

HRM AS ANTECEDENT OR SUBSET OF CSR

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ABSTRACT

BACKGROUND

This paper is an attempt to focus on the co-relationship between Corporate Social Responsibility (CSR) and Human Resource Strategy. Organisations should be socially aware and responsible to become good corporates, which have percussion on public image and reputation in the society. It is the contribution of the organisation towards the betterment of the society. In today's globalisation, formulating the CSR strategies into actual human resource management practices is a challenging and stringent task. CSR is a society oriented concept and HRM is an organization oriented concept. There are two aspects: the CSR activities are framed to promote HRM practices and the HRM practices are composed to involve the employees of the organisation. CSR affirms the role of HR manager in formulating and materialising its activities, communicating its importance to employees and stakeholders, directing and controlling the action plan. The purpose of this paper is to focus on the Case Study of Adani Power & its impact on the welfare of the society. The essence of this concept lies in incorporating environmental and social issues with the economic aspects of the organisation. CSR is closely associated with the employee related practices which are covered under the scope of HRM. Therefore, the adoption of CSR practices encompasses a dependency and influence on HRM. The study begins with focusing on the relationship and relevancy between CSR and HRM strategies.

KEYWORDS

Human Resource Management (HRM), Corporate Social Responsibility (CSR), Human Resource Management Practices (HRP), Adani Power.

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BACKGROUND

Corporate social responsibility (CSR) is an initiative and a business responsibility for the organisational actions on environmental, ethical, social and economic issues. CSR means businesses and organisations working responsibly and contributing positively to the communities they operate in. It involves working with employees, their families, the local community and society at large to improve their quality of life. In business, eminence is everything. It doesn't provide an immediate financial benefit to the company, but has a long term effect on the society positively.

Corporate Social Responsibility (CSR) is a term that has paid attention in the global economy and it is a concept that has been around for at least fifty years (Carroll, 1999). CSR brings competitive advantage, customer loyalty, image building, increased sales & profits, employee & community relations, cost saving and better decision making.

Dimensions of CSR

1. **Economic Responsibilities-** The companies should produce goods/services to earn profits.
2. **Legal Responsibilities-** The companies should attain profits within the confines of the law.
3. **Ethical Responsibilities-** The companies should have license to operate.

Discretionary Responsibility

The companies should work in order to promote welfare to others.

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Literature Review

This emphasis on the two separate but complementary aspects - CSR and HRM. CSR is a broader concept; it includes human rights, health & safety, environmental issues, corporate governance, working conditions, etc. "It takes 20 years to build a reputation and only 5 minutes to ruin it." (Warren Buffet). It acknowledges the companies that they are not only accountable for their financial performance but also for the social and environmental impact.

The concept of social responsibility was conferred by Frank Abrams (1950) in Harvard Business Review article entitled Management's Responsibilities in a Complex World. The roots of the concept of CSR as it is known today have a long history which indicates that business people have paid increasing attention to the concerns of society (Carroll, 2004). It refers to the clear business practices with respect to ethical values, compliance with legal requirements and economic values.

The concept of CSR emerged in the 1950s. Bowen (1953) defined CSR as the obligations of businessmen to pursue their policies, to make their decisions or to follow their lines of action which are desirable in terms of the objectives and values of society. Corporate Social Responsibility theories dictate that as a nexus of wealth and power, the corporation should use its resources to address the issues of society at large. In fact, the more resources that a corporation amasses, the more it should embody CSR. In addition to satisfying its economic and legal obligations in an ethical manner, the corporation should go beyond these basic responsibilities to be a "good neighbour" to society. Since these seem to be widespread beliefs in society today, perhaps the tagline of an insurance company, "Like a good neighbour, State Farm is there" achieves the ultimate in psychological marketing by tapping into an underlying belief of society. If so, it would be useful to explore the societal context under which CSR developed.

Components of Internal and External Dimensions of CSR

Dimensions	Content
Internal Dimension-	<ul style="list-style-type: none"> Human Capital Workers Participation Health and Welfare Training and Education Work force Diversity Equal Opportunity Non-discrimination Organisational Change Efficient use of Natural resources Sustainable Development Industrial Relations
External Dimensions-	<ul style="list-style-type: none"> Local community development Expectations of stakeholders Global Environmental concerns Human rights Anti-bribery and Anticorruption measures Accountability, Transparency and performance reporting Corporate Governance and Ethics

Objectives

1. To discuss the practices of human resources management in the elevation and development of CSR within the organisations.
2. To focus on the involvement of HR department or HR manager in CSR strategy.
3. To study the distinct HR philosophies, policies and/or practices that support CSR practices in the organisations.
4. To overview HRM and its changing roles.
5. To analyse the two way relationship between CSR-HRM.

