

**A STUDY ON THE HRM AS INFLUENCING FACTOR FOR CORPORATE
SOCIAL RESPONSIBILITY**

Ms. Bhoomi,
Research Scholar,
DHARWAD, INDIA.

Dr. Jai Bakshi,
Associate Professor & PhD Guide,
DHARWAD, INDIA.

ABSTRACT

The relationship between human resources management and corporate social responsibility is also subjected to extensive debates, discussions and investigations. The role of HRM in corporate social responsibility is primarily examined in this paper. Karnataka state is a leader in industrial and business sectors of national economy. Karnataka has the potential to move to be within the top three ranks on an all India basis on these human development indicators by 2025. Practically, it is not possible to bring the personnel under a common umbrella, make them work together and put forth united efforts for the development of the organization in the absence of systematic development of HRM system. Corporate Social Responsibility (CSR) is both a high profile notion which the business world perceives as strategic and a prominent concept in academia. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employees, customers and their families, and involving in activities for environmental conservation and sustainability. Human resource management can play a significant role so that CSR can become the new way of life and facilitate the development of society. The past studies did not indicate the factors contributing to the HRM efficiency from corporate social responsibility point of view with special reference to corporate houses in Karnataka state. The investigation reveals that it is imperative to formulate specific policies on CSR and HRM in the new millennium since modern corporate houses are required to live up to the expectations of the people who matter most in the civil society.

The Role of Human Resources Management in Corporate Social Responsibility: An Evaluation of Corporate Houses in Karnataka State

The investigation reveals that it is imperative to formulate specific policies on CSR and HRM in the new millennium since modern corporate houses are required to live up to the expectations of the people who matter most in the civil society. The HR professionals have to play a crucial role in helping their organization achieve its goals of becoming a socially and environmentally responsible organization. The HR professionals are required to manage various operations with due respect to the utilitarian theory of management in modern times. The present study reveals that HRM and CSR are the two faces of the same coin. The corporate leaders should integrate these two mechanisms in a new framework explaining how CSR perceptions stimulate the adoption of workplace attitudes and behaviors that may ultimately foster corporate performance.

Preamble

The subject of human resources management is widely discussed in the new millennium by the scholars, administrators, activists and others all over the world. The process of globalization has affected all spheres of human life including organizational management. There is commendable expansion of media across the world in the age of globalization. Leading market forces have established corporate houses to make name, fame and profit in modern times. The public corporate houses are governed by the constitutional norms and social responsibility

theory of communication and management. The relationship between human resources management and corporate social responsibility is also subjected to extensive debates, discussions and investigations. The role of HRM in corporate social responsibility is primarily examined in this paper.

HRM for Corporate Social Responsibility

The human resources executives play an instrumental role in helping their organization achieve its goals of becoming socially and environmentally responsible organizations. The human resource professionals are required to understand the significance of corporate social responsibility which is a key driver of sound organizational development in modern times. Modern corporate houses should manage their HRM in a socially responsible way to avoid the risk of damaging their corporate reputation. The corporate houses should also understand that personnel management is not the only means of organizational development. The HR executives and personnel should develop proper vision and integrate corporate social responsibility with human resources management and organizational development. "In reality, the human resources influence many of the key systems and business processes and that corporate houses should achieve a high performance CSR culture. Human resource management can play a significant role so that CSR can become the new way of life and provide the tools and framework for the executive team and CEO to embed CSR ethic and culture into the brand and the strategic framework of the organization" states Strandberg (2009:13).

Redington (2005:10) comments: "Research shows that the critical success factors for implementing CSR include having an overarching vision that includes CSR, having senior management and board level commitment, engaged staff and the provision of skills, tools and incentives. Clearly, staff participation and buy-in to delivering on the company's CSR aspirations is central to success in this area". The HR personnel should also understand the role of HRM in corporate social responsibility and deliver the goods and services which would ultimately benefit the society. They should constantly engage in the task of integrating CSR throughout the firm, helping the firm achieve its CSR goals and adhere to its CSR principles consistent with its strategic business direction.

