

THE HUMAN RESOURCES DIMENSION OF CORPORATE SOCIAL RESPONSIBILITY IN A STRATEGIC APPROACH

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Summary: In past decades Corporate Social Responsibility (CSR) has captured the interest of both practitioners and academics, but in spite of all the CSR studies and CSR programs implemented the concept is still not fully understood from its perspective of long-term managerial and decision making implications. We argue that one of the main causes of the debates and controversies concerning CSR are generated by the existing perception of CSR from a philanthropic perception and the lack of a strategic approach.

With this paper, a view of the strategic approach to CSR is presented, emphasizing the elements concerning the human resources management, as a solution for successful CSR.

For the applicative part of the paper, I present a methodology elaborated for the evaluation of the human resources dimension of CSR in a strategic approach and the results obtain in evaluating a business organization.

Keywords: corporate social responsibility, strategic approach, stakeholders, human resources

1. The meaning and the importance of a strategic approach to CSR

Although the practice of CSR is not a new one, existing from our perspective inherently, in one way or another, since the beginning of the business activity and although the concept of CSR is no longer perceived as a “new” and “fashionable” one, becoming main stream for decades now for lots of successful business organization of various sized and operating in various fields of activity. It could be noticed that there are still enough controversies and debates concerning CSR, with fervent supporters and contra supporters of the concept.

Since 1953, when Howard R. Bowen first brought into attention the notion of CSR mentioning the responsibilities of a businessman, trough literature review we found out that constantly a need for a strategic approach was noticed. For instance (to mention just few of the studied bibliographical resources), Peter Drucker in 1954 was also acknowledging the importance of social responsibility and later on in the '60, Davis and Blomstrom were considering that social responsibility had the potential of bringing long term benefits. In the '70s, Harold Johnson considered that the managers of a responsible business organization put in balance a multiplicity of interests when making a decision, thus underlining the importance of the entities that could affect or could be affected by the activity of a business organization (the so called stakeholders). In 1975, Preston and Post were discussing about the fact that social responsibility at that time was consisting of a “large number of different, and not always consistent, usages” and later on in 1986, by Murray and Montanary where underlining that “although management scholars recognize that corporate social responsibility has strategic implications for the firm, few have focused on the interdependent and dynamic relationships among the firm and the relevant actors in its social environment”. The fact that economic and social objectives were so long perceived as being distinct and opposite for business organizations was representing a false dichotomy according Porter and Kramer (2002) and even more, the authors stated that in a long-term approach “social and economic goals are not inherently conflicting, but integrally connected”. In 2004, Graafland et al. were

considering that the long term value creation concerns three dimensions (the Triple P bottom line): Profit – the economic dimension, People – the social dimension and Planet – the ecological dimension. In 2005, Philip Kotler and Nancy Lee very well pointed out some of the most important characteristics of a strategic approach, versus a traditional one based mostly of philanthropic activities. In 2006, Porter and Kramer published another article analysing the link between the social involvement and the competitive advantages stating that “the prevailing approaches to social responsibility are so fragmented and so disconnected from the business and strategy” that “they obscure many of the greatest opportunities” and that by treating their social initiatives as they treat their core business choices businesses could gain competitive advantages. In 2009, Málovics G. very well underlines the particularities of implementing CSR programs in SME’s, presenting multiple benefits and cost associated to CSR implementation for a SME. Porter and Kramer where publishing in 2011, an article suporting the need for „a new form of capitalism” and underlining the importance of creating „share value” – common value for business and society. In 2012, Perez-Batres et al. were presenting the issue of those who use CSR initiatives only as a way for misleading stakeholders in order to misguide attention from severe problems (actions called greenwashing) considered to represent “symbolic” initiatives of CSR from those initiatives truly committed, called “substantive” initiatives. In 2015, Amaeshi and al. are addressing the situation of CSR practices that “go beyond philanthropy and in some instances involve institutional works aimed at addressing some of the institutional gaps in the environments where these SMEs operate”.

