

### CSR in Ukrainian Retail Enterprises in Time of the COVID-19 Pandemic and the Russian Invasion (2019-2022)

Dobroskok, Iuliia; Konstantynovskyi, Leonid; Proskurnina, Nadiia; Salun, Maryna; Shtal, Tatyana

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*Iuliia Dobroskok*\*  
*Leonid Konstantynovskiy*\*\*  
*Nadiia Proskurnina*\*\*\*  
*Maryna Salun*\*\*\*\*  
*Tatyana Shtal*\*\*\*\*\*

## **CSR in Ukrainian Retail Enterprises in Time of the COVID-19 Pandemic and the Russian Invasion (2019–2022)**

### **Abstract**

The corporate social responsibility (CSR) landscape of Ukraine's retail sector underwent profound and global transformations during the COVID-19 pandemic and the extensive Russian incursion into Ukraine in 2022. These transformations were precipitated by rapid changes in the operational activities of the retail sector's enterprises, resulting from significant external disruptions. Consequently, the primary objective of this study is to analyse the indicators of the CSR status of Ukraine's retail enterprises and ascertain the extent of the changes that occurred due to the pandemic and Russia's incursion. The study also aims to determine the influence of these transformations on CSR initiatives and identify key issues within the realm of corporate social responsibility in Ukraine's retail sector. To quantify these changes, indicators of CSR status encompassing key

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\* **Iuliia Dobroskok** – Simon Kuznets Kharkiv National University of Economics, e-mail: yuliya.dobroskok5@gmail.com, ORCID ID: 0000-0001-5704-7107.

\*\* **Leonid Konstantynovskiy** – Simon Kuznets Kharkiv National University of Economics, e-mail: lkonstantynovskij66@gmail.com, ORCID ID: 0000-0002-6896-1997.

\*\*\* **Nadiia Proskurnina** – Simon Kuznets Kharkiv National University of Economics, e-mail: nadiia.proskurnina@hneu.net, ORCID ID: 0000-0001-8587-0467.

\*\*\*\* **Maryna Salun** – Simon Kuznets Kharkiv National University of Economics, e-mail: maryna.salun@hneu.net, ORCID ID: 0000-0002-1216-0648.

\*\*\*\*\* **Tatyana Shtal** – Simon Kuznets Kharkiv National University of Economics, e-mail: shtaltv@gmail.com, ORCID ID: 0000-0003-1256-9854.

aspects of corporate social responsibility (economic, legal, environmental, and social indicators) were selected (Carroll, 1979). To achieve the set objectives, research methods such as analysis (measuring CSR indicators), comparison (relating the examined indicators chronologically), induction (identifying specific factors affecting the overall CSR status of retail enterprises), and deduction (determining the nature of the impact of the overall CSR status on its individual aspects) were employed. Throughout the investigation, the significant impact of the COVID-19 pandemic along with the comprehensive Russian incursion into Ukraine on the CSR status of retail enterprises was revealed. It was observed that enterprises reduced nonessential and irrelevant activities at that time not only to support stakeholder interests and enhance working conditions for employees, but also to aid community support.

**Keywords:** Corporate Social Responsibility, CSR, Russian Invasion of Ukraine, Retail, COVID-19

## **Introduction**

The operations of retail enterprises underwent significant changes during the COVID-19 pandemic, which, in turn, had a notable impact on their corporate social responsibility (CSR) status. The retail sector faced the imperative of adapting its business processes to the challenging external environment. During this time, CSR underwent substantial transformations, shifting from a secondary aspect of business to a supportive tool for maintaining financial and economic well-being. By integrating CSR into their business processes, retailers managed to simultaneously uphold performance indicators and provide assistance to stakeholders. This created a synergy that benefited both sides.

With the onset of the full-scale Russian incursion into Ukraine in 2022, the retail sector experienced significant losses of assets and resources, leading to a reduction in certain aspects of CSR activities and a redirection of corporate social responsibility focus towards supporting those in need. These substantial disruptions in the external environment caused profound changes in the CSR strategies of myriad businesses. This article aims to explore these transformations.

## **Selected Literature Review**

The subject of the influence of external environmental factors on enterprises and their CSR is not novel. Ukrainian scholars I. Lomachynska, D. Khalieieva and V. Shmagina (2023), have examined

contemporary trends in CSR development under the impact of a volatile external environment. They revealed that the further advancement of CSR is directed towards deepening the engagement of CSR within enterprise business processes, aiding in overcoming the complex conditions under which the enterprise operates. Another group of Ukrainian scholars, namely, I. Stoyko, R. Sherstiuk, and O. Dolubovska (2022), investigated the necessity of business-related social responsibility and its intensification during wartime and post-war periods. Finally, the work of T. Lunkina, who examined the primary trends of corporate social responsibility in Ukraine within the context of post-war recovery, should be noted (Lunkina, 2023).

A. Carroll examined the impact of the COVID-19 coronavirus pandemic on CSR activities across enterprises in diverse sectors and showed that many companies are seeking to alter their perspectives and initiatives regarding CSR to manage the crisis and meet public expectations (Carroll, 2021). M. Asemah-Ibrahim, E. Nwaoboli, and E. Asemah, who studied the practices of CSR in conflict zones during the Ukrainian-Russian war, came to the conclusion that enterprises can utilise CSR to mitigate the effects of war by supporting any interested parties (Asemah-Ibrahim et al., 2022). The work of yet another group of scholars in the forms of W. Ahmad, E. Battisti, N. Akhtar, M.I. Ahmad, and R.U. Rehman, is dedicated to cross-cultural research on the impact of CSR practices of retail sector enterprises on clients during the pandemic (Ahmad et al., 2023).

Research on the impact of the COVID-19 pandemic on CSR is also not a novel endeavour. Numerous studies, conducted by both Ukrainian and foreign researchers, have thoroughly examined this. These studies delineate the transformations that occurred across various sectors encompassing both manufacturing and non-manufacturing during and after the pandemic. Conversely, there are relatively fewer studies that focus on evaluating the repercussions of war on CSR. Extant research primarily concentrates on industrial enterprises while often neglecting sectors such as retail. However, the authors' article is explicitly tailored to appraise the effects of significant factors such as pandemics and war on CSR performance metrics within the retail trade sector, using the Ukrainian retail market as a case study. We believe the findings from this study can be extrapolated to other cases in the future. This approach enables one to delve into some previously-unexplored facets of this topic.

## **A Comprehensive Overview of the State of Retail Enterprises and Their CSR During the COVID-19 Pandemic and the Full-Scale Russian Incursion Into Ukraine in 2022**

The operational dynamics of retail enterprises are significantly influenced by their external environment. With the onset of the COVID-19 pandemic, businesses in that sector encountered substantial challenges and difficulties, which in turn manifested in their operational practices. Broadly speaking, the working conditions of the retail sector during that period can be characterised by:

- disruptions in logistical supply chains for imports due to local lockdowns;
- sharp increases in demand for essential goods such as food, medications, and fuel (during the initial stages of spread, preceding prolonged lockdowns);
- elevated demand for electronics, home appliances, and the do-it-yourself (DIY) segment; declines in demand for clothing, footwear, accessories, and leisure products;
- temporary closures of non-food retail points during lockdowns; reductions in rental payments for Shopping and Entertainment Centres (SECs);
- workforce reductions or furlough arrangements;
- a rapid growth of online commerce and overall omnichannel adoption;
- an expansion in home delivery services, even in the food retail sector which had traditionally held the smallest share in Ukraine;
- increased options for non-in-store purchases (click and collect, pick-up points, etc.);
- an escalation in retail-related crime (RAU, 2021);
- a widespread transition to remote work, where feasible.

Evidently, corporate social responsibility (CSR) among retail enterprises underwent various changes. The primary directions of such changes encompass: ensuring safe trading conditions; facilitating omnichannel retail (in this context, the synergy between CSR and the economic function of the enterprise is apparent – retailers are concerned about customer safety, while also partially compensating for the inability to operate in the usual manner); providing safe working conditions for employees; implementing tools to support employees for their physical and mental well-being; adopting a hybrid work format for main offices

(offline and online); engaging in philanthropic efforts within the healthcare sector; and ensuring accessibility to vaccination.

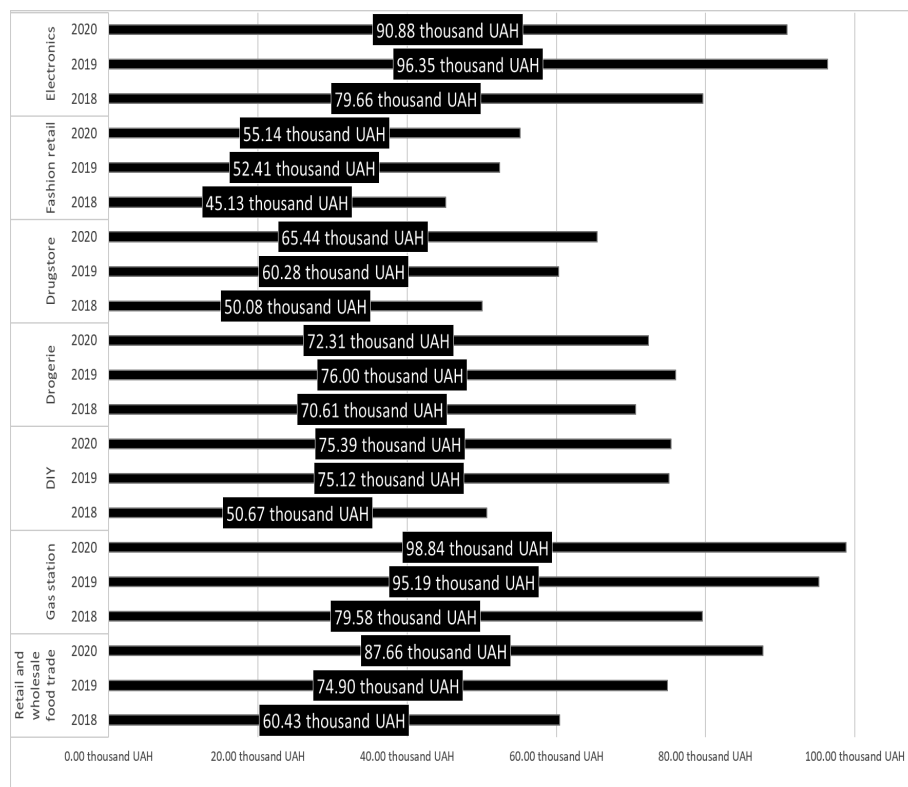
In 2021, Ukraine experienced a partial economic recovery overall, including within the retail sector. However, by February 2022, a full-scale Russian invasion had occurred on Ukrainian territory, leading to another economic crisis. The dynamics of the retail sector's activities and its corporate social responsibility (CSR) during this period were previously discussed in the authors' prior work (Konstantynovskyi, 2022). Nevertheless, it is important to highlight significant changes in the CSR strategies of enterprises during this time – businesses directed their CSR efforts primarily towards meeting the needs of stakeholders (employees, customers, communities); substantial resources were allocated to support the Armed Forces of Ukraine (AFU), territorial defense units (TDUs), volunteers, and aid organisations; non-essential CSR activities such as environmental, educational, and/or cultural initiatives were temporarily suspended; safe working and shopping conditions were ensured, which sometimes involved closing retail locations and shopping centres during air raid alarms or other forms of threats; financial and moral assistance was extended to those affected by the crisis; and aid was provided for the relocation of employees who found themselves under occupation or in areas of military conflict, among other measures.

### **An Analysis of the State of CSR Among Retail Enterprises During the COVID-19 Pandemic and the Full-Scale Russian Incursion Into Ukraine in 2022**

All of the aforementioned factors directly influenced the state of CSR indicators, which will be further analysed. It is noteworthy that in previous works, the authors have already conducted research on the status of specific CSR indicators during the COVID-19 pandemic and the full-scale Russian incursion. However, in this study, the authors focus on other essential CSR indicators. In this investigation, the categorisation of CSR indicators is based on Carol's research, which encompasses various aspects of a company's activities, namely in the form of economic, legal, environmental, social, and other activities (Carroll, 1979). It should be added that the assessment of indicators in the environmental aspect of CSR was carried out in a previous study, and since no new statistical data have been published between then and the time of this writing, this aspect will not be included in the current research. Let's delve into the indicators included in each aspect of corporate social responsibility. Under the category of economic indicators, the following indicator of "annual

labour costs per employee” is included. In the second group of indicators, which covers the legal aspect of CSR, the level of workplace injuries in the retail sector is included. The social aspects of CSR in the authors’ study are represented by a wide pool of indicators, including expenditure on innovative activities by retail enterprises, expenditure on incentives and other compensatory costs by retail enterprises, and workforce movement within the retail sector.

The economic aspect of CSR in this study is represented by the indicator “Annual Labour Costs of one Employee per Year for Retail Enterprises by Types and Years”. The data is presented in figure 1 below.



**Figure 1. The Annual Labour Costs of one Employee per Year for Enterprises in the Retail Sector by Types and Years**

Source: The authors’ own construction based on the State Statistics Service of Ukraine (2022).

The obtained results testify to the following aspects of the CSR activities of retail enterprises in the direction of remuneration:

- all types of retail pay wages no less than the minimum level established by the Cabinet of Ministers of Ukraine, and in most cases higher (except for the trade in clothing, footwear, and accessories) (from 1.01.2018 to 31.12.2018 – UAH 3,723; from 01.01.2019 to 12/31/2019 – 4,173 UAH; 01/01/2020 to 08/31/2020 – 4,723 UAH; and from 09/01/2020 to 12/31/2020 – 5,000 UAH) (Minimum salary in Ukraine, 2021);
- the highest wages are observed in such types of retail as petrol stations, trade in electronics and household appliances, and retail trade in food products. This trend is explained by the fact that in the field of food trade, large enterprises, both Western and Ukrainian, adhere to the principle of paying wages at a level higher than the minimum by 25–35%, which allows the traditionally low profitability of this industry to continue (from 5% to 10%). In the electronics trade, in order to ensure the efficiency of the enterprise, the presence of the possibility in the system of motivation and encouragement for employees to implement their own sales plans is characteristic, which directly affects the salary of the employee. Therefore, due to the payment of bonuses, the wage fund per employee increases. For petrol stations, the explanation for this choice is the efforts of enterprises to alleviate difficult working conditions (i.e., the cold, heat, remoteness of the workplace, extended work shifts, etc.) with a higher level of wages compared to other industries in order to overcome staff turnover;
- the lowest level of remuneration for employees is in the field of clothing, footwear, and accessories. This sector is characterised by the division of the market into large international players as well as representatives of Ukrainian brands on the one hand, and small entrepreneurs on the other. The first group is based in large regional centres, providing employees not only with significantly higher wages than in other retail industries but also with additional benefits (insurance, travel expenses, additional holiday days, etc.), while the second group is based in smaller cities with a lower level of remuneration and less responsibility for this business (the official salary is at the minimum level, while the employee receives the rest “in an envelope”, to use the (semi-literal) metaphor, which cannot be reflected in official statistics). What causes such indicators?

For all types of retail, except for food and pharmacies, in 2019, there was either a reduction in the rate of wage growth or no wage growth at all, which indicates the current tendency to reduce costs due to the onset of the pandemic.



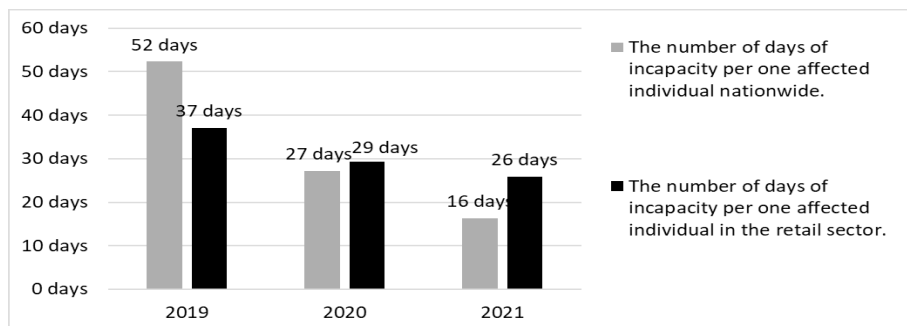
In connection with the lack of official statistics for the period of military time (i.e., from February 24<sup>th</sup>, 2022), the following changes that took place during this time should also be noted.

Three phases of change can be distinguished during this period. The first phase is the pre-war period of 1.02–23.02; during this period, a balanced growth of the market was observed – the number of vacancies and CVs/applications for them were in balance. Wage levels gradually increased in accordance with enterprise budgets and the level of the minimum wage. The second phase (24.02–5.04) is characterised by panic, uncertainty, a reduced demand for goods and services, problems with logistics, and a direct response to hostilities. Enterprises in the retail sector reduced their expenses as much as possible, which also affected the reduction of wages. Expenditures for the search for personnel dropped to the last lines of the budget and, in some cases, were completely excluded from businesses' agendas. The third phase (2005–the present day) is marked by the adaptation of retail enterprises to new realities. Business work has been partially or even fully resumed in territories where there are no hostilities; companies are being relocated to the western regions of the country; and the state is launching support programs. The remuneration of employees in the retail sector has been undergoing and will continue to undergo significant changes. There has already been a decrease in salaries for unqualified personnel and a significant increase in pay for employees in less common professions such as drivers and logisticians.

Only 36% of retail enterprises have ensured pre-war salaries and payment stability. 20% of employers have been able to maintain salaries at 60–90% of the pre-war level. Only 2% of retailers actually increased the salaries of all employees or, at the very least, key specialists, whereas all others were forced to significantly reduce the wage fund to ensure enterprise survival (RAU and robota.ua, 2022). This state of affairs indicates the impossibility of fulfilling the CSR obligations of enterprises due to a significant upheaval both in the retail market and in the country as a whole.

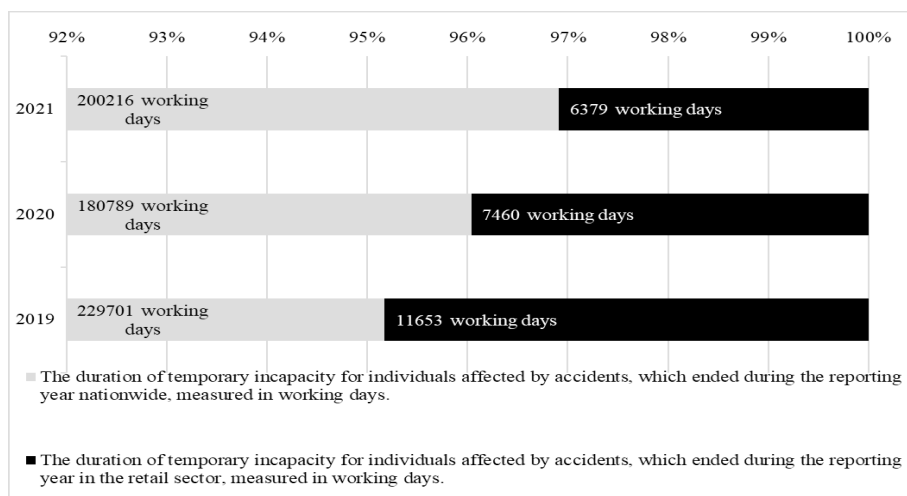
The next stage of the research involves analysing the state of CSR among retail enterprises from a legal perspective. An important indicator of the legal aspect of CSR is the number of workplace injuries in the retail sector. In this study, this indicator is represented by two measures, namely, the average number of days of incapacity per employee and the duration of temporary incapacity for individuals affected by workplace accidents. The inclusion of these indicators in the study is justified by the fact that the level of workplace injuries directly reflects various aspects of corporate social responsibility such as compliance with occupational health and safety rules, the allocation of resources for this purpose, the

effectiveness of training and education in workplace safety, and so forth. It is important to note that the inclusion of indicators related to workplace injuries is driven by the existence of a wide range of state regulatory acts in Ukraine pertaining to workplace safety and the state-based social protection of employees. Data regarding the average number of days of incapacity per affected employee and the duration of temporary incapacity for individuals affected by accidents are presented in figure 2 and figure 3 respectively (State Statistics Service of Ukraine, 2023d).



**Figure 2. The Average Number of Days of Incapacity per Affected Employee**

Source: The authors’ own construction based on the State Statistics Service of Ukraine (2023d).



**Figure 3. The Duration of Temporary Incapacity for Individuals Affected by Accidents**

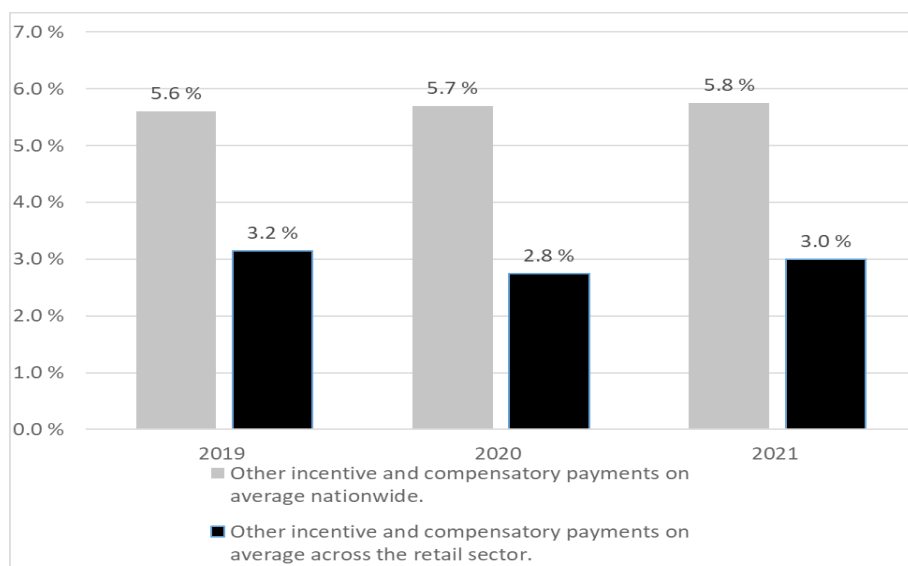
Source: The authors’ own construction based on the State Statistics Service of Ukraine (2023d).

Based on the obtained data, the following conclusions can be drawn:

- Starting in 2020, there would be a significant reduction in the number of days of incapacity for work per victim (from 52 to 16) across the country, which indicates the high rate of development of labour protection at enterprises. In the retail sector, positive dynamics of this indicator are also observed, but the rate of decrease is significantly lower than in other areas. This state of affairs may be a manifestation of the development of corporate social responsibility in this direction; however, due to the pandemic, this development could be overshadowed by other CSR projects that were more urgent.
- Despite the longer average duration of days of incapacity for work in the retail sector than the national average per victim, the total duration of days of incapacity for work in this sector decreased rapidly (from 11,653 days in 2019 to 6,379 days in 2021). It is important to note that the opposite situation was observed across the country; a sharp decrease in 2020, and already in 2021, a sharp increase again. In general, this trend confirms the previous conclusion about the selectivity of CSR practices in this direction.
- The general state of such a CSR indicator of retail enterprises as “the level of injuries at the workplace” is at a fairly high level. In both studied indicators, there is a positive trend, which indicates the importance of this direction of corporate social responsibility for the activities of enterprises; however, in connection with the spread of the pandemic in 2020, there was a certain deterioration in the dynamics of development.

The next stage of assessment covers the largest pool of indicators of the state of corporate social responsibility of enterprises in the retail sector, namely, social indicators. The first assessment indicator from this set is “the percentage of other incentive and compensation payments from the wage fund of enterprises in the retail sector”. This indicator is a direct reflection of the corporate social responsibility of enterprises as regards personnel, because it includes: rewards based on the results of work for the year; annual rewards for years of service; awards for promoting invention and rationalisation; mastering and implementing new equipment and technology; performing important and particularly important tasks; material assistance of a systematic nature provided to all or most employees (for recovery, in connection with the environmental condition); expenses in the amount of insurance contributions of enterprises for the benefit of employees, related to voluntary insurance (personal, insurance

property); payment or subsidies for food for employees; payment for the maintenance of employees' children in preschools; the cost of tickets for employees and their family members for treatment and rest; the cost of travel tickets that are distributed personally among employees, and reimbursement to employees of the cost of public transportation; rented housing; dormitories; and subscriptions to health groups among others (Ukraine. Verkhovna Rada of Ukraine, 1995). Data on the percentage of other incentive and compensation payments from the wage fund of retail enterprises and average values for the country are presented in Fig. 4 (the structure of the fund of payment for the work of staff workers for the types of economic activities for the quarter, 2022).



**Figure 4. The Percentage of Other Incentive and Compensation Payments From the Wage Fund of Retail Enterprises and Average Values for the Country**

Source: The authors' own construction based on the State Statistics Service of Ukraine (2023c).

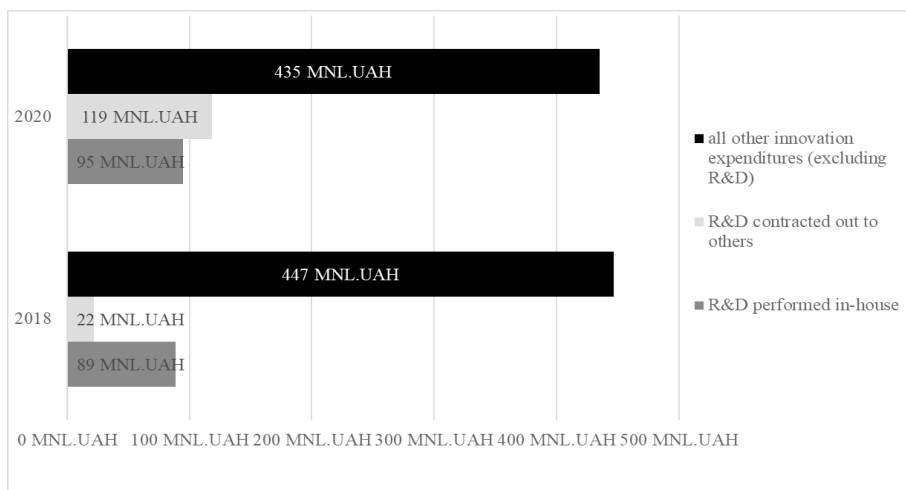
The obtained results indicate that in 2020, payments were reduced due to the pandemic, and in 2021, there would be a gradual recovery to 2019's level. In the retail sector, there has been a significant decrease in this type of payment, while in the country as a whole, there has been an increase, albeit not significant (0.1% annually). This trend is related to the significant costs and downtime that retail has faced during the pandemic. Other industries (pharmaceutical, IT, logistics) got the opportunity to

additionally stimulate their own personnel which was generally reflected in the average values for the country. During martial law, the situation with this indicator is ambiguous. On the one hand, with the introduction of the March 24<sup>th</sup>, 2022 law “On the Organisation of Labour Relations under Martial Law”, according to which restrictions on the constitutional rights and freedoms of a person and a citizen are introduced during the period of martial law in accordance with Articles 43 and 44 of the Constitution of Ukraine (Ukraine. Verkhovna Rada of Ukraine, 2022), which in turn exempts enterprises from additional payments, retail enterprises with developed CSR continued to pay both wages and, in some cases, other possible incentive and compensation payments.

The next element of the analysis is the assessment of the costs to retail enterprises for innovative activities. Since the retail sector is highly dynamic due to changes in the external environment, consumer trends, and sales channels, spending on innovation is a necessity in order to maintain the competitiveness of a given enterprise. It is accepted that innovative activity is the prerogative of manufacturing and industrial enterprises, but retail should also invest in innovation in order to improve its position on the market. The inclusion of costs for innovative activities in the composition of indicators of the social aspect of CSR is explained by the fact that innovation can affect not only financial and economic indicators, but also the activities of an enterprise in the direction of CSR. For example, the development of new software for store inventory management not only optimises the costs of purchasing goods and the volume of their deliveries but also allows one to reduce their write-offs and, as a result, improve the conscious consumption of this enterprise. Another example is innovative activity aimed at the development of biodegradable options for packaging goods, which, on the one hand, reduces the cost of packaging materials and, on the other hand, reduces carbon footprints. It is important to note that not all innovative activities of enterprises in the retail sector are aimed at CSR. However, due to the lack of data on the structure of costs for innovative activities of enterprises in the retail sector in state statistics, the authors will assume that these costs also affect corporate social responsibility. Data on the costs of retail enterprises on innovative activities are presented in figure 5.

Based on the obtained data, the following conclusions can be drawn:

- Even despite the significant impact of the COVID-19 pandemic on the retail sector, in 2020 there was an increase in spending on R&D, performed both by companies’ own forces and by other contractors, which indicates the importance of this direction of CSR in order to ensure competitiveness.



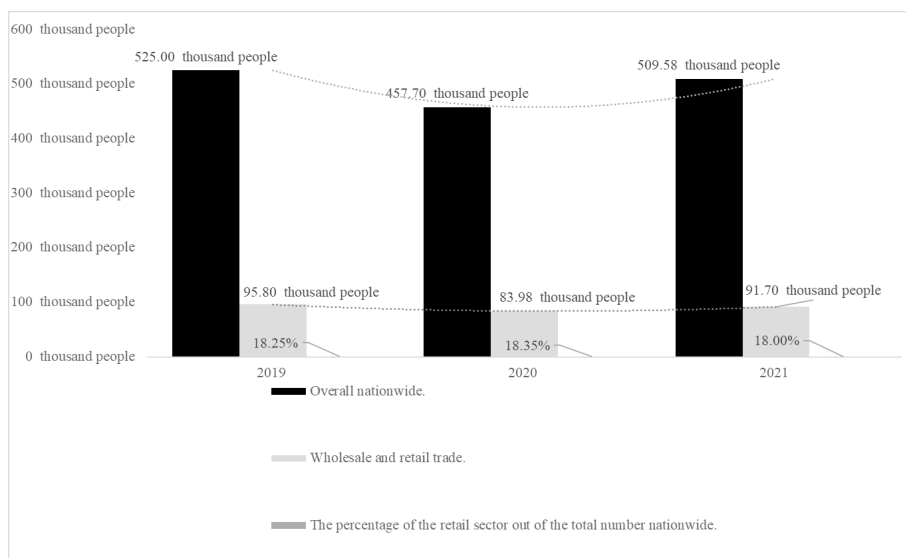
**Figure 5. Costs of Enterprises for Innovative Activities**

Source: The authors' own construction based on the State Statistics Service of Ukraine (2023a).

- In 2020, there was a slight decrease in expenses for other innovation expenses (from UAH 446.8 million to UAH 435.1 million), but at the same time, there was an increase in expenses for R&D performed by other enterprises. This state of affairs is explained by the significant investments of retail companies in the online sales channel as a response to lockdowns and other restrictions caused by the pandemic in offline stores.
- It is difficult to assess the impact of the war on innovative activity since, on the one hand, enterprises could not afford to invest in such an expensive way, which in most cases gives results in the long term, and, on the other hand, their activity was conditioned by only one goal; survival. Therefore, it was predicted that in 2022 there would be a significant decrease in the costs of retail enterprises engaged in this activity.

In our opinion, it is appropriate to summarise the study of the social aspect of CSR during the coronavirus pandemic and the Russian invasion of Ukraine in 2022 by analysing such an indicator as “personnel movement”. After all, the movement of personnel is a direct reflection of the effectiveness of CSR policy pertaining to personnel. This indicator directly reflects the satisfaction and provision of the staff of retail enterprises with the necessary benefits. Employee satisfaction with

a competitive salary, a low risk of injuries at the workplace, the absence of various types of discrimination, an increase in the level of incentive and motivational payments, investments in innovation, and others – all these CSR indicators affect the loyalty of employees and therefore their decision to change their place of work. In our study, this indicator is represented by two components, one being the total number of employees by country and retail sector, and the other being the total number of those dismissed (figure 6) (Personnel movement by types of economic activity, 2023).



**Figure 6. Cumulative Number Accepted by Country and by Retail**

Source: The authors' own construction based on the State Statistics Service of Ukraine (2023b).

Based on the obtained results, the following conclusions can be drawn:

- In the peak period of the COVID-19 pandemic in 2020, there would be a significant drop in the number of hired employees, both in the country as a whole and in the retail industry in particular. This situation is explained by a decrease in business activity in the country due to significant COVID restrictions and lockdowns. For 2020's retail sector, there was a significant reduction in the total number of admissions (by almost 8,500 people) due to the fact that this sector was one of those that was most significantly affected by the pandemic.

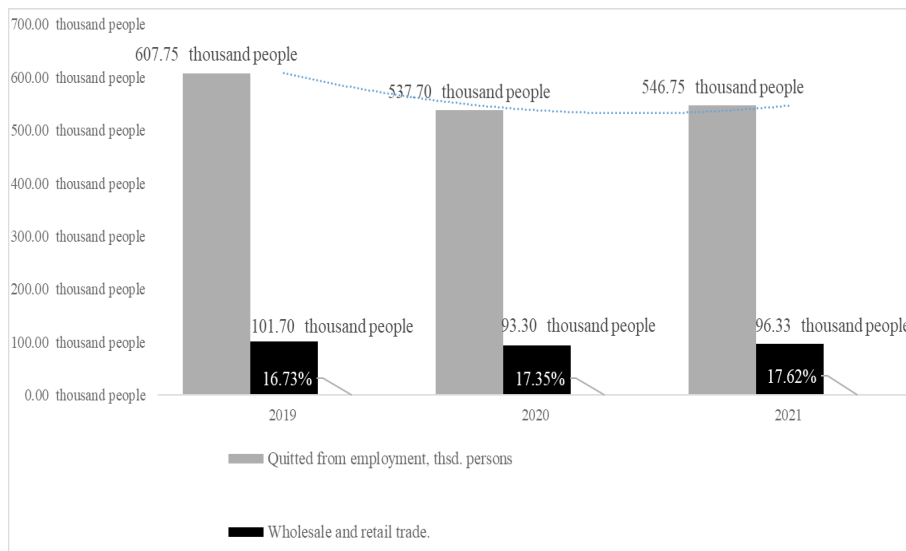
- In 2021, there would be a gradual recovery of the hiring of employees; their number in the country has almost reached the pre-year level of 2019 (457.7 thousand employees), but the pace of recovery in the retail sector was not as large-scale. Therefore, in 2021, retail employed 18% of the total number of employees, which was the lowest figure during the research period. However, there is an increase in the absolute number, which indicates a recovery of activity in this area.
- During the military operations on the territory of Ukraine (from February 2022 to the present time), there have been significant fluctuations in the hiring of employees; according to the report of the International Labour Organization (ILO), about 4.8 million jobs have been lost since the beginning of the Russian aggression in Ukraine. The study estimates that if the fighting escalates, job losses will rise to 7 million. However, if it stops, a quick recovery is possible with the return of 3.4 million jobs (International Labour Organization, 2022). As at September 2022, there was a gradual recovery of hiring processes in the retail sector in relatively safe areas, while due to the continuation of military operations in certain regions of the country (in the east and south), the number of vacancies and therefore hiring is insignificant (work.ua, 2022).

Let's analyse the number of dismissed employees during the coronavirus pandemic and the Russian invasion of Ukraine (Figure 7) (Personnel movement by types of economic activity, 2023).

Based on the obtained data, the following conclusions can be drawn:

- In 2020 and 2021, there would be a decrease in the number of layoffs both in the country and in the retail sector. For the retail sector, this state of affairs is explained by: the concentration of CSR practices on companies' own staff; the efforts of enterprises to keep existing staff in turbulent times due to the resource-based and financial costs of training new staff; and, in times of lockdown, when there was a temporary suspension of TT work, by suspending labour relations instead of terminating them.
- In relative terms, the pace of layoffs in the retail sector increased from year to year compared to other industries (from 16.73% in 2019 to 17.62% in 2021). In this situation, CSR manifested itself in efforts to keep personnel at optimal numbers for the effective operation of the enterprise and, as a result, support the income of employees at the highest possible level.





**Figure 7. The Number of Dismissed Employees During the Coronavirus Pandemic and the Russian Invasion of Ukraine**

Source: The authors' own construction based on the State Statistics Service of Ukraine (2023b).

- Despite a partial recovery of business activity in Ukraine in 2021 after the widespread spread of the pandemic, and in connection with the start and continuation of hostilities, a significant reduction in employees is observed (International Labour Organization, 2022). In this case, enterprises that have lost their commercial facilities are unable to retain employees from these points, which in turn causes a reduction and, in enterprises with more developed CSR – a suspension of labour relations.

Based on the study of the social aspect of corporate social responsibility in retail enterprises during the coronavirus pandemic and the Russian invasion of Ukraine in 2022, it can be argued that this aspect of CSR in retail is quite developed. In most cases, positive trends prevail. With the recovery of business activity, there are also positive shifts in the direction of CSR in the retail sector. However, such indicators as the number of days of incapacity for work, the percentage of other incentive and compensatory payments from the wage fund, the ratio of wages of women to men, the costs of environmental protection, and the average monthly salary of full-time employees by 2021 did not reach pre-2018 levels. This state of affairs indicates a change in the focus of CSR on other, more urgent aspects, which

include reducing staff turnover, spending on innovative activities, reducing informal employment, and increasing personnel costs per employee. Based on forecasts regarding the course of CSR cases of retail enterprises during military operations, it can be stated that most indicators will have negative trends, but enterprises with more developed corporate social responsibility will have more advantages in this market than others.

## Conclusions

In conclusion, our research has unveiled substantial shifts in the landscape of corporate social responsibility (CSR) within the retail sector amidst the dual challenges of the COVID-19 pandemic and the Russian incursion into Ukraine in 2022. These changes primarily stem from adverse business conditions experienced during these crises. Retail businesses, responding to the urgent needs of society, redirected their CSR efforts towards essential, life-critical activities, resulting in a reprioritisation of secondary projects, as evident in our analysis of CSR indicators.

Notably, the retail sector witnessed a significant decline in wage levels during the pandemic, with a 2.6% decrease compared to other industries in 2020. Conversely, post-COVID, in 2021, there was a substantial wage increase of 19.5%. However, during the Russian invasion, the average retail sector salary decreased by 17.5% compared to the previous year, reflecting a salary of UAH 11,130, while the national average was UAH 13,855.

Costs for compensation and incentive payments also fluctuated, with a reduction in 2020 due to the pandemic and a gradual recovery in 2021 towards 2019 levels. In the realm of research and development (R&D), there was an increase in expenses in 2020, despite the pandemic's impact, especially in R&D performed by external entities. However, a significant decrease in R&D costs for retail enterprises was anticipated in 2022.

Regarding the CSR indicator of workplace injuries, there is an overall positive trend in both studied indicators, highlighting the importance of this aspect of corporate social responsibility. However, the dynamics were somewhat hampered by the pandemic's impact in 2020.

In terms of employment, the pandemic caused a drop in the number of hired employees, including a notable reduction in retail sector admissions in 2020. The onset of the Russian aggression in Ukraine further disrupted employment, resulting in the loss of approximately 4.8 million jobs. While there was a slight recovery in 2021, ongoing hostilities continue to impact employee numbers.

Looking ahead, future research will delve deeper into understanding the ramifications of the Russian incursion on CSR within the retail sector.

This will involve scrutinising the intricacies of CSR transformations, analysing CSR metrics, and forecasting potential risks that may shape the trajectory of corporate social responsibility among retail enterprises in Ukraine.

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