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Prospects for Sustainable Corporate Governance in Russia Based on Integrated Communications

A.V. Lopukhin^a, E.A. Plaksenkov^b, S.N. Silvestrov^c

^a Independent researcher, expert, Moscow, Russia;

^b Moscow School of Management SKOLKOVO, Moscow, Russia;

^c Financial University, Moscow, Russia

ABSTRACT

The article presents the author's understanding of the terms "corporate governance", "corporate management" and "communication management" in the context of the concept of sustainable development, the ESG agenda and sustainable corporate governance, as well as their relationship. The role of the stakeholder approach in bringing together the content of the concepts of "corporate governance" and "integrated communications" is shown. Some features of communications management in Russia, including in the context of ESG, are examined in detail. **The relevance** of the study is due to the fact that many Russian companies and organizations are extremely slow to implement the principles and methods of integrated communications and sustainable corporate governance, although they determine the effectiveness of their activities. **The subject of the study** is the system of sustainable corporate governance as part of the implementation of ESG principles in Russia. **The purpose** of the article is to show Russian stakeholders the role of integrated communications in the development of sustainable corporate governance and ESG policies using research methods such as analysis of scientific papers on the research topic, comparison, generalization, systemic and logical analysis. **The scientific novelty** of the publication is justified by the author's interpretation of the variants of understanding the terms, for example, the authors of the article consider the organizational and/or functional division of communications into internal and external to be unproductive. In addition, in order to modernize the methodology for rating and auditing companies and organizations for compliance of their activities with ESG principles, the authors propose to increase the number of management criteria of block "G", using metrics for assessing the effectiveness of integrated communications management, taken from the "corporate management" and "communications" systems management». **The practical significance** of the work lies in the possibility of its use in the development of integrated communications systems within the framework of sustainable corporate governance, as well as in the course of modernizing the methodology for rating and auditing ESG policies in Russian companies and organizations. **A further direction of research** may be related to the development of criteria and indicators of the quality of integrated communications systems and sustainable corporate governance, as well as consideration of the characteristics of Russian communications practices in the business environment.

Keywords: corporate governance; corporate management; communication management; integrated communications; stakeholder approach to communication; sustainable development; sustainable corporate governance; ESG policy

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INTRODUCTION

The shortest definition of corporate governance (CG) found by authors in the extensive literature on this topic is that “Corporate governance is about the control of the resources in firms”. At the same time, American professor of economics Kang H. Park emphasises that “the system of corporate governance determines who makes investment decisions in corporations, what types of investments are made and how the income received from them is distributed <...> The importance of corporate governance is due not only to the fact that it determines who controls the firm, but also to the fact that corporate values are created in the process of corporate governance. There have been many studies, showing that corporate governance affects the market value of firms” [1, p. 1].

The term “Corporate Governance”, which has been practised for centuries, is believed to have been introduced to academia in 1984 by Robert Tricker, who emphasised that the role of corporate governance “is not concerned with the management of the business per se, but with the overall management of the enterprise...” [2, p. 6].

The 1992 report of the UK Committee on the Financial Aspects of Corporate Governance, chaired by Sir Adrian Cadbury, defined corporate governance as “the system of management and control of companies”.¹

There are more than 60 definitions of Corporate Governance in scientific and management literature, and its generally accepted principles and standards are constantly being updated. According to the observation of the authors of this article, who have experience of working as independent directors on boards of directors (BoD) and executive directors of several companies and organisations, corporate governance in practice is regarded as the activities of owners (shareholders) and managers in order to improve efficiency and ensure sustainable development of companies and organisations.

The corporate governance process is based on principles, rules, procedures and ethical standards of behaviour and decision-making. Based on best practices, principles and standards of good corporate governance have been developed and international and national corporate governance codes (Codes of Corporate Governance) have been adopted. The 2002 Russian Code of Corporate Behaviour and the 2014 Corporate Governance Code were developed with the participation of foreign consultants and contain many provisions borrowed from international and Anglo-Saxon codes.

When translating foreign concepts or standards into Russian, a problem often arises. This applies to the concept of “governance”, which is now unambiguously translated as “managing”, as well as the term “management” itself. But there were other variants: leadership, regulation, general management, political management, etc.

