

Efficiency evaluation of a socially responsible enterprise

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ABSTRACT

The article aims to develop a model for efficiency evaluation of a socially responsible enterprise. It is established that social responsibility is now effectively implemented at enterprises to increase their competitiveness level, ensure the efficiency of business processes and improve the quality of products or services. A model for efficiency evaluation of a socially responsible enterprise is proposed. An expert evaluation was conducted, which consisted of importance evaluation of the stakeholders' inquiries and efficiency evaluation of socially responsible activities is conducted by the business entity. It is proposed to calculate the stakeholders' interests' priority level by using the document "The stakeholders' interests' priority level evaluation", which allows obtaining full compliance with GRI and ISO 26000 standards. It is established that it is obligatory to adjust the weight part of the enterprise calculated efficiency indicator, given by experts, to their priority level. It was also found that the activity of the enterprise was inefficient.

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1. Introduction

The implementation of the principles of social responsibility in the activities of any business entity is an important period in which a number of procedures for assessing the effectiveness of social responsibility of the enterprise are carried out, which determine the further degree of efficiency of socially responsible enterprise management. Social responsibility is an effective tool for implementing the principles of sustainable business development. Currently, there is a tendency to expand corporate social responsibility, but often corporate social responsibility is declarative. In a rapidly changing economic environment, especially in the presence of an economic crisis, such businesses are rapidly or gradually curtailing their charitable and social projects. However, at the same time, it is possible to identify enterprises that, regardless of the phase of the economic cycle, adhere to the principles of social responsibility. To ensure the effective functioning of business' social responsibility, it is necessary to institutionalize the social functions of business and implement corporate social policy of the enterprises. This should be reflected in special regulations and social reports of companies, which should be mandatory, not recommendatory.

2. Literature review

Corporate social responsibility, with a view to its urgency and liability taken by many companies in respect to the implementation of its principles in various industries is widely researched. Researches, Catalao et al. (2016) are engaged in comparison of corporate social responsibility in different countries. Their results show that among the selected economies - the United States, France, Norway and Italy - Norway has the highest rates of CSR, and the United States - the lowest. Countries with the highest CSR values probably have the lowest social inequalities. Overall, the study is step forward in

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understanding how CSR practices are integrated and developed in different countries, as they create value for both companies and society. Gao and Hafsi (2015) consider government intervention in the corporate social responsibility of small and medium-sized companies in China, concluding that CSR in companies should be formed independently. Karassin and Bar-Haim (2016) in their study proposed a model of the main driving factors influencing corporate environmental responsibility (CEP) as a measure of CSR. Wan et al. (2020) in their work explored the impact of a culture of integrity on social responsibility. Jiang et al. (2019) studied the relationship between investment sensitivity and corporate culture in their research. Based on expert evaluation, it was concluded that firms with a focused culture are less sensitive to investment and cash flow. Kucharska and Kowalczyk (2019) investigated the structure of the relationship between company culture, productivity, corporate social responsibility (CSR) and reputation, as seen from the employee's point of view, to determine which factors of company culture influence CSR practice the most, and as a result, support the development of the company and increase its efficiency. Kowalczyk and Kucharska (2020) proposed a model that examines the impact of CSR pressure, culture and practices on stakeholders and concludes that stakeholder pressure can lead to a stable CSR-oriented system in the business environment. Aljarah and Ibrahim (2020) prove that the overall size of the effect of CSR and brand loyalty is positive and gives an average effect size. Karassin and Bar-Haim (2019) view how regulation affects corporate social responsibility at the institutional, organizational, and individual levels. Ketprapakorn and Kantabutra (2019) considered the role of CSR of small and medium companies from the standpoint of sustainable development. Scientists have concluded that the human factor plays a crucial role in the formation of CSR. Ievdokymov et al. (2020) declared that it is human, their intellectual and social capital that are the catalysts for change. Andrusiv et al. (2020) agree with this hypothesis, pointing out that man is the driver of innovative change. Grishina (2016) studies both international and Ukrainian experience in implementing corporate social responsibility. The author draws an interesting conclusion about the existence of two opposite trends in the development of corporate social responsibility. According to her, on the one hand, there is a tendency to unify the requirements for corporate social responsibility through the development and implementation of international initiatives, standards and indices. On the other hand, there is a significant influence of national characteristics, and, as a consequence, the formation of regional models of corporate social responsibility. However, many issues remain out of the attention of scientists, including the assessment of the effectiveness of socially responsible enterprise. The purpose of the article is to develop a model for evaluating the effectiveness of socially responsible companies.

