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## Scientific Reasoning Of The Connection Between The Conceptual Positions Of The Social Responsibility Theory And The Social Management Elements Of The Pharmaceutical Organization.

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### ABSTRACT

The purpose of the work was the scientific reasoning of the connection between the conceptual positions of the social responsibility (SR) theory and the social management elements of the pharmaceutical organization. Publications of fundamental and applied researches of national and foreign scientists on social responsibility issues, social investment, human capital (HC) were used for the research. Methods of informational search, systematization, analysis, synthesis, comparison, generalization and modeling were used during the work. The interrelation between the forms and practices of SR as an element of social management with the conceptual positions of social investment theories and HC for pharmacy was justified on the basis of the scientific analysis. The most important indicator of SR is conscious and purposeful participation in solving important social problems through social investments. HC of pharmaceutical organization is formed due to the labor market and the system of continuous pharmaceutical education, and investment in HCs is a long-term factor of competitiveness and survival of the pharmaceutical organization. At the same time, social investments are considered as the main source of profit in the future and as the highest form of SR pharmaceutical organization. The pharmaceutical organization can ensure its effective and competitive existence by forming social capital, developing SR and social management by coordinating own interests with the system of interests in society.

**Keywords:** social responsibility, pharmaceutical organization, social investment, human capital.

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## INTRODUCTION

One of the five basic prerequisites for the future successful organization, which were formed in a global study conducted by IBM in 2008 (IBM Global CEO Study - 2008), was recognized social responsibility (SR) [1]. Among the important factors for business were the elements of the system of social management (SM): a clear vision of the company future, its strategy and corporate culture; the ability to optimize processes and change priorities as market trends change; clarity of the role of employee in the organization; sequence of management decisions; personal responsibility of the employee for the decisions taken [2].

Today, SR is an economic reality which has a special significance in society and management system. In recent years, in the worldwide the SR Institute has moved from the organizational and managerial exotics of global corporations to standard technologies for implementing SR in the practice of organizations of various ownership forms and management, sizes and types of economical activity [3, 4]. The Ukrainian pharmacy doesn't stay aside from this global trend.

So the works of Yu.S. Bratishko, O.V. Posilkina, A.A. Kotvitskaya, M.V. Zarichkova [5, 6, 7, 8], as well as our studies [9, 10] are devoted to the issues of existing forms of SR of Ukrainian pharmaceutical enterprises. Despite of the significant scientific contribution of the above mentioned scientific works, the search of new effective mechanisms for increasing the competitiveness of the pharmaceutical industry and the pharmaceutical organization, their investment attractiveness, and the growth of social capital on the basis of social management remains relevant.

The purpose of the work was the scientific reasoning of the connection between the conceptual positions of the social responsibility (SR) theory and the social management elements of the pharmaceutical organization.

## MATERIALS AND METHODS

Publications of fundamental and applied researches of national and foreign scientists on social responsibility issues, social investment, human capital (HC); national and international normative legal acts regulating SR and activities of the pharmaceutical organization were used for the research. Methods of informational search, systematization, analysis, synthesis, comparison, generalization and modeling were used during the work.

## RESULTS AND DISCUSSION

Integration of the conceptual basis of SR into the pharmaceutical industry begins with the definition of the pharmacy place in the social sphere, with the help of which the state realizes social interests of all population strata, the relations between society and individual, working and living conditions, health, recreation etc.

Pharmacy has had social importance for all the time and has been sensitive to new social outbursts in society and state. This allowed to understand better the issues related to improving the effectiveness of pharmaceutical care for the population. Evaluating the social importance of pharmacy on a national scale, it can be argued that the pharmaceutical industry acts as an intermediary, which implements a social function aimed at improving life quality and expectancy of the population, developing the country's socioeconomic security, and health entities of the pharmaceutical industry is the result of providing this function. As part of its social function, the pharmaceutical industry realizes production of social products (drugs), provision of pharmaceutical assistance, creation and provision of work places, payment of taxes (filling state and local budgets), formation and development of HC, scientific and innovative activities, charity and sponsorship, environmental protection [11].

One of the indicators of the socially responsible behavior development of a pharmaceutical organization can be considered the extent of basic principles, functions and methods of SM which are integrated into the economic activity and management of the pharmaceutical organization. The forms of manifestation of SM in the pharmaceutical industry are different. In particular, they consist of the socialization of traditional management functions (planning, organization, motivation, control and regulation), the

emergence of new management functions (marketing, logistics, innovation, etc.), as well as in active use of management of social management technologies. SM in pharmacy is a resource concept for management of staff behavior, which allows to optimize pharmaceutical assistance by activating the social role of a pharmaceutical organization management. The growing understanding of the leadership of many large and successful pharmaceutical organizations today and importance of investment in the social sphere, social and labor relations, HC, prompts the transition from one-time activities to long-term interaction based on a complex of social programs, projects, benefits, guarantees that promote sustainable development. Social investment is an integrated factor in sustainable social development.

