals, groups, and communities) as a result of human's performing certain social roles, which he accepts, becoming a member of the society. The social aspect is a quality product of the interaction between subjects, which is manifested in culture, evaluations, and way of life of people. Taking this into account, social

responsibility is the responsibility that has a social character, "does not extend to the past, but only to the present and the future". It should be noted that the problem of social responsibility has not been the object of interest of Russian scholars for quite a long time. Soviet scholars showed some interest in it only by the end of 1960s. The studies of that period are peculiar for studying various moral and ethical aspects of responsibility of the quality of goods and services.

Thus, Banerjee (2007) and Keinert (2008) actively developed the problems of responsibility, in which the focus was on the developing of moral responsibility of people in the conditions of socialism. Over time, there appeared new works, which treated social responsibility as a form of public relations, quality of a person, and a special state of social subjects. In particular, social responsibility is considered as a special type of human interaction in the works of L. Gryadunova, S. Dmitriev, G. Zabolotnaya, E. Levchenko, N. Tabunov, and M. Tsvetaeva. The phenomenon of social responsibility is considered in these works as an individual's ability to subdue their interests to the requirements of public development. Besides, from the positions of Golovinov and Dmytrychenko (2014), social responsibility is treated as a form of connection and interaction between society and individuals, which expresses certain relations between them.

The role and importance of corporate social responsibility and business ethics are obvious in the development of business. We think that research works will elaborate on the main advantages, which these two concepts could provide to the business. For example, they can do the following: 1) attract customers to high-quality products of a company, thus increasing sales and revenues; 2) stimulate employees to be loyal to the business, reducing the turnover of the workforce and, therefore, increasing efficiency; 3) attract more employees to the business, allowing the company hiring the most qualified employees; and 4) attract investors and keep

high prices for company's stock, protecting the business from mergers (Carvalho et al., 2019)

French materialists were the first to come close to the modern understanding of social responsibility (Gheraia et al., 2019). They raised the questions of society's responsibility before its citizens, changing the unilateral connection "society – individual" to the interrelations "society – individual – society".

In the following way, companies must be socially responsible for the quality of goods and services, since sophisticated parties are aware of the many problems that are the result of economic activities and require the acceptance of responsibility (Inter-American Development Bank, 2003).

Research of the essence of social responsibility in the historical and philosophical retrospective allows stating that the issue of social responsibility becomes more topical in the course of the approach to the present time; it is present in any sphere of life activities. Thus, it acquires an important – even decisive – role. Responsibility, as a socio-philosophical category, reflects the objective character of the interaction between subjects of activities based on the mutual requirements, which are determined by social norms for providing the quality of goods and services. The state of the socio-philosophical consideration of the phenomenon of social responsibility is marked by the scholars' interest in the development of this phenomenon in the conditions of corporate business environments and the inclusion of modern entrepreneurship in the technical, ecological, biotechnical, and socio-technical communications systems. The modern treatment and understanding of corporate social responsibility require constant research, discussion consideration, and innovative revision. By the mid-1970s, the discussion on the contents of corporate social responsibility was dominated by the normative sense, and the wide treatment of this phenomenon did not receive adequate

value substantiation. The first attempts at systematizing the contents and "limits of normativity" of the notion of "corporate social responsibility" were made by A. Carroll (1979). The scholar treated corporate social responsibility according to the "economic, legal, ethical, and discretionary expectations, which are manifested by society regarding business". The concept of A. Carroll is a multi-level responsibility of business in the shape of a pyramid, which base is economic responsibility, which is followed by legal responsibility and moral responsibility. The top of the pyramid is discretionary (philanthropic) responsibility. According to the author, "economic and legal responsibility are mandatory for business since they conform to strict public requirements; moral responsibility is expected by society, and philanthropic responsibility is desired by society".

In 1958, Theodore Levitt's paper "The Dangers of Social Responsibility" started the criticism of corporate social responsibility. The author emphasized that business's attention to the development of schools, hospitals, and social services was nothing else than a "new orthodoxy", "new feudalism", a concept leading to the destruction of capitalism. The scholar noted that business had a large chance of survival if it refused from the absurd view at its goal, i.e., if the long-term maximization of profit remained the sole purpose in theory and practice. In this context, we should pay attention to the works of K. Davis, who emphasized the managerial aspect of corporate social responsibility, noting that decisions and actions of entrepreneurs could provide a good chance to obtain a long-term economic effect. However, an economic effect cannot ensure the constant prospering of business if it is not aimed at the development of public relations and society on the whole.