The CSR practices of Adani Power is taken as a case study.

The Role of HR

The HR manager plays an important role in achieving CSR standards. It is the HR manager who frames the policies & practices that have an influence on the three standards of CSR-Ethics, Employment practices & Community Involvement. He would enhance the community relations through his practices by implementing reward programs, charitable contributions, fund raising activities, and encouraging community involvement and practices. The community relations aspect of charity makes a company stronger and better able to engage or recruit and retain competent employees for the organisational growth. The HR professional has a responsibility to make sure that the importance of CSR has an impact during employee recruitment, orientation and other training sessions. In community involvement, the HR manager will help the company elevate an open relationship that helps in conservation of community culture and playing a role that is proactive, co-operative and collaborative in nature to make the community a better place to live and carry his business.

It includes:

- Implementing green practices to assist the waste reduction.

- Creating a culture of change and responsibility, which starts with HR.
- Celebrating success as it is important to sustain the momentum.
- Encouraging community relationship.
- Training & development programs.
- Global corporate social responsibility policy.

Changing Roles of HRM

The revolution of HRM to personnel management to SHRM gives an analysis of how the changing nature of businesses has a thoughtful impact on the scope of HRM. The roles and responsibilities of HR managers have phenomenally changed over a few decades. There are three evident models of HR in Industry, namely administrative model, industrial relations model and employment relationship model. This concept uses Ulrich Model to analyse the role of HR in CSR.



Figure 1. The Ulrich Model

The Ulrich Model portrays four aspects proposed within two axes, which manifest the focus and activities of HRM. The focus ranges from short-term/operational to longterm/strategic, while activities range from managing processes to people. The combination evolves four aspects of HR manager: Strategic Partner, Change Agent, Employee Champion and Administrative Expert. These four aspects procreate value for the organisation.

The HRM Practices Identify Five Key Elements which help in Alluring Employees in Sustainability-

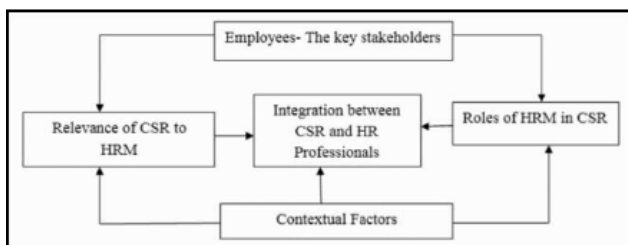
1. **Behaviour Change:** The gains from sustainability - cost savings, risk reduction, reputation enhancement and innovation - arise through employees changing the way they work, learning new skills and pursuing new goals.
2. **Innovation:** Innovative ideas and cost savings may come from anywhere along the value chain, from frontline employees or the factory floor. If employees can make links between the issues that matter to them, their community, the planet and the business with a clear understanding of what this means for their own work, then they will be motivated to address sustainability concerns.
3. **Attraction and Retention:** A commitment to sustainability helps in attracting and retaining talent.
4. **Motivation and Productivity:** Employees are motivated when a business has a purpose. Employees who feel they are valued are more willing to “go the extra mile” in solving problems, taking initiative, helping colleagues and customers and working collaboratively.
5. **Reputation:** Employees can strengthen or damage brand reputation. The protection of brand reputation and the license to operate remains the strongest driver for addressing sustainable development.

Role of HRM in Developing CSR Strategies

The development of CSR strategies in organisations deals with establishing CSR objectives, mission, vision, priorities, policies, framework and initiatives. This is generally driven by top level management or an organised CSR committee which comprises of Directors, Managers and CSR experts. HR is the strategic partner in the organisation and as such can help to drive the formulation of CSR strategy.

1. HR can come up with conversation with other stakeholders to support decision makers in formulation of CSR policy.
2. HR can review business code of conduct and ethics strategy as required.
3. HR can be represented on the CSR committee to take a lead role in CSR related decision making.
4. HR can adapt CSR development, according to the nature and culture of the organisation.

The Relationship between CSR and HRM



Case Study/Adani Power

Adani Power: Empowering the Nation.

