

# POSITION OF CORPORATE SOCIAL RESPONSIBILITY IN HUMAN RESOURCES MANAGEMENT

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## Abstract

The corporate social responsibility (CSR) is a modern concept, which is being developed as a result of deepening global problems of the world, to whose solution mainly businesses should contribute. CSR becomes an important tool of sustainable development. It includes various kinds of activities of a company for which differences in terms as well as in content are characteristic. A lot of theoretic perspectives and socially responsible activities in business practice diffuse with the human resources management (HRM), which has gone through several changes during the recent century and nowadays, it is integrated into the strategy of the company. The common denominator of CSR and HRM is their significantly strategic character, which is reflected into concrete activities, its ethical dimension in realisation of these activities in and decision-making and strengthening influence of European dimension. Primarily, the human resources managers contribute to the development and embedding socially responsible behaviour into the area of HRM. They can significantly help to create a space to synchronize economic imperatives of the company with its social development and in the application of ethical principles into HRM.

It is the need for deeper analysis of the position and role of the company in society. For what the company is responsible and for what it cannot be. Opinions of authors in this direction differ, from those who encourage businesses not to feel responsible for everything any longer to those who ascribe them full responsibility. Undisputed remains the fact that socially responsible activities of enterprises cannot threaten their long-term economic performance, which is a prerequisite for being able to be „social”, i.e. to integrate interests of individuals – employees and consumers, communities and whole society to its objectives.

**Key words:** responsibility, management, business, human resource, manager, economic, social.

**Classification JEL:** M12 Personnel Management

## 1. Introduction

Development of CSR in the last decade has influence significantly business economics and practice. It brought a whole new set of theoretical assumptions, which, however, lack a clear conceptual and content basis. This is reflected in the existing definitions of this concept, in its features, in the plane of realisation, but also in specific business activities, which are recognized as socially responsible. The diversity of approaches of authors and practical activities of companies is so great that CSR is fairly criticized for vagueness and ambiguity and for the fact that there are serious doubts about its real importance and contribution. L. Knippenberg and E. De Jong (2010) believe that it is so because in the context of CSR, it is not explained sufficiently, how differently the market can be perceived and consequently, what its relationship to morality is, nor what the role of the company in society is.

In spite of these facts, there are some generally accepted characteristics of CSR, which are analysed in the first part of our article. Consequently, before we highlight the overlap of CSR and HRM, we briefly describe a historical genesis of approaches to management of employees and the main features of its current development stage, i.e. strategic nature of HRM. The employee is no longer considered to be a cost or production parameter, he becomes an actor of business development and his motivation, creative energy and creativity are conditions for this development. CSR affects the sphere of human resources in its social level, which is focused on quality of life of an individual, i.e. employee, customer, citizen. While in the concept of HRM the employee is a capital, whose exploitation and valorisation serves mainly to the economic

interests of the company, the socially responsible company is focused on the employee for himself, it takes care of his working and living environment and of maintaining the quality of that environment for the future, because it feels to a moral responsibility.

It is possible to identify several common features of HRM and CSR, which recognition helps to understand better the principles of the socially responsible behaviour. In addition to the strategic orientation of these two concepts, the other common features are particularly, emphasis on the application of ethical approaches in management and in relationships and also the fact that their character is formed in the European context of development. For deeper integration of the socially responsible behaviour to internal corporate environment, we see as crucial the position and role of human resource managers, who are primarily entrusted with the most precious wealth of the company – its human capital. We pose the question how concretely the managers contribute to the development of CSR and what constitutes the socially responsible behaviour of them.

## 2. Theoretical basis of corporate social responsibility

Corporate social responsibility (CSR) is a modern concept, by which private business sector seeks and develops new approaches how to solve current global problems. As these problems, which have intersocial, naturo-social and anthropo-social character (Horeháj, 2005), and they are connected with subjects and institutions of economic, social and political sphere, CSR is matter of so called stakeholders, it means of all concerned groups: management and employees of the company, consumers, business partners, financial institutions, state, municipalities and non-governmental organizations. A green book of the European Commission from 2001 defines CSR as an effort of companies to integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis which leads to engagement beyond their legal obligations. Although, it is obvious from the definition, that the company is not the only subject, who is required to behave responsibly, it is the main holder of this concept as the most important actor of economic life, whose decision making is crucial for allocation and usage of scarce resources. The company **has to act and react**; it has to be productive, economically effective, legitimate and social. It enters to relationships, signs contracts, negotiates with partners, and participates in civic activities and all these can be done in socially responsible way.

