UDK 331 JEL classification:F010, A130

## Kreidych I.M.

Doctor of Economics, Full Professor ORCID ID:0000-0002-4594-2160

## Melnychuk D.P.

Doctor of Economics, Associate Professor ORCID ID:0000-0002-5807-6687

## Roshchyna N.V.

PhD in Economics, Associate Professor ORCID ID: 0000-0003-2035-8846

National Technical University of Ukraine «Igor Sikorsky Kyiv Polytechnic Institute»

# SOCIAL RESPONSIBILITY OF MANAGEMENT IN THE 21th CENTURY: CHALLENGES OF THE ERA OF GLOBALIZATION AND THEIR REFLECTION IN THE PRIORITIES OF HUMAN RESOURCES MANAGEMENT

# СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ МЕНЕДЖМЕНТУ У XXI СТОЛІТТІ: ВИКЛИКИ ЕПОХИ ГЛОБАЛІЗАЦІЇ ТА ЇХ ВІДОБРАЖЕННЯ У ПРІОРИТЕТАХ УПРАВЛІННЯ ЛЮДСЬКИМИ РЕСУРСАМИ

The article is devoted to the acute problems of establishing the principles of social responsibility in the difficult conditions of the emergence of a market economy during the globalization of the world economy. The content of the process highlighted the globalization and the challenges that come with it. Itspecified their influence on the prospects of development of the socio-economic sphere. The article summarized the factors that determine the features of management in the 21th century and described the intrinsic characteristics pertaining to it. The researchhas argued the strategic reference points for the improvement of the management practice at various levels of the economic system in the context of the course of the processes of globalization. Considering the requirement for the urgent implementation of the principles of the concept of social responsibility in conjunction with applied management tools, the modern priorities of human resources management of the organization are substantiated. The certain research gave an opportunity to discover that together with the requirement to achieve economic efficiency and the preservation of national identity – should serve as a leading goal of both public administration and management of business entities. Along with the available developments, further scientific development of the problem raised in the article will promote the sovereign political and economic development of Ukraine. Challenges, which would include all elements of the national idea, economic revival and social justice, covering all levels of the administrative verticals. Integration of the provisions of such a doctrine into the priorities of social development and personnel policies of organizations will ensure inclusion of the principles of social responsibility in the practice of human resources management. In order to improve the quality of working life, increase productivity and efficiency of management, and ensure the competitiveness of domestic products in the domestic and foreign markets.

**Keywords:** globalization of the economy, organization, strategy, social and labor relations, social responsibility, human resources.

Статтю присвячено гострим проблемам утвердження принципів соціальної відповідальності у складних умовах становлення ринкової економіки за часів глобалізації світового господарства. Висвітлено зміст глобалізаційного процесу та тих викликів, які ним спричиняються; уточнено їх вплив на перспективи розвитку соціально-економічної сфери. Встановлено, що зазначений процес перешкоджає реалізації ефективних стратегій щодо модернізації системи суспільно-виробничих відносин на територіях країн, які не  $\epsilon$ лідерами геополітики. Крім того, доведено, що дослідження глобалізаційної проблематики ускладняється через її неоднорідний прояв на країни учасники. Узагальнено чинники, що визначають обличчя менеджменту у ХХІ столітті, та охарактеризовано притаманні йому риси. У контексті перебігу глобалізаційних процесів аргументовано стратегічні орієнтири удосконалення практики управління на різних рівнях економічної системи. Зважаючи на вимогу нагальної імплементації положень концепції соціальної відповідальності у комплекс прикладного інструментарію менеджменту, обтрунтовано сучасні пріоритети управління людськими ресурсами організації, як невід'ємної складової сучасного менеджменту. Проведене дослідження надало змогу визначити, що у ХХІ столітті останн $\epsilon$  – разом із вимогою досягнення економічної ефективності та збереження національної самобутності – має виступати провідною ціллю як державного управління, так і менеджменту суб'єктів господарювання. Поряд із наявними напрацюваннями, подальша наукова розробка піднятої у статті проблеми сприятиме суверенному політичному та економічному розвитку України. Інтеграція положень доктрини протидії глобалізаційним викликам у склад пріоритетів суспільного розвитку та забезпечуватиме кадрових політик організацій інклюзію принципів відповідальності у практику управління людськими ресурсами з метою поліпшення якості продуктивності підвищення праці та результативності господарювання, забезпечення конкурентоспроможності вітчизняної продукції на внутрішніх та зовнішніх ринках.

