

WELLSO 2015 - II International Scientific Symposium on Lifelong Wellbeing in the World

Developed Programs of Research into Corporate Social Responsibility in Relation to Older Adults (the Case of Petroleum Companies)

N.N. Goriunova^{a*}, V.V. Guzyr^a, A. Ogunlana^a

* Corresponding author: N.N. Goriunova, pnn@tpu.ru

^aNational Research Tomsk Polytechnic University, 30, Lenina str., Tomsk, Russia, pnn@tpu.ru

Abstract

<http://dx.doi.org/10.15405/epsbs.2016.02.42>

Evaluation of corporate social responsibility in relation to older adults, due to its weak theoretical elaboration, demands course for research. In this paper the authors develop a research program: the factors of well-being of older adults, which may affect the company; develop analytical procedure and indicator's system to measure the social responsibility of business. Calculation of some indicators of corporate responsibility on the example of the companies Rosneft (Russia) and Shell (Nigeria) was made.

© 2016 Published by Future Academy www.FutureAcademy.org.uk

Keywords: Corporate social responsibility, the well-being of older adults, petroleum companies.

1. Introduction

The importance of catering for elderly people, who have worked and serves their nations and companies, need not be forgotten. However, the studies of Corporate Social Responsibility with regard to older generations have not been conducted. The theory of corporate social responsibility is a well sufficient developed scientific guide for both international researchers Fernandez-Feijoo & Romero & Ruiz (2014), Sarvaiya & Wu (2014) and Russian authors, e. g. Badzhieva (2014). Examining this issue in relation to the older generations, which implies comprehensive systems approach in evaluating corporate social responsibility, is poorly develop, it may only be noted by the individual elements of studies of social labour relations, its elements can be observe or seen in various elements of standards responsibilities and audits, however an integrated approach is not presented neither in the world nor in Russians practice.

2. Well-being of elderly people as object of corporate social responsibility

Well-being of elderly people as object of corporate social responsibility is a complex factors that affect the present and future life of elderly people. For the purpose of develop methodology for conducting test factors that may have effects on the company, are being divided into several groups on the subjects of responsibility.

First group – in relation to employees. The future well-being of elderly people is being affected by factors such, as the responsibility of the employer in respect to current employees: worthy official wage – the basis formation of future pension; abiding to work regime and rest, labour standards, programs to support physical activities and health of the workers - the guarantee of health in old age, the ability to implement plans for the creation and support of family well-being, self-development.

Within the frame work of the first group, allocation should also be made for some elderly people to continue working at the company. Both for the purpose of well-being of elderly people and for the conservation and enhancement of potential of the organization, there is necessity to create conditions for transfer experience, favorably emotional atmosphere for retirement.

Third group – component of responsibility – support for elderly people – company’s workers, going into retirement. The purpose is for the increment of their economic, social, physiological and emotional well-being of the company supporting formal employees financially (through corporate pensions, special allowances, bonuses for the holidays, etc.), contributing to their integration into new society for their retirees (for examples, carrying out activities for elderly generations, club of interests), helping to support physical activities and health of the people (holding Olympics, availability of sport sectors, spa treatment).

Fourth group of factors – creation of favorable surrounding for the life of elderly people and societies in general: profile philanthropy or charity (shelters, hospices), compliance with the rules of environmental protection of quality standards of issued products, creation of recreation centre.

3. Setting of goal research

Analyzing responsibility should be based on the use of set methods of collecting, processing and analyzing socio-economic information of the company, aiming to achieving the following objectives:

- carrying out analysis of the condition of well-being of elderly people in the region of the enterprise, assessment the importance and possibilities of improving the level and quality of the life elderly people;
- Studying the extent of the influence of corporate policy on the state of welfare problems of elderly people living in the region concerned;
- analysis and assessment of corporate policies conducive in solving the problem;
- analysis of the factors of social risk and develop proposal for their reduction, formulating on the basis of their recommendations to the management of the enterprise;
- assessment of the ability of the enterprise to manage the welfare of the elderly people, associated with the company and the region as a whole;
- carrying out expertise examination efficiency of the administration of the company in improving corporate social responsibility.

The aim of the research is the study and analysis of the wellbeing of older people; its possibilities of change in the positive or negative direction; identification of factors affecting the dynamics of the relevant socio-economic indicators.

Interest groups (stakeholders): company employees (current and former), the administration of the region, society.

The methodology of the study is based on the use of analytical methods of study based on the criteria "Relevance", "Efficiency", "Strategy". The aim objective of the study in terms of « Relevance » addresses: assessment of the adequacy of practical actions set by the organization rules; analysis of the compliance requirements for staff, rules of law. The task of the study is to evaluate the effectiveness of productivity, performance and economize current and capital expenses, compliance method of management organization and social goals and objectives. By criterion "Strategy" is assessed by the extent of conformity of corporate management with the aim of consumer community, its economic and social strategy; the degree of connection with the specific social policies functioning of the organization.