The analysis of the CSR concept requires clarification of the term itself. The term CSR evokes opacities mainly in Slavic languages, because the word „social” can be understood in two ways. The first meaning is *social* as an opposite of *economic* and expresses a relation to an individual and to his needs, primary focus on man, including examining the impact of social processes on his status. The second meaning embraces all phenomena in society, interactions among people and their common activities, diversity of economic, political, cultural and spiritual phenomena. It means that it is broader and more global meaning. This resolution is solved in theory in such way, that we talk about social in narrow meaning and social in broad meaning (Fobel, 2000; Keller, 2007). The concept of CSR, as a tool of sustainable development, is focused on solution of problems of man as an individual as well as whole society and that is why it is natural and logical not to distinguish between these two meanings. An individual as an employee of the company, as a customer or as a citizen is a stakeholder, it means, an interested partner of CSR, while company activities influence his work- and life- or broader social conditions. In this context, we incline to majority of authors who use the term social in broader meaning.

Each discussion about responsibility evokes according to M. Capron and F. Quairel-Lanoizelée (2007) three basic questions:

1. Responsible to whom? – The answers to this question depends on how is a business seen and what place is attributed to it in society. According to M. Friedman, the company is, in this direction, responsible mainly to its shareholders, because its main task is to maximise a profit. According to numerous European definitions of the term CSR, the company is responsible to all interested parties, it means, to individuals and groups, which are influenced by its functioning or vice versa, they influence its functioning (employees, suppliers, and customers). There is also another type of answer for this question, according to which responsibility for so called general interest is attributed to the company, but this requires a deeper analysis of this term.
2. Responsible in relation to whom? – The scale of possible answers is extremely wide and it depends on the criteria according to which a socially responsible company can be evaluated, however, we have to count with a strong influence of subjective view of an evaluator. It is very complicated to „grasp“ all influences of various activities mainly of big companies and moreover, some of the influences are positive in one area and risky in another and it generates more and more unanswered dilemmas. Therefore, looking for the answer for this question, the result is not as important as the process of involvement of conscience to each management decision and evaluation of its possible consequences.
3. Responsible to what extent and how? – The interval of the degree of responsibility goes from zero to infinity. On this question there is no universal and timeless answer, because responsibility of the company depends on the period in which it operates, on expectations of society and on categories of subjects to which it is connected. In this context, there is a discussion in scientific circles about two central problems: about division of responsibilities between the state and companies and about reciprocal responsibility of companies, consumers and citizens.

It is necessary to distinguish legal and moral i.e. **managerial dimension** in the approach to CSR, (Estay, Tchankam, 2004). From the legal point of view, it is always about looking for a culprit for some mistake or a bad step in relation to applicable legislation. Here, responsibility has a negative dimension, because the law rarely deals with responsibility for good or positive reality. Those who initiated such actions usually present themselves by their own and spontaneously. Legal processes are intended to seek those who have done something bad. Moral responsibility goes beyond the legal framework, because it means voluntary commitment for decision making and proceeding. It constitutes an ability to be accountable for own decisions and actions and its consequences in relation to others. More than legally, a business is morally responsible for consequences of its production or trade activity on lives of individuals, on economy and environment. The content of responsibility is, in this level, positive, because it stimulates individuals to consideration of each of their decision from the point of view of those who are affected or those who will bear consequences of the given decision

From the perspective of moral responsibility, in theory it is possible to distinguish several **components of CSR**, mainly:

- a) Economic – business activity should contribute to economic development and to sustainable provision of material needs of mankind. This area involves issue of transparency in doing business, in relationships with business partners (socially responsible marketing), in price policy, in questions of profitability and added value distribution, in effectiveness of costs and also in control processes. The economic component can be simply expressed as good performance of the company with its available resources.
- b) Environmental – considering the scarcity of natural resources, it means engagement of the company for protection, valorisation and improvement of environment and in this way also for higher life quality. Environmental dimension is reflected in sensitive and economic approach to consumption of scarce resources in production process, in ecological production

- (bio products), in recycling and reusing of waste material and in environment protecting transport of people, material and products.
- c) Social – it lies in orientation on and respect of an individual, an employee as well as a customer and his human rights in the sense that economy is a servant of man not vice-versa. CSR should contribute to cohesion, to education, to employment, to health and to personal development. It should solve a question of gender equality or equality of nations and equal remuneration for the same work.
  - d) Ethical – it is connected with application of ethical and moral principles in different areas of business activities, mainly in human resources management (HRM), in investment activity, and in marketing. Credibility of ethical principles is conditioned by conformity between statements and action of those, who manage.
  - e) Civic – this component is, for now, least developed in European companies. Its purpose is an orientation of companies on needs of society, or mainly on needs of various communities and NGOs, which come to existence within them. The company enters to partnerships with associations, whose values are close to its values and such partnerships represent reciprocal contribution to creativity and innovation.

