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Social Development of Organization: Problems and Prospects of Management

Abstract. In article the concept is considered and factors of social development are defined. The principles of state regulation are allocated and stages of social development are defined, the technique of a rating assessment of social development is offered. The structure of the collective agreement is recommended. The bill on social development of organizations is considered. Models of social management are improved. Standards of social development of organizations are offered.

Key words: social development of organizations, social standards.

Introduction

Social processes in organizations play huge role due to 30–40% of the increasing production efficiency fall to their share. In fact the importance of social development testifies in many foreign countries as there appeared the positions of vice-presidents for social development. According to data of the World Economic Forum, 132 leading companies of the world consider that social development is the most important component of success of a company [1, page 6]. The research of Harvard University proved that organizations considering social interests have employment growth indicators more than those which don't develop social activity [2]. The questions about the increase of social stability of the economic sphere find reflection in social strategy of the increasing number of large corporations, state legislative and regulations, different program documents of public organizations: General declaration of human rights (UN, 1948) the International Covenant on Economic, Social and Cultural Rights (the UN, 1966), the European social charter (1961), New strategy for the social unity prepared by the Council of Europe in 2004, the Copenhagen declaration on social development and in the action program of the world summit in interests of social development (Copenhagen, 1995), the reconsidered strategy of social unity (The European committee on questions of social unity, Strasbourg, 2004) and the Declaration on a sustainable development approved in Johannesburg (Republic of South Africa) at the world summit.

According to experts' estimates, from a quarter to more than a half of the enterprises are unprofitable or closed to such a state. Economic trouble of enterprises is supplemented with their social «illness». At the same time, it should be noted that economic, social and legal are not still studied fully and demand carrying out further scientific researches. In particular, there are such unexplored questions as planning and rating indicators of development. There is no accurate framework of definition of structure of a social package and collective agreements. In this regard, development of methodology of social management became an objective necessity and imposes new requirements to formation and representation of information streams.

Methods

We believe that the technique of a rating assessment of social management has to cover all social directions of the organization and comprise a certain algorithm. The rating of social development has to pay off on the basis of a technique which estimates quality standard on the basis of groups of the indicators having specific weight in total value of a rating. We consider necessary, to add a technique of a rating assessment with the following indicators: standard providing, the direction of the analysis on the basis of social indexes, an assessment of business reputation, the analysis concerning the workers, a culture level assessment, the analysis concerning business partners, the analysis concerning the state and societies

Main body

Social development is a set of the economic, social, political, spiritual processes which are developed in society. It reflects the irreversible, directed, natural change of the social phenomena or processes as a result of which they pass into a new qualitative state (their structure or structure changes). S.E. Maykova and D. V. Okuneva understand the social processes connected with improvement of quality of life as social development [3, page 4]. All changes in the social environment promote economic growth [4, page 18]. A. Ya. Kibanova claims that social aspects, are based on laws [5, page 311]. V. V. Lukjyanets notes that social development is a

main objective of activity of the state [6, page 20]. So, social development by the company is understood as the process during which there is its high-quality change.

Successful activity of any organization depends on productivity of labor potential [7, p. 67].

Many factors have impact on social development. We consider that factors on social development can also be classified by types on external (the social legislation, social security, social laws, demand) and internal (the management, stabilization, working capacity, working capacity defining the general physical and social and psychological working conditions) (figure 1).

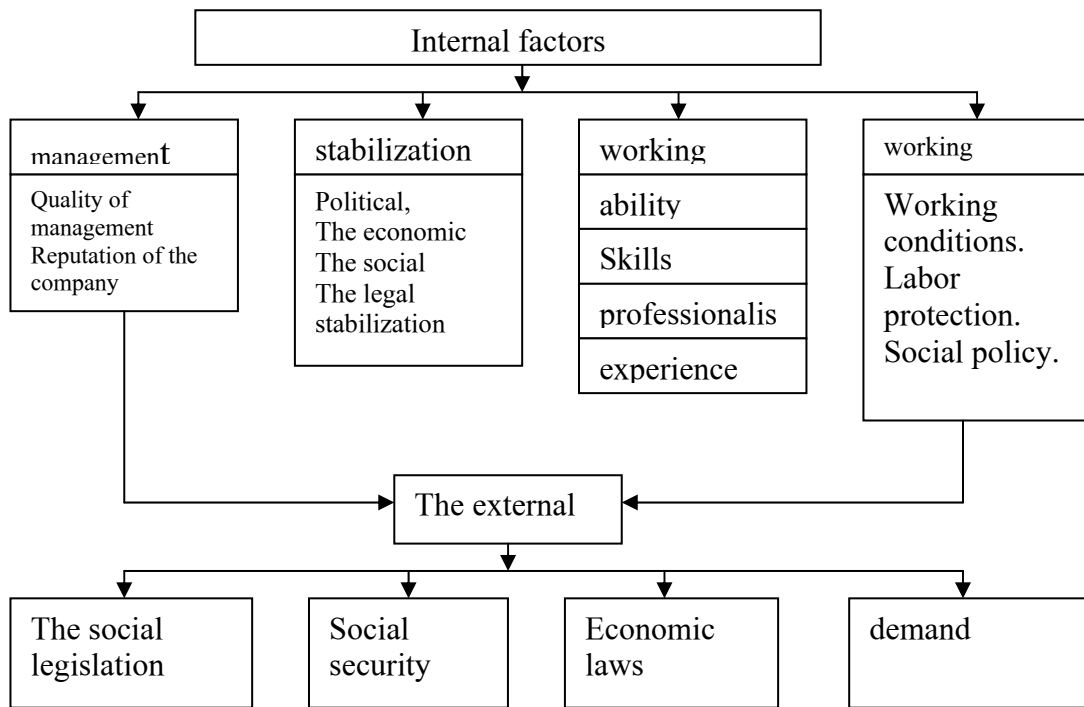


Figure 1 – the Factors influencing on social management of a company
The note was made according to literature 1-20

This classification of factors systematizes a conceptual framework of the theory of social company management. Many scientists investigated world experience of management. One scientist claims,

it has to consist administrative decisions, others consider that there have to be social guarantees and services. In our opinion, management of social processes includes the following stages (figure 2).

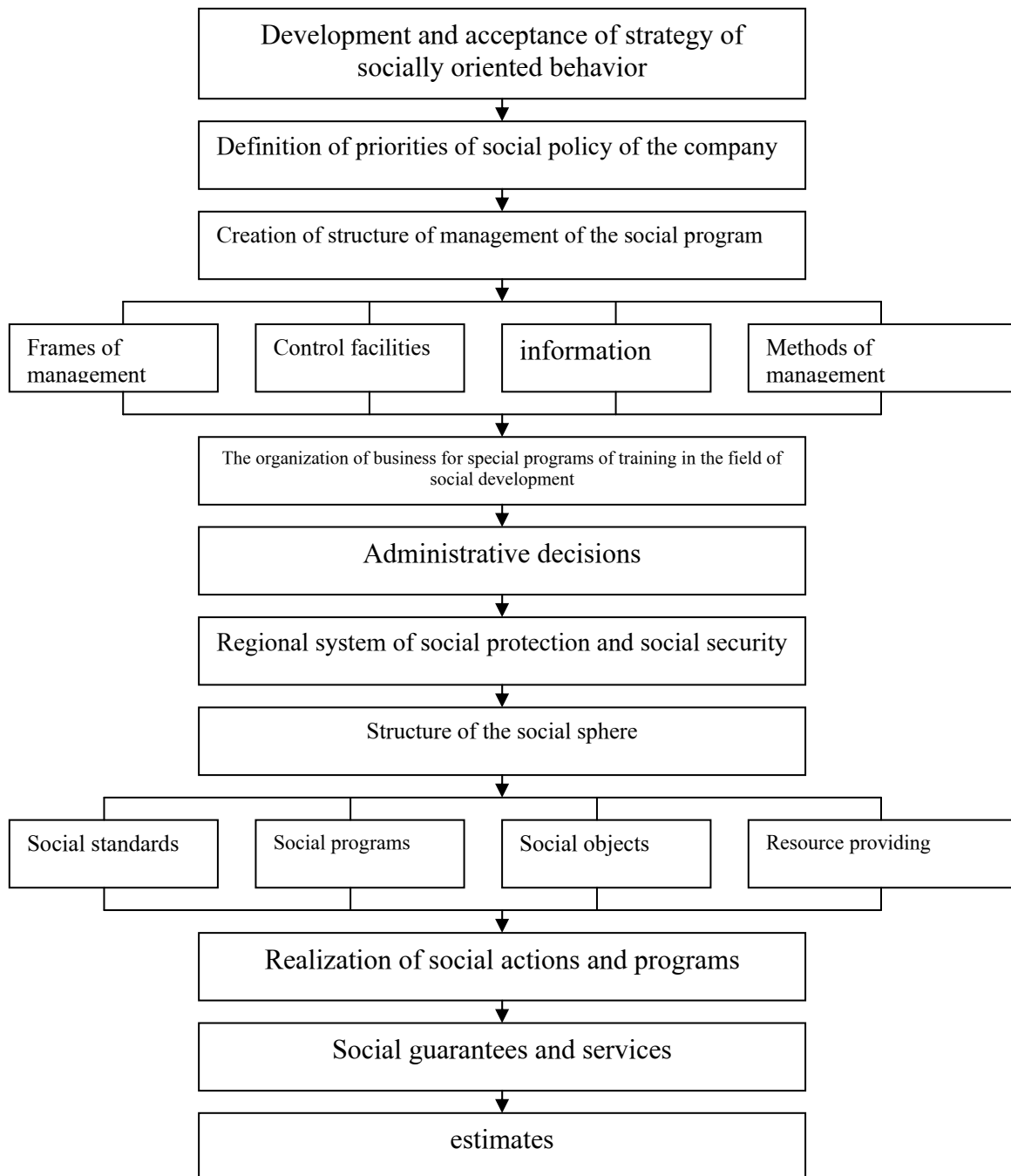


Figure 2 – Scheme of management of social processes

The note was made according to literature 1-20

The offered approach differs from existing strategy of socially oriented behavior is developed.

The leading role in social development of the company, undoubtedly, belongs to the state. According to K.S. Mukhtarov the efficiency of economy is possible only if there is progressive system of so-

cial actions [8, page 5]. Experts of the World bank showed that the effective state is an important condition of social development [9]. Professor R. Gabdulin claims that state regulation of economy is a system of the measures which are carried out by competent establishments and public organizations [10, page 24].

For the first time the question of the general principles of public administration was brought up by Henri Faillol [11, page 95]. Other scientists hold other opinion [12, page 9]. Professors N. K Mamyrov and Zh. Ikhdanov allocate the following principles of public administration: allocation of priority questions; effective proportionality and balance [13, page 25]. According to A. B Mirzhabayeva the basic principles consist in consistency and integrity of legislative, standard and legal and methodical base [14, page 14]. The principles of state regulation of social management of the companies as N. A. Krichevsky and S.F. Goncharov note, have to become a responsibility of the state before the population, inadmissibility of decrease in level of the social rights [15, page 58 – 59]. We consider that for the Republic of Kazakhstan the following can become the principles of state regulation of social management: responsibility of the state for economic, social and ecological development of the country, social protection, responsibility of the state for observance of the rights of workers and employers, observance of the rights of consumers of production by the company, development of the social rights, safety of work, protection against social and environmental risks, control over formation by conscientious business ethics, development of the favorable competitive environment, observance of norms of the Kazakhstan and international law.

In the West ratings of business reputation and social development are very popular. As A. K. Arystanov notes ratings are necessary for information [16]. «Samruk-Kazyna» introduces a rating of social stability for the companies which are its part [17]. N. A Krichevsky and S.F. Goncharov allocate three groups of indicators of a rating of social development. The first group — indicators of social responsibility before workers [18, page 136]. The second group – before surrounding community [18, page 136]. The third group – responsibility indicators [18, page 136]. But the techniques of a rating assessment offered by N. A Krichevsky and S.F. Goncharov don't assume the analysis of social company management. We believe that the technique of a rating assessment of social management has to cover all social directions of the organization and comprise a certain algorithm. The rating of social development has to pay off on the basis of a technique which estimates quality standard on the basis of groups of the indicators having specific weight in total value of a rating. We consider necessary, to add a technique of a rating assessment with the following indicators: standard providing, the direction of the analysis on the basis of social indexes, an assessment of business reputation, the analysis concerning the workers, a culture level assessment, the analysis concerning business partners, the analysis concerning the state and societies (figure 3).