The first Russian Corporate Governance Code of 2002 was called “Code of Corporate Behaviour”, and this interpretation had its reasons. The World Bank experts noted in 1994 that “governance” in practice is very close to the concept of “leadership”, but this interpretation was not widespread at that time.²

Note that the term “management” is translated into Russian not only as “governance” or “managing”, but also as administration, administering, directing, ruling, ability to cope and manage, etc.

The Information Systems Audit and Control Association (ISACA), which operates in almost all countries of the world, translated the terms “governance” and “management” into Russian as “leadership” and “managing” as a result of a multilateral discussion to make the text easier to understand and to more accurately convey the essence of both concepts.

The translation options were widely and openly discussed, taking into account established authorised terms and accepted standards.

¹ URL: <http://www.blindtiger.co.uk/IIA/uploads/2c9103-ea9f7e9fbe-7e3a/Cadbury.pdf>

² URL: <https://documents1.worldbank.org/curated/en/711471468765285964/pdf/multi0page.pdf>

In ISACA's understanding, **leadership** provides assurance that the enterprise's objectives will be achieved by: balancing stakeholder needs with existing conditions and feasible options; prioritising decision-making; and continuously monitoring actual performance and the extent to which the established objectives are being accomplished.

While **managing** is about planning, constructing, executing, and monitoring activities according to the direction given by the management body to achieve the objectives of the enterprise.³

In some cases, the terms "corporate governance" and "corporate management" are considered quite interchangeable. There are different opinions in the literature on the correlation between the concepts of "corporate governance" and "corporate management" (CM) as to which of them includes the other, or whether each of these systems is self-sufficient and operates quite independently according to different principles. In our opinion, it is logical to agree with the authors who consider corporate governance as an integral part of corporate management.

Vladimir Verbitsky, a well-known theorist, and practitioner of Corporate Governance, believes that the efficiency of a company's operation and its competitiveness, which are ensured by the subject area of corporate governance, are primary for the value of a business. In Russian conditions of highly concentrated ownership structure the leading role belongs to majority shareholders, and one of the most important tasks of corporate governance is to protect minority shareholders from the arbitrary behaviour of majority shareholders and the management. In his opinion, separating and to some extent isolating corporate governance and corporate management from each other is unreasonable and contradicts the principles of systematic operation of companies as integral systems. Only their coordinated actions ensure the efficiency of companies and organisations.

Therefore, in the discussion on the composition of Boards of Directors, the position of those who

consider the mandatory participation of the CEO in its composition is preferable, which contributes to the convergence of corporate governance and management systems in companies and organisations [3, p. 95].

Until recently, it was considered that corporate governance is a set of mechanisms used to maintain an adequate balance between the rights of shareholders and the needs of the Board of Directors and management in the process of managing the company.⁴

However, international recommendations for good corporate governance have now expanded to include issues related to climate change risks, compliance with environmental and social standards, and threats to the sustainable development of companies and the economy as a whole.

CSR (corporate social responsibility), which in 2004 was succeeded by a broader in content and excessively costly ESG policy⁵ of responsible and responsible attitude towards the environment, has become one of the important tools for the implementation of a number of UN SDGs and the concept of sustainable development.

From the very beginning, ESG factors have played an important role in financial and investment decisions, which prompted many companies and organisations to implement ESG policies and disclose them in non-financial reporting. Moreover, in Russia, ESG policies have become much more popular than the very concept of sustainable development, which they are designed to realise.

Due to the high importance of the ESG agenda, a new concept of "sustainable corporate governance" of a company or organisation has emerged, based on the integration of the goals of shareholders and key stakeholders (the so-called interested parties), protecting the interests of society and the environment as a whole. In practice, it means corporate governance in the context of ESG [4, p. 14].

⁴ URL: <https://blog.iteam.ru/korporativnoe-upravlenie-v-rossii>.

⁵ Environmental responsibility (E — Environmental); high social responsibility (S — Social); high quality governance (G — Governance).

³ URL: <https://www.isaca.org/resources/cobit/cobit-5>

This echoes the ideas of inclusive capitalism and a politically active environmental agenda, which are proposed to be included in the New World Order model.

It is indicative that among the 30,000 words of the Russian Corporate Governance Code of 2014 the word “communication” occurs only once, when it refers to the need to establish it between the management and shareholders, investors, media representatives and other interested parties.