**Ключові слова:** глобалізація економіки, менеджмент, організація, стратегія, соціально-трудові відносини, соціальна відповідальність, людські ресурси, якість життя, гідна праця.

Introduction. Despite tremendous expectations for the rapid development of a market economy, Ukraine still undergoes the test of the transitive period. To a large extent, such a course of events is due to the complexity of the formation of a market economy in the context of a continuous increase in globalization trends, which makes it increasingly difficult for domestic producers to retain their conquered positions in domestic and foreign markets. It is obvious that the globalization of the world economy impedes the implementation of effective strategies for modernizing the system of social and productive relations in the territories of countries that are not leaders in geopolitics, affecting the quality of life of the population and the future prospects of socio-economic development. This applies not only to Ukraine but also to countries like it, which are also in search of

their place in the modern globalized world. However, it is precisely our state - even despite the current difficulties posed by the objective and unprecedented demand for anti-terrorist measures - it still has the best chance of becoming a full member of the union of developed countries.

Under such circumstances, the clarification of the management paradigm is a question of the future of Ukraine, the future of its economic sovereignty and the role of a globalized world economy, the future of each of us. Therefore, attention must be paid to the definition of modern changes in the field of management, to specify the trends inherent in the realities of the XXI century, and to develop mechanisms for improving the efficiency of governance, first of all, in the field of social and labor relations, as containing content of human existence, provides means for a decent existence creates the preconditions for the disclosure and realization of the internal potential of a person, taking into account the individual interests and strategic priorities of state building in the conditions of global competition.

Recently, the globalization problem has gained considerable popularity, due to the increased impact of transnational changes on the economy, culture, social and labor spheres of the countries of the world community. With the consequences of globalization laid both developed and developing countries.

Nevertheless, the threats and challenges for different countries are fundamentally different. While the general publicity of countriestry to counteract the deterioration of the socio-economic, sanitary - epidemiological and socio-cultural situation, developed countries are afraid that the latter will directly affect them as a result of the intensification of migration and logistics processes. They, using generic gazelles to overcome poverty, hunger, excessive illnesses and fight against climate change, are desperately trying to counteract the negative course of events in their own territories: the destructive social progress of cross-cultural dissonance, the destabilization of the social and labor sphere through the influx of external migrants, the potential of the pandemic severe infectious diseases.

The main challenges for geopolitical leaders are challenges related to the prospects of further marketing activities in the territories of the "second" and "third" worlds, the use of the resource base of the latter for the sake of the own development of instruments for the transnationalization of business. Therefore, the wide range of judgments and views about the nature and consequences of globalization, as well as the activity of organizations, whose activity largely determines the prospects of human development, is well-regulated.

Thus, under the auspices of UNDP, the problems of globalization and its impact on the processes of socially important processes have repeatedly been raised in the reports on human development, in particular: "Global dimensions of human development" (1992), "Globalization with a human face "(1999)," International cooperation in the intersection of the city: aid, trade and security in the world of inequality "(2005)," What is lacking water: power, poverty and the global water

crisis "(2006) "Ensuring sustainable human progress: reducing vulnerability and formation viability "(2014). These reports talk about the threats posed by globalization, with the emphasis being placed on the fact that the caused troubles can be leveled and corrected by concerted actions of the world community. "Special consideration needs a topical issue of the policy of so-called double standards in a globalizing environment that takes on different forms of manifestation and often characterizes relations between industrialized and developing countries", quite rightly pointed out by Ukrainian scientists P. Leonenko and O. Cherepnina [4, p. 294].