3. The results

Social responsibility is now effectively implemented in the activities of small and medium companies to increase their level of competitiveness, ensure the efficiency of business processes (Cherchata et al., 2020; Kinash et al. 2019) and improve the quality of products or services (Table 1).

Table 1

Number of socially responsible small and medium companies

Region	Small and Medium Companies			
	2015	2016	2017	2017/2015, %
Europe	4611	5363	5704	123,7
North America	778	992	1065	136,9
South America	733	1026	909	124,0
China	1054	1231	1647	156,3
AMEA excluding Greater China Area	1200	1375	1765	147,1

CSR Statement, 2018, 16.

As we can see from the results of Table 1, Socially responsible enterprises are small enterprises of the European Union. According to world practice, the main goals of corporate social responsibility are to ensure the social level for employees; environmental protection; infrastructure development; business process culture. Therefore, it is advisable to consider in more detail the assessment of the effectiveness of socially responsible activities of the company (Fig. 1). The model that we suggested for assessing the effectiveness of socially responsible companies allows us to consider efficiency as a characteristic of the business entity in terms of the ratio of each partial ratio to value, needs, funds, summarized under a single criterion ranked according to accepted socially responsible activities. The ISO 26000 standard, the international corporate social reporting standard GRI, have almost identical bases. Taking into account the study of the level of social responsibility of domestic companies, the authors expanded the aspects of assessment including the parameter of business relationships, which allows to monitor not only the implementation of responsible business norms of the company but also its partners.

Based on the above, we offer to evaluate the results of socially responsible activities according to the following approach:

$$Ef_{activ} = Ef_{econ} + Ef_{business} + Ef_{ecolog} + Ef_{soc} \quad (1)$$

where,

Ef_{activ} – efficiency of activity;

Ef_{econ} – economic efficiency;

$Ef_{business}$ – efficiency of business relations;

Ef_{ecolog} – ecological efficiency;

Ef_{soc} – social efficiency.

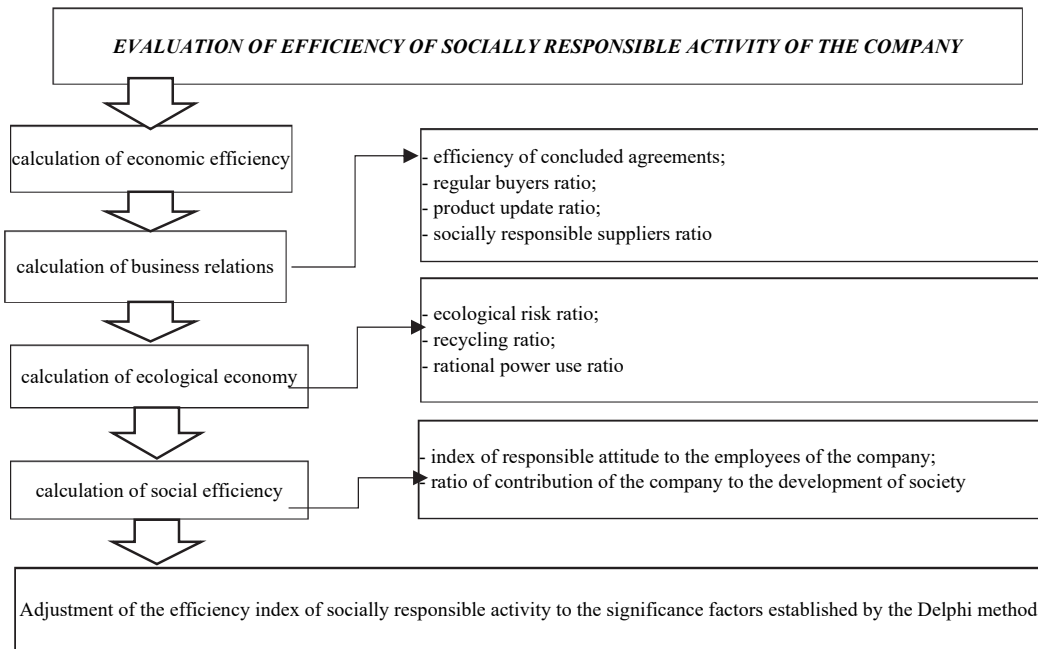


Fig. 1 Model of evaluation of efficiency of socially responsible company

The performance index after the calculation shall be adjusted for the significance factors determined by the Delphi method, which will characterize the quantitative ratios of all the main components of the overall efficiency.

