

## УПРАВЛІННЯ ТА АДМІНІСТРУВАННЯ

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O. V. PROKOPISHYNA

PhD in Economics, Associate Professor,  
Associate Professor at the Department of Economics and Law  
Kharkiv University of Humanities "People's Ukrainian Academy"  
ORCID: 0000-0002-5513-5629

S. V. LIKUNOVA

Student at the Faculty of Business Management  
Kharkiv University of Humanities "People's Ukrainian Academy"  
ORCID: 0009-0006-6935-0318

### INTEGRATING EUROPEAN SOCIAL RESPONSIBILITY VALUES INTO CORPORATE MANAGEMENT FOR SUSTAINABLE DEVELOPMENT IN TIMES OF UNCERTAINTY

*The increasing volatility of global economic systems, geopolitical instability, climate-related risks and technological transformation have significantly intensified the uncertainty within which corporations operate. Under such conditions, traditional shareholder-oriented management models reveal structural limitations in ensuring long-term stability and resilience. This study argues that the integration of European corporate social responsibility (CSR) values into corporate management constitutes a strategic response to systemic uncertainty and a necessary condition for sustainable development. The purpose of the article is to systematize the theoretical foundations of European CSR values and to identify the structural components of corporate management that enable their effective integration. The research is based on an interdisciplinary synthesis of stakeholder theory, sustainable development theory, institutional theory, and the resource-based view of the firm. Methods of theoretical generalization and structural analysis are applied to construct an integrated framework of value-based corporate governance.*

*The findings demonstrate that the European CSR paradigm represents a multidimensional governance model grounded in stakeholder inclusiveness, environmental stewardship, transparency, accountability, and long-term value creation. Unlike shareholder-centric approaches, the European model treats corporate responsibility as an embedded institutional obligation integrated into strategic planning, risk management, governance architecture, organizational culture, and performance measurement systems. Key structural components facilitating CSR integration include board-level oversight, sustainability-oriented strategic management, ESG-based risk management, stakeholder engagement within network governance structures, and transparent reporting mechanisms. Their coherent interaction strengthens corporate legitimacy, reduces systemic risks, and enhances adaptive capacity under volatile conditions.*

*The study concludes that embedding European CSR values into corporate management systems represents a structural transformation that reinforces sustainable development and redefines corporate governance as a resilience-oriented and socially embedded economic institution.*

**Key words:** management, corporate governance, sustainable development, corporate social responsibility, European integration, corporate resilience, uncertainty management.

O. V. ПРОКОПШІНА

кандидат економічних наук, доцент,  
доцент кафедри економіки та права  
Харківський гуманітарний університет «Народна українська академія»  
ORCID: 0000-0002-5513-5629

С. В. ЛІКУНОВА

студентка факультету «Бізнес управління»  
Харківський гуманітарний університет «Народна українська академія»  
ORCID: 0009-0006-6935-0318



## ІНТЕГРАЦІЯ ЄВРОПЕЙСЬКИХ ЦІННОСТЕЙ СОЦІАЛЬНОЇ ВІДПОВІДАЛЬНОСТІ КОРПОРАТИВНОГО МЕНЕДЖМЕНТУ ДЛЯ ЗАБЕЗПЕЧЕННЯ СТАЛОГО РОЗВИТКУ В УМОВАХ НЕВИЗНАЧЕНОСТІ

*Зростаюча нестабільність глобальних економічних систем, геополітична напруженість та технологічні трансформації значно підвищили рівень невизначеності, в якому функціонують вітчизняні підприємства. У таких умовах традиційні моделі управління, орієнтовані на акціонерів, виявляють структурні обмеження щодо забезпечення довгострокової стабільності та стійкості. Стаття обґрунтовує, що інтеграція європейських цінностей корпоративної соціальної відповідальності (КСВ) у систему корпоративного менеджменту є стратегічною відповіддю на системну невизначеність та необхідною умовою сталого розвитку. Мета дослідження полягає у систематизації теоретичних основ європейських цінностей КСВ та визначенні структурних компонентів корпоративного управління, які забезпечують їх ефективну інтеграцію. Дослідження базується на міждисциплінарному синтезі теорії стейкхолдерів, теорії сталого розвитку, інституційної теорії та ресурсно-орієнтованого підходу до фірми. В ході дослідження використовувалися методи теоретичного узагальнення та структурного аналізу для побудови інтегрованої моделі управління, орієнтованої на цінності.*

