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SOCIO-ECONOMIC COMPONENT OF THE BUSINESS ENVIRONMENT OF THE ENTERPRISE

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The article examines the key aspects of the socio-economic component of the business environment of an enterprise, which plays an important role in shaping development strategies and ensuring competitive advantages. The business environment of the enterprise is closely linked to economic, social, political, and technological factors that directly affect the company's operations, its ability to adapt to changes, and maintain stable growth. The main focus is on aspects such as corporate social responsibility, employment levels, corporate culture, and the impact of external economic conditions, such as inflation, unemployment, purchasing power of the population, as well as social and demographic trends. The article analyzes the interrelationships between enterprises and social groups that create conditions for the long-term development of business and enhancing productivity. Special attention is given to the importance of human capital, investment in personnel, training, and professional development, which allow enterprises to remain competitive in the context of rapid globalization and technological changes. The impact of social trends on consumer preferences and business strategies is also considered, particularly regarding environmental responsibility, gender equality, and inclusion. It has been found that enterprises that actively take socio-economic factors into account in their operations can increase employee satisfaction, reduce turnover, and improve corporate image. The socio-economic component also influences the formation of internal organizational culture, which fosters team cohesion and enhances employee motivation. The article includes practical recommendations for business leaders on the effective integration of socio-economic aspects into management strategies, contributing not only to improved financial performance but also to increased social responsibility and business sustainability.

Keywords: socio-economic component, business environment, social factors, economic factors, enterprise management, business strategy, competitiveness, effectiveness.

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Introduction and problem statement

In today's world, businesses operate in an environment of constant change driven by globalization, technological advancement, and socio-economic transformations. The socio-economic component of the business environment is a key element that determines not only the strategic directions of development but also the company's

ability to adapt to changes. It encompasses a wide range of factors that influence the activities of enterprises, including economic conditions, social trends, political situations, and technological innovations.

Given the dynamic nature of the socio-economic environment, enterprises face numerous challenges that can significantly impact their competitiveness

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and resilience. Unpredictable changes in the economy, such as inflation or unemployment, can negatively affect demand for products and services, while social factors, including the standard of living and corporate social responsibility, can influence the company's image and its relationships with key stakeholders.

The new elements of the study of the socio-economic components of the business environment of an enterprise are: the impact of digital transformation on socio-economic processes; dynamics of changes in social expectations of consumers; environmental component as part of the socio-economic environment; integration of the concept of “sustainable development” into enterprise management; social investments and their impact on the local economy; migration processes and their impact on business; impact of pandemics and global crises on the socio-economic component of business; new approaches to corporate social responsibility. These elements allow for a more comprehensive study of the socio-economic component of the business environment of an enterprise, taking into account current challenges and trends.

Thus, the question arises: how can enterprises effectively consider socio-economic components in their activities to achieve long-term success? What strategies and methods will allow them to adapt to the ever-changing environment and enhance management efficiency? Answers to these questions are critically important for understanding how socio-economic factors influence business development and the formation of its strategy.

Domestic scholars such as V. H. Herasymchuk, S. F. Pokropyvnyi, V. M. Heiets, A. S. Halchynskiy, M. I. Dolishnii, V. M. Kolot, Z. S. Varnaliia, A. I. Mokii, O. Ye. Kuzmin, M. A. Kozoriz, S. K. Reverchuk, and A. S. Filipenko, as well as works by Russian and Western scientists such as P. N. Shikhirev, A. Shulus, A. Hosking, G. Schmoller, M. Porter, R. Coase, D. North, E. Nikbakht, J. Schumpeter, A. Gropelli, and others have addressed various aspects of the business environment. However, the components of the business environment have not received adequate attention.

