

## The Concept for Corporate Demographic Policy of Russian Enterprises in the Framework of Corporate Social Responsibility\*



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**Abstract.** National priorities in the development of Russian society in the field of demography are related to population reproduction, health preservation, decrease in working-age mortality, increase in life expectancy, etc., and also correlate strategically with the effective functioning of business. This brings to the fore the need to develop, implement and elaborate on corporate social policy in general and corporate demographic policy in particular. The aim of the study is to analyze social policy pursued by major Russian corporations (PAO Severstal, Magnitogorsk Iron & Steel Works PJSC, Gazprom Neft PJSC, PJSC Lukoil, JSC Russian Railways, PJSC PhosAgro, PJSC Acron) and substantiate the concept for corporate demographic policy of enterprises. We consider prerequisites for the establishment and implementation of corporate demographic policy in Russian society. We have found that at the present stage of its development, corporate social responsibility is most often reduced to cash payments and participation of enterprises in individual social projects. The article analyzes social policy practices that Russian companies are implementing and that are directly related to demographic issues (childcare allowances, employee benefits, health resort treatment, etc.). We look into the approaches to understanding corporate demographic policy and its effectiveness; we show the benefits of implementing corporate demographic policy at Russian enterprises. Such benefits include promotion of business reputation, reduction in social tension, participation of enterprises in addressing demographic development issues, etc. According to some studies, the introduction of corporate health promotion programs can reduce disability losses from a number of causes by almost 30%. The practical significance and scientific novelty of our research consists in the development of a concept for corporate demographic policy of Russian enterprises, definition of its targets, implementation mechanisms and substantiation of the expected results, which consist in enhancing the effectiveness of state demographic policy as a whole and improving the results of implementation of corporate programs.

**Key words:** demography, corporate demographic policy, corporate social responsibility, enterprises, concept.

### Introduction

Currently, Russian society is facing a number of demographic and social issues: despite the expanded governmental support programs, birth rates are decreasing, Russia is experiencing natural population decline, childbirth causes deterioration in the standard of living. These trends pose a threat to Russia's demographic security and arouse concern among scientists, experts, politicians, and employers.

In today's unfavorable demographic conditions, finding a solution to the issues concerning population reproduction and human capital development is becoming the most important task at all levels of government. An active pro-natalist policy is being pursued at the governmental level. However, governmental measures alone are not

enough to solve this problem. It is important to increase personal responsibility of citizens regarding health preservation issues and to engage business entities in this field with the help of the tools for enhancing social responsibility. We think that one of the effective tools will be the adoption of national level documents approving the goals and principles of corporate demographic policy. Being an integral part of social responsibility, it can compensate for the insufficient state assistance provided to families with children and strengthen the support provided at the macro-level in the field of parenthood. At the same time, the state can boost corporate demographic policy through a set of incentives (favorable tax regime; subsidies and benefits; granting preferences in obtaining government orders, etc.).

### Theoretical and methodological foundations of the research

The neo-institutional approach assumes that “organizations are structured by the phenomena of their environment and are usually isomorphic to it” [1]. Organizations and the environment in which they function are interconnected, exchange processes occur between them; this leads to a certain mutual compliance of organizations and the environment.

P.J. Dimaggio and W.W. Powell consider three mechanisms of institutional isomorphic changes: coercive, mimetic, and normative isomorphism [2]. These mechanisms can promote the dissemination of the practices for support of parenthood among employees of Russian organizations. The mechanism of coercive isomorphism can be launched by the government that pursues an active pro-natalist policy and is interested in increasing the level of its impact on the population. Thus, in Russia, tax regulations have benefits for employers who provide various forms of assistance to employees with children (for example, the expenses that the employer pays for the work break provided to the mother to feed her child are taken into account in the profit tax, as well as the services for the organization of tourism, resort treatment and recreation in Russia for the children of employees<sup>1</sup>.

Scientists say that corporate social policy has a solid economic substantiation – corporations receive numerous benefits if they do the work for the long run rather than just focus on their own short-term profit [3; 4]. On the other hand, some critics argue that corporate social responsibility leads enterprises away from the fundamental economic role of business [5–8]. The influence of

corporate social policy on society, in particular, on the residents of the territory where the enterprises are located, is questioned.