*Стаття доводить, що європейська парадигма КСВ є багатовимірною моделлю управління, що ґрунтується на принципах залучення стейкхолдерів, екологічної відповідальності, прозорості, підзвітності та створення довгострокової цінності. На відміну від орієнтованих на акціонерів моделей, європейський підхід розглядає корпоративну відповідальність як інтегровану інституційну практику, що включає стратегічне планування, управління ризиками, архітектуру управління, корпоративну культуру та системи оцінки ефективності. Ключові структурні компоненти, що забезпечують інтеграцію КСВ, включають нагляд на рівні ради директорів, стратегічне управління, орієнтоване на сталий розвиток, управління ризиками з урахуванням ESG, залучення стейкхолдерів через мережеве управління та прозорі системи звітності. Узгоджена взаємодія цих компонентів підвищує легітимність діяльності компаній, зменшує системні ризики та покращує адаптивну здатність у нестабільних умовах. Інтеграція європейських цінностей КСВ у корпоративний менеджмент є структурною трансформацією, яка посилює сталий розвиток та переосмислює корпоративне управління як стійку та соціально інтегровану систему економічної організації.*

***Ключові слова:** менеджмент, корпоративне управління, сталий розвиток, корпоративна соціальна відповідальність, європейська інтеграція, корпоративна стійкість; управління невизначеністю.*

### Problem definition

The intensification of global economic volatility, geopolitical instability, technological disruption, and climate-related risks has fundamentally reshaped the environment in which corporations operate. In times of heightened uncertainty, traditional models of corporate management focused primarily on short-term financial performance increasingly demonstrate structural limitations. Contemporary economic systems require governance approaches that integrate broader societal expectations, ethical standards, and sustainability imperatives. Within this context, the integration of European social responsibility values into corporate management emerges as a strategically significant pathway toward ensuring sustainable development.

### Analysis of recent research and publications

The European model of corporate social responsibility (CSR) is grounded in principles of stakeholder inclusiveness, environmental stewardship, social cohesion, transparency, and long-term value creation. These principles are institutionally embedded in the regulatory and strategic frameworks of the European Union, including the European Commission initiatives on sustainable finance, corporate sustainability reporting, and responsible business conduct. Unlike shareholder-centric governance systems, the European approach emphasizes balancing economic efficiency with social justice and environmental sustainability, thereby aligning corporate objectives with broader societal goals.

The conceptual foundations of corporate social responsibility are rooted in the multidimensional model proposed by Carroll [1], who conceptualized CSR as a pyramid encompassing economic, legal, ethical, and philanthropic responsibilities. In the European context, this integrative understanding has evolved toward a more systemic interpretation of corporate accountability embedded within institutional and regulatory architectures.

Stakeholder theory provides a theoretical lens for operationalizing social responsibility within corporate management. Donaldson and Preston [2] argue that stakeholder theory possesses normative, descriptive, and instrumental validity, positioning stakeholders not merely as external claimants but as intrinsic components of corporate purpose. Expanding this logic, Freeman [3] emphasizes that strategic management grounded in stakeholder engagement enhances organizational adaptability and long-term value creation, particularly under volatile environmental conditions. In times of systemic uncertainty, stakeholder-oriented governance enables firms to reduce relational risks, strengthen trust-based capital, and enhance institutional legitimacy.

The strategic dimension of CSR integration is further articulated by Porter and Kramer [4], who contend that social responsibility can generate competitive advantage when aligned with core business strategy. Their concept of the strategic link between corporate competitiveness and societal well-being shifts CSR from peripheral philanthropy toward value-creating integration. This argument resonates strongly within the European sustainability paradigm, where competitiveness increasingly depends on ESG alignment and regulatory compliance.