Based on the literature review the following key elements that define a strategic approach when implementing CSR programs have been identified: correlation of the implemented CSR programs with the core activity of the business organization, long term sustainability of the support for a certain cause, chosen a cause to support accordingly to the main stakeholders expectations, implementing the CSR program based on a plan well articulated, existence of long-term partnership in local communities or with civil society, evaluation and feed-back have a significant importance, reporting of CSR results is transparent and easily available (Gligor-Cimpoieru and Munteanu, 2013).

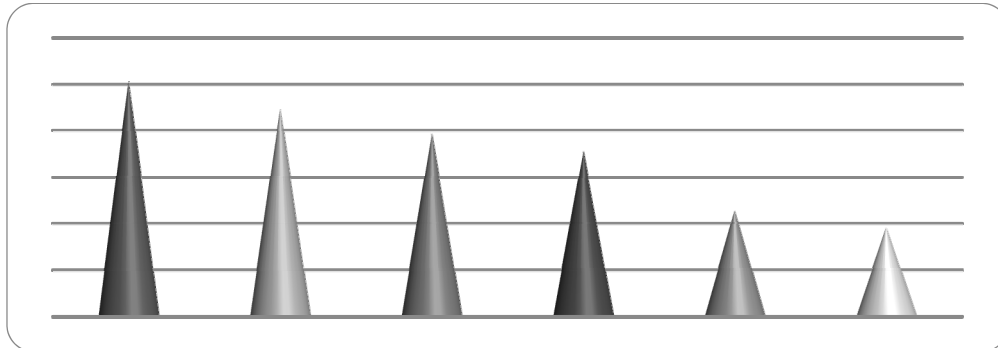
2. The human resources dimension of CSR and its evaluation in a strategic approach

In a strategic approach analysing the relationship that the business organization has with various categories or primary and secondary stakeholders, it is considered that employees represent a very important and particular category of primary stakeholders especially due to the fact that in a knowledge based society employees are becoming more and more the most important active that a business organization holds with the capacity of possessing and generating knowledge. Crăciun (2003), comparing the relationships that a business organization has with two very important categories of primary stakeholders – clients and employees – considers that the relationships with the employees are more complex, being given the personal nature of these exchanges, and while the proprietors or the shareholders “nominally have all the material and immaterial goods of the firm, the employees effectively constitute a corporation”.

Based on the literature review of this theoretical aspect I have elaborated a questionnaire that represents an evaluating tool of the human resources dimension of CSR. When using the proposed research methodology for a business organization with 14 employees operating in the health care industry, that we will call in our paper Enterprise A, the obtained results proved to be a useful tool for addressing CSR initiatives. The first questions were designed to determine a few characteristics of the respondent’s profile (65% of the respondents had an executive position and more that 85% were employees of for more than one year and less than

five years) and the following questions were designed to evaluate the employee's perception concerning some on the most important primary and secondary stakeholders of the business organization.

Figure 1: The hierarchy of primary stakeholders according to employee's perception



Source: by author

Questions 5 – 11 of the questionnaire were designed to evaluate various aspects of the human resources dimension of CSR. Each of these human resources management aspects has ethical implications that we consider an indicator for the measure in which Enterprise A is being socially responsible toward its employees.

Table 1: Key aspects of the human resources dimension of CSR

Criteria	Aspects of the human resources dimension of CSR	Results for Enterprise A
1.	Working conditions	50% of the employees consider them to be good and almost 30% consider them to be very good
2.	The possibilities of professional development	Half of the respondents consider the possibilities for professional development to be good or very good, more than 40% of them to be average or satisfactory.
3.	The possibilities of personal development	Were evaluated by more 40% of the respondents as being good or very good, by almost 30% of them as being average, by more than 20% as satisfactory
4.	The number of cases of discrimination	Is evaluated by half of the respondents as being low and very low or inexistent by more than 40% of them
5.	The number of harassment cases	Is considered by almost 80% of employees as being very low or inexistent and by more than 20%
6.	The situation of respecting the equality of chances	Is evaluated by almost 43% as being good, by almost 29% as satisfactory, and by an equal percent of 14.3% from the respondents as very good, respectively average
7.	The equitability of remuneration	Is evaluated by almost 43% of the respondents as being good, by 29% as satisfactory, and by an equal percent of 14.3% from the respondents as very good or average
8.	The fairness of procedures for hiring, promoting, sanctioning or dismissing employees	Almost 43% of the employees considered fairness as being at an average level, approximately 29% of them consider it to be good and 21% considerate it to be that satisfactory
9.	The overall confidentiality	Approximately 36% of the employees consider confidentially as being good and 21% as being very good. The rest of the respondents consider it satisfactory (28.6% of the respondents) or average (14.3% of the respondents)

