



AN AWARENESS OF SOCIAL RESPONSIBILITY IN HUMAN RESOURCE MANAGEMENT

Aarti B. Padole

Purushottam Thote College of Socialwork, Nagpur.

Abstract:

An awareness of social obligation on part of the organisation also determines the success factor up to an extent. A lot of controversy has occurred in favour and against the case of social responsibility. It is held that the social welfare of people if aimed by businessmen can return benefits in the form of a more educated and talented employees in society. In the contrary the profit motive of business is believed to be hindered if social responsibility is assumed. The present study, Identify the causes behind growing awareness of social responsibility Elaborate the arguments in favour of social responsibility and the arguments held against social responsibility. It also suggests Human Resource Management to take a leading role in encouraging CSR activities at all levels. The combined impact of CSR and human resource activities, which reinforce desirable behaviour, can make a major contribution in creating long term success in organizations. We conclude briefly with suggestions of avenues for future frontier work.

Key words- human resource management, corporate social responsibility, awareness

Introduction-

Human resource managers are well positioned to play an instrumental role in helping their organization achieve its goals of becoming a socially and environmentally responsible firm – one which reduces its negative and enhances its positive impacts on society and the environment. Further, human resource (HR) professionals in organizations that perceive successful corporate social responsibility (CSR) as a key driver of their financial performance can be influential in realizing on that objective. While there is considerable guidance to firms who wish to be the best place to work and for firms who seek to manage their employee relationships in a socially responsible way, there is a dearth of information for the HR manager who sees the importance of embedding their firm's CSR values throughout the organization, who wish to assist the executive team in integrating CSR into the company's DNA. And as high profile corporate failures such as Enron make all too clear, organizations that pay lip-service to CSR while neglecting to foster a CSR culture run the risk of damaging their corporate reputation if not their demise. Indeed, HR's mandate to communicate and implement ideas, policies, and cultural and behavioural change in organizations makes it central to fulfilling an organization's objectives to "integrate CSR in all that we do." That said, it is important to understand that employee engagement is not simply the mandate of HR. Indeed people leadership rests with all departmental managers. HR can facilitate the development of processes and systems; however, employee engagement is ultimately a shared responsibility. The more the HR practitioner

can understand their leverage with respect to CSR, the greater their ability to pass these insights along to their business partners towards the organization's objectives in integrating CSR throughout their operations and business model. Social responsibility of business involves consideration of general public interest by businessmen while taking business decision and action. According to, Bowel, social responsibility refers to the "Obligation of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objective and values of our society." This entails that businessmen should perform their operational with due considerations of the aspiration of society.

CAUSES OF GROWING AWARENESS FOR SOCIAL RESPONSIBILITY

The concept of social responsibility has emerged due to several economic, social, political and legal influences. These forces, which have obliged, persuaded and helped businessmen to become aware of their responsibility to society. Public interference with the help of government has instilled fear in the heart of businessmen. The threat of public regulation and public ownership has compelled them to acknowledge the fact that responsible behaviour is essential on their part for their survival in the private sector. The recent development of socialism that boosted the strength of labour unions has forced businessmen to give a fair share to workers. Human relations and labour legislation have facilitated trade unions to increase their influence. Consumer organisations have encouraged awareness about consumer rights. Consequently business have become more

responsive to consumer needs and stress the dictum of “Consumer is the king”. Businessmen can no longer adopt the approach of “Let the buyer beware”. Extensive education has made the businessmen conscious about the quality of life, moral values and social standards. Liberal business leaders have been pressing business community to acknowledge its social obligations. Modern businessmen are aware that a good public image contributes to their growth. There is a greater alertness in their hearts that business is a construction of society and hence it should consider and react positively to the expectations of the society. Separation of ownership from control in large corporations has resulted in the professionalism in management. A professional manager is fairly aware of the society’s expectation and attempts to meet the demands of all the social components like, customer, employees, shareholders and the government in a well-adjusted manner.