At the supranational level, the European Commission [5] defines CSR as “the responsibility of enterprises for their impacts on society,” emphasizing voluntary integration of social and environmental concerns into business operations and stakeholder interactions. This policy perspective institutionalizes CSR as a governance principle rather than an optional corporate initiative. The evolution of this approach is further reinforced by the Corporate Sustainability Reporting Directive (CSRD), which formalizes transparency, comparability, and accountability standards in sustainability reporting [6]. The CSRD represents a structural shift from soft-law encouragement toward binding sustainability governance mechanisms, thereby embedding social responsibility into corporate control systems.

Recent critical scholarship calls for deeper reconsideration of governance paradigms. Collin [7] highlights conceptual limitations in mainstream corporate governance research, arguing for broader institutional and societal integration beyond shareholder primacy. Similarly, empirical evidence from Scandinavian governance models demonstrates that board-level strategic orientation and compensation structures significantly influence governance costs and sustainability outcomes [8]. These findings suggest that governance architecture and incentive alignment are critical mediators in embedding European social responsibility values into managerial practice.

Despite these theoretical advancements, a gap persists in explaining how value-based governance systems interact dynamically with uncertainty management frameworks. While stakeholder theory and strategic CSR provide robust normative foundations, empirical research remains fragmented regarding the mechanisms through which ESG integration enhances resilience under systemic volatility. Therefore, further investigation is required to conceptualize corporate management not merely as a compliance-driven structure but as a sustainability-oriented adaptive system grounded in European social responsibility principles.

**The purpose of the research** is to conceptualize and substantiate the mechanisms through which European social responsibility values can be integrated into corporate management systems to ensure sustainable development in uncertain environments. The research aims to systematize the theoretical foundations of European CSR values, identify structural components of corporate management that enable their effective integration, and propose a strategic framework for enhancing corporate resilience and long-term value creation. By bridging sustainability theory, corporate governance research and uncertainty management approaches, this article contributes to the development of an integrated model of value-based corporate management. The findings are expected to enrich academic discourse on sustainable development while offering practical implications for corporate leaders and stakeholders seeking to strengthen economic resilience in the face of global instability.

**Research results and their discussion**

The European understanding of CSR has evolved from a voluntary philanthropic concept into a comprehensive governance paradigm embedded in regulatory, institutional, and strategic frameworks [5]. Unlike the Anglo-American shareholder-oriented model, the European CSR tradition is rooted in the stakeholder theory of the firm, social market economy principles, and the normative integration of ethical obligations into economic activity.

A defining milestone in the institutionalization of CSR at the supranational level was the strategic framework developed by the European Commission, which redefined CSR as «the responsibility of enterprises for their impacts on society» [5]. This definition marked a conceptual shift from discretionary corporate initiatives to structured accountability for social, environmental, and governance outcomes. The European approach integrates CSR into broader sustainable development objectives aligned with the policy architecture of the European Union. The European CSR model is therefore not merely an ethical add-on but a systemic governance construct that connects economic performance with social cohesion, environmental protection, and intergenerational responsibility. The theoretical systematization of European CSR values can be structured around five interrelated normative pillars (table 1).

Table 1

**Values underpinning the European CSR model**

Pillar	Content
Human dignity and social cohesion	European CSR is anchored in the recognition of fundamental human rights, labor protections, and inclusive growth. Corporate activity is viewed as a contributor to social stability, reduction of inequality, and preservation of social capital
Environmental stewardship	Sustainability in the European framework is strongly linked to ecological modernization theory and the precautionary principle. Corporate responsibility includes mitigating environmental externalities, supporting decarbonization, and advancing circular economy models.
Stakeholder inclusiveness	Building upon stakeholder theory, European CSR emphasizes dialogue, transparency, and participatory governance. Corporations are accountable not only to shareholders but to employees, consumers, suppliers, local communities, and future generations
Transparency and accountability	Disclosure standards and sustainability reporting requirements reflect a transition from voluntary CSR to regulated responsibility. Corporate transparency is seen as a mechanism for market discipline and trust formation
Long-term value creation	European CSR prioritizes sustainable value over short-term profit maximization. The integration of environmental, social, and governance (ESG) criteria into corporate strategy reflects the alignment of financial stability with systemic resilience