The chapter “Disclosure of Information about the Joint-Stock Company, Information Policy of the Company” emphasises the transparency of a Public Joint Stock Company’s activities for the outside world, and describes the proper information policy in general terms.

Thus, communications and their management, which form the basis of the activities of companies and organisations, remained outside the scope of the Corporate Governance Code.

In the business environment, the term “communication” is most often interpreted as a process of exchanging information, emotions, knowledge, and even intellectual property. It is seen as a multifaceted process and the main tool for implementing strategic goals, which not only regulates information exchange, but also integrates and coordinates all areas of activity, acting as the main resource for the existence and successful development of companies and organisations.

In the theory and practice of sustainable corporate governance, the concept of integrated communications (IC), which combines all functions, types, and modes of information exchange of companies and organisations with all stakeholders under the guidance of a single management centre, is becoming increasingly widespread.

In this case, the main role is given to the process of organising mutual understanding and coordination of symbols, messages, procedures, and behaviours necessary for a company to “communicate with clarity, consistency and continuity within and across organisational boundaries” [5, p. 424].

Having considered various interpretations of the term “communication management”, the authors understand it as a process of managing corporate integrated communications, during which the companies — senders of information (communicators) apply various principles and methods, ways and techniques, forms and means, technologies and tools to influence all groups of stakeholders (recipients) to implement their tactical and strategic goals.

As a result of proper organisation of the system of data processing, their analysis and forecasting of trends, creation of meaningful messages adequate for each target audience and real feedback, communication management ensures high performance of all departments of companies and organisations.

A survey of more than 700 project managers conducted by the Project Management Institute (PMI) found that “communication is a core competency that, when done correctly, binds each project team member to a common set of strategies, goals, and actions. If these components are not effectively shared among project managers and understood by stakeholders, the project outcomes will be jeopardised, and budgets will be put at unnecessary risk”.⁶

The authors consider business communications as an important element of ESG-policy of companies and organisations related to the implementation of a number of Sustainable Development Goals (SDGs) approved by the UN General Assembly. At the same time, the key factor of successful corporate governance nowadays is a high level of integration of communications that determine goal setting, strategy, culture and motivation, values, and meanings, controlling and feedback, effective and analytical efficiency, organisation of business processes, technological and organisational architecture of departments of companies and organisations.

⁶ URL: <https://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/pulse/the-essential-role-of-communications.pdf?rev=e1f0e9144b3a456fb75e40101632258b>



STAKEHOLDER APPROACH AS A KEY FACTOR OF GOOD CORPORATE GOVERNANCE WITHIN THE CONCEPT OF SUSTAINABLE DEVELOPMENT

The process of convergence of the content of the concepts of “corporate governance” and “communication” began in the mid-90s of the last century. On the one hand, constant attempts at integration led to the emergence of the concept of “integrated communications” (IC), which became the next stage in the development of integrated marketing communications (IMC) [6, p. 12].

One of the main differences between integrated marketing communications and integrated communications is that the focus of communications of the former is on consumers and partners, while the latter interact with all groups of stakeholders whose interests are or may be affected to a greater or lesser extent by the activities of companies and organisations.

In Russian scientific and management literature, the term “stakeholder” (owner of a share, unit, etc.) is used in the sense of “involved party”, “interested party”, “influence group”.

The stakeholder-oriented model offers managers and employees of companies to go beyond the traditional interests of shareholders in order to understand the values, expectations, needs and requirements of all stakeholders, previously perceived as external to the company [7, p. 51].

On the other hand, at the global level, various structures of the United Nations Organisation (UN) and the Organisation for Economic Cooperation and Development (OECD) have for many years sought to ensure the active participation and increased contribution of all those interested in addressing socio-economic challenges.

At the G20 Summit on 9–10 September 2023, the G20 countries, including Russia, endorsed the revised G20/OECD Principles of Corporate Governance.

They now include a new chapter on “Sustainability and resilience”, which provides guidance

to support companies in managing the risks and opportunities associated with climate change and other sustainability challenges.