ARGUMENTS IN FAVOUR OF SOCIAL RESPONSIBILITY:

The case of social responsibility has been subject of controversy since long. There have been arguments both in favour and against it. The main points that support the assumption of social responsibility by business enterprise are as follows:

As stated earlier a good image is bound to give better returns to business enterprise. The businessmen can benefit in the long run by helping for the welfare of the society through education, and better living conditions. This will result in better employees in business and enlightened customers in society who will benefit through increase purchasing power to the organisation. Social responsibility on the part of business can avoid the unrest in society. If the society feels that it is not getting its appropriate share in business it is bound to create disorder by adopting anti-social and illegal activities and rebellions. Pursuing the doctrine of social responsibility can help the business organizations to prevent social chaos. Government or public regulations can hinder the development of business by decreasing the flexibility of decision-making and freedom of choice and action. Therefore voluntary assumption of social responsibilities is essential for the growth of business organisations. Business is a part of society and survives on the demands of the society. Therefore it should be responsive to social expectations and welfare. The right of the business to grow goes hand in hand with its awareness of social responsibly

and welfare. It is the duty of the business enterprise to contribute in some way to the well being of its society. Enlightened businessmen have now become more aware about their moral duty to serve the society. Business has the resources and power to solve social problems. Therefore its power should be balanced with social responsibility. To ensure a profitable environment in the society in which it operates, business needs to meet the challenges of social evils. Active interference on part of businessmen in solving these challenges converts them to opportunities, which in turn will ascertain not just the existence but also the benefit of the organisation. Business system and social dependence are interrelated and thus affect each other. If business does not supply quality goods and services at reasonable prices, it may in turn face a restricted flow of inputs. Therefore it is essential for business to be responsive to social expectations.

ARGUMENT AGAINST SOCIAL RESPONSIBILITY

The argument against social responsibility on part of business enterprise are as follows:

The economic value is the main criterion by which the success of an economic institution of business should be estimated. According to Milton Friedman, “Few trends could so thoroughly undermine the very foundation of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for share holders as possible. This is a fundamentally subversive doctrine. Management’s spending for society is hypocrisy. Only people can have responsibilities not corporations.” The motivations to utilise the resources effectively is decrease when social responsibility is considered important. It is the profit motive principally that encourages optimum use of resources and manpower to run the business with enthusiasm. Besides the effort motive profit serves as a standard to measure the performance of business. A business organisations goes off course as it loses the guiding measure that depicts the efficiency of its performance and thus hinders decision-making. The emotional insights and experience essential to tackle social problems are lacking in the businessmen’s temperament. They cannot determine what is in public interest. The social problems solutions should be expected from specialised social agencies and not businessmen.

If business organisations involve in social institution they are likely to dominate the

decisions of these institutions for their own interests. They use their financial power to take decisions concerning the functioning of these institutions. This may further lead to increase social detriment. The principle of social responsibility is based on the assumption that market mechanism is not the appropriate way to allocate scarce resources to alternative uses and so it should be replaced by political mechanism. If the market price of the product contains the cost of social actions, it does not actually represent the relative cost of producing it and thus the market mechanism gets distorted.

ROLE OF HUMAN RESOURCE MANAGEMENT IN CSR AACTIVITY

Companies more and more require to co-ordinate their CSR activities and demonstrate their commitment to CSR. Effective CSR depends on being seen as significant throughout an organisation. Delivery, not rhetoric, is the key to stakeholders developing trust in an organisation. HR has a key role in making CSR work. CSR without HR runs the risk of being dismissed as PR or shallow 'window-dressing'. And CSR is an chance for HR to demonstrate a strategic focus and act as a business partner.

CSR needs to be embedded in an organisation's culture to make a modify to actions and attitudes and the support of the top team is critical to success. HR already works at communicating and implementing ideas, policies, cultural and behavioural change across organizations. Its role in influencing attitudes and links with line managers and the top team mean it is ideally placed to do the same with CSR. HR is also responsible for the key systems and processes underpinning effective delivery. Through HR, CSR can be given credibility and aligned with how business run. CSR could be integrated into processes such as the employer brand, recruitment, appraisal, retention, motivation, incentive, internal communications, diversity, coaching and training. The way a company treats its employees contributes directly to it being seen as willing to accept its wider responsibilities. Building credibility and trusting their employer are being increasingly seen as important by employees when they choose who they want to work for. The trust built through successful CSR is hard to regain if lost. HR needs to ensure that their organisation's CSR can stand up to the predictable scrutiny by stakeholders, and that training and communication mean it's embedded throughout the culture of an organisation.