A key characteristic of the European CSR framework is its institutionalization through binding and non-binding regulatory instruments [9]. The transition from soft-law recommendations to structured sustainability governance is reflected in corporate reporting directives, sustainable finance taxonomies, and due diligence obligations. From a theoretical perspective, this institutional embedding reflects the interaction between neo-institutional theory and corporate governance models. Firms adapt CSR practices not only due to market incentives but also as a response to coercive, normative, and mimetic pressures within the European regulatory ecosystem. The effective integration of European CSR values into corporate management requires not only normative alignment but also the transformation of internal organizational structures, governance mechanisms, and decision-making processes. CSR integration becomes sustainable only when embedded into the structural architecture of corporate management rather than remaining a declarative or reputational instrument.

The primary structural determinant of CSR integration is the configuration of corporate governance systems. European CSR values are most effectively institutionalized when responsibility for sustainability is anchored at the board level. The inclusion of sustainability committees, ESG oversight mechanisms, and independent directors with expertise in environmental and social risk strengthens accountability and long-term orientation.

Governance structures aligned with European regulatory developments promoted by the European Union increasingly require transparency, non-financial disclosure, and due diligence procedures [9]. Consequently, corporate boards must integrate sustainability criteria into strategic supervision, risk evaluation, and executive compensation systems. Board-level commitment transforms CSR from a peripheral function into a strategic governance priority, ensuring coherence between declared values and managerial practice. Strategic management represents a second critical structural component. Effective integration requires embedding CSR values into corporate mission statements, vision frameworks, and long-term development strategies. This includes:

- 1) alignment of corporate objectives with sustainable development principles;
- 2) integration of ESG indicators into strategic planning processes;
- 3) adoption of scenario-based planning tools to address uncertainty and systemic risks;
- 4) linking sustainability targets to innovation and competitiveness strategies.

From a theoretical perspective, this reflects the convergence of sustainable development theory and the resource-based view, whereby socially responsible practices contribute to durable competitive advantage through reputational capital, stakeholder trust, and innovation capacity. In uncertain environments, strategy-oriented CSR integration enhances adaptive resilience and reduces exposure to regulatory, environmental, and reputational risks. Under conditions of uncertainty, CSR integration is inseparable from enterprise risk management. Structural integration requires:

- 1) identification and assessment of ESG-related risks (supply chain, human rights, compliance);
- 2) incorporation of sustainability criteria into internal audit procedures;
- 3) establishment of early-warning systems and compliance monitoring mechanisms;
- 4) harmonization of financial and non-financial risk reporting.

The development of sustainable finance standards and regulatory initiatives coordinated by the European Commission reinforces the need for corporations to integrate ESG risk metrics into capital allocation and performance evaluation systems. Thus, risk management becomes a structural bridge between normative CSR values and operational corporate decision-making.

Effective integration of CSR values depends on measurable indicators and transparent reporting systems. The structural embedding of ESG metrics within key performance indicators ensures that sustainability objectives are operationalized and monitored. Critical elements include:

- 1) integration of financial and non-financial reporting systems;
- 2) standardized sustainability reporting aligned with European disclosure requirements;
- 3) digitalization of monitoring and data collection processes;
- 4) public accountability through stakeholder-oriented communication channels.

Transparency enhances market discipline and investor confidence while reducing information asymmetry. In uncertain economic environments, reliable sustainability reporting contributes to reputational stability and access to sustainable finance instruments. As European CSR is fundamentally stakeholder-oriented [8], corporate management structures must institutionalize mechanisms for stakeholder identification, prioritization, and engagement.