In general, the problems of globalization of the world economy and their interrelation with management priorities are analyzed in the works of such researchers as B. Badie, D. Dunning, P. Drucker, R. Zevin, L. Neil, K. Omae, L. Sintserov, T Spaibi, S. Peregudov, P. Turner, A. Utkin. The impact of globalization on the system of social and labor relations, on reviewing the mechanisms of governance in the context of the requirement of ensuring social responsibility was researched by domestic and foreign scholars: O. Grishnova, A. Grinenko, V. Zvonar, S. Karpukhin, A. Kolot, E. Libanova, A. Orekhovsky, I. Paramonova and others. At the same time, the dynamic diversification of globalization processes, increasing their pressure on the field of labor, requires further scientific research and development aimed at improving the practice of management of recommendations.

**Setting objectives.** The purpose of the research, which determined the content of the presented article, is a theoretical synthesis of modern trends in the field of management and clarification of priorities of management of human resources of the organization in the conditions of strengthening of globalization tendencies, their influence on the system of socio-economic relations.

**Methodology.** The methodological basis of the study was the fundamental theoretical positions of economics and management, which reflect the content of social relations in the workplace. In the process of research, general scientific and special methods were used, a set of methods for theoretical research and empirical data research methods were used. Among other things, the abstract-logical method is used in the study of the impact of globalization on the sphere of socio-economic relations, methods of historical and logical analysis - in the process of studying the evolution of views on the nature, content and forms of social responsibility in the era of dynamic globalization of the world economy, which contributed to the clarification priorities of human resource management in a modern organization.

**Research results.** Globalization is a complex and controversial process. It is significant that Western scholars are much more tolerant than their counterparts from developing countries, assessing their influence on the system of social relations. Thus, P. Drucker, characterizing the tendencies in social development, emphasizes the logical formation of a new system of values of a modern person and

the inevitable transformation of the idea of a national state toward a global economy and global society. According to the classics of scientific management, the modern era is an era of radical changes in the foundations of social order, accompanied by the transformation of capitalist society into a society based on knowledge [10].

But many scholars are deeply concerned about the fact that the process of globalization directly affects the functioning of national economies and impedes sustainable development. As for the globalization itself, it is commonly believed that the causes of this phenomenon lie in the plane of modern large-scale informatization of almost all spheres of life. However, as A. Chugunov correctly notes, in the development of globalization, the information component is important, but not determinative [9, p. 5]. Indeed, according to the authors, the causes of globalization shifts should be sought in another: to shift the weight of capitalist dependence from the center to the periphery, while preserving the unconditional right of the leaders of countries to obtain financial and political benefits from such expansion.

Obviously, for countries with economies in transition, this will outline not very hopeful prospects, and the possibility of emerging from a closed circle of subordination and dependence will be determined by the quality of management at all levels of the economic system and in all sections of social relations. At the same time, in the conditions of a transitional state of the economy and given the unconditional need for forced changes, careful attention should be paid to the problems of social responsibility, first of all, in the social and labor sphere, which is argued by the value of human resources, the mission of the state as a political and social institution and content social development as such. It is the sphere of social and labor relations that is most vulnerable in the process of transition to the market. She is naturally the first victim of market transformations and remains in Ukraine.

As A. Kolot notes, in the scientific literature there are widely discussed three possible ways of social and economic development in the XXI century, namely: the further development of globalization processes in their modern format; antiglobalization, whose supporters consider it necessary to severely restrict international economic relations and turn the global process into national economies; globalization and sustainable development, or so-called globalization with a human face. Analyzing these alternatives, the Ukrainian professor concludes that it is inappropriate to bet on some of them.