HR needs to be an active business

partner working with other functions, for example finance, PR/marketing etc. It will need to look beyond the boundaries of usual practice and arguably work on its own PR. CSR is a strategic opportunity which is market-led and is restrained by bureaucracy. It needs dynamism, creativity, imagination and even opportunism. One thing that is for sure - the force on business to play a role in social issues will continue to grow. Over the last ten years, those institutions which have grown in power and influence have been those which can operate effectively within a global sphere of operations. These are effectively the corporate and the NGOs. Those institutions which are predominantly tied to the nation state have been finding themselves increasingly frustrated at their lack of ability to shape and manage events. These include national governments, police, judiciary and others. There is a growing interest, therefore, in businesses taking a lead in addressing those issues in which they have an interest where national government have failed to come up with a solution. The focus Unilever has on supporting a sustainable fisheries approach is one example. Using the power of their supply chain, such companies are placed to have a real influence. National governments negotiating with each other have come up with no solutions at all, and ever-depleting fish stocks. That is not to say businesses will necessarily provide the answers - but awareness is growing that they are occasionally improved placed to do so than any other actors taking an interest. CSR has a wide range of potential meaning and the first module of this site addresses the issue of definition as well the nature of the challenges calling for public and private sector deed on CSR.

Conclusion

HR is a key organizational leader and can take the lead or partner with other executives to work cross-functionally to integrate CSR objectives into how business gets conducted. HR practitioners can act as translators of the organization's CSR commitment vertically and horizontally across departments. The firm of the future is expected to have undergone important transformation such that CSR no longer becomes managed as a separate deliverable, but is part of the experience of being an employee in an organization that lives its values. For human resource professionals embarking on CSR or deepening their CSR practice, this roadmap can help them know their role in sustainability and

CSR and how they can foster an environment that embeds a CSR ethic in “the way we do business around here”. More organizations now realize the value sustainability has on their competitiveness, reputation, and ability to attract and retain strong talent. Mindful of their economic, societal, and environmental impacts, sustainable organizations now seek input from a broad, diverse set of stakeholders— both internal and external—in shaping their business strategies and operations. The HR function has a critical role to play. Utilizing the HR skills in organizational process, change management and culture stewardship, HRM can help create and implement sustainable business strategy throughout the organization. This may need that new HR competencies be developed. Not only must HR become competent at using HRM tools to embed the sustainability strategy and mission in the company, it must also learn to shape the system itself so that its impacts on employees, communities and other stakeholders align with the sustainability vision of the company. Although sustainable HRM is still in the pioneering stage, this report outlines how HRM and other executives can access a increasing body of knowledge to assist them on their sustainability journey.

References

- Agrawal Kalpana (2007). Corporate Excellence as an Outcome of Corporate Governance: Rethinking the Role and Responsibility of HRM, the ICFAI Journal of Corporate Governance, Vol.VI (1): 6-16.
- Bhatia S (2005). Business Ethics and Corporate Governance, Deep and Deep Publications Pvt. Ltd., New Delhi.
- <http://www.developednation.org/interviews> accessed on May 8th, 2008
- http://www.hrsguide.net/usa/commitment/employer_branding accessed on March 30th, 2008.
- <http://www.karmayog.org/csr500companies/> accessed on April 7th, 2008.
- <http://www.tatasteel.com/corporatesustainability> accessed on April 25th, 2008
- Murray Norm E (2008). Corporate Social Responsibility is the Number One Criteria for Job Hunters Today, retrieved on March 30, 2008 from <http://normmurray.org/2008/02/18/corporatesocial-responsibility-is-the-number-onecriteria-for-job-hunters-today/>
- Nancy R Lockwood (2004). Corporate Social Responsibility: HR's Leadership Role December, retrieved on June 15th, 2008 from http://www.shrm.org/Research/quarterly/1204RQuart_essay.asp.
- Raman S Raghu (2006). Corporate Social Reporting in India-A View from the Top, Global Business Review, Vol. 7(2): 313 – 24.
- Sharma S., Sharma J. and Devi A. - Corporate Social Responsibility: The Key Role of Human Resource Management
- JS Chandan “Management Concepts and Strategies”,Vikas Publishing House Pvt. Ltd. New Delhi.
- John Schermerhorn, “Management”, John Wiley& Sons, 2006.
- Andrew J.Dubrin, “Management”, South Western Publishing,2000.
- Robert L.Katz, “Skills of an Effective Administrator”, Harvard Business Review(September- October,1974).
- R.Kreitner, “Management :A Problem Solving Process”, Houghton Mifflin,1980.
- Henry Mintzberg, “The Nature of Managerial Work”,Harper and Row,1973.
- James Stoner and R.Edward Freedom, “Management”,Prentice Hall,1992.
- Sharma S., Sharma J. and Devi A. - Corporate Social Responsibility: The Key Role of Human Resource Management
- Suparn Sharma, Jyoty Sharma, Arti Devi
Business Intelligence Journal - January, 2009
Vol.2 No.1 210 Business Intelligence Journal
January