# CORPORATE SOCIAL RESPONSIBILITY – A HUMAN RESOURCES MANAGEMENT PRIORITY

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**ABSTRACT**

*This paper aims to investigate how social responsibility values could be integrated in organisations' management. Considering the most important kind of resources of an organization, its people, we focused on how corporate social responsibility (CSR) could contribute to motivation as a priority of Human resources management. This is why we approached two main target groups: employees, by one side, and potential employees (students), by the other side, in order to emphasize how CSR programs influence their adherence to corporate values and increase their involvement in the organization.*

*The research has shown that such programs have a great positive impact to motivation. Both employees and students felt they belong to a corporate culture, they share common values and they have the chance to make an outstanding change in their community. Moreover, they believe that CSR can influence also the brand, the market share and the customer satisfaction. This is why we consider that involvement in this field should be seen as a managerial priority by integrating social and ecological objectives together with the economical ones in the organisation's strategy.*

**KEYWORDS:** *social responsibility, human resources management, staff motivation*

**JEL CLASSIFICATION:** *M14, O15*

## 1. INTRODUCTION

A basic concern of nowadays management is raising organisational processes efficiency and efectiveness. To this extent, there are made strategies, policies and programs ment to insure the achievement of several **economical**, **social** and **ecological** objectives.

However, most of the times, focus is on economical objectives which are accurately reported through financial situations according to various economical, financial, taxes and law regulations. Regarding **social** and **ecological** objectives, the approach is optional, many organisations not being concerned by such aspects, even several studies have shown that those are **important factors** in organisation's recognition in the community, in its long-term sustainability and in its strengthening of relationships with stakeholders.

Thus, there is a new organisational trend - that of corporate social responsibility (CSR), an organized approach that attempts to **integrate social and environmental objectives in the organization's business strategy**, to adopt a **responsible behavior** by all categories of stakeholders and to orientate towards **sustainability**.

According to Le Duff (1999), "*social responsibility of an organization is a concept covering human or social consequences of its functioning and actions*".

Corporate social responsibility (CSR) is somewhat controversial, as the boundary between public relations (PR), human resources (HR) and philanthropy. Often, skeptical managers challenge CSR

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role in strengthening the market position of the organization and its relationship with its stakeholders.

In this respect, human resources is one of the first categories of stakeholders that should be considered during CSR programs initiation and should get a visible impact of these initiatives. Thus, we ask the question: **to what extent corporate social responsibility programs are relevant in motivating human resources - both current employees and potential candidates through employer branding?**

So, providing a consistent answer to this question will require two targeted opinion researches towards current employees and potential candidates. Given the specificities of the two target groups, we chose to conduct qualitative research among students - potential employees, as well as a quantitative research among employees. The study was conducted in one of the largest banking and financial institutions in Romania.

From our perspective, **social responsibility** is one of the areas of development in organizations having a direct impact on human resources. Initiatives as such are in the same time a source and a resource which may emphasize organisation's potential and develop communities in which they operate.

## 2. CURRENT STATE OF RESEARCH IN THE SPECIALIZED LITERATURE (LITERATURE REVIEW)

Changes in recent decades (economic, social, cultural, educational, political, technological, etc.) also caused various key mutations in human resources of organizations. As Nicolescu & Verboncu (2008) considered, in the present context there are some trends in human resource management, of which the most important are:

• **Differentiation of human resource management** by adopting a distinct motivational mix for each employee so that it corresponds to its expectations, its socio-professional context and its importance to the organization;

• Giving a **motivational dimension** in the sense that it is desirable to adopt a model of leadership in an organization where all employees have an incentive to achieve and exceed professional goals;

• **Professionalizing human resource management** by hiring specialists for each activity (recruitment, selection, motivation, payroll, training, evaluation);

• **Focus on knowledge management** - concept implies encouragement, knowledge sharing and development of human resources as an expression of inner potential;

In conclusion, the general tendency is to consider human resources a **strategic resource** (Manolescu et al., 2007) of the organization, a resource often able to generate competitive advantage in a competitive market. Moreover, management decisions in this area are particularly difficult because they "*interconnect individual, organizational and situational factors*". Thus, we conclude that is needed to respect a system of values and principles throughout the organization to ensure equity among employees and avoid conflicts that could come from this point.

