

Initiatives for Promotion of Public Non-Financial Reporting Based on the Concept of Sustainable Development to the Business Community of Russia

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Abstract. In present paper the problem of attitude of business consciousness of the International and Russian business communities in the field of the public non-financial reporting are studied. The foreign business community follows the basic principles and goals of the sustainable development, publishing a non-financial reporting based on the GRI standard, receiving significant benefits from this. However, the Russian business community has not yet formed a business consciousness about the need to publish non-financial reporting and understand the benefits of this. The reasons of such situation are investigated by conducting an interview among large, medium and small business. The list of initiatives on the base of the Sustainable development conception with helping a GRI standard aiming to promote the public non-financial reporting into the Russian business community is suggested.

1. Introduction

Foreign business community follows basic principles and goals of the sustainable development, publishing a non-financial reporting based on the GRI standard, receiving significant benefits from this. But the Russian business community does not publish a non-financial reporting and does not understand all benefits of this, because it has not yet formed the necessary business consciousness.

This present paper is devoted to the problem why is there a gap between the business consciousness of the International and Russian business communities in the field of the public non-financial reporting.

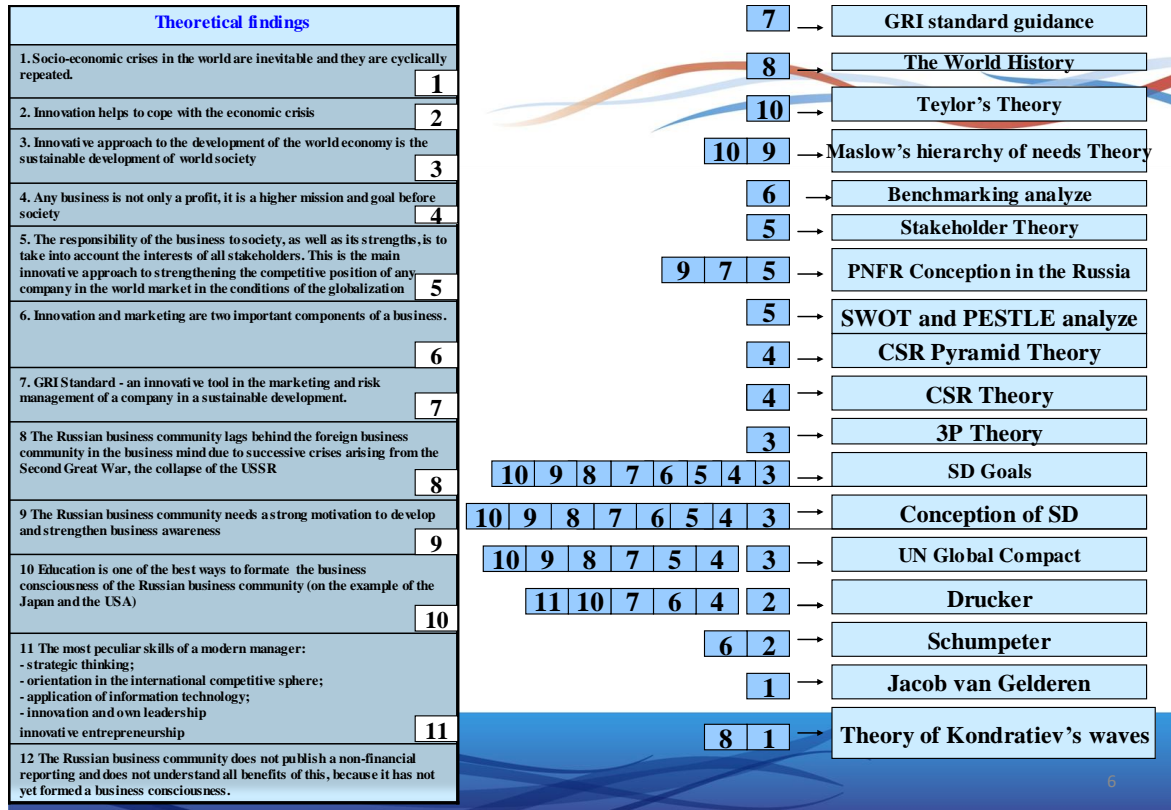
We need to develop a list of the suggestions and initiatives on the base of the Sustainable development conception with helping a GRI standard aiming to promote the public non-financial reporting into the Russian business community.