The first three of these components are also the three pillars of sustainable development, which are often the theoretical basis for scientific papers with this focus. From this perspective, the concept of CSR can be denoted as a tool of sustainable development and also as a way of convergence of economic and social objectives of a company, between which there is antagonism since time immemorial (Marasová, 2008). Sustainable development means a responsible approach to the disposable scarce and therefore exhaustible resources in order to develop quality of life and not only its material aspect and to maintain the quality for next generations. As a means of sustainable economic development, CSR has a **significant long-term and strategic dimension**.

Within the above stated components of the CSR, some authors elaborated instruments and forms of this concept, which in some cases overlap, in others differ. A similar conceptual and content inconsistency can be observed in business practice, as evidenced by the existing surveys in the management environment of the company. It is so, partly because the concept lacks historical-philosophical foundations as it came to existence only in the seventies of the 20th century and was develop significantly in its end, and partly because it is based on moral principles of decision making procedure and of acting, which can take many forms. Various activities that companies develop as socially responsible, affect their internal and external environment. Therefore, it is logical to distinguish an internal and external dimension of CSR however it is not always possible to clearly separate these dimensions. For example, if we mark care for employees as a responsible action focused on internal environment of the company, we have to notice also that the same employees become customers outside the company, and therefore the care about them as the employees affects consequently the amount of their income and thus their consumption possibilities.

This reflection brings us to the field of HRM in the company, under which we understand wide range of activities aimed for employees provided by HR department, but also performance of other management functions. It becomes a matter of interest of all managers, because by this, human capital is managed and valorised and this capital is for decades recognised as the most valuable. If we have characterised the social component of CSR as an orientation on man - an individual and if the purpose of this orientation is respect for his needs, rights and quality of life, then the said component of CSR is realised in the inner environment of the company mainly in the relation to employees – human resources, which represent key possibilities and means of business development.

### 3. The current stage of development of human resources management (HRM)

The authors dealing with the historical genesis of HRM distinguish several stages of its development. According to Petit et al. (1993), it began to develop in the twenties of the 20th century under the influence of several complementary factors. Firstly, it was the strengthening of the legislation relating to labour and working conditions, as well as expansion of the trade union movement, later, developing social sciences increasingly emphasized the importance of human factor and his motivation which influence his performance. In the beginning, HRM existed only as personnel administration which had technical-legal character of realisation of personnel actions and it saw an employee solely as a cost. Later, it got into the position of personnel management with a strong psycho-social orientation influenced mainly by the human relation school and then, gradually, several other behaviouristic theories. They brought new perspectives on work incentives and on employees' needs of self-actualization and began to stress the importance of involvement of the employees in development of the company.

The content and focus of HRM have gradually changed, as vision of man, his role in society, but especially his position in labour process have modified. It proceeds from the perception of the working individual from a purely economic and rational point of view, in the sixties, which nowadays recede, to „social“ looking on man, which was also the result of increasingly insistent requirements of employees. It stresses the **social function of business** which should be fulfilled, on the one hand, by care about their employees and, on the other hand, by the responsible approach to the external environment. This period lasted approximately for 20 years and it was characterised by the fact that personnel management subsided and the so-called systematic HRM was implemented, which was connected with the development of a system perspective on the company in general. Companies produce goods and services for increasingly more precisely defined customers, whose addressed needs fulfilling becomes, besides profitability, the next most important business objective. To meet these objectives, which have economic and „human“ character in the same time, it was necessary to ensure adequate workforce in suitable quality and quantity and to reach, on the one hand, its productivity and on the other hand, its satisfaction which should guarantee its relative stability. In the approach to the employees, there diffuses the need for harmonization of productivity i.e. growth and job satisfaction, which are in practice rather in the conflict. That was the reason for which many experts on HRM began to see this as a process of optimization which lies in finding a balance between the needs of employees and final objectives of a business

In this period of the systematic HRM, its individual key activities as we know them today, **was gradually shaped:**

1. Human resource planning – workplace analysis and analysis of the required qualifications, analysis of internal and external business environment and determination of the number of employees.
2. Human resources acquisition – recruitment, selection and acceptance.
3. Development of human resources – assessment of performance and potential of employees, identification of training needs, development of training programs, their implementation and evaluation.
4. Development of employee loyalty – development of the value system of work positions, determination of ways of remuneration, negotiation and fulfilment of collective agreements, protecting health and safety on workplace, social benefits programs.