In particular, the “Disclosure and Transparency” section adds a recommendation to disclose important non-financial information, including business ethics, social issues, attitudes towards environmental protection, respect for human rights, political donations, etc.⁷

Russia, as a member of the G20, follows these principles and recommendations, which, for example, are adopted as one of the 12 fundamental standards for the sustainability of financial systems. In December 2021, the Bank of Russia published an information letter stating that the relevance of ESG factors accounting and mainstreaming as well as sustainability issues is also related to the paradigm shift from a paradigm in which the main goal of a corporation is to make profits and create value for shareholders to a new one that sets the goal of creating sustainable value for all stakeholders, and provides a number of practical recommendations.⁸

The 2023 update of the G20/OECD Principles of Corporate Governance suggests that a new understanding of sustainable corporate governance is emerging, with the focus shifting from resolving conflicts of interest between ownership and management to the more complex task of balancing the interests of all key stakeholders of a company. [4, p. 52].

An important innovation of the G20/OECD Corporate Governance Principles is that, from 2023, the top management of companies and organisations are encouraged to establish communications and dialogue with key managers, shareholders, and stakeholders on sustainability issues, which helps to identify, define, and assess the issues that are relevant to them.

Thus, owing to the strengthening of the role of the stakeholder approach, which forms a better system of sustainable corporate gover-

⁷ URL: <https://www.oecd.org/corporate/revised-g20-oecd-principles-corporate-governance.htm>

⁸ URL: <https://cbr.ru/Crosscut/LawActs/File/5757>

nance, maintains the balance of interests of the parties and reduces non-financial risks, a step has been made towards the convergence of the content of the concepts of “corporate governance” and “communication”. This not only improves the efficiency and sustainability of the competitiveness of companies and organisations, but also creates values that are meaningful to the society.

Integrated communications with all stakeholder groups form the basis of modern communication management and sustainable corporate governance.

An important difference in Russian corporate governance practice is that CEOs more often than Western managers refer to government and regulatory authorities as key stakeholders. In recent years, this trend has intensified against the backdrop of the increasing role of the state in the economy. A generally accepted approach to engaging with all stakeholder groups is still being developed.

In addition, in Russia the interests of all stakeholders (not only shareholders, investors and managers) are poorly represented in the Corporate Governance Code and are not adequately protected by corporate governance norms and standards, which is not conducive to the organisation of sustainable corporate governance.

CORPORATE GOVERNANCE PRACTICES IN THE CONTEXT OF ESG

Corporate Governance Codes are of a recommendatory nature and operate on a “comply or explain” principle, so companies and organisations are regularly assessed and rated for the quality of corporate governance and its compliance with adopted international and national codes, standards, and regulations. These assessments largely determine the terms of lending and investment, admission to public procurement, etc., which is vitally important for companies and organisations.

In our country, for example, in addition to private rating agencies, the Bank of Russia conducts

annual monitoring of the practices of implementation of Corporate Governance Code principles and recommendations by Russian public joint stock companies (PJSCs) whose shares are admitted to organised trading by Moscow Stock Exchange PJSC or SPB Stock Exchange PJSC.

Thus, the above annual monitoring for 2021 showed that among 179 PJSCs the average level of implementation of the Corporate Governance Code principles from their total number is 78%.⁹

The results of a survey of more than 17,000 respondents interested and engaged in sustainability topics, conducted in December 2022–January 2023, showed that the ESG agenda in 2022 has taken a back seat. Only 52% of the respondents were going to adjust their sustainability goals and revise their ESG strategies. 40% of companies cut ESG development budgets in 2022, however 47% did not do so.

The “S” (social) block surpassed the “E” (environment) aspect in the survey in terms of its importance for Russian companies. Despite the fact that social issues have always been important for Russian companies, aspect “E” has been an absolute priority for business for a long time.