Economic efficiency. The calculation of the economic efficiency of the business can be built traditionally in the ratio of performance and costs.

$$Ef_{econ} = \frac{NI}{GE} + \frac{NI}{CA + CCA + APF} \quad (2)$$

where, NI – net income;

GE – general expenses;

CA – the cost of assets;

CCA – the cost of current assets;

APF – annual payroll fund.

Efficiency of business relations. This parameter should characterize the responsibility of the company in the system of business relations with contractors, as well as the quality and updating of the product range.

$$Ef_{business} = \frac{k_{ECA} + k_{BR} + k_{PR} + k_{SRS}}{4} \quad (3)$$

where, $Ef_{business}$ – efficiency of business-relations;

k_{ECA} – efficiency of concluded agreements;

k_{BR} – regular buyers' ratio;

k_{PR} – updated products ratio;

k_{SRS} – socially responsible suppliers' ratio, which in its turn shall be calculated as follows:

$$k_{ECA} = \frac{\text{number of issued invoices under agreements}}{\text{number of concluded agreements}} \quad (4)$$

$$E_{BR} = \frac{\text{number of regular clients}}{\text{total number of clients}} \quad (5)$$

$$k_{PR} = \frac{\text{number of units of released new products}}{\text{total number of released products}} \quad (6)$$

$$k_{SRS} = \frac{\text{number of socially responsible buyers}}{\text{total number of suppliers}} \quad (7)$$

It should be noted that companies can choose other parameters when completing performance indicators.

Ecological efficiency. The efficiency of environmental activities should be considered as the level of achievement of the results of the adopted environmental program of the enterprise in coordination with the parameters defined by international standards: the amount of generated and recycled waste, energy, water, emissions. Based on this, the choice of indicators may be different, depending on the industry affiliation, regional location and structure of the company which reporting is verified. We have proposed an indicator of ecological efficiency:

$$Ef_{ecolog} = \frac{k_{ER} + k_{recycl} + k_{RP}}{3} \quad (8)$$

where, Ef_{ecolog} , k_{ER} , k_{recycl} , and k_{RP} are ecological efficiency, ecological risk ratio, recycling ratio and rational power use ratio, respectively. Thus,

$$k_{ER} = \frac{\Sigma \Delta \text{ of ecological damage}}{\Sigma \text{ efficiency} \times \text{balanced cost of environmental values}} \quad (9)$$

$$k_{recycl} = \frac{\text{mass of reused wastes}}{\text{mass of used wastes}} + \frac{\text{mass of reused water}}{\text{mass of used water}} \quad (10)$$

$$k_{RP} = \frac{\text{consumed electricity volume}}{\text{norm of consumption} \times \text{number of units of released products}} \quad (11)$$

Social efficiency. The evaluation of this area of activity of a socially responsible company depends on the perception of aspects of this work. Most often, social responsibility is interpreted as aimed at improving interaction with their own staff, but sometimes perceived in a broader sense - interaction with society. Consider the latter approach to understanding social activity as a comprehensive option.

$$Ef_{soc} = \frac{k_{RA} + k_{CCD}}{2} \quad (12)$$

where, Ef_{soc} – social efficiency;

k_{RA} – responsible attitude towards the staff of the company ratio;

k_{CCD} – company's contribution into the development of society ratio, which in its turn shall be calculated as follows:

$$k_{RA} = \frac{K_{trained} + K_{DS} + K_{AS}}{3} = \frac{\text{number of trained employees}}{\text{total number of employees}} + \frac{\text{number of occupational diseases cases}}{\text{total number of diseases cases}} + \frac{\text{average salary in the company}}{\text{level of wages in the region}} \quad (13)$$

$$k_{CCD} = \frac{K_{taxes} + K_{partners} + K_{invest}}{3} = \frac{\text{total number of paid taxes}}{\text{total value of taxes received by the state budget}} + \frac{\text{number of local partners}}{\text{number of companies in the region}} + \frac{\text{volume of voluntary investments}}{\text{the amount of planned budget investments}} \quad (14)$$

In the aspect of responsible attitude to own staff, the following evaluation approaches can also be used:

- job satisfaction;
- providing a social package;
- availability of sanatorium treatment;
- availability of preschool institutions;
- providing financial assistance, etc.

Assessing the contribution of a socially responsible enterprise to the development of society can contain many different aspects. The suggested version of the assessment of the results of a socially responsible enterprise can be adjusted in accordance with the main strategic indicators of enterprise development, current policies, as well as approved by management indicators of social reporting. We will analyze the efficiency of the studied enterprise. Performance analysis and its key indicators are given in Table 2.