The basis instruments of the research makes' up the analytical procedures that evaluate the appropriate indicators, standards, and the actual state of monitored objects.

4. Development of analytical procedures

Analytical procedures of the study of corporate social responsibility in relation to older people are developed by the authors in the following areas:

- personnel policy,
- organization and regulations of labour,
- wages,
- health and safety,
- social policy,
- ecology,
- participation in community life,
- the quality of products.

Within the framework of the criterion of "relevance" for each analytical procedure is necessary to assess the conformity of the research subject with the Russian legislation, corporate, industry, cross-sectorial, regional and international standards.

The study of the author formed part of the analytical procedures, suitable for use in the study of corporate social responsibility in relation to older people.

Analysis of wages as a social category involves:

- analysis of its reliability and stability of (timely payments, inflation accounting, payment downtime, compliance with the law for dismissal),
- analysis of minimum and average wages of employees,
- revealing the extent of its use as a base for calculation of contributions to the Pension Fund, in order to guarantee pensions of older employees, accordance of government guarantees. In the latter case, the researcher must review the indicators, indicating the possibility of 'gray' or black' wages.

Analysis of labour standards, established by the company, consist the analysis validity of their technical, organizational and social point of view. Rules and regulations should be designed to work in a normal working conditions, assume from physiologically accepted pace, severity and intensity of work, taking into account gender, age, health worker. It's necessary for older people:

- to reduce the relevant labor standards,
- to provide gentle treatment of labor, additional days of rest,
- not to involve overtime.

Social orientation of the organization of work also involves enriching the content of labour and its humanization.

Assessment of compliance with the requirements for health and safety is conducted on their compliance with accepted standards, the elements of these standards and social audit is conducted to assess compliance with the requirements of occupational safety standard SA 8000. As part of the research subject focuses on the working conditions of older people:

- compliance with the necessary requirements allowing for the physical and emotional condition of older workers;
- provide opportunities to change profession, place of work for worker to a comfortable environment which does not involve increased danger or harm;
- the content and scope of on going activities for labor protection.

During the analysis completeness of social guarantees is estimated by the list and the accrued amount of government benefits and allowances provided by the legislation for the protection of worker's rights (sickness, maternity, vacation, travel payment, provision of breaks and days off, etc.). Researcher examines and analyzes the social package provided by the employer (payment of mobile communication, housing, compensation for the use of a personal vehicle for business purposes, the subscription for sport, lunches at the office, recreation and leisure, transport service, etc.). With regard to older people the need to assess the magnitude and direction of the organization of treatment, recreation and leisure activities of this group of workers; degree of involvement in these activities of former employees who retired.

As part of the study of personnel policy is necessary to analyze the company's policy in respect of employees of the older generation:

- how to evaluate their performance,
- how to solve the issue of retirement,
- how to save human potential of the company – the older generation pass on their knowledge, skills and experience to junior and middle generation (organization of events for broadcasting the experience of such workers, preparing them for change, seeking advice for employees who retire).

From the point of view of the well-being of the elderly, it is important to analyze the existence and content of corporate pension plans, contributions on the additional government pension insurance.

The criterion of "Strategy" examines the company's policy on interaction with the external environment:

- charity in relation to the target groups and relevant organizations (nursing homes, shelters, etc.);

- participation in public events for recreation, leisure, physical training of older people;
- improving the quality of products in order to safeguard the health of consumers;
- ecological production and environmental protection.

5. Indicators evaluation of corporate social responsibility of business

For the realization of analytical procedures studies of corporate responsibility in relation to older people formed a system of indicators, taking into account of all the above requirements (Table 1).

Table 1. Indicators evaluation of corporate social responsibility of business in relation to older people.

Name of the analytical procedure	Resource (factor)	Indicator
According to the criterion «Relevance»		
Analysis of wage as the basis for calculating contributions to the Pension Fund	Wages fund	The ratio of contributions paid to the Pension Fund and accrued wages and
Analysis of the organization and regulation of labor	Wages fund	Differentiation rules and conditions of work for elderly workers
Analysis of working conditions and protection	Income of the enterprise	The ratio of costs of providing a comfortable working environment with company revenues
The analysis provided by social guarantees and social package	Wages fund	The ratio of costs of providing social benefits from the company's profit
According to the criterion of "efficiency"		
Analysis performance of employees	number of employees	Employee productivity
Analysis contribution of workers in the transfer of skills, training shift	number of employees	The number of applicants for a place of one average future pensioner
Analysis of corporate pension plans	Fund for the payment of corporate pensions	Corporate pension paid on average per pensioner Company
Analysis of contributions to supplementary pension insurance	Social insurance contributions	The ratio of the amount of contributions to supplementary pension insurance and payroll
According to the criterion "Strategy"		
Charity in relation to the target groups and relevant organizations	profit organization	Share ratio of spending on charity in the company's profits
Participation in social activities for recreation, leisure, physical training of elderly people	profit organization	The share ratio of costs of participation for the organization of events in the company's revenue
Quality of issued products	production expenses	Percentage of conformity of a particular product quality requirements established by standards, technical conditions, the requirements specified in the supply agreement
Environmentally friendly production and environmental protection	Expenditure on environmental measures	Emissions into the environment, the cost of environmental measures

