

JAWAD SYED

### **Work life balance in Russia\***

With increasing economic relations with Western Europe and other countries, Russia, in recent years, had assumed a regional and global role through its memberships in the Group of Eight (G8), the Group of Twenty (G20), and Asia-Pacific Economic Cooperation (APEC). Russia shaped its own unique profile in addressing the major challenges of the twenty-first century as the chair of APEC in 2012 and the G20 in 2013 (World Bank, 2014). Given its enormous size in terms of area, population, and economy, it was important to understand how the country responded to issues of work–life balance.

The Russian population in 2013 was estimated to be 142 million people, with 71 percent of the population between 15 and 64 years of age. Within this group, approximately 52 percent were women. The country experienced negative population growth (-0.02 percent) due to a low birth rate (1.2 percent). With a GDP of US\$2.555 trillion, Russia had, in the previous few decades, transitioned from a centrally planned economy to a more market-based and globally integrated economy. Economic reforms in the 1990s privatized most industries, with notable exceptions in the energy and defense-related sectors. However, the private sector remained subject to heavy state regulation. The labor force was estimated to be 75.24 million, mostly concentrated in services (64.7 percent), followed by industry (27.4 percent) and agriculture (7.9 percent). The unemployment rate stood at 5.7 percent (2012 estimate) (CIA Factbook, 2014).

Since the Soviet era, the Russian Federation had a long tradition of female employment and institutional arrangements for childcare. During the transition period, there was some decline in female employment, and public expenditure on the family was also cut (Ovcharova & Papova, 2005). The governmental family allowance remained quite low and did not consider the increasing cost of childcare. Parental leave was paid for children under 18 months, and additional unpaid leave could be taken until the child turned three (Pailhe, 2009). Since the breakup of the Soviet Union in 1991, the development of family policy in Russia experienced the turmoil of transformation, privatization of enterprises, and rising unemployment, which affected citizens' social rights and lifestyles (Teplova, 2007).

In 2006, President Vladimir Putin, in his speech to the nation, exhibited clear pro-natalist intentions. Not only were benefits increased, but the most important measure, the so-called maternity capital, was introduced in 2007, granting mothers the right to attractive

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\*Professor Jawad Syed (Lahore University of Management Sciences) wrote this mini case as a basis for class discussion rather than to serve as an endorsement, source of primary data, or illustration of effective or ineffective management. It has been adapted from: Syed, J. (2015). Work-life balance. In Syed, J., & Özbilgin, M. (eds.), *Managing diversity and inclusion*, pp. 287-310. London: Sage. © Copyright: South Asian Academy of Management. To order copies or request permission to reproduce materials, email: info@southasianaom.org OR call (+92) 3291009981. This publication may not be digitized, photocopied, or otherwise reproduced, posted, used or transmitted, without the permission of South Asian Academy of Management.

non-monetary benefits. The maternity grant given at childbirth amounted to 6,000 rubles, on the condition that the mother had registered with a medical establishment during pregnancy. For early registration, she was awarded an extra 300 Rubles (Council of Europe, 2005). According to Zakharov (2008), changes in family policies during the 1980s led to a short-term baby boom in Russia, which was mostly due to women giving birth to children earlier than planned or catching up with previously postponed births.

Despite underfunding and turmoil during the transition, work-life balance remained an important feature of governmental laws and organizational policies in Russia. In terms of health and well-being, the Russian government, through the obligatory medical insurance system, covered medical and emergency care for employees working in the public sector. Contributions were required from employees as well as employers for the obligatory medical insurance fund. Despite the growing private healthcare sector, most Russians still preferred government-affiliated hospitals, which provided free obligatory care. Physical fitness centers became popular among employees and were available throughout major cities (Engle et al., 2010).

There were also specific provisions for parental leave and childcare. A pregnant woman was legally entitled to paid maternity leave of 70–84 days before childbirth and 70–110 calendar days after childbirth. Maternity pay came from a government Social Security Fund, to which both employees and employers contributed. The government also supported a childcare leave program, allowing a mother to take up to three years off from her position to care for her child. During this time, she received a government allowance equivalent to half of her annual salary, and the company guaranteed her the same level of position upon her return. Women were legally protected from dismissal when taking maternity leave or leave to care for a child (Engle et al., 2010).

In terms of flexibility, approximately 17 percent of Russian companies offered flexible work options to full-time employees. In some Russian-owned companies, managers preferred to have their staff working within a zone of their effective control, thus discouraging remote working arrangements. In terms of commuting, organizations assisted their employees by providing special buses to transport employees to and from the office. In some companies, employees, particularly those working in field sales jobs, were provided with company cars (Engle et al., 2010).

According to the OECD Better Life Index (OECD BLI, 2013), the Russian Federation made progress over the previous decade in improving the quality of life of its citizens. The BLI statistics showed that people in Russia worked 1,981 hours a year, about 11 percent higher than the OECD average of 1,776 hours. However, only 0.2 percent of employees in Russia worked very long hours, much lower than the OECD average of 9 percent. While men spent more hours in paid work across the OECD, in Russia, there was hardly any difference (OECD BLI, 2013).

## Discussion Questions

1. How have Russia's historical and economic transitions influenced its work-life balance policies?
2. What role does the government play in regulating work-life balance in Russia, and how does it compare to other economies?
3. How do cultural factors impact the adoption of flexible work arrangements in Russia?

4. What are the key challenges in implementing work-life balance policies in a transitioning economy like Russia?
5. How can Russia's work-life policies be improved to address demographic and labor market challenges?

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