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The national dimension of cooperation of business with youth non-governmental organizations

Kopylchak B.V.

post-graduate student of the department of management
Ivan Franko National University of Lviv

In this paper the reasons for doing business and cooperation between business communities and youth non-governmental organizations are presented. The necessity of conducting business policy of corporate social responsibility and resource support for youth non-governmental organizations is reviewed. The types and stages of partnership between business and youth organizations as well as the obstacles that may arise are analyzed.

Keywords: corporate social responsibility, fundraising, youth non-governmental organizations, philanthropy, social marketing.

Копильчак Б.В. НАЦІОНАЛЬНИЙ АСПЕКТ СПІВПРАЦІ МІЖ БІЗНЕСОМ ТА МОЛОДІЖНИМИ ГРОМАДСЬКИМИ ОРГАНІЗАЦІЯМИ

У роботі наведено причини ведення співпраці між бізнесом та молодіжними громадськими організаціями. Розглянуто необхідність ведення бізнесом політики корпоративної соціальної відповідальності та ресурсного забезпечення молодіжними громадськими організаціями. Проаналізовано види та стадії партнерства між бізнесом та молодіжними громадськими організаціями, а також перешкоди, які можуть виникнути.

Ключові слова: корпоративна соціальна відповідальність, фандрейзинг, молодіжні громадські організації, філантропія, соціальний маркетинг.

Копильчак Б.В. НАЦИОНАЛЬНЫЙ АСПЕКТ СОТРУДНИЧЕСТВА МЕЖДУ БИЗНЕСОМ И МОЛОДЕЖНЫМИ ОБЩЕСТВЕННЫМИ ОРГАНИЗАЦИЯМИ

В работе приведены причины ведения сотрудничества между бизнесом и молодежными общественными организациями. Рассмотрена необходимость ведения бизнесом политики корпоративной социальной ответственности и ресурсного обеспечения молодежными общественными организациями. Проанализированы виды и стадии партнерства между бизнесом и молодежными общественными организациями, а также препятствия, которые могут возникнуть.

Ключевые слова: корпоративная социальная ответственность, фандрейзинг, молодежные общественные организации, филантропия, социальный маркетинг.

Formulation of problem. From the beginning of Ukraine's independence, the national dimension of cooperation of business with youth non-governmental organizations (NGOs) in most cases used to anticipate the dependence of non-profit organizations on the decisions of commercial institutions. However, the impulse of development of civil society after the Revolution of Dignity changed the vector of cooperation and provided youth NGOs with wider opportunities in the dialogue with business. At the same time, the majority of non-profit organizations is unaware of possible dimensions of cooperation and need help in conducting the dialogue with commercial institutions.

Analysis of recent researches and publications. In scientific and journalistic literature, frequent mentions of cooperation of commercial and non-profit organizations can be found. Authors from the business side mainly consider such cooperation, as it is made in T. Ye. Moisenko's, V. P. Mazurenko's, N. M. Udoda's

and M. A. Saprykina's papers. At the same time, some scientists as O. Hliebushkina and H. Kachura are trying to consider this cooperation from the NGOs side. However, the issue of cooperation between youth NGOs and business is considered very indirectly and needs research that is more detailed.

Formulation of targets of the article. An active participation of youth NGOs in state-building processes during the period of the Revolution of Dignity became the reason of formation of favorable environment for civil society development. In such circumstances, the leadership of youth NGOs faced the issue of strategic management of organizations development, but not only solving of current problems. One of the practices of effective strategic management of the world's youth NGOs is their constant cooperation with business. Today youth NGOs and business in Ukraine do not have a devised practice of strategic cooperation that leads to unsubstantiated economical and social losses.

In this paper it is important to define forms and stages of cooperation between business and youth NGOs, as well as spheres in which such cooperation can take place. In addition, it is necessary to identify obstacles that will occur during possible cooperation and examples of their solving.

Exposition of the main research material.

Development of the civil society in Ukraine cannot be fulfilled without effective cooperation of its entities, i.e., business community, authorities and the citizens. Moreover, each party has its own motives for the cooperation and employs corresponding methods of management to get maximum benefit. In cases when business cooperates with youth NGOs, whose activity represents interests of citizens, the motives of the parties are to implement progressive changes in the social sphere and improve their own image. Such changes are often implemented through the projects, in which the youth NGOs act as main idea's generators and executors, while business is capable of mentoring the process of project organization and providing resources.

If to consider the position of each side separately, the business gets not only customer's loyalty and increasing brand value, but also many latent benefits. Among them are the growth of productivity, access to new markets and effective risk management due to timely and quick access to information with the ability to respond to critical changes in the region [1].