The first one is a dead end, as it expands the range of economic, environmental, social contradictions and creates new conflicts; the second one - is unrealistic, because it is impossible to return a global business to the national framework. Therefore, the only acceptable option - and it is difficult to disagree with this - the scientist believes such socio-economic development, which involves the combination of globalization processes with sustainable development, which, of course, is much more difficult way to progress both in forms and technology for its

provision. At the same time, this is the most realistic and most expedient way, such that "... must" tame "globalization, give it a socially oriented character" [6, p. 28].

The implementation of the concept of sustainable development postulates the nature of the globalization processes that should be based on increasing attention to the problems of social responsibility of management at all levels of the management vertical, which will serve as a sign and tool for changes that society expects in the new century. Among other things, UNESCO is also calling on it to promote the idea of the building a knowledge society and humanizing the process of globalization. At conferences, symposiums and other events held under the auspices of this organization, constantly emphasizes the need for human development, in spite of absorbing national diversity into globalization processes [9, p. 5].

It is worth paying attention to Kolot's position on the impact of globalization on the sphere of social and labor relations and on its current state as a whole. The scholar emphasizes the realization or distorted implementation of the principles and directions of the development of the social and labor sphere and the inherent relations that currently have to be aligned with the interests of building a socially oriented market economy and a social state [6, p. 36]. The priority of overcoming the crisis of labor and the requirement for the practical implementation of the principles of social responsibility in the field of social and labor relations will address the problem of improving management practices at both the macro and microeconomic level.

Of course, management of the XXI century has its own peculiarities. Currently, on a global scale, synchronous changes are traced in logics, processes and production technologies, in relations between people and production processes, in organizational structures, in relations between organizations and the environment which surrounding them. Instead of traditional approaches, the new paradigm of "lean production" [8] comes directly into the ideas and provisions of the concept of Sustainable Development, adopted by the UN Conference and proclaimed a new model for the development of civilization.

The tendencies associated with the application of a design style of management based on an individual approach, combining orientation to customer inquiries and staffing initiatives are becoming more prominent. There is a decrease in the hierarchical links of management and gravity to the matrix organizational structure, the active use of technology reengineering on the vector of automation and computerization of production processes, which regularly updates the dilemma, on the one hand, the continuous professional development of personnel, on the other - reducing its size and performance taken on obligations for the social protection of the redundant workers.

It defines the features of modern management, its orientation and priorities, thus determining the key tasks in the field of human resources management, first and foremost, in terms of issues of social responsibility.

If we talk about management in the whole complexity and depth of the concept - without being tied to the microeconomic level, and in the light of this framework, it can be argued that its social responsibility should be directly expressed in contributing to poverty alleviation and the adoption of progressive material standards of living, achieving socially acceptable income differentiation, meeting the intangible needs of different categories of the population, as well as preserving the environment in order to ensure the prerequisites for sustainable development as and global scales.

Instead, I. Petrova rightly emphasizes the following negative trends that are inherent in the field of management and social and labor relations in Ukraine today: the growth of inefficient differentiation in the payment of labor between employers, managers, on the one hand, and employees - on the other; crisis of spiritual values, humiliation of the principles of honest work, cooperation relations, rough plantation of an individualistic model of behavior; lack of proper social protection of workers and guarantees of observance of their rights in the workplace; the prevalence of informal procedures and regulatory practices in all segments of social and labor relations; progressive professional marginalization of society; insignificant attention to personal needs and characteristics of employees, motives of their activities; low efficiency of conclusion of collective agreements, their use, mainly for formal purposes; insufficient funding for the training and retraining of employees; disbelief in the strength and capacity of self-government bodies and social partners, disillusionment with trade unions.

