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**Global Challenges and Prospects of the Modern Economic
Development**

**SOCIAL POLICY OF ORGANIZATION IN THE CONTEXT OF
THE COVID-19 PANDEMIC**

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Abstract

One of the main tasks of the organization at present is the formation of an effective management system. The processes of globalization require the development of a new approach to solving economic, political and social problems. In a socially oriented economy, the social policy of organizations plays an important role. An effective social policy promotes the attraction and retention of highly qualified personnel, the growth of non-financial assets, and the possibility of entering new markets. In addition, the instability of the economy, the limited state budget and the growing role of civic engagement have led organizations to take on a large number of social issues. In this regard, the social policy of an organization in modern conditions is a mandatory measure to eliminate negative consequences in order to socially protect personnel. It goes beyond the limits of a separate organization and becomes part of the social policy of the state. In the last year, all business processes, including the social policy of the organization, were greatly influenced by the spread of the new Covid-19 infection. The conditions for maintaining strict restrictions on the operating procedures of many companies put them in conditions of survival, when the least attention is paid solving social issues both within the organization and outside it. In these conditions, it becomes necessary to revise the social obligations of the organization to its employees and society as a whole.

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1. Introduction

Currently, there is an increasing need for the formation and improvement of the social policy of the organization. The main factors that determine this process are globalization and opportunities to use new markets to increase profitability, as well as to minimize reputational risks (Hopkins, 2015). It is becoming clear that many organizations have faced economic problems during the spread of the new COVID-19 infection. This, in turn, led to serious social consequences: social vulnerability of all categories of the population, low income, unemployment, underfunding of social facilities. At the same time, it is obvious that the long-term financial success of the organization is possible only when establishing relationships with other organizations, the local community and citizens in conditions of social sustainability. Therefore, the main factor of success in modern conditions is the revision of one's own social policy in order to optimize it in accordance with economic conditions and opportunities in the context of a pandemic.

Until recently, the social policy of the organization was aimed at regulating social processes, the result of which was to obtain the greatest economic effects. Its main goals were to preserve, strengthen and develop the professional qualities of the organization's personnel, increase the competitiveness of employees, and achieve the highest possible economic results of the organization's activities (Vozmilkina, 2016). Modern conditions have radically changed the directions and goals of social policy. Most organizations no longer see it as a tool for solving internal social problems in the company. The Covid-19 pandemic has a set of its own requirements when it is necessary to take part in addressing urgent global social and environmental problems (He & Harris, 2020).

There is no doubt that the more effective the social policy of the organization is, the higher the competitiveness of the employees working in it and the company itself. Many companies have tried to fight the spread of COVID-19 and protect their stakeholders, such as employees, customers and communities, despite strong financial pressure (Qiu et al., 2020). According to various surveys of employees and clients of organizations, it was revealed that after the restrictions imposed due to the spread of COVID-19, the need for strengthening measures for social protection of employees and solving social problems of all stakeholders of the organization increases. As practice shows, internal social policy is mainly focused on the development of such solutions that are associated with improving the social status of each employee by providing them with additional social guarantees (Eleshin, 2016). However, the expectations of all stakeholders have changed. And, as a rule, they are associated with the preservation of health (transfer to remote work, conducting additional preventive examinations, providing personal protective equipment) and maintaining material well-being (material payments to various most vulnerable categories of employees, flexible terms of discounts for customers and suppliers).

However, the social policy of the organization currently represents not only responsibility for the staff, by creating safe working conditions, paying decent wages and additional social protection measures, but also responsibility for the human capital of the country. Therefore, social policy increasingly includes measures for responsible management, environmental protection, and the development of local communities. This system of social responsibility of business requires significant financial costs in the short term, which is associated with a decrease in profits, and should focus on achieving sustainable profits in the long term. To this end, it is assumed that various methods should be used to assess its effectiveness in order

to include it in the organization's development strategy and the ability to manage it. It follows that in modern conditions the role and importance of the social policy of the organization is increasing.

