

THE CORPORATE SOCIAL RESPONSIBILITY OF BUSINESS: THE RUSSIAN EXPERIENCE

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ABSTRACT

Nowadays the idea of a socially oriented economy is experiencing a stage of active development in the Russian Federation. In addition, there is a need for coordinated interaction of all economic agents to ensure economic and social efficiency of production. In this regard, this article examines the features of social responsibility of the two largest Russian companies: Gazprom and Sberbank. The activities of these companies in this area are systematic and aimed to create effective and safe jobs, ensure the social protection of workers and their families, continue professional development of personnel, maintain a favorable social environment in the regions of activity. In particular, a comparative analysis of the provisions and codes of corporate social responsibility of these companies was carried out, as well as specific measures for their implementation. Based on the findings, conclusions were drawn about the prospects for the development of social responsibility of companies in Russia, as well as its place in the world economy.

Keywords: corporate social responsibility, Russian Federation, Russian Union of Industrialists and Entrepreneurs index

INTRODUCTION

The Russian government plays a large role in the implementation of social policy at the present stage of the country's development. However, the imposition of sanctions on Russian enterprises and owners of large companies, as well as the weakening of the ruble, high volatility of oil prices and the outflow of non-resident capital have a negative impact on the Russian economy and its ability to fulfill social functions. Therefore, the role of business in solving social problems of the state is steadily increasing, which is confirmed by various Russian and foreign scientists (Razgulina E., Tatarkin A., Uskova T., Kopytova E., Banon J.-Cl., Carroll A., Williams C. etc). One of the ways to implement business social programs is corporate social responsibility (CSR). Corporate social responsibility is usually understood as a the voluntary contribution of business to development of economic, social and environmental spheres. However, in connection with the growth of research on corporate social responsibility, it is necessary to give a more complete definition of this term.

Thus, according to B. Shpotov social responsibility of the company is maximizing the benefits of the company and minimizing the disadvantages that affect both participants in the business, and society as a whole [1]. In addition, corporate social

responsibility means the ability of an organization or enterprise to assess the consequences of its activities for the sustainable social development of society. In this case, social responsibility is a broad concept, covering also such problems as ecology, social justice, equality [2]. According to Palazzi, social responsibility is basically a philosophy or an image of relations between business circles and society, and these relations require guidance for their implementation and sustainability over a long period of time [3]

The most complete is the definition of Kurinko, who is the president of the Business and Society Cooperation Center: "Corporate social responsibility is a set of obligations that are voluntarily and harmoniously developed with the participation of key stakeholders taken by the company's management, with special regard to the opinions of staff and shareholders aimed at realizing significant internal and external social programs, the results of which contribute to the development of the company (growth in production, ETS products and services, etc.), improved reputation and image, the establishment of corporate identity, development of corporate brands, as well as expand constructive partnerships with government, business partners, local communities and civil society organizations"[4].

In general, CSR involves the implementation of the following measures:

- production of products and services in sufficient quantities, the quality of which complies with all mandatory standards, subject to all legal requirements for doing business;
- observance of workers' right to safe work with certain social guarantees, including creation of new jobs;
- assistance in upgrading the skills and skills of staff;
- protecting the environment and saving irreplaceable resources;
- protection of cultural heritage;
- support for efforts of authorities in the development of the territory where the organization is located, assistance to local social institutions;
- assistance to low-income families, disabled people, orphans and lonely elderly;
- observance of generally accepted legislative and ethical norms of doing business.

In Russia, the culture of social responsibility of business is not yet developed and is used only by large companies. To understand the level of development of this concept and its consolation, it is necessary to conduct a comparative analysis of the features of social responsibility of the five largest Russian companies: Gazprom, Sberbank, Lukoil, Norilsk Nickel and Novatek.