To date, insufficient attention has been paid in the scientific literature to the socio-economic component of the business environment of enterprises. Scholars consider the factors of development of socio-economic components separately. For example, social innovations, their role in shaping the macro environment and their impact on enterprise strategies require further research (Satalkina & Shpak, 2018). The impact of the combination of environmental standards and social responsibility on sustainable

business development, especially in the context of competitive advantages, has not been sufficiently studied (Britchenko, 2024). The relationship between the economic stability of enterprises and their social responsibility has not been fully studied. Enterprises that take these factors into account demonstrate higher efficiency and stability (Hlushko, 2016). Local aspects, such as specific labor markets and regional characteristics, influence business adaptation to socioeconomic changes, but this relationship requires further analysis (Cepel et al., 2018). Insufficient research has been done on how specific threats (economic, political, or social) affect the formation of economic security strategies for enterprises (Shynkar et al., 2019). The introduction of environmentally oriented business functions in the context of corporate social responsibility is an under-researched topic in the context of modern transformations (Nenastyev & Yashalova, 2024).

There are many open topics in the scientific literature, including the interrelationships between social innovation, environmental factors, social responsibility, and economic sustainability of enterprises. This opens up new opportunities for future research.

The purpose of the article

The purpose of the article is to study the socio-economic factors influencing the formation of the business environment of an enterprise, taking into account the macro and micro levels, to examine the interdependence between the social, economic and environmental elements of the business environment, to identify the main challenges and opportunities created by socio-economic factors for the stability and development of enterprises, and to propose effective approaches for adapting enterprises to changes in the socio-economic environment.

Presentation of the main material

The current level of development in economic science allows us to present the business environment as a complex, multidimensional, multifunctional system. At the same time, the study of the business environment remains always relevant, as it involves adjustments based on the accumulated experience regarding the researched reality, which is in constant dynamics. Priorities in the research system are variable depending on the realities and preferences of socio-economic progress. Therefore, both multi-faceted classification and typology of the business environment, as well as studying it from different perspectives, are acceptable.

The business environment is a combination of external and internal factors that influence a company's activities. Each country and region has its unique

characteristics of the business environment, determined by political, economic, legal, and cultural factors. The main features of the business environment include:

– political stability or instability has a significant impact on business. For example, a stable legal environment fosters business growth, while frequent changes in government or legislation can lead to unpredictable risks;

– the economic situation in the country, including the inflation rate, tax regime, employment levels, and purchasing power of the population, directly affects company profitability. Furthermore, access to financial resources and investments is also a crucial aspect;

– every business operates within a certain legal environment, which includes legislation regarding corporate law, consumer protection, labor laws, and regulatory requirements. For instance, data protection laws are becoming increasingly important with the development of digital technologies;

– technological innovations can both accelerate and hinder business development. It is essential to keep track of new trends, such as automation, artificial intelligence, and blockchain;

– culture and social habits of people in a specific region influence the demand for goods and services. For example, different countries may have varying views on consumption, leisure, or work;

– the number of competitors, their strategies, and behavior in the market also affect the company’s development. Monitoring competitors and market analysis are key to defining growth strategies;

– the importance of sustainable development is growing, and many companies face the demand to be more environmentally responsible. Considering environmental and ethical issues is becoming an integral part of modern business.

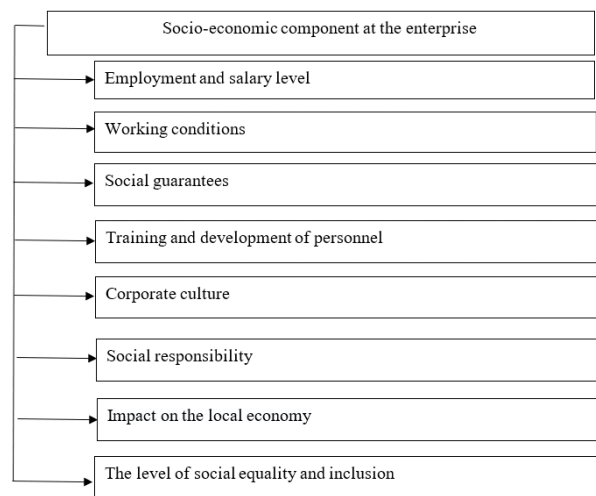
Understanding and adapting to these factors help enterprises plan their activities more effectively and achieve success in various markets.

The socio-economic component within an enterprise encompasses all aspects related to the influence of social and economic factors on business operations. This pertains not only to the external environment but also to the internal processes of the enterprise, which are crucial for sustainable development and successful company performance (Figure).

The main components of the socio-economic aspect within the enterprise include:

– first, employment and wage levels. One of the key elements of the socio-economic component is the creation of jobs and ensuring fair wages. Salaries

should reflect market conditions and support employee welfare, which contributes to reducing turnover and increasing productivity;



Socio-economic component at enterprises

– second, working conditions. Providing comfortable and safe working conditions is an important factor in the social environment of the enterprise. This includes adhering to safety standards, creating a favorable microclimate, and implementing a corporate culture that fosters a healthy and safe working process;

– third, social guarantees. A social package that includes health insurance, pension provision, vacations, training, and development is an essential part of the enterprise’s socio-economic policy. Such measures improve employee motivation and support their loyalty to the company;

– fourth, training and development of personnel. Continuous training and upgrading the qualifications of employees enable the company to remain competitive and enhance the skill level of its staff. Investing in employee development also promotes social mobility and professional growth;

– fifth, corporate culture. Corporate culture is crucial for team cohesion and employee motivation. Companies that focus on fostering a positive internal climate typically experience lower turnover rates and higher productivity levels;

– sixth, social responsibility. Businesses increasingly incorporate elements of social responsibility into their operations. This may include participation in charitable programs, environmental responsibility, and support for local communities. Social responsibility enhances the company’s image among customers and partners;

– seventh, impact on the local economy. Businesses that create jobs, support local suppliers, and stimulate the regional economy positively impact the socio-economic status of their surroundings. This may also involve contributions to the development of infrastructure, education, and healthcare;

– eighth, level of social equality and inclusion. In the modern world, it is important to pay attention to issues of social equality within enterprises, ensuring equal opportunities for various categories of employees, including women, people with disabilities, and representatives of different ethnic groups. This promotes the creation of a fair and open working environment.

The systematization and cooperation of the main components of socio-economic elements leads to an increase in the efficiency of the enterprise. Compliance with socio-economic standards strengthens the relationship between management and employees, increases the level of trust and loyalty. Investments in staff development and comfortable working conditions contribute to increased employee productivity. Providing decent remuneration and social guarantees reduces staff turnover, which has a positive impact on the stability of the company's operations. A high level of social responsibility enhances the company's reputation among customers, partners and investors. Thus, the socio-economic part is an important aspect of the company's operation that directly affects its sustainability and competitiveness.

The relationship between businesses and social groups is one of the most important for understanding the dynamics of the modern business environment. Social groups, which include employees, consumers, communities, suppliers and other stakeholders, influence the activities of enterprises and shape their image, reputation and competitiveness. The relationship between businesses and their employees is critical to ensuring productivity and loyalty. Businesses that actively involve employees in decision-making, support social responsibility, and create a positive corporate culture are able to increase employee satisfaction and reduce employee turnover. This, in turn, helps to create a stable and motivated team. Consumers play an important role in driving demand for products and services.

Modern businesses must take into account changes in consumer preferences, which are increasingly favoring companies with high standards of social responsibility. Involvement of consumers in socially important projects and initiatives can help build trust and brand loyalty. Businesses that actively engage with local communities can reap both social and economic benefits. Social investments in infrastructure, education, and healthcare can lead to

improved business conditions, enhanced reputation, and a positive image. At the same time, ignoring the needs of the community can lead to conflicts and negative consequences for business. Close partnerships with suppliers and other business partners can have a positive impact on the company's performance. Businesses that cooperate with socially responsible suppliers can improve their own image and compliance with ethical standards, which is important for modern consumers. Interaction between companies and social and professional organizations can promote innovation and the introduction of new standards and technologies. Participation in social projects and initiatives also helps enterprises to adapt to changes in the socio-economic environment and strengthen their competitive position [4].

Thus, the relationship between enterprises and social groups is multifaceted and interdependent. Understanding these relationships helps companies not only to adapt to the challenges of today, but also to contribute to the socio-economic development of society. Successful companies that take into account the needs and interests of social groups are able not only to achieve financial goals but also to make a significant contribution to the welfare of society.

The socio-economic component of the business environment of logistics companies has its own peculiarities due to the influence of global and local trends.

