Corporate Social Responsibility Programs for Arctic Companies to Attract Young People

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Abstract

The article presents the results of a study of corporate social responsibility (CSR) programs of the largest mining companies in Russia, Canada, Finland, and Norway operating in regions with unfavorable climatic conditions. A comparative assessment of CSR programs showed that Canadian companies are leading in such areas as "Rewards and motivation", "Labor protection", and "Investment in environmental measures". Russian companies place more emphasis on

implementing sponsorship and charity programs externally, and on training, developing and adapting their staff internally. Russian companies – OJSC “Severstal”, OJSC “MMC “Norilsk Nickel”, and OJSC PhosAgro – take the second place in terms of total points. In particular, PhosAgro has the largest number of CSR activities.

Keywords: Arctic; Far North; corporate social responsibility; mining companies; human resources.

Introduction

The Russian Arctic is a huge territory of new opportunities, including the mining industry, but there is currently a problem of attracting human capital to the North due to difficult working conditions.

Today all the Arctic territories of the Russian Federation are experiencing a constant outflow of population, primarily young people of working age. Young people often go to big cities for higher education and "settle" in them, believing that employment in their hometown is impossible. Young people not from Northern cities are not ready to go to work in the Far North or in the Arctic due to natural and climatic factors, as well as sometimes due to insufficient awareness of employment opportunities and career growth (Sharok, 2018; Ivanova & Zaycev, 2016; Ivanova et al., 2017; Cherepovitsyn, 2015).

Thus, the study is generally aimed at determining the factors that qualified professionals expect from work in the North, as well as the conditions that mining companies can offer them.

This article analyzes the corporate social responsibility programs of the largest Russian mining companies operating in the Arctic, their comparison with foreign companies, as well as a qualitative and quantitative assessment of such programs.

Several major mining companies operating in the Arctic zone or in areas with unfavorable climatic conditions, with available corporate social responsibility (CSR) reporting, were identified as the object of research: Russian companies included in the Forbes list as the best employers (Forbes Rating. 50 best employers in Russia, 2019) – OJSC “MMC “Norilsk Nickel” (nonferrous metals), OJSC “Severstal” (metallurgy), OJSC “PhosAgro” (phosphoric fertilizers) and foreign companies – ImperialOil (oil mining) - Canada, RioTinto (bauxite mining and alumina, aluminum plants) – multinational company (production in Canada and Mongolia); Nordkalk (mining, processing of limestone) - Finland; Equinor (oil and gas production) – Norway; Nordic mining (geological exploration, production of titanium, quartz and lithium) - Norway.

Methods

To select the research method, existing domestic and foreign literature sources were analyzed (Cravero, 2017; Gamu, Dauvergne, 2018; Hurst, Ihlen, 2018, pp. 133-152; Kelman et al., 2016; Poussenkova et al., 2016; Sahut, 2019; Witt, Miska, 2019, pp. 605-619; Leshchenko, Korchagina, 2016). In order to conduct a qualitative analysis of CSR programs of mining companies, the system of diagnostics of internal and external directions of corporate and social programs development, developed by Dambovskaya (2015), was adopted. Diagnostics consists in determining the satisfaction of the company's personnel in the activities carried out within the framework of CSR programs. The authors used this diagnostics for comparative analysis, as well as to identify opportunities for improving CSR programs of the analyzed companies. The directions of diagnostics (internal and external) are defined, and within these directions the characteristics for which the assessment is given are highlighted. When diagnosing the internal direction of corporate social policy, such indicators as "Rewards and motivation", "Professional training, development and adaptation of personnel", "Labor protection", "Social programs, social infrastructure" were used. To diagnose the external directions of CSR programs, assessments are given using the following characteristics: "Implementation of charitable programs", "Implementation of sponsorship

programs", "Development of the region's infrastructure", "Investments in environmental protection measures". Figure 1 shows the indicators that were analyzed.

Figure 1. Characteristics of CSR program evaluation

Results

Based on the presented methodology, a comparative analysis of corporate social responsibility programs of Russian and foreign companies is performed. The results are presented as an information map (Table 1).