CORPORATE SOCIAL POLICY OF GAZPROM

Gazprom is one of the largest integrated oil and gas companies in Russia. This company produces oil and gas, refines oil, sells oil and oil products, and provides oilfield services. The main features of Gazprom's corporate social policy are reflected in the annual report for 2016. Let's look at how Gazprom is socially responsible to the society in terms of the company's stakeholders. Thus, Gazprom takes first place in the Universum rating "The Most Attractive Employers of the Russian Federation in the Opinion of Students for 2016". In addition, the staff of Gazprom Group companies is highly stable. Thus, Gazprom staff turnover was 4.0%, and 1.3% in subsidiaries engaged in gas production, transportation, processing and storage. Gazprom has a system of continuous corporate professional education of personnel aimed at the development of workers, taking into account the increasing demands of production and

quality of labor. Gazprom has special corporate programs in order to attract and consolidate key and highly qualified employees:

- housing maintenance program, implemented at the expense of employees with the involvement of employer funds using the mechanism of bank mortgage lending (on the basis of co-financing principle);

- a program of non-state pension provision, implemented through the non-state pension fund "GAZFOND".

The company also carries out worthy social protection and support of veterans of the Great Patriotic War among its pensioners.

Gazprom pursues a policy on labor protection and industrial safety. As a result of ongoing work in this area, the number of casualties suffered from industrial accidents from 2012 to 2016 was reduced from 159 to 67, the number of accidents at hazardous production facilities – from 17 to 10, incidents from 59 to 30. Also Gazprom is the first Russian oil and gas company that adopted the Environmental Policy in 1995. The main results of achieving Gazprom's Corporate Environmental Goals can be seen in Table 1 [5].

Table 1. Achievement of Corporate Environmental Goals of Gazprom in 2016 [5].

Corporate Environmental Goal	Decrease in relation to to the base level of 2011,%
Reduction of methane emissions into the atmosphere (during repair works of hydraulic structures)	9,4
Reduction of specific emissions of nitrogen oxides in atmosphere	16,4
Reducing the discharge of contaminated and insufficiently purified sewage into water surface	34,5
Reducing the proportion of waste, sent to the grave	9,2
Reduction of fees for excessive impact as an integral indicator of negative impact on the environment	14,6

Gazprom also provides systematic support to the development of professional and mass sports, children's creativity, science and art. Thus, 1,443 facilities of various types have been built on the territory of Russia within the framework of the implementation of the Gazprom-to-children program between 2007 and 2016. Construction of 5 sports and recreation complexes and 166 open sports and sports facilities was completed in 2016. Gazprom continued implementation of the International Children's Social Project "Football for Friendship" within the framework of the sponsorship contract with the UEFA Champions League. The goal of the project is to promote the principles of equality, tolerance and a healthy lifestyle. Gazprom continued to sponsor the activities of the Russian Olympic Committee with a view to prepare the Olympic teams. The cooperation will continue until the end of 2018.

Gazprom also supports cultural projects, for example, restoration of the Church of the Resurrection, part of the architectural palace and park ensemble of the State Museum-Reserve "Tsarskoe Selo". In addition to major restoration projects, Gazprom supported the Hermitage XXI century fund, D.S. Likhachev, as well as the International

Festival of Contemporary Choreography "CONTEXT. Diana Vishneva in 2016. The company constantly finances the costly conservative and operative treatment to support seriously ill children, persons with disabilities.

CORPORATE SOCIAL POLICY OF THE SBERBANK

Sberbank is a Russian financial conglomerate, the largest transnational and universal bank in Russia, Central and Eastern Europe. Sberbank began to publish non-financial reports on corporate social responsibility since 2010. The activities carried out by Sberbank in the field of the CSR are coordinated with the official document "Policy for Corporate Social Responsibility"[6].

According to this document, Sberbank sets the following objectives in the field of CSR:

- Integration of the Bank's Mission with the goals and objectives of implementing the Bank's Development Strategy.
- Formation of an additional factor of the Bank's competitiveness due to the formation of the image of a socially responsible company also in connection with the development of its international activities.
- Control and management of the level of Bank's reputational risk with regard to issues related to the CSR area.
- Participation in the formation of new markets for environmentally and socially oriented products and services.
- Creation of an additional factor of loyalty of employees due to their greater involvement in solving socially important issues [6].

