

Globethics Repository

The logo for Globethics, featuring the word "Globethics" in white, sans-serif font centered within a solid blue rectangular background.

HR's Crucial Role for Successful CSR

This page was generated automatically upon download from the Globethics Repository. More information on Globethics see <https://www.globethics.net>. Data and content policy of Globethics Repository see <https://repository.globethics.net/pages/policy>.

Item Type	Article
Authors	Lam, Helen;Khare, Anshuman
Publisher	American Scholars Press
Rights	With permission of the license/copyright holder
Download date	2026-07-07 04:08:31
Link to Item	http://hdl.handle.net/20.500.12424/188267

HR's CRUCIAL ROLE FOR SUCCESSFUL CSR

Helen Lam

Faculty of Business, Athabasca University, Athabasca, Canada

Anshuman Khare

Faculty of Business, Athabasca University, Athabasca, Canada

Abstract: Corporate social responsibility (CSR) is a multifaceted initiative that is increasingly recognized as strategically important for organizations and has broad implications in a number of organizational areas. However, not much has been systematically written on one of the key players – human resources (HR). This paper will address the gap by looking at HR contributions to CSR and providing a framework on the HR role in planning, implementing, monitoring and institutionalizing CSR. HR challenges involved in undertaking this crucial role are also discussed.

Keywords: CSR, CSR audit, CSR framework, HR planning, Strategic human resource management

The increasing importance of Corporate Social Responsibility (CSR), one that emphasizes social, and environmental dimensions in addition to financial ones (the Triple Bottom Line), has been widely recognized by both academia and business organizations (Joseph, 2009). The majority of the US Fortune 500's company websites now have reports on CSR initiatives and an executive study in 2000 found that "69% of companies planned to increase future commitments on social issues" (Kotler & Lee, 2005, p.4-5). CSR provides a paradigm shift from the traditional organizational emphasis based solely on economic aspects to incorporate broader stakeholders' interests both inside and outside the organization that can have long range implications affecting sustainability (Fuentes-Garcia, Nunez-Tabales & Varoz-Herradon, 2007; Maon, Lindgreen & Swaen, 2008; Turker, 2008). For example, CSR can help to raise an organization's legitimacy and reputation in the eyes of external stakeholders, such as customers, suppliers, financial backers, etc., which can lead to higher sales and revenues, lower costs of materials and financing, as well as long-term sustainability (e.g., Lee, Faff & Langfield-Smith, 2009; Ruf et al., 2001; Slater & Dixon-Fowler, 2008).

CSR-oriented organizations are also more capable of attracting, retaining, and motivating their internal stakeholders – the employees - enhancing their self-concept and giving rise to greater job satisfaction, organizational commitment, productivity as well as improving behavior towards colleagues (Korschun, Bhattacharya & Sen, 2009; Turker, 2008). Although empirical evidence on the financial benefits of CSR is not completely unequivocal, many researchers have found a positive relation between organizations' social and financial performance (e.g., Simpson & Kohers, 2002; Waddock & Graves, 1997). In a PricewaterhouseCooper survey of global CEOs, 69% believed that CSR was vital to company profitability (Argenti & Forman, 2002, p. 107). Hence, CSR is not only considered the "right thing to do" to contribute to the societal good, but also the "smart thing to do" as it can benefit the organization in a number of ways (Smith, 2003, p. 52).

As CSR involves multiple dimensions that affect almost all facets of an organization, it is easy to lose sight of who the key organizational contributors may be. Leaving the responsibility for units to handle on an ad

hoc basis can not only lead to sub-optimization of efforts and overall inconsistencies across the organization, but the transfer of learning and tacit knowledge arising out of the CSR activities could be severely limited and even lost with employee attrition and leadership transitions (Kang, 2009). For CSR to be successful, it needs a systemic process with top management commitment and support as well as the concerted and collective efforts of organizational members (Maon, Lindgreen & Swaen, 2008; Szekel & Knirsch, 2005).

While there is little doubt that operations and quality assurance departments have a major role to play in contributing to CSR, such as in designing procedures that are more socially and environmentally friendly and establishing appropriate performance measurements, the CSR role of Human Resources (HR), which can have the potential to foster an organization-wide CSR-oriented culture as well as develop competencies to enhance CSR, has been understudied. This paper will fill this gap by first examining why HR is particularly appropriate in taking on CSR responsibilities. Using a framework similar to the Deming cycle of “Plan, Do, Check and Act” (Deming, 1986), we will discuss the specific roles HR can play in CSR, including the design and implementation of HR systems that can positively affect CSR changes. The paper will conclude with the identification of the challenges and limitations encountered by HR in the CSR process and comment on what can be done about them.

HR SUITABILITY FOR CSR OVERSIGHT OR COORDINATION

There are many reasons why HR is suitable to lead and/or play a coordinating role in various aspects of CSR. First, social responsibility relates to organizational values (Strautmanis, 2007), while the social and ethical dimensions of CSR naturally involve people and their relationships. Any contributions made to society or in how people treat each other are based on the values of the collective culture organization members foster within the organization. As Fernandez, Junquera & Ordiz, (2003, p. 636) have noted, organizational culture and HR decisions are essential elements for creating a sustainable competitive advantage for the organization because they are “the linking mechanism for the rest of the company’s resources”.