2. Problem Statement

The profitability or unprofitability of a business in the context of the COVID-19 pandemic largely depends on the economic situation on the global market. However, on the other hand, the effectiveness of business processes is influenced not only by economic factors, but also by the social policy of the organization, which, in turn, should be formed in accordance with the level of development and size of the organization and not be identified with the activities of large corporations (Schönborn et al., 2019).

The state, unable to cope with all the social and economic problems that have collapsed on it, expects a response and help from business. However, the economic and financial crisis that affected many companies during the spread of the new Covid-19 infection led to the need to review social policy. Lack of funds to fulfil social obligations often leads to the curtailment of all areas of social work in the organization. There is a need to organize optimal social policies in the organization in the context of the large-scale spread of severe restrictions in connection with COVID-19. Recently, a large number of scientific works devoted to the economic, political and social issues that arose during the spread of coronavirus infection around the world cover only the national aspects of overcoming the crisis and the possibilities of providing social support to the population and business, and do not reveal the organizational aspects of the formation and further implementation of social policy during COVID-19. This dictates the need to optimize the costs of implementing social policy in the organization in the context of the spread of coronavirus infection. To solve this problem, the following tasks were set in this article:

- to substantiate the need to optimize the social policy of the organization in order to reduce the negative consequences due to the spread of COVID-19;
- to identify the main directions of changes in social obligations of organizations in the context of the pandemic;
- to form the concept of social policy of the organization taking into account the changes taking place in society;
- to prove the relevance of the organization's social policy for its sustainable development.

The solution of these tasks will allow businesses to bring social policy in line with their financial resources.

3. Research Questions

Given the new nature of the relationship between business and the state, changes in the expectations of stakeholders in the context of the pandemic and a large number of scattered scientific studies on the impact of coronavirus infection on the activities of organizations, the study raises the following questions:

1. How do investments in the implementation of social policy affect the organization's activities?
2. What changes are taking place in the structure of social policy in the context of the spread of coronavirus?

3. How necessary is the implementation of social policy during the pandemic in conditions of severe financial resource constraints.

In order to get answers, the authors analyzed the activities of large Russian companies. This study reveals the relationship between the implementation of social programs by the organization and its position on the market during the crisis. It also shows that social activities aimed at the development of local communities contribute to attracting attention and positive evaluation from stakeholders.

4. Purpose of the Study

Modern conditions dictate new rules for the formation of social obligations of business in relation to society and employees. A study of the activities of Russian organizations shows that the costs of implementing social policy in the context of the COVID-19 pandemic are in most cases reduced. However, to date, there are a large number of agreements in the country, and in organizations – collective agreements that provide for the mandatory implementation of all the provisions set out in them. This predetermined the need to review the financing of a number of areas of social policy in the organization. This study allows us to identify changes in the social policy of organizations in the context of the spread of coronavirus. The data obtained will prove the need to finance the social policy of the organization in difficult times, as well as to determine its relationship with the sustainable development of the organization. The aim of the study is to substantiate the need to implement social policy and optimize it in order to reduce the negative impact of the COVID-19 pandemic on the organization's activities and society as a whole.

5. Research Methods

Very often, social policy in the organization is reduced to social activities aimed at improving the social condition of employees. As a rule, a number of disparate programs included in the so-called "social package" do not correspond in any way to the interests of the staff. In fact, social policy should be considered as a complex multi-stage process that includes certain stages. One of the most important tasks of an organization, regardless of its size and form of ownership, is the formation of an effective social policy management system. In conditions where material and financial resources are limited, ensuring the specificity, targeting and rationality of the formation of social policy is particularly important. The formation and management of the social policy of the organization should be carried out in a certain sequence. This will contribute to the effectiveness of this process. The goals of an organization's social policy should be linked to its strategy. In turn, the influence of many factors such as size of organization, geographical location, legal form, status, activity restrictions in connection with the distribution of coronavirus, make adjustments in the structure of social policies and changing priorities in social programs.

Based on the generally accepted scheme of the organization's social policy (Figure 1), the mandatory part of social policy, which includes the payment of various taxes and mandatory insurance premiums, is subject to a slight transformation during the COVID-19 pandemic. Since the implementation of this component is directly related to the implementation of regulatory documents adopted at various levels of government, changes in the implementation of this part of social obligations occur within the framework of establishing preferential tax periods, providing additional financial assistance to

organizations, providing additional state social support to the most vulnerable categories of citizens, avoiding an increase in the financial burden of employers.