In the works (Banerjee, 2007; Reznik, 2014) the essence of corporate social responsibility is distinguished as an important moral and ethical attribute; it is emphasized that voluntary strategy of the business, which

purposefully takes into account in the economic activities the public and moral & ethical aspects in interrelations with all concerned parties, is decisive for government, society, and business.

The wide implementation of corporate social responsibility as a new philosophy requires new conceptual solutions. In the modern scientific turnover, we see a wide range of the conceptual treatment of corporate social responsibility of business, namely: 1) quality of the concept of economic responsibility; 2) quality of the concept of basic business strategy; 3) concept of responsibilities; 4) quality of the concept of interested parties; 5) quality of the concept of corporate citizenship; 6) quality of the concept of corporate accountability; 7) quality of the concept of utility; 8) quality of the concept of corporate sustainability or sustainable development, etc. Analysis of the contents and essence of these concepts shows that fundamental principles, which form their basis, reflect the social importance of corporate social responsibility. They are aimed at stimulating social changes, solving the problems of tolerant co-existence of business and society, business and government, and business and nature. Effective solutions to these problems could be reached only through the constant dialogue and cooperation of government-business-society.

3. Methodology

There are different opinions regarding the way companies should interact with their environment in the process of quality marketing activities to be considered socially responsible. It is rather difficult to agree as to the nature and scales of social responsibility due to different views. According to certain researchers, to be socially responsible is a voluntary choice of a company, which positively distinguishes it in the conditions of competition's growth and reduction of general trust to business in the sphere of quality of goods and services. The mandatory

conditions of using the concept of social and moral marketing are as follows:

1) development and implementation in the economic activities of a company of such socio-economic programs that not only conform to its interests but also stimulate social development of the whole region of its functioning. The main purpose of these programs should consist in the provision of the long-term well-being of a company, its customers, and society on the whole;

2) constant contact with consumers, who support the company, and care about satisfying their individual and public needs;

3) company's refusal from manufacture and selling of goods that may harm consumers and society on the whole;

4) consumers' refusal from the products of companies that use ecologically "dirty" technologies even for manufacturing a product that society needs. Observation of the standards of ethics and social responsibility are logical requirements to companies that aim to create an effective system of corporate management.

The ethics of marketing envisages everyday improvement of marketing solutions and actions from the point of view of moral value. The main argument in favour of business ethics is that observation of ethical norms in the long-term brings profit from manufactured high-quality goods and provided services. Most modern companies are very sensitive to the needs and reviews of their consumers and constantly strive to protect their long-term interests. Very often, ethical problems in the marketing activities of a company appear thanks to the mismatch between expectations and the real ability to implement them. Companies often make marketing promises they cannot fulfil, because of the lack of resources and personnel skills. That's why, to avoid such situations, it is necessary to formulate – clearly and realistically – the corporate goals and develop the professionalism of personnel.

According to the materials of the dataset "Social entrepreneurship in the world economy: from virtual scores to big data –

2020”, the indicators of social responsibility of entrepreneurship in the world are as follows: share of protected employment, keeping personnel, support for fired employees, stimulation of unions, flexibility of wages, professionalism of management, fair wages, gender-neutral wages, and multistakeholder collaboration (International Institute for Sustainable Development, 2004).

The genesis of corporate social responsibility should be started with the notion of responsibility. Responsibility is a feature of an individual, which determines the subjective duty to be responsible for deeds and actions, as well as their consequences. Responsibility could be also treated as a certain level of negative consequences for the subject in case of violating the set requirements. Social responsibility emerges when a person’s behaviour is of public importance and is regulated by social norms. As for the practice of companies' manifesting social responsibility, the dominating view in society is that its main forms are help for the poor and certain projects in the healthcare sphere or educational projects. However, it should be noted that all projects of public importance belong to the social sphere.

Corporate social responsibility is considered to be the social responsibility of each company. This is a concept, following which companies take into account society’s interests, accepting responsibility for the impact of their activities on customers, suppliers, employees, stockholders, local communities, and other interested parties, as well as the environment. Such responsibility goes beyond the obligation to abide by the law and envisages that companies voluntarily take additional measures for raising the quality of life of their employees and their families, as well as the local community and society on the whole. There is no general definition of corporate social responsibility, and, probably, there cannot be, since we speak of a systemic approach to the complex problem. According to one definition, corporate social responsibility is a method of

managing business processes for ensuring a positive influence on society. According to the World Business Council for Sustainable Development, corporate social responsibility is a long-term obligation of companies to observe moral rules and stimulate economic development, improving the quality of life of employees and their families, community, and society on the whole.