Table 2
The efficiency analysis of the enterprise

Indicator	The result of calculation
1	2
<i>Economic efficiency</i>	
<i>Efficiency of business relations</i>	$Ef_{business} = (0.899+0.512+0.000+0.050)/4 = 0.365$
- efficiency of made contracts;	0.899
- the ratio of regular customers;	0.512
- the ratio of product renewal;	0.000
- the ratio of socially responsible suppliers	0.050
<i>Ecological efficiency</i>	
<i>Ecological efficiency</i>	$Ef_{econ} = (0.250+0.017+0.913)/3 = 0.393$
- the environmental risk ratio	0.250
- the recycling rate;	0.017
-the ratio of electricity rational use	0.913
<i>Social efficiency</i>	
<i>Social efficiency</i>	$Ef_{soc} = (0.810+0.009)/2 = 0.410$
- the indicator of responsible attitude to the enterprise' employees	0.810
- the coefficient of the company's contribution to the society development	0.009
EFFICIENCY OF ACTIVITY	$Ef_{activ} = -1.15 + 0.365 + 0.393 + 0.410 = 0.018 (1.8\%)$

Ef_{activ} - efficiency of social responsible activity

Ef_{soc} - social efficiency

Ef_{econ} - environmental efficiency

$Ef_{business}$ - efficiency of business relations

Ef_{econ} - economic efficiency

As can be seen from the calculations in Table 2, the efficiency of the studied enterprise is quite meager and is about 1.8%. This situation is primarily due to the significant level of the company's loss, which in 2018 amounted to 430758 thousand UAH, the lack of renewal of the range of manufactured products, lack of voluntary investment and almost no contribution of the company to society. However, as noted above, performance indicators need to be adjusted to weights determined by experts using the Delphi method tested above. Such an adjustment will allow to characterize the quantitative ratios of all the main components of the overall efficiency of its structure. The next step is to assess the importance of stakeholder inquiries. This assessment is carried out in the following stages:

1. Ranking of criteria for sustainable development: economic stability of the enterprise; environmental safety and social responsibility (the criteria rank is taken into account when developing and adjusting plans and policies of a socially responsible enterprise).
2. Selection of stakeholder interests that are more important for the business entity according to alternative criteria of sustainable development (weight significance of "benefits" and constructive proposals are used in the development of socially responsible business programmes, reducing the risk of "ignoring" stakeholder interests).
3. Assessment of stakeholder groups (the significance of the benefits is determined by the level of influence of stakeholder groups on the activities of the enterprise).

One of the most important principles of compliance with the standards of corporate social responsibility is to take into account the wishes and interests of stakeholders (Popadynets et al., 2020; Andrusiv et al., 2020). Regardless of whether there is a direct instruction from the company's management to analyze such interests, internal auditors should take a number of measures that provide such guarantees. In practice, there are two most common methods of conducting such events – the method of rating agencies and the Delphi method. The main principle of the latter is that a certain number of selected experts better evaluate and predict the result. To use this method owners, investors, executives, managers, brunch employees can be involved as experts, conduct interviews with clients and government officials, etc. An important rule is that none of the experts know each other, which will reduce the risks of authoritarian influence on each other's opinions. Each expert, based on the information provided to him for testing, prescribes their own assessment for each of the proposed alternatives, according to which the best criterion, according to the expert's opinion, receives the maximum number of points. The managerial decision is made using the rank approach in the form of the benefits sum made from the n-number of alternatives by each expert (Y), provided that there is no equivalence (Y = 1) of choice. The calculation is carried out according to the following formula:

$$R = \sum_{j=1}^n Y_{kj} \quad (15)$$

where, R – is the rank of the alternative;

n – is the number of alternatives;

Y_{kj} – the opinion of each of the experts;

j – is the partial potential of each alternative.

Then the order of priority for each of the offered alternatives is chosen.

In the next stage of data processing, concerning the stakeholders' interests, the experts are provided with alternatives already composed according to the criteria of alternative sustainability, obtained during the testing of views and preferences at the previous stage. Each expert should express their preference as for the "interest-proposal" pairs proposed for evaluation by comparing them in pairs. The expert opts for a pair it equals to "1" if the K -parameter is more important than the J ; otherwise "0" is set against.

Individual assessments are evaluated according to the following formula:

$$\alpha_k = \sum_{j=1}^n \frac{K_j}{K_j} \quad (16)$$

where, α_k – individual experts' assessment;

n – is the number of points;

K – comparison parameter;

K_j – weighting factors.

The individual assessment of the J -expert for the parameter K "ratios (weights)" is determined by the dependence, which reflects the sum of pairwise ratios for each line and the sum of the values of all lines of the questionnaire.

On the basis of experts' individual decisions, weighting factors for each parameter of stakeholders' interests, in a certain dependence, are defined, i.e. the collective decision is made.

Mathematically, this can be described by the following formula:

$$\alpha_k = \frac{1}{n} \sum_{j=1}^n \alpha_{jk} \quad (17)$$

where, α_k – collective assessment of experts;

n – the number of individual assessments of experts;

K – comparison parameter;

α_{jk} – individual assessments of experts.

The expert assessment conducted in this way ensures compliance with the principle of taking into account the stakeholders' views and preferences and reduces the risk of wrong management decisions in the planning of entity's individual activities.

To inform about the decision on the need to change the entity's policies whose reporting is verified, the choice of programme areas, the impact of each group of stakeholders on the enterprise activities is assessed by determining the importance factor.

The assessment of the importance of a stakeholders' group for the entity activities is determined by the enterprise managers after consulting with the specialists of the internal audit department.

The next important point, which is a prerequisite for ensuring compliance with the standards of corporate social responsibility, is to determine the priority level of the stakeholders' expressed interests, with account of the importance of their impact on the enterprise. Determining the priority level of the stakeholders' expressed interests is made out by the document "Assessment of the priority level of stakeholders' interests"

Mandatory calculation of the priority level assessment adjusts the weight of the interest option given by the experts and the support level of different stakeholder groups, with account of their importance.

Thus, the application of the proposed option to use an expert approach (with adjustment) allows to obtain full compliance with GRI and ISO 26000:

- assess the importance of stakeholder groups;
- identify the rank values of the stakeholders' benefits distribution according to the criteria of socially responsible sustainable development (economic stability, ecological security, social responsibility);
- to determine the interests priorities, expert assessments are adjusted in accordance with the level of influence (importance factor), which allows managers to obtain guaranteed information about the stakeholders' level of importance and use it to form measures and make decisions in accordance with the principles of socially responsible business.

When analyzing corporate social responsibility, an analysis of all existing policies of the enterprise is conducted. In accordance with GRI and ISO 26000 standards, the primary task of the management system is to change the mission of the entity, whose reporting is verified, within the self-analysis of the contribution to social development, adjustments in management policy and individual strategic plans.

Next, all experts' preferences rating of the stakeholders' interests of the studied enterprise were grouped according to the levels of importance in the parameter of the "ecological safety", "economic stability" and "social responsibility" criteria (table 3). The rank sums in Table 3 is defined by determining the arithmetic mean for each criterion, which depends on the number of experts. That is, for the criterion "Social responsibility" according to the parameter X_1 the rank sum is defined as: $(0.2 + 0.3 + 0.3 + 0.3 + 0.2 + 0.2 + 0.2 + 0.1 + 0, 1): 10 = 0.21$

Table 3

Summary data of experts' preferences options of stakeholders' interests of the studied enterprise on levels of importance in the parameter of "ecological safety", "economic stability" and "social responsibility" criteria

Expert	Comparable options								Rank sums
	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	
"Ecological safety" criterion									
E ₁	0.14	0.11	0.07	0.11	0.18	0.11	0.14	0.14	1.0
E ₂	0.07	0.14	0.11	0.18	0.14	0.11	0.14	0.11	1.0
E ₃	0.11	0.11	0.14	0.07	0.11	0.18	0.14	0.14	1.0
E ₄	0.14	0.18	0.07	0.14	0.14	0.11	0.11	0.11	1.0
E ₅	0.11	0.11	0.11	0.18	0.14	0.11	0.11	0.11	1.0
E ₆	0.11	0.14	0.14	0.14	0.18	0.07	0.11	0.11	1.0
E ₇	0.18	0.11	0.07	0.14	0.14	0.14	0.11	0.11	1.0
E ₈	0.07	0.11	0.14	0.11	0.18	0.14	0.14	0.11	1.0
E ₉	0.11	0.18	0.11	0.14	0.14	0.14	0.07	0.11	1.0
E ₁₀	0.11	0.07	0.14	0.18	0.14	0.14	0.14	0.11	1.0
Rank sums	0.12	0.12	0.11	0.14	0.15	0.13	0.12	0.12	1.0
"Economic stability" criterion									
E ₁	0.2	0.1	0.3	0.3	0.1	X	X	X	1.0
E ₂	0.1	0.2	0.3	0.3	0.1	X	X	X	1.0
E ₃	0.2	0.3	0.3	0.1	0.1	X	X	X	1.0
E ₄	0.2	0.1	0.1	0.3	0.3	X	X	X	1.0
E ₅	0.2	0.1	0.3	0.3	0.1	X	X	X	1.0
E ₆	0.3	0.2	0.3	0.1	0.1	X	X	X	1.0
E ₇	0.1	0.3	0.2	0.3	0.1	X	X	X	1.0
E ₈	0.3	0.1	0.1	0.3	0.2	X	X	X	1.0
E ₉	0.3	0.3	0.1	0.2	0.1	X	X	X	1.0
E ₁₀	0.1	0.1	0.3	0.2	0.3	X	X	X	1.0
Rank sums	0.2	0.18	0.23	0.24	0.15	X	X	X	1.0
"Social responsibility" criterion									
E ₁	0.2	0.1	0.3	0.2	0.2	X	X	X	1.0
E ₂	0.3	0.1	0.2	0.2	0.2	X	X	X	1.0
E ₃	0.3	0.1	0.2	0.2	0.2	X	X	X	1.0
E ₄	0.3	0.2	0.1	0.2	0.2	X	X	X	1.0
E ₅	0.2	0.3	0.1	0.2	0.2	X	X	X	1.0
E ₆	0.2	0.3	0.2	0.1	0.2	X	X	X	1.0
E ₇	0.2	0.1	0.2	0.3	0.1	X	X	X	1.0
E ₈	0.2	0.2	0.2	0.1	0.3	X	X	X	1.0
E ₉	0.1	0.2	0.2	0.2	0.3	X	X	X	1.0
E ₁₀	0.1	0.2	0.2	0.2	0.3	X	X	X	1.0
Rank sums	0.21	0.18	0.19	0.20	0.22	X	X	X	1.0