Despite an ongoing discussion on the matter, we believe that corporate social policy has a positive impact on employees. We base our opinion, among other things, on the results of E. Mayo’s experiments, which proved that socio-psychological factors have a stronger impact on the productivity of workers than physical ones. The very possibility of viewing an enterprise as a subject that implements demographic policy is based on the fact that “a business, as a subject of demand for existing and future human capital, shares the responsibility for its preservation, development and replenishment with the government” [9]. Corporate demographic policy as part of the company’s social policy shows, first of all, the attention of the company’s management to its employees, to the fact that they have children; it shows that the company is also interested in these children getting everything they need for their development. In our opinion, the loyalty of employees to their enterprise and, as a result, the effectiveness of their professional work, will increase if employees know that their superiors are interested in them not only because they perform certain work, but also because they are people who have children. Demographic issues also include employers’ concern for the health of their employees. According to a number of studies, the introduction of corporate health promotion programs can reduce disability from a number of causes by almost 30%, and in some companies even more<sup>2</sup>.

The interest of enterprises in the implementation of social policy is also based on the fact that, when they assume part of the state’s obligations toward the population, they receive governmental support

<sup>1</sup> Tax Code of the Russian Federation (Part Two, dated August 5, 2000, no. 117-FZ) (with amendments and supplements, entered into force as of November 15, 2020). Available at: <https://base.garant.ru/10900200/> (accessed: October 10, 2021).

<sup>2</sup> The Ministry of Health believes that corporate programs can reduce up to 30% of days away from work. Available at: <https://tass.ru/nacionalnye-proekty/6778718> (accessed: October 10, 2021).

for their interests. For example, this may manifest itself in obtaining preferential loans from state-owned banks, state regulation of the actions of natural monopolies, support of the enterprise with state orders, protection from external suppliers (imports), reduction of the tax burden, etc.

The international experience of interaction between government and business structures<sup>3</sup> in the areas promoting social and socio-economic development of countries goes through the development of the National Agenda [10]. The development of corporate social responsibility (CSR) is regulated by authorities and management using a whole range of tools, from the establishment of ministerial posts on social responsibility (the UK), special legislation on the promotion of CSR (Belgium, Switzerland, Canada) to specific tools for promoting innovation and addressing social issues (Italy, Norway, Poland, Croatia, France). In this direction, it is worth mentioning the experience of the People's Republic of China, which has developed state documents regulating the principles of social responsibility, "Recommended standards of CSR for Chinese corporations", etc.

In addition, social projects have a significant impact on the perception of enterprises in society and their reputation. Expert calculations show that there is a direct positive correlation between the socially-oriented work of an enterprise for the local community and the reputation of this enterprise. For example, an analysis of the activities of 100 German companies confirmed a positive relationship between investments in personnel development and the company's stock price [11; 12].

An analysis of international experience provides information about the most successful and effective forms and areas of development of corporate social responsibility. However, using the experience of such

programs requires taking into account historical features of countries, their traditions and the level of socio-economic and political development. Speaking about social responsibility in Russia, we cannot but recall the glorious traditions of patronage of the 19th and the early 20th century. At the same time, over the past half a century and more, there has been a noticeable evolution of the social responsibility of Russian business and the economic interaction of authorities and business structures. The 1960s and 1980s witnessed the development of backbone enterprises that formed and serviced the social infrastructure in their regions, creating factory canteens, dachas, polyclinics, health resorts, suburban children's health camps, departmental housing, dormitories for workers. In the early 1990s, a radical change in social and economic relations led to a total reduction in the social responsibility of economic entities. The latter hastily got rid of their social facilities (or transferred them to regions and municipalities), reducing social obligations to a minimum. The solution of social issues was handed over to the government. Stabilization of the socio-economic situation in the 2000s once again shifted the focus toward the development of corporate social responsibility, which today is becoming a factor reflecting economic efficiency and stability in the long term.

In modern Russia, institutional conditions are being formed that regulate the interaction of government and business, the formation and development of social responsibility; legislative acts regulating standards are being adopted. Such documents include GOST R 54934-2012/OHSAS 18001:2007 – it is the National Standard of the Russian Federation, which establishes requirements for the occupational health and safety management systems (BTiOZ) at enterprises. It is intended for use by organizations of any type and size, regardless of differences in geographical, cultural and social conditions.