Currently we can list some of these reasons: today, in the Russian Federation this type of the reporting is a voluntary (2017–2018), from 2019 – it will be mandatory for some part of the companies, from 2021 – the list of the companies will be expanded. Some part of the companies uses other forms (types) of the public non-financial reporting. Some of the companies don't know how to make this type of the reporting and they don't have any sustainability development specialist (auditor) in their staff.

2. Literature review and theoretical background

Mainly our research activity is based on the Corporate social responsibility (CSR), also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity, refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development.

We have developed theoretical framework of the gradual answering our research question and solution of our research problem (Fig. 1).



Developed by authors: [1,2,6, 9-13, 15-20]

Figure 1. Theoretical framework of the Research.

We would like to consider four approaches about analyzing CSR. The first approach is more common and general, describes main theories about CSR. According to this approach we will analyze all historical experience around the meaning of the CSR. The second approach supports us to identify main simplifications and differences between both subjects such as: “Sustainable Development” and “Corporate Social Responsibility”. We have tried to investigate if these aspects are equally or they have a lot of discrepancies. The third approach discovers CSR meaning through the cooperation with other fields and disciplines of the management such as: Strategic Management, Environmental Management, Risk management and Marketing management.

The fourth approach is more about the management of the ecological risks and bases on the knowledge investigated in the previous approaches of our literature review and it’s result of its. So, in current report we will mainly focus and describe on this approach as a main [4-5].

Our research is based on scientific works of the following authors: Malthus, Secchi, Garriga, Mele, Jensen, Porter, Cramer, Litz, Wood, Lodgson, Detomasi, Mitchel Agle, Freeman, Jacob van Gelderen, Kondratyev, Schumpeter, Drucker and others [1,2,6, 9-13, 15-20].

3. Research methods

In this research work we have used and approached qualitative and quantitative research methods. As a quantitative research method will be used a scientometrics. For the qualitative research method has been used a questionnaire and interviews with the companies which prepare a public non-financial reporting according to the GRI standard [7-8]. Measure of the research is the most frequent repetitions in responses.

The objectives of the survey:

1. To investigate an awareness of the Russian business community about the public non-financial reporting and the GRI standard.
2. To study advantages and disadvantages of the preparation a public non-financial reporting by the International companies.
3. To study a main motivation for the Russian business community to prepare the public non-financial reporting on the base of the GRI standard.

For our research it was developed two research samples: the first is of the International companies and the second is of the Russian companies. For the survey of the International and Russian companies were determined separate criteria and borders.

We had created three types of the Questionnaire: Type 1: for the companies-users of GRI Standards reporting (mainly for the International companies); Type 2: for the companies-users of the another standards for the preparation of the public non-financial reporting; Type 3: for the companies-newcomers in the field of the public non-financial reporting

For analyzing our survey, first of all, we have chosen all closed questions from all types of the Application forms of our respondents, which were required answers “Yes” or “No”.

Analyzing statistics of the answers, we can highlight the following aspects:

1. Answers to the questions from A to C. Most respondents’ companies have already heard about the UN Global Compact, about the Sustainable development, Corporate Social Responsibility.
2. Question D. Only two respondents out of five have already known about the GRI standard before our Interview.
3. Question E. Two respondents out of five prepare a public non-financial reporting.
4. Question F. All respondents have answered that they are a socially responsible.
5. Question G. Four companies have answered that they took care about environment in their business activity.
6. Question H. Four companies have said that the attractiveness (capitalization) of their company from their stakeholders is directly affected by their companies’ reputations.
7. Question J. Only two companies out of five have participated in some ratings.
8. Question K. Two companies have studied the Russian legislation and answered that they have already heard about the directive approving the Concept of development of public non-financial reporting dated May 5, 2017 No. 876-p, signed by the Prime Minister of the Russian Federation Dmitry Medvedev [3].
9. Question L. Two companies have answered that they cooperate with the RSPP (Russian Union of Industrialists and Entrepreneurs).
10. Question M. Two companies think that the formation and publication of a public non-financial report in the field of the Sustainable development can improve the reputation and attractiveness of the company.
11. Question N. Two companies have answered that they know that in the nearest future the publication of the public non-financial reporting in the field of the Sustainable development will become mandatory for their company.
12. Question P. Two companies have answered that they are ready to take part in the experiment, trying to form a report on sustainable development according to the GRI standard, and then voice all the advantages and disadvantages of this procedure, as well as offer your recommendations for improvement.