According to expert evaluations, the weight scale of stakeholders' preferences of the studied enterprise by the level of importance in the parameter criteria "ecological safety", "economic stability" and "social responsibility" was distributed as follows:

1) parameter "Ecological safety":

- 1.1. Landscaping of the territory of the enterprise (X₅) – weight 0.15;
- 1.2. Reduction of the number of processes harmful to workers' health (X₄) – weight 0.14;
- 1.3. Reduction of harmful emissions of untreated water (X₆) – weight 0.13;
- 1.4. Reduction of damage risks to the environment (X₁) – weight 0.12;
- 1.5. Installation of air purification systems at workplaces (X₂) – weight 0.12;
- 1.6. Improving waste disposal (X₇) – weight 0.12;
- 1.7. Providing employees with bottled water (X₈) – weight 0.12;
- 1.8. Providing workers employed in hazardous production with additional food (X₃) – weight 0.11;

2) parameter "Economic stability":

- 2.1. Timely execution of contractual deliveries (X₄) – weight 0.24;
- 2.2. Improving relationships with partners (X₃) – weight 0.23;
- 2.3. Growth of profitability of activity (X₁) – weight 0.2;
- 2.4. Expansion of the market segment (X₂) – weight 0.18;
- 2.5. Expansion of storage areas (X₅) – weight 0.15;

3) the parameter "Social responsibility":

- 3.1. Providing employees with a social package (X₅) – weight 0.22.
- 3.2. Improvement of working conditions (X₁) – weight 0.21;
- 3.3. Wage increase (X₁) – weight 0.2;
- 3.4. Ensuring career growth (X₁) – weight 0.19;
- 3.5. Prevention and treatment of occupational diseases (X₂) – weight 0.18;

The expert evaluation conducted in this way ensures compliance with the principle of taking into account the views and preferences of stakeholders and reduces the risk of wrong management decisions in the planning of individual activities of the entity. To communicate about the decision on the need to change the policies of the entity, whose reporting is verified, the

choice of programme areas, the impact of each group of stakeholders on the activities of the enterprise is assessed by determining the significance factor (Table 4).

Table 4

Evaluation of the level of importance of the stakeholders' group of the studied enterprise

The level of importance for the enterprise	Name of the stakeholder group	The weighing coefficient of the group's influence on the company's activities
1	Owners	0.25
2	Investors	0.19
3	Clients	0.16
4	Partners	0.15
5	Local bodies of authority	0.13
6	Top managers	0.08
7	Public organisations	0.03
8	Enterprise employees	0.01

The importance evaluation of a stakeholders group for the activities of the entity is determined by the managers of the enterprise after consulting with the specialists of the internal audit department. The next important point, which is a prerequisite for ensuring compliance with the standards of corporate social responsibility, is to determine the priority level of the stakeholders' expressed interests, with account of the importance of their impact on the enterprise (Table 5).

