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AN ASSESSMENT OF SOCIAL GUARANTEE EFFECTIVENESS IN CONSTRUCTION ENTERPRISES

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The article focuses on developing methodological approaches and highlighting the results of a verified measurement of the effectiveness with which construction enterprises implement social guarantees, which is one of the key indicators of corporate social responsibility. The article aims to develop a scientifically sound methodology for evaluating the implementation of social guarantees within the corporate social responsibility systems of Ukrainian construction companies, and to identify the primary issues and areas for improvement in their internal social policies. In order to achieve the research objective, the article employs a multifactorial comparative analysis and expert assessment of the ten leading Ukrainian construction companies. The methodology is based on calculating weighted scores using weighting coefficients after determining the average score for individual social guarantees. Social guarantees were assessed on a five-point scale. The necessary requirements for sample representativeness were met. The list of criteria included remuneration, insurance, access to housing, professional development and psychological support. The calculated integral index of social guarantee implementation revealed that corporate social responsibility is insufficiently institutionalised in construction companies' internal policies. Significant differences in the implementation of social guarantees across enterprises were identified. The

study's results confirm the fragmented implementation of social guarantees in construction companies, requiring a comprehensive review of social policy that takes into account the principles of sustainability, equal access, and business responsibility to employees. Specific recommendations for enterprises to improve their corporate social responsibility policies are proposed. There is a need to regularly measure the effectiveness of social investments and to conduct comparative benchmarking. The presented approach can serve as a basis for the further development of industry standards of social responsibility in construction.

Keywords: *social guarantees, corporate social responsibility, construction companies, employee welfare, personnel security, social indicators, pension insurance, professional development, integral index, social investments.*

Introduction. The issue of providing social guarantees in Ukrainian construction enterprises has gained particular importance in the context of the full-scale war, which has led to profound transformations in the employment system, the disruption of social ties, and a deepening of threats to the industry's labor stability. A significant portion of construction workers faces complicated access to adequate social benefits stipulated by law, while an insufficient level of protection encourages the highly-skilled workforce to change their field of employment, emigrate, or transition to the informal sector. This directly weakens the industry's human capital potential, undermines its institutional sustainability, and diminishes its competitiveness in both domestic and international markets. The imperfections of the regulatory framework, the absence of systematic state monitoring, and the almost complete deregulation of labour standards enforcement mechanisms create the preconditions for a further deterioration of the situation. In these circumstances, the internal policies of

enterprises play a significant role, particularly their capacity to implement Corporate Social Responsibility (CSR) principles as a tool for social cohesion and preventing human capital depletion.

The issue of corporate social responsibility has long been a focal point for the academic community, especially in the context of its significance for shaping social policy, personnel development, and enhancing the social resilience of enterprises in crisis situations. The theoretical foundations of social responsibility were laid in the works of H. Bowen, who was the first to characterize the social responsibility of business as a company's moral obligation to society [1]. In contrast, M. Friedman considered the sole function of business to be the maximization of shareholder profit [2]. The conceptual expansion of approaches to corporate social responsibility was continued by K. Davis and M. Weber, who emphasized the importance of a company's voluntary initiatives in achieving a balance between economic and social interests [3; 4]. A significant contribution was also made by A. Carroll, who proposed the CSR pyramid model, which encompasses four levels of responsibility: economic, legal, ethical, and philanthropic [5]. The further development and practical adaptation of the concept was facilitated by stakeholder theory, which was formulated by R. Freeman and emphasises the necessity of harmonising the interests of all participants in the corporate environment [6]. A notable example of integrating social and economic objectives within the scope of corporate social responsibility (CSR) was presented by M. Porter and M. Kramer, who developed the concept of shared value, whereby social issues are transformed into business opportunities [7].

In Ukrainian economic science, A.M. Kolot [8], O.A. Hrishnova [9], K.M. Bereziuk [10], V.K. Hryshchuk [11], L.O. Zgalat-Lozynska [12; 13], O.Y. Bielenkova [14], Ya. Loktionova, O. Matsapura, A. Moholivets [15], N.V. Ushenko, S. M. Kozhemiakina [16], O.S. Dniprov [17] and others have

researched the issues of corporate social responsibility in the context of personnel development, social protection guarantees and human resources security management. In their work, these authors have substantiated the need to implement personnel social management systems based on CSR principles, particularly in industries with a high level of professional risk and social vulnerability, such as construction.