The main results of the activities in the field of CSR are presented in the annual report of Sberbank for 2016. Let's consider these results in the context of the Sberbank's stakeholders. So Sberbank has demonstrated a steady growth in all segments of services for private and corporate customers due to the systematic introduction of a client-centered service model and the development of sales channels in 2016. Sberbank is recognized as the winner in the nominations "The Most Affordable Bank" and "The Most Reliable Bank" of the Quality of Life Award, established by the Financial University under the Government of the Russian Federation. In addition, Sberbank is implementing the "Special Bank" project, which involves the creation of an ecosystem of products and services that take into account the life scenarios and needs of clients with disabilities. Currently, 44.6% of the offices of the Sberbank adapted with ramps and equipment for the visually impaired and hearing impaired people. Sberbank is also a participant in the Program of Assistance to Certain Categories of Mortgage Borrowers for Mortgage Housing Loans, which have found themselves in a difficult financial situation. For its implementation, the state allocated 4.5 billion rubles.

Sberbank is also actively developing a corporate governance system for the implementation of CSR activities aimed at meeting the needs of shareholders. The Russian Institute of Directors awarded Sberbank with the National Corporate Governance Score at level 8 – "Best Corporate Practices management". Sberbank offers competitive wages, voluntary health insurance programs and corporate pension programs for employees of the company. Also Sberbank has a corporate awards system and various practices for identifying the best employees. In 2016, more than 1.5 thousand employees received government and corporate awards, including for their contribution to the development of corporate culture. 72% of employees of Sberbank

are satisfied with the processes in the field of labor relations. Sberbank also supports cultural events, finances research and educational initiatives, helps children's institutions, invests in environmental protection and provides material support to veterans and disabled people. Table 2 presents Sberbank's cost structure for charitable activities. As we can see, the biggest amount of charitable spending falls on scientific developments, environmental protection and preservation of cultural heritage sites; children's institutions and culture. Thus, Sberbank is an active implementer of the policy of corporate social responsibility. Sberbank belongs to the state in half, and therefore its significant role in charitable projects is obvious

Table 2. Sberbank's cost structure for charitable activities, million rubles [7]

Sphere of support	2013	2014	2015	2016	Share in the total volume of 2016, %
Sport	371,6	180,3	174,3	499,9	13,3
Health care	76,7	174,2	62,9	193,4	5,1
Culture	287,8	263,1	234,7	559,2	14,9
Religious organizations	34,8	39,1	7,7	112,0	3,0
Education	157,9	185,1	214,0	360,9	9,6
Children's institutions	228,3	188,2	1 369,8	752,0	20,0
Veterans and the disabled	53,3	76,2	233,9	139,4	3,7
Provision of material assistance	0,3	77,5	108,4	348,1	9,3
Forums and congresses	1,2	0,4	6,1	19,6	0,5
Scientific developments, environmental protection and preservation of cultural heritage sites	401,1	387,3	611,7	771,9	20,5
TOTAL	1 612,9	571,5	3 023,4	3 756,5	100,0

CONCLUSION

Thus, a number of conclusions can be drawn after consideration of the corporate social policy of the two largest companies of Russia (on capitalization on April 5, 2018). Both Gazprom and Sberbank are regulated by the state, since more than 50% of the shares of both companies belong to it. In this regard, it is logical that both Gazprom and Sberbank play a significant role in social responsibility to stakeholders. However, the activities carried out by these companies in the field of CSR differ significantly. Thus, Gazprom, being one of the largest companies in the field of extraction and processing of gas and oil, spends most of the costs in the sphere of CSR on solving environmental problems. In turn, Sberbank, being the largest bank in Russia, whose activities are not connected with environmental pollution, makes the most of the cost of children's institutions, scientific developments and culture.

At the moment, the culture of CSR in Russia is developing and is being implemented mainly by the largest companies. However, there is an increasing involvement of the business community in this process. This can be explained by the fact that

entrepreneurship has realized economic rights, and has also been influenced by the state and the world community in some ways. The process of CSR formation in Russia requires further in-depth study.

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