THE ROLE OF HRM FOR SUSTAINABLE DEVELOPMENT AND SOCIAL INNOVATION THROUGH CSR

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ABSTRACT:

The concept of sustainable development was widely accepted across the globe in 1987 after its appearance in Brundtland report. The concept leads a unique meaning to development and sets an integrated target for measurement of development which has the combination of parameters including economical, social and environmental aspects. Sustainability has become a key focus for many organizations due to global competitive environment of the business, regulatory pressures and societal demands for greater environmental protection and social responsibility have increased. CSR refers to the obligation of enterprise towards society. HR managers play a very important role in developing organization's CSR strategy and also help the organization to achieve its CSR objectives. Employee's involvement is a critical success factor for CSR performance. Human resource managers have the tools and the opportunity to leverage employee commitment to and engagement in the firm's CSR strategy. This study focuses on the role of HRM for sustainable development and social innovation through CSR with the reference of companies which are located in Nellore District, Andhra Pradesh. Organizations now realize the value sustainability has on their competitiveness, reputation, and ability to attract and retain strong talent. Sustainable HRM is still in the pioneering stage.

Keywords: Sustainable development, corporate social responsibility, HRM, HRM tools, sustainable HRM, sustainability.

INTRODUCTION

The HR function is critical to achieving success in a sustainability driven organization. Sustainability practice pervades every aspect of doing business and needs to be embedded across an organization at all levels, becoming an ongoing change process. Since the prime focus and skills of HR professionals include organizational process, change management and culture stewardship. They should play a critical role in ensuring that the company adopts CSR responsibility programs. HR can manage the CSR plan implementation and monitor its adoption proactively, while documenting (and celebrating) its success throughout the company.

1. Sustainable development

Sustainable development is the idea that human societies must live and meet their needs without compromising the ability of future generations to meet their own needs. The concept of sustainable development was widely accepted across the globe in 1987 after its appearance in Brundtland report. The concept leads a unique meaning to development and sets an integrated target for measurement of development which has the combination of parameters including economical, social and environmental aspects. Sustainability has become a key focus for many organizations due to global competitive environment of the business, regulatory pressures and societal demands for greater environmental protection and social responsibility have increased.

1.1 Sustainable Development Goals are,

- To promote the kind of development that minimizes environmental problems.

- To meet the needs of the existing generation without compromising the quality of the environment for future generations.

1.2 Features of Sustainable Development

Sustainable development can be achieved if we follow the following points,

- Restricting human being

- Technological development should be input effective and not input utilizing

- The rate of consumption should not surpass the rate of salvation

- For renewable resources, the rate of consumption should not surpass the rate of production of renewable substitutes.

- All types of pollution should be minimized

- Sensible use of Natural Resources.

2. Corporate social responsibility (CSR)

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

Corporate Social Responsibility is not a new concept in India. The Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility. As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of

economic, environmental and social imperatives ("TripleBottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders.

2.1 Meaning and Definition of Corporate Social Responsibility

CSR continues to be an evolving concept with no single definition universally accepted. CSR definitions have proliferated in the literature particularly since the 1980s. Nevertheless, common ground between CSR concepts and definitions is widely acknowledged and evident from the representative definitions given below:

(a) Canadian Government "understood CSR to be a way by which a company balances or integrates the economic, environmental and social imperatives, along with addressing expectations of shareholder and stakeholder" (CDCAC Report, 2002).

(b) The European Commission (2006) has given a simpler definition of CSR as "the responsibility of enterprises for their impacts on society and outlines what an enterprise 3 should do to meet that responsibility". CSR is that the business has a responsibility towards its stakeholders and society at large that extends beyond its legal and enforceable obligations.

(c) According to World Business Council for Sustainable Development (2002), CSR is the business's commitment for behaving ethically and contributing for economic development, improving the quality of life of the employees and their families, local community and society at large."

(d) The Kennedy School of Government (Harvard University)"The term (CSR) is often used interchangeably with others, including corporate responsibility, corporate citizenship, social enterprise, sustainability, sustainable development, triple-bottom line, corporate ethics, and in some cases corporate governance.

2.3 Corporate social initiatives

Corporate social responsibility includes six types of corporate social initiatives such as,

- Corporate philanthropy - company donations to charity, including cash, goods, and services, sometimes via a corporate foundation.