Employee support measures and the forms of

<sup>3</sup> Four emerging trends in corporate social responsibility. Available at: [http://www.mallenbaker.net/csr/page.php?Story\\_ID=2747](http://www.mallenbaker.net/csr/page.php?Story_ID=2747) (accessed: October 10, 2021).

corporate social responsibility have changed significantly. Companies no longer seek to have subordinate social institutions (hospitals, kindergartens, summer recreation camps or health resorts), that is, they do not intend to form a social environment. Most often, support measures are reduced to cash payments and participation in individual projects [13].

For the purposes of the study, we analyzed social policy of seven large Russian corporations: PAO Severstal, Magnitogorsk Iron & Steel Works PJSC, Gazprom Neft PJSC, PJSC Lukoil, JSC Russian Railways, PJSC PhosAgro, PJSC Acron. The analysis of the support measures provided by the companies to employees and their families was

carried out on the basis of the data published in open access corporate reports.

**Findings of the corporate social policy analysis**

According to the results of the analysis of the social policy of Russian corporations, each of the companies under consideration provides a fairly wide range of social support measures for its employees (*Tab. 1*), their families (*Tab. 2*), veterans and pensioners, focusing on the specifics of activity and established traditions. At the same time, the accounting documentation of enterprises indicates that a small part of companies have departmental social institutions. Most of the companies prefer, as we mentioned above, to pay partial compensation for the social services provided to employees and

Table 1. Support measures provided by companies to their employees

Company	Support measures
PAO Severstal	Treatment of employees at health resorts and health-and-wellness centers
Magnitogorsk Iron & Steel Works PJSC	Life and health insurance, treatment and medical care; providing the opportunity for improving the living conditions of employees
Gazprom Neft PJSC	Voluntary medical insurance; staff training and development; occupational safety and health; payment for the treatment of employees at health resorts, paying for membership in health groups, corporate discounts for the purchase of passes to sports clubs; housing program; sports and cultural events
PJSC Lukoil	Occupational safety and health; voluntary health insurance; support for women and families with children; housing programs; accident insurance; staff training and development
JSC Russian Railways	Social protection of women; health and wellness; voluntary medical insurance; physical culture and sports; culture; financial assistance in special cases; housing policy; free travel for employees; training and staff development; guarantees and benefits when an employee is released
PJSC PhosAgro	Health and recreation; improvement of working conditions; organization of cultural events
PJSC Acron	Social package for employees
Compiled according to: JSC Russian Railways 2020 Annual Report. Available at: <a href="https://company.rzd.ru/api/media/resources/1734835?action=download">https://company.rzd.ru/api/media/resources/1734835?action=download</a> ; PJSC Acron 2020 Annual Report. Available at: <a href="https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2020">https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2020</a> ; PJSC Acron 2019 Annual Report. Available at: <a href="https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2019">https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2019</a> ; PJSC Acron 2018 Annual Report. Available at: <a href="https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2018">https://www.acron.ru/investors/financial-statements/?brand=1988&amp;type=178&amp;year=2018</a> ; PJSC Lukoil 2019 Annual Report. Available at: <a href="https://lukoil.ru/FileSystem/9/546178.pdf">https://lukoil.ru/FileSystem/9/546178.pdf</a> ; PJSC Lukoil 2020 Annual Report. Available at: <a href="https://lukoil.ru/FileSystem/9/551394.pdf">https://lukoil.ru/FileSystem/9/551394.pdf</a> ; Magnitogorsk Iron & Steel Works PJSC 2020 Annual Report. Available at: <a href="http://www.mmk.ru/for_investor/annual_reports/">http://www.mmk.ru/for_investor/annual_reports/</a> ; PAO Severstal 2020 Annual Report. Available at: <a href="https://www.severstal.com/rus/ir/results_reports/annual_reports/">https://www.severstal.com/rus/ir/results_reports/annual_reports/</a> ; PJSC PhosAgro 2020 Integrated Annual Report. Available at: <a href="https://www.phosagro.ru/investors/reports/year/">https://www.phosagro.ru/investors/reports/year/</a> ; JSC Russian Railways 2018 Corporate Social Report. Available at: <a href="https://company.rzd.ru/api/media/resources/1581145?action=download">https://company.rzd.ru/api/media/resources/1581145?action=download</a> ; JSC Russian Railways 2019 Corporate Social Report. Available at: <a href="https://company.rzd.ru/api/media/resources/1635554?action=download">https://company.rzd.ru/api/media/resources/1635554?action=download</a> ; Gazprom Group's Sustainability Report 2020. Available at: <a href="https://www.gazprom.ru/f/posts/57/982072/sustainability-report-ru-2020.pdf">https://www.gazprom.ru/f/posts/57/982072/sustainability-report-ru-2020.pdf</a> ; Gazprom Group's Sustainability Report 2019. Available at: <a href="https://www.gazprom.ru/f/posts/77/885487/sustainability-report-rus-2019.pdf">https://www.gazprom.ru/f/posts/77/885487/sustainability-report-rus-2019.pdf</a> ; Gazprom Group's Sustainability Report 2018. Available at: <a href="https://www.gazprom.ru/f/posts/01/851439/sustainability-report-rus-2018.pdf">https://www.gazprom.ru/f/posts/01/851439/sustainability-report-rus-2018.pdf</a> ; Sustainability Report of LUKOIL Group for 2018. Available at: <a href="https://lukoil.ru/FileSystem/9/504838.pdf">https://lukoil.ru/FileSystem/9/504838.pdf</a> ; Sustainability Report of LUKOIL Group for 2019. Available at: <a href="https://lukoil.ru/FileSystem/9/554309.pdf">https://lukoil.ru/FileSystem/9/554309.pdf</a> ; Sustainability Report of LUKOIL Group for 2020. Available at: <a href="https://lukoil.ru/FileSystem/9/555493.pdf">https://lukoil.ru/FileSystem/9/555493.pdf</a> ; PAO Severstal 2020 Sustainability Report. Available at: <a href="https://www.severstal.com/rus/sustainable-development/documents/reports">https://www.severstal.com/rus/sustainable-development/documents/reports</a> ; Magnitogorsk Iron & Steel Works PJSC Sustainability Report for 2019. Available at: <a href="http://www.mmk.ru/for_investor/annual_reports/reports_sustainable_development/">http://www.mmk.ru/for_investor/annual_reports/reports_sustainable_development/</a> ; Portal on accounting, taxes and auditing in Russia Audit-it.ru. Available at: <a href="https://www.audit-it.ru/">https://www.audit-it.ru/</a>	