It is considered that human resources are an area of "development and strategic reflection". In this respect, HR management becomes (Le Duff, 1999) one of the **main drivers for the development** of organization's competitive forces.

So managers' challenge has two dimensions: on the one hand they need "to motivate employees to perform their individual job objectives that arise from the strategic objectives of the organization, on the other hand, to motivate them to work for achieve personal goals" (Shanks, 2007).

The current approach to corporate social responsibility - CSR (Castelo Branco & Rodriguez Lima, 2007) refers to actions made by companies on a **voluntary basis** in terms of "integrating social and environmental concerns in their operations with its stakeholders". European Commission (2001)

defines CSR as "a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment."

In analyzing CSR over time, the concepts have evolved. If initially the responsibility has been understood as the rule of law, now we can talk about complex approaches that integrate all company operations and a wide range of stakeholders.

Corporate image is "the image that a company submits about itself "(Oxford Paperback Reference, 1996). Winning a beneficial image of how the company is accountable to its stakeholders (employees, environment and society in general) can be as important as the brand to increase sales of its products. However, often companies decide to focus more on advertising than on responsibility.

Another perspective on CSR is that of considering its effect in shaping and developing organizational brand (Mark-Herbert & Schantz, 2007). Through CSR programs we communicate to our stakeholders organization's values and behaviors, we show them who we are, it gives them confidence and familiarity with the elements of visual identity (logo, logos, architectural products, etc.). If we believe that the basic function of a brand is to help consumers distinguish between products, create loyalty and trust, we accept that responsible practices have a positive impact in this regard. More specifically, it helps to differentiate from competitors.

## 3. RESEARCH METHODOLOGY REGARDING CSR

In order to determine the role of corporate social responsibility programs in human resource management, we will investigate the main target groups: internal stakeholders - employees and external ones - potential candidates - students, given their involvement in CSR programs.

Research purpose among employees was to determine the link between HR involvement in corporate social responsibility programs and motivation.
- Type of research: quantitative research questionnaire;
- The format of the questionnaire: 14 questions or sets of questions, grouped into three categories: data identification, motivation of human resources and social responsibility;
- Method: anonymous electronic questionnaire distributed via e-mail database to bank employees;
- Average time required for response: 5-7 minutes

In the study conducted within students we have choosen a different approach because the goal was to determine the relationships between student participation in programs of corporate social responsibility and their determination to stand for a position within the organization.
- Type of research: qualitative research by conducting interviews;
- Grid format interview: 7 questions or sets of questions, open and semi-open;
- Method: face-to-face discussion;
- Average time required for response: 10-15 minutes;

## 4. PRACTICAL RESULTS OF RESEARCH ON CSR
### 4.1. The results of quantitative research

**(a) Pshycho-socio-professional profile features**
On average, 4 out of 5 respondents (80%) prefer **teamwork**, the highest values being recorded for men over 50 years, 9-12 years seniority occupying a management position and being involved in CSR programs. The lowest results were recorded by female respondents, aged under 30 years, under 4 years or over 12 years seniority, not being in a management position and not being involved in CSR programs, but differences from the the first category are significantly low (below 10%).

Similar results are obtained in terms of preference to **innovative activities** instead of routine or work on projects compared to activities in departments (about 75-80% of the respondents prefered so).

Moreover, 3 of 5 respondents opted for **specialized activities** in balance with the interdisciplinary choice. Significant differences are arising from gender structure of the responses: if women would equally opt for the two categories of activities, 3 out of 4 men would prefer specialized activities.

Top rated three **nonfinancial extrinsic motivations** were:

1. *Supervisor to be a good manager, a good leader* (66%) - of these, 4 of the 5 are female, 70% are under 40 years, 2 of 3 are not on management position and 70% are involved in CSR programs;

2. *Job responsibilities and tasks are challenging and correspond to the employee profile* (63%) - of these, 80% are under 40 years, 3 of 4 are female, not on a management position and are involved in CSR programs;

3. *Chance to be promoted* (43%) - of whom over 90% are under 40 years, 3 of 4 are under 8 years seniority and are female, 3 of 5 not occupy a management position and 80% of them are involved in CSR programs;

Also, the lowest share was recorded in the "ability to supervise others", only 6% choosing this alternative, all of them (100%) being under 40 years, under eight years seniority, males, being in a leadership position and engaging in CSR programs.