Table 5

Evaluation of the priority level of stakeholders' interests of the studied enterprise with group significance criteria

№	Interest	Weight criteria by experts	Comparable options								Support coefficient	Priority evaluation (rp,3 st ,rp,12)
			1. Owners (0.25)	2. Investors (0.19)	3. Clients (0.16)	4. Patners (0.15)	5. Local bodies of authority (0.13)	6. Top managers (0.08)	7. Public organosations (0.03)	8. Employees (0.01)		
1	2	3	4	5	6	7	8	9	10	11	12	13
(A)			"Social responsibility" criterion								22%	
1a	Working conditions improvement (X ₁)	0.21	+	-	-	-	+	+	-	+	0.47	0.0987
2a	Prevention and treatment of occupational diseases (X ₂)	0.18	+	-	-	-	+	+	-	+	0.47	0.0846
3a	Ensuring career growth (X ₃)	0.19	+	-	-	-	-	+	-	+	0.34	0.0646
4a	Wages raise (X ₄)	0.20	+	-	-	-	+	+	-	+	0.47	0.0940
5a	Providing employees with a social package	0.22	+	-	-	-	+	+	-	+	0.47	0.1034
(B)			"Economic stability" criterion								45%	
1б	Activity profit enhancement (X ₁)	0.2	+	+	+	+	+	+	+	+	1.0	0.2000
2б	Expansion of the market segment (X ₂)	0.18	+	-	+	+	-	+	+	-	0.67	0.1206
3б	Improving relationships with partners (X ₃)	0.23	+	+	+	+	+	+	-	-	0.96	0.2208
4б	Timely execution of contractual deliveries (X ₄)	0.24	+	+	+	+	+	+	-	-	0.96	0.2304
5б	Expansion of warehouse space (X ₅)	0.15	+	+	+	+	+	+	-	-	0.96	0.1440
(B)			"Environmental safety" criterion								33%	
1B	Reducing the risk of harm to the environment (X ₁)	0.12	+	-	-	-	+	+	+	-	0.49	0.0588
2B	Installation of air purification systems in the workplace (X ₂)	0.12	+	-	-	-	+	+	+	+	0.50	0.0600
3B	Provision of additional food (X ₃) to workers engaged in hazardous production	0.11	+	-	-	-	+	+	+	+	0.50	0.0550
4B	Reducing the number of processes harmful to the workers' health (X ₄)	0.14	+	-	-	-	+	+	+	+	0.50	0.0700
5B	Territory landscaping of the enterprise (X ₅)	0.15	+	-	-	-	+	+	+	+	0.50	0.0750
6B	Reduction of harmful emissions of untreated water (X ₆)	0.13	+	-	-	-	+	+	+	+	0.50	0.0650
7B	Waste disposal improvement (X ₇)	0.12	+	-	-	-	+	+	+	+	0.50	0.0600
8B	Providing employees with bottled water (X ₈)	0.12	+	-	-	-	+	+	+	+	0.50	0.0600

The need to compile a document "Evaluation of the priority level of stakeholders' interests" is due not only to obtaining targeted priority values of stakeholders' interests, which must then be taken into account by managers when planning activities and selecting social reporting indicators, but also confirming the assessment of experts. The following graph shows how the stakeholder interests' evaluation has changed after its adjustment to the significance factor (Fig. 2). Mandatory calculation of the priority level evaluation adjusts the weight of the interest option given by the experts and the support level of different stakeholder groups, with account of their priority. Thus, the application of our proposed option of using an expert approach (with adjustment) allows to obtain full compliance with GRI and ISO 26000. The analysis of the experts' evaluation of the priority level of each component of performance (Table 6) is considered. In total, 10 experts took part in the evaluation.

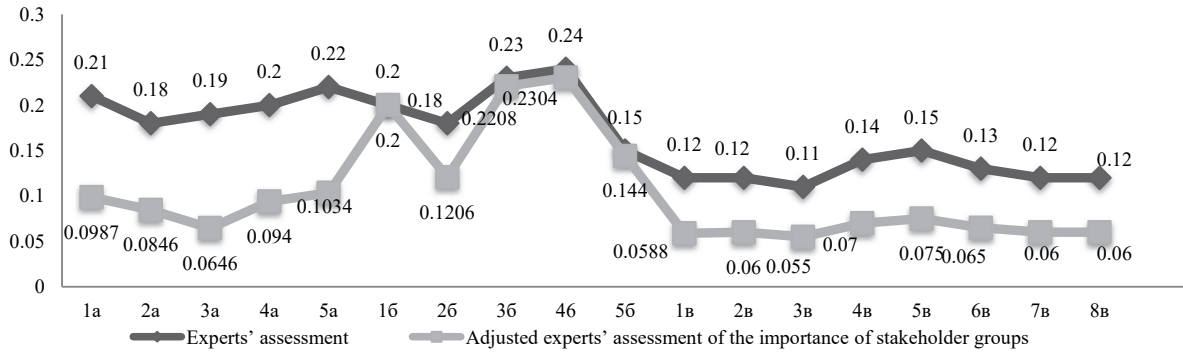


Fig. 2. Evaluation of the stakeholder priority interests

Table 6

Expert №1 preferences of the main components of the studied enterprise efficiency by the priority level