Business community can implement the cooperation with youth NGOs through the policy of corporate social responsibility (CSR). The policy of CSR is conducted due to the influence of business on communicative groups; therefore, its intangible assets are influenced as well. At the same time, all the business processes are involved into the CSR system, having an indirect effect on the development and accumulation of intellectual capital [2].

For the first time the term "corporate social responsibility" was used in 1999 by UN Secretary General Kofi Annan. Considering a significant number of definitions of the notion, several of them will be reviewed. Thus, scientific literature defines the term as "promotion of sustainable business policy that is capable of benefiting both the business and the society". Moreover, by maximization of positive influence of business on the society, CSR facilitates the stable social, economical and ecological development of the society.

In a broader sense, corporate social responsibility is defined as responsible attitude of a

company to its product or service, customers, workers, partners and stakeholders in general. In the context of cooperation with youth NGOs, the CSR should be considered as a consciously and deliberately chosen active social position of a company, which consists in harmonious coexistence, cooperation and constant dialogue with the society and participation in solving the most acute social problems [3].

Cooperation of business community with the youth NGOs is implemented through the following aspects of corporate social responsibility [4]:

- Participation in public life through the relationship with local population;
- Implementation of research programs in collaboration with higher education institutions and scientific research institutes;
- Social investment that aims to support education and medicine, as well as improvements in spheres of employment, poverty alleviation, etc.
- Implementation of individual environment protection policy, which is realized through accountability to the public about the environmental impact and the work on its improvement.

Youth NGO, in its turn, gets different benefit from cooperation with business. Such cooperation for an NGO is a part of financial strategy, as in most cases, business is not only a platform for implementation of its activity, but also becomes an element of structure that provides financial means.

According to the concept of strategic management, each organization, including youth NGOs, must work out a strategy of resource support of the activities carried out within financial management [5]. Financial management involves planning, organization, control and monitoring of financial resources in order to achieve the objectives of the organization, and consists in the application of measures which ensure a healthy financial state of the organization. An important aspect of financial management for youth NGOs is fundraising.

Having analyzed the essence of the term in several handbooks and articles on the conducting nonprofit activities, one may assume that fundraising is a search for financial resources required for activity of a non-profit organization, including the implementation of non-profit programs and projects. At the same time, "the non-profit project" refers to a set of planned activities with common objectives, which aims to achieve social impact rather than profit.

To perform an effective fundraising, youth NGOs has to follow several steps [6]:

1. Identify a resource that is needed to ensure the proper implementation of a certain activity or project;

2. Find the sources of funding, which hold the necessary resources;

3. Formulate the motives that can stimulate funding source to provide the necessary resources;

4. Choose the most effective tool for fund-raising and implement it.

As noted before, a role of such a source of funding may be performed by business that is in search of subjects and objects of implementation of corporate social responsibility policy.

Harvard Professor James Austin in his book "The Collaboration Challenge: How Nonprofits and Business Succeed through Strategic Alliances" identifies three stages of cooperation between business and NGOs [7]:

"Philanthropic" stage is marked by NGOs appealing to the business companies with the request to provide financial resources for a certain project. Business executives can agree on cooperation, but not yet perceive the basis for building a strategic partnership.

The next, "transactional" stage defines a moment when the needs of NGO coincide with the policy of corporate social responsibility of a company. In this case, executives may decide to work on seeking business solutions in order to increase the efficiency of the organization, while the workers may become volunteers.

The last, "integrative" stage begins at the moment when business executives and NGO representatives start joint development of business strategy for the long-term cooperation. Business allocates budget for the project implementation and opens several vacancies in the department of corporate social responsibility or marketing department (in the USA, these positions often are held by employees from partner-NGO).

Typically, a partnership between the parties is dynamic and is developing gradually: the more actively partners join the cooperation, the faster grows trust and more intensive gets the process of exchanging the resources. However, the opposite way of partnership development is possible. For this reason, Neergaard, Jensen and Pedersen extended stages of cooperation to four, dividing "transactional" stage into two parts, and offered them as a kind of analysis of the types of partnerships between business and NGOs [8]:

1. The most traditional and common form of partnership is philanthropy. It provides one-way

transfer of resources from the business companies to the organizations of the "third sector", being not related to business activity of the company.

2. Partnership, in the framework of which the relationship between business and NGOs is based on mutual exchange of resources for specific actions, is called social marketing. Under such conditions, the company provides a certain amount of money that depends on the level of sales of certain product with a partner-NGO's logo.

3. A variation of corporate volunteering is attracting employees of business companies to work in NGOs and communities, their duties ranging from performing administrative and technical functions to customer service and handi-craft. In such cases, the staff usually performs volunteer activities during working hours that are paid by the company. Such projects do not help NGOs achieve their goals, but are useful for the company, as it allows employees to unite in an informal atmosphere.