We shall treat corporate social responsibility as a company's responsibility to maximize its positive influence on society and to minimize its negative influence. Considering the concept of corporate social responsibility, we agree with Yu.E. Blagov that it is expedient to distinguish two aspects: normative and positive. The normative aspect is based on the axiomatic obligation of a company to observe the standards of social responsibility, since business is a subject of society, and, therefore, has to take into account its needs and interests. *Vise versa*, the positive aspect is based on understanding the fact that the company in the process of activities implements the principles of corporate social responsibility, achieving its own goal. It is possible to analyse the development of the concept of corporate social responsibility based on A. Carroll’s CSR pyramid. Thus, at the first level, Carroll sets the economic responsibility of companies, according to which the company’s task is to receive income. The second level is a legal responsibility, which makes companies observe the laws; the third level is a moral responsibility, according to which companies must be ethical in their activities. The last level is philanthropic responsibility, which could be implemented as the company’s desire to become a responsible corporate citizen. Only in the case of company’s combining all types of responsibility could it be considered socially responsible. Corporate social responsibility is not a legal regulator – i.e., it does not include payment of taxes or wages. The fact that legal mechanisms and regulators work automatically and independently in advanced economies should be considered as well.

4. Results

Well-known international companies think that reliable partners are only those using the ethical approaches to society on the whole and their employees in particular. That's why international expert organisations, business associations, and audit companies actively develop standards in the compilation and verification of social reports of companies. These reports have to supplement financial information and allow for a clear understanding of the systemic and long-term character of perspective development of business.

A whole series of corporate scandals, which has happened in recent decades in the leading corporations of the world, made the management think about the necessity for urgent measures on the increase of corporate reputation on the whole and the improvement of the image of separate brands.

Scientific literature distinguishes four main approaches to the concept of corporate social responsibility in the sphere of quality ethics:

1) economic approach, according to which company is a tool for creation of wealth, and its social activities are aimed at the achievement of an economic result. The most well-known support of this approach is the American economist Milton Friedman, according to whom there is only one social responsibility of the business world – to use own resources and conduct activities aimed at the increase of incomes, under the condition of observing the game rules– i.e., competing in a free and open manner, without fraud. Acting this way, a company performs its economic function, producing goods and services that are needed by society, creating jobs and ensuring the maximization of profit for stockholders.

2) political approach, which is based on companies' ability to influence – in a specific way – society, which implies their responsibility in using this ability. Social force is treated as the ability to influence the results of important public processes to solve

public problems regardless of the political institutions. The concept of "corporate citizenship", which appeared in the early 21st century, is very popular. According to it, the role of a company could be considered in a narrow or a wide sense. In the narrow sense, the company's role is brought down to philanthropy, social investments, and certain generally recognized obligations before the local community. In a wide sense, a company has to be responsible for the spheres in which the government cannot protect its citizens.

3) social approach, in accordance with which a company has to focus its activities on determining the society's social requirements and finding answers to them, thus stimulating the increase of its positions. In the 1970s, the concept of corporate social responsibility somewhat changed its direction from the position "what is good for society" to "what society requires from business". Due to this, the activities of any company in the sphere of corporate social responsibility should be determined by society's expectations from it. Certain authors distinguish the requirements on the reduction of negative influence and the requirements on the increase of positive influence of a company on society. The emergence in the 1980s of the theory of interested parties led to the appearance of a new direction of research, according to which the social role of a business should be determined by the requirements of interested parties, thus replacing the notion of society with the notion "interested parties".

4) ethical approach, which main feature is that it is based on the idea of moral responsibility of business and individual managers before the society.

Among other approaches, it is relevant to distinguish the approach from the position of "triple bottom line" of the American economist John Elkington and the normative approach from the position of interested parties of his colleague E. Freeman.