The third developmental stage of HRM began in the eighties of the 20th century and lasts until today. It meant a fundamental change in the perception of human resources in the company, which was triggered by an economically difficult period in the previous decade. The productivity of thirty „fat“ post-war years was exhausted and due to the high growth in production costs companies started to look for more efficient ways of production and for new methods of the

management. They focus their attention, inter alia, on its own employees and they find out that human resources, properly selected, adapted and motivationally remunerated, to whom perspective of personal and professional development is offered, can become the competitive advantage for them. In this way, human resources acquire strategic character. HRM starts necessarily to diffuse with the strategic vision of corporate governance. Instead of former adaptation on important decisions of management, it is integrated into a global strategic management, which means that personnel managers have got their place in top management positions, eventually in strategic planning committees.

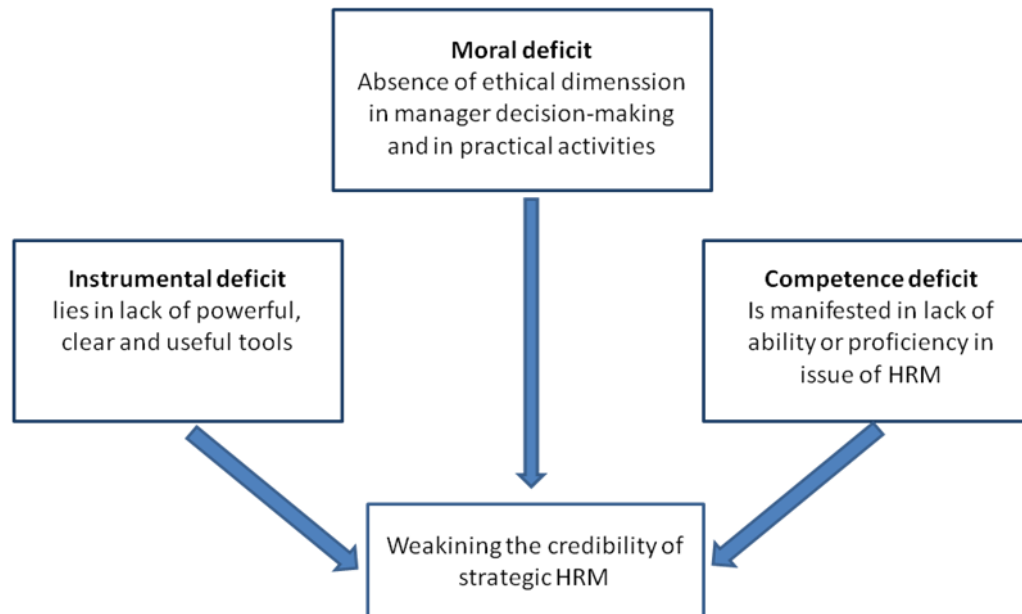
While the traditional concept of HRM perceived employees as a part of costs, which should be minimized and an individual as a certain „production parameter”, strategic HRM sees them as a resource, as a capital which must be **mobilized and used optimally** and to which it is worth investing. Human resources managers are becoming strategic players in efforts to grow and to be successful. One of their main tasks is to „root” into the consciousness of all managers the belief that the strategy of economic development of the company and strategy of human capital development are inextricable to each other and that one cannot exist without the other. The shift of HRM to strategic positions represents a significant valorisation of the human dimension on wealth creation and also the fact that managers of the companies are starting to implement the „human approach” in personnel management, which embrace not only investments in their education and development, but also greater attention to their opinions, ideas and approaches in corporate governance. This approach is often challenged by sociologists who argue that businesses do not develop it because of the human being as such, but only because the fact, that professionally and personally advanced person can be used to increase productivity and enhance competitiveness. Today, we know that it is necessary to overcome the age-old antagonisms between economic and social objectives of the company, because they are met together. Integrating economic and social environment of the company has become a necessity.

**Strategic HRM will certainly contribute by:**

1. Focusing on people – on employees as the most important scarce resources, the holders of development that is delivered through their knowledge, skills, initiative and creativity.
2. Incorporating the work with human resources to management work of not only personnel but also of line managers intended to increase the performance of human resources through personal and professional development.
3. Addressing the needs, aspirations, motivation and value orientation of employees and on its basis to build a corporate culture.
4. The fact that it stays on individual relationships, which are based on trust and skills that it promotes decentralization of management and employees participation in decision making.
5. Considering the workforce – employees as a strategic element and assigning them development goals whose realisation is conditioned by the employee development.
6. Integrating stronger social and „human” criteria to corporate governance.

According M. Vetráková et al. (2001, p. 20): „Strategic HRM is aimed to build a competitive advantage in human resources”. It differs from the other competitive advantages, such as technology, product, financial resources in the fact that it „is a unique, very difficult to emulate and thus more sustainable.” Building and maintaining of this advantage, however, depends on several factors which give rise to many contradictions and shortcomings in the concept of HRM which leads in some cases to discredit of its credibility. J. – P. Citeau (2000) sees the reason in three serious deficits which illustrates the Figure 1 Triple deficit. They cause perpetuation of certain problems of the past and do not allow to solve new flexibly despite the fact that from the eighties, the strategic HRM has undergone many transformations, which enrich its tools, methodologies and practical measures in the approach to human resources.

