

HR and CSR – Natural Allies

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Philanthropy and CSR were never new concepts for the Indian companies; but the inclusion of the CSR mandate under the Companies Act, 2013 was an attempt to supplement the government's efforts of equitably delivering the benefits of growth and to engage the corporate world with the country's development agenda. Literature review and the various definitions of CSR reveal, 'It is a holistic and integrated approach entwined with the core business strategy for addressing social and environmental impacts of businesses. It addresses the well-being of all stakeholders and not just the company's shareholders'. Interestingly, in the past CSR in India tended to focus on what was done with profits after they were made. This overpowered the 'sustainability' angle of business which dealt with the ethical issues and the social - environmental impact of the business. Now with the combination of regulatory and societal pressure companies are forced to pursue their CSR activities with a sustainability angle in a more professional manner.

As the business environment gets increasingly complex and stakeholders become vocal about their expectations, good CSR practices can only bring in greater benefits, some of which are as follows;

- Communities provide the social license to operate.
- Increase employee and customer retention while enhancing relationships with customers, suppliers and networks
- Enhance corporate reputation while differentiating positively from competitors
- Generate innovation and learning and enhance influence
- Provide access to investment and funding opportunities
- Generate positive publicity and media opportunities due to media interest in ethical business activities

Example: IBM, created the IBM Corporate Service Corps program, an international employee volunteerism service corps and engagement program. IBM's Corporate Service Corps program

enables employees to share their professional skills with a company in a developing country. So far, IBM has sent over 2,500 participants, on over 250 teams, to more than 30 countries around the world. While the regular staff turnover rate is reported around 12 percent per year, the rate for employees in the IBM Corporate Service Corps is less than 1 percent. IBM's Corporate Service Corps program promotes interlinked values and outcomes for social, business, and economic development while cultivating effective global managers and combined outcomes and business development. A report mentions, since the program's launch in 2008, IBM cites a \$600 million return on its \$200 million investment.

The author agrees to the quote, "CSR without HR is pure PR". In order for CSR not to succumb to being a pure PR activity, it is obvious that the function of HR need to play a crucial role. The Human Resource Department of a company has the capability to play a significant role in the creation of their company's sustainability culture (Harmon, Fairfield & Wirtenberg, 2010; Wirtenberg, Harmon, Russell, & Fairfield, 2007). Touted as the 'keepers of culture' in organizations, they possess the knowledge and skills to enforce the organization's mission, vision and values. It is the only department that is professionally trained to change the attitudes and behaviors of the executives, managers, and employees by modifying their many human resource systems to reinforce a strong, values-driven sustainability oriented organizational culture. Globally, HR leaders are responsible for developing and implementing incentive and appraisal systems that reflect sustainability as well as hiring personnel that embody these values. The HR professionals have the power encourage deep relationships and build soulful organizations. These companies act as a magnet for individuals who long to be part of something bigger than them-selves: a compelling mission that is more than just a document, it is a palpable shared passion with the other people who work there. PR Leap (2007) notes, when CSR is embedded in mainstream business strategy; it becomes a mechanism for unlocking human capital, by helping enhance corporate reputation and build pride and shared values.

An interesting CSR Competency Framework has been developed by the Department of Trade and Industry (DTI) UK. The Competency Framework is based on research commissioned by the DTI and the Corporate Responsibility Group entitled "Changing Manager Mindsets", a report on

the development of professional skills for the practice of corporate social responsibility. The Framework consists of a set of six core characteristics;

1. **Understanding Society** - Understanding the role of each player in society – government, business, trade unions, non-governmental organizations and civil society.
2. **Building Capacity** - Building capacity and external partnerships and creating strategic networks and alliances.
3. **Questioning Business as Usual** - Being open to new ideas, challenging others to adopt new ways of thinking and questioning business as usual
4. **Stakeholder Relations** - Identifying stakeholders, building relations with internal and external stakeholders, engaging in consultation and balancing demands.
5. **Strategic View** - Taking a strategic view of the business environment.
6. **Harnessing Diversity** - Respecting diversity and adjusting approaches to different situations.

In organizations where a healthy nexus between HR and CSR persists, the HR professional is able to give sensible inputs to the marketing teams for ambitious yet responsible marketing campaigns and urge the product development teams to assess the impact of the product designs on the environment and the society. Ex: HUL's innovative rural marketing plan for distribution of products to inaccessible rural markets using unconventional transport like bullock carts, tractors and bicycles came after its active engagement with rural India through its CSR activities. The HR professionals are able to successfully contribute towards building internal and external partnerships and create strategic networks and alliances thereby empowering staff and putting systems in place for assessing the social and environmental impact of suppliers. By applying the characteristic of 'questioning business as usual' the HR department can help measure the business impact, not just financially, but over a range of social and environmental concerns including the assessment of reputational risk as well as stimulate a shift in thinking from financial gain/ loss to business integrity. The HR department is instrumental in strengthening stakeholder relations enhance communication with stakeholders on a regular basis, deepening relationships and understand the pulse across and outside the business with vendors, suppliers and communities.

While making a leap from mere awareness to leadership in CSR and Sustainability , the HR professional develops many competencies like; adaptability, empathy, developing others, influencing without power, open mindedness, integrity, political awareness, self-development and learning, building partnerships, understanding and measurement of impact, multiple stakeholder dialogue, understanding human rights , comprehending sustainability from a local and global perspective , engaging in consultation and balancing demands of the business while creating an organization with a soul . The HR professional then truly arrives as a ‘Strategic Business Partner’ and rightfully take his/her place in the Boardroom.

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Author Profile

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Through her professional journey of two decades and more, she has worn many hats in her career - Director, faculty, researcher, corporate trainer and strategist. Consequently, she has a unique ability to manage and navigate complex challenges with reasonable calm and ease. Her professional expertise includes teaching various subjects related to Applied Behavioural Sciences, Organizational Behavior and Human Resources Management. She heads the Skills Development Vertical at the Universal Group of Companies.

She helps organizations gain a competitive advantage by offering HR & Skills Development Consultancy as well as Behavioral training solutions. She designs and delivers programs with a balance of skills and behavioral aspects which includes diagnostic study to identify skill gaps, before developing customized content while delivering solutions through blended learning approach and offer metrics-based evaluation for clients. All her consultancy and training solutions are designed in line with the clients' business objectives and strategies. . In the Education Leadership and Management space, she helps educational institutions create frameworks, systems and processes with a focus on quality which is vital for Accreditation.

She is a Certified Mediator a Master Trainer for the International Conciliation and Arbitration Board (ICAB). She is a research enthusiast with a number of national / international, newspaper articles and a book to her credit. Recently she was to be invited to be the Session Chair as well as present a paper at a Global Academic Leadership Conference organized at the Harvard University Boston – USA.

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