According to the top-down approach, leaders’ philosophy, abilities, and actions have a major impact on CSR effectiveness. From the bottom-up perspective, CSR can be driven by employees who have direct knowledge about the materials, processes, and impact of their work and who are thus able to provide good input on CSR (Fernandez, Junquera & Ordiz, 2003). As leadership and employee influence fall squarely on the HR and organizational behavior arena, who other than HR would be in a better position to be involved?

Second, many guiding CSR principles directly involve HR and employees. These include the efficient and effective use of human resource capital, development of intellectual and knowledge capital that contributes to sustainable development, and equity with human rights assurance or distributive justice among people (Sage, 1999; Wilkinson & Hill, 2000). Indeed, according to the Global Reporting Initiative, which provides 79 environmental, social, and business performance indicators measuring sustainability, there are as many as 24 of them that fall under HR’s responsibility (Fox 2008, p. 46). For example, HR is certainly well-equipped to handle human rights and equity matters, which are not only legal issues, but relate as well to moral principles of diversity and inclusiveness that can contribute to a company’s competitive advantage (Cox & Blake, 1991). As increasing human capital inevitably involves aspects of training and development, it is logically an area for HR.

Third, prior CSR research has generally under-considered employees as a central contributor and key stakeholder group (Korschun, Bhattacharya & Sen, 2009; Lamberti & Lettieri, 2008). CSR initiatives should

start at “home” – within the organization - as employees are the connectors to the outside stakeholders. The employee perspective on CSR can be summarized to include “fair remuneration, effective communication, learning and development opportunities, fulfilling work, a healthy and safe working environment, equal employment opportunities, job security, competent leadership, community spirit, [and] social mission integration” (Spiller, 2000, p. 154). These areas will be further discussed later in the paper when the specific HR roles are examined.

Fourth, as CSR requires a radical change in philosophy and behavior, HR can act as the change agent for change management (Pettigrew, 1985). HR should be most familiar with what motivates behavior, how to unfreeze previously not-so-desirable behavior, encourage the change, and then refreeze the desirable behavior (Lewin, 1952). Proper work design, training, performance and rewards management are just some ways to facilitate the change.

In the next section, we will look at how HR’s contribution to CSR can lead to the betterment of humanity, starting from its internal stakeholders and extending into the community, while at the same time benefiting the organization via cost saving, increased productivity, and an improved company image. It will be shown that HR is not just a cost centre or a support function but rather a strategic business unit that can help steer a company’s direction in order to achieve its objectives.

THE HR-CSR FRAMEWORK

The HR-CSR framework proposed below has a specific focus on the role of HR in CSR development. Based on the Deming (1986) cycle and the Maon, Lindgreen & Swaen’s (2008) general CSR model, the framework consists of four stages: (a) planning and awareness, (b) implementation and process development, (c) monitoring and feedback, and (d) revision and institutionalization.

Planning and Awareness

Vision, mission and values. For CSR to be successful, it must be integrated into the organization’s strategy, structure, processes and culture. The highest level of CSR achievements would generally require CSR issues to be legitimized as “an integral part of corporate identity” (Fernandez, Junquera, & Ordiz, 2003, p. 642). The organization must also be transitioned from a target-driven culture to a value-driven culture that can sustain CSR (Lyon, 2004). In order to make this a reality, an organization can start with revisiting its vision, mission and value statements as they provide an explicit message to both the external and internal stakeholders about the organization’s goals and priorities, which in turn drive actions and behaviors. Developing green products, engaging in fair trade, valuing diversity, and investing in employees are just some of the examples that could be incorporated into such statements.

How does HR contribute to this particular area? First, as a strategic partner in the organization, HR should be actively involved in the setting of organizational objectives and any revisions of its strategic statements. As a department that is regularly liaising with all facets of the organization, it is well positioned to provide a balanced view across divisions, with particular empathy for social and human-related matters that are key areas of CSR. Researchers (e.g., Fernandez, Junquera & Ordiz 2003; Kang, 1999) have suggested that a centralized unit/staff should be in charge of the CSR initiatives. If a steering committee is to be formed, HR should be playing a critical role on it.

Leadership. In addition to aligning CSR strategies with corporate objectives and values, senior

management must “walk the talk” in bringing CSR initiatives to fruition (Chong, 2009). Leaders are responsible for the management of meaning, that is, “orchestrating the process that engages the entire organization in crafting and identifying with the vision to create a compelling future” (Ready, 1995, p. 19). They play a major role in creating and managing the organizational culture and climate (Schein, 1985). As figureheads and controllers of resource allocation, they have a strong influence on employee behavior and their commitment to CSR can “set the tone for the rest of the organization” (Rocha, Searcy & Karapetrovic, 2007, p. 89). As an example, Ramus and Steger (2002) found that supervisors’ behavior strongly influenced employees’ response to environmental issues – the “eco-initiatives”.

