"CORPORATE SOCIAL RESPONSIBILITY: MANANGING ISSUES FOR HUMAN RESOURCES DEPARTMENT IN IT SECTOR"

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Abstract

IT sector have waked up to the need for being committed towards Corporate Social Responsibility. But still majority of industrial sector have just been taking up some form of philanthropic activities for its stakeholders. Nurturing a strong corporate culture which emphasizes Corporate Social Responsibility (CSR) values and competencies is required to achieve the synergistic benefits. The HR of an organization occupies a central place in developing such a culture which underlines CSR values and competencies. The present study, therefore, is an attempt to explore the engagement of human resource management professionals in undertaking Corporate 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 behavior, can make a major contribution in creating long term success in organizations.

Keywords: CSR, Role engagement of HR professionals, Interrelationship and Interdependence between business and society.

INTRODUCTION:

In a global economy, increasingly organizations have a responsibility to facilitate, demonstrate and promote corporate social responsibility (CSR). HR as to make nurturing a strong corporate culture which emphasizes Corporate Social Responsibility (CSR) values and competencies is required to achieve the synergistic benefits and for the long-term sustainability demands that organizations rethink their business goals and objectives from solely focusing on making a profit to corporate citizenship. Today, the impact of CSR is beginning to be seen in communities throughout the world from human rights and labor practices to health care and the environment.

At home and abroad, HR plays a critical role--that of leading and educating their firms regarding the importance of CSR while at the same time strategically implementing sound HR management practices that support the company's business and CSR goals.CSR is not an optional "add-on service". It is directly linked to the concept of sustainable development integrating economic , social and environmental impact in its operations. CSR is voluntarily adopted. It is over and above legal requirements

Business performs a number of roles in the society, Especially in IT sector, companies waked up to the need for being committed towards Corporate Social Responsibility. This role tends to change over a period of time. But still majority of companies have just been taking up some form of philanthropic activities. Unless business performs well on economic fronts it will not have resources to discharge its responsibilities to the society. In the words of Jean Jacques Rousseau **"Society and corporations must co-exist and contribute to the well being of each other".** In similar context Benjamin Franklin observed **"doing good is not a private act between a bountiful giver and a grateful receiver, it is a prudent social act".** Off course business has come to realize that companies are born out for the society and just therefore serve it for their own enlightened sustenance. Business draws it's most important resource namely, human resource from the society. Thus business becomes responsible to share the burden of the society to mentor the community and also to enrich it. In this regard, an increasing number of enterprises have embraced a culture of CSR.

LITERATURE REVIEW:

1.CSR
(Carroll and Buchholtz 2003, p. 36). Corporate social responsibility (CSR) can be defined as the "economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time".The concept of corporate social responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. A traditional view of the corporation suggests that its primary, if not sole, responsibility is to its owners, or stockholders. However, CSR requires organizations to adopt a broader view of its responsibilities that includes not only stockholders,

but many other constituencies as well, including employees, suppliers, customers, the local community, local, state, and federal governments, environmental groups, and other special interest groups. Collectively, the various groups affected by the actions of an organization are called "stakeholders."

(Carroll, 1979). "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large."**Carroll (1979:500),** defines CSR thus: "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". Carroll's four dimensional definition of CSR involves the conduct of a business so that it is economically profitable, law abiding, ethically oriented and socially supportive. The discretionary dimension involves voluntarism and/or philanthropy.

Porter and Kramer (2006), add that successful corporations need a healthy society and at the same time a healthy society needs successful companies. CSR rests its assumptions on the fact that the organization is a creation of society; therefore it has a responsibility to aid in the accomplishment of society's goals. A company's corporate responsibility must be inseparable from its economic function**.**

2. HRM

Strandberg, (2009). The employees are the most strategic of these stakeholders, and their involvement in CSR initiative impacts significantly on the organization's bottom line. "It is through employee actions and decision-making that many CSR strategies come to life. Human resource professionals are in a unique position to nurture and foster CSR performance within their organizations" **(Glade, 2008; Fenwick & Bierema, 2008).**Human resource professionals are very well positioned to implement any CSR initiatives or programs that will engage and benefit both the company and its stakeholders.**(Pfeffer, 1998).**The involvement of employees - the human resource professionals - clearly shows the strategic importance of the human resource management (HRM) in the CSR initiative of an organization. There is, in fact, growing evidence

that human resources provide firms with competitive edge According to **Svensson & Wood (2005)**, the workforce is the most valuable asset of a company.