Source: by author

Questions no. 12-18 were designed to analyse particular aspects of the confidentiality between Enterprise A and its employees. Confidentiality was perceived inside a business organization as being a bivalent relationship between the employees and the employer. Employee's rights of confidentiality must be respected, but at the same time, employees have a duty to respect the confidentiality regarding the firm's activity.

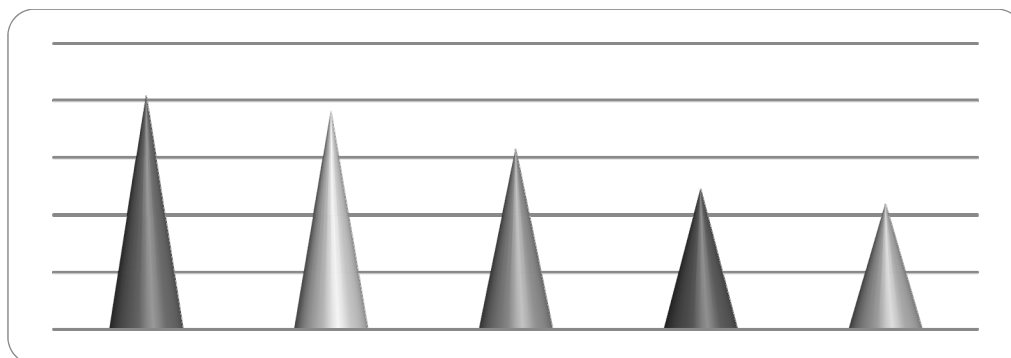
Table 2. Key aspects of confidentiality

Crt.	Aspects of confidentiality	Results for Enterprise A
1.	The use of computer data bases	A large percent of the respondents (more than 71%) declared that they are not aware if the enterprise uses or not computer data bases containing information about them
2.	The test applied to the employees	Only one response declaring that drug tests, alcohol test or AIDS test are applied. None of the respondents declared the use of polygraph or honesty tests for the employees, neither pregnancy test (in Romania the employer's requirement for this type of testis forbidden by the law)
3.	How ethical they consider that the uses of these different types of tests is	None of the respondents considers that applying polygraph or honesty tests and pregnancy test would be an ethical act, over 90% of the respondents declared that the requirement for appliance of AIDS tests would be an unethical act, almost 54% of respondents perceive the use of drug test as not being ethical, and the type test perceived by more than half of the respondents (by almost 54% of them) as being ethical to be required is the alcohol test
4.	The information and the knowledge acquired is private property of the firm	Almost every employee declared that she/he treats them as private property
5.	Whistle – blowing	Almost every employee declared that she/he, and all declared that if they would be in a situation to discover a severe misconduct within the enterprise they would report it internally

Source: by author

The transparency of decisions within Enterprise A is most often evaluated as satisfactory or average, but we can notice the fact that we had few respondents evaluating it as being good or very good, or unsatisfactory. All of the respondents declared that the firm has a code of ethics or a code of conduct. Then we have analysed the employee's perception on the most important CSR benefits (represented by Figure 2) and CSR costs (represented by Figure 3).

