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EFFECTIVE CORPORATE SOCIAL RESPONSIBILITY IN THE
ORGANIZATION: THE HUMAN RESOURCES PERSPECTIVE

1. Pooja Bahuguna

School Of Management

Graphic Era Hill University Dehradun, Uttarakhand, INDIA

Pooja.bahuguna56@gmail.com

2. Dr. Vipul Jain

Professor

School Of Management

Graphic Era Hill University Dehradun, Uttarakhand, INDIA

vipulleoss@gmail.com

3. Dr. Shikha Dimri

Associate Professor

University Of Petroleum & Energy Studies, Dehradun, Uttarakhand INDIA

shikha@ddn.upes.ac.in

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Abstract

The subject of this article is corporate social responsibility. The purpose of the article is to consider the personnel service in the organization as the basis for corporate social responsibility management. Methods used in the work: general scientific - observation, comparison, generalization, analysis. The results of the work are: the authors highlight 9 groups of stakeholders (stakeholders) and determine their requirements; determination of the reasons why modern Indian IT companies are interested in the development of CSR. The authors conclude that in the modern world a special role in the development of the organization belongs to corporate social responsibility, which forms the competitive advantage of the company. To manage the development of corporate social responsibility, work in this direction should be carried out systematically, comprehensively, and at the corporate level with the involvement of all employees, and the key role in this work should be assigned to the HR department.

1. Introduction

To the study of corporate social responsibility, which, according to the definition of the international standard "ISO 26000 - Guidelines for Social Responsibility" is a voluntary initiative of the business "... organizations for the impact of its decisions and activities on society and the environment through transparent and ethical behavior findings...", **ITC Group**, has been focusing on creating sustainable livelihood and environment protection programs. The company has been able to generate sustainable livelihood opportunities for six million people through its CSR activities. Should be approached not only from a theoretical, but also from a practical point of view. Many foreign researchers have dealt with and continue to deal with issues of corporate social responsibility, among which we can distinguish G. Bowen [1], one of the first to recognize the predominance of the social significance of enterprise activity over the economic, A. Kreina, G. Palazzo, L.J. Spence, D. Matten (2014), H. Aguinis and A. Glavas(2012), D. Crailli, M. Hansen, M. Zollo(2016), J. Almandoza(2012), M. Friedman (1970), M Porter (2003) (the economic responsibility of the company), R. Buchholz (1998,); A. Carroll(1999) (the concept of responsibilities), D. Longsdon, D. Wood (2002), C. Davenport (2000) ("corporate citizenship"); J. Elkington(1997) (the concept of sustainable development) and others. Among the latest foreign publications, we distinguish the articles by D. Kyming, T. Leng, O. Rui(2015), K. Flammer(2013), J. George, L. Dahlander, S. Graffin and S. Sim (2016). Without questioning the scientific and practical relevance of works covering various aspects of the designated scientific problems, the authors still consider relevant the implementation of its further theoretical and empirical analysis. The reflections of M. Friedman(1970) and P. Drucker (1984) formed the basis for the authors' reflections on the need for corporate social responsibility (CSR) and the role played by the personnel service at the enterprise. Understanding the importance of the public role of commercial organizations in the world business community has created the need to use the concept of CSR. Today, the social responsibility of business is one of the important factors in the competitiveness of an organization, being an integral part of the strategy of all types of organizations. The impact of globalization, the activities of transnational corporations and the development of international economic relations have also introduced the concept of corporate social responsibility of business into the economy of the post-Soviet powers. Early 1990s characterized by the absence of civilized market relations, which did not create the prerequisites for the emergence of CSR. After the 1998 crisis, foreign investors began to come in and introduced elements of socially responsible behavior into their practice: legality and transparency of activities, official employment and payroll, taxes, etc. In 2006, the presentation of the UN Global Compact was held, to which 34 leading domestic and international companies joined. The signatories have pledged to create a Global Compact network, which should serve as a platform to promote and promote the social responsibility of business. Since then, a kind of competition arose in business in social responsibility and the need to develop a separate CSR strategy as part of the company's overall strategy.