their families. For example, Gazprom PJSC has preserved a network of departmental health-and-wellness and health resort institutions. It provides voluntary medical insurance (VMI) policies not only for employees, but also for their family members. Certain types of support, benefits and guarantees are provided to employees of subsidiaries located in the Far North and equivalent areas, young professionals, employees with large families, and employees with disabled children.

JSC Russian Railways also has a network of medical (173 hospitals and polyclinics) and health facilities (84 health resorts, health-and-wellness facilities and recreation centers), 80 children's summer camps, sports (more than 50) and cultural (more than 40) facilities. The company provides employees, their family members and pensioners with a social package under a collective agreement, which includes not only basic social guarantees, but also a range of VMI services and additional benefits. The company compensates from 50 to 90% of the cost of trip vouchers for employees, their family members and non-working pensioners. Among

other things, the company provides additional financial assistance for the birth of a child, a child care allowance, and insurance payments in the event of the death of its employee.

PAO Severstal allocates financial assistance in the form of cash payments in the total amount of 170 million rubles to employees for their treatment at health resorts, provides employees' children with recreation at children's health camps, and if an employee has a family, additional cash payments and loans are provided: for the birth of a child (3,000 rubles), financial assistance due to a difficult life situation (up to 15,000 rubles), etc. A corporate pension program has been developed for people of retirement age, i.e. employees who have fulfilled a number of conditions, after retirement, are assigned monthly financial allowance at the expense of the employer, the amount of which depends on the length of service in the company. For non-working pensioners, the company provides separate measures of social support such as health vouchers to a health resort, one-time payments in connection with anniversaries and holidays, etc.

