1. Corporate social responsibility and human resource management: a diversity perspective

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INTRODUCTION

Corporate social responsibility (CSR) has received increasing attention from academics and practitioners over the last ten years. Despite this rising interest, its applications in sub-domains and functions of business and organizations are still evolving. This edited volume is inspired by ongoing interest among management and organizational scholars and practitioners in capturing the intersection between the fields of CSR and human resource management (HRM) with a focus on diversity management (DM).

CSR research is rooted in several domains of management and organization studies, including strategy, corporate governance and, increasingly, HRM and organizational behaviour (OB). A recent special issue edited by Morgeson et al. (2013) highlights this increasing interest; the authors explain this with the rising organizational and community demand for CSR research to focus on areas such as stakeholder management including HR and OB issues. The inclusion of ‘workplace’ as part of the ‘internal CSR’ addressing issues such as employee involvement, diversity and work–life balance reflects this trend. Jonsen et al. (2013) argue that there is utility in considering diversity and responsibility and human resources in organizations together, rather than separately. Despite such calls by scholars, there has been little cross-fertilization between CSR, HRM and DM. In order to respond to the call to build bridges between these three fields, we edited this book, which considers them together rather than in isolation.

The following three chapters present theoretical debates by engaging with the intersectionality of the two fields, CSR and DM, through a multiplicity of analytical dimensions and theoretical strands. The second
chapter, by Tatli and her colleagues, contributes to this overall aim by demonstrating the reciprocal relationship between CSR and DM fields, drawing on an in-depth understanding of the commonalities in underlying philosophies. Their analysis of the underpinning philosophies and approaches is based on two dimensions: macro-external (dominating the CSR approaches) versus micro-internal approaches (prevailing in the DM field) and social good versus instrumental logics. CSR research and practice is mostly dominated by connecting corporations to externalities presented by the macro-environment, usually in order to eliminate or reduce negative externalities. Conversely, DM can be situated at the opposite end of the continuum due to its focus on micro-internal issues and instrumental logic. In bridging the two fields, Tatli et al. propose that a way forward whereby the two approaches are more aligned can provide more benefits for building the case on behalf of the HR department, but they can also provide better ways to communicate the case externally, build related programmes and initiatives, and create a compelling case for a company’s achievements. Drawing on the philosophical foundation of the two fields, which is rooted in connecting social, ethical and human rights at work with a range of positive organizational outcomes, such as higher levels of productivity, profitability, harmony, job satisfaction, innovation and creativity, and lower levels of turnover, burnout and conflict at work, their proposal for a symbiotic relationship between CSR and DM paves the way for new avenues of research promoting imaginative thinking that transcends the currently settled boundaries and orthodoxies.

In the third chapter, Harvey discusses the links between CSR and diversity by focusing on several different theoretical strands that run through these two fields and by linking them to the larger field of social science, beyond the narrow scope of business and management studies. Harvey’s chapter discusses in greater depth the scope of organizational engagement with CSR and diversity policies, and highlights the ways in which they can both contribute to the safeguarding of company assets, such as talent retention and management, as well as an enhanced business performance. Based on a pivotal understanding, CSR can often be conflated as a concept and practice with areas such as ‘reputation, image, identity, brand, legitimacy, status and diversity’, Harvey’s chapter makes an important contribution to identifying the boundaries of the above topics, associating them with HRM via the conceptual and practical link with multiple stakeholders and their respective organizations.

The fourth chapter of the book is by Jamali, Dirani and Harwood. Building on an overview of the DM paradigm and its meaning and evolution against the backdrop of a variety of affirmative action laws across both the US and Europe and the review of the internal, external and
relational characteristics of CSR and its links to stakeholder theory, the authors demonstrate the common features of CSR and DM. In parallel with the chapter by Tatli et al., these angles are points of convergence on the basis of their voluntary and progressive nature; humanitarian goals and inclusiveness orientation; and a value-adding business case. The identified converging characteristics are substantiated and further illustrated through a summary analysis of websites of leading companies in terms of their CSR or DM practices as evidenced in their missions. Their analysis stresses the increasing integration of DM under the broader CSR agenda, and the implicit acknowledgement of firms of the convergence between their CSR and DM practices.