HR can have a major impact on CSR through its role in the recruitment of leaders and managers. Its recruitment advertisements can emphasize the corporate values on CSR and job specification involving knowledge, skills and abilities regarding CSR, while its screening process can focus on finding candidates with good CSR backgrounds and values that are consistent with the organization’s CSR-oriented ones. Ideal candidates to advance CSR initiatives may need to have both transformational leadership characteristics to provide vision, engage stakeholders and drive changes (Portugal & Yukl, 1994; Szekely & Knirsch, 2005), and transactional leadership qualities to coordinate tasks, manage information, control finances, set objectives and monitor efficiency (Egri & Herman, 2000). Once leaders/managers are hired, by carefully selecting or formulating leadership development programs, HR can further help to foster CSR-oriented values amongst top management.

Education and communication. CSR relies on the commitment and contributions of many organizational members, not just top management. Hence, the first step in mobilizing the collective employee effort towards CSR is to raise the overall awareness of employees on CSR matters. Fernandez, Junquera & Ordiz (2003, p. 644) comment that “an increase in awareness and knowledge of process and materials” are some of the critical factors for CSR management particularly at the environmental front. Increasing awareness can be accomplished mainly through communication and education (Maon, Lindgreen & Swaen, 2008), like company statements and policies, employee newsletters/bulletins, formal training sessions, townhall meetings or other divisional/departmental discussions. Providing examples of CSR activities and success stories in its own organization or outside organizations would help in the establishment of values, norms and expectations.

More specifically, CSR awareness exercises can be developed to serve the dual purpose of educating employees/increasing their self-awareness as well as evaluating the current level of overall CSR awareness amongst employees. An exercise can ask employees to describe what they know about CSR and what more they want to know about it; what CSR means to them, the organization, and the society; what they think about the progress of CSR and what may need to be done about it.

Alternatively, a survey form can be developed along these dimensions, providing employees with statements or rating scales to check off. Serving the educative role in raising social consciousness is certainly part of the function of human resource development. As Bierema & D’Abundo (2004, p. 449) noted, such an educative and supportive role would “help organizations uphold implied contracts and expectations of the organization, promote ethical management and leadership, advocate for stakeholders, broaden definitions and measures of organizational performance, challenge and revise socially ‘unconscious’ policies and practices, analyze and negotiate power relations, and promote the use of organization resources to create social benefit and improve social welfare.”

Implementation and Policy Development

Almost all HR policies and processes have CSR implications as CSR sustainability requires a “more holistic and integrated approach to people management” (Wilkinson & Hill, 2001, p. 1497). Indeed, the effectiveness of CSR initiatives depends largely on the design of related policies and processes as well as the ability of the employees in implementing them. In this section, we will discuss the implementation aspects in four main areas, namely, talent acquisition and development, employee involvement, performance and rewards management, and ethics management.

Talent acquisition and development. The implementation of CSR initiatives relies on knowledgeable and devoted employees with CSR-oriented values. As a 2002 Corporate Citizenship survey conducted by Cone Inc. indicates, 80% of US respondents would likely not work for an organization with a negative CSR reputation (Kotler & Lee, 2005, as cited in Chong, 2009, p. 107). Hence, having a good CSR reputation is important to attract CSR-talented individuals, but how does an organization newly embarking on CSR get to find and hire such individuals? The most obvious way is to have job advertisements clearly indicating the overall values of the organization and any CSR-specific job requirements (e.g., knowledge on quality control on environmental emissions, involvement in community projects, etc.). With the popularity of the internet as an informational tool and the net-generation coming into the workforce (Tapscott, 2009), designing a good website with easily accessible organizational and CSR-related information can be a very cost-effective way to improve the chances of finding the right individuals.

The organization may also have identified some comparable organizations which provide a benchmark for its CSR initiatives. For senior level positions, it may be worthwhile for HR to use professional recruitment firms to find individuals who have prior CSR management experience from such organizations. Employee referrals can also be effective to find individuals with values compatible with those of the existing organization, although it may significantly restrict the applicant pool.

In screening applicants, HR can make use of well-validated personality tests to help reveal the applicants’ characteristics and values. Employing behavioral-anchored interviews is another good way to learn more about actual past CSR experience. It is often easy for one to just talk about what one values, but not so if HR requires the applicant to substantiate the claim with real past actions, which can be confirmed through reference checks. The reference check list should specifically include questions on the CSR area. After acquiring the proper talent, it’s the organization’s responsibility to help the employee understand, adopt and contribute to progress in CSR initiatives. Training and development programs should, therefore, focus on:

