

The role of human resources with corporate social responsibility (csr)

[Experience](#), [Responsibility](#)



Introduction

The report aim to address the current case and to look at how Human Resources Department of the Humphrey Group can contribute to the organisation's wide objective of Corporate Social Responsibility. Brief definition of Corporate Social Responsibility will be shown and how CSR focused corporations behave will then be explained. As a final point, the report will clarify how the HR department of the Humphrey Group can add to implementing and promoting the company's CSR morals and goals.

Referring to the World Business Council for Sustainable Development (WBCSD), it stated that “ Corporate Social Responsibility (CSR) is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce, their families and the local community and society at large” (World Business Council for Sustainable Development, 1999)

Differently to some businesses whose main focus is to maximise financial target in a short term, CSR focused corporation takes in account of financial responsibility, environmental and even social when conveying business strategies. CSR focused corporation continues to perform socially in a professional and responsible way with company's stakeholders, which includes; employees, investors, suppliers, local community, consumers, competitors and even with the environment that the business is operating in.

HR's contribution to The Humphrey's broader objective of CSR

Human Resource Department is aware of the worries voiced out by the Board of Directors concerning the compensation ethics in the company and the neediness of slotting in CSR in the company's main scheme, likewise the importance of HR manager's critical role in developing, implementing and promoting CSR practices must be passed forward to the Board of Directors, so they recognise this. HRM can add to the company's wide objectives of CSR in various ways:

Reward and Compensation

Human Resource Manager should judgmentally review the company's present incentive schemes and financial compensations. As packages that exclusively focus on making short-term financial profits are most likely to delay the progress of CSR, while this focus on generating sustainable value for the company in a long-run. As a substitute, CSR practises will need to be incorporated in the company's incentive scheme. As it is understood that “ if CSR is built into incentive systems – salary packages and targets that determine whether the manager receives a pay raise, promotion, etc. – the firm is likelier to motivate greater CSR alignment” (Coro Strandberg Consulting, 2009: p. 16).

For planning and designing new reward systems, HR can work together with the Board of Directors. According to Jensen and Murphy (1990: p. 141) “ cash compensation should be structured to provide big rewards for outstanding performance and meaningful penalties for poor performance”. Therefore, a

clear and reasonable financial reward should be created and added to the company's policies and practices in order to be fair.

On the other hand, Frey and Osterloh (2005: p. 106) discuss and argue that “high-powered incentive compensation, even if optimally designed, aggravates the problems in the corporate sector. Pay for performance gives managers and directors incentives to manipulate performance criteria and to resort to fraudulent accounts to the disadvantage of the long-term interests of the firm”. IBM, Enron and even Xerox are some examples of high business scandals. From these cases, it's proven that company's crimes aren't ignored but are dealt with legally as they damage the business's reputation in a long-run. Alternatively, HRM should encourage non-financial incentives for employees, taking in consideration of award programmes, promotions, e. t. c. this can likewise be positive in been familiar with worker's contribution and achievements in the company. Employees can also be rewarded by HRM for helping out in the local community, particularly if they keep the company's moral and CSR goals in action.

Employee selection

Selecting workers is one of HR's roles; this should be drawn to the Board of Director's attention because HR should contribute to the company's wider objective of CSR by participating in the 'board selection process'. This is reinforced by Beatty et al., 2004: p. 266 who claims that “actively involving the HR community in the board selection process, as with any other effective selection process, might yield substantial improvement in the quality, capability, and ethics of board members”. Therefore, involving the HR will

make sure that obedience is in place with the company's standards and CSR practice at the board level.

HR can make sure that CSR's aim and objectives are supported at management and non-management level. HR should do this by collecting and drawing up 'employee codes of conduct' requesting them all to be faithful with the company's ethics and put in place disciplinary for misusers, such as; fraudulent in the organisation.

It's been said that "employees are the most neglected though most important stakeholders of the organization for conducting CSR activities" (Sharma et al., 2009: p. 208). Moreover, Schoemaker, Nijhof and Jonker (2006) agree with the statement. They had to say, employees are "the everyday human representatives of the organisation and the primary carriers of the organisational values, thus representing the organisation's identity" (Schoemaker et al., 2006: p. 2). Therefore, HR will make sure that employees are inspired and involved with implementing CSR's values to the company's strategies.

During job induction, HR will make sure that the company's CSR aim and objectives are well structured and clear to understand. This is to make the new workers feel that they are working in a well cultured firm that takes account a lot of responsibilities, internally and externally. HR experts can add CSR values unto job adverts and even on the company's main website so keep this informed.

Training and development

Furthermore, HR can give training about company's CSR values along with the right interactive principles of the company by using different methods to reach out to its workers. The staff meetings, company's website, e-mail, newsletters around the organisation, e. t. c. can all be used to carry out this area affectively. HR will make sure that the training programme is for both existing and new employees. This way, new workers will get full information of the company's aims and objectives, morals and CSR aims in a long run for the company.

Organisational structure

With the saying of Coro Strandberg Consulting, 2009: p. 17. That states that through " role modelling, building awareness and generating desire (what is in it for me?) and conviction, developing knowledge and ability and reinforcement through incentive programs", HR experts can have an effect on the behavioural change in these areas and also working with the Board of Directors to encourage the businessculturewill help in highlighting CSR's values and goals.

Plenty of sources shows that " firms' corporate social performance (CSP) is related positively to their reputation and to their attractiveness as employers" (Turban and Greening, 1996: p. 658). So the company should recruits brilliant applicants that take and/or want to take CSR values well in the company's culture. This will give positivity to the company and its staff in a long run. To find out how employees are performing with CSR, HR can carry out questionnaires maybe once a month, asking questions that will

generate more awareness of CSR to the workers. Alongside, HR will make sure that “ appropriate behaviors get appraised, appreciated as well as rewarded” (Sharma, 2009: p. 210) in the company.

In the organisation, HR plays a vital role in making sure the aim and objectives of CSR is implemented in the company at different levels. The Board of Directors and senior level manager will have to recognise HR’s part in the organisation and enable them to take part in CSR development. Having strong CSR in place will provide great competitive advantage for the company with its competitors. And this can only be done if all departments work together for CSR values, i. e. from Board of Directors, senior level managers, HR and all other employees because one of the important gain from CSR is “ a positive impact on employee morale, motivation, commitment, loyalty, training, recruitment and turnover” (Kramar, 2004).

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