An application in the French context is presented in the fifth chapter of the book, by Chauzal-Largier and Murer-Duboisset. By drawing on the French approach to diversity and social responsibility initiatives, the authors use the example of solidarity leave in order to link CSR and DM. Despite acknowledging that dominance of the legal approach to DM in France, they argue that more recently French companies have begun to recognize the business case for diversity and its strategic value with a more global vision of responsible communication across the organization and with its external stakeholders, such as communities they are engaged with.

A further application is offered by Bruna, Dang and Vo, who approach the link between CSR and DM from a gender perspective, in Chapter 6. They examine the existence of a correlation between the feminization of corporate boards of organizations and the ripening of CSR and diversity policies with a focus on modernization and transparency of decision-making processes. The authors provide evidence from corporate disclosure of French companies regarding the connection between women directors, firm performance and the application of CSR policies. In terms of the application of relevant diversity practices and promoting diversity, the authors portray a positive image for French companies, conforming to public opinion, which highlights the pro-CSR movement. They draw on an analysis of CSR reports of six French CAC 40 multinational companies (MNCs) through an application of a heuristically based methodology, and a key finding of their study highlights the range of better societal involvement, structured policies for diversity and more responsible management in firms with at least three women on their boards. They argue that the implementation of a strategically focused, systematic and sustainable CSR policy, based on a more transparent and collegial governance and decision-making process underpinned by DM, could support an effective ‘CSR conversion’ of organizations.

In another European country context, Portugal, Pompeu, Margues and Braga focus in Chapter 7 on the role of universities’ social responsibility
initiatives in local development from a perspective of human capital generation. Through a case study of a university in North Portugal, the authors argue that universities invest in human capital by offering free professional training courses based on the demand and characteristics of the region, by promoting the improvement of welfare of the local population, by encouraging entrepreneurship and exploitation of new business opportunities, training professionals of excellence, and by being committed to and conscious of social problems, and promoting self-esteem and credibility among people within the same community – that is, investing in social capital. In so doing, these institutions become instrumental partners for local sustainable development.

In Chapter 8, Desivilya and her colleagues continue to endorse the importance of genuine partnerships among a wide network of stakeholders, such as academics and practitioners, programme participants, employers, governmental institutions and non-governmental organizations, in addressing social problems. The chapter examines a DM initiative within the broader social responsibility framework; namely, societal enterprises enhancing meaningful participation of groups with special needs in the labour market. Drawing on insights from an evaluation project in the context of Israel, the authors propose a model of action intended to upgrade HRM practices in work organizations with regard to employees with learning disabilities and potentially other disadvantaged or marginalized groups. The model highlights the significance of partnership development based on four principal dimensions: negotiation, coordination, power-balancing and reflection and learning (Desivilya and Palgi, 2011; Eden and Huxham, 2001). In their study, Desivilya and her co-authors added ‘sustaining’ to the latter element. Such a partnership should be able to bring about sustained organizational transformation in three domains: organizational diversity climate, professional context and enforcement of legal protection in order to embed deep diversity HRM practices with regard to employees with special needs. This chapter opens the debate for further research and offers implications for policy and practice.

Building social capital through effective partnerships is crucial for addressing social and organizational issues through effective CSR and HRM practices. Chapter 9 focuses on how CSR and HRM converge through social capital in the context of Egyptian small- and medium-sized enterprises (SMEs). Drawing on an in-depth empirical study with SME owner-managers in Egypt, Ibrahim argues that SMEs build social capital via the implementation of CSR, while at the same time creating obligations and expectations to their audiences and stakeholders. In terms of HRM, significant emphasis was placed on recruitment, equal opportunities and diversity, while there is still insufficient information and incomplete
insights into the motivations, strategies and key issues in terms of CSR as applied in the context of SMEs. Nonetheless, when SMEs choose to implement CSR, they look primarily into HRM issues. In her study, Ibrahim demonstrates that SMEs maintain strong bonds with their internal stakeholders (employees) in order to build up and sustain their social networks. SMEs in developing countries rely heavily on ties such as norms, religion and social customs to respond to the employees’ needs. Her findings reveal that SMEs in Egypt appear to select CSR initiatives in the HR field that can create social capital for the firm and ultimately create competitive advantage, rather than just respond to negative externalities.

