CSR Shifting to HSR? A Critical Analysis of Future Trends

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ABSTRACT: In the past few years a shift is seen in the use of Corporate Social Responsibility (CSR) to a Human Social Responsibility (HSR) approach. This is based on the idea that a business has its employees as a resource and not just a beneficiary of the CSR practices of this business, and that employees are the sustained element of CSR as they can impact its objectives and scope with ease due to interaction with management and community at the same time. This research reviews literature related to both areas and the reasons such shift is seen in different business industries, and how HSR is handled by employees at different levels of the organization, as well as the limitations related to HSR.

KEY WORDS: CSR, HSR, Stakeholders, Sustainability

INTRODUCTION

In today's changing economies, employees and consumers are becoming more conscientious than before about helping companies that believe they are good. Good enterprise has been categorized for the past couple of decades as being social responsible aside from financially sound. Corporate Social Responsibility (CSR) is considered by many as the tool that is used by different large corporate to direct funds and available resources towards important themes of concern to customers and other stakeholders. As the majority of smaller entities are shifting attention to CSR, they started focusing more on using more relatable terminologies as these are yet to be called (Corporate). The focus is now on human role in the social responsibility process, and hence, Human Social Responsibility.(HSR) is the new buzz that everyone is talking about (Lechuga et al, 2018).

HSR focuses on the idea that people are the center of any organization and doing good to community does not relate to contributing millions of dollars to different social activities, rather it could be done on a narrower scale depending on size of business and the current and future needs of society. So social responsibility is now applied based on doing more for the community; so even if it is small, it still counts (Diaz et al 2018). The most important asset that a business already has is its employees and customer base, which both can serve as the new motivating tool to steer social responsibility and at the same time be able to carry discussions and partnerships which are formed internally and externally and which can add value both to business and community (Dumont et. al, 2017, Shen et. al, 2018).

Most of the literature nowadays focus on the use of Human Resources Management and Development practices to motivate employees to participate and even lead social responsibility activities, where feedback from employees is an essential input for decisions related to CSR (Lechuga et al, 2018). In other words, investing in HR beyond monetary terms can sustain CSR activities, which would be linked to people who will continue to work on the company and feel important to the corporate image as well as the overall community wellbeing. If the entity believes in the idea that every team member is important to guide the business social activities, then CSR would be directed by HSR which is based on employees being actively engaged in and aware about community needs (Dumont et. al, 2017, Shen et. al, 2018). So now these businesses can be doing good by both their employees and community at the same time (Shen et. al, 2018).

This paper critically reviews literature on both CSR and HSR through focusing on three main areas: (i) literature on CSR, (ii) literature on HSR, and (iii) the different views and themes about shifting CSR to HSR. The main idea is to show that if the business relies on HSR to drive CSR of the business, employees would come and initiate and even lead CSR activities which creates an environment which is consistent and true to the business vision. The contribution of this paper is evident in gathering, analyzing, and explaining the need for such a shift from conventional CSR to a more realistic, yet reliable and sustainable HSR.

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LITERATURE REVIEW OF CSR

CSR is yet to develop and improve during the near future. Although roots of CSR are traced back to early 1950's (Bettina, 2012). It has been linked to many areas of research, and was investigated from different points of views, and within different settings. The following table summarizes the shift of theoretical perspectives on CSR during the past 60-70 years[1]:

Bowen (1953) and McGuire (1963)	Ethics and social obligation of a business to its society as well as a tool to control business activities (ethical identity)
Freidman (1970) and Johnson (1971)	Self-awareness of business and business interest are cornerstones of CSR contributions to society
Carroll (1979), Freeman (1984), and Frederick (1987)	Applying theories (mainly Stakeholder's theory) and measuring models for CSR (Quantifying CSR and its impact)
Wood (1991) Frederick (1994) and Carroll (1999)	Links to strategic management, competitive advantage, and measurement procedures for CSR
McWilliams el. al, (2006) and Carroll and Shabana (2010)	Global reporting and sustainability concepts introduced for CSR
Diaz et. al (2018) and Newman et. al (2016)	CSR and HR discussions, measurements and relationships