The new mandate places the HR professional in a more strategic position to contribute significantly, to the success of CSR initiatives of the organization. **Susan (2007:1),** argues that "the recent shift by organizational leaders from viewing socially responsible or sustainable business practices as a peripheral issue, related mainly to brand perception and public relations, to a strategic issue, presents a significant leadership opportunity for HR professionals". CSR has for long remained a top-management driven activity, devoid of effective participation from the employees. As a strategic business partner, and now to be more involved in corporate decision making and policy formulation, the HR professional can own CSR initiatives and drive the programs through policy crafting to successful policy implementation.

According to **Cohen (2010),** HR can leverage CSR strategies to deliver greater benefits for the business, for employees, for society, for the environment and ultimately, for HR professionals themselves.

Lokhandwala (2009), add that the "HR can manage the CSR plan implementation and monitor its adoption proactively, while documenting (and celebrating) its success throughout the company". In fact, employee involvement is a critical success factor for CSR performance.

Strandberg (2009b: 2) states that "Human Resource managers have the tools and opportunity to leverage employee commitment to, and engagement in, the firm's CSR strategy". Successful CSR programs rely on enlightened people management practices. For example, getting the employment relationship right is a precondition for establishing effective relationship with external stakeholders (**CIPD, 2002).**

Interrelationship and Interdependence between business and society

Friedman (1970), argues that CSR distracts business leaders from economic goals, and the only social responsibility of business is to increase its profits.However, as the human society progresses and the nature of interrelationship and interdependence between business and society become obvious, different interest groups began to mount pressure on the business organization to assume more responsibilities for the society, beyond the economic function

Inyang (2004), the business "owes society an obligation or debt - for taking something from the former it must give something in return to the latter, which would continue to provide the fertile ground for its (latter's) continuous existence". Therefore, the substance of social responsibility arises from concern for the ethical consequences of one's acts as they might affect the interests of others. Traditionally, CSR is a top-management driven initiative or activity, nurture from policy conception to implementation mainly by the organization's executive.

OBJECTIVES OF THE STUDY:

• To understand HR Department role in promoting CSR.

• To analysis the role of CSR in gaining competitive advantage in the IT sector.

• To analysis CSR activities plays the role of community and organization.

SCOPE OF THE STUDY

Scope of the study is limited to study the role of HR department in building CSR and mostly focusing on the different CSR activities carried out by Indian information technology (IT park).

METHODOLOGY:

The study was conducted using both primary and secondary data was collected from various books, articles, journals this study describes the CSR Provisions of human resources department for the employees in IT sector in Chennai, TamilNadu. Here the descriptive research was conducted to find out the information about the factor and to spotlight the areas that need the management's attention. In this study we decided the sampling unit, employees in IT sector in Chennai, Tamil Nadu, in that we selected IT companies in and around Chennai, survey on Jan 2011 with the sample size of 240. The survey were conducted randomly to each company 20 questionnaire were used for data collection. The tools used were KMO test and ranking analysis. Analysis involved estimating the value of unknown parameters of the population and testing of hypothesis for drawing inferences. Interpretation refers to the task of drawing inferences from the collected facts from an analytical study. Interpretation is essential

because the usefulness and utility of research finding lies in the proper interpretation.

LIMITATIONS OF THE STUDY:

• The study does not consider each and every company i.e. only few companies are taken as CTS, WIPRO, and TCS etc.

• The study deals more in terms of Indian corporate i.e. more focus is laid on how CSR activities are carried out in Indian IT sectors.

Analysis and interpretation:

Table 1: showing the Hr department views towards the CRS

Factors		Frequency	Valid Percent
Valid	Toward employees	76	31.7
	Towards company	92	38.3
	Towards society	72	30.0
	Total	240	100.0

Source : computed data

Inference:

The table shows that the majority of the respondents think that the CSR focus towards the uplift of the company. The company as to take necessary risk to involve the employees in promoting the CSR in their organization.