The solution of mentioned problems as well as the consequences of the recent economic crisis (lack of jobs, employment uncertainty, reduced labour price, etc.) require, on the one hand, innovative approaches and methods of work, which would contribute to the more flexible labour market and on the other hand, more responsible views on the management of employment, on man at work process and on the quality of his life as a consumer and a citizen. Ultimately, it means for the company to take their share of global responsibility towards society and towards an individual.



*Figure 1: Triple deficit*

Source: According to Citeau, 2000

#### 4. Overlap between the CSR and HRM

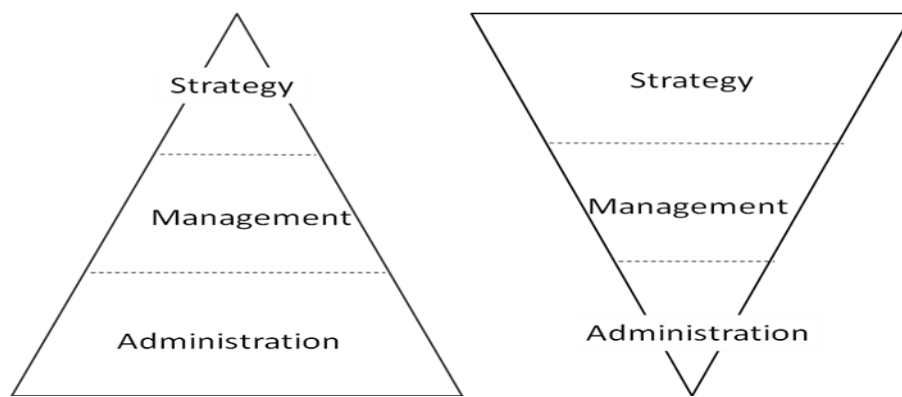
Although, the CSR activities in a business practice are heterogeneous, and its evaluation criteria in theory very inconsistent, or insufficiently elaborated, it is clear that they affect and influence the area of HRM, particularly in the social components of given concept. The very concept of CSR, where the adjective *social* has in Slavic but also in Roman languages more meanings, evokes in the company the relationship employee – employer which falls within the activities of HRM. The interconnection of HRM and the CSR is supported by the results of a survey conducted between 2004 – 2005 in which most of the managers answer the question, whether they know the concept of CSR, that it is a responsible approach to employees, or care about them (Koleva et al., 2006). The respondents, thus, narrow the socially responsible behaviour of a company more or less on its social dimension, and within it, firstly, on responsibility of the company to employees. This shows clearly that the said survey was conducted in companies of the former planned economies, which were typical for their strongly developed social function, which was result of influence of political and ideological imperatives. This was certain continuation of the global state paternalism at the local level.

CSR diffuses with HRM in the area of realised activities, but also in the level of tools and methods by which various activities are realised. Based on existing knowledge, theoretical approaches and tools developing analysed areas, we believe that the following factors can be considered as the most significant overlap of **socially responsible behaviour and HRM**:

- strategic element;

- ethical dimension;
- European context.

The **strategic character** of CSR cannot be doubted for two reasons. On the one hand, this concept is a tool for sustainable development, which itself confirms its strategic dimension, on the other hand, it is focused on responsible, i.e. moral decision making and actions of managers, which, in today's world of increasing globalization, competition and continuous struggle for survival, must be strategic and long-term. Considering HRM, its subject is valorisation of the human capital, or investment in it, and from every investment, certain return is expected. When the company invests within HRM in the development of their employees, encourages their talents, initiative and creativity, it is its strategic interest to capitalize the fruits of this energy so, that it motivates its employees to use it at the level of their professional mission in the company. The evolution of HRM into the strategic level is expressed by scheme consisting of two inverted pyramids.



*Figure 2: Components of HRM*

Source: Lelarge, 2006, p. 269

While in the past, the administrative component (personal files of employees, work contracts, remuneration, etc.) was located in the bottom of the pyramid, now it occupies only a small part. Many administrative activities of HRM are currently provided by information systems, or by external contractors. The component Management (individual and collective) occupies in HRM still the same part, but its content and mission have significantly changed. Yet, it is not based on a systematic gradual process related to the careers of employees, but in specific management of their cooperation and potential, which itself enables them to develop their professional career and the conditions for job retention. Strategic actions today represent the largest and an essential component of HRM and lie in planning of the number of employees, professions and skills. Development of human capital means that the problems of people like employment, skills and others are solved in conjunction with other business issues, especially with issues of competitiveness. It is a management of transition and transformation which have to pay the same attention to working conditions and to development of employees as to labour productivity. This means that human resources are the key vector in the corporate strategy and that HRM also becomes a critical analysis of the values of the company.