13. Question R. Three companies have said that they heard that the publication of the reports in the field of Sustainable development is a global trend and a huge number of companies with a worldwide reputation publish such reports.

14. Question S. Four companies have approved that would like forming a public non-financial reporting in the field of the Sustainable development (GRI standard), if it would help to systematize and control information about your company more correctly and transparently.

4.Results and findings of the research

Main findings of the Questionnaires and Interviews which have been conducted on the Far Eastern Federal District:

1. Russian small and medium-sized business community have no enough knowledge and education in the field of the Sustainable development and GRI standard.

2. Russian small and medium-sized business community has no financial resources for the preparation of the public non-financial reporting.

3. Russian small and medium-sized business has no enough time and human resources for the preparation of the public non-financial reporting.

Finally, on the base of the results of our scientific research we have suggested the following initiatives, which could be interested for the government, business, institutes of the development, the United Nations, other International organizations:

1. List of the suggestions and initiatives for the development of the sustainable consciousness in the business community of the Russian Federation;

2. Supplementary courses in the field of the public non-financial reporting for the businessmen;

3. Socio-economic suggestion;

4. Socio-ecological suggestion.

Main suggestions and initiatives are directly attitude to the development of the Sustainable development consciousness in the Russian business community through the following suggested initiatives in the field of the public non-financial reporting and GRI standard:

-to conduct the negotiations with the representatives of the Russian small and medium-sized business community regarding main expenses, which cover a public non-financial reporting for the company, that will do it the first time, from the beginning. For example: budget for the new staff in the field of the public non-financial reporting, GRI standard

- to calculate and evaluate budget for supporting the covering expenses on the public non-financial reporting on the base of the GRI standard for the company, that will do it the first time, from the beginning.

- to consider and discuss an opportunity of the including financial supporting of the Russian small and medium-sized business community into the national projects in the view of the subsidies or another way.

-to discuss an opportunity of the financial support from the United Nations or another international and national funds, organizations for sponsorship in the sphere of the promotion public non-financial reporting in the Russian Federation, especially in the Russian regions.

- on the regular base financially or by another way encourage the Russian small and medium-sized business companies, which prepare a public non-financial reporting based on the GRI standard.

-on the state level to determine, to describe, to standardize such subject as the "Sustainable development consciousness in the Russian business community".

-to develop and implement new official professions in the field of the Sustainable development, public non-financial reporting on the Russian labor market.

-to develop the GRI software and special Tools Programs, designed to automate the public non-financial reporting, adopting for the Russian companies.

-to develop and to create the supplementary courses or the center of the additional education for the all types of the business in the sphere of the GRI standard in the SEM FEFU.

5. Conclusions

In present paper the problem of attitude of business consciousness of the International and Russian business communities in the field of the public non-financial reporting are studied. The reasons of such situation are investigated by conducting an interview among large, medium and small business. Main findings of the Interviews which have been conducted on the Far Eastern Federal District are the following: Russian small and medium-sized business community have no enough knowledge and education in the field of the Sustainable development and GRI standard? Russian small and medium-sized business community has no financial resources for the preparation of the public non-financial reporting, Russian small and medium-sized business has no enough time and human resources for the preparation of the public non-financial reporting.

The list of initiatives on the base of the Sustainable development conception with helping a GRI standard aiming to promote the public non-financial reporting into the Russian business community is developed.

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