Furthering the debate on management practices of SMEs, in Chapter 10, Zanoni and Vermaut examine practices used by Flemish SMEs to employ an ethnically diverse personnel, drawing on a multiple case study. The selected case organizations are diversity (management) pioneers in Flanders, a Belgian region that has historically been characterized by a protective yet exclusive labour market. Notwithstanding multiple institutional and politico-ideological pressures to exclude ethnic minorities, they have been able to change their organizational structures and processes, creating employment opportunities for (low-skilled) ethnic minorities who are largely excluded. In investigating formal and informal organizational practices enabling the employment of ethnically diverse personnel, Zanoni and Vermaut focus on seven aspects of organizing: recruitment and introduction, work–life policies, the regulation of intergroup relations, job redesign and allocation, competence development, management style and customer management. Informed by CSR perspectives, the authors have used alignment of business goals and an ethnically diverse personnel’s needs as a new lens to understand practices to manage diversity. They argue that this lens is particularly suitable to theorize the DM practices of SMEs, as they are more likely to manage close to their business needs (Van Marrewijk and Werre, 2003) due to structurally limited resources. They offer contributions at the interface of organizational and individual levels. Their findings reveal that the identified practices go much deeper into the structuring of organizations than the HR practices usually advanced in the DM literature. Diversity is managed through mainstreamed practices fundamentally adapting organizational structures, processes and norms to a more heterogeneous personnel not only in ethnic terms, but more broadly in terms of individual competencies and needs.

In Chapter 11, Naidu et al. examine ‘Socially desirable HRM practices’ via existing HRM theories and propose a new model – the ‘double triangle model’ (DTM) – of socially desirable HRM practices and firm performance in small island developing states (SIDSs), such as the Fiji Islands. Acknowledging the situated nature of socially responsible HRM
practices, their model takes into account factors unique to the SIDSs and the need to incorporate these factors into SHRM theorizing. Some of these contextual factors include vulnerability from concentrating exports on a limited number of goods, natural disasters, environmental fragility, resources exploited to unappreciable levels, problems associated with securing capital, delays in registering business, lack of security over valuables, heavy government corruption and bureaucracy. The authors argue that these are not taken into account by other theories and models on SHRM theorizing in the context of the SIDSs. Furthermore, their model incorporates the socially desirable HRM practices that affect the adoption of HRM practices in the SIDSs. The SIDSs have a distinct culture that creates socially desirable norms. These socially desirable norms and culture need to be incorporated into the adoption of HRM practices and SHRM theorizing.

Another study that highlights importance of socio-economic, political and cultural context is offered by Atiq in Chapter 12. His chapter is based on an empirical study of European multinationals operating in Pakistan. He examines their strategic CSR initiatives, including the managerial motives behind them. The empirical results of this research show that it is vital for companies to adopt the strategic CSR framework in order to maximize shared value for themselves as well as for their shareholders; additionally, they highlight the potential for improvement of brand image, sales and profitability for companies that adopt strategic CSR initiatives. The findings of the study demonstrate that maximizing shared value should be the goal of the firm instead of maximizing shareholder wealth. Shared value creation implies value creation for employees as well as for external stakeholders.

Chapter 13 moves the debate further by illuminating CSR practices in the context of four large accounting firms operating in another emerging-economy context, the United Arab Emirates. Al-Reyaysa and her co-authors stress that CSR in the Middle East and North African (MENA) countries is not well understood, despite increasing attention to the topic in the Western world. Their chapter describes and evaluates a case study of a CSR initiative in MENA countries. The specific initiative that they focus on is a drive for blood donation among existing and new donors who are all employees working in a global professional service firm (PSF Middle East). They report on the data collected through a survey distributed to employees across the offices of the United Arab Emirates, Saudi-Arabia, Qatar, Bahrain, Kuwait, Oman, Lebanon, Egypt, Iraq, Jordan, Libya and Palestine. The authors argue that many successful CSR actions are situated in contexts where local communities advocate involvement and change. In this regard, their study demonstrates that a major outcome of
the blood donation CSR activities is the importance of linking the initiative to aspects of life considered meaningful and valued. For individuals engaged in CSR, rapid feedback on the contribution and impact of their activities is very important. Equally important, as the authors maintain, is linking the initiative to other aspects of individual and community life. They suggest that a more systematic integration of PSF Middle East in blood donation with individual health and lifestyle is one example that is likely to retain existing employee donors as well as gain new ones. Integration of such initiatives with the wider agenda of CSR, including increased community collaboration for the purposes of education, general awareness and networking, is considered key in sustaining effective CSR practices. Their chapter also shows the significance of top leadership, management and coordination tasks delegated to the corporate responsibility leader. Another theme highlighted by this chapter is that of organizational learning of small teams of motivated employees leading the design, implementation and review of CSR projects, and learning from mistakes and moving on.