While the theoretical basis and practical activities of CSR as a historically young concept are diverse and fragmented, HRM represents for several decades a comprehensive summary of knowledge, methods and tools aimed for enhancement and development of human capital in the company. At the turn of the second and third millennium, several authors (Zarifian, Pérez,



Savall, 2001) emphasize the **need for development of human potential**, because according to them the internal resources of the company represent in this direction insufficiently developed wealth. Mentioned authors deal with the concept of the dynamics of this potential i.e. possibilities, which HRM actors have to adopt new activities, contributing more significantly to the competitiveness of the company. Expressed in mathematical language, human resources, as the capital, which is valorised, are the most important strategic variable. They can be mobilized by providing them with opportunities to acquire new skills and to use them by creating a space for the fulfilling increasingly more complex tasks, and by encouraging to the initiative and taking responsibility. In this optics, many experts on corporate strategy confirmed that human resources, together with technology, determine the company's ability to create value. The real source of competitiveness lies in the development of knowledge, skills and qualifications of employees.

This development is ensured by numerous activities of HRM, i.e. personnel activities, while the socially responsible behaviour of the company is reflected into some of them. We believe that the obvious overlap between CSR and HRM exists in education and motivation of employees, in care about them, and paradoxically, in their forced dismissal where the development of various outplacement services represents a concrete help of a business in job loss. Forced release of employees for reason of economic inefficiency is, from the perspective of the socially responsible behaviour, the most painful activity of HRM. In times of economic conjuncture, it is relatively „easy” for the company to be responsible to its employees. Sufficient resources enable it to invest in employees’ development, support their welfare benefits, *encouragement* of them with financial and non-financial means. During the crisis that reduces more or less the resources available, it is less obvious. However, it is increasingly demanding to conduct socially responsible HRM not only during the economic crisis, but also under the influence of increasing competition and competitiveness, which the current globalized world brings. It means a continuing confrontation with issues of labour flexibility and labour market, knowledge management, pressures to reduce working time, individual remuneration and others. It is necessary to analyze more deeply how and with what HRM facilitates the creation of value. What is actually its product, when it is, basically, immaterial management, and who use this product?

Although, the analyses of the authors regarding content and conceptual apparatus of CSR vary, almost each of them stresses the **ethical dimension** of this concept. In most cases, the authors present the ethical component of CSR as separate, at the same level as the social, economic or environmental. It should be noted that ethics and morality can be neither in the concept of CSR, nor at the level of HRM, „severed” theoretical area, which defines how to behave, what is allowed and what is not. Ethical criteria must be interconnected with all other components of CSR and applied in every business activity: production, trade, financial, investment and also in work with human resources. HRM can be considered as the area in which the urgency to apply ethics came to the forefront and where the terrain is suitable to change behaviour and attitudes of people. If the ethical principles of action and decision making of an enterprise, both on side of managers and employees are not transferred to life, if violation is not punished and if their application is not upgraded, CSR will remain in this direction vague and HRM will not achieve the necessary credibility. This means that whatever formalised the ethical framework in the company is (Code, Charter, principles), the document has to become a living „biblical” guide with which managers and employees are daily confronted in their dealings and decision making.

Thoughts and discussion on ethics, which have developed in recent years in connection with CSR, raised the questions of responsibility towards society and towards their own goal. Ethical values have even become the core issues in the problematic of the role of the company in society. The pressures of socio-political environment are constantly growing, for example on

environmental protection, on health of the nation and on quality of life of an individual and the need for some common reference becomes urgent. The ethics becomes a strategic necessity, which is, on the one hand, an expression of company's ability to respond correctly to changes in the external environment, and on the other hand, it is an important motivating factor for its employees. O. G linier (1990) wrote 20 years ago that nothing in the work environment does not encourage so much as fair and legitimate framework of this environment, fair practices of managers, who have a vital role in the development of ethical values of the company and in respecting the personality of each employee, his right for development, professional growth and possibility to participate in decision making process.

Ethical dimension of CSR and its projection in HRM is closely linked to corporate culture. The company is a group of people who have their own culture coming out from their personalities, knowledge, education and experience. On this basis, a corporate culture is created and it determines the way in which the company acts and reacts and in which it applies ethical behaviour. In recent decades, the concept of corporate culture and its contents become established in business economics and in business practice and become an important tool of business management, despite, on this concept there are contrary views. One group of authors considers corporate culture as an integrating element of the company as a basis on which its core values are built, for the others it is, in contrary, the factor which makes the environment of business inflexible and thus an obstacle for any change. We incline to the view that the corporate culture is an important management tool that can inculcate ethical values into all company employees, contribute to their cohesion, and change their opinions and attitudes, so that commitment of the company to issues requiring socially responsible behaviour was shared by all.

