

Material 2.2.4m

ROLE OF HRM IN CSR

CSR & HRM Relationship

- HR is the key to CSR's successful deployment and implementation
- HRM can potentially provide a promising managerial framework that can support organizational efforts in translating CSR strategies into practical managerial actions and outcomes, especially within the internal organizational environment
- At company level, socially responsible practices involve primarily employees and relate to issues such as investing in human capital, health and safety, and managing change (GreenPaper).
- The rise of CSR has significant implications for HRM practice. Ranging from ethical standards in dealing with important stakeholders through employment practices that attract employees to social involvement in the form of employee volunteering, the HRM role is awash with CSR-related tasks (Lockwood 2004). (Preuss et al.)



Strategic human resource management (HRM) partnership model (Jamali et al. 2015, p. 130)

Domains of Contributions (Jamali et al., 2015, p. 135)

As strategic partner: Helps define and execute CSR

- Contributing to the development of CSR
- Suggest CSR scopes from HRM point of view
- Integrating CSR into HRM's mission and functions
- Developing plants to gather information about CSR orientations from stakeholder perspectives with specific focus on employees

As Change Agent: Helps create CSR change

- Understanding how CSR change affect other stakeholders (customers, investors, community)
- Increasing employees' sensitivity and readiness to interact with the change to incorporate CSR
- Introducing initiatives that promote CSR objectives and overcome resistance to change and other barriers
- Raising managers' awareness to CSR change through training and development

As Employee Champion: Helps increase employee contributions to CSR

- Increasing employee engagement and motivation for CSR
- Sharing and communicating the value of CSR to employees from early recruitment stages to performance management to compensation and rewarding to retention plans
- Enhancing employee education and awareness about CSR
- Providing initiatives that help employees serve the community, such as social volunteering programs
- Gathering/sharing information with employees in relation to CSR
- Celebrating successful CSR activities with employees
- Drafting and implementing employee codes of conduct

As Administrative Expert: Helps deliver CSR efficiently

- Setting CSR performance indicators and monitoring results to performance objectives within the HRM performance and management systems

- Dealing with social and legal issues associated with CSR practices once applicable from HRM perspectives and depending on HRM's expertise and capabilities
- Measuring and reporting CSR performance and bottom line pay off through HRM devices and assessment tools
- Measuring and reporting human capital metrics such as turnover, health and safety, employee development, and diversity as part of wider social performance measurement across the whole organization

CSR embedded in HRM practices (Jamali et al., 2014)

Recruitment and selection

- Hiring new recruits capable of contributing to CSR
- Screening new recruits with knowledge and awareness and appreciation for CSR
- Hiring new recruits capable of contributing to CSR and, for example, with previous experience in volunteering activities
- Include questions and case studies about CSR within the interview stages with candidates
- Include sections on CSR activities in employee handbook and orientation programs

Performance appraisal

- Defining performance based not only on outcomes and results but also on social objectives
- Include service to community and participation and involvement and contribution to social initiatives as part of the performance appraisal and link it to rewards such as bonuses
- Follow up with employees on CSR and include CSR action plans and motivate employees to engage more in CSR during regular performance evaluation meetings
- Allow employees to contribute to formulating CSR performance indicators and involve them in CSR projects

Reward and compensation

- Employees for behaviors consistent with CSR values to motivate them and emphasize the importance of CSR to the organization
- Preparing tangible and intangible rewards for employees' participation in CSR
- Preparing incentives that promote social goals