- Community volunteering - company-organized volunteer activities, sometimes while an employee receives pay for pro-bono work on behalf of a non-profit organization.

- Socially-responsible business practices - ethically produced products which appeal to a customer segment.

- Cause promotions and activism - company-funded advocacy campaigns.

- Cause-related marketing - donations to charity based on product sales.

- Corporate social marketing - company-funded behavior-change campaigns.

All six of the corporate initiatives are forms of corporate citizenship. However, only some of these CSR activities rise to the level of cause marketing, defined as "a type of corporate social

responsibility (CSR) in which a company's promotional campaign has the dual purpose of increasing profitability while bettering society."

2. Triple bottom line

"People, planet and profit", also known as the triple bottom line, form one way to evaluate CSR.

People refer to fair labor practices, the community and region where the business operates.

Planet *refers to sustainable environmental practices.* ***Profit*** is the economic value created by the organization after deducting the cost of all inputs, including the cost of the capital.

Overall, trying to balance economic, ecological and social goals are at the heart of the triple bottom line.

3. Objectives of this study

To understand the concept of sustainable development

To understand the concept of coporate social responcibility

To know the role of HR in sustainable development through CSR practices

To Know the CSR practices in Hindustan Coca-Cola BeveragePvt,Ltd, Apollo hospital AND NIPPO Nippo Batteries at Nellore district.

4. Research Methodology

The research totally depends on secondary data.The systematic research by identifying the terms like HRM, sustainability, CSR were done. Available research papers were reviewed, and articles in newspaper were collected. Company websites and related websites were used to collect the data.

5. Literature review

Ashley and Carney, (1999) developed the 'Sustainable livelihood framework' which has focus on four capital assets - financial, human, social and physical.

Batchelor and Norrish, (2002) emphasized on need for balance between each of these capital assets for enabling sustainability in the organization.

Dunphy (2003) has coined the term 'Corporate human sustainability' being the first element of corporate sustainability. Corporate human sustainability is the contribution of the corporation to developing the capabilities of the workforce members, creating a just, equitable and healthy workforce and contributing to the welfare of the external community, particularly those community members who have some stake in the future organizations.

Sustainability is related to HRM through the traditional HR models for service delivery, client satisfaction, and HR policies and practices, such as child labour, worker representation, health and safety (Boudreau, 2003).

Sroufe, Liebowitz, & Sivasubramaniam, (2010) elaborates the importance of 'people first' employer-of-choice culture to encourage the employee involvement for increased effort in protecting environment.

The research by Tapia, Correa, & -Sanchez, (2008) concludes that a comprehensive approach to HR practices leads to more successful environmental initiatives in companies. The culture of sustainability and environmental stewardship can be created in organizations by building a strong Human Resource function.

'Advancing Sustainability: HR's Role' is the title of a new report just published by the Society for Human Resources Management (SHRM),the world's largest association devoted to human resources management, representing more than 2,50,000 members in over 140 countries, together with Business for Social Responsibility (BSR) and Aurosoorya. The study indicates the following five positive outcomes from sustainability initiatives:

- Improved employee morale

- More efficient business processes

- Stronger public image

- Increased employee loyalty

- Increased brand recognition.

Wirtenberg, Hermon, Fairfield, (2007) have identified seven distinguishing qualities that are critical to understanding and evaluating sustainability journey of nine most sustainable companies which are as Alcoa, Bank of America, BASF, Coca Cola company, East man Kodak, Intel, Novartis AG, Toyal Philips and Unilever. The seven parameters are Deeply ingrained values, strategic positioning, top management support, system alignment (structures, processes around sustainability),Matrices,Holistic integration (cross function) and Stakeholder engagement

The Human Resource Planning Society defines five key knowledge areas for HR practitioners: HR strategy and planning, leadership development, talent management, organizational effectiveness, and building a strategic HR function (Vosburgh, 2006).

The need for effective HR functions and focus on the integral role of HR professionals has become essential in establishing sustainable organizations. Huang (2000) has elaborated that HR function is an area that influences employee attrition behavior, job satisfaction level, organizational commitment and performance and these factors lead to sustainability of the organizations in the long run.