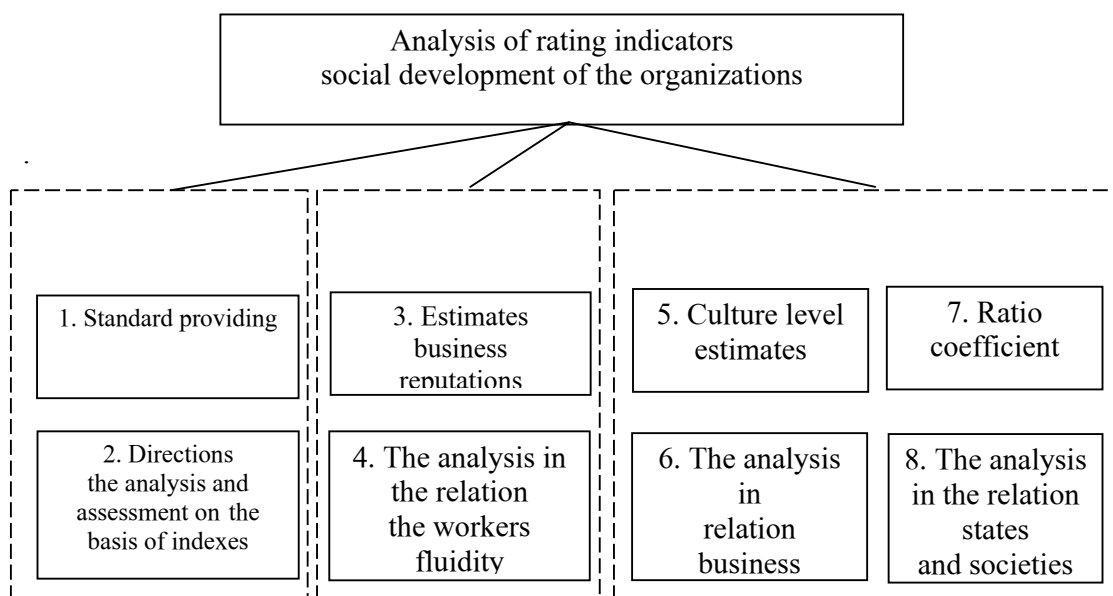


Figure 3 – Rating of social development
The note – author's treatment of a rating of social management

The received results show that application of the technique offered by us allows to reveal problems of the company. As a result, the companies receive the tool representing opportunity to carry out an as-

essment. The analysis of policy of the company for shareholders and investors assumes an assessment of observance of their rights by the company, risks of violation of these rights (table 1).

Table 1 – Scale of a Rating of Social Company Management

rating	interpretation	Number of points
AAA	The companies with high level of social development	From 450 to 500
AA		From 420 to 450
A		From 400 and to 420
BBB	The companies with high level of social development	From 300 to 400
B		From 350 to 380
B		From 300 and to 350
CCC	The companies with the low level of social development	From 250 and to 300
CC		
C		From 200 and to 250
D	The companies with the unsatisfactory level of social development	From 150 and to 200
SD		From 100 and to 150 From 50 and to 100
The note was is made by the author		

Thus it is possible to allocate the companies with various level of social development. The companies with the high level of social development pursue the active and balanced policy. The companies with the average level of social development are the partially companies. The companies with the low level of social development allow a violation of the law in the activity.

Now it is revealed that in the Republic of Kazakhstan there are 149 normative legal acts in the field of social company management, from: the code – 3, Laws – 28, Resolutions-50, decrees – 3, the order – 38, conventions – 25, agreements – 2.

Collective agreements are the important tool of an equilibration of interests of the worker and employer, and also the only reality, today, the institute which is capable to compensate to some extent the liberal legislation on work existing in the Kazakhstan economy. The contract at the level of the republic, branches (the tariff agreement), the region prepares and legalized with the assistance of the state, and these procedures are regulated by the Law «About Social Partnership».

One authors claim that the collective agree-

ment is a result of negotiations [20, page 140]. T. A. Kashina claims that the collective agreement – the act signed by employees of the organization with the employer [21, page 298]. I. N. Mysleeva claims that the collective agreement is a legal act which governs the relations between workers [22, page 706]. V. N. Kiselyov and V. G. Smolkov incline to opinion that the collective agreement – the act governing the social and labor relations [23, page 198]. Also other scientists hold the same opinion [24]. Krichevsky N. A. and S.F. potters are claimed that in the collective agreement, to be entered: general provisions, mechanism of regulation of compensation and etc [18, page 12].

In our opinion we have to enter the collective agreement made within the concept of the enterprise: the mechanism of regulation of a salary, the sizes of grants, compensations, working hours and time of rest duration of holidays, employment, retraining, partial or full payment of food of workers, improvement of conditions and labor protection of workers, a guarantee and a privilege to workers, ecological safety and health protection of workers on production, observance of interests of workers.