Regarding **top intrinsic motivation** we can mention:

1. *Healthy relationships with colleagues at work (no conflicts, an encouraging productivity atmosphere)* (74%) - of these, the majority (50-60%) were 31-40 years, less than 8 years seniority and not occupy leadership positions; about 80% were women and were involved in CSR programs;

2. 60% of options, equally chosen: *work makes sense*, *competence and progress*, of them: most were female, did not have management positions and engaged in CSR programs;

3. Only 1 in 4 believes it is motivated by: **Choice** - *employees are required to come up with ideas, with proposals for solving the problems facing the organization* - of these, 90% are involved in CSR programs and 2 of 3 have management positions ;

## (b) Own involvement in CSR programs

The vast majority of respondents (80%) were involved in corporate social responsibility programs (CSR) to **help society** and to **meet new people**. In contrast, only 60% indicated interest in the possible acquisition of new skills or leisure opportunities.

Regarding the link between CSR engagement and professional skills, 80% believe that such programs develop **communication** skills, **creativity** and **innovation**. In contrast, only 63% of respondents consider that their CSR programs improves time management, a percentage less than 50% of those over 12 years seniority saying this.

The research also revealed that people's skills development can also be a result of social involvement. Thus, over 80% of respondents believe that **empathy** toward people and attention to their needs and **well being** outside the workplace may be the main benefits of this kind. In general, each of the 6 types of personal competences proposed in the questionnaire is rated as being developed through social programs by over two thirds of respondents. However, higher values were recorded among employees under 30 with less than 4 years seniority, female and those engaged in CSR programs.

## (c) Bank involvement in CSR programs

To determine the impact of social involvement of the bank from the perspective of employees, the questionnaire included a series of questions in order to:

> • analyze current areas of social involvement bank, absolutely and in dynamic (present-future);
>> • analyze the correlation between CSR engagement and human resources;
>> • analyze the impact of CSR programs on commercial and corporate development;

Over 85% of respondents agreed with the statement that social responsibility should become a priority for the company. Of these, most are over 40 years old, 5 years seniority and have leadership positions. Also, corporate volunteering, recognition of merit in CSR programs and consulting employees in the development of CSR policies are seen as positive concerns by the respondents.

Most study participants disapproved conditioning participation in social programs by employees' professionalism and linking financial involvement (donations) of the company with the financial involvement of employees.

Research has shown that social involvement contributes greatly to strengthening organizational culture, the strongest supporters of this statement being those under 30 years old with less than four years seniority and who engage in social responsibility programs.

A similar assessment was in terms of strengthening the brand, but this time, the highest results were recorded among those over 50 and those between 9 and 12 years seniority.

In terms of strengthening the employer brand, the degree of motivation of human resources, customers and market share, about two-thirds of respondents believe CSR programs can have a positive impact in these fields, the values for each variable having a normal distribution.

## 4.2. The results of qualitative research
The content of the qualitative research interviews was structured in the following topics:

### (a) The role of big companies in promoting young talents
Students believe that large companies should be involved in promoting young talents through the followings:

> • **Identification** - *by organizing or participating in various contests, scientific clubs, cultural and artistic events so that young people can be observed;*
> • **Support** - *providing scholarships, access to libraries, eLearning courses, various databases, etc. to support the material, psychological and cognitive potential of youth;*
> • **Empowerment** - *organizing internships, study visits in the company, case studies, seminars, workshops, conferences, job shadowing, etc. to acquire practical experience, preparation for labor market integration and the development of personal and professional skills*;
> • **Integration** - *by offering them employment opportunities, relevant training through a better dialogue with university representatives and collaboration with student associations, through their appropriate publicity, through a transparent recruitment process by providing feedback throughout the process recruitment and selection, etc.;*

Students believe that support programs should start from high school and cover the four main areas mentioned above. Also, once employed, valuable young people should be further supported through appropriate career development plans which reflect their needs, potential and interests. In addition, companies should always be concerned by the interaction between employees - as a factor contributing to motivation.