In the classical understanding of social investment it is long-term investment of financial resources in social facilities with the aim of improving the quality of people's lives. As we see, social investments are closely connected with the notion of "improving the quality of life" and have mutual dependence on achieving a high social status of a person. In the course of the research conducted by the Institute of Sociology of the National Academy of Sciences of Ukraine, the factors determining the attainment of a certain level of social status by the Ukrainian population were revealed and assessed: the material situation, the quality of working life, health, nutrition and the ecological environment, the spiritual component (education, science, culture) [12]. All these factors are components of HC. In the broad definition of HC, it is an intensive productive factor of economic development, development of society and the family, including the educated part of labor resources, knowledge, the environment of living and work, which ensure the efficient and rational functioning of human capital as productive development factor [13, 14]. In a narrow understanding, HC is intellect, health, knowledge, quality and productive work and quality of life. It is formed as a result of investments in raising the level and quality of life, in intellectual activity, particularly, in upbringing, education, health, knowledge (science), entrepreneurial personality, entrepreneurial climate, information support for labor, the formation of an effective managerial link, people and business and economic freedom, as well as in culture, art etc. That means that investments in HC (as social investments) are any actions that increase the professional qualifications and productive abilities of a person and, thus, productivity of workers [15].

We have simulated the connection of SR, social investment and HC. As can be seen from the data in Figure 1, there is a close relationship between these concepts, which gives the stable social and economic effects of the pharmaceutical organization in the future. Social investment, as a form of implementation of the SR business, serves as the basis for further development of the SR of pharmaceutical organization. The purpose of social investment, as an external form of SR, is to create a positive image in the eyes of civil society and provide social benefits to employees of the pharmaceutical organization. This is achieved through the implementation of social programs designed to take into account the interests of the main internal and external stakeholders.

As an internal form of SR, the social investments of the pharmaceutical organization contribute to the improvement of professional qualifications and the improvement of the productive abilities of pharmaceutical specialists and, thus, increase the HC. In our opinion, investment in a HC for a pharmaceutical organization should not be limited only to the sphere of its own HC. The highest level of SR of a pharmaceutical organization includes actions and activities aimed at the future and envisage investments in public HC (investments in the professional orientation of young people, professional training of future pharmacists, support of a healthy lifestyle for young people, preventive measures, etc.).