Table 2. Support measures provided by companies to their employees' children and families

Company	Support for employees' children	Support for employees' families	Support for pensioners
PAO Severstal	Treatment of employees' children in summer camps and health resorts	Support for employees' families in the form of financial assistance and targeted loans	Corporate pension program, social support measures for non-working pensioners
Magnitogorsk Iron & Steel Works PJSC	Treatment of employees' children in summer recreation camps and wellness centers	Rehabilitation treatment of employees and their family members at health resorts and wellness centers, support for large families and motherhood; promotion of birth rate	Support for unemployed pensioners and persons with disabilities
Gazprom Neft PJSC	Voluntary health insurance* Sports and cultural events*		Corporate pension program; voluntary health insurance
PJSC Lukoil	Support for families with children*		Non-state pension provision
JSC Russian Railways	Children's health improvement; free-of-charge travel for children under 18 years of age; insurance of employees' children from accidents during their stay in children's health camps	Health improvement for employees and their family members; physical culture and sports	Healthcare and wellness; corporate pension program
PJSC PhosAgro	"PhosAgro classes" and "PhosAgro school"	Corporate housing program	Social guarantees
PJSC Acron	Support for families with children*		Support for pensioners
* The companies do not divide support for children and support for families into separate categories. Compiled according to annual reports of the companies.			

PJSC Acron reduces its social policy to individual projects and targeted financial compensation of social services and benefits. Thus, the company allocates funds for medical treatment and sports events for its employees; cultural events are organized annually, sports grounds are rented. Payments are provided at the birth of a child, for children's leisure and joint activities of parents and children; part of the cost of vouchers to children's health centers is compensated. Non-working pensioners can visit polyclinics, sports and cultural centers on the same conditions as the company's employees. The company provides special benefits for young professionals: financial assistance in connection with marriage, paid study leave, organization of education programs, trainings, sports and leisure activities, partially reimbursed bank interest rate on mortgage loans, etc.

The presented range of social support measures is diverse and multidirectional. At the same time, the materials of open-access reports suggest that companies are careful with regard to spending money on the social component. Calculations have shown that in most corporations, annual social support expenditures per employee did not exceed 100 thousand rubles, and they decreased significantly under the pandemic (*Tab. 3*).

In 2020, in the corporations under consideration, expenditures on social policy ranged from 1 to 25% of their net profit. In PAO Severstal

and PJSC PhosAgro, such items of expenditure accounted for 0.99 and 2.1%, respectively. The share of social expenditures is slightly higher among the companies of Gazprom Neft PJSC and PJSC Acron (25.03 and 11.43%, respectively). JSC Russian Railways in 2020 allocated more than 40% of payments (28.5 billion rubles) to ensure the safety and health of workers, which is 20% more than in 2018.

On the other hand, according to the analysis of the orientation of social expenditures of enterprises we see that they pay insufficient attention to the goals of demographic policy; therefore, companies have opportunities to expand social support for employees in this direction.

The approach suggesting the possibility and expediency of considering enterprises as actors of demographic policy is extremely new to the Russian economy. In Russia, there is a widespread belief that the number of children in a family is the family's "own business". However, the state's attention to these issues in recent years suggests that children are needed not only by the family. Indeed, every child is a future participant in the labor market, a future consumer of goods and services, a future taxpayer. A business focused on effective work in the long term can find strategically important to pursue a social policy aimed not only at stimulating professional work, but also at supporting employees in performing their parental functions.

Table 3. Social expenditures of companies in 2018–2020

Company	Expenditures, billion rubles			2020 to 2018, %	Expenditures per 1 employee for 2020, thousand rubles	Ratio of social expenditures to net profit, %
	2018	2019	2020			
JSC Russian Railways	51.5	47.8	-	-	-	-
PAO Severstal	1.42	1.43	1.14	24.56	21.79	0.993
PJSC PhosAgro	0.86	1.12	1.03	16.51	57.80	2.136
Magnitogorsk Iron & Steel Works PJSC	1.74	1.97	1.82	4.40	32.20	3.533
PJSC Lukoil	16.9	17.4	16.7	1.20	160.2	8.453
PJSC Acron	0.664	0.680	0.650	2.15	56.87	11.433
Gazprom Neft PJSC	42.8	45.1	40.7	5.16	90.9	25.038

Compiled according to: [1–17].

In our opinion, corporate demographic policy can become one of the most important elements of corporate social responsibility in countries with negative demographic forecasts. The goals of corporate demographic policy have two levels: 1) global – reducing social tension in society, increasing the quantitative and qualitative results of parenthood; 2) local – increasing the loyalty and effectiveness of the company's personnel, that is, employees who already have children or intend to become parents.