2. Research results and discussion

With the development of the influence of foreign capital and real business practices of domestic companies, the need for business cooperation with the state and local authorities has formed. CSR allows, mainly large companies, to have legal access to the administrative, production and resource base of the regions, effectively build a business in this territory and, accordingly, have a competitive advantage. In turn, the regional authorities receive significant contributions to local budgets, as well as fulfill their own social obligations (increase in employment, development of infrastructure, social activities, etc.). With the development of such cooperation, the state began to shift its social responsibilities to society to business more and more. However, this does not mean that the problems of relations between business and society have been resolved. The benefits of socially responsible business behavior do not always exceed the costs of organizing it. Unfortunately, modern markets allow you to get high short-term profits without using CSR. To maximize short-term profit, the business transfers the costs to the consumer and society as a whole. In addition, the influence of globalization and the number of stakeholder groups (stakeholders) with additional social requirements are increasing, which increases business costs and leads to the need for a systematic approach to social activities of the business (table1).

Table-1: Stakeholder group requirements

Stakeholder groups	Stakeholder requirements
Shareholders	Appropriate return on investment, maximizing returns
Personnel	Job satisfaction, career growth, labor protection, safety measures, social package
Consumers	Getting what they pay for (quality, safety, reliability, price)
Suppliers	Reliable buyer, long-term relationship
Government agencies	Compliance with laws, including taxation, legality, transparency, openness of activities, participation in social programs
Unions	Benefits to Members
Competitors	Fair competition
Local communities	Organization must be socially responsible.
General public	The existence of the organization should contribute to improving the quality of life and protecting the environment.

The main group of stakeholders in the social aspect is the staff of the company, i.e. employees of all levels. It is staff that is a key resource for realizing the goals of the company. The limited understanding of the essence of CSR by Indian IT companies leads to inefficient use of funds and the lack of benefits for business. Until now, the heads of the bulk of enterprises in the Indian IT Federation do not perceive CSR as one of the components of the company's strategy. Companies interested in a long-term presence in the markets should use CSR in their activities to:

- take into account the social expectations of stakeholders and their impact on the company's activities;
- retention of the best loyal employees
- more and more professionals want to work in a socially responsible company, which improves the moral climate and reduces the cost of finding and hiring employees;
- increase customer loyalty, increase profitability and productivity due to the loyalty of employees committed to the principles of CSR;
- forming a positive image and improving the company's reputation in society;
- creating your own long-term competitive advantages.

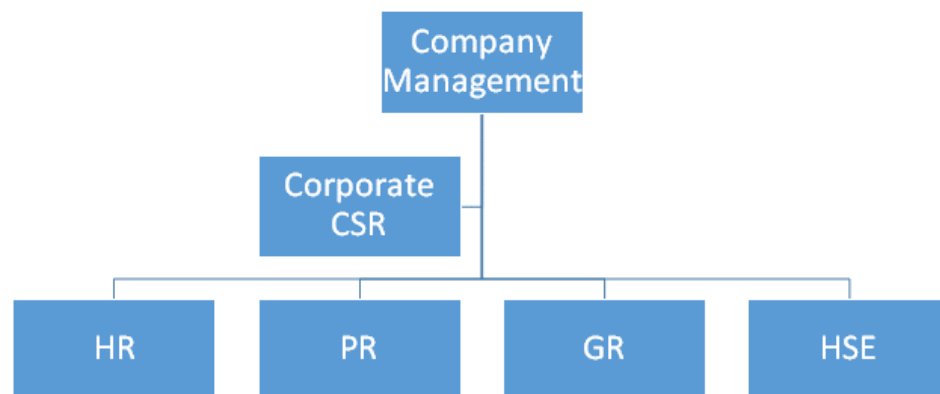
Currently, there is no integrated approach and systematic approach to the development of CSR measures. Often, enterprises perceive CSR as a “commitment”; additional financial burden and transfer it to HR (Human Resource - human resources, personnel service) units, restricting this activity to one-time shares in the form of charitable assistance in the social sphere and compliance with the law in relation to employees. The lack of a clearly developed strategy is the result of ineffectively spent funds on CSR activities. As for the personnel, the signs of the socially responsible employer in terms of personnel policy include:

- staff development, retraining;
- social package;
- allocation of funds to the bonus fund and fund to support employees in case of unforeseen circumstances;
- wages not lower than the average for the region;
- compliance with labor protection and safety measures (VHI insurance, compliance with sanitary standards, ergonomic workplaces).