As marks out B. A. Toksobayev the state is urged to support and provide different privileges to the enterprises [25]. In world society the social environment already ceased to be perceived as charity. M. A. Bayandin is suggested to enter a number of changes both into the law RK «About Social and Enterprise Corporations», and into practice of management of these structures [26, page 25].

As B. I Bayetov notes. «Realization of the stra-

tegic directions and providing the country and regions requires improvement of a control system of the country with simultaneous strengthening of institutional bases» [27, page 34].

Adoption of the new Law «About Social Development of the Organizations» is expedient. Therefore we suggest to adopt the Law on social development of the organizations, which project us (figure 4).

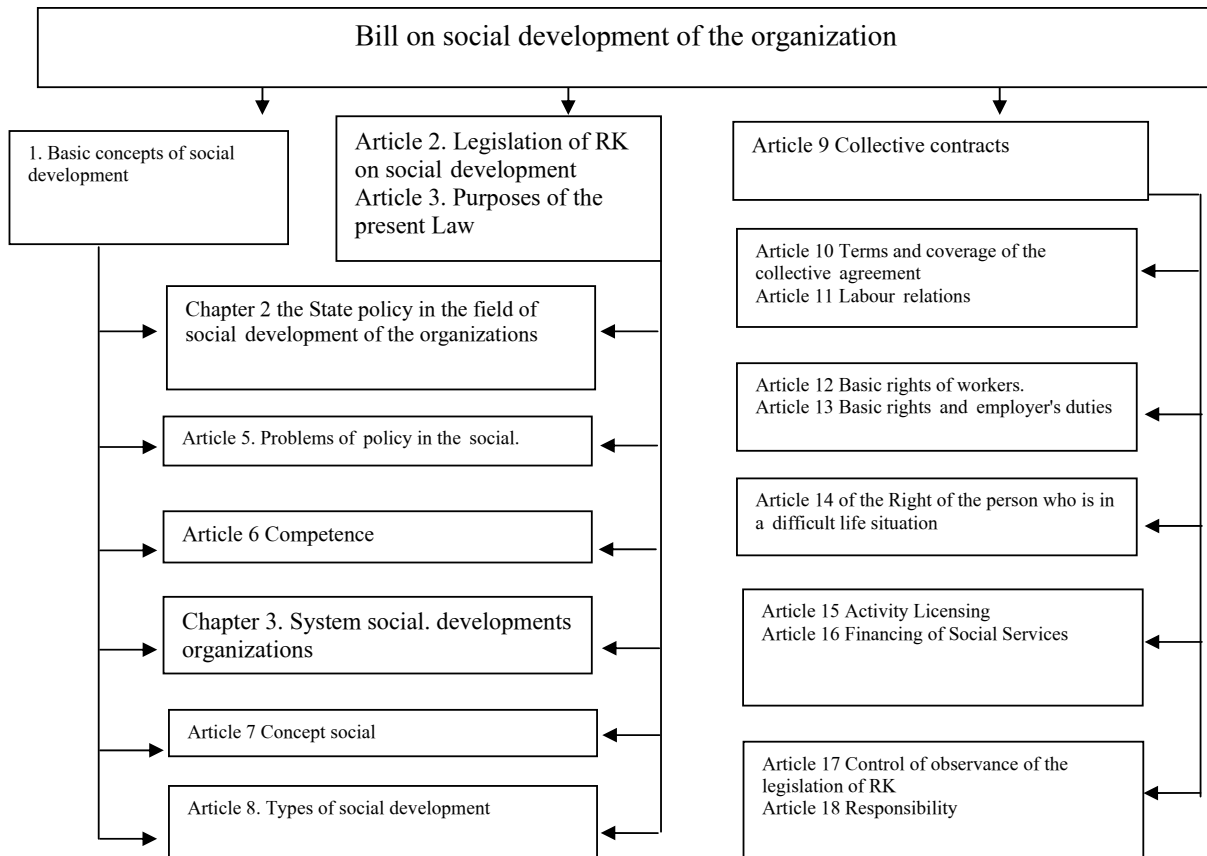


Figure 4 – Law on social development

The note was developed by the author

We consider it is necessary to create within this direction the uniform codified act «The code of social management of the Republic of Kazakhstan» which will systematize, and to order all set of the relations arising between citizens and the government.