Table 1. Information map of corporate social policy of the analyzed companies (Kruk, 2018; Nikulina et al., 2018, 2019; Kotlyar, 2018; Simonchuk, 2018; Feoktistova et al., 2018)

Indicators		Canadian companies (ImperialOil, RioTinto)	Scandinavian companies (Nordkalk, Equinor, Nordic mining)	Russian companies (OJSC “MMC “Norilsk Nickel”, OJSC “Severstal”, OJSC “PhosAgro”
Internal direction of CSR	Rewards and motivation	1. Average salary of about 100 thousand US dollars per year – Imperial Oil; 2. Attracting personnel from other countries (a number of such programs – the provincial program of Alberta, British Columbia, Manitoba-Imperial Oil); 3. Providing staff with comfortable housing, living and working conditions.	1. The average salary of about 108 thousand US dollars Norwegian company Equinor. 2. Attracting staff living in the Baltic and Scandinavian countries (Nordkalk). 3. Providing staff with comfortable housing, living and working conditions.	1. The average salary is 94.2 and 64.69 thousand rubles in MMC Norilsk Nickel and Severstal (which is 1,474 US dollars). 2. At “Severstal”, the system of incentives and bonuses for employees is documented. 3. Application of a progressive approach in the system of rewards of personnel based on grades in MMC “Norilsk Nickel”.
	Professional training, development and adaptation of personnel	1. Recruitment of staff with little experience (Alberta students have the opportunity to get a job at Imperial Oil after university). 2. Conducting training programs (local colleges, Northern Alberta Institute, Edmonton Institute of Technology-Imperial Oil).	1. Nordkalk cooperates with a number of schools and universities, attracting young professionals to work in their company (scholarship program, organization of international seminars). 2. Conducting career fairs to attract young professionals – Equinor.	1. The provision of social packages for employees. 2. Continuous training throughout the entire working life (corporate training centers in Norilsk, Monchegorsk) - MMC “Norilsk Nickel”. 3. Program for adaptation and development of new employees. 4. Development and implementation of projects for children and youth – Initiator of projects in “PhosAgro-School”, “PhosAgro-College”. (PhosAgro). More than 10 school children took part in this program. 5. Organizer and active participant of the Center for International competence in mining and technical education (PhosAgro) – 6,447 completed man-courses. 6. Initiator and sponsor of the joint grant program for young scientists in the field of chemistry (PhosAgro) with UNESCO and IUPAC – 48 young specialists were accepted to PhosAgro. 7. Participant of the joint program with the Ministry of agriculture of the Russian Federation and the Food and agriculture organization of the United Nations to train farmers in more effective solutions in the field of sustainable agriculture (especially in the field of

			soil fertility) (PhosAgro). 8. Conducting a training on the strategic development of JSC "Metahim" for employees – PhosAgro. 9. Cooperation with higher educational institutions to attract qualified specialists to work: • financing of training of PhosAgro – class graduates in profile specialties, subject to signing a contract for further employment; • providing scholarships to the most outstanding students (based on exam results); • inviting university students to take a tour in one of the company's enterprises, allowing them to see the technology in action; • inviting university graduates to join the company in one of the most popular specialization programs "Young talented employee»
Labor protection	1. The workplace is certified. Training of personnel on labor protection issues in the organization is provided and is of a regular nature (Imperial Oil, Rio Tinto). 2. The company ensures high safety of personnel (the company's injury rate is 0-Imperial Oil).	1. The workplace is certified. Training of personnel on labor protection issues in the organization is provided and is of a regular nature. 2. The company ensures high safety of personnel (the injury rate is 0. Nordkalk has been awarded the title "Zero injuries").	1. The workplace is certified. Training of personnel on labor protection issues in the organization is provided and is of a regular nature – Severstal, PhosAgro, MMC Norilsk Nickel. 2. Development of the labor safety system in Severstal: in 2018, the Company allocated 4.4 billion rubles for measures in the field of labor safety and industrial safety.
Social programs, social infrastructure	1. Attracting local people to work at Rio Tinto. 2. Providing comfortable housing for employees (more than 200 Rio Tinto employees live in new houses, and rents are returned to the local economy, which guarantees independence for local communities). 3. Pension programs (Imperial Oil invested about \$ 3.2 million in employee pensions)	1. Health care program for employees (Nordkalk collaboration with the medical company "Terveystalo", which provides medical services). 2. Increasing the level of employment of the local population (Terveystalo has about 4,300 employees since the arrival of Nordkalk). 3. Equinox provides high-quality medical care for its employees.	1. Provision of vouchers to health resorts (holiday in the sanatorium "Zapolyarye", which is on the balance sheet of MMC "Norilsk Nickel"). 2. Treatment and leisure time for employees in the sanatorium "Tirvas". 3. Its own healthcare program for employees of the company Severstal Health. 4. Support for sports, mini-football, volleyball, hockey, etc., as well as family sports ("polar Olympics") - MMC "Norilsk Nickel". 5. Housing programs for employees ("Our homes", "My home") – MMC "Norilsk Nickel". 6. Pension provision program and support program for pensioners – "Severstal". 7. Assistance to regional and local authorities in