Thus, we see the advantages of business participation in solving demographic problems of society in the following:

A) for society:

1) Increasing birth rates.

The inclusion of one more subject in the demographic policy will show the population the importance of these problems for society, attention to them on the part of the most important economic entities, willingness to participate in their solution. This, in turn, after a while can lead to an increase in the reproductive norms in society, strengthening the public's perceptions of advantages and smoothing out the perceptions of the shortcomings of parenthood. Society's attitude toward domestic work creates prerequisites for the formation of a state information policy aimed at recognizing the importance of this type of work.

2) Reducing tension in society.

State and corporate policy based on treating employees with children in the same way as people with dual employment, who build professional and parental careers at the same time, has the potential to reduce social tension.

C) for business:

Improving the efficiency of interaction within work teams and the efficiency of work at enterprises.

In our opinion, the implementation of corporate demographic policy can solve the following tasks:

improving the socio-psychological climate at the enterprise; enhancing labor motivation and helping employees realize their potential both at work and in their family and parental sphere; reducing staff turnover rates, increasing employee loyalty; improving the health of employees and their children.

In our opinion, demographic policy implemented by different actors should remain holistic. For example, the government can set general principles for its implementation and improvement, formulate goals and incentive mechanisms for the actors (individual regions, businesses) that implement this policy. Regional authorities should adjust the policy so that it would correspond to the specific conditions prevailing in the region, economy and socio-cultural sphere. Enterprises should adapt these principles to the needs of specific employees.

#### **The concept for corporate demographic policy: purpose and objectives**

Corporate demographic policy as a system of measures aimed at supporting the needs of employees of the organization who, in addition to professional and labor functions, also perform family functions (including parental functions, care for elderly parents, etc.) [14] should receive conceptual approval. The concept for demographic policy of Russian organizations defines a system of views, starting points, principles, priorities, basic concepts and measures in the field of support and promotion of the health of workers; improving the conditions and the quality of life of Russian families; focusing on social obligations toward families with children; improving working conditions, creating jobs taking into account the changing age structure of the population; creating working conditions for mothers with children under the age of 3; motivating employees to a healthy lifestyle by creating accessible conditions for physical education, etc. [15; 16].

The purpose of corporate demographic policy in Russia is to ensure the most favorable moral, economic and social conditions for the implementation of parental and other family functions by employees, provided that they have an official job.

The main task of corporate demographic policy is to systematize and consolidate the principles, values and norms of employee support in terms of nurturing and shaping the future human capital of modern society, that is, in implementing measures to support and promote parenthood and parental labor. First of all, corporate demographic policy is focused on working parents and those who are potentially ready to become a parent while working in an organization.

The objectives of the implementation of Russia's corporate demographic policy are as follows:

1) treating employees of Russian organizations simultaneously as subjects of professional work and as persons with family responsibilities;

2) treating the family as the main value in the life of an employee, in the course of development and implementation of Russia's corporate personnel-related and social policy;

3) considering corporate demographic policy as a key element of social responsibility policy.

The basic principles of Russian corporate demographic policy, according to which it is developed and implemented, include a set of general rules based on the laws of the functioning and development of organizations and society as a whole:

- comprehensiveness, complexity, consistency and variability of initiatives implemented in the demographic sphere;

- non-discrimination against certain categories of personnel;

- compliance with legislative norms and other obligations assumed by organizations in the field of regulation of labor relations and labor incentives;

- taking into account the expectations and interests of participants in labor relations and other interested parties;

- diversification of the instrumental basis of corporate demographic policy with simultaneous enhancement of the intangible component;

- integration of parenting incentive methods into the overall system for employees' motivation and incentives;

- assessment of the effectiveness of the current practice of implementing corporate demographic policy and its continuous improvement;

- clarity and information transparency;

- regular monitoring and improvement of existing practices for the implementation of corporate demographic policy.

Corporate demographic policy is founded on the basic values and principles of corporate social responsibility. At the same time, it is focused to a greater extent on internal stakeholders, i.e. on employees with children or on those who are planning to have children and who have obligations to their family members.

Regulation of relations in the field of demographic policy implementation at the level of Russian organizations involves the following stages.