Separate studies by Ukrainian authors (specifically [14, 15]) reveal the potential of CSR as a factor in the economic security of enterprises in the construction sector and emphasise social innovations as a component of sustainable development. Works [16, 17] emphasise the importance of a regional approach to social investment and of considering the specifics of local communities, a point which is particularly relevant in the context of war.

Analysis also indicates that many publications, including the 2023 report by the Centre for Corporate Social Responsibility [18], are descriptive only and lack a methodological evaluation of the effectiveness of implemented social measures. Despite growing attention to this issue, there is still a gap between theoretical developments and the practical dimensions of CSR, particularly with regard to the formalisation of mechanisms for assessing social guarantees for construction workers in emergency situations. Therefore, this research is relevant due to the urgent need for a scientifically substantiated, empirically verified approach to evaluating the implementation of social guarantees within the framework of CSR at construction enterprises operating in an emergency environment.

Formulation of the Research Aim and Objectives. The purpose of the article is to develop a scientifically substantiated methodology for evaluating the implementation of social guarantees within the framework of CSR at Ukrainian construction enterprises and to identify the main

problems and directions for improving the internal social policy of these companies.

The main objective of this study is to evaluate the implementation of social guarantees within the framework of corporate social responsibility (CSR) practices adopted by leading construction enterprises in Ukraine.

The intensification of social risks under martial law highlights the importance of an effective corporate social responsibility system. This system should not only ensure that employers fulfil their basic obligations, but also support employees facing loss of housing, mobilisation, temporary displacement or psychological vulnerability. However, many construction companies are unable to provide an adequate level of social benefits, health insurance, safe working conditions or professional development programmes due to limited financial and material resources. Consequently, shadow employment is increasing, preventing workers from fully exercising their labour rights and exacerbating social instability in the industry.

In order to make a reasonable assessment of the level of implementation of social guarantees in the system of corporate social responsibility of Ukrainian construction companies, a comparative table was developed that combines a quantitative assessment of key areas of social policy and a representative list of leading developers. This form of information presentation allows for a systematic and structured analysis of the state of internal social commitments, identifying priority areas for improvement, and building an aggregate index of provision relevant to management conclusions. The selected social guarantees cover the most important components of social protection of employees in times of crisis: remuneration, disability insurance, housing, professional development, transport, social assistance, psychological support, etc. Particular attention was paid to those areas that suffer from a shortage of implementation, such as pension insurance (practically inaccessible to working categories of staff)

and psychological support (which, despite its critical importance in times of war, is not institutionalised at most enterprises).

The criteria for including indicators in the table were based on the regulatory and legal provisions of national legislation (the Labor Code of Ukraine, the Law of Ukraine "On Compulsory State Social Insurance," ILO recommendations) and adapted practices of responsible EU companies. Each of the ten criteria was evaluated on a five-point scale based on empirical (expert) assessments, which summarize the typical company practice regarding the relevant aspect of provision. The weighting coefficients for the indicators were determined by taking into account their social significance and impact on the overall level of employee well-being.

The enterprise sample comprised ten of the largest developer companies that, at the time of the study, held the highest positions in industry ratings, published their reporting, or were mentioned in specialized industry reviews. Specifically, the sample included "Integral-Bud", "Kovalska", "KAN Development", "UkrBud Development", "Stolitsa Group", "GEOS", "NovaBudova", "BudCapital", "bUd Development", and "Royal House". This coverage ensures the representativeness of the evaluation for the entire multi-story residential and commercial construction sector.

To ensure proper representativeness of the empirical study on social guarantees at Ukrainian construction enterprises, a sample size of 300 respondents was formed, with 30 individuals from each of the ten largest developers in the country. This sample size meets the generally accepted criteria for statistical reliability and allows for a reduction in the sampling error to 5% at a 95% confidence interval, which is a standard in socio-economic research.

Given that the average number of employees in each of the selected enterprises ranges from 500 to 2,000 people, this number of respondents ensures a coverage of 1.5% to 6% of the personnel. This meets the

requirements for a minimum representative sample, which is at least 1% of the general population. This approach allows for reliable inter-firm comparisons and reveals significant internal differences in approaches to implementing CSR policies. The sample structure was formed in compliance with the principles of stratification based on gender, age, and professional criteria.

Considering the gender specifics of the construction industry, the sample included 255 men (85%) and 45 women (15%), which corresponds to the actual proportion of workers at these enterprises. The age composition of the respondents covers the following categories: 20–30 years old (25%, or 75 individuals), 31–45 years old (45%, or 135 individuals), and 46–60 years old (30%, or 90 individuals). By professional affiliation, the distribution is as follows: blue-collar workers constitute 65% (195 individuals), engineering and technical staff 25% (75 individuals), and administrative and managerial staff 10% (30 individuals). The formed sample allows for a highly reliable assessment of the current state of corporate social policy in the Ukrainian construction industry. It also enables a proper analysis of how social guarantees are implemented based on the respondents' position, age, and gender, thus facilitating the formulation of practical recommendations for improvement.