- creating a CSR knowledge base (on social and environmental issues surrounding the organization, stakeholders’ interests, industry CSR norms and standards, etc.)
- teaching the necessary skills for CSR initiatives (letting employees learn the various working processes and methods so that work can be done most efficiently and effectively in a CSR-friendly way)
- developing the cognitive ability for handling complex CSR activities (so employees can see the big picture and inter-relations of CSR dimensions)
- promoting employee enthusiasm in CSR (by showing how they can make a difference that can positively impact the organization, themselves, and others)
- developing talent and skills serves a double rewarding purpose for CSR, namely promoting competencies needed for successful CSR initiatives, and increasing overall human capital, which in itself, is one of the goals of CSR

Employee involvement and empowerment. Employee involvement and empowerment contribute to CSR in multiple ways. Allowing employees to be involved and empowered gives them better control over their work, which will improve their quality of work-life, an important social component of CSR. Workers knowledgeable about their work are often the best people to determine the way forward operationally on CSR, such as on waste reduction and equitable and efficient distribution. Workers' input into process improvements can also directly improve the organization's productivity and profitability, which may in turn allow the organization to allocate more funds to CSR initiatives.

Employee involvement can take many forms. At the lowest level, employees are simply informed of CSR decisions and initiatives. The next level may involve some solicitation of input or feedback on the CSR initiatives, such as through open meetings, suggestion boxes, quality circles, joint-committees between employees and management, etc. This is followed by employee empowerment in which employees make autonomous CSR-related decisions in their work such as in autonomous work teams. An even higher level involvement will see employees serving on the organization's board to provide strategic CSR directions. According to Bansal (2002), allowing employees to have a voice in CSR could have a bandwagon effect that can change other organizational members' mindset.

Employee empowerment is largely dependent on the autonomy and feedback dimensions in work design (Hackman & Oldham, 1980). By working closely with line departments, HR can serve as the advisor/coordinator for matters on job descriptions and specifications, as well as for job evaluation, and therefore, can assert a significant degree of influence over the work design. This aspect is intertwined with performance and rewards management areas that will be covered in the next sub-section.

Performance and reward management. The old saying "what gets rewarded gets done" tends to be quite applicable to organizational settings. Particularly, the Expectancy Theory postulates that employee motivation is a function of expectancies (probability of success in doing the job), instrumentality (probability of receiving a reward for the job performed), and valence (the value the employee placed on the reward) (Vroom, 1964). So, providing employees with rewards they value, either extrinsic or intrinsic, can motivate behavior for achieving the objectives of a task.

Performance management is closely related to rewards management. It is a forward-looking and holistic system where management and employees jointly work to improve their performance by not only appraising past performance, but also focusing on future development. In recent decades, the Goal-setting Theory has been gaining prominence. It suggests that people are motivated if there are clear and attainable goals for them to achieve as goals help to instill "purpose, challenge, and meaning" into work, and provide intrinsic incentives for getting the work done (Latham, 2004, p. 126). Clear goals and targets can also serve as the basis for rewards determination. Hence, properly set goals can drive desirable behavior, while constructive and timely feedback with good development plans will help in continuously improving employee performance.

How do theories in these areas specifically help to promote CSR implementation? Knowing that goals as well as both extrinsic and intrinsic rewards are both important factors influencing behavior, one can design appropriate performance and rewards systems to reflect the organization's emphasis on CSR (Maon, Lindgreen & Swaen, 2008). Some examples of CSR related goals and targets are: reducing waste materials by a certain percentage; being involved in specific community activities such as fund-raising for charities or providing a number of hours of community services; designing an equitable and more efficient distribution system that reduces the wait time for people in need of the product/services by a certain number of days; and providing

mentoring and coaching sessions to other more junior employees on a periodic (e.g., weekly) basis to enhance their work-life experience.

Such CSR related goals should be jointly set between the supervisor and employee so that both feel a sense of commitment to the goals and accountability for their achievement. On-going performance feedback, reasonable resources, and other support should be provided to employees to assist them in realizing their goals. Goals can be quantitative or qualitative, since it is just as important to get a job done well as having a number of tasks performed. According to the Expectancy Theory, letting employees know in advance the rewards for the goal achievement can positively influence the instrumentality factor in the motivation equation. Rewards for CSR can then be linked to the achievements of either group or individual level goals. For example, if an employee unit is able to significantly reduce waste, a certain percentage of the savings could be distributed to the relevant employees, like in the case of a gain-sharing plan. Also, an employee doing well in the assigned CSR task can be given additional incentives like bonuses or even promotions.

Non-monetary rewards can include better CSR training and development opportunities to increase the employees' skills and competencies, more challenging and meaningful CSR work, or simply award recognitions like CSR Employee of the Month. A well developed performance and rewards management system to support CSR can signal to the employees the company really values their CSR contributions and is not just paying lip services. On the other hand, CSR-related misbehaviors, such as obstructing CSR initiatives or other unethical conduct (like making CSR misrepresentations that serve self-interests), also need to be addressed. Mechanisms can be established for the reporting and investigation of CSR non-compliance, such as anonymous reporting hotlines and a well-represented/neutral investigation unit. Corrective and/or disciplinary actions may then be appropriately determined.