In today’s realities, the social agenda is coming to the forefront, and initiatives to support personnel, retain employment, retrain employees, and support human capital are becoming more active. Only 40 per cent of businesses pay attention to aspect “G” — governance.¹⁰

As a result of a survey by the National Research University Higher School of Economics of 55 large Russian companies (mainly energy and mining companies), more than 70% of respondents indicated external pressure (from the government, large customers and business partners, primarily Western ones) as the main reason for ESG transformation. 35% feel pressure from consumers. ESG penetration into corporate culture leaves much to be desired in most of the surveyed companies.¹¹

⁹ URL: https://cbr.ru/Collection/Collection/File/43510/Review_corp_0112022.pdf

¹⁰ URL: <https://m-p.ru/ESG-Russia-2023.pdf>

¹¹ URL: <https://www.hse.ru/mirror/pubs/share/724047784.pdf>



Against the background of the growing number of influential supporters of ESG-policy, some Russian companies and organisations take a wait-and-see attitude in the hope that this phenomenon is temporary, while others, like many abroad, practice “greenwashing” (green camouflage) which is limited to proclamations and imitative cosmetic measures. In addition, marketing manipulations have also become very fashionable — advertising and selling products with ideas and labels “eco”, “bio”, “completely harmless to nature”, “environmentally-friendly”, “without preservatives”, “farm”, “organic”, etc.¹²

In the practice of some organisations, one can observe a long-known policy within the Corporate and social responsibility (CSR) concept, when they carry out familiar activities, but under ESG banners.

Mass greening, imposed by international standards, is regarded as “ecodictatorship” in a number of medium and small business companies and inclines them to imitate ecoactivism.

Some organisations do not seek to increase transparency, as information openness makes them more vulnerable to regulatory bodies and law enforcement agencies, as well as potential raiders.

At the same time, there are obvious contradictions within the ESG-policy triad itself, when, for example, excessive strengthening of environmental requirements may lead to negative social consequences.¹³

The non-comparability of data from numerous ratings and rankings is noteworthy. This is explained by the fact that each rating agency has its own methodology with a different set of criteria and their weight, and as a result, the same companies may look good in some ratings and worse in others.

Many agencies do not disclose their methodologies, and this allows for subjective selection of indicators and manipulation of results.

It is clear that the development of a generally accepted methodology for rating and auditing companies and organisations to ensure that their activities comply with ESG principles is required. In January 2023, the Bank of Russia published a report “Model Methodology for ESG Ratings” for public consultation in order to create common rating rules to ensure comparability of ESG ratings and thus reduce disharmony in this market.¹⁴

It should be noted that in a number of cases ESG policies are most likely declarative in nature as a response to a fashionable trend, although organisations are not ready to incur additional costs.

The unplanned costs of social and environmental policies sometimes lead to a conflict of interests of the government, shareholders, and staff. At the same time, several studies repeat the thesis that ESG programmes increase employee engagement and loyalty.¹⁵

A survey of 237 Russian companies conducted by Plekhanov Russian Economic University in October 2023 showed that “almost 100% of rank-and-file employees have no information about their company’s inclusion in ESG ratings and generally have very vague ideas about the sustainability agenda”.¹⁶

Owners and managers of more than half of organisations in Russia do not consider management or governance aspects to be a priority, which with a noticeable lag undeservedly occupy the last place in the ESG triad, although it is they who determine the success or lack thereof in the implementation of this agenda.

However, according to Expert RA rating agency, this does not apply to the banking sector, in which, according to the results of 2022, block “G” (43% of 100 surveyed credit organisations) came out

¹² URL: <https://www.b-soc.ru/pppublikacii/novaya-filosofiya-biznesa-ili-esg-besie>

¹³ URL: <https://pltf.ru/2021/12/29/esg-kommunikaczii-osnovnye-vyvody-iz-provedennoj-raso-konferenczii-po-kommunikacziyam-v-oblasti-ustojchivogo-razvitiya/>

¹⁴ URL: https://cbr.ru/Content/Document/File/144085/Consultation_Paper_17012023.pdf

¹⁵ URL: <https://kontakt.ru/blog/esg>

¹⁶ URL: https://www.vedomosti.ru/esg/corporate_governance/columns/2023/10/25/1002405-ryadovie-sotrudniki-mnogih-rossiiskih-kompanii-slabo-orientiruyutsya

on top as the most relevant for development in the current environment.¹⁷

One cannot but agree with a few authors that this block is of decisive importance, as it is on this block that companies' performance in the "E" and "S" directions depends. For example, Svetlana Bik, head of the INFRAGREEN expert and analytical platform "Infrastructure and Finance for Sustainable Development", emphasises that "nothing happens in a company or a bank if it is not approved in the management or governance plan. "G" is the main thing in ESG, because without a management or governance decision, neither E, nor S, nor other letters of the alphabet will move" [8, p. 36].