The HR professionals are called upon to help the organization achieve its CSR goals. The benefits to employees are arguably the most quantifiable and the most frequently-cited

benefits of all the business case benefits for adopting a CSR or sustainability approach. The corporate leaders normally face the challenge of recruiting and retaining quality oriented and capacity centered HR professionals in order to meet current and future demands of the society which is the biggest angel guardian of corporate house.

Thornton (2008:14) emphasizes the role of HRM from corporate social responsibility point of view thus: "A strong employer brand aligned with employee values and concerns is becoming recognized as one of the best ways of retaining talent with employees proud to work for a business that is highly regarded. Further, staff attrition is disruptive, putting pressure on the remaining employees and absorbing management time. A well-developed performance and talent management strategy with embedded CSR components can reduce the likelihood and impact of losing employees. Generally, there is a growing desire among employees to derive a sense of greater purpose from their work; happier employees with increased job satisfaction can unleash innovation in a firm".

Rekha and Gayathri (2013:11) state: "There is a demand in modern society, for each enterprise to hold social responsibility. That is, with no social responsibility an enterprise could not be viable. For that, it's necessary for each employee to have social responsibility, and for an enterprise to manage their pupils based on the social responsibility. The HRM department should bring the related Human Resource basic social responsibility into the management flow-sheet and then divide into each HRM post and elemental task, and takeover the fulfillment earnestly. The Human Resource regulators also organize the process of the CSR fulfillment as well".

Rajendhiran and Silambarasan (2013:09) note: "In a global economy, increasingly organizations have a responsibility to facilitate, demonstrate and promote Corporate Social Responsibility (CSR). Long-term sustainability demands that organizations rethink their business goals and objectives from solely focusing on making a profit to corporate citizenship. Sustainability is balancing social, environmental, and economic factors for short and long-term performance and it also argues that organizations have a responsibility to multiple stakeholders in the conduct of their business and not just to the shareholders. It is an organization's way of integrating economic, social and environmental imperatives of their business. CSR does not change as much as broaden the HR agenda, and focuses on effective

implementation. Corporate Social Responsibility will not solve all of society's ills, but it will go a long way to making the world a better place. In corporate terms, CSR makes good business sense. It gives everyone a reason to smile and prosper in the modern business environment".

Review of Literature

Few researchers in India and abroad have examined the role of human resources management in corporate social responsibility. Prominent among them include: Maignan and Ralston (2002:05), Quarke (2002:08), Redington (2005:10), Secchi (2005:12), Vogel (2005:15), Xueming and Bhattacharya (2006:16), Davis (2007:01), Prakash (2007:07), Griffin (2008:02), Lee (2008:04), Movius (2008:06), Thornton (2008:14), Ismail (2009:03), Strandberg (2009:13), Zulhamri (2009:18), Yucel (2010:17), Rajendhiran and Silambarasan (2013:09) and Rekha and Gayathri (2013:11). The past studies did not indicate the factors contributing to the HRM efficiency from corporate social responsibility point of view with special reference to corporate houses in Karnataka state.

Significance of the Study

Scholars have examined the issues and concerns pertaining to the role of human resources management in corporate social responsibility. They have reported that HR professionals are sensitized by the corporate leaders to understand the corporate social responsibility from both a value-based and a business-case perspective. They work in a business function that readily identifies both the business benefits and the people benefits of fostering CSR alignment and integration. The HR professionals are also oriented towards reaching out to the people, delivering the people-friendly goods and services and mapping out their strategic approach towards fulfilling the needs and demands of people who constitute the supreme parliament in democracy. The role of human resources management in corporate social responsibility assumes great significance academically.

Objectives of the Study

- To understand the attitude of the management towards corporate social responsibility
- To study the relationship between human resources management and corporate social responsibility.
- To assess the system of human resource management in leading public and private undertakings.

- To analyze the practice of corporate social responsibility in leading public and private undertakings.
- To examine the role of human resource management in corporate social responsibility and
- To suggest appropriate strategies of human resources management for progressive corporate social responsibility in leading public and private undertakings.

Research Design

The present study approaches the problem through a systematic survey method. A structured and pre-tested interview schedule was administered to the corporate leaders, HR executives and representatives of local community in Karnataka state. Primary data were collected through questionnaire and interview tools personally by the researcher.