Ethics management – Promoting ethical practices. Houghton, Gabel and William (2008, p. 478) suggest that the internal face of CSR involves not just legal compliance, but also “ethical behavior that goes beyond the letter of the law”. Areas of internal ethics management include respect for human rights, embracing diversity and providing equal employment and rewards opportunities to employees and job applicants irrespective of their demographic characteristics. More important is the building of an organizational culture that supports ethical behavior in general that will impact both the organization and its external stakeholder community.

HR can be the “keeper and voice” of ethics in organizations (Mathis, Jackson, & Zinni 2008, p. 25) as ethics is almost an inherent part of all HR policies and processes affecting employees' work-life and livelihood. For example, without a good ethics culture and fair policies and processes, favoritism in staffing and rewards could easily set in, unsafe work conditions could be overlooked, misbehaviors could be condoned, and disciplinary actions could become arbitrary. To foster an ethical culture, ethics itself must be an integral part of the organizational values. If an organization is overemphasizing only the financial aspect, employees may be tempted to adopt unethical practices such as providing misleading information to customers to get sales or making up fictitious accounts to fool management into believing their superb performance.

Ethics management is involved with both the ends and the means of achieving the organizational goals (Blanchard & Peale, 1988). That is, there should be not only distributive justice in organizational decisions (i.e., substantive outcomes), but also procedural justice in processes designed to minimize biases and promote transparency in decision making. This can be achieved through, for example, fair representation of stakeholders on decision bodies and clear communication of decision criteria and processes. Through developing policies and procedures manuals on employee terms and conditions, as well as on expected

employee conduct to guide behavior, and a performance and rewards management system to encourage and monitor ethical standards, HR can play a good “keeper and voice” role in the overall management of ethics.

Monitoring and Feedback (CSR Audit)

While the management of individual or group CSR-related performance has been discussed above under performance management, CSR monitoring and feedback involve a broader look at the overall CSR processes and outcomes, which can be called a CSR audit. Traditionally, audits are associated with ensuring compliance to legislation or proper financial reporting for the sake of the shareholders. With the pressures for more socially, environmentally, and ethically conscious organizations, CSR audit has emerged as a major trend, with many major consultant firms already offering such services to clients. Before an organization employs an external consultant to review its CSR performance, it should first look internally and do an HR audit with a focus on how well HR has contributed to the CSR initiatives. If the HR part is done right, the chances of success in other CSR endeavors outside of the organization can be expected to substantially increase. Table 1 shows some examples of CSR audit questions for various HR involved areas discussed in the above sections.

Table 1. CSR Audit Questions for HR

Planning	<ul style="list-style-type: none"> • To what extent has HR been involved in the strategic integration of CSR into organizational strategies? • Have the CSR values been incorporated into the explicit values of the organization? • Are there good bases for setting the organizational CSR goals, such as benchmarking to CSR successful organizations or adopting generally accepted practices and standards? • Has there been a centralized unit to take charge of CSR planning (steering committee)? • Is the representation on the steering committee well-balanced, includes HR representation? • Are the leaders' actions and behaviours congruent with the CSR goals and values?
Education and Awareness	<ul style="list-style-type: none"> • What types of CSR educational programs are in place? • What types of communication channels are available for CSR information and how effective are those channels (e.g., how many employees read the bulletins or attend open meetings?) • How well do employees perform in the CSR awareness exercises? • To what extent are employee CSR values congruent with those of the organization?
Talent Acquisition and Development	<ul style="list-style-type: none"> • Are potential job applicants well informed of the organization's CSR objectives and values? • Are necessary CSR-related knowledge, skills and abilities included in the job specifications? • How well do new hires match the CSR-related job requirements? • What types of training programs are available for employees to develop their CSR knowledge and skills? • Are there CSR mentoring or other programs within the organization for employees to share their CSR knowledge and experience
Employee Involvement	<ul style="list-style-type: none"> • What is the level of employee involvement on CSR matters (e.g., one-way top-down communication, employees' suggestions boxes, formal consultation, joint committee decisions at operational level, employee representation at strategic level?) • How serious does management take the employees' CSR input? • What avenues are available to turn employee suggestions into reality? • How much autonomy do employees have in their CSR related work?
Performance and Rewards Management	<ul style="list-style-type: none"> • Are CSR goals for individuals congruent with those of the organization? • Are CSR goals set jointly between the employee and supervisor? • Are CSR goals specific, measurable, relevant, attainable and time-bound (SMART)? • What level of resources and support are available to help employees realize their CSR goals? • Are appropriate and adequate rewards (extrinsic and intrinsic) available for employees with good CSR performance?

	<ul style="list-style-type: none"> • Is feedback on CSR performance on-going and timely? • Are development programs available to help employees improve on CSR weaknesses identified?
Ethics Management	<ul style="list-style-type: none"> • Are human rights well respected in the organization? • Do the HR policies support diversity and inclusiveness? • Are both procedural and distributive justice important components in HR policy design? • Is the workplace a safe and healthy one? Are procedures in place for continuous improvement in health and safety? • Are corrective actions rather than just disciplinary actions available for misconduct?