External direction of CSR	Implementation of charitable programs	1. Support of the local population of Mongolia and Australia – Rio Tinto. 2. Sponsorship programs.	1. Nordkalk company invested 1 million Euros to build the children’s hospital in Helsinki.	creating modern social infrastructure (PhosAgro). 8. Agreement on the promotion of cooperation and implementation of projects aimed at increasing the social attractiveness and socio-economic development of the region, between OJSC PhosAgro and the administration of the Saratov region – PhosAgro. 9. Agreement on cooperation and assistance between the Government of the Vologda region, OJSC "PhosAgro" and JSC "Apatit" - PhosAgro. 10. More than 1.5 billion rubles were allocated to social support and charity-PhosAgro.
				1. Relocation program – MMC “Norilsk Nickel”. 2. Support of the local population of the North – MMC “Norilsk Nickel”. 3. “The world of kind opportunities” program (the development of social competencies of the local community representatives, implementation of the new social technologies) – MMC “Norilsk Nickel”. 4. Support and stimulation of the public initiatives, conditions development for the intersectional partnership). 5. Charitable programs to prevent child abandonment, support social organizations, NPO, social initiative communities –“Severstal”. 6. Help and support children with disabilities – “Severstal”.
	Implementation of sponsorship programs	1. Cooperation with educational organizations, conducting specialized programs (local colleges and institutes of Northern Alberta, Institute of Technology in Edmonton). 2. Career fairs with an aim to attract young specialists (Imperial Oil, Rio Tinto).	1. Support and development of sports, holding regional sports events (Nordkalk was one of the sponsors of the Yukol relay, organized in Lappeenranta in Finland). 2. Cooperation with educational institutions, conducting specialized programs (Equinor program for 30 newly formed candidates-provides free training for 1 year for young professionals). 3. Conducting career fairs to attract young professionals – Equinor.	1. Sponsorship of the Rosa Khutor mountain resort - MMC “Norilsk Nickel”. 2. Assistance in the implementation of Olympic educational programs of the Russian international Olympic University – MMC “Norilsk Nickel”. 3. Support of the international student sports federation – MMC “Norilsk Nickel”. 4. Support for the basketball club CSKA - MMC "Norilsk Nickel". 5. Support of the mini-football club "Norilsk Nickel" – MMC "Norilsk Nickel". 6. Assistance in holding the XXIX world winter Universiade in Krasnoyarsk - MMC “Norilsk

			Nickel”. 7. Support and development of sport activities, carrying out regional sports events – “Severstal”. 8. The youth movement “Education, Health and Spirituality for Children of Russia” (DROZD) has opened a children's sports and wellness center in Balakovo – PhosAgro. 9. 34 grants were issued to young scientists from 26 countries in Asia, Africa, the Middle East, Europe and Latin America - PhosAgro. 10. Holding of the workers' sports contest – “PhosAgro”.
Development of the region's infrastructure	1. Participation in the development of infrastructure in the region is regular, on their own initiative (Rio Tinto). 2. Infrastructure development (Rio Tinto in Mongolia invested in programs to support the Mongolian population, workers' wages more than 5.4 billion US dollars in the period from 2010 to 2015)	1. Support programs for small and medium-sized businesses, development of social entrepreneurship in the regions of presence (Nordic mining uses local suppliers).	1. Agreement with regional authorities and a number of municipalities on cooperation in the socio-economic sphere – “Severstal”. 2. Participation in the development of the region's infrastructure is regular, on their own initiative, within the funds provided by the social budget – MMC “Norilsk Nickel”. 3. Programs to support small and medium – sized businesses, development of social entrepreneurship in the regions where “Severstal” operates. 4. Ensuring economic prospects for local suppliers and stimulating the development of local partners – PhosAgro.
Investments in environmental protection measures	1. Measures to reduce harmful emissions to the atmosphere (Rio Tinto has reduced gas production by 27 since 2008%). 2. Use of renewable, environmentally friendly sources (Rio Tinto – 69% of the company's electricity). 3. Activities aimed at cleaning up reservoirs (Rio Tinto).	1. Efficient use of natural resources (Nordkalk is committed to 100% efficient use of materials). 2. Use of biofuels (Nordkalk). 3. Construction of a sound barrier in Midzyanka to reduce the noise level during work (Nordkalk). 4. Providing residual heat to the city Köping (Nordkalk).	1. Environmental management system. In 2018, the cost of environmental protection amounted to 32.5 billion rubles (+26.5% by 2016) – MMC “Norilsk Nickel”. 2. Energy saving and energy efficiency improvement program for 2015-2019 at Cherepovets metal processing plant – “Severstal”. 3. The company's environmental management complies with ISO standards – “Severstal”, MMC “Norilsk Nickel”. 4. Reducing waste, emissions and discharges of pollutants, as well as consumption of resources per ton of manufactured products due to investment in new, more efficient technologies – in 2018, Metakhim JSC (Volkhov) introduced a drainless

production system, as a result, the discharge of waste water into water bodies (PhosAgro) was stopped.