The differentiated approach to social protection

as different categories of citizens need not only the different volume of privileges and guarantees, but also their different set has to become the basic principle of creation of this document. This code has to approve the control mechanism over observance of norms of social protection (table 2).

Model of the center of functioning of social management is able to a definition of components of social company management that allows to compare them to analyze, do forecasts; to formation of strategy of social management.

Thus, the presented model focuses the company according to goals on effective work both in short and long term period. Application of this model will allow to increase quality of the carried out monitoring of the market, productivity of planning of its development and efficiency of the regulating measures.

As R. E. Asizbayev «Notes of social standards and social norms are intended for an assessment of quality of life» [30, page 11].

Today there is no official international standard on the matter. Generally the companies use the standard (SA 8000). It should be noted that in the Republic of Kazakhstan there is no standard of social management. Therefore we made attempt to develop such standard for improvement of welfare of the population. This standard contains sections (figure 6).

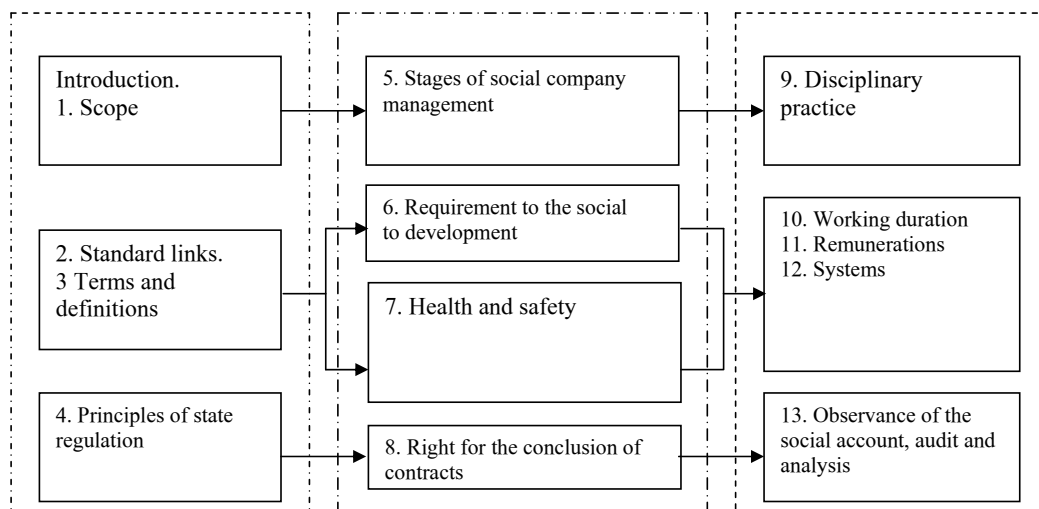


Figure 6 – Standard of social development

The note was developed by the author

This standard will promote successful functioning and development of the companies.

Conclusion

The most essential results received during research are as follows:

1. The typology of the factors of influencing on social development of the companies is developed. The factors which were noted influencing on social development are internal factors (management, stabilization, working capacity) and external factors (social legislation, social security, economic laws and demand).

2. An important component of social development are stages which can be characterized as follows.

3. The leading role in social development of the company, undoubtedly, belongs to the state. We consider that for the Republic of Kazakhstan it is

possible to refer to the principles of state regulation: responsibility of the state for economic, social and ecological development of the country, social protection of the disabled population, responsibility of the state for observance of the rights of workers and employers, safety of work, protection against social and environmental risks, control over conscientious business ethics of the company, the favorable competitive environment, observance of norms of the Kazakhstan and international law.

4. The concept of social development of the organizations which formulates strategic alternatives is offered.

5. The unified rating assessment including social development is offered.

6. The new motivation to work based on modernization of a social package and collective agreements is offered.

7. The uniform codified act «The code of social

management of the Republic of Kazakhstan» is created. The main the principle of creation of this document – the differentiated approach to social protection as different categories of citizens need not only the different volume of privileges and guarantees, but also their different set. In research we offer to adopt the Law on Social development which would promote development and prosperity of all companies.

8. It is offered to use model of social company management which promotes the best understanding of an essence of social development in modern

conditions, the definition of components of social management that will allow to compare, analyze, do forecasts form strategy.

9. In modern conditions of managing in social management absence of some necessary legislative documents in the field of management, namely a national social charter and the standard of social development is observed. We made attempt to fill these problems in science and practice of management therefore in our research we offer the standard of social management for the Republic of Kazakhstan.

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