Based on this, it is seen through extensive review of literature that the definition of CSR kept changing based on the concepts and philosophies discussed at different times. Researchers all agree on the business responsibility to meet society demand, where pressure by different stakeholders is the main motivation for the majority of CSR activities within a certain construct (Berber et. al, 2014). Also, it is evident in the literature that a business responsibility goes beyond social activities, as these have the responsibility to report on such activities and encourage both internal and external parties to join the process (Diaz et al 2018). Decision makers have to be aware about what CSR is, and how it could be measured and reported to interested groups.

The literature also suggests that the motivation for CSR is evident in the mutual relationship between a business and its society, where this 'ethical contract' is a binding agreement for the business to support efforts that promote overall society wellbeing (Shen et. al, 2016). Fighting against poverty, supporting charities, environmental protection initiatives, and even reducing unemployment rates are all a small part of what a business is expected to perform as part of this contract (Ehnert, el. al, 2016). On the other hand the society is expected to help direct CSR activities to where they feel most satisfied, and should reward these businesses by engaging in profitable activities including: buying their products, rendering their services, investing capital, and even financially and non-financially participating in these activities (Berber et. al, 2014)

The changing and evolving nature of the topic is reflected in the increased amount of literature of this area (McWilliams et. al 2006). Many countries started to change the CSR perspective and initiated different concepts related to CSR. For example, the European Union (EU) started to develop their concept in early 2000's through their strategy for the upcoming decades, where they related HR to CSR and explained how it should be developed through education, training, equal opportunities, and sustainable development efforts (Bettina, 2012). Nowadays, many companies are paying more attention to CSR as a way of attracting qualified employees, where literature suggested that sound CSR is more attractive to employees (Turban and Greening 1997, and Kim and Park 2011).

Social responsibility literature also classified the main areas of focus to include: responsibility towards making profits, responsibility towards stakeholders, and responsibility towards the community in general (Shen et. al, 2016). Where Carroll (2016) classified CSR through a pyramid, where it started at the base with economic responsibilities (creating profit, then participating with community to achieve CSR). The second level included legal responsibilities (obeying laws, regulations, and rules on both national and international levels). The next level related to a superior ethical responsibility (must be moral, just, and fair and not cause any harm). The highest level of CSR pyramid is that of philanthropic responsibilities (giving back to society, and improving quality of community). Most literature followed this pyramid view and even modified some levels and measured these in terms of reporting, and some literature also focused on investigating which are the areas of focus based on this pyramid by different types of business (Kim and Park, 2011, and Berber et. al, 2014).

In recent years a shift is seen in the literature towards linking CSR to other areas within and outside the business research areas. One of the most recent areas gaining more attention is how it links to HRM and strategic planning, as well as how it should be

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based on human resources rather than philosophy of management, or expectations of society (Diaz et. al 2018, and Newman et. al, 2016). The literature also suggested a shift from discussing concepts to measurement and quantification of the impact of CSR on different organizational aspects including image, profitability, customer satisfaction, customer retention, employee behavior and satisfaction, and even stakeholders motivations for engaging in CSR (Diaz et. al, 2018, Dumont et. al, 2017, Shen et. al, 2018, and Lechuga et. al, 2018).

As suggested by the above literature, CSR is not a subject of economic concern only, rather it is linked to other concepts and constructs that positively correlate and affect companies' ability to become social responsible and to sustain such image. The following parts explain how CSR discussion evolved into the area of HSR by explaining what HSR is and how it is linked to a business process of building and sustaining a social identity. The reason behind focusing on this area is related to the actual assets a business own, and the ability to use that outside the work sitting through engaging the employees at different levels in CSR activities. This would add a lot to a business on both internal and external levels, as the employees would benefit from such initiatives and taking up a leading role on such efforts, and breaking the routine of day to day duties, and at the same time present a better image of the business to outsider stakeholders. Many companies nowadays include CSR initiatives and participation in their performance appraisal process for employees to encourage them to think outside the box and become creative, and invest this through CSR channels that would benefit all.