The state must really protect the life-long principles of equality, justice in the field of social and labor relations, "Professor I. Petrova summarizes, specifying the mission of general management on a macroeconomic scale: the state is called to function for the purpose of human development - both during the pre-globalization period and for the onset of the current globalization changes [6, p. 106-110]. So, it is important to apply a strategic approach in the field of labor management and to modernize management styles. It will allow to take into account and timely respond to the challenges of the environment, to ensure the stability and harmony of social and labor relations, to overcome the management pathology, radically changing the perceptions of dictates and subordination. At the time - the requirement of real attention to the needs and requests of employees, the application of new schemes and technologies of dialogue management.

However, far from everyone is prone to rational uniqueness in setting questions and finding responses oriented to practice. Some "go further" - being in their arguments on the verge of common sense and in conflict with the principles of scientific knowledge - and thus makes inappropriate confusion in the methodology of labor management and management in general. Thus, Professor D. Kuzin - Head of the Department of Management of the International University in Moscow - recognizing the influence of globalization processes and offering the concept of

"friend management" that invites to discuss the energy and spiritual nature of the latter. Thus, D. Kuzin quite rightly points to such changes in contemporary social development as complexity, diversity, scale, uncertainty and unpredictability, multidimensionality, speed, the emergence of new risks and opportunities. And here the scientist asks the question: is it necessary today a new theory of management that will reflect the realities of the XXI century. Will it be something integral, complex, connected with a conceptual apparatus, conceptual load and content, or will it be the development of certain previous theories and concepts of organization, motivation, leadership, corporate governance, which are now forming a management theory.

But then D. Kuzin still gives an answer to the questions formulated by him. And the output he sees in order to invent the management anew: in "... a new invention of management" [3, p. 18] in the spiritual power of the manager and using new tools - instruments of spiritual energy management. The scientist calls for going beyond the boundaries of forms, figures, schemes, technologies, mechanisms and "... even relationships." Instead, it proposes the creation of a certain specific space and environment, an orientation towards "... some internal energy" that, in general, fit in, in the understanding of D. Kuzin, in the paradigm of the fourth dimension of management - the spiritual, giving rise to raise the question of "... energy of spiritual management". The latter, supposedly, functions along with such energies as physical, mental and emotional, and, importantly, "... if we consider power management in relation to organizations, then first of all, we must deal with their aura and internal atmosphere" [3, p. 23-24].

The proposed approach is adjacent to the views criticized in a monograph devoted to problems of human capital, quality of life, and modernization of society [5, p. 175-178]. Turning to reality, we note that, in reality, management is unlikely to be effective in the event of distances from the problems of relations, functions and structures, although the latter will undoubtedly undergo a modification in line with the global challenges of the 21st century.

The important role in the establishment of the principles of social responsibility is played by the human resources management system, which is an integral part of modern management. But, according to P. Drucker's conclusion, in no other area of management, basic ideas are not so blatantly contradictory to reality and are not so unproductive. At the modern level of technological and social development, "... people do not need to manage, the task of directing people is to make the most productive the specific skills and knowledge of each individual employee" [2, p. 34, 92]. Consequently, it is important to review the current approaches to human resources management, including their positions on effective mechanisms for managing the formation and use of human capital.

Global management practice proves that a modern approach to human resource management should be based on Human Resources Development (HRD)

concepts, which will ensure the effectiveness of the functioning of organizations and provide a foundation for the reproduction of the principles of social responsibility in the face of growing global change.

The transition to the introduction of HRD positions will generate a powerful impetus to improve the staffing methodology. If the traditional management approach was based on clear regulation and rigorous control, the approach from the stand point of human relations would focus the attention on motivational factors through the humanization of labour and the involvement of employees in the performance of managerial functions. Then the HRD approach has a more pragmatic orientation, which manifests itself in giving priority to the development of professional knowledge and skills in the light of new characters. District competition, which in the context of globalization gets different meaning, extending from macro to micro, global competition partly transforms the familiar features of productive competition, reveals its new, tough and uncompromising face.