Compared options	Compared options				Sum of points	Rank
	X ₁	X ₂	X ₃	X ₄		
Economic efficiency (X ₁)	–	1	0	0	1	0.17
Efficiency of business relations (X ₂)	0	–	1	1	2	0.33
Ecological efficiency (X ₃)	1	0	–	0	1	0.17
Social efficiency (X ₄)	1	0	1	–	2	0.33
Total					6	1.0

According to Table 6, the highest rank according to the expert №1 is the efficiency of business relations and social efficiency – 0.33, and the lowest rank - economic and environmental efficiency – 0.17. Using the above calculations of all 10 experts, the values of all experts' preferences of the main efficiency components of the studied enterprise by priority levels are grouped (Table 7).

Table 7

Summary data of experts' references of the basic activity efficiency components of the studied enterprise

Expert	Comparable options				Rank sums
	X ₁	X ₂	X ₃	X ₄	
1	2	3	4	5	11
E ₁	0.17	0.33	0.17	0.33	1.0
E ₂	0.17	0.33	0.33	0.17	1.0
E ₃	0.33	0.17	0.33	0.17	1.0
E ₄	0.17	0.33	0.17	0.33	1.0
E ₅	0.33	0.17	0.33	0.17	1.0
E ₆	0.33	0.17	0.33	0.17	1.0
E ₇	0.33	0.33	0.17	0.17	1.0
E ₈	0.33	0.17	0.33	0.17	1.0
E ₉	0.17	0.33	0.17	0.33	1.0
E ₁₀	0.17	0.17	0.33	0.33	1.0
Rank sums	0.25	0.25	0.25	0.25	1.0

According to expert estimates, the weight scale of the components of the studied enterprise performance indicators by the priority level was distributed proportionally equally – 0.25. This situation is most likely due to the fact that all efficiency indicators participate equally in the calculation of the formation of the efficiency indicator of the enterprise. To inform the decision on the need to adjust the performance of the entity whose reporting is verified, the assessment of the importance of each component of efficiency for the enterprise, by determining the coefficient of significance (Table 8).

Table 8

Priority level evaluation of the main components of the studied enterprise efficiency

The level of importance for the enterprise	1	2	3	4
The main efficiency components	Economic efficiency	Business relations efficiency	Ecological efficiency	Social efficiency
Weighing coefficient	0.45	0.21	0.19	0.15

Table 9

Evaluation of the main components priority level of the studied enterprise efficiency with the group significance criteria

№	Interest	Weight in criteria (by experts)	Rank sums				Support coefficient	Priority evaluation (rp.3×rp.12)
			1. Economic efficiency (0.45)	2. Business relations efficiency (0.21)	3. Ecological efficiency (0.19)	4. Social efficiency (0.15)		
1a	Economic efficiency (X ₁)	0.25	–	+	+	+	0.55	0.1375
2a	Business relations efficiency (X ₂)	0.25	–	–	–	+	0.15	0.0375
3a	Ecological efficiency (X ₃)	0.25	+	–	–	+	0.60	0.1500
4a	Social efficiency (X ₄)	0.25	+	+	+	–	0.55	0.1375

The next important point, which is a prerequisite for calculating the overall enterprise efficiency, is to determine the priority level of the efficiency components, with account of their importance for the enterprise (Table 9).

4. Conclusions

It is established that social responsibility is effectively implemented at enterprises to increase their level of competitiveness now, ensure the efficiency of business processes and improve the quality of products or services. A model for assessing the effectiveness of socially responsible enterprises is suggested, which allows to consider efficiency as a characteristic of the business entity in terms of the ratio of each partial coefficient to value, needs, funds, summarized under a single criterion ranked according to accepted socially responsible activities. Taking into consideration the requirements of current legislation, the requirements of international standards, an expert assessment was conducted, which consists of assessing the importance of stakeholder requests and assessing the effectiveness of socially responsible activities of the business entity. The level of priority of the expressed stakeholders' interests is calculated – using the document “Assessment of the stakeholders' level of priority interests”, which allows to obtain full compliance with GRI and ISO 26000 standards. It was found out that the activity of the enterprise is inefficient.

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