Socially responsible business is the activities in which only such means of profit-making that do not deal harm to humans, nature, or

society are used. This envisages the presence of the following:

- company – a responsible manufacturer, which produces high-quality and safe (for consumers) goods, does not set high prices, provides true information to consumers, works according to the norms of ecological law, cares about the environment, and implements the latest technologies to reduce the negative influence, for liquidation of harmful waste, and prevention of emissions;
- company – responsible employer, which acts following to the norms of the labour law and works according to labour conditions and social well-being of its employees;
- company – responsible participant of social relations, which participates in supporting the society's well-being, which is manifested in charity as to orphans, the handicapped, and other socially vulnerable groups of population; supports morality, education, science, culture, and development of its region;
- company – a responsible participant of economic and political relations with the government, which conscientiously pays taxes and employees' insurance, works according to the norms of the current law, avoids corruption, conducts effective business without any subsidies from the government, ensures transparency of corporate finance, and supports legitimacy, independent justice, and competition;
- company – responsible business partner, which forms its relations with partners on the principles of observation of contracts, agreements, and professional standards of activities, and financial responsibility. Company owners are well-known and take pride in the company, financial reports are transparent, charity is not advertised, and reputation is stable.

In international practice, the first entrepreneurs who started to fully use the ethical approaches to business, including the principles of social business, were J. Durand (1964), M. Silbert (1971), and J. Dalton (1963). In particular, they hired mentally

challenged and people with alcohol and drug addiction, as well as ex-convicts, paying a lot of attention to various rehabilitation measures (it is worth noticing that their companies were successful in the financial aspect).

However, scholars and entrepreneurs continue the constant search for opportunities for the ethical organisation of business in high-quality goods and services. The important fact is that starting since the mid-20th century economy has been acquiring the global character. The subjects typical for the global economy emerged and became active: transnational corporations, banks, stock exchanges, and international organisations which were created for regulating the international economic process. At present, they have a large impact on certain economies and the world economy on the whole. For example, 60% of all foreign investments belong to the 100 largest transnational corporations. Besides, transnational corporations control almost 50% of industrial production in the world, 2/3 of all world trade, and about 50,000 people work at their enterprises.

Taking into account the financial power of transnational corporations and their impact on the modern economy, the problem of moral (including socially responsible) conduct of their activities becomes especially important.

Thus, the modern principles of socially responsible business have been forming for quite a long time. As of now, the international principles and standards of socially responsible business are formulated in the documents of the UN, the EU, and the OECD. In 1980, the UN developed the Code of Conduct on Transnational Corporations, which later was supplemented by the United Nations Global Compact, which united – on the voluntary basis – the UN institutions with companies, labour non-government organisations, and other public structures interested in stimulating the actions and partnership to support the principles in the sphere of human rights, labour relations, and environment protection (ISO Advisory Group

on Social Responsibility, 2004). Besides, it is necessary to note the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977/2000).

The implementation of the framework of corporate social responsibility in the EU started in 2000 in Lisbon. It was the first time when the EU drew companies' attention to the necessity of realizing their social responsibility (in particular, the topic was life-long learning, organisation of work, provision of the principle of equal opportunities, social inclusion, and sustainable development). This allowed achieving – in the future – the strategic goal of the EU – building a dynamic, competitive, and united knowledge economy. In its turn, the European Commission published the Green paper “Promoting a European framework for Corporate Social Responsibility”, which became a guide for companies in the issues of social responsibility.

In 2003, the European Parliament adopted the “Resolution on corporate social responsibility (CSR): contribution of corporate social responsibility to sustainable development”, which became a result of wide public discussion of these problems by employers, unions, investors, and employees. Besides, the OECD adopted important – for the development of policy on implementing socially responsible business – “OECD Guidelines for Multinational Enterprises”.

It should be noted that as of now, most countries of the EU have government programs of support and stimulation of social responsibility of business structures, which envisage the improvement of the conditions of work and training of personnel, charity, use of the moral and responsible attitude towards the consumer in the company policy, participation in regional programs of development, implementation of ecological programs, the policy of observation of stockholders' rights, and disclosure of information on the company. Thanks to this, governments define socially responsible

behaviour for business, involve companies of private and public sectors in the joint completion of socially important tasks and stimulate business for socially responsible activities.

A very important condition of development and implementation of the concept of social responsibility of business is the priority of society's interests in all strategic programs of any companies' activities.

In view of the importance of the issue of development of moral (including socially responsible) business, Harvard University and other American and British universities conducted research on this process. They demonstrated the issue that the rates of economic growth of companies that used and implemented the principles of social responsibility were 2-4 times higher than with their rivals, which limited their goals by profit-making only.