Table 2: Factor analysis for the factors that as to concentrate to implement the role of CSR in Human resources department:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.501
Bartlett's Test of Sphericity	Approx. Chi-Square	46.925
	Degrees of freedom	21
	Significance.	.001

Source: computed data

Table 4:(b) Total variance for the concentrated on the role of CSR:

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
Role of CSR	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.390	19.853	19.853	1.320	18.863	18.863
2	1.244	17.773	37.626	1.194	17.052	35.915
3	1.025	14.646	52.272	1.145	16.357	52.272
4	1.000	14.284	66.555			
5	.930	13.280	79.835			
6	.738	10.548	80.383			
7	.673	9.617	90.048			
8	.783	8.871	100.00			

Extraction Method: Principal Component Analysis.

Interpretation:

From the above table it is found that the KMO measure of sample accuracy 0.501. The Chi square value is 49.925 is statistical significance of 5% level. The 8 variables of motivation explained 52.272% of variance with three components and Eigen values are 1.320,1.194 &1.145 Individually the 3 factors explained 18.863%, 17.052% & 16.357% respectively. This really shows that 7 variables are suitable for the application of factor analysis with high variance of

opinion of employees towards CSR.

Table 4 (c):Rotated Component Matrix

Ranking	Component		
	1	2	3
Work force planning	-.795		
Code of conduct	.750		
Competency development		.701	
Compensation and performance		-.643	
Change and culture		.506	
Participation in CSR			.822
Employee communication			.680
Success towards CSR			.763

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 5 iterations.

Interpretation:

Hence the factor which analysis the role of the HR department in the involvement of CSR which affect the involvement of employees in IT sector 0.795, & 0.750 respectively they were called as '**Cultural implicate**' . The other factor of with the variables of 0.701, -0.643 & 0.506 can be named as '**Enthusiasm Motivation**'. The final factors of the variables like .763, .822, & . 680 respectively can be named as **'Expressing possibility".**

Conclusion:

The factor analyses focus on the 8 variables which affect the employees attitudes towards the

growth of CRS in IT sectors.

Table 5 (a): Level of employees involved in IT sector towards the CRS focus on the role of HRD:

Measure of CSR	N	Mean	Std. Deviation	Std. Error Mean
Code of conduct	240	2.0921	1.28987	.08343
Work force planning	240	3.2083	.90924	.05869
Competency development	240	2.2417	1.32245	.08536
Compensation and performance	240	2.8083	1.08467	.07001
Change and culture	240	3.1458	1.12391	.07255
Participation in CSR	240	3.0667	1.12954	.07291
Employee communication	240	3.1958	1.06247	.06858
Success towards CSR	240	3.5678	1.0987	.07658

Source:Computed data

Table 5(b):One-Sample Test

Particulars	Test Value = 3						
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference		
Measure of CSR	Lower	Upper	Lower	Upper	Lower	Upper	
Code of conduct	-10.882	238	.000	-.90795	-1.0723	-.7436	
Work force	3.550	239	.000	.20833	.0927	.3240	

planning						
Competency development	-8.884	239	.000	-.75833	-.9265	-.5902
Compensation and performance	-2.738	239	.007	-.19167	-.3296	-.0537
Change and culture	2.010	239	.046	.14583	.0029	.2887
Participation in CSR	.914	239	.361	.06667	-.0770	.2103
Employee communication	2.855	239	.005	.19583	.0607	.3309
Success towards CSR	3.686	239	.008	.45690	.0965	.3307

Interpretation:

The employee feels moderate risk of the mean value of 2.0921 in code of conduct.This proves the role of HR department in CRS

<u>Suggestion</u>

➢ Role modeling of senior executive of HR is the effectiveness of CSR in the IT sector.

➢ Hr practitioner plays the major role for the substantial performance of employees in the IT sectors.

➢ CRS should acts for both companies policy and for the social value of the community.

➢ Encourage the employees are the major stakeholders for the company to implement the corporate strategy in CRS.

<u>Conclusions</u>

Corporate Social Responsibility has become a key word in today's society with many organization positioning themselves as being socially responsible through their various charitable or foundation arms. This however has created some skeptics, as the perception is that without any measurable key performance indicators (KPI's) most organisations are "window dressing". Human Resource Personnel can play a key role in building these much-needed KPI's both externally with their stakeholders and internally with the employees and shareholders by adopting various innovative approaches. This edition focuses on Human Resources Role in Corporate Social Responsibility, looking at the value of skills in emergency management in Africa; ethical recruitment and investment in local or national workforce as an option for organisations.

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