The list is far from exhaustive, but should provide a good basis for gathering information for assessing CSR performance from the HR perspective. Such information may be obtained by seeking feedback directly from employees involved in CSR or influenced by CSR activities, through interviews or surveys. Information can also be obtained by CSR auditors and experts in the field reviewing policies and procedures to see if there is congruence amongst the CSR initiatives, whether they are aligned with the organization's goals, and whether the intended CSR outcomes are realized, such as in terms of cost savings, greater diversity, better safety and human rights records, etc. With such information in hand, HR could compare the organization's CSR performance against generally accepted or pre-set standards and organizational core values, as well as against the specific needs of stakeholders (Sillanpaa, 1998) to determine what areas are doing well and what areas need improvement.

Revision and Institutionalization

For areas that are not meeting the performance standards, it is important to investigate the root causes and rectify them. Is it due to a lack of support or resources, inadequate employees' skills or knowledge, or some systemic policy and process issues? To make the changes, again top management commitment is needed. Sometimes, more realistic CSR goals may need to be set for the next period and increased resources may be required to support initiatives such as education and training. Policies and processes may need to be revised to rectify previous inadequacies and oversights and to address changing circumstances. In other words, weaknesses identified in the CSR audit provide a basis for revisiting and revising the planning and implementation areas.

For areas that are done well, many organizations make the mistake of just leaving things as is without making a purposeful effort to institutionalize the initiatives and their associated structures, processes, learning, and support systems. By institutionalization, we mean having the initiatives become a formal, integral and sustainable part of the organization, often with explicit documentation on how it is supported and how things are done. Success does not come easily and when it does, it is crucial that the tacit knowledge from it will not be easily lost through changes in personnel or simply memory loss. Formal mentorship programs or establishing channels for information sharing can help the CSR knowledge transfer. Oftentimes, new initiatives tend to be seen as a novelty backed by enthusiasm. If the organization does not build on its initial momentum, the novelty will wear off and CSR initiatives will become ad hoc projects with little integration and consistency. It is important to note that failed CSR attempts can also provide good learning opportunities (on what not to do).

In Figure 1, a summary illustration of the relationships of all the four stages of the HR-CSR framework as discussed above is provided. It shows the flow of the stages and the feedback loops, as well as the dimensions involved in each stage.

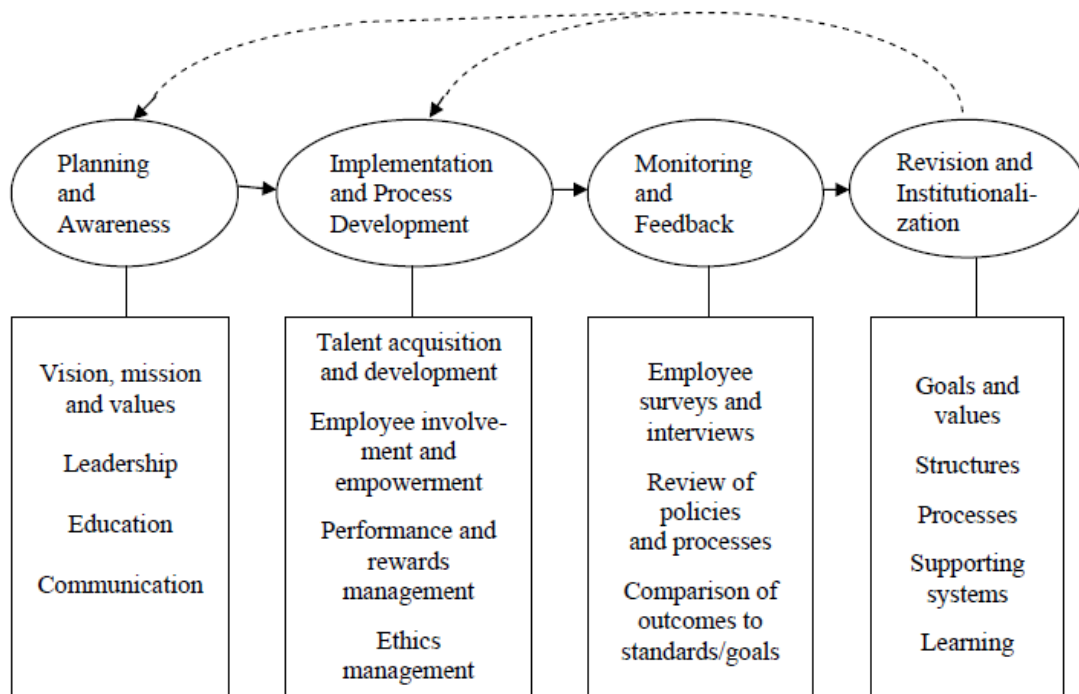


Figure 1. The HR-CSR Model

HR CHALLENGES

The challenges for HR to spearhead CSR are two-fold. One comes from the lack of support and commitment from top management and employees. The other comes from the internal HR community. In a Chicago-based accounting firm survey of 500 executives in 2007, half said the environmental and sustainability issues were for operational departments rather than HR (Fox, 2008, p. 46). In the same year, a CSR Pilot Study conducted by the Society of Human Resource Management in the US found that only 34% of HR respondents monitor the environmental aspect of business, which is one of the key dimensions of CSR (Fox, 2008, p. 46). Similarly, in a UK survey of 127 HR Directors, even though most regarded HR as having an important role to play in addressing the opportunities and challenges presented by CSR, there was quite a gap in making this a reality (CSR One Year On, 2009).