LITERATURE REVIEW OF HSR

There seems to be a scarcity of highly skilled and motivated employees in many business industries today. This created a problem for HRM, where these try to solve this problem through what is known as 'war for talent' and try to present good image to public in general and employees in specific (Crane & Glozer, 2016, Aryles et. al, 2021). The literature suggest that it is essential for any business to consider both internal and external resource that could help secure a good stock of talented employees, where a business should align its activities to expectations of those employees, including having some socially valued characteristics (Albinger & Freeman, 2000, and Bettina, 2012). The literature focused on the fact that this should be a part of the offerings to attract large number of skilled employees for a long term, as practitioners and researchers both agree on the need to shift attention from employee cost perspective into employee value-added perspective (Ehnert, 2009). Most sustainable HRM efforts nowadays focus on the idea that skilled employees can sustain business through their personal initiatives that engage others in the same business and even some community members, as successful recruitment can aid in moving CSR efforts even beyond employees' obligation towards duties and responsibilities, and take it to a higher level of ethical, self-generated commitment (Ehnert, 2009, and Crane & Glozer, 2016).

Many researchers acknowledge that human capital is the main resource any business owns, whether small or big, and that a business should consider the employee role and opinion about CSR activities, as they are more engaged and aware about community needs and expectations (Bansal, 2005, and Montiel, 2008). These employees can direct a business social efforts towards economic, and noneconomic areas that benefit the community at the highest level possible. They can even initiate CSR events that attract local partners to participate which insures even a higher level of acceptance by society. CSR is merely a strategy, although not incorporated into HR strategy, but can help a business objectives' by using HR. Most recent research even focused on the impact of CSR on HR perception of the business including: satisfaction, commitment, and organizational citizenship (Santana et. al, 2020, Aryles et. al, 2021).

The previous literature also focused on two important aspects of HSR. The first is related to business responsibility towards its employees, and the second focused on using HR management as a way of achieving CSR objectives. The business responsibility towards its employees focuses on the idea that employees 'just like any other stakeholders' should be targeted with CSR activities. A business must meet the employees needs and expectations, where it could develop a response strategic CSR plan based on their employees' perceptions. (Bansal, 2005, and Santana, 2020). The literature suggest that many used this as a means to justify employee interaction and participation in CSR activities, where they can work on achieving their own needs by using company resources (including other employees), and where the company can rest assure that whatever CSR strategy being adapted is supported by its stakeholders (Aryles et. al, 2021). Top management can later on extract feedback easily from employees as a way of controlling and modifying their CSR strategy in the future (Crane & Glozer, 2016, and Shen et. al, 2018).

On the other hand, the business can use its HR to achieve CSR objectives, where it could direct all its resources to achieving these objectives by preparing a strategy that includes HR as well as other economical and noneconomic resources in order to achieve overall sustainability.

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CSR vs HSR: shifting views

Good business nowadays relies heavily on CSR activities when implementing their strategies, as these realized that this would lead to financial success (Aryles et. al, 2021, Lee et. al, 2018). Companies even invest in good relationship to other stakeholders as this is considered the key factor that would benefit or harm their strategy. Employees are one of the most important stakeholders who are agents in the implementation of a business strategy, and it is they who view CSR activities and can evaluate its impact (Rudkin et.al, 2018). Recent literature suggest that a learning organization is one that uses its employees (among other resources) as an input for its CSR strategy, and that the wellbeing of these workers is a priority of the business in order to maintain good relationship with these agents (Aryles et. al, 2021). Although some literature (for example, Rudkin et.al, 2018) suggest that sometimes the sustainability of workers is not a part of most business strategies, still, there still room to quickly develop such strategies that would enable workers to become leaders in the process of implementing CSR practices, as these would help the business sustain its resources and develop positive and strong ties with the other stakeholders (Salvini et. al, 2018, and Lopez et. al, 2018).