HR is the basic unit for the development of CSR. As a rule, the organization's CSR strategy is aimed at internal and external stakeholders, while the company's employees are the main ones. It is the HR unit that carries out the function of staff recruitment and the formation of human resources management and development programs that must meet the corporate CSR requirements of the company. The formation of these requirements should be incorporated into the company's mission and be based on the social responsibility of the company in relation to its own employees. An analysis of the interests and influence of various stakeholder groups is the basis for developing a CSR strategy (containing codes, corporate standards and norms of behavior), and giving the concept of organizational values and organizational policies, which ultimately leads to the selection of high-quality personnel. The main goal of the HR unit is to hire employees whose personal values are most consistent with the values of the organization embodied in the organizational

mission and are expressed both in their behavior and emotional commitment. According to Hejjas, K., Miller, G., & Scarles, C. (2019)., one should not expect people to be loyal to achieving the goals of the organization if the corporate strategy does not reflect the individual values of these people inside and outside the organization. The behavioral norms formed in the codes should be ethically correct and practical. The HR policy of the HR department should include the development of the relevant principles of the company in the field of CSR, based on a systematic approach to personnel issues, that is, to the entire process of personnel work with newly recruited employees. The area of responsibility of HR specialists is to familiarize all employees of the organization with the social responsibility of the company. Organizational structure, which includes a department for corporate social responsibility management, coordinating the work of HR (human resources department), PR (public relations), GR (government relations) and HSE (labor protection, safety and environmental protection) units presented in the figure 1.

Figure-1: CSR Corporate Governance



In the structure of the corporate CSR department indicated in the figure, the introduction of the position of corporate CSR manager is required. A specialist of this kind should have certain experience, as well as knowledge and skills. Some educational institutions in the Indian IT Federation are already training such specialists. Consulting centers train managers involved in planning, organizing and monitoring socially significant events of the organization, as well as motivating employees involved in such events. The creation of a CSR manager position in an organization is usually initiated by the HR department and usually depends on the size of the company and the number of stakeholders that influence the company's social responsibility. The leading role of the HR unit, involving all members of the organization in the CSR activities of the company, allows to increase its effectiveness. For instance Wipro Ltd. This technology company helmed by philanthropist tycoon **Azim Premji** has always

been dedicated towards CSR activities. Wipro has spent more than the prescribed CSR budget in the last three financial years.

The listed companies successfully combine staff care and high business efficiency, while maintaining the necessary balance in relations with all stakeholders, building long-term and mutually beneficial relations with each of them.

3. Conclusions

As part of supporting employees who are committed to the organizational values of the company's CSR and to increase their number, HR departments should work to involve personnel in the development of the organization's CSR policy, code and standards of conduct, including ethical standards. Workers should be involved in the development and participation in CSR activities. Such activities lead to the formation of employees' feelings of ownership in socially responsible activities, involving employees in the social activities of the company. To increase the effectiveness of CSR management, it is necessary to create an internal communication system in the organization that informs each employee about the ongoing strategy, existing plans and achievements within the framework of CSR. The main priorities of the personnel policy of companies to increase social responsibility should be: - promoting the disclosure of the creative potential of employees, - developing a dialogue with employees, - continuous work to increase the level of industrial safety, - meeting the requirements of the law. The development trends of modern business do not allow us to conduct efficient activities without taking into account the corporate social responsibility factor, which forms the company's competitiveness factors. For a comprehensive and systematic implementation of CSR management, each employee should be involved, entrusting the main role in this work to the HR unit.

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