1. Working out and systematizing the goals, rules, principles and norms of internal policy within the organization of the relevant system of prioritization of the demographic sphere.

Working out corporate demographic policy is based on the principle of employee involvement in the process. Organizations may be recommended to establish appropriate specialized committees. The work of the profile committees should be organized on a voluntary basis, while the participation of employees with children in the work of the committees can be encouraged through tangible or intangible incentive measures. The composition of the committees should be occasionally updated.

## 2. *Developing a tool base for stimulating parenthood of employees.*

The tools for providing material incentives within the framework of a corporate demographic policy can be as follows:

- subsidizing preschool and general education (in particular, compensation for part of the cost of a child's attendance at a preschool educational institution, as well as school and extracurricular activities);
- opening of a corporate kindergarten or children's rooms;
- creating preferential lending programs for young families;
- developing financial assistance programs for young families and working parents.

The system of non-material incentives within the framework of corporate demographic policy may include the following areas:

- expanding the range of voluntary health insurance programs;
- introducing an advisory position of a family psychologist who can help employees solve their urgent problems (such consultations can be carried out both face-to-face and remotely);
- providing employees with opportunities to complete educational programs on parenting, child protection, and child rearing;
- organizing and hosting contests and competitions for employees' children;
- granting rewards to employees' children with excellent performance at school;
- conducting excursions to organizations for employees' children, organizing career days, etc.;
- holding corporate events ("Family Day", "Health Day", etc.), in which not only the employees themselves, but also their family members participate.

## 3. *Developing a system of information and communication support for corporate demographic policy. Supporting and developing professional dynasties.*

This stage implies that the personnel policy should consolidate provisions concerning the importance of employees as family members, respect for their family responsibilities in relation to their children and the older generation of their relatives.

**The mechanisms for implementing the concept** are grouped into four areas:

1. *Ensuring the protection of employees' life and health.* The main measures include reimbursement of expenses for medical services (including prenatal care and childbirth), corporate medicine, preventive campaigns, regular medical examination of employees, assistance from staff psychologists, programs for organizing sports leisure of employees, organization of a comfortable workplace, etc.

2. *Decent remuneration for work, including social support measures.* This category includes not only the payment of wages that meet the requirements of the labor market, but also the bonus fund that is effective and commensurate with the success of the company; measures to assist employees in matters of lending.

3. *Respect for employees' family responsibilities.* This becomes possible through the implementation of corporate services providing educational activity and leisure for employees' children; reimbursement of expenses for care activities for elderly relatives and family members requiring special assistance; measures aimed at maintaining a work-family balance, etc.;

4. *Effective system of interaction with employees.* Considering their staff as persons most interested in the success of the company, organizations with a high level of social responsibility are ready to offer them a transparent system of interaction, flexible work and vacation schedules, the possibility of remote work, etc.

Orientation toward the proposed model and its use by enterprises in the implementation of social policy will make it possible to provide the demographic measures implemented in the

country with consistency, complexity and comprehensiveness, which will increase the effectiveness of the state demographic policy as a whole, and the social and economic effects of the implementation of individual corporate programs.

**The expected results of the introduction of the concept** for corporate demographic policy primarily imply that it will help to provide the demographic measures implemented in the country with consistency, complexity and comprehensiveness, which will increase the effectiveness of the state demographic policy as a whole, and the social and economic effects of the implementation of individual corporate programs. The inclusion of the social institute of business in the implementation of demographic policy will help strengthen the confidence of employees in their employer, increase their loyalty, and create a solid foundation for the development of human capital at the meso-level. The joint activity of the government and organizations in the field of support and development of the demographic sphere can lead to an increase in the satisfaction of participants in labor relations, strengthening attitudes toward parenthood, increasing the volume of human capital and improving its quality, which plays a critical part in solving current socio-demographic problems in Russia.

**The basic terms of the concept** for corporate demographic policy can include several fundamentally important provisions.

*An employee of an organization* is a subject of labor law, an individual who works under an employment contract with an employer and receives a salary for this. The legal status of an employee is determined by labor legislation, labor and collective agreements, and internal regulations of the organization. The employee has the rights and obligations established by national labor legislation.

*Employer* is a legal entity, an individual who has entered into an employment relationship with an employee.

*Family* includes persons related by kinship and (or) property, living together and running a joint household<sup>4</sup>.