This is one of the consequences of the fact that international and Russian Corporate Governance Codes do not adequately reflect the issues of communication management/governance. The "G" (governance/management) is often translated as "corporate governance". This is explained by the fact that its content is actually borrowed from many provisions of Russian and international corporate governance codes.

Assessment of corporate governance quality (block "G") is based on the analysis of a limited set of indicators taken from the Corporate Governance Code, such as: ownership structure, integration of ESG factors into the long-term strategy, influence and rights of shareholders, the state of the stakeholder management system, risk management and auditing, control, etc. For example, this is characteristic of the ESG-rating methodology of the National Rating Agency.¹⁸

In the model methodology for ESG ratings published in January 2023, the Bank of Russia proposes to assess such elements of corporate governance (block "G") as: ownership structure and implementation of shareholders' rights, management bodies, strategy, remuneration system, risk management and information disclosure.¹⁹

The methodology for assessing the quality of corporate governance of the Bank of Russia and most rating agencies provides for a discussion of stakeholder engagement, but only with regard to the existence of an approved strategy and work plan in this area.

The sections on the information policy of companies and organisations focus on information disclosure and transparency, and there is little discussion of communications management, especially integrated communications management.

In the field of sustainable development (SD), block "G" assesses only the facts of inclusion of ESG factors in the long-term strategy of companies and organisations, the presence of an appropriate head or division and risk management system.

Thus, when analysing the quality of corporate governance and compiling ratings and rankings in the field of ESG-policy, there is no assessment of the fundamental (key) factor "efficiency of company management/governance" as such and, in particular, the management of integrated business communications. In other words, the quality of the management process itself, and even more so the management of integrated communications, is not assessed.

The authors of the article propose to correct this shortcoming, to go beyond the Corporate Governance Code, to change the assessment criteria, to expand the set of management indicators and to include in block "G", for example, such metrics as indicators of the quality of integrated communications management, which decisively affect the effectiveness of sustainable corporate governance based on the stakeholder approach. For this purpose, it is necessary to expand the methodology for conducting communication audits and non-financial reporting.

For example, it is possible to develop easily measurable criteria on the basis of the broader in content system "corporate management" and its constituent part "communication management".

The national standard of the Russian Federation "Quality Management. Organisation Quality" GOST R ISO 9004–2019 provides guidance on how to achieve sustainable success of an organisation in a complex, demanding and constantly changing environment.

¹⁷ URL: https://raexpert.ru/researches/banks/esg_1h2022

¹⁸ URL: <https://www.ra-national.ru/ratings>

¹⁹ Ibidem.

Its application together with the quality management system of the national standard GOST R ISO 9001–2015 can provide a unifying framework for the values and strategies of the organisation. ISO 9001:2008 “Guidance on the concept, content and use of the process approach for management systems” can also be applied.²⁰

These standards can be useful in expanding the set of criteria for assessing and rating the management of the quality of management processes and the interrelationships between them, as well as the management of resources, primarily human resources, and the new knowledge economy.

According to the researchers of the Kuban State Technological University, the evaluation criteria for communication management may include the following indicators:

- the degree of integration of the communication and overall strategy of companies and organisations;
- availability and completeness of scenarios for the development of the communication situation;
- the degree of regular interaction and coordination of actions at different levels of the management hierarchy;
- efficiency of information processing and feedback;
- consistency of internal and external communication activities, etc. [9, p. 1].

Thus, an established system of integrated communications with all stakeholders ensures high quality of communication management, which determines the effectiveness of ESG-policy, as well as all areas of activity of companies and organisations.

SOME PECULIARITIES OF COMMUNICATION MANAGEMENT IN RUSSIA

In the conditions of growing uncertainty and global turbulence, the highest possible decentralisation of management (polycentricity), delegation of a number of powers to lower hierarchical levels, rapid adaptability to uncertainty

and flexibility in the continuous production of innovations come to the fore. At the same time, it should be borne in mind that if the interaction between structural units is poorly coordinated, the decentralisation policy can disrupt the integrity of the semantic unity of management decisions and their prioritisation, and distort the assessment of the efficiency of companies and organisations.

However, there is a problem of dependence, albeit weakening, on previous managerial experience within the administrative-command system and authoritarian management model. Managers need to learn not only to give orders and instructions, to force, coerce, pressure, and manipulate, but first of all to motivate and persuade.