6. Role of HR in sustainable development through CSR.

Human resource management is critical in supporting the organisation to improve effectiveness, to manage corporate governance and ethical issues beyond economic performance, and to support realignment of the organisation's future direction and vision of new ways of operating. Ethical considerations around the role of HR are important because focus on getting the maximum commitment from employees may negatively impact them in

regard to less work security and more precarious work arrangements. The decline in worker representation through trade unions and changes around globalised trade, outsourcing and employment means that HR has a direct impact on society.

HR has the potential to be the moral compass of the organisation, promoting policies and practices that are sustainable for humans and the environment. These goals aren't easy to achieve, HRM can facilitate the dialogue between managers and employees as well as contribute to the organisational culture change, as has been amply demonstrated in the past 20 years of research.

The strategic role of HR links ethical principles, Corporate Social Responsibility (CSR) and HR functions, creating a map to sustainability. HR personnel can use 'daily tools' to support and embed sustainability, such as:

- Engagement techniques, focused on an open and transparent communication style

- Motivational theories, based on extrinsic and intrinsic values

- Inspiring regular meetings, in accordance to the principles of respect and understanding

- Applying analytical ability to rethink functions to align them best to where the organisation needs to head.

These people-oriented skills are even more important in the case of a sustainable business. The aim here is to create a harmonious environment sustainably focused not just on economic factors but also on human resources and their relationship with the surrounding environment. This is possible through the promotion of transparent communications and practices such as discussion with employees and stakeholders, as well as a well developed sustainable HR capability that regularly reviews HR policies to ensure alignment with sustainability principles.

6.1 **The United Nations Global Compact** Created by the United Nations in 1999, the Global Compact is a policy initiative that asks organizations to adhere to 10 universal principles underpinning responsible business practices. The principles cover human rights, labor standards, environmental stewardship and anticorruption. Using these principles as an umbrella framework of a corporate sustainability policy, HRM can develop a set of policies and processes that align with the principles and ensure they are manifested in the practices of the organization.

The Ten Principles of the UN Global Compact

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to

collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

HR manager plays important role in the practice of CSR in sustainable development. if HR policies reflects as hire the talent people, provide training development programs, provide the career development, fair compensation, transparent work environment, gender equity, sharing and participation, good leadership, effective communication, welfare facilities and social security that will create the commitment among the employees which leads for sustainable development. Green HRM a further aspect of sustainable HRM is the way HRM supports the "greening" of the organization. Terms such as "green employees," "green careers" and "green jobs" are more common today.
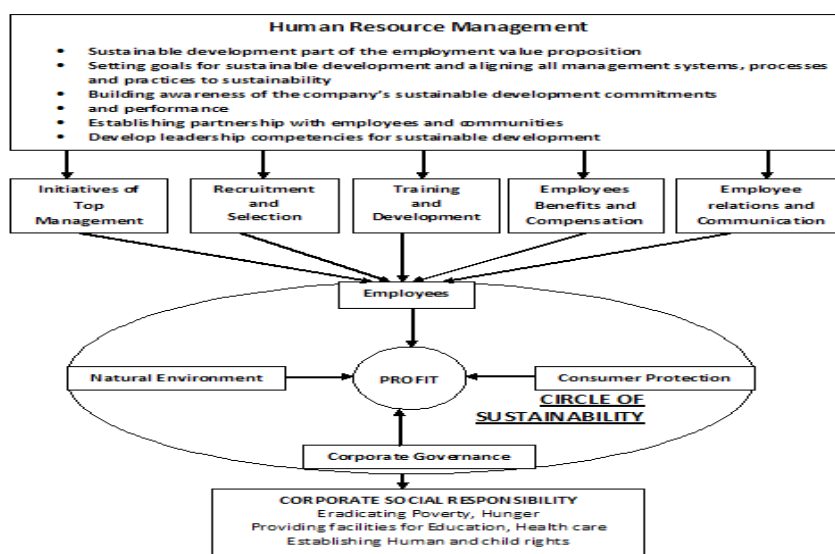
6.2 The New HR Skills required for sustainable HRM

Sustainable HRM does not represent a total transformation of the HR function but rather a refocus in terms of direction and underlying mindset, which reframes HR policy and plans. However, HRM needs to understand and skillfully implement some key tenets of sustainability practice, in addition to HRM existing capabilities. Examples of these new abilities are:

- A keener understanding of global and local sustainability issues that affect business performance (such as
    environmental issues, poverty and urbanization).
- A true understanding of sustainability principles in business.
- Techniques for effective stakeholder dialog and identification of core issues.
- A process for using stakeholder feedback and external awareness for identifying aspects of HRM policy
    and practice that have broader societal impact, rather than focusing solely on internal impacts.
- An understanding of the nonprofit sector and processes for forming business-NGO partnerships.
- A deeper connection to issues of diversity and inclusion and organizational climate conditions that support
    improved performance.