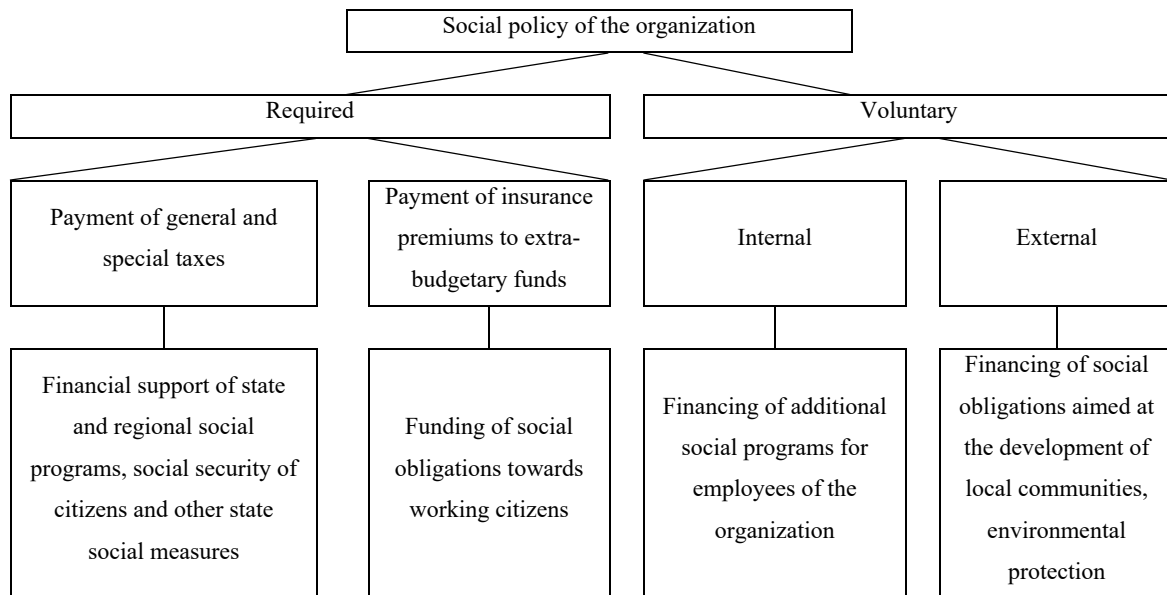


Figure 1. Scheme of the organization's social policy

Source: authors.

The formation of a voluntary direction of social policy under normal conditions of functioning of organizations takes place in a certain logical sequence. On the first stage, social programmes are developed and implemented for employees of the organization (additional social security, insurance for employees, the system of non-material motivation programs development and training of staff, creating comfortable and attractive working conditions). Only then the external social policy is implemented, including measures to develop local communities, environmental protection and resource conservation and the development of the social responsibility principles in collaboration with other organizations. The formation of the internal social policy of the organization should be carried out on the basis of the principles of selectivity, taking into account the quality of work of each employee, his values and needs.

At the same time, when forming specific social policy measures that go beyond the mandatory package, one should not neglect the forecasting process, which is a prerequisite for planning the activities of organizations and the management function (Nesterov, 2017). When using forecasting methods, it is possible to foresee the prospects for the development of social policy, to determine the optimal set of actions that contribute to achieving the set goals. Forecasting will allow us to justify strategies and priorities for the development of social policy for the long and medium term. When planning social policy activities of organizations, it is necessary to take into account internal needs, stages of social development and financial opportunities.

6. Findings

An important point is to understand that social policy is not a one-time event, but a rationally created system aimed at achieving sustainable profits in the long term. In this regard, it is necessary to

correctly correlate the level of financial investments and planned activities, which will allow in the future to achieve social and economic goals with innovative and environmental development, taking into account the basic needs and available limited financial resources. The use of strategic planning tools will allow us to justify the mechanisms for achieving the set goals, the implementation of which will make it possible to ensure sustainable social and economic development in the long term and quickly adapt social policy to changing environmental conditions.