Firstly, it depends on the level of infrastructure development. Infrastructure is the basis for the efficient operation of logistics companies. Developed transportation networks help reduce costs and delivery times. For example, in Germany, thanks to the developed road and rail infrastructure, companies such as DHL can provide accurate and fast delivery. According to the World Economic Forum 2022, countries with a high infrastructure development index (e.g., Singapore) have 30% lower logistics costs.

Secondly, the level of employment and qualifications of employees. A shortage of skilled workers, such as truck drivers, can significantly affect the efficiency of logistics companies. In 2021, the shortage of truck drivers in the United States reached 80,000 people, causing supply disruptions and higher logistics costs. The American Trucking Associations (ATA) predicts that by 2030, the driver shortage in the United States could increase to 160,000 people.

Thirdly, the impact of the population's income level. The purchasing power of the population directly affects the volume of goods turnover, and thus the demand for logistics services. The growth of the middle class in Asian countries (in particular, India and China) has led to a boom in the e-commerce sector, increasing

the need for fast delivery. According to a McKinsey report, the growth of e-commerce in the Asia-Pacific region is driving a 15% increase in logistics services every year.

Fourthly, social trends and environmental requirements. Society increasingly expects logistics companies to be environmentally responsible. This leads to investments in green logistics. UPS has invested in a fleet of electric trucks and implemented routes optimized to reduce fuel consumption. According to Statista 2023, 55% of logistics companies in the world are already using environmentally friendly transport or plan to do so in the next five years.

Fifthly, the level of digitalization and automation. Socio-economic progress contributes to the digitalization of the logistics industry, increasing its efficiency. In Ukraine, thanks to the digital platforms of Nova Poshta and Ukrposhta, the volume of logistics services has increased significantly, especially during the war. The World Bank notes that automation in logistics reduces operating costs by an average of 20-30%.

These examples confirm that socio-economic factors have a significant impact on the efficiency and development strategy of logistics companies. For more details, I recommend referring to analytical reports from organizations such as the World Economic Forum or McKinsey.

It is important for business leaders to consider socio-economic aspects in their management strategies, as this can significantly improve business efficiency and strengthen their market position. First of all, it is necessary to clearly define the socio-economic priorities that are relevant to the specifics of the enterprise. These may include issues of corporate social responsibility, environmental sustainability, support for local communities, or employee well-being. Involving employees in the decision-making process is also an important aspect. Managers can create working groups, conduct surveys, and organize meetings where employees can express their opinions and ideas. This will help not only to increase staff motivation but also to find new innovative solutions. In addition, the development of strategic partnerships with social, environmental and public organizations will allow companies to implement socially responsible projects. Collaboration with such partners will provide additional resources and expertise necessary for the successful implementation of initiatives. Managers should also pay attention to monitoring and evaluating the results of their social and economic initiatives. Establishing clear performance metrics will help to understand what is working and what needs to be adjusted.

Regular evaluation of the results allows for

prompt changes and improvement of strategies. Raising employees' awareness of social and economic issues is another important step. Conducting educational seminars and trainings will help create a corporate culture that supports social responsibility and motivates employees to participate in initiatives. Investing in human capital development is equally important. Businesses that invest in training and professional development of their employees receive not only increased productivity but also employee loyalty. Communication with all stakeholders, including customers, suppliers and local communities, will help businesses better understand their needs and expectations. Regular meetings and open dialog will contribute to a positive image of the company. Integrating environmental practices into management strategies is also important. Implementing environmentally friendly technologies and reducing emissions will improve the company's reputation and compliance with modern standards.

In addition, companies should ensure transparency in their socially responsible efforts. Publishing reports on socio-economic initiatives will help to increase trust on the part of society and stakeholders.

Last, but not least, is flexibility in management strategies. As the socio-economic environment is constantly changing, it is important that businesses are prepared to adapt their strategies to meet new challenges and opportunities. Integration of socio-economic aspects into management strategies not only helps to improve the financial performance of the enterprise, but also increases its social responsibility and sustainability [5].

Conclusions

The analysis of the socio-economic component of the business environment confirms that this aspect is critically important for the effective functioning and development of companies under modern conditions. Socio-economic factors such as corporate social responsibility, employment levels, and the influence of external economic conditions and social trends significantly impact management strategies, competitiveness, and overall productivity of enterprises. Companies that consider these factors in their operations have the opportunity not only to improve financial indicators but also to enhance employee satisfaction, strengthen corporate image, and ensure long-term sustainability. Investing in human capital, training, and personnel development fosters a positive organizational culture that, in turn, supports team cohesion and employee motivation.