4. The last type, called strategic partnership, makes the parties more dependent on each other, as both sides work on a common problem that needs to be solved. This type of partnership has the greatest potential since joining efforts allow the parties to achieve such results that would have been impossible while self-resolving problems.

It should be noted that in order to achieve effective cooperation between business and youth NGOs in Ukraine, a number of existing problems that slow down the pace of development of partnership still are to be overcome. A key problem, which is the core of all the other issues, is the disparity between the levels of impact on the development of civil society. Many branches of international corporations in Ukraine and some Ukrainian business companies reached the level in conducting corporate social responsibility policy which is so high that most youth NGOs are simply unable to comprehend and therefore not able to effectively engage in dialogue and cooperation. This difference is the key obstacle and is a derivative for further obstacles, which should be considered. Among these obstacles are:

1. Distrust. Given the fact that in practice there are very few success stories of strategic cooperation, parties do not immediately agree on profitable projects, but only test one another. Hence, due to many external factors, the opportunity to continue collaboration is lost, and a minor event is the only result of cooperation.

2. Lack of professionalism and unwillingness to learn. This is partially the problem of each party of the partnership, yet more common for youth NGOs that exist primarily in order to survive.

3. Passivity. While the youth NGOs are charged with energy for actions, the dynamics of business growth is not visible, though it would provide them with a greater range for activity in the partnership.

4. Lack of communication. This obstacle is created mostly by business. Partially due to mistrust, it is reluctant to publish details of the contact persons engaged in cooperation with NGOs.

5. Failure to understand the business needs. Youth NGOs, unfortunately, often communicate with business as if they communicated with other organizations. However, such communication does not bring the desired results, as often organizations are not able to highlight what the business expects to see and for what it is willing to spend its resources.

6. Business can help not only financially. Unfortunately, there is still a stereotype among youth NGOs that businesses must give money and withdraw. In its turn, the corporate social responsibility includes a wide range of services that can benefit society, and thus it is not aware of its capabilities.

However, despite all the difficulties, there are many examples of business cooperating with youth NGOs. The fact that in the recent years both business and youth NGOs have been made many steps to solve the obstacles that are noted before can be stated. Realizing the need in active and qualified youth, companies have passed the Ukrainian pact for youth-2020. Its aim is the increasing of business role and educational sector in solving problems of education and employment of youth in Ukraine due to the introduction of long-term programs of cooperation of commercial companies, educational institutions and youth NGOs.

For example, after the end of educational project "Spring School", which was held at the initiative of National Nuclear Energy Generating Company "Energoatom" and with the assistance of the initiative group of youth NGOs in 2015, the public movement "Youth Energy Community" was established, aiming at reformed of the energy sector. The last of the events carried out due to the cooperation of these parties were intellectual competitions based on knowledge

of nuclear energy among the students of the Kiev universities in the exhibition stood of the National Nuclear Energy Generating Company "Energoatom" within the framework of the XV-th International Forum "Fuel and energy complex of Ukraine: present and future".

The participation of youth NGOs in hackathons is one of the directions of cooperation between business and civil sector as well. "Hack4SDGs: How to Make Sustainable Development Goals clear for business", which has been organized by the Corporate Social Responsibility Development Center in partnership with the United Nations Organization Development Program for young people aged from 18 to 30. Therefore, youth NGOs, which set appropriate goals and tasks, have a chance to introduce their point of view of Sustainable Development Goals and their introduction to business.

The initiative to overcome the obstacles to the partnership is shown by youth NGOs. A vivid example is the organization on December 15, 2017, by the Foundation for the Development of Plast in Lviv of Charity Evening from the Lviv branch of the National Scout Organization Plast. Effective management of selection of commercial partners and attraction of efforts of volunteers of a youth NGO allowed receiving not only valuable experience of conducting such events, but also more than 400 thousand UAH of profit for the needs of the organization at a budget of 70 thousand UAH.

Conclusions. This partnership is one of the tools for companies to manage impact and meet expectations of society. Moreover, NGOs provide a higher level of public confidence and are more competent in solving social problems. Business communities, cooperating with youth NGOs, get more positive public image, while the organization gets a variety of resources for its own activities and development.

In the course of paper we have identified that the cooperation between business and youth NGOs can occur in three (philanthropic, transactional and integrative) or four stages. It takes place in the process of implementation of CSR by business and the resource support strategy by youth NGOs. Despite the effective cooperation of some individual MGOs and commercial institutions, there are many obstacles to follow their example. In the next scientific papers it is necessary to consider methods and ways to overcome these obstacles more detailed.

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