The third element of the overlap between CSR and human resources management is the fact that they are developed in the wider **European context** which gives them certain perspective and stronger credit. The European dimension is the unifying element with positive and negative consequences. The former lie in the fact, that the effort and resources are enhanced both for further scientific research and for promotion and introduction of new ideas into practice. The negative aspects of the European dimension arise from the diversity of approaches and views on the socially responsible behaviour as well as from numerous and vaguely defined practices of companies in this direction, which may hamper a clearer and more precise definition of the concept, content and tools. Similarly, in human resources management in European companies, there are significant differences arising from the national culture, history or social context.

In the area of CSR, the European initiative launched after the year 2000 and is focused on issues of creation of norms, standards and recommendations, among which the most important are EMAS, Easy EMAS, SA 8000, GRI and others and also the standard ISO 26000, which is in the final state of preparation. However, the European Commission stresses the voluntary nature of involvement of enterprises in the concept. It comes out from the view that the voluntary commitment has in itself more creative and moral force as an action dictated by law. In 2001, from the initiative of about thirty large enterprises, financial institutions and other associations Observatoire sur la Responsabilit  Soci tale des Entreprise (ORSE) was founded in Paris, whose aim is to collect and analyse information, studies, survey results and other documents about the concept of CSR, to acquaint with them its members and the public in order to create gradually a common network of all actors engaging in the socially responsible behaviour. Every legal entity may become ORSE member if it commits itself to respect the Charter of Conduct of this association.

Considering the European dimension of HRM, the European currents of thought in this area are characterized by conceptual openness of a company, which takes into account the human dimension of work and the fact that employees cannot be managed in entirely rational

way, because there are also other forces and elements, which are beyond the established rules and methods. For the success it is not enough to manage human resources „well”, but it is necessary to mobilize the creative energy, which they hide and to develop their implication into the happening in the enterprise. From this point of view, HRM is closely linked to culture, values, vision, and it becomes responsible for social development in the company as a certain project, which includes, particularly, training to manage, the development of participatory management and a new logic in view on competence in the company. The common denominator of these activities is transformation of thinking, change in view of the enterprise as an open system in constant evolution. The extent, to which these changes take place in companies, is reflected in mutual share, proportion of the already mentioned elements of HRM, i.e. administration, management and strategy.

B. Nyhan (2010) says that although the concept of HRM has its origin in the United States, in companies in Europe it has its own characteristics, which are based on the European culture, business and working environment and which takes into account the European legislation (Social Charter, 1989; The European Works Council Directive, 1994; European Pact of Confidence for Employment, 1996). According to the author, in the current integrated Europe two models based on two different views on HRM meet. The first consists in a humane way of development, which was designed in the eighties by M. Beer on Harvard Business School, and in which tried to reconcile the economic objectives of an enterprise, individual interest and the interests of society. It emphasise intensive development of human resources aimed to high-level of professionalism of employees, which allows considerable degree of autonomy and responsibility. In the nineties, this model was complemented by the theory of learning organizations. The second approach to HRM, inspired by neo-Taylorian work organisation and by neoliberal economics is based on the so-called utilitarian perception of human resources. It can be reasonably assumed that the overlap of these two currents in European companies, in the context of globalization, with which they are confronted, will lead to building of so-called learning economies - a term which was presented at a conference organized by the European Commission in April 1999.

## 5. The role of human resources managers in the development of CSR

According to J. M. Plane (Le Roy, Marchesnay), the concept of human resources carries in itself a certain ambivalence and number of unanswered questions. Is it a human resources management, or management of resources of people? Does it mean to transform labour to the long-term collective performance, or to optimize the cost of employees from the perspective of short-term profitability of the company? The business practice shows that terms commonly used in HRM may be understood differently and express facts with conflicting goals. From the given perspective, the role of human resource managers or personnel managers is becoming, under certain circumstances, paradoxical and significantly ambiguous. Under the pressure of the imperatives of economic efficiency and competitiveness, personnel managers sometimes use HRM, which is a strategic variable, as a variable addressing of current needs, i.e. operational variable. Their socially responsible behaviour lies in finding areas of appropriate *compatibility between ensuring competitiveness and quality management of workplaces* based on human knowledge and skills. It requires more strategic thinking and innovative approaches to HRM, search and application of new ways of organizing and valorisation of employees by strengthening their independence, initiative and responsibility. Human resources manager should treat each employee in the company as a creative personality, who, by realising his vocation, in the same time demonstrate his initiative, creativity and responsibility (Švančárová, 1999).