Findings of the Study

Human Resource Management

- A vast majority of the respondents (68.72%) have stated that corporate leaders realized the significance of HRM.
- A vast majority of the respondents (70.08%) have stated that select corporate houses accorded a high priority for HRM.
- A majority of the respondents (76.18%) have stated that select corporate houses sensitized the HR professionals about healthy practices.
- A vast majority of the respondents (63.52%) have stated that select corporate houses recognized the HR professions as key stakeholders of organization.
- A majority of the respondents (63.72%) have stated that the select corporate houses developed HRM division systematically.
- A majority of the respondents (71.30%) have stated that the select corporate houses created better HRM appraisal system.

Practice of CSR

- A vast majority of the respondents (82.12%) have stated that the select corporate houses had evolved suitable CSR policy.
- A vast majority of the respondents (73.18%) have stated that the select

corporate houses identified the thrust areas of CSR.

- A majority of the respondents (71.08%) have stated that the select corporate houses periodically organized orientation programmes for the HR professionals on CSR
- A vast majority of the respondents (81.62%) have stated that the select corporate houses delivered the goods and services for the benefit of society.
- A majority of the respondents (66.42%) have stated that the select corporate houses organized frequent interactive sessions with the local community.
- A majority of the respondents (78.60%) have stated that the select corporate houses had contributed significantly for the community welfare activities.
- A majority of the respondents (76.32%) have stated that the select corporate houses had implemented community friendly development programmes.
- A vast majority of the respondents (70.0%) have stated that the select corporate houses had conducted opinion survey to understand the relationship between HRM and CSR.
- A vast majority of the respondents (66.82%) have stated that the select corporate houses demonstrated philanthropic attitudes and approaches.
- A vast majority of the respondents (82.60%) have stated that the select corporate houses considered CSR as a priority sector of organizational management.

Testing of Hypotheses

H1. The public and private corporate houses have not developed healthy CSR initiatives and practices.

The data reveal that the public and private corporate houses have developed healthy CSR initiatives and practices. Hence, the above hypothesis stands disproved according to the data analysis.

H2. The public and private corporate houses have not motivated HR professionals to deliver socially responsible goods and services.

The data reveal that the public and private corporate houses have motivated HR professionals to deliver socially responsible goods and services. Hence, the above hypothesis stands disproved according to the data analysis.

Implications of the Study

The implications of the findings of the study with special reference to the role of HRM

in corporate social responsibility in leading corporate houses of Karnataka State in general terms are given below.

- The investigation reveals that it is imperative to formulate specific policies on CSR and HRM in the new millennium since modern corporate houses are required to live up to the expectations of the people who matter most in the civil society.
- The policy makers of public and private corporate houses are also required to expand and develop HRM system in terms of visionaries and missionaries in the field concerned. These houses should also equip the HRM divisions with the state of the art technologies, resources and services in order to carve a niche for themselves in the field of corporate social responsibility.
- The HRM department should also have adequate specialists in CSR and HRM to facilitate better ideas and inputs periodically to the corporate leaders.
- The corporate houses should also actively involve veterans, specialists and other seasoned corporate leaders and specialists in HRM and CSR in the process of strategy making and delivery of socially responsible services.
- The HRM and CSR activities need management support and active involvement of various branches of organizational management. The study emphasizes that inter-departmental coordination would enrich the status of CSR and HRM in select corporate houses.
- The modern corporate houses should also formulate a set of sound ethical considerations and practices in order to prevent unlawful and unhealthy HRM practices. The personnel should also be encouraged to follow ethically sound and appropriate means and mechanisms in order to maintain positive identity for the modern corporate houses.
- The HRM and CSR policy, planning, programming, activities, effects and other aspects should be subjected to regular scientific evaluation by the experts in research and development. The present evaluation reveals that

adequate scientific surveys are not conducted by the corporate houses in order to assess the effectiveness of CSR and HRM points of view. Hence, scientific evaluation should become an important component of organizational management in modern corporate houses.

Conclusion

Corporate social responsibility means conducting business in an ethical way and in the interests of the wider community or responding positively to emerging societal priorities and expectations. The HR professionals have to play a crucial role in helping their organization achieve its goals of becoming a socially and environmentally responsible organization. The HR professionals are required to manage various operations with due respect to the utilitarian theory of management in modern times. They should also deliver the goods and services in a socially responsible way in order to manage corporate reputation which is the ultimate treasure house of organizational development. Human resource management can play a significant role so that CSR can become the prominent tool of organizational development in the new millennium.

Corporate social responsibility has been accepted as an important goal of organizational management. Modern corporate houses are required to enhance the knowledge of HR professionals about the ways and means of expressing the gratitude of their institutions to the people who contribute land, labour, capital, investors, distributors, customers, reputation managers, crisis managers, disaster managers and other resources and services. Corporate houses should improve the mainstreaming of CSR among HR professionals on the basis of a new set of theoretical and practical tools and techniques which fit into the new corporate environment. It is important to identify specific roles and responsibilities of HR professionals and motivate them to contribute their best for the peace and prosperity of the society. What a corporation is doing for society is both a matter of external communication and a way to influence HR professionals' perceptions of their organization. The present study reveals that HRM and CSR are the two faces of the same coin. The corporate leaders should integrate these two mechanisms in a new framework explaining how CSR perceptions stimulate the adoption of workplace attitudes and behaviors that may ultimately foster corporate performance.

References

1. Davis, Nancy Diana (2007) Corporate Reputation Management, The Wal-Mart Way: Exploring Effective Strategies in the Global Market Place, Thesis submitted to the Texas A&M University, USA.
2. Griffin, Andrew (2008) New Strategies for Reputation Management: Gaining Control of Issues, Crises and CSR, London and Philadelphia: Kogan Page.
3. Ismail, Maimunah (2009) Corporate Social Responsibility and its Role in Community Development: An International Perspective, *The Journal of International Social Research*, 2(9): 199-209.
4. Lee, M. P. (2008). Review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10,1, 53-73
5. Maignan, I and D.A. Ralston (2002) "Corporate Social Responsibility in Europe and the U.S.: Insights form Businesses' Self-Presentations," *Journal of International Business Studies*, 33(3):497-514.
6. Movius, L. (2008) Global Debates on the Right to Communicate. *Global Media Journal*, 7(13).
7. Prakash, Jagadeesh (2007) Corporate communication Practices in Public Sector: A Case Study of Karnataka Power Corporation Limited, Ph.D Thesis, Bangalore University, Bangalore, Karnataka, India.
8. Quarke, Bill (2002) Are you ready to take on the communication challenge?, *Strategic HR Review*, 2(1): 32-35.
9. Rajendhiran, N and Silambarasan, C (2013) Changing Role of Human Resource managers for Promoting Corporate Social Responsibility, Paper presented in the 3rd International Conference on Management, Economics and Social Sciences January 8-9, 2013 Kuala Lumpur (Malaysia), pp.166-168.
10. Redington, Ian. (2005). Making CSR Happen: The contribution of people management. The Chartered Institute of Personnel and Development (CIPD). London, UK.
11. Rekha, Sai G and Gayathri K (2013) Human Resource Management and Corporate Social Responsibility, *International Journal of Applied Research & Studies*, 2(3): 1-7.

12. Secchi, D. (2005). The Italian experience in social reporting: An empirical analysis. *Corporate Social Responsibility and Environmental Management*, 13, 135-149.
13. Thornton, Grant (2008) *Corporate Social Responsibility: A Necessity Not a Choice*. Bangkok: Author.
14. Vogel, D (2005) *The market for virtue, The potential and limits of corporate social responsibility*. Washington: Brookings institution Press.
15. Xueming L and Bhattacharya C.B (2006) "Corporate Social Responsibility, Customer Satisfaction and Market Value," *Journal of Marketing*, Vol.70, Iss.4,Oct. 2006, p.1.
16. Zulhamri, Abdullah (2009) *Beyond Corporate Image: Projecting International Reputation Management as a New Theoretical Approach in a Transitional Country*, *International Journal of Economics and Management*, 3(1):170-183.