Chapter 14 continues the theme of leadership. Suliman and Thomas explore the importance of leadership in driving and implementing CSR in developing countries. Drawing on a review of the extant literature on leadership and CSR and case examples of organizations based in the United Arab Emirates, the authors highlight that most firms that engage in responsible business initiatives are corporate giants (local, government and MNCs) and their CSR activity is driven by strong leadership. Suliman and Thomas illuminate the contextual drivers for such CSR activities. The UAE has well-defined environmental laws that firms must mandatorily comply with in order to acquire the licence to operate and remain in business. Another driver is that the competition among local firms to engage in contemporary market practices also forces some local corporate giants to engage in CSR. On the other hand, the authors argue that small firms in the UAE suffer lower economies of scale as a result of which they incur higher CSR-related costs in comparison to large firms. Although organizational leaders are aware of CSR, they may not be aware of the strategic benefits associated with it. This chapter offers useful contributions for practice, highlighting the importance of leadership.

Another interesting study in the UAE context is included in Chapter 15. Drawing on findings from an exploratory study conducted via interviews with multinationals and local companies, Thomas and Pinnington offer a comparative study of the UAE construction industry and higher education sector to reflect on their institutional environment and evaluate the two industries based on perspectives of organizations that are engaging in CSR. Contrary to the previous chapter, the authors state
that the institutional environment in the UAE provides limited pressure for organizations to comply with new CSR norms and practices. The authors maintain that there exist some incentives for managers to engage in strategic CSR and multiple stakeholder collaboration; however, many of these activities remain somewhat diffuse and ad hoc. On the other hand, they argue, there are rising global pressures on construction specialists to implement more sophisticated approaches to sustainability, care of the environment, quality and health and safety. Higher education often plays a strong role as an advocate of best practice, but remains slower with many of its own systems and procedures. Consequently, academic and administrative staff groups have yet to act upon what they debate. This chapter makes a contribution through an in-depth analysis of trends in these two sectors as well as acknowledging the critical roles to be played by government policy makers in CSR and the significance of a growing contribution made by local organizations.

Chapter 16 applies a broader conceptualization of CSR comprising the social, human, political, cultural and environmental aspects. In his study, El Menzhi demonstrates the role of human resources management for CSR by considering historical functions of human resources management through an analysis of major international and national (Morroccan) initiatives, such as the Global Compact, the Declaration on Multinationals of the ILO, the OECD guidelines for multinational companies and the ISO 26000 Standard on the international level, and the National Initiative of Human Development, Social Compliance standard NM 00.5.601, Morocco and the Global Compact, the charter and the CSR label of the General Confederation of Moroccan Companies on the national level. The author argues that organizations care about their socially responsible behaviour towards their employees, for example to prevent discrimination in job creation, protect employees and increase their motivation, secure their development and make full use of their skills. By considering employees as valuable internal stakeholders, companies can enhance their business success.

The final chapter of the book, Chapter 17, discusses social responsibility and the agency of social entrepreneurs in driving institutional change. Reporting on case accounts from Brazil, Yavuz and her co-authors examine the agency of the individual institutional entrepreneur in driving diversity initiatives. The accounts, which are based on secondary research, present cases of social entrepreneurs who fight racial inequalities and discrimination in different fields, including education, communications and work organizations, in order to transform these fields whereby diversity is valued and respected. Their chapter demonstrates the value of Bourdieu’s theory of capital in explaining the agency of the individual institutional
entrepreneur in emerging-market context, and understanding how such agency can be framed from a social responsibility perspective. Bourdieu’s theory of capital offers a resourceful framework to explore the role of individual agency in the process of social and institutional change (Tatlı and Özbilgin, 2012). The transformation between different forms of capital that they utilize has emerged as the key process, which facilitates institutional entrepreneurship in emerging-market contexts. Their contribution to theory includes moving forward the field of institutional entrepreneurship by offering a relational understanding of the resource mobilization process of powerless individual institutional entrepreneurs in emerging markets.

This edited volume provides ample evidence for the significance of capturing the intersection between the fields of CSR and HRM from a diversity perspective. Drawing on a diversity of approaches and country examples, this collection of articles offers, we hope, a valuable resource for researchers and practitioners, and will stimulate interest in future research.

REFERENCES