Interest of results of computations is in in this case, if they are analyzed in dynamics and / or compared (by company, region, country, with the average).

6. Indicators evaluation of corporate social responsibility of business

Analysis of some indicators to measure corporate responsibility of petroleum companies

During study based on data from social reporting compared to the level of corporate responsibility in relation to older people of two giants in oil business of Russia and Nigeria:

The companies, Rosneft and Shell. The table 2 below shows the contributions of Shell Nigeria and Rosneft Russia to pensioners and veterans.

Table 2. Comparative analysis of some indicators to measure corporate responsibility of petroleum companies.

Name of the analytical procedure	Shell, Nigeria	Rosneft, Russia
Pension Fund provision	The pension fund of employees is being taking care of by Shell Nigeria Pension Fund Administrator (SNC PFA). This is to ensure that all employees of shell company who have worked for long certain period of time, will receive a regular monthly income. The fund caters for 3000 pensioners and 4000 actives employees. Total amount paid out to pensioners was not stated but the percentages of outstanding refunds were mentioned (Shell Nigeria, 2013).	Provision for pensioners are be implemented by non-governmental pension fund "Neftegarant" which was established by "NK Rosneft" in the year 2000 (Rosneft, 2013). 57,6 pensioners and veterans companies and their subsidiaries communities receive pensions in 2013. The total money paid out to pensions is 1.32 billion rubbles. Average pension is 22 912 rubles per person.
Material Support	Pensioners' medical scheme which is operated by Hygeia Health Maintenance Organization (HMO) cover (as stated in the newsletter 2013) pensioners of shell company and their spouses. Hygeia HMO is a limited liability company.	The expenditure ratio provided for social benefit from the company's profit (2013) = 3,5 %
Event holding, charity	Publications of milestone birthdays of pensioners by SNC PFA, and also giving one on one interviews to celebrants	In 2013 to charity in respect of veterans sent 98.2 million rubles (0.07% of the profits)
Environmentally friendly production and environmental protection	Co-efficient CSR donation is 0,66%	Co-efficient CSR donation is 1,53%

Rosneft company despite having the most quantity of pensioners including veterans, never owe or postpone payment. Furthermore, the table shows that Rosneft Russia spent more on CSR than Shell Nigeria.

7. Conclusion

The study of corporate social responsibility in relation to the older people is a necessary procedure for the formation and evaluation of management companies on the use of human capital; support workers, retirees; regional Policy. In terms of factors that may affect the company in respect of the four groups of subjects of its social responsibility, the company's activities must be analyzed in terms of

personnel policy, organization and regulation of labor, wages, labor protection, social policy, the environment, the company's participation in community life, the quality of issued products. The study developed analytical procedures of research of corporate responsibility in relation to the older people, established a system of indicators for assessing the quality of corporate social policy. The corresponding figures should be analyzed in the dynamics, compared to the average by the industry, region, and country.

Acknowledgements

This work was performed by the author in collaboration with Tomsk Polytechnic University within the project in Evaluation and enhancement of social, economic and emotional wellbeing of older adults under the Agreement No.14.Z50.31.0029.

References

- Badzhieva Z.V. (2014) Corporate social responsibility of Russian business. *Sovremennye korporativnye strategii i upravlencheskie tehnologii v Rossii: sbornik nauchnyh trudov*, 27-32 (in Russia).
- Fernandez-Feijoo, B. & Romero, S. & Ruiz, S. (2014). Commitment to Corporate social responsibility measured through global reporting initiative reporting: Factors affecting the behavior of companies. *Journal of Cleaner Production*, 81, 244-254.
- Podsakoff, P. M. & MacKenzie, S. B. & Lee, J. & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Rosneft (2013). Sustainability Report. *Rosneft*, Available at: <http://www.rosneft.ru/Development/reports> (accessed 24.11.2014).
- Sarvaiya, H. & Wu, M. (2014). An integrated approach for corporate social responsibility and corporate sustainability. *Asian Social Science*, 10, 17, 57-70.
- Shell Nigeria (2013). Staff pension funds. *Shell Nigeria*, Available at: <http://www.shell.com.ng> (accessed 24.11.2014)