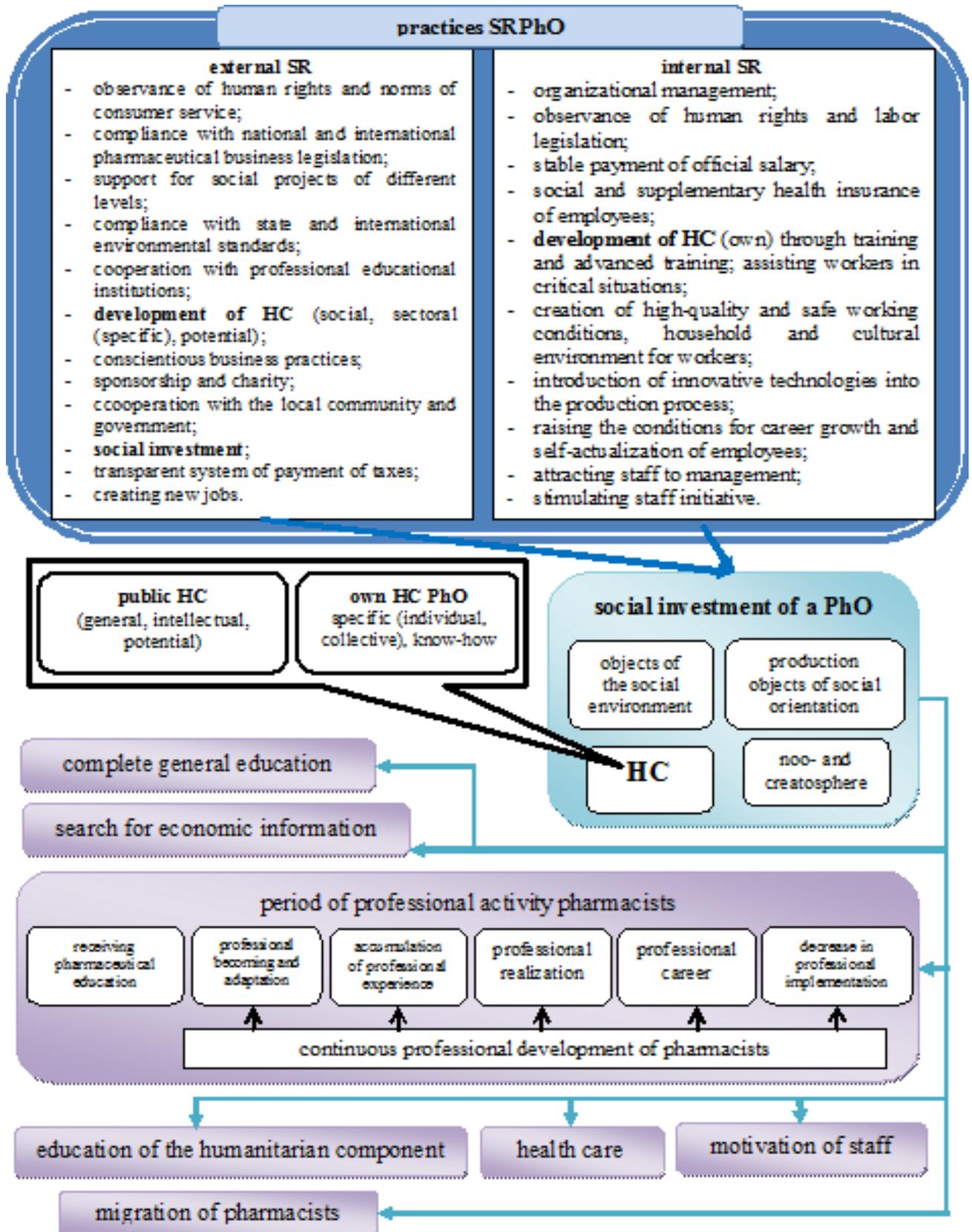


Figure 1: The model of interrelation of the main conceptual positions of of theory of SR, social investment, HC in the management system of the pharmaceutical organization (own development)

These are the social investments of the pharmaceutical organization for life-long education, health care, the upbringing of the humanitarian components of HC, the strengthening of the motivation of pharmacists, the migration of pharmacists, the search for economically important information for LC (public, specific, potential, own) is the practice of both external and internal socially responsible behavior of the pharmaceutical organization.

These social investments are not about law norms, but about a voluntary decisions of the pharmaceutical organization investor's, which are taken under the influence of a number of circumstances (economic conditions, the moral level of society and the pharmaceutical organization itself, the stability of the political situation in the society, the existence of transformational trends in the economy).

Summarizing everything written above, social investment in the context of SR is a component of investment in capital, and investment in capital, in turn, is a component of social investment in general.

In the practical aspect, investments of the pharmaceutical organization into the HC can be realized in the form of promoting the practical implementation of national, regional, local and international programs aimed at improving the socio-economic situation; improving the financial situation of beneficiaries, promoting the social rehabilitation of poor, unemployed people with disabilities, other people who need care, as well as assisting individuals who, due to their physical or other shortcomings, are limited in the exercise of their rights and legitimate interests; assistance in the development of science and education, the implementation of scientific and educational programs, assistance to scientists and students; promoting the development of culture; providing assistance to talented creative youth; assistance in the protection and preservation of cultural heritage, historical and cultural environment, monuments of history and culture, burial places; assistance in the development of publishing, mass media, information infrastructure; assistance in the development of a nature reserve fund and environmental protection; promote the development of health, mass physical culture, sports and tourism, promote healthy lifestyle, and participate in the providing of medical care to the population [16]. Investments of the pharmaceutical organization in their specialists intensify their labor returns, increase productivity, reduce the cost of working time, strengthen the competitiveness of the pharmaceutical organization in the market.

### CONCLUSION

Based on the scientific analysis, the interrelation between the forms and practices of SR, as an element of social management, with the conceptual positions of theories of social investment and capital for pharmacy is justified. The most important indicator of the SR of the pharmacological organization is the conscious and purposeful participation in solving important social problems through social investment.

HC of pharmaceutical organization is formed due to the labor market and the system of continuous pharmaceutical education, and investment in HCs is a long-term factor of competitiveness and survival of the pharmaceutical organization. At the same time, social investments are considered as the main source of profit in the future and as the highest form of SR pharmaceutical organization.

By forming social capital, developing SR and social management, by coordinating own interests with the system of interests in society, the pharmaceutical organization can ensure its effective and competitive existence.

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