



EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

Final Year First Semester Examination in Bachelor of Business Administration -

Specialization in HRM – 2013/2014 (December, 2015)

HRM 4043 Social Responsibility of Human Resource Management

Answer all questions

Time: 03 Hours

Q1. Read the following article and answer the questions given below.

Many organizations have invested heavily in Corporate Social Responsibility (CSR) programs in a bid to restore trust among their shareholders, employees and customers and improve their corporate brand. But what role does HR play in CSR and does the profession need to take a more leading role in deciding the direction of organization's CSR strategies?

The history of corporate philanthropy goes back to at least the 19th Century in the UK where the innovative working practices of Quaker organizations such as Cadburys and Rowntree Mackintosh put employee welfare and ethical behavior at the heart of their business values.

The term 'CSR' emerged in the 1960s, commented Jonny Gifford, research advisor to the Chartered Institute of Personnel and Development (CIPD). "The term 'CSR' became increasingly common in the 1990s, in particular when the spotlight was being shown on poor working conditions in global supply chains", he said. "CSR or CR (Corporate Responsibility) has its skeptics as well as advocates but the defining feature is that it activity and standards that companies voluntarily sign up to, separate from legal governance".

However, CSR became a bit of a buzzword 10-15 years ago, acknowledged Gifford. "Organizations found it easier to turn it into a branding opportunity by having a CSR webpage but wouldn't necessarily do anything about it. However, you can only say that you care about CSR for a certain time before you actually have to do something about it as expectations are raised among stakeholders".

Organizational attitudes to CSR have changed over the last ten years and the term is no longer an acronym which you can put into a box, remarked Gifford. "The

more we talk about responsible business practices the better. There are two broad aspects to corporate responsibility: one is the traditional focus on CSR which is what the organization does with the local communