

DOI:10.31379/sed.2.5.2025.40

UDK 658.5:69:005.35

**BILAN Yevhenii**

PhD Candidate (Third Level of Higher Education),  
Specialty  
073 Management,  
Kherson National Technical University,  
Ukraine

ORCID: 0009-0005-4217-7298

E-mail: s4542257@kntu.net.ua

## SOCIAL RESPONSIBILITY OF CONSTRUCTION COMPANIES IN UKRAINE: TRENDS, CHALLENGES, AND DEVELOPMENT DIRECTIONS

### Abstract

The paper examines the features of the formation and development of corporate social responsibility in the activities of construction companies in Ukraine under modern economic and social challenges. The relevance of the study is determined by the growing role of CSR as a tool for ensuring competitiveness, increasing transparency, and achieving sustainable development goals in the construction industry, which has a significant impact on the environment and the social sphere.

Based on the analysis of theoretical approaches to the interpretation of corporate social responsibility and the generalization of global experience, it is established that modern approaches involve integrating CSR into enterprise management systems and focusing on stakeholder engagement. The methodological framework includes methods of theoretical generalization, analysis and synthesis, comparative analysis, and a systems approach, which made it possible to comprehensively assess the state of CSR implementation. The empirical basis consists of open sources, including official websites of construction companies and industry analytical materials.

The study finds that CSR in construction is implemented mainly in a fragmented manner and is focused on specific areas such as energy efficiency, landscaping, and occupational safety. Key constraints to its development include low transparency, limited adoption of international standards, and insufficient institutional support. The necessity of transitioning to a systemic approach to CSR management is substantiated, emphasizing the integration of economic, social, and environmental aspects of enterprise activity.

**Keywords:** corporate social responsibility, construction industry, stakeholders, sustainable development, ESG, socially responsible management, energy efficiency, transparency, construction companies of Ukraine.

**JEL Classification:** L74, M14, Q01, Q56

Received: 18/08/2025

Accepted: 19/09/2025

Published: 26/09/2025

© Copyright 2025 by the author(s)



This is an Open Access article  
distributed under the terms of [the Creative  
Commons CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/)

DOI: 10.31379/sed.2.5.2025.40

**БІЛАН Євген**

Здобувач третього (освітньо-наукового) рівня вищої освіти, спеціальності 073 Менеджмент, Херсонський національний технічний університет, Україна

ORCID: 0009-0005-4217-7298

E-mail: s4542257@kntu.net.ua

# СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ БУДІВЕЛЬНИХ КОМПАНІЙ В УКРАЇНІ: ТЕНДЕНЦІЇ, ВИКЛИКИ ТА НАПРЯМИ РОЗВИТКУ

## Анотація

У статті досліджено особливості формування та розвитку корпоративної соціальної відповідальності у діяльності будівельних компаній України в умовах сучасних економічних і соціальних викликів. Актуальність дослідження зумовлена зростанням ролі КСВ як інструменту забезпечення конкурентоспроможності, підвищення прозорості та досягнення цілей сталого розвитку в будівельній галузі, яка має значний вплив на довкілля та соціальну сферу. У результаті аналізу теоретичних підходів до трактування сутності корпоративної соціальної відповідальності та узагальнення світового досвіду встановлено, що сучасні підходи передбачають інтеграцію КСВ у систему управління підприємством і орієнтацію на взаємодію зі стейкхолдерами. Методичний інструментарій дослідження охоплює методи теоретичного узагальнення, аналізу і синтезу, порівняльного аналізу та системного підходу, що дозволило комплексно оцінити стан впровадження КСВ. Емпіричною базою стали відкриті джерела, зокрема офіційні сайти будівельних компаній і аналітичні матеріали галузі. Встановлено, що КСВ у будівництві реалізується переважно фрагментарно та зосереджується на окремих напрямках, таких як енергоефективність, благоустрій територій і безпека праці. Виявлено ключові обмеження її розвитку, зокрема низький рівень прозорості, обмежене впровадження міжнародних стандартів та недостатню інституційну підтримку. Обґрунтовано необхідність переходу до системного підходу до управління КСВ, що передбачає інтеграцію економічних, соціальних та екологічних аспектів діяльності підприємств.

**Ключові слова:** корпоративна соціальна відповідальність, будівельна галузь, стейкхолдери, сталий розвиток, ESG, соціально відповідальне управління, енергоефективність, прозорість, будівельні компанії України

**JEL Classification:** L74, M14, Q01, Q56

Подано: 18/08/2025

Прийнято: 19/09/2025

Опубліковано: 26/09/2025

© Copyright 2025 by the author(s)



This is an Open Access article distributed under the terms of [the Creative Commons CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/)

## Introduction

The modern development of the construction industry takes place under growing demands for sustainability, transparency, and social responsibility in business. Construction is no longer limited to the

DOI: 10.31379/sed.2.5.2025.40

mere erection of buildings; it directly affects the quality of life, the state of the environment, and the development of territories. Corporate social responsibility (CSR) is gradually transforming from an additional initiative into an essential component of construction companies' activities, shaping their reputation, competitiveness, and long-term sustainability.

The relevance of this topic is driven by the fact that societal expectations of business have significantly changed. Companies are now expected not only to deliver economic results but also to demonstrate responsible attitudes toward employees, communities, the environment, and adherence to ethical business practices. This is especially important in the construction industry, which is characterized by high resource intensity, significant environmental impact, and social responsibility for safety and the quality of the built environment. In this regard, the implementation of sustainable development principles and ESG approaches is becoming a necessary condition for effective business operations.

In Ukraine, interest in CSR in the construction sector is gradually increasing. Companies are adopting energy-efficient solutions, paying attention to landscaping, improving working conditions, and engaging with communities. At the same time, these practices are often fragmented and not fully integrated into strategic management. In many cases, social responsibility is implemented as a set of isolated projects or as a response to external pressure rather than as a systematic approach to doing business. Additional challenges arise from instability, limited financial resources, and high industry-specific risks inherent in construction. These factors force companies to focus on short-term goals, pushing social responsibility issues into the background. Moreover, a lack of transparency, limited adoption of international standards, and weak institutional support hinder the development of CSR and reduce trust among stakeholders.

Thus, the current stage of development of the construction industry requires a rethinking of management approaches. Social responsibility should be viewed not as an additional burden but as an integral part of the business model that ensures a balance between economic performance, social interests, and environmental requirements. The transition to such a comprehensive and systemic approach creates the foundation for sustainable development of both individual companies and the industry as a whole.

## Literature review

An analysis of studies on global experience shows that social responsibility in construction companies encompasses relationships with key stakeholders, including employees, clients, the state, and local communities. Its implementation is determined by a combination of internal factors (strategy, resources, managerial decisions) and external factors, primarily the requirements of stakeholders (Zhang et al., 2023; Van Nguyen et al., 2024, Yakushev et al., 2018). At the same time, the construction industry demonstrates a gap between the recognition of the importance of social responsibility and its practical implementation, which is often fragmented and reactive in nature (Zhang et al., 2023).

Studies of leading construction companies confirm that social responsibility is mainly implemented through individual measures in the areas of occupational safety, environmental protection, and construction quality, while its integration into the management system remains insufficient. Modern approaches substantiate the need to consider social responsibility as a component of the management system and a tool for achieving sustainable development goals (Sang et al., 2022; Andrianarivo Andriandafiariosa et al., 2021).

Some studies demonstrate that social responsibility positively affects the performance of construction companies by shaping reputation, trust, and effective stakeholder engagement, allowing it to be viewed as a strategic resource. There is a clear trend toward the transformation of social responsibility from reactive practices to more proactive approaches, particularly corporate social entrepreneurship, which is integrated into the company's business model (Lu et al., 2020). This indicates the need to strengthen a systemic approach to managing social responsibility in construction companies.

## Aims and Objectives

The article aims to generalize theoretical approaches and analyze the current practice of implementing

corporate social responsibility in the activities of construction companies, as well as to identify the problems and specific features of its development in Ukraine under modern economic and social challenges.

To achieve this aim, the following objectives are defined: to analyze the essence and main approaches to interpreting corporate social responsibility in the context of the construction industry; to systematize the types of social responsibility of construction companies by stakeholder groups; to examine global experience in CSR implementation in construction and identify its key trends; to analyze the practices of CSR implementation by Ukrainian construction companies; to identify the main problems and limitations in the development of social responsibility in the industry; and to substantiate the need for forming a systemic approach to CSR management in construction enterprises.

## Methods

The methodological basis of the study is a combination of general scientific and specific methods that ensure a comprehensive analysis of corporate social responsibility in the construction industry. The method of theoretical generalization and systematization was used to clarify the essence of CSR, refine its content, and develop a classification by stakeholder groups.

The methods of analysis and synthesis were applied to examine the works of domestic and foreign scholars, which made it possible to identify modern approaches to understanding social responsibility and to determine key trends in its development within the construction sector. Comparative analysis was used to contrast global and Ukrainian experiences in CSR implementation, as well as to develop a generalized characterization of practices adopted by construction companies in Ukraine.

The empirical basis of the study consists of the analysis of open sources, including official websites of construction companies, industry materials, and analytical publications, which allowed for an assessment of the actual state of CSR implementation. A systems approach was employed to consider social responsibility as an integral component of enterprise management, interacting with economic, social, and environmental aspects of business activity.

The logical method was used to generalize the research findings, formulate conclusions, and substantiate the need for a transition to an integrated approach to CSR management in construction companies.

## Results

A review of global practices suggests the expediency of generalizing the structure of corporate social responsibility of construction companies (Figure 1).

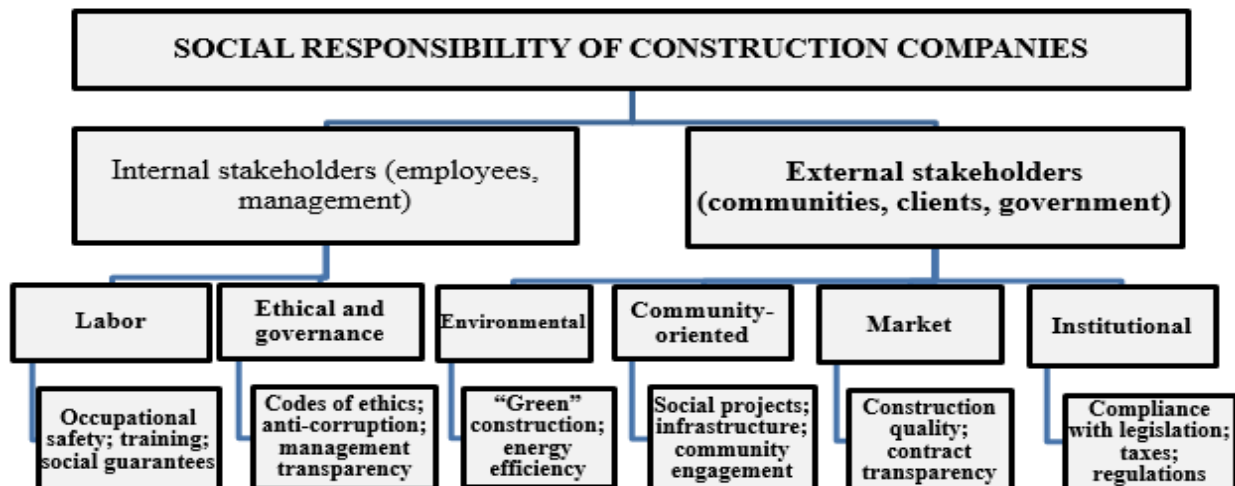


Figure 1. Types of social responsibility of construction companies by stakeholder groups

Source: compiled by the author

An analysis of domestic experience shows the growing role of corporate social responsibility in the construction industry and the gradual transformation of approaches to its implementation. CSR is moving beyond formal requirements and becoming a factor of competitiveness, reputation, and long-term sustainability of enterprises. In this context, socially responsible construction is becoming a tool for achieving sustainable development, involving the use of energy-efficient and “green” technologies, the creation of a safe and inclusive environment, the provision of proper working conditions, the development of corporate culture, and active engagement with communities (Lopatka, 2023).

Particular attention is paid to the integration of sustainable development principles into the activities of construction companies. The industry has a significant impact on the environment, economy, and social sphere and requires transformation in line with sustainable development goals. Three interrelated directions are distinguished: environmental sustainability (energy efficiency, use of eco-friendly materials, emission reduction), social equity (safe working conditions, affordable housing, inclusivity), and economic efficiency (innovation, investment, partnership). At the same time, special importance is attached to the integration of these principles at all stages of the construction life cycle and to the development of cooperation between the state, business, and society.

The implementation of CSR is a driver of innovative development in the construction industry and enhances its competitiveness. In particular, the positive dynamics in the spread of socially responsible practices among enterprises is accompanied by the adoption of innovative technologies such as BIM modeling, smart systems, and energy-efficient solutions (Pop, 2025).

At the same time, despite the growing importance of CSR, significant constraints on its development are observed. In particular, the process of systematic implementation of social responsibility principles in the construction sector is hindered by high costs, insufficient state support, and the lack of clear standards and regulatory mechanisms (Bielienkova & Loktionova, 2024).

Thus, CSR in Ukraine’s construction industry encompasses economic, social, environmental, and governance aspects of enterprise activity. Its modern understanding is closely linked to the concepts of sustainable development, ESG, and stakeholder management, which define the key directions of its implementation. A specific feature of CSR in the construction sector is the need to consider impacts at all stages of the building life cycle, as well as its dependence on a combination of internal factors (strategy, corporate culture, managerial decisions) and external factors (legislation, market environment, social pressure). This creates a need for the formation of a comprehensive, systemic approach to managing social responsibility in construction companies (Nashchekina et al., 2024).

To illustrate the level and directions of CSR implementation in the activities of construction enterprises in Ukraine, a comparative analysis has been developed and is presented in Table 1.

**Table 1 – Comparative Characteristics of CSR Implementation in Construction Companies of Ukraine**

Company	Key CSR Practices (implemented)	Limitations / Problematic Aspects	Features / Strengths	Source (official website)
KAN Development	Implementation of energy-efficient solutions in residential complexes; development of urban infrastructure; landscaping and site improvement	Lack of public non-financial reporting; limited formalization of CSR strategy	Focus on quality of living environment and residents' comfort	<a href="https://www.kandevelopment.com/">https://www.kandevelopment.com/</a>
Intergal-Bud	Implementation of residential construction projects in line with modern standards; job creation; participation in reconstruction projects	Insufficient transparency regarding environmental indicators; limited stakeholder communication	Active presence in the national market; participation in socially significant projects	<a href="https://intergal-bud.com.ua/">https://intergal-bud.com.ua/</a>

Ukrbud	Implementation of large-scale infrastructure and residential projects; participation in government programs	Reputational risks; issues with fulfilling obligations; low level of trust	Significant experience in implementing large projects	<a href="https://ub.kiev.ua/">https://ub.kiev.ua/</a>
Bud Development	Development of residential properties with site improvement; integration of commercial infrastructure	Limited implementation of international CSR standards; lack of open reporting	Comprehensive approach to territorial development	<a href="https://www.bud.com.ua/">https://www.bud.com.ua/</a>
DIM Group	Focus on housing quality; implementation of modern technologies; partial social initiatives	Insufficient systematic approach to CSR; limited disclosure of environmental practices	Focus on innovation and residential comfort	<a href="https://dim-bud.ua/">https://dim-bud.ua/</a>

Source: compiled by the author

The information presented in Table 1 indicates that the implementation of corporate social responsibility by construction companies in Ukraine is predominantly fragmented and focused on specific practices, particularly the introduction of energy-efficient solutions, the development of residential infrastructure, and site improvement. Most companies lack a systematic CSR strategy, while the application of international standards and non-financial reporting remains limited. A common feature is the focus on improving the quality of the living environment; however, insufficient transparency and weak integration of CSR into corporate governance hinder its effective development. This necessitates a transition from situational initiatives to the comprehensive implementation of CSR principles in line with international approaches.

An analysis of the current state of the construction industry makes it possible to identify both systemic and specific barriers that restrain the development of socially responsible management.

One of the key issues is the fragmented nature of CSR implementation, as confirmed by both research findings and the analysis of specific companies' activities (see Table 1). In most cases, social responsibility is carried out through isolated initiatives (energy efficiency, landscaping, occupational safety) without integration into the company's strategic management. This indicates the dominance of a reactive rather than a systemic approach.

A significant challenge is the low level of transparency and non-financial reporting. Most construction companies do not publish sustainability or ESG reports, which complicates the assessment of their social and environmental impact. The lack of standardized approaches to information disclosure limits trust from investors and other stakeholders.

An important issue remains the insufficient adoption of international CSR and sustainable development standards (ESG, LEED, BREEAM). Their use is sporadic and has not become widespread, which negatively affects the competitiveness of Ukrainian companies in the international market.

The development of CSR is also constrained by economic limitations and the high costs of its implementation. Conditions of instability, military risks, and limited access to financial resources force companies to focus on short-term goals, pushing socially responsible practices into the background.

Another major problem is the insufficient level of institutional support and state regulation in the field of CSR. In Ukraine, there are no clear mechanisms to stimulate socially responsible business, and the regulatory framework remains fragmented.

An additional challenge is the low level of corporate culture development and managerial maturity. This is reflected in insufficient attention to the stakeholder approach, ethical standards, and long-term planning. In many companies, CSR is not viewed as a strategic resource but rather perceived as an additional burden.

Particular attention should be paid to industry-specific risks, including a high level of occupational injuries, significant environmental impact of construction activities, and the complexity of quality control and

compliance with standards. On the one hand, these factors increase the requirements for social responsibility, while on the other, they complicate its implementation.

Thus, the management of construction companies in Ukraine in the context of social responsibility is characterized by a number of challenges, including limited approaches, insufficient transparency, low adoption of international standards, and weak institutional support. Overcoming these issues is associated with a transition to an integrated management model that combines economic, social, and environmental aspects of enterprise activity.

## Discussion

The obtained research results indicate that corporate social responsibility in the construction industry of Ukraine is at the stage of formation and gradual transformation from fragmented initiatives to a more systematic approach. The analysis of construction companies' practices also shows that CSR has not yet become a fully integrated element of strategic management and is mainly implemented through specific areas such as energy efficiency, landscaping, or occupational safety. A comparison with international experience reveals a significant gap between Ukrainian and foreign practices. In leading countries, CSR is integrated into business models, supported by ESG approaches, systematic non-financial reporting, and compliance with international standards. In Ukraine, however, such approaches remain limited, which reduces companies' ability to attract investment and enter international markets.

An important aspect is the role of stakeholders in shaping social responsibility policies. Although construction companies declare a focus on the needs of clients and communities, actual interaction is often formal. Insufficient attention to stakeholder dialogue, as well as the lack of effective feedback mechanisms, limits the consideration of their interests in managerial decision-making.

Discussing the findings, it is important to emphasize that the key challenges in CSR development are systemic in nature. Economic instability, high costs of implementing socially responsible practices, weak institutional support, and imperfect regulatory frameworks create an environment in which companies are forced to prioritize short-term efficiency over long-term sustainability. This explains the dominance of a reactive approach to CSR.

At the same time, the results of the study make it possible to identify potential directions for further development. The growing importance of sustainable development, the integration of ESG principles, and increasing demands from investors and society create the preconditions for transforming management approaches. Therefore, particular importance is attached to the implementation of a systematic CSR strategy, increasing transparency, developing corporate culture, and strengthening stakeholder engagement.

Further development of corporate social responsibility in the construction industry of Ukraine is associated with a transition to an integrated management model that ensures the alignment of economic, social, and environmental objectives of enterprises and contributes to enhancing their resilience in the face of modern challenges.

## Conclusions

The conducted study leads to the conclusion that corporate social responsibility in Ukraine's construction industry is at a stage of active formation but has not yet acquired a systemic character. In most cases, its implementation is limited to individual practices that are not integrated into strategic management. This indicates the dominance of a fragmented and reactive approach to CSR, which does not fully realize its potential benefits. Significant constraints on the development of social responsibility include low levels of transparency in company activities, insufficient adoption of international standards, the absence of systematic non-financial reporting, and weak institutional support from the state. Additionally, economic instability, high costs of implementing socially responsible practices, and industry-specific risks related to construction have a negative impact.

The results of the study confirm that CSR has considerable potential as a tool for enhancing the competitiveness of construction companies. Its effective implementation contributes to building stakeholder trust, improving corporate reputation, and ensuring long-term sustainability. The integration of sustainable development principles and ESG approaches into company activities is of particular importance, as it aligns with current global trends.

Further development of corporate social responsibility in Ukraine's construction sector requires a transition to a comprehensive approach, which involves integrating CSR into strategic management systems, increasing transparency, developing corporate culture, and strengthening stakeholder engagement. The implementation of these changes will enhance the efficiency of construction companies and ensure their compliance with sustainable development requirements.

## References

1. Lopatka, S. S. (2023). Sotsialna vidpovidalnist budivelnykh pidpriemstv u konteksti staloho rozvytku [Social responsibility of construction enterprises in the context of sustainable development]. *Naukovi zapysky Lvivskoho universytetu biznesu ta prava. Serii ekonomichna. Serii yurydychna*, (38), 631–640. DOI: <https://doi.org/10.5281/zenodo.15460162> [in Ukrainian].
2. Pop, V. V. (2025). Suchasni tendentsii rozvytku ta sotsialna vidpovidalnist yak chynnyky innovatsiinoho rozvytku budivelnoi haluzi Ukrainy [Current development trends and social responsibility as drivers of innovative growth in Ukraine's construction industry]. *Akademichni vizii*, (42), 1–10. DOI: <https://doi.org/10.5281/zenodo.16786997> [in Ukrainian].
3. Bieliukova, O. Yu., & Loktionova, Ya. F. (2024). Pryntsyipy ta chynnyky formuvannia korporatyvnoi sotsialnoi vidpovidalnosti v budivnytstvi [Principles and determinants of corporate social responsibility formation in the construction industry.]. *Budivelne vyrobnytstvo*, (77), 108–114. DOI: <https://doi.org/10.36750/2524-2555.77.108-114> [in Ukrainian].
4. Nashchekina, O. M., Tymoshenkov, I. V., & Ovsepiyan, R. A. (2024). Korporatyvna sotsialna vidpovidalnist u budivelnoi haluzi: krytychnyi ohliad kontseptualnykh i metodolohichnykh pidkhodiv [Corporate social responsibility in the construction industry: a critical review of conceptual and methodological frameworks]. *Visnyk Natsionalnoho tekhnichnoho universytetu "Kharkivskiy politekhnichnyi instytut" (ekonomichni nauky)*, (1), 94–102. DOI: [10.31379/sed.2.5.2025.40](https://doi.org/10.31379/sed.2.5.2025.40)
5. Zhang, Q., Oo, B. L., & Lim, B. T. H. (2023). Key practices and impact factors of corporate social responsibility implementation: Evidence from construction firms. *Engineering, Construction and Architectural Management*, 30(5), 2124–2154. DOI: <https://doi.org/10.1108/ECAM-11-2020-0973> [in English].
6. Zhang, Q., Oo, B. L., & Lim, B. T. H. (2023). Unveiling corporate social responsibility awareness and implementation: A study of Chinese construction firms. *Journal of Environmental Planning and Management*, 66(9), 1861–1889. DOI: <https://doi.org/10.1080/09640568.2022.2043258> [in English].
7. Van Nguyen, M., Ha, K. D., & Phan, C. T. (2024). Sustainable development during economic uncertainty: What drives large construction firms to perform corporate social responsibility? *Corporate Social Responsibility and Environmental Management*, 31(4), 2838–2851. DOI: <https://doi.org/10.1002/csr.2708> [in English].
8. Sang, M., Zhang, Y., Ye, K., & Jiang, W. (2022). Moderating effects of internationalization between corporate social responsibility and financial performance: The case of construction firms. *Buildings*, 12, Article 185. DOI: <https://doi.org/10.3390/buildings12020185> [in English].
9. Yakushev, O. V., & Yakusheva, O. V. (2018). Upravlinnia biznes-protsesamy rehionu na zasadakh vprovadzhennia innovatsiino-osvitnikh klasteriv [Management of regional business

processes based on the implementation of innovative educational clusters]. *Sotsialno-ekonomichnyi rozvytok rehioniv v konteksti mizhnarodnoi intehratsii*, (28[17]), 65–70. [in Ukrainian].

10. Andrianarivo Andriandafiariosa, R. N. A., Ye, C., Wu, Y., Zhang, L., & Nawaz, A. (2021).

Conceptualizing the state of the art of corporate social responsibility (CSR) in green construction and its nexus to sustainable development. *Frontiers in Environmental Science*, 9, Article 774822.

DOI: <https://doi.org/10.3389/fenvs.2021.774822>

## ADDITIONAL INFORMATION

### AUTHOR CONTRIBUTIONS

*Conceptualization: Bilan Yevhenii*

*Data curation: Bilan Yevhenii*

*Formal Analysis: Bilan Yevhenii*

*Methodology: Bilan Yevhenii*

*Software: Bilan Yevhenii*

*Resources: Bilan Yevhenii*

*Supervision: Bilan Yevhenii*

*Validation: Bilan Yevhenii*

*Investigation: Bilan Yevhenii*

*Visualization: Bilan Yevhenii*

*Project administration: Bilan Yevhenii*

*Funding acquisition: –*

*Writing – review & editing: Bilan Yevhenii*

*Writing – original draft: Bilan Yevhenii*

### FUNDING

The authors received no funding for this article.

### CONFLICT OF INTEREST

The authors declare no conflict of interest.