Thus, the integration of socio-economic aspects into management strategies is a necessary condition

for adapting to the challenges of the modern business environment. Paying proper attention to these components will not only help enterprises remain competitive but also contribute to their sustainable development and increased social responsibility in the context of globalization.

In summary, enterprises that actively adapt their strategies according to socio-economic conditions are capable of not only effectively responding to changes but also shaping a positive impact on society, ultimately leading to the creation of a more stable and prosperous business environment.

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СОЦІАЛЬНО-ЕКОНОМІЧНА СКЛАДОВА БІЗНЕС-СЕРЕДОВИЩА ПІДПРИЄМСТВА

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У статті розглядаються ключові аспекти соціально-економічної складової бізнес-середовища підприємства, яка має важливе значення у формуванні стратегії розвитку та забезпеченні конкурентних переваг. Бізнес-середовище підприємства тісно пов'язане з економічними, соціальними, політичними та технологічними факторами, які безпосередньо впливають на діяльність компанії, її здатність адаптуватися до змін і підтримувати стабільне зростання. Основну увагу приділено таким аспектам, як соціальна відповідальність бізнесу, рівень зайнятості, корпоративна культура, вплив зовнішніх економічних умов, таких як інфляція, безробіття, купівельна спроможність населення, а також соціальні та демографічні тенденції. У статті аналізуються взаємозв'язки між підприємствами та соціальними групами, які створюють умови для довгострокового розвитку бізнесу та підвищення його продуктивності. Особливу увагу приділено важливості людського капіталу, інвестування в персонал, навчання та професійний розвиток, що дозволяє підприємствам залишатися конкурентоспроможними в умовах стрімкої глобалізації та технологічних змін. Розглянуто питання впливу соціальних трендів на споживчі уподобання та стратегії бізнесу, зокрема щодо екологічної відповідальності, гендерної рівності та інклюзії. Виявлено, що підприємства, які активно враховують соціально-економічні фактори у своїй діяльності, здатні підвищувати рівень задоволеності працівників, зменшувати плинність кадрів і поліпшувати корпоративний імідж. Соціально-економічна складова також впливає на формування внутрішньої організаційної культури, яка сприяє згуртованості колективу та підвищенню мотивації працівників. Стаття містить практичні рекомендації для керівників підприємств щодо ефективної інтеграції соціально-економічних аспектів у стратегію управління, що сприяє не лише поліпшенню фінансових показників, а й підвищенню соціальної відповідальності та стійкості бізнесу.

Ключові слова: соціально-економічна складова, бізнес-середовище, соціальні фактори, економічні фактори, управління підприємством, стратегія бізнесу, конкурентоспроможність, ефективність.

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The article examines the key aspects of the socio-economic component of the business environment of an enterprise, which plays an important role in shaping development strategies and ensuring competitive advantages. The business environment of the enterprise is closely linked to economic, social, political, and technological factors that directly affect the company's operations, its ability to adapt to changes, and maintain stable growth. The main focus is on aspects such as corporate social responsibility, employment levels, corporate culture, and the impact of external economic conditions, such as inflation, unemployment, purchasing power of the population, as well as social and demographic trends. The article analyzes the interrelationships between enterprises and social groups that create conditions for the long-term development of business and enhancing productivity. Special attention is given to the importance of human capital, investment in personnel, training, and professional development, which allow enterprises to remain competitive in the context of rapid globalization and technological changes. The impact of social trends on consumer preferences and business strategies is also considered, particularly regarding environmental responsibility, gender equality, and inclusion. It has been found that enterprises that actively take socio-economic factors into account in their operations can increase employee satisfaction, reduce turnover, and improve corporate image. The socio-economic component also influences the formation of internal organizational culture, which fosters team cohesion and enhances employee motivation. The article includes practical recommendations for business leaders on the effective integration of socio-economic aspects into management strategies, contributing not only to improved financial performance but also to increased social responsibility and business sustainability.

Keywords: socio-economic component, business environment, social factors

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