Moreover, Hine and Preuss (2008) found in their study of managers in organizations with CSR programs that the main motive for CSR was instrumental, that is, while CSR was seen as important, the allocation of resources still largely depended on how well the CSR initiatives supported commercial objectives. More surprisingly, Fenwick and Bierema (2008, pp. 24-29) found in their qualitative study that the HR development (HRD) area “appeared to be only marginally involved or interested in the firms’ CSR activities”, with the HRD managers in six of the eight firms studied saying that CSR was not relevant to their work.

To overcome these challenges, HR practitioners must first of all recognize CSR as a fundamental responsibility within its arena. Academia, HR professional associations, as well as organization and HR leaders can all contribute to a change in HR practitioners’ mindset and attitude, by educating them the rationale, principles, and impact of CSR and exposing them to real organizational examples. Publications, online

resources, course lectures and discussions, conference presentations, workshops, lunch and dinner speaker sessions, etc., are just some of the ways to raise overall HR awareness of CSR. Only when the HR professionals themselves fully appreciate their critical CSR potentials within their organizations will they be able to convince organizational leaders to give them the CSR champion role.

If organizational leaders really want CSR to flourish, they should have HR and the CSR steering committee directly reporting to the CEO. When they are subordinated to other departments, such as finance, non-CSR issues will easily take priority. Making an impact on the organization's CSR is not something that can happen overnight. It takes organizational initiative, effort, and perseverance in addition to individual knowledge, skills, and ability. Ever since the debut of "strategic human resource management" about three decades ago, HR has increasingly been gaining recognition as an organization's strategic partner, but there is still a long way to go. Being able to take on a crucial role in CSR, which has a trend towards prominence in the management world, will provide HR a great opportunity to raise its strategic profile and have a deeper and broader positive influence on employees and humanity overall.

CONCLUSION

This paper discusses the significance of HR in ensuring success of CSR initiatives, in terms of its contributions to planning and awareness, implementation and process development, monitoring and feedback, as well as revision and institutionalization. It also looks at some of the HR challenges in moving forward on this front. As HR's involvement in CSR is still in its infancy stage, there is a lot more that needs to be understood and learned before the HR-CSR integrated model will take hold and more positive HR impact can be made. With CSR being a broad multi-dimensional concept, future research will help to provide further insights into HR's specific involvement in separate dimensions of CSR such as the social aspects, environmental aspects, and ethical aspects. Qualitative studies can help identify exemplars in HR involvement in CSR and provide good examples from which organizations can learn. Quantitative studies can help to set up appropriate metrics for measuring various components of HR's contribution to CSR as well as the company's overall CSR awareness. However, the essential prerequisite to all these is the recognition that HR should be a main player in the journey towards CSR excellence.

REFERENCES

- Bansal, P. (2002). The corporate challenges of sustainable development. *Academy of Management Executive*, 16(2), 122-131.
- Bierema, L. L., & D'Abundo, M. L. (2004). HRD with a conscience: Practising socially responsible HRD. *International Journal of Lifelong Education*, 23(5), 443-458.
- Blanchard, K., & Peale, N. V. (1988). *The power of ethical management*. New York: Ballantine.
- Chong, M. (2009). Employee participation in CSR and corporate identity: Insights from a disaster-response program in the Asia-Pacific. *Corporate Reputation Review*, 12(2), 106-119.
- Cox, T. H., & Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. *Academy of Management Executive*, 5(3), 45-56.
- CSR one year on. (2009, January). pp. 27-29.
- Deming, W. E. (1986). *Out of the crisis*. Cambridge, MA: MIT.