The methodology for assessing social guarantees aims to obtain a weighted assessment based on the average score of respondents' assessments and the weighting coefficient of the values of a particular social guarantee.

The calculation of the average score for each social guarantee (arithmetic mean) is calculated using the following formula:

$$\bar{x}_j = \sum x_{ij}/n \quad (1)$$

$\bar{x}_j$ - the average score for the j-th social guarantee;

x_{ij} - the score for the j-th guarantee provided by the i-th enterprise;

n - the number of enterprises.

Calculation of the weighted score for each guarantee:

$$Z_j = \bar{x}_j \times w_j \quad (2)$$

Z_j - the weighted score of the j -th guarantee;

w_j - the weight coefficient of significance of the j -th guarantee.

Calculation of the overall integral index of social guarantees implementation:

$$R = \sum_{i=1}^m (\bar{x}_{ij} \times w_j) \quad (3)$$

R - the integral indicator of guarantees implementation;

m - the number of social guarantees.

Table 1 presents the results of the evaluation of key social guarantees implemented by the largest construction developers in Ukraine.

The comparative assessment of the implementation of social guarantees in the largest construction companies of Ukraine allows for the formulation of a series of generalizations that hold significant analytical value for the further improvement of corporate social policy in the construction sector. The evaluation results indicate a fragmented and asymmetrical nature of social guarantee implementation. Despite some positive progress in the areas of social insurance against disability (average score – 3.3) and professional development organization (3.2), the overall level of protection of labor rights and guarantees remains unstable and incomplete. This points to the absence of unified corporate standards in this area and an insufficient level of integration of CSR principles into the strategic management system.

The situation regarding pension provision is critical, as according to the study results, it is accessible only to managerial personnel in most companies. The average score for this indicator is 1.4, signaling a discriminatory approach to forming long-term social commitments toward

employees. Such a situation not only contradicts the principles of social justice but also potentially reduces employee loyalty and engagement.

Table 1

Assessment of Social Guarantees at Ukraine's Largest Developers

Social Guarantee	Intergal-Bud	Kovalska	Ukrbud Development	KAN Development	Stolitsa Group	GEOS	NovaBudova	BudCapital	BUD Development	Royal House	Average Score	Weight Coefficient	Weighted Score
Salary	3	3	2	2	3	2	3	3	2	3	2.6	0.15	0.39
Social insurance in case of disability	4	3	3	4	3	3	3	3	3	4	3.3	0.12	0.40
Vacation	2	2	4	2	4	4	3	2	2	4	2.9	0.10	0.29
Training and qualification improvement	3	4	3	3	3	3	4	3	2	4	3.2	0.10	0.32
Meals	4	4	3	2	3	3	2	4	3	3	3.1	0.08	0.25
Transportation provision	4	4	2	2	4	2	3	4	2	4	3.1	0.08	0.25
Improvement of housing conditions	2	3	4	2	3	2	4	2	2	2	2.6	0.10	0.26
Social assistance	3	2	2	2	4	2	4	4	2	3	2.8	0.10	0.28
Voluntary pension and medical insurance	1	2	2	1	1	2	1	1	2	1	1.4	0.07	0.10
Psychological support	2	2	2	2	2	3	3	3	2	2	2.3	0.10	0.23

Source: Developed by the author

The areas that should perform a compensatory function under prolonged social tension remain underdeveloped, particularly psychological support (2.3 points) and housing provision (2.6 points). Neglecting these areas threatens the formation of a demotivating environment, increases hidden psychosocial risks, and deteriorates the quality of employees' working life. The average level of implementation of traditional forms of

social support, such as vacations, meals, transportation, and social assistance, ranges from 2.8 to 3.1 points, indicating partial fulfilment of obligations and heterogeneity of practices across companies. This, in turn, reduces the predictability of working conditions in the sectoral labour market and complicates the establishment of a unified standard for socially responsible employers in the construction industry. Overall, the integral index of social guarantees implementation, which amounts to 2.76 on a five-point scale, qualifies the situation as requiring urgent managerial intervention. The obtained results confirm the presence of a systemic disparity between the declared principles of corporate social responsibility and the actual state of affairs in construction enterprises.