5. Discussion

Thus, in the conditions of modern globalization, unprecedented geographical dissemination of the activities of the global economy's subjects, and the increase of their impact on the economic process around the world, the problem of social responsibility at the level of all countries becomes very important. The aim is to overcome the existing asymmetry among countries in the social, economic, and ecological spheres, with the active participation of multinational enterprises, transnational banks, international organisations, and governments through the formation of comprehensive socially responsible awareness. For this, it is essential to use the cultural and moral norms of responsibility, as the reflection of the public agreement's tendencies. This process should be based on the international ethical principles of the corporate activities of a business. A stage of the development of this process could be the adoption by organisations of employers and global corporate structures of the moral principles of

doing business, an original code of behaviour of business structures with the definite accounting of the quality of the tendencies of companies' consumer behaviour, quality of products, and quality of services. The basic function of global social responsibility is economic responsibility, which allows satisfying the needs of not only potential consumers but also stakeholders (employees, stockholders, buyers, etc.) on the whole.

Global social responsibility envisages the observation of the corresponding standards. There emerges a question of the organisation that could be coordinate this process. There is a belief that the UN – as the global, universal, multifunctional, and inter-government organisation – can adopt the function of coordinator of the processes at the level of global social responsibility. Taking into account the existing threats to civilization, there is an urgent necessity to develop – under the UN guidance – and implement in the legal framework the global standards of social responsibility that assuage these threats, especially the economic polarization of countries with different levels of development of their national economies.

Ethics sets the goal to which an organisation strives and the way the employees should behave. It determines the measures that are supposed to be taken by the organisation to achieve its goals and sets limitations on the organisation's activities. Since the moral component of behaviour reflects the moral and motivational sphere of a person, it should become an object of special attention. A specific subject of economic activities is always in the state of selecting priorities, goals, motives, and needs. The structure of these values determines the organisation's behaviour. The organisation's personnel, which is a unique unity of professional and personal qualities, is influenced by diverse regulators of its behaviour. Since it is a part of multiple personnel and groups, several regulators are large. Most of these regulators reflect the specifics of the given company and everything connected to it. The regulators of behaviour include the following:

predetermines by the technological process, specifics of the division of labour process in operations, used labour means, and its content; predetermined by the social role and person's status in workgroups and informal groups of the organisation; regulatory forms of organisation: orders, prescriptions, provisions, instructions, regulations, traditions, and customs; regulators of the external environment: official laws, rules of public behaviour, and family traditions. Personnel are not just objects of influence: it is a subject that can actively influence the activities of all the above systems.

Sustainability of the organisation's structure and preservation of its traditions and customs are achieved using the ceremonial and subordination component of behaviour. Protocol and the manner of communication with employees, supervisors, and subordinates reproduce the organisation's culture and specifics. Very often we manifest – and sometimes become the victims of – the so-called characterological behaviour, when the specifics of character and open demonstration of one's emotion and psychological state are very vivid and determine the person's behaviour in an organisation.

In the difficult conditions of interaction, a workgroup demonstrates different forms of behaviour, which depends on many circumstances.

Ethical norms allow forming a dominant form, which, in its turn, allows selecting the best method of influencing it. The development of the moral behaviour of an organisation is largely determined by the behaviour of the organisation's members. A prominent sociologist B.I. Kurashvili distinguished four types of employees at companies by the attitude toward labour and labour behaviour and determines the proportion between types and motives of employees' behaviour (back in Soviet times). This typology remains actual since the elements of the Soviet mentality and attitude towards labour have a large impact on a lot of

Russians and Ukrainians.

The work on determining the motives and stimulating the employees of sub-normative and non-normative types requires the attraction of specialists. Though the most frequent method of fighting those who behave in the wrong way – according to the management – is dismissal.

The decisive role in all aspects of an organisation's activities belongs to values – i.e., an organisational culture that ensures the coordination of actions, and integrity of the organisation and is the basis for improving the indicators of the organisation's activities and supporting the behaviouristic model that conforms to organisational goals. Ethical values, rules, and norms are an integral part of an organisation's corporate culture. It helps forecast the character of personnel's behaviour under certain circumstances.