Currently, HRM is a separate management function, which has its own instruments and is part of the top management of the company. It ensures the integration of employees into the company, social dialogue, communication of strategies, and in the same time diversity

management in area of career development and individual remuneration. The current development stage of HRM adapts to business needs the number of employees, their qualifications, skills and it do so both in the short and long run. Its mission is to contribute to the development and modernisation of the company through the provision of the process of employees' implications to its operation. This process represents the search for convergence between the interests of shareholders, managers and employees, which are often in conflict. The issues of power and conflict management are the main issues, which, nowadays, have to be solved by HR managers as well as labour relations and collective bargaining. From this perspective, in almost constantly conflicted context, HRM represents, in addition to financial, marketing and production point of view, a new perspective on general business management and an operational tool that should facilitate the application of innovative business ideas into practice. Personnel managers and all who are in some way responsible for human resources and their development should mainly contribute to the convergence and harmonization of economic and social environment of the company.

Economic goals are based on the main mission of the company, which is achieving of profit, as explained in neoclassical economics. Responsibility of homo-oeconomicus lies in his effort to use resources most effectively, i.e. in rational thinking and decision making, because it is the only possibility to be successful in competition. From the economic perspective, it is vital for a business to create maximum added value. Social goals of the company are focused on professional and personal development of working individual or groups and on the quality of their working and living conditions. The arguments, that companies meet the social goals only because it helps to realise economic plans, i.e. to maximize profits, because happier employees are more engaged in the fulfilling of work tasks and they achieve higher productivity, are responded by many authors (Citeau, Angel et al.) by the fact that nowadays, companies cannot differentiate their economic and social activities, or to believe in the subordination of one to another. They are like two sides of the coin, between which there are differences and contradictions, but one cannot exist without the other. The holders of integration of economic and social environment are the human resources managers, who, in conjunction with line managers, manage the development of employees in the company, valorise their initiative and creativity, lead them to greater accountability and participation in decision-making, ensure the quality of their working lives, contribute to the achievement of social corporate objectives and in such way they implement the social aspect of the CSR in its internal environment.

The pillar of socially responsible behaviour of human resources managers is application of ethical principles in their decisions and actions. Primarily, those who manage the most precious capital of the company must be ethical. For HR managers it means to rely on rules and criteria generally accepted as legitimate: to avoid biased selection of individuals for employment, arbitrary dismissal, acceptance of higher salary without merit, to ensure equal opportunities for education, etc. Ethics and transparency of dealings of human resources managers strengthen **trust of employees** of the company and its positive image in the external environment. This is a link between continuous improvement of quality of working life with building goodwill, the effort of managers to introduce ethics and morality into working life, but especially into their own words and deeds, which are the criteria for employees. By the effort for this compliance, personnel managers integrate ethical component of CSR into HRM.

Personnel managers are also entrusted with the formalization of ethical standards of conduct into a formal document. Although, it is impossible to anticipate all situations that can occur in the future in any code or charter and they never have at their disposal comprehensive information on ethics. From this perspective, all formalized written ethical requirements are incomplete. However, they are necessary as a guide and a standard for the basic distinction between right and wrong and also to make employees aware of the key principles of conduct. The daily operation of the company brings new and unique situations which are not foreseen in

the code of ethics and whose solution will require open discussion based on existing applicable ethical document.

## 6. Conclusion

In the context of the current highly vague contours of CSR, we tried to identify common elements which associate it with the concept of HRM, its manifestations in working with people. The socially responsible behaviour of the company is reflected into this area particularly in its social and ethical dimension. Each strategy is fulfilled and bears fruit in the long run. Application of the CSR into human resource management means a change in mindset, the integration of seemingly incompatible, development of new ideas and it all takes time. It can be assumed that the aspects of CSR in the management of human resources will crystallize slowly and gradually and clarify both in the sphere of research and of practical economic activity of enterprises. Scientific research could, in this context, focus on searching of the overlap between CSR and other management areas, like manufacturing and trading, company finance or logistics and specify socially responsible activities in them. The big challenge for researchers and practitioners remains possibilities of evaluation of such activities and quantifying their costs.

Another way, in which the concept of CSR can get a clearer contours of and greater credibility, is the need for deeper analysis of the position and role of the company in society. For what the company is responsible and for what it cannot be. Opinions of authors in this direction differ, from those who encourage businesses not to feel responsible for everything any longer to those who ascribe them full responsibility. Undisputed remains the fact that socially responsible activities of enterprises cannot threaten their long-term economic performance, which is a prerequisite for being able to be „social”, i.e. to integrate interests of individuals – employees and consumers, communities and whole society to its objectives.

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