In the next period, companies should invest more in this area, as an expression of their involvement in the community (more scholarships or internships).

### (b) The employer brand perception
Students are interested to participate in events organized by companies in universities, especially if they announce different possibilities of collaboration (practice, internship, employment, etc.), or to acquire practical skills (workshops, seminars, etc.). Are less sought after participation in contests / promotions or even meeting of leaders within the organization. Basically, they want to know the companies and to associate brand values.

Such events are seen as useful by students because it provide a first contact with the organization, the atmosphere within it, the way they work, the possibilities for promotion, leadership patterns, etc.. Students are also interested on the event logistics: the venue, equipment, interaction, speakers and so on.

Paradoxically, the more interested of such events are those in the first years of college who do not yet know the market demand, and less future graduates in their final years because they mainly know their career path.

**(c) The social responsibility of the bank**

Respondents believe that the main responsibility of banks is to provide financial education (explaining the basic concepts and principles). Regarding the format of such programs are preferred practical approaches reflecting reality. From the commercial point of view, it is considered that such an approach could be a way of creating new markets or consolidating existing bank products.

In contrast, career guidance is not seen as a responsibility of the banking sector, but rather as an approach to promote the employer brand. However, most research participants positively assessed such an approach. In such event, they would like a stronger bond with the students as part of a personalized approach. Students see these programs as an opportunity for companies to promote some more specialized or more technical oriented job offers managing to attract students. Another recommendations made in this regard was to fund mentoring or coaching programs.

Respondents who chose to participate in a bank's corporate social responsibility program for students were interested in:

  • ***Professional challenge****: applying theoretical knowledge in practice, business knowledge and availability of high quality standards;*
  • *Curiosity about the **brand**;*
  • *If the organization is perceived as a company that is **involved** more in relation to students;*

From students point of view, an event organized by banks in the universities should meet several of the following conditions:

  • *Existence of an innovative concept, attracting the novelty and creativity;*
  • *Leaders of the organization participation to share their experience, people who are able to answer questions;*
  • *Participation of young employees to share their experience;*
  • *Organizing events aimed at developing practical activities (workshops, seminars, case studies, team work, etc.);*
  • *Providing awards (objects, scholarships, trips, etc.);*
  • *Focusing on career guidance: preparing your application, explain the recruitment process simulation and interview tips to follow;*
  • *Providing personalized feedback;*
  • *Organizing financial education programs;*
  • *Participating in job fairs;*

**5. CONCLUSIONS**

Corporate Social Responsibility (CSR) is an area of interest for the analyzed organization, seen as a way to approach internal and external stakeholders. According to bank employees, CSR must become a **priority** which should be reflected in **all elements of business strategy**.

Research has shown that people are motivated by involvement in CSR programs. Thus, the link between motivation and social responsibility has two meanings:

  • *On the one hand, **employees are involved** in social initiatives of the organization in order to help the community, supporting its development, to do well;*

   • *On the other hand, **employee engagement** brings direct benefits such as the opportunity to meet new people, to improve their skills (communication, creativity and innovation) to be more empathic, to feel better;*

So, at management level, it seems that social involvement is a justified investment especially as these contribute directly to staff motivation, productivity and loyalty. It may be the subject of future research to investigate quantifiable relationships between the amounts invested in CSR and human resources motivation indicators.

There is also a link between corporate social responsibility and the brand in general (employer brand in particular). Thus, **students and graduates** - future candidates **are attracted by the image of the organization** in the market, how it interacts with the community, the possibilities for personal and professional development.

In this context, the society **paradigm shift** from that of "social responsibility refers to philanthropy, donations and sponsorships." The current trend is **to transform CSR field into one of strategic reflection** through *transforming social objectives of business in CSR actions, through profitable investments, by adopting scientific methods of management and having an accurate approach on results (reporting of CSR).*

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