6. Conclusion

The development of a strong culture in an organisation in which moral norms conform to the interests of the organisation and society allows it to receive competitive advantages. To ensure control over the organisation's behaviour, it is possible to artificially form special cultural values. These include ethical and moral norms that are based on the principles that emphasize the importance of the positive attitude between employees, justice, and support. Values that are the basis of moral behaviour are determined by the organisation's goals. Personnel's realizing the tactical goals gives it the energy to achieve them and creates the framework for the formulation and achievement of goals of the higher level.

Forming the organisation's corporate code, its managers should use the existing organisational culture and set the norms of its behaviour in view of its goals and social responsibility. Implementation of the moral code allows for the effective organisation of work and protection of the organisation's reputation. Corporate code allows controlling

behaviour and forming cultural values. To analyse the level of development of the organisation's ethics, it should be considered as a civilian, manufacturer, subject of resources management, an object of management, rival, and subject of social development. Each of these roles has its features of moral behaviour.

The study of the world experience of development of socially responsible business allows for the following conclusions:

- using ethical norms is a guarantee of the formation of a high-quality civilized and legitimate business;
- social responsibility – as a component of the ethics of international business – stimulates the organisation of production activities, in which only the methods of profit-making that do not harm people, nature, or society, are used;
- development of transnational corporations and other subjects of the modern global economy leads to the necessity to raise the level of their activities' social responsibility;
- in the conditions of the modern economy's acquiring the global character there appears a necessity to form a global social responsibility of its subjects. The function of the coordinator of this process should be given to the UN;
- at the level of countries, governments should actively support the social programs of companies that are aimed at implementing the principles of social responsibility.

Thus, the world practice demonstrates that high-quality social responsibility – as important components of the ethics of international business – has a large positive influence on the development of economic activities of certain companies and around the world. Thus, it is expedient to study the global experience of socially responsible business and to implement it in the Russian economy, taking into account the specifics of its development.

Unfortunately, a lot of manufacturers forget about social responsibility and ethics of

behaviour, since the principle of profitability is more important for a lot of managers than the principle of ethics and responsibility. This is often confirmed in mass media, especially in reference to the quality of manufactured products. It should also be noted that the manufacture of high-quality products also falls under the notion of the manufacturer's

social responsibility since the quality of food products forms national security in the sphere of the manufacture of food products. That's why developing a system of strategic changes management, it is necessary to pay attention to qualitative parameters of the manufactured products.

References:

- Alekseev, A. N., Lobova, S. V., & Bogoviz, A. V. (2021). Digitalization and quality of labour: contradictions in developing countries and the prospects of harmonization. *International Journal of Quality Research*, 15(3), 733-752.
- Banerjee, S. B. (2007). *Corporate social responsibility: the good, the bad and the ugly*. UK, Northampton, MA, USA: Edward Elgar Cheltenham, 153 P.
- Barth, R., & Wolff, F. (2009). *Corporate Social Responsibility in Europe. Rhetoric and Realities*. UK, Northampton, MA, USA: Edward Elgar Cheltenham, 358 P.
- Bayura, D. O., & Buyan, O. A. (2012). Conceptual foundations of corporate mechanism of social responsibility in Ukraine. *Aktual'ni problemy ekonomiky [Current issues of economy]*, 9, 151–157.
- Butko, M., & Murashko, M. (2009). Genesis of social business responsibility and its formation in Ukraine. *Ekonomika Ukrainy [Economy of Ukraine]*, 7, 74-86.
- Carroll, A. B. (2016). Carroll's pyramid of CSR: taking another look. *International Journal of Corporate Social Responsibility*, 1, 3.
- Carvalho, F., Santos, G., & Gonçalves, J. (2019). The discourse of information on sustainable development on the corporate website of the certified Portuguese organisations. *International Journal for Quality Research*, 12(1), 253-276.
- Crowther, D., & Aras, G. (2007). *Corporate Social Responsibility*. Ventus Publishing ApS, p.144.
- Eicher, S. (2008). *Corruption in international business: the challenge of cultural and legal diversity*. Burlington, USA: Gower Publishing Company, 245 P.
- Friedman, M. (1970). *The social responsibility of a business is to increase its profits*. HuffPost.
- Gheraia, Z., Saadaoui, S., & Abdelli, H. A. (2019). Business Ethics and Corporate Social Responsibility: Bridging the Concepts. *International Journal for Quality Research*, 11(2), 677-692.
- Golovinov, A. M., & Dmytrychenko, L. A. (2014). Formation factors of Corporate Social Responsibility Institute. *Ekonomika ta derzhava [Economy and State]*, 9, 10-14.
- Grishnova, A. (2010). Social responsibility of business: nature, value, strategic directions of development in Ukraine. *Ukraina: aspekty pratsi [Ukraine: aspects of labour]*, 7, 3-8.
- Hancock, J. (2005). *Investing in corporate social responsibility: a guide to best practice, business planning and the UK's leading companies*. London, UK: Kogan Page Limited, p.360.
- Idowu, S. O., & Walter, L. F. (2009). *Global Practices of Corporate Social Responsibility*. Berlin, Germany: Springer Verlag, p.508.