6.3 The relationship between CSR and Sustainable development

Sustainability as a concept talks about doing good in present for better future. CSR on the other hand is an attempt by organisations to return back to the society in order to mitigate the risk by organisations to society and to a get a social license to operate. Hence it is very important to know the CSR and sustainability practices of organisations and their linkage to organisational strategy.

Relationship between CSR and Sustainable development

Sustainable HR policy focuses on implementing proper, transparent procedures for recruitment and retention, training and development, performance management and motivation, employee engagement, employee benefits and compensation and employee relations and communication.

Hindustan Coca-Cola Beverage Pvt.Ltd, Nellore District (hereinafter referred to as "the Company"), recognizes the impact it has on communities in which it operates and believes that it has a tremendous opportunity to change the lives of these communities and aims to be a trusted partner contributing to the social, economic and environmental progress of India. As part of its dedicated approach to create economic opportunity in the communities in which it operates, the Company has been contributing its time, expertise and resources to help communities and undertaking a series of initiatives that are locally relevant.As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to water, environment, healthy living, music, grass roots education, social advancement and promoting gender equality and empowerment of women over the past several years. It has been promoting the Employee Volunteering Policy ("EV Policy") – 'SWAYAM' to encourage its employees to volunteer their time as individuals or as a department or as a group (of any size), towards a variety of community involvement

initiatives and opportunities offered by the company. It has tied -up with "Give India", a reputed NGO, to drive its initiatives on this front. There are three ways in which employees volunteer under the Policy. Under the first one, an employee dedicates one day every calendar quarter for volunteering initiatives. The initiatives are chosen from amongst several of company's CSR initiatives. Under the second, any employee can choose to volunteer for a cause of his/her choice and CCIPL will support this endeavor through the option of a day's paid leave in a year.

Apollo hospitals enterprises ltd, Nellore adopted the CSR policy and focused sustainable development through HR. The company implements the Human Rights policy. The company maintains the sound governance policy. CSR practices including ethics, transparency and accountability. Product life cycle – sustainability. Employee wellbeing, recruitment, performance appraisal, employee health and safety, learning and oraganisational effectiveness, clinical training and quality education, protecting human rights, engagement of stakeholders, protection of environment through environment risk assessment, water harvesting, waste management and energy efficiency. equitable development and measuring the customer satisfaction.

NIPPO LTD. Nellore District, considers CSR activities important for employee job satisfaction and the improvement of corporate reputation. We aim at long-term activities for the satisfaction of our employees, our company and all persons concerned by making use of our specific assets and conducting activities based on employees of own initiatives. The company provide best value to customers by developing socially-useful products and services, which is safe, of high quality and affordable. The company actively discloses business information in a fair and timely manner to promote extensive communication with shareholders and society. It provides a safe and conducive working environment for employment and foster a rewarding and exciting workplace by promoting and enabling growth and development of employees. It contributes to the development of local communities as a "good citizen"

Conclusion

All most all organizations now realize the value sustainability has their performance. Mindful of their economic, societal, and environmental impacts, sustainable organizations now seek input from a broad, diverse set of stakeholders— both internal and external—in shaping their business strategies and operations. The HR function has a critical role to play. Utilizing the HR skills in organizational process, change management and culture stewardship, HRM can help create and implement sustainable business strategy throughout the organization. This may require that new HR competencies be developed. Not only must HR become competent at using HRM tools to embed the sustainability strategy and mission in the company, it must also learn to shape the system itself so that its impacts on employees, communities and other stakeholders align with the sustainability vision of the company. Although sustainable HRM is still in the pioneering stage, this report outlines how HRM and other executives can access a growing body of knowledge to help them on their sustainability journey.

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