A survey conducted in 2018 by the Centre for Social Design “Platforma” at the request of the Independent Directors Association (IDA), asked the following question: what management style, in your opinion, will dominate in Russian companies in the next few years? Over 100 IDA members — independent directors, CEOs of Russian companies, and independent experts — responded as follows:

- 75% — directive management;
- 13% — entrepreneurial management;
- 11% — collegial management;
- 1% — other.²¹

This implies that managers who are used to managing by order methods will remain in the majority for the time being, because they are afraid of change or are not ready to complicate their work with procedures of coordination, approvals, delegation of part of authority, etc. even for the sake of increasing efficiency.

There is often a practice when communication is considered by managers as a one-sided semantic impact on the recipients, although within the framework of the activity approach the subjects of integrated marketing communications and integrated communications have long been considered equal partners in the information process.

²⁰ URL: <https://www.iso.org/obp/ui#search>

²¹ URL: <https://pltf.ru/2018/12/19/korporativnoe-upravlenie-v-rossii-krizis-zhanra-i-nadezhdy-na-budushhee/?print=print>

According to the authors' observations, managers at different levels often fail to achieve the main goal of communications — to ensure accurate understanding of the messages or orders being communicated. Some of them, for various reasons, do not set themselves such a goal, others either lack motivation and have a formal attitude, or do not have sufficient knowledge, abilities, and skills, as well as vocabulary for this purpose.

The integrated approach to organising communications practiced abroad is becoming increasingly common in Russian advanced companies and organisations, especially among large and stable ones, traded on stock exchanges or related to finance and investment.

The analysis of domestic and foreign sources shows that the model of integrated communications has not been finally developed not only in Russia, but also in economically developed countries.

The concepts of integrated marketing communications and integrated communications continue to develop in the world, but in Russia, the emerging opportunities for updating approaches, strategies, tools, and technologies are discussed and implemented with a noticeable delay. Some of them have not been put into practice at all for a long time.

A nationwide study of internal communications (IC) conducted in 2022 by "ECOPSY Consulting", which surveyed more than 400 people involved in internal communications (IC) in medium and large companies in various industries, identified the three key stages of their development:

- Informing.
- Involvement of employees in the company

with established feedback in different directions (vertical, horizontal, and diagonal). This ensures the achievement of mutual understanding in the organization — communication and dialogue become a necessary part and condition for the formation of corporate culture.

- Communication of values and meanings to each employee, influencing his/her behaviour.

"ECOPSY Consulting" analysts estimate that 80% of the companies surveyed are at the first stage, 15% are at the second stage and only 5% are at the third stage. It is clear that each of them has to solve the problems of all three stages to a greater or lesser extent.²²

Studies of internal communications in 6 Russian organisations have shown that, as a rule, services and departments do not communicate with each other, as they consider themselves to be independent units [10, p. 8].

In theory and practice, business communications in companies and organisations are quite often organisationally and/or functionally divided into internal and external. According to the authors of the article, the flaw in this dichotomy is that it does not allow managers to fully understand and implement the ideas of integrated communications. Russia initially gave priority to external communications (with shareholders, suppliers, customers, partners, investors, etc.) without realising the importance of creating an optimal internal corporate environment as a basis for all areas of business communication in order to solve common tasks of increasing motivation and efficiency of companies and organisations.

It is impossible to organise effectively working external communications without establishing an optimal internal system, creating standards of behaviour in accordance with the Corporate Governance Code and forming a corporate culture in accordance with the company's code of ethics.

In other words, the formation of an integrated management system adequate to the real requirements and market trends should start with the integration of internal communications.

In the practice of many Russian companies, different areas of communications (media, marketing, advertising, public relations, investor relations, etc.) are still quite autonomous, report to different managers, are not organisationally and functionally

²² URL: https://intercomm.media/wp-content/uploads/2023/02/zerkalo-kommunikaczij_otchet-po-issledovaniyu_netochnosti-lr3.pdf



united, interact poorly with each other and do not form one coherent system, solving their own tasks.

Such fragmentation and often duplication of functions not only reduces the effectiveness of communications, but also generates intra-corporate conflicts in the struggle for budgets and influence. Scientific and applied articles continue to debate which communications function should be the dominant one — public relations or marketing.