Adani, a global conglomerate has entered the power sector to signal a 'Power Full' India. Its pivotal role in ensuring the energy security of India, awakens us to build India's largest and among the world's top 5 single location thermal power plant at Mundra.

Along with thermal power generation, Adani power has made an exemplar by undertaking solar power generation in Gujarat. It is Adani's toil to empower one and all with clean, green power that is accessible and affordable for a faster and higher socio-economic development. There are some CSR activities exhibited by them in different sectors of society:

Work in Education

To improve Quality of Education, our Strategic Interventions are of Three Fold- Program Support

Towards improving the quality of education in Government schools, Adani is providing skill development training to teachers and also adding importance to teaching tools. They are making efforts amongst school dropouts to inculcate skills so as to generate employability. They increase awareness among the society members about the value of education especially for girl child, educational tours, teacher training & motivational programs and other supportive programs.

Material Support

Adani foundation provides reading corner/library along with a set of magazines and books on a regular basis for students. They also organise awareness programs for health, personal hygiene, creativity, etc. To facilitate better learning, they also provide furniture, teaching aids, bicycles for students,

computers with projector, e-learning software's, laboratory equipment's, school uniforms, Sintex water tanks, bags to needy students, etc.

Infrastructure Support

The foundation helps in supplying of clean drinking water facility, separate sanitation units for boys and girls, school buildings, computer rooms, multipurpose hall, common rooms for boys & girls, etc.

Adani Vidya Mandir (AVM), Ahmedabad

This provides free education to meritorious students, coming from economically challenged backgrounds.

Adani Vidya Mandir, Bhadreshwar

This Gujarati-medium school started in June, 2012 at Bhadreshwar with an objective to provide free education to children of fishermen and economically challenged parents.

Adani DAV Public School

Adani DAV Public School is an English medium, Coeducational, Day-School which started functioning in June, 2001 as a project school.

Early Childhood Education

Balwadis

This program was run to provide nutrition to children in the age group of 2.5 years to 5 years. They generate health awareness; impart pre-school education and inculcate the habit of regular attendance. This initiative has been started by the Foundation in Mundra, Gujarat.

Promote the Anganwadi

This program aims at joyful learning environment with proper sanitation and hygiene through pure drinking water and nutritional food.

Educational Assistance

Adani foundation encourages meritorious students (with more than 70% marks & gross family income less than Rs. 2 lakhs per annum) to pursue higher education after 12th by providing financial help for professional courses.

Adani Foundation's Interventions-

1. **Mobile Health Care Units-** Mobile health care units provide health care facilities to the patients where the medical facilities are not available.
2. **Rural Clinics-** There are 7 rural clinics at 7 villages to provide medical facilities to the people at villages. There are well-qualified Medical Officers at rural clinic to serve the people.
3. **Health Camps-** Health camps are organised at regular intervals for timely services to the patients in terms of general services, HIV/AIDS awareness, blood donation camps, cataract detection, and gynecological care for expected women, etc.
4. **Financial aid for Urban and Rural Poor Patients for Chronic and Severe Illness-** People from economically weaker sections of the society are provided with financial support for their treatment.

5. **Health awareness programs-** Various health awareness programs are organised for the prevention and control measures of several diseases.
6. **Scheme for Urban Poor-** Some AF volunteers are also helping the patients for availing medical facilities from Civil Hospitals, Ahmedabad.

Special Initiatives

1. Kidney stone detection project.
2. Health card to senior citizens.
3. Total Sanitation Campaign (TSC).
4. Anaemia Control Program at Tirora.
5. Building Social Capital.
6. Self Help Groups (SHGs).
7. Village Development Committees (VDCs).
8. Enhancing employability of youth.
9. Support to Traditional Artisan.
10. Concept Design Competition for Corporate Gifts.
11. Social Greening Initiatives.
12. Drip Irrigation Project.
13. Organic Manure.
14. Social Forestry.
15. Insurance Service: Janashree Bima Yojana.

CONCLUSION

Corporate Social Responsibility concerns the organisation's ability and willingness to meet the economic, legal, social and environmental interests of stakeholders. Its development and successful implementation attract long term positive image for the enterprise amongst stakeholders. CSR appraises opportunity for increased values and bigger profit potentials.

It highlights the emerging need of developing HRM-CSR collaboration. The managerial implications of fully involving the HR manager is to enable him take strategic action plans and control of the CSR programs and to enhance employees' participation.

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