CORPORATE SOCIAL REPORTING AS A DOMINANT FACTOR OF INFORMATION PROVISIONS FOR ENTERPRISE MANAGEMENT

Hilorme T.V.
Candidate of Economic Sciences,
Assistant Professor of Department of Statistics, Accounting and Economic Informatics,
Leading Research Associate of the Scientific Research Institute of Power
Oles Honchar Dnipropetrovsk National University

Shachanina Y.K.
Student
Oles Honchar Dnipropetrovsk National University

The article dwells upon the system research, critical assessment and development of proposals concerning the implementation of corporate social reporting at business entities. Work suggests the algorithm for defining the social factor as a dominant trait of human capital development according to ESG methodology in respect of social indicators (personnel rights, labor standards, state of corporate governance, social and psychological climate among the staff, satisfaction of the personnel as alpha-stakeholders).

Even though the elements of social responsibility have been in active realization by the companies for the past 50 years, the very notion of “corporate social responsibility” was first referred in 1999 at The World Economic Forum in Davos. In 2000, the UN initiated the wide-scale international movement in the sphere of observance of human rights, labor management relations, environment and combating corruption (Global initiative UN Global Compact, 2000). Joining the initiative would mean that the company aims at building its business with the consideration for these requirements and, hence, declares its social orientation.

There exists a number of indexes that allow assessing the extent of corporate social responsibility of businesses – FTSE4 Good, Dow Jones Sustainable Index and others. Socially active behavior directly influences the reputation of the business. This is substantiated by a linear dependence between the corporate social responsibility index and reputation of the world’s leading companies represented in the research “Global Reputation Pulse Study” (2010) When choosing corporate social responsibility as its behavioral philosophy the company makes a voluntary contribution in the society development in social, economic and ecological spheres and this contribution is directly related to its main operational activity expanding beyond the legally defined minimum.