This requires careful attention to the problems of the formation of united labour collectives, their stabilization in order to slow the outflow of skilled personnel, including abroad, continuous professional and personal development of personnel as a guarantee of the introduction of advanced technologies into the practice of production activities, increasing the effectiveness of motivational practices.

Conclusions. Developing countries are the main objects of the influence of the globalization process in the entire breadth of the spectrum of its components: economic, political, sociocultural. The future of these states – their prosperity and sustainable development – depends to a large extent on the development of effective mechanisms of resistance to globalization, especially its negative effects, which have devastating consequences, and the majority of them. Modern Ukraine, as well as the other states that are trying to curb the waves of a market economy and confidently manoeuvre among them, is imperative to operate an effective policy to counteract globalization threats without ignoring the problem, without exaggerating, but not diminishing its significance. have effective means of streamlining processes in various spheres of life and actively manage them despite the challenges of globalization. First of all, this should relate to the field of social and labor relations, the priority of which is the provision of social justice tools of social responsibility management. In the 21st century, the latter - together with the requirement to achieve economic efficiency and the preservation of national identity – should serve as a leading goal of both public administration and management of business entities. Along with the available developments, further scientific development of the problem raised in the article will promote the sovereign political and economic development of Ukraine. A prerequisite for this should be the adoption of the appropriate time and circumstances of the Doctrine of Countering Globalization Challenges, which would include all elements of the national idea, economic revival and social justice, covering all levels of the administrative verticals. Integration of the provisions of such a doctrine into the priorities of social development and personnel policies of organizations will ensure inclusion of the principles of social responsibility in the practice of human resources management. In order to improve the quality of working life, increase productivity and efficiency of management, and ensure the competitiveness of domestic products in the domestic and foreign markets.

### **References:**

- [1] Hrishnova O., Mishchuk H., Oliinyk O.(2014) *Sotsialna vidpovidalnist u trudovykh vidnosynakh: teoriia, praktyka, rehuliuvannia ryzykiv* [Social responsibility in labor relations: theory, practice, risk management]. Rivne: NUVHP, 2014. 216 p.
- [2] Drucker P., (2001) *Zadachi menedzhmenta v XXI veke* [Challenge management in 21 century]. Moskow, Williams. 272 p.
- [3] Kuzin D.(2014) *Menedzhment XXI veka: novyj vzglyad* [Management of XXI century: new point of view]. Management sciences, pp. 16–25.
- [4] Leonenko P., Cherepnina O.(2006) *Suchasni ekonomichni systemy* [Modern economic systems]. Kyiv, Znannia, 429 p.
- [5] Melnychuk D.P. (2015) Liudskyi kapital: priorytety modernizatsii suspilstva u konteksti polipshennia yakosti zhyttia naselennia [Human capital: priorities of modernization of society in the context of improving the quality of people's lives]. Ptoukha Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine. Retrieved 10 December 2017, from http://www.idss.org.ua/monografii/2015\_Melnichuk.pdf.
- [6] Kolot A., Hrishnova O., Herasymenko O. (2010) *Sotsializatsiia vidnosyn u sferi pratsi v konteksti stiikoho rozvytku* [Socialization of labor relations in the context of sustainable development]. Kyiv, KNEU, 348 p.
- [7] Kolot A., Hrishnova O., Herasymenko O. (2015) *Sotsialna vidpovidalnist* [Social responsibility]. Kyiv, KNEU. 519 p.
- [8] What does the next century prepare for us? (Management of the 21st Century A Brief Overview of Major Trends). Menedzhment. Digest. Available at: http://www.management.com.ua/qm/qm046.html.
- [9] Chugunov A.(2007) *Razvitie informacionnogo obshhestva: teorii, koncepcii i programmy* [The development of the information society: theories, concepts and programs]. St. Petersburg, SPbGU, 98 p.
- [10] Drucker P. (1995) Post-Capitalist Society. New York, Harper-Collins Publ.