The European model of corporate social responsibility places stakeholder engagement at the core of corporate governance transformation. Unlike shareholder-centric systems, the European paradigm conceptualizes the firm as an embedded socio-economic institution within a dense network of interdependencies. Consequently, stakeholder engagement and network governance are not auxiliary communication tools but structural mechanisms that operationalize CSR values within corporate management systems. The systematization of stakeholder engagement mechanisms within corporate management can be represented in the analytical framework presented by table 2.

So, the findings confirm that the European CSR paradigm represents a multidimensional governance model grounded in stakeholder inclusiveness, environmental stewardship, social cohesion, transparency, accountability, and long-term

value creation. The theoretical systematization demonstrates that European CSR values are embedded within a normative-institutional architecture shaped by regulatory frameworks and sustainability-oriented public policies developed at the supranational level of the European Union. In contrast to shareholder-centric governance traditions, the European model conceptualizes corporate responsibility as an integral component of economic stability and social legitimacy. CSR is therefore positioned not as a supplementary activity but as a systemic management philosophy aligned with sustainable development principles.

Table 2

**Structural components and their managerial functions for CSR integration**

Structural component	Managerial instruments	CSR integration function	Impact under conditions of uncertainty
Stakeholder mapping and prioritization	Materiality matrices; ESG risk mapping; stakeholder salience models	Aligns corporate strategy with societal expectations	Early identification of social and environmental risks
Institutionalized dialogue platforms	Advisory boards; public consultations; digital engagement systems	Enhances transparency and legitimacy	Reduces reputational volatility; improves adaptive feedback
Responsible supply chain governance	Supplier codes of conduct; ESG audits; traceability systems	Extends CSR values across value chains	Mitigates supply chain disruptions and compliance risks
Public – private partnerships	Joint sustainability initiatives; co-investment mechanisms	Aligns business strategy with public policy objectives	Shares systemic risks; increases access to sustainable finance
Integrated reporting systems	Sustainability reporting; stakeholder surveys; grievance mechanisms	Strengthens accountability and trust	Improves investor confidence and long-term stability
Cross-sectoral networks and industry alliances	Industry standards; voluntary sustainability coalitions	Facilitates knowledge exchange and norm diffusion	Enhances collective resilience and innovation capacity

The identification of structural components enabling effective CSR integration reveals that successful implementation depends on the coherence of multiple interrelated subsystems. These include governance architecture and board-level oversight, strategic management processes, enterprise risk management systems, organizational culture and human capital policies, performance measurement and reporting mechanisms, and stakeholder engagement within network governance frameworks. The interaction among these components ensures that CSR values are embedded across strategic, operational, and control dimensions of corporate management. In uncertain economic environments characterized by volatility, systemic risks, and geopolitical instability, network-based coordination enhances collective learning, reduces information asymmetry, distributes risk, and strengthens long-term competitiveness. Thus, stakeholder-oriented governance functions simultaneously as a legitimacy mechanism and as a strategic resource contributing to sustainable value creation.

**Conclusions and further research**

The integration of European CSR values increases corporate adaptability by aligning risk management practices with environmental, social, and governance (ESG) criteria. In doing so, corporations enhance reputational capital, investor confidence, and access to sustainable finance instruments. Under conditions of uncertainty, this alignment contributes to economic stability and organizational resilience. The practical implications of the study suggest that corporate leaders should prioritize structural alignment rather than isolated CSR initiatives. Policymakers, in turn, may facilitate integration processes through harmonized sustainability standards, transparent reporting requirements, and incentives that encourage long-term orientation. Future research may focus on empirical validation of the proposed structural model, quantitative assessment of the relationship between CSR integration and corporate resilience, and comparative analysis across different institutional contexts.

In conclusion, the integration of European CSR values into corporate management constitutes a strategic response to systemic uncertainty, reinforcing sustainable development trajectories and redefining corporate governance as a value-driven, resilience-oriented system of economic organization.

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