Recent literature highlights the psychology of sustainability as a key factor for employee wellbeing through CSR. Researchers stressed the fact that CSR is a way of responding to demand for health and other requirements perceived important by employees to improve their performance (Perez et al, 2018). Researchers agree that usually workers themselves report dissatisfaction with working condition, company policy, and even CSR practices that do not meet their expectations (Crizzle et. al 2018). Such a feedback is considered a positive sign for loyalty, as openness of employees about such issues show their interest in continuing their work in that business. However, they seek certain CSR practices within and outside their work environment to keep on performing well for the company. For example, during COVID 19, protecting the health, safety, and lifestyle of employees were included in many corporate strategies, which reflected on employees being more flexible towards working online, working hours, and even travelling for whatever emergencies their employers faced (Aryles et. al,2021). So being socially responsible is not hard to see, and it does not require a lot of money to implement. If a company can spare sometime to look into employee's suggestions, feedback, and rates of participation in CSR activities, they would be better off handing the CSR responsibilities to workers who can lead CSR implementation, and even innovate new, much cheaper methods of doing good to society (Aryles et al, 2021, and Lopez et. al, 2018).

A business can dictate, or even just guide the workers in implementing CSR practices (Lopez et. al, 2018). They can provide them with suitable funding, materials, or any other resources needed to implement these activities. On the other hand, employees would lack no motivation nor insights on how to do things, as they are more aware about the strategy, and have already participated in a way or another in preparing and approving it (Giunchi et. al, 2019). CSR would become the responsibility of workers, and hence HSR would excel as the new strategy to steer the CSR efforts of the business (Diaz et. al, 2018, Dumont et. al, 2017).

The literature suggests that additional work is needed in this area, especially when discussing conflict of interest between the business and employees, between employees and other stakeholders, and between employees themselves (Giorgi et. al, 2020, and Dumont et. al, 2017). Another concern in the literature is there still remains a gap between what is being theorized and what is being operationalized. Although HSR is growing and many think it is the 'new buzzword' that would sustain the business efforts and market its image as 'socially' oriented, the strategies implemented by businesses are way far from this notion, as top management still reacts negatively to delegation of authorities to lower level management, and staff employees when related to company social image (Arelys et. al, 2021). The problem is also evident in the fact that top management thinks of employees as other stakeholders who they should provide them with some satisfaction through good salaries, suitable benefit plans, and good working conditions. They believe that if required, they can follow management instructions and guidance to implement CSR within and outside the business setting only, but not lead such strategy for the entire company (Shao et. al, 2019, and Sari, et. al, 2020).

Concluding remarks

Any business should be able to adapt to its changing environment. This is a known sign of sustainability of its operations. The recent literature suggest that there should be a move of CSR into an HSR strategy, as this would lead to magnified impact of CSR on different stakeholders. Employees would be willing to spend more time and effort to implement CSR and contribute more to business objectives, as well as increasing their productivity. The HSR would also direct CSR practices towards areas of concern to employees and other stakeholders, including current and potential customers, potential investors, governmental agencies, and others. The game that all companies are competing in nowadays is to secure good image for their business, and then to sustain it for as long as possible, and employees are considered a determinable success factor for such a game. A business should apply HSR and help direct CSR efforts through training, directing, and motivating its employees to take initiatives to lead CSR practices into new areas of interest, and by suggesting new methods of reaching stakeholders' satisfaction in general. A lot of work is still needed

in this area, especially field research of top management attitudes towards delegating HSR leading role to lower level management, and its acceptance of HSR strategy as an alternative to CSR general business strategy. Also work in the future can focus on how to decrease conflict between employees when deciding on HSR practices in order to get as many as possible to participate and implement suitable HSR practices.

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