*Young family* comprises persons who are married in accordance with the procedure established by the legislation of the Russian Federation, including those raising a child (children), or a person who is the sole parent (adoptive parent) of a child (children), under the age of 35 inclusive<sup>5</sup>.

*Demographic policy of the Russian Federation* is aimed at promoting life expectancy, reducing mortality rate, increasing birth rate, regulating internal and external migration, preserving and strengthening people's health and improving the demographic situation in the country on this basis<sup>6</sup>.

*Corporate policy* is a system of standard rules regulating the conduct employees at work and the activities of the organization within the framework of the chosen development strategy.

*Personnel policy* is the vision, principles, priorities, norms, rules of conduct for personnel formulated (orally or in writing) by the management of the organization; it is mandatory for all participants in the personnel management process and is aimed at achieving the organization's strategic goals, taking into account continuously changing internal organizational conditions and requirements of the external environment.

*Corporate social responsibility* is a concept according to which organizations take into account

<sup>4</sup> On the subsistence level in the Russian Federation: Federal Law 134-FZ, dated October 24, 1997 (as amended on December 29, 2020).

<sup>5</sup> On youth policy in the Russian Federation: Federal Law 489-FZ, dated December 30, 2020. In: Collection of Legislation of the Russian Federation. January 4, 2021. No. 1 (Part I). Article 28.

<sup>6</sup> On approving the Concept for Demographic Policy of the Russian Federation for the period up to 2025: Decree of the RF President no. 1351, dated October 9, 2007 (amended on July 1, 2014).

the interests of society and assume responsibility for the impact of their activities on the public sphere.

This obligation goes beyond the statutory obligation to comply with legislation and implies that organizations voluntarily take additional steps to improve the quality of life of employees and their families, as well as the local community and society in general.

*Corporate demographic policy of Russian organizations* is an integral system of principles, objectives, norms, rules of conduct and priority measures that organizations implement so as to support governmental decisions in the field of demography; they are mandatory for all participants in the personnel management process and they are developed taking into account internal organizational conditions and external demographic challenges facing the country and a specific region.

### Conclusion

Sustainable development of Russian companies, based not only on economic but also on social factors, leads to a reduction in business risks, promotes competitiveness, increases personnel efficiency and customer loyalty, improves the reputation of the company, creates a positive contribution of the company to the economic and social development of the territory of its presence. This means that the national priorities for the development of society and the tasks of effective business are strategically not only compatible, but also directly related to each other, which brings to the fore the necessity to work out, implement and develop corporate social policy in general and corporate demographic policy in particular.

According to the study, Russian society has the prerequisites for the elaboration and implementation of corporate demographic

policy. One such prerequisite is the return of big business to the social space of its companies after the forced reset of social obligations in the 1990s. Another one is the fact that the preservation of the population, health and well-being have been included in the national development goals of the Russian Federation according to the Decree of the RF President<sup>7</sup>. One more prerequisite is the presence of a number of normative legal documents on the demographic policy of Russia (the Concept for Demographic Policy of the Russian Federation for the period up to 2025<sup>8</sup>; the Decree of the President of the Russian Federation “On the national security strategy of the Russian Federation; the Concept for Family Policy of Russia (approved by the Resolution of the Government of the Russian Federation no. 1618-r dated August 25, 2014); the national project “Demography”, etc.); all of them define basic principles, target indicators and tasks related to population reproduction, preserving people’s health, reducing working-age mortality, increasing life expectancy, etc.

The humanistic approach to social and labor relations that are viewed as the main vector of current socio-economic development requires that the relationship between labor and capital be revised comprehensively and the dilemma “economic efficiency or social justice” be resolved as well. A modern worker in the conditions of demographic shrinkage should become a value around which a system of social services and social programs should be deployed [17].

<sup>7</sup> On the national development goals of Russia until 2030: Decree of the RF President, dated July 21, 2021. Available at: <http://www.kremlin.ru/events/president/news/63728> (accessed: October 10, 2021).

<sup>8</sup> The Concept for Demographic Policy of the Russian Federation for the period up to 2025: Approved by the Decree of the RF President no 1351, dated October 9, 2007. Available at: <https://mintrud.gov.ru/ministry/programms/6> (accessed: October 10, 2021).

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