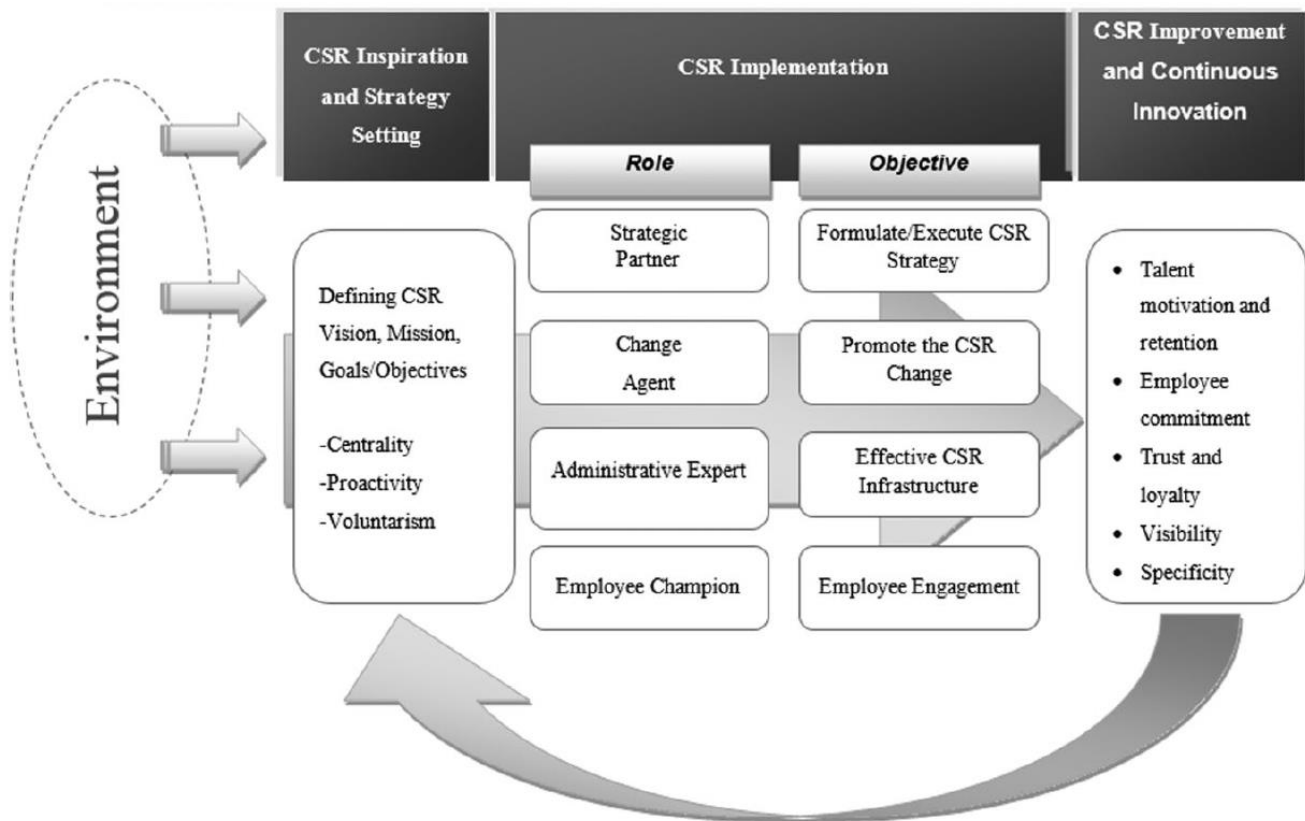
- Communicating such schemes with external stakeholders to enhance the company's reputation and market attractiveness

Training and Development

- Training and raising employees' awareness to CSR, for example, sustainability practices such as green practices and recycling inside as well as outside the organization
- Holding regular seminars and workshops on CSR and linking some incentives and rewards to employees' participation in them
- Training programs and skills development could be for both lower and higher employee levels
- Invite NGO representatives to share experience with employees in relation to common CSR projects

The CSR-HRM Co-creation Model

- The model maps the HRM roles over three important milestones of a typical strategic CSR lifecycle namely,
 - (1) the inception and strategy setting phase;
 - (2) enacting CSR implementation;
 - (3) engaging in learning and improvement through continuous assessment of outcomes



Source: Jamali et al., 2015, p. 133