It is the voluntary component of the organization's social policy, implemented at the expense of the organization's profits, that has undergone the greatest changes in the context of the pandemic. The most popular programs of internal social policy before the spread of coronavirus are being curtailed - voluntary medical and pension insurance, corporate events for the health and recreation of employees, training and advanced training. Business changes priorities in the implementation of social policy from internal social obligations to external ones, while long-term projects aimed at achieving sustainable profits are replaced by programs that contribute to improving the medical and social situation in the country. Among these programs, measures to provide voluntary assistance to citizens and organizations in a difficult situation, actions to combat the new COVID-19 infection prevail.

Reducing spendings on social programs forces organizations to review the entire mechanism for implementing social policy. The necessity and obligation to implement all the provisions of collective agreements in the context of the COVID-19 pandemic is only possible in the context of interaction between several organizations. By combining efforts in this direction, it is possible to significantly reduce the financial costs of social activities without reducing social support measures both within the organization and within the framework of external social programs. Flexibility and adaptability of social policy in the organization is one of the conditions for the preservation and multiplication of capital. After lifting a number of restrictions on doing business in mid-2020, it allowed organizations to start restoring social programs for environmental protection and sustainable development. Such a direction as the volunteer movement is actively implemented. At the same time, the internal social policy has also been adapted to modern conditions. Among the priority programs, programs of a preventive nature and maintaining the health of employees come out in the first place.

Social efficiency from the implementation of social activities of the organization is obvious and is expressed in improving the social status of employees, improving the quality of life of citizens of the country, preventing conflict situations in the organization and with consumers. A study conducted by Chinese scientists during the spread of coronavirus infection showed that the social capital formed before the crisis allows to resist negative factors. Moreover, social support programs for the most vulnerable categories of citizens, carried out within the framework of charitable activities and being the most expensive, in the context of a pandemic are one of the ways to attract attention from potential investors (Qiu et al., 2020).

This study showed that a conscious approach to the formation and implementation of social policy in the organization allows to develop an optimal set of social activities. Their implementation will not contribute to financial collapse but will actually strengthen the organization's position on the market and, in the long term, contribute to the formation of sustainable profits. Adaptability of social policy in a pandemic COVID-19 will take into account all the nuances of a specific organization and develop the

most optimal for her social policies, and to eliminate unnecessary costs and achieve the maximum effect with the least investment, which is the main indicator of efficiency.

In the context of the spread of coronavirus, priorities in the implementation of social programs are changing, attention is paid to the most important things for society in this period. The study identified the main social activities and mechanisms of social activities of organizations in the context of the pandemic, as well as the possibility of implementing social policy in the near future. Practical social activities of organizations have shown that participation in public social events contributes to increasing attention to its activities on the part of potential investors. Thus, the goal was achieved – to identify the main directions of changes in the social obligations of organizations in the context of the pandemic and to prove the relevance of the organization's social policy in all circumstances for the purpose of sustainable development.

7. Conclusion

Numerous theoretical studies prove the direct relationship of obtaining competitive advantages from the implementation of social policy. In the short term, the implementation of social obligations helps to strengthen the reputation and image of the organization, in the long term-is able to bring a steady profit. As practice shows, the set of social obligations within the framework of the social policy of organizations is very diverse and strongly influenced by various factors. The ability to fulfil social obligations during the crisis caused by the spread of coronavirus allows to attract public attention and raise the corporate image, thereby attracting the favor of potential investors and executive authorities. In addition, social capital is formed, which contributes to favorable and trusting cooperation with partners and additional investment by strengthening the opinion among investors about the reliability of the organization. Thus, the conditions of the COVID-19 pandemic have shown the sustainability of those organizations in terms of fulfilling their social obligations that have a well-planned social policy included in the long-term development strategy. Thus, the economic activity of an organization and its competitiveness on the market depends on the optimal use of strategic resources, including human and social capital (Kozhakhmetov, 2017). The conditions for the spread of coronavirus have revealed the need to implement social measures. Making strategic decisions in social policy measures is one way to increase the trust of stakeholders to the organization (Joseph, 2019).

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