5. Over 5 years PhosAgro has spent 7.6 billion rubles on environmental protection.

6. Reducing emissions by 6% in 2018 due to the introduction of new eco-friendly equipment, as well as improving environmental management systems – “PhosAgro”.

7. The principle of using approaches to preserve biodiversity: freshwater ecosystems, spawning rivers - construction of treatment facilities and measures to replenish biological resources, conservation of animal migration routes – “PhosAgro”.

8. PhosAgro became the first Russian company selected by the Food and agriculture organization of the United Nations (FAO) to implement the global soil protection initiative.

Companies were evaluated by experts. For this purpose, scientists from the Saint Petersburg Mining University – specialists in the field of organization and management, sociology and psychology were involved as an evaluation jury. Based on the analysis of the information map, companies were awarded points (from 1 to 10) for each evaluation criteria, the maximum value of 10 points was given to the companies that did the most work in the evaluated area. Experts' assessment of companies' performance by points is shown in Table 2.

Table 2. Results of comparative assessment of CSR of Arctic companies

Internal direction of CSR activities			
	Canadian companies	Scandinavian companies	Russian companies
Rewards and motivation	9	10	5
Professional training, development and adaptation of personnel	7	6	10
Labor protection	10	10	7
Social programs	9	7	8
External direction of CSR activities			
	Canadian companies	Scandinavian companies	Russian companies
Implementation of charitable programs	7	4	9
Implementation of sponsorship programs	7	7	9
Implementation of sponsorship programs	8	4	6
Investments in environmental protection measures	7	9	5
Total score	64	57	59

Figures 2 and 3 show the results of CSR assessment of companies in internal and external areas of activity. The graphical representation allows you to evaluate the effectiveness of corporate social programs for each of the areas.

Figure 2. Internal direction of CSR activities of companies

Figure 3. External activities within the framework of CSR of companies

In terms of total points, the Canadian companies ImperialOil and RioTinto were the leaders, with a total score of 64 points for their CSR programs (table 2). Canadian companies are leading in the areas of "Rewards and motivation", "Labor protection", and "Investment in environmental measures" in the external evaluation area.

The second place in total points (59) is taken by Russian companies – OJSC “Severstal”, OJSC “MMC “Norilsk Nickel”, and OJSC “PhosAgro”. In particular, PhosAgro has the largest number of events. Russian companies place more emphasis on implementing sponsorship and charity programs externally, and on training, developing and adapting their staff internally.

The third place is taken by Scandinavian companies-Nordkalk, Equinor, and Nordic mining (57 points). In their activities, they pay more attention to environmental measures, which are often innovative in nature. Also, Finnish and Norwegian companies implement many sponsorship programs, have a higher number of points in the direction of "Rewards and motivation of personnel", and also take care of their staff, having the highest rating in the direction of "Labor protection".

Discussion

Some CSR indicators are quantitative (for example, the level of wages, the percentage of investments in environmental activities), and some are qualitative (staff development and adaptation), so the results of the assessment are subjective. However, such results can be used by companies to adjust the direction of their CSR programs, as well as by potential employees to choose the best employer. The choice of analyzed enterprises, both foreign and domestic, is also a debatable issue.

Conclusion

Thus, we can conclude that Canadian, Scandinavian, and Russian companies carry out effective activities within the framework of CSR. However, a comparative analysis showed that Canadian companies Imperial Oil and Rio Tinto outperform Scandinavian and Russian companies. Speaking about improving the activities of foreign companies, we can advise to improve the activities in the direction of "Professional training, development and adaptation of personnel", as well as "Implementation of sponsorship and charity programs".

Speaking about improving the activities of domestic companies, it is worth paying attention to the direction of "Rewards and motivation of personnel", "Investment in environmental protection measures", "Development of regional infrastructure", since attracting labor resources to the Arctic regions requires the creation of a full-fledged infrastructure suitable for human life and cultural and everyday objects.

Comparing foreign and domestic companies, we can conclude that European and Canadian companies, unlike Russian ones, have more transparency and accuracy in CSR indicators.

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