

Corporate Social Responsibility

Responsabilidad Social Corporativa

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Received: 18/02/2019 • Approved: 17/06/2019 • Published 01/07/2019

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ABSTRACT:

Corporate social responsibility is one of the main factors for the development of a modern, successful business. This concept is also formed within the Russian Federation. The article is devoted to the study of the problematic aspects of the development of corporate social responsibility in the Russian Federation. The authors consider the concept of corporate social responsibility as a factor, which contributes to the formation of a favorable social climate in the Russian Federation. The article analyzes the possibility of applying foreign experience in the implementation of the concept of corporate social responsibility, taking into account Russian specifics, as well as key aspects of the interaction of business, government and society in the framework of social programs. The authors describe the directions of the implementation of corporate social responsibility that increase the degree of trust to Russian firms.

Keywords: corporate social responsibility, corporate charity, social responsibility of companies

RESUMEN:

La responsabilidad social corporativa es uno de los principales factores para el desarrollo de un negocio moderno y exitoso. Este concepto también se forma dentro de la Federación Rusa. El artículo está dedicado al estudio de los aspectos problemáticos del desarrollo de la responsabilidad social corporativa en la Federación Rusa. Los autores consideran el concepto de responsabilidad social corporativa como un factor que contribuye a la formación de un clima social favorable en la Federación Rusa. El artículo analiza la posibilidad de aplicar la experiencia extranjera en la implementación del concepto de responsabilidad social corporativa, teniendo en cuenta los aspectos específicos de Rusia, así como aspectos clave de la interacción de las empresas, el gobierno y la sociedad en el marco de los programas sociales. Los autores describen las direcciones de implementación de la responsabilidad social corporativa que aumentan el grado de confianza de las empresas rusas.

Palabras clave: responsabilidad social corporativa, caridad corporativa, responsabilidad social de las empresas.

1. Introduction

The qualitative development of modern business in the whole world depends largely on whether companies are ready to accept the main directions and principles of corporate social responsibility. The phenomenon of corporate social responsibility is relevant for consideration and analysis in many countries around the world, including the Russian Federation. The growing interest of Russian companies in pursuing corporate social responsibility policy

within an organization clearly demonstrates, that this concept is not only necessary, but also beneficial for companies and increases their competitiveness.

There are many approaches to understanding and implementing the concept of corporate social responsibility, which are primarily related to its multidimensionality. In practice, the implementation of the concept involves the interests of all parties in the internal and external environment of the company. According to analytical data, the majority of Russian companies are guided by their internal interests and direct their activities within the frames of social responsibility to their personnel. This trend has been demonstrated in a study, conducted by the Russian Association of Managers, on the basis of which the predominant part of the social investments of Russian business (up to 90%) are internal programs of corporations, and only 10% of social investments are aimed at developing local communities (Korotkova E.M., 2013; Zavodchikova, T.B., 2015). The main purpose of the article is to examine the theoretical aspects of the concept of social responsibility and its practical implementation by Russian companies.

2. Methodology

The authors of present article demonstrate unique research results, formulate and study problems, accumulate a source base in the field of theory and practical implementation of the concept of corporate social responsibility.

The methods of research include: document analysis method is used to obtain information, using qualitative analysis, research of current theories in the field of corporate social responsibility; logical analytical method is used to analyze information collected on the basis of the formation of intermediate and final conclusions; the comparative method is used to study the general and differences in modern approaches to social responsibility and to compare their use in the organizational structure and activities of different companies.

This article may be useful for scientists conducting research in the field of the concept of social responsibility of companies, as well as for practicing specialists of companies, who are interested in developing their activities in this direction.

3. Results

3.1. The concept of corporate social responsibility

There are various interpretations of corporate social responsibility that have certain specific features in the Russian Federation. In some cases, interpretations are too broad, while others are too narrow and do not reflect the full sense of this concept. From the point of view of a narrow approach to definition, corporate social responsibility means the organization's obligation to fully fulfill its social, economic and environmental obligations, which means timely payment of salaries to employees, covering tax obligations, compliance with current legislation in the field of labour protection, environment and also ethical behavior. In this case, the basis for the formation of the social responsibility for a company is social and labour relations, and it is required mainly to solve in a civilized way labour and production conflicts within the legal field. Of course, one of the main roles in this process is assigned to trade unions, especially within the frames of government and business interaction according to the government-trade unions-entrepreneurs scheme.

From the point of view of a broad approach to understanding the social responsibility of business, which concludes that the company voluntarily undertakes additional social, economic, and environmental obligations that go beyond the established legislative minimum and often are not directly related to the main activity of the organization. In fact, in this case it is an issue of responsibility to the employees of the organization, its business partners, the local community and, in some cases, to the population as a whole. The highest point of the social responsibility of business is its inclusion in the system of social partnership and the revision of the responsibility of business, especially large business, to society.

It is important to note, that many Russian large companies have already begun to introduce

the principles of social responsibility into their work, however, they are not always used in the public interest, but mostly for the personal benefit of the organization. The largest modern Russian companies spend about 20% of their profits on social goals (Zudin A., 2005; Kivarina M.V., 2011).

There are four levels of corporate social responsibility: the micro level, which includes primarily responsibility to employees, partners of the company, shareholders and consumers; a meso-level, which includes responsibility to the local community; the macro level, which includes responsibility to the state as a whole and the mega level, which includes responsibility to the world community. This approach is not the only one and moreover it cannot be applied to absolutely all companies. In our opinion, more successful is a different approach, in which four levels are also distinguished: the basic one, which provides for all that is contained in the narrow definition of social responsibility; the level of charity, which includes the creation of sponsorship programs and assistance within the organization; the level of increased social responsibility towards the staff, which implies a wider package (compared to the current legislation) of social services for company employees; the level of social investment, which often provides long-term financing of social economic projects in a certain territory and the level of extracurricular philanthropy, involving non-standard charitable activities. This approach is more applicable to describe the levels of corporate social responsibility of modern Russian business.

Separately, we should highlight, what shows the company's activities in terms of social responsibility. First of all, this is a social report. The social report is a public tool for informing employees, shareholders, partners, consumers and any interested parties about the company's social policy directions, it shows how much the company manages to realize its mission and strategic plans on social responsibility issues.

In essence, this is an opportunity for the company to clearly demonstrate its achievements, but in this case, the company should evaluate its results not only in a formal way.

3.2. Social responsibility guideline

In 2010, the international ISO standards were supplemented by the ISO 26000:2010 "Guide to Social Responsibility" standard, which was related to management. The advantage of this standard was that it developed the concept of social responsibility of the company, systematized the principles and outlined the main directions that modern business in this area should adhere to.

According to the standard, corporate social responsibility is "the organization's responsibility for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development, takes into account the interests of stakeholders, complies with legislation, is integrated into the activities of the entire company".

The introduction of this standard undoubtedly creates a number of advantages for the company, among which the main ones are: improving the state's reputation, increasing investor confidence, creating competitive advantages, increasing productivity and consumer loyalty.

The standard contains seven principles, according to these principles the organization can achieve the above-mentioned results, these principles should be taken into account during making all management decisions within the organization:

- accountability: the organization should be responsible for its impact on society, the economy and the environment;
- transparency: the organization should be transparent in its decisions and activities that affect society and the environment;
- ethical behavior: the organization must behave ethically;
- respect for the interests of interested parties: the organization should respect, consider and respond to the interests of its stakeholders;

- respect for the rule of law: the organization must recognize that respect for the rule of law is mandatory;
- compliance with international norms of behavior: these norms imply expectations of socially responsible behavior as derived from international law, generally accepted principles of international law and intergovernmental agreements;
- respect for human rights: the organization must respect human rights and recognize their importance and universality."

In addition, the standard lists the main areas that should be covered by corporate social responsibility - it is organizational management, human rights, environmental protection, labour organization, development of local communities. The standard contains a description of these basic directions and a list of possible measures, thanks to which the main problematic issues can be solved.

On the basis of the international standard ISO 26000:2010 "Guide to Social Responsibility", the Russian Union of Industrialists and Entrepreneurs developed the National Standard of the Russian Federation with the same international document name. According to this standard, issues of social responsibility should be reflected in all aspects of the company - in its mission, policies, strategies and in corporate culture. One of the key points in the company's activities, according to the document, is self-assessment, which consists of five stages:

1. Preparations for the self-assessment, which includes the definition of the goal of self-assessment, the formation of a working group, the definition of the limits of self-assessment and criteria;
2. Self-assessment;
3. Preparation of a self-assessment report;
4. Justification of the conducted self-assessment;
5. Decision to make reassessment.

The company make decision to apply the standard voluntary, but it is necessary for those companies that seek to develop the concept of social responsibility, as well as for those companies that already have a sufficiently extensive experience with this concept. It is worth noting, that a large number of standards have been adopted in the international community by which companies can evaluate their activities in the field of social responsibility. However, the ISO 26000:2010 "Guide to Social Responsibility" is more universal, and therefore it is recommended for use by companies whose activities may affect society. Thus, it can be concluded, that in the Russian Federation the National Standard of the Russian Federation "Guide to Social Responsibility" was developed according to the most terse and successful example from the existing international documents in the field of corporate responsibility.

In the activities of large Russian companies, in the aspect of social responsibility, the focus is on charity and various programs of assistance and subsidies. For example, many of the programs developed by MTS within the framework of the implementation of the concept of social responsibility are directly related to charity: funding for treating sick children, the "Charity Line" Program, the MTS Volunteer Movement "JUST give good" (MTS SCR Strategy and Sustainable Development Report, 2017). A similar policy is pursued by other communication companies, such as Megafon, Rostelecom.

Charity programs of transport companies have a much wider focus, for example, programs developed under Russian Railways and Aeroflot (Aeroflot Social Report 2016; Russian Railways Corporate Social Report 2017).

In addition, all of the listed companies pay attention to the issue of personnel management, regarding their employees as one of the main assets, due to which the company can develop. At the same time, it is important to note, that financial incentives in a company are not always the appropriate to qualifications of employees (Mamedova N.A., Mukhamedova S.V.).

4. Conclusions

In conclusion, it is important to note, that modern Russian business often do not fully understand, that social responsibility is not something exceptional, but a natural duty, which is essential for any large business. In addition, corporate social responsibility is a platform for cooperation between government, business and society, therefore, purposeful state support in this matter is important, which is possible only in countries with a developed and stable economic situation. Also, large companies tend to create programs aimed at charity and the implementation of various educational programs, but at the same time too little attention is paid to encouraging the company's own employees. Today the greatest success has been achieved by companies in the implementation of social, charity, environmental activities, while personnel policy is developing only in terms of staff training. However, as already noted, meeting the needs of their employees is an equally important component of corporate social responsibility; therefore, modern Russian companies should focus their efforts on activities in this area.

The base for the article preparation is the Stolypin International Institute of Information and Public Administration.

The publication has been prepared with the support of the 'RUDN University Program 5-100'. The work is performed according to the Program of Development of Federal State-Funded Educational Institution of Higher Education 'Financial University under the Government of the Russian Federation' for 2020.

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Revista ESPACIOS. ISSN 0798 1015
Vol. 40 (Nº 22) Year 2019

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