- Institute of Scientific Communication (2020). Dataset Corporate Social Responsibility, Sustainable Development and Climate Change: Simulation and Neural Network Analysis in Regions of the World - 2020. Retrieved from <https://iscvolga.ru/dataset-climate-change> (Accessed: 02.11.2021)
- Inter-American Development Bank (2003). Social development. Strategy document. Washington, D.C. Retrieved from: www.iadb.org/sds/ (Accessed: 02.11.2021)
- International Institute for Sustainable Development. (2004). ISO: Social Responsibility Standardization An outline of the issues. URL: <http://www.iisd.org>, 9 P. (Accessed: 02.11.2021)
- ISO Advisory Group on Social Responsibility Retrieved from. (2004). Working Report on Social Responsibility. April 30, p.89.
- Jonker, J., & de Witte, M. (2006). *Management Models for Corporate Social Responsibility*. Heidelberg, Germany: Springer Berlin, p.378.
- Keinert, C. (2008). *Corporate Social Responsibility as an International Strategy*. Heidelberg, Germany: Physica-Verlag, p.153.
- Kotler, P., & Lee, N. (2006). *Corporate social responsibility: doing the most good for your company and your cause*. Hoboken, New Jersey: John Wiley & Sons, Inc., p.307.
- Kudlasevych, A. M. (2011), For the history of becoming a model of social responsibility entrepreneurship in the second half of the nineteenth – beginning of twentieth century. *Formuvannia rynkovykh vidnosyn v Ukraini [Developing market relations in Ukraine]*, 5, 31-36.
- Popkova, E. G., & Sergi, B. S. (2020). Social Entrepreneurship in Russia and Asia: Further Development Trends and Prospects. *On The Horizon*, 28(1), 9-21.
- Pyenska, I. A. (2015). Features of TNCs' influence on economic development of Ukraine. *Zovnishnia torhivlia: ekonomika, finansy, pravo [Foreign trade economu, finance, law]*, 3, 114-124.
- Reyterovych, I. V., & Puhka, A. G. (2013). Features of social business responsibility formation in Ukraine. *Investytsii: praktyka ta dosvid [Investments: practice and experience]*, 10, 131–134.
- Reznik, N. (2014). Social responsibility of business: theoretical aspects. *Zhurnal ievropejs'koi ekonomiky [Journal of European economy]*, 13(3), 296-303.
- Rosam, I., & Peddle, R. (2004). *Implementing Effective Corporate Social Responsibility and Corporate Governance. A Guide*. BSI, 389 Chiswick High Road, London W4 4AL, UK, p73.
- Simchenko, N., & Piskun, E. (2019). Contribution of corporate social responsibility and social capital management into quality of life: models of evaluation. *International Journal for Quality Research*, 13(3), 689-704.
- Stanislavyk, O. V. (2016). The role of organisational culture in enhancing the competitiveness of enterprises. *Ekonomika, finansy, pravo [Economy, finance, law]*, 2, 16-21.

Anastasiya Yu. Ladogina

Plekhanov Russian University
of Economics, Moscow, Russia
a.ladogina@gmail.com ORCID
0000-0003-2890-6739

Anna V. Kukushkina

Moscow State Institute of
International Relations of the
Ministry of Foreign Affairs of
the Russian Federation, Moscow,
Russia
a.kukushkina@inno.mgimo.ru

Araz O. Mursaliev

Moscow State Institute of
International Relations of the
Ministry of Foreign Affairs of
the Russian Federation,
Moscow, Russia
arazmursaliev@gmail.com
ORCID 0000-0002-9358-7423

Valery I. Salygin

Moscow State Institute of
International Relations of the
Ministry of Foreign Affairs of
the Russian Federation,
Moscow, Russia
valery.salygin@yandex.ru