One of the main problems is the lack of effective social protection mechanisms that can make up for the specific working conditions faced by construction workers. Despite legally established provisions for compensation in the event of accidents, sick leave and pensions, many employees lack genuine access to comprehensive social benefits. This issue particularly affects hired workers engaged in specific types of work under individual labour agreements or temporary contracts, which typically offer piece-rate or contract-based pay for completed tasks without guaranteeing stable social security. Given the relatively high level of payroll taxes in Ukraine compared to the scope of social protection, many construction workers are reluctant to enter into full employment contracts, instead opting for less secure forms of employment that offer higher wages. This phenomenon should not be interpreted as tax evasion, but rather as a form of 'tax optimisation' practised by construction enterprises through minimising official contributions to mandatory social insurance funds. This is achieved by utilising flexible remuneration schemes, such as concluding civil-law contracts instead of formal labour agreements, registering workers as sole proprietors, or compensating part of the salary in the form of

dividends, company services, or goods/services from third-party organisations. This results in construction enterprises reducing their tax burden, while employees receive financial and material remuneration for their labour, but remain deprived of adequate social protection. This situation becomes critically important in cases of occupational injuries, work-related illnesses (which are not uncommon in construction), or upon reaching retirement age.

Consequently, it is advisable to develop national sectoral standards for the implementation of social guarantees, include relevant provisions in collective agreements, and strengthen state control over compliance with labour legislation. Thus, the analysis of the table indicates the necessity to rethink approaches to social protection of construction industry personnel, based on the principles of equal access, sustainability of social programs, and business responsibility toward employees as key stakeholders of the economic process.

Conclusions. In the context of the research findings revealing significant imbalances in the implementation of social guarantees within the corporate social responsibility (CSR) framework of construction enterprises, it is advisable to develop a set of adaptive measures that can be implemented autonomously by enterprises regardless of external environmental dynamics. Acknowledging the challenges posed by the full-scale war, the limitations of financial and organizational resources, and the uncertainty of economic prospects, the focus should be on the gradual and rational improvement of social policy aimed at maintaining workforce stability. In this regard, the following practical directions are proposed:

- development of voluntary social insurance programs for employees in case of temporary disability, particularly on co-financing terms by the employer, which will partially compensate for the absence of comprehensive medical insurance while allowing enterprises the initiative

for flexible adaptation to resource constraints;

- gradual introduction of corporate pension programs that can cover employees on a co-participation basis or through long-term deferred incentives, with emphasis on expanding coverage to rank-and-file workers, ensuring equal access to pension protection prospects;

- institutionalization of psychological support within enterprises, including through partnership agreements with specialized professionals or non-governmental organizations, establishment of hotlines, and implementation of anonymous psychological counseling. Such practice should become a fundamental element of the social environment under increased stress circumstances;

- activation of educational initiatives through internal training modules, short-term professional courses, internships, and mentoring, with special attention to digital skills, energy-efficient construction, and occupational safety, promoting workforce retention and adaptation to contemporary conditions;

- formation of targeted support programs for employees affected by hostilities or housing loss, via the creation of dedicated internal funds, charitable assistance mechanisms, or cooperation with international humanitarian organizations;

- ensuring the functioning of social housing or preferential rental programs, especially for mobilized workers, relocated persons, or internally displaced persons integrating into the workforce, thereby strengthening employee attachment to the enterprise;

- implementation of job retention guarantee systems for mobilized employees, as well as social support programs for their families (financial assistance, involvement in corporate social events, educational programs for children, etc.);

- regular monitoring of employees' social needs through anonymous

surveys, social audits, or focus group analyses, allowing the formation of a flexible social policy responsive to changing workforce demands;

- development of transparent and systematic corporate reporting practices in CSR, reflecting not only financial expenditures on social programs but also the effectiveness of implemented measures, including indicators of employee satisfaction, turnover rates, and internal loyalty;

- conducting periodic assessments of social investment efficiency, employing social ROI metrics, integrated satisfaction indicators, and comparative benchmarking tools, which will enhance the rationale for resource allocation in the social sphere.

Given the financial and material constraints under wartime conditions, the implementation of these measures should proceed gradually, considering enterprises' internal readiness and the real needs of personnel. Nevertheless, these recommendations enable the formation of a proactive strategy for ensuring social stability, which directly impacts workforce security, internal cohesion of teams, and enterprises' capacity to operate effectively amid ongoing uncertainty. This approach contributes not only to enhancing the companies' reputational capital but also creates prerequisites for the sustainable development of the construction sector in the post-crisis period.

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