In practice, this does not always manifest itself in correct competition between the relevant departments in the struggle for leadership, budget reallocation and staff rearrangements and promotions.

In order to create an adequate communication system, it is necessary to develop a holistic management system from one meaningful centre that creates messages for all stakeholders, distributes them through appropriate channels and ensures that feedback is continuously received.

The totality of horizontal, vertical, and diagonal links of all divisions and departments at different hierarchical levels forms a system of integrated communications based on a logical distribution of authority and responsibility with regular evaluation of their effectiveness.

The communication strategy should incorporate the values and meanings that underpin the work of businesses and organisations.

Ideally, a kind of ecosystem of integrated communications with a high explanatory potential should be created, which will provide a synergy effect and increase the company's efficiency.

For this purpose, it is necessary to abandon excessive adherence to vertical management in the pyramid of hierarchies in favour of a more flexible system, to learn how to establish horizontal and the more so diagonal links, etc.

The results of the communication process largely depend on corporate culture, which is expressed in a set of characteristics such as attitudes, values, interests, habits, social norms of behaviour, traditions, limitations, expectations, and concerns.²⁵

²⁵ URL: <https://reports.weforum.org/>

Managers of Russian companies and organisations face a difficult but inevitable task: to take into account new trends in the development of integrated communications, which include interaction with all groups of stakeholders, who are gradually taking control of communications in terms of form and content.

CONCLUSIONS

In Russia, depending on the form of ownership, sectoral and regional affiliation, size and age of enterprises and organisations, different approaches, models, principles, methods and techniques of management and business communications are used.

Due to the stakeholder approach, there is a process of convergence of the content of the concepts of “corporate governance” and “communication”.

The concept of integrated marketing communications still prevails in Russian theory and practice along with integrated communications. At the same time, they can be combined in many different ways, for example, modern models and principles can co-exist alongside traditional ones.

The authors believe that the division of business communications into internal and external ones that still exists in Russian science and practice contradicts the principles of integrated communications, prevents researchers and managers from reformatting their understanding of the essence of modern trends, and reduces motivation for development.

In order to improve competitiveness, companies and organisations need to develop a system of internal communications that meets the interests of all stakeholder groups.

Against the background of a crisis of trust between business, government and society, the stakeholder approach to the management of companies and organisations has become increasingly widespread in Russia in recent years, mainly among companies listed on the stock market and interested in sustainable development.

However, the number of organisations effectively engaging with all target audiences is still

relatively small. This suggests that there is little awareness among managers that stakeholder communications provide the mutual understanding between all stakeholders necessary for optimal decision-making.

Understanding the content features of integrated communications, their organisational structure, tools, and management principles remains a debatable issue. Methods of their analysis and rating need further development. Therefore, the

authors propose to expand the set of management criteria and indicators of block “G” in assessing the quality of ESG-policy of companies and organisations and to use the systems “corporate management” and “communication management” for this purpose.

The development of criteria and indicators of the quality of integrated communications systems, ESG-policy and sustainable corporate governance can become a direction for further research.

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ABOUT THE AUTHORS



Alexander V. Lopukhin — independent researcher, expert, Moscow, Russia

<https://orcid.org/0000-0001-8360-3541>

Corresponding author:

alopukhin@yandex.ru



Evgeny A. Plaksenkov — PhD SKEMA Business School, Professor of the Moscow School of Management SKOLKOVO, Moscow, Russia

<https://orcid.org/0000-0003-2196-9059>

evgeny_plaksenkov@skolkovo.ru



Sergey N. Silvestrov — Dr. Sci. (Econ.), Professor of the Department of World Economy and International Finance, Financial University, Director of the Institute of Economic Policy and Economic Security Problems, Moscow, Russia

<https://orcid.org/0000-0002-7678-1283>

SSilvestrov@fa.ru

Authors' declared contributions:

A.V. Lopukhin — evolution of the conceptual apparatus of corporate governance in the process of integrating business communications.

E.A. Plaksenkov — role of stakeholders in sustainable business development, formulation of the goals and objectives of the study.

S.N. Silvestrov — ESG agenda for sustainable corporate governance, development of the concept and general management of the writing of the article.

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