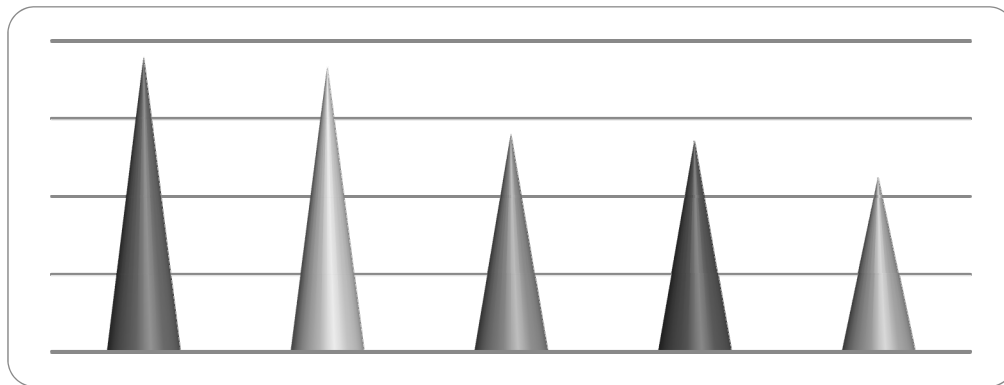
Figure 2. The hierarchy of corporate social responsibility associated benefits (or opportunities) according to employee's perception



Source: by author

We can notice the fact that the benefit of corporate social responsibility that is considered by employees as being the most significant is the one of better relations with employees and the cost perceived by employees as being the most significant is the financial cost, followed by the cost associated to not choosing appropriately the CSR programs to be implemented.

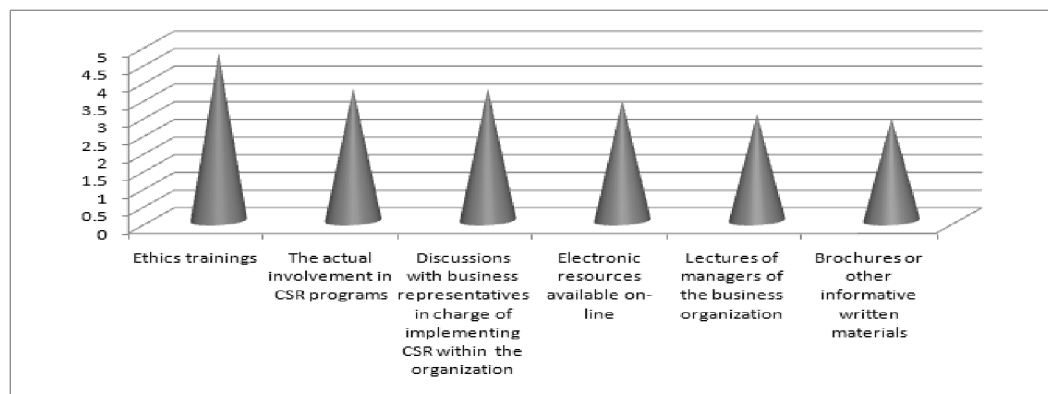
Figure 3. The hierarchy of corporate social responsibility associated costs (or risks) according to employee's perception



Source: by author

The final aspect analysed by our study is referring to the methods that could be used for promoting business ethics principles within the firm.

Figure 4. The hierarchy of most efficient methods used for promoting business ethics principles within the firm according to employee's perception



Source: by author

We can noticed from the above representation that the method considered the most efficient one by the employees is represented by ethics trainings, followed by the actual involvement in corporate social responsibility programs and the methods perceived as being the least efficient ones are the lectures of managers and brochures or other informative written materials.

3. Conclusions and recommendations

CSR programs can only be successful if they are implemented in a strategic approach, with a great focus on the human resources dimension of CSR as a key element of a strategic approach to CSR. The most important contributions that our paper brings from a theoretical point of view are represented by underlining the importance of long-term perspective on CSR and making a connection between CSR implementation and important aspects of the human

resources management with strong ethical implication. For the practical part, our paper proposed a specific research methodology offered as an evaluation tool for the management of the analysed business organization. For the studied enterprise, several conclusions and recommendations could be formulated based on the obtained results. The proposed research methodology was already used for evaluation in several business organizations and proved a useful tool for managers in their quest for an approach to CSR closer to a strategic one, and future research will offer an improvement of this proposed methodology.

Acknowledgment

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