- Egri, C. P., & Herman, S. (2000). Leadership in the North American environmental sector: Values, leadership styles, and contexts of environmental leaders and their organizations. *Academy of Management Journal*, 43(4), 571-604.
- Fenwick, T., & Bierema, L. (2008). Corporate social responsibility: issues for human resource development professionals. *International Journal of Training and Development*, 12(1), 24-35.
- Fernandez, E., Junquera, B., & Ordiz, M. (2003). Organizational culture and human resources in the environmental issues: A review of the literature. *International Journal of Human Resource Management*, 14(4), 634-656.
- Fox, A. (2008). Get in the business of being green. *HR Magazine*, 53(6), 44-50.
- Fuentes-Garcia, F. J., Nunez-Tabales, J. M., & Varoz-Herradon, R. (2007). Applicability of corporate social responsibility to human resources management: Perspective from Spain. *Journal of Business Ethics*, 82(1), 27-44.
- Hackman, J. R., & Oldham, G. R. (1980). *Work redesign*. Reading, UK: Addison-Wesley.
- Hine, J. A., & Preuss, L. (2009). Society is out there, Organisation is in here: On the perceptions of corporate social responsibility held by different managerial groups. *Journal of Business Ethics*, 88(2), 381-393.
- Houghton, S. M., Gabel, J. T., & Williams, D. W. (2009). Connecting the two faces of CSR: Does employee volunteerism improve compliance. *Journal of Business Ethics*, 87(4), 477-494.
- Joseph, A. V. (2009). Successful examples of Corporate Social Responsibility. *The Indian Journal of Industrial Relations*, 44(3), 402-409.
- Kang, J. (2009). Corporate social responsibility? Not my business any more: The CEO horizon problem in corporate social performance. *Academy of Management Proceedings* (pp. 1-6). Illinois: Academy of Management. Retrieved January 18, 2010, from EBSCO Business Source Complete database.
- Korschun, D., Bhattacharya, C. B., & Sen, S. (2009). Using corporate social responsibility to strengthen employee and customer relationships. *Advances in Consumer Research*, 8, 64-66.
- Kotler, P., & Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, NJ: Wiley.
- Lamberti, L., & Lettieri, E. (2008). CSR practices and corporate strategy: Evidence from a longitudinal case study. *Journal of Business Ethics*, 87(2), 153-168.
- Latham, G. P. (2004). The motivational benefits of goal-setting. *Academy of Management Executive*, 18(4), 126-129.
- Lee, D. D., Faff, R. W., & Langfield-Smith, K. (2009). Revisiting the vexing question: Does superior corporate social performance lead to improved financial performance? *Australian Journal of Management*, 34(1), 21-49.
- Lewin, K. (1952). *Field theory in social science*. London: Tavistock.
- Maon, F., Lindgreen, A., & Swaen, V. (2009). Designing and implementing corporate social responsibility: An integrative framework grounded in theory and practice. *Journal of Business Ethics*, 87(Supplement: April), 71-89.
- Mathis, R. L., Jackson, J. H., & Zinni, D. M. *Human resource management (Canadian ed.)*. Toronto, ON: Nelson Thomson.

- Pettigrew, A. M. (1985). Contextualist research and the study of organizational change processes. In E. Mumford, R. Hirschheim, G. Fitzgerald, & T. Wood-Harper, *Research methods in information systems* (pp. 53-72). Amsterdam, North Holland: Elsevier Science.
- Ready, D. (1995). Mastering leverage, leading change. *Executive Excellence*, 12(3), 18-19.
- Rocha, M., Searcy, C., & Karapetrovic, S. (2007). Integrating sustainable development into existing management systems. *Total Quality Management*, 18(1-2), 83-92.
- Ruf, B. M., Muralidhar, K., Brown, R. M., Janney, J. J., & Paul, K. (2001). An empirical investigation of the relationship between change in corporate social performance and financial performance: A stakeholder theory perspective. *Journal of Business Ethics*, 32(2), 143-156.
- Sage, A. P. (1999). Sustainable development: Issues in information, knowledge, and systems management. *Information Knowledge Systems Management*, 1, 185-223.
- Schein, E. H. (1985). *Organizational culture and leadership*. San Francisco, CA: Jossey-Bass.
- Sillanpaa, M. (1998). A new deal for sustainable development in business: Taking the social dimension seriously. *Greener Management International*, 23(Autumn), 93-115.
- Simpson, W. G., & Kohers, T. (2002). The link between corporate social and financial performance: Evidence from the banking industry. *Journal of Business Ethics*, 35, 97-109.
- Slater, D. J., & Dixon-Fowler, H. R. (2009). CEO international assignment experience and corporate social performance. *Journal of Business Ethics*, 89, 473-489.
- Smith, C. (2003). Corporate social responsibility: Whether or how? *California Management Review*, 45(4), 52-76.
- Spiller, R. (2000). Ethical business and investment: A model for business and society. *Journal of Business Ethics*, 27(1/2), 149-160.
- Strautmanis, J. (2007). *Acquiring corporate social responsibility approach through business study process*. Riga: University of Latvia.
- Szekely, F., & Knirsch, M. (2005). Responsible leadership and corporate social responsibility: Metrics for sustainable performance. *European Management Journal*, 23(6), 628-647.
- Tapscott, D. (2009). *Growing up digital*. New York: McGraw-Hill.
- Turker, D. (2009). How corporate social responsibility influences organizational commitment. *Journal of Business Ethics*, 89(2), 189-204.
- Vroom, V. H. (1964). *Work and motivation*. New York: Wiley.
- Waddock, S., & Graves, S. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, 18(4), 303-319.
- Wilkinson, A., & Hill, M. (2001). The sustainability debate. *International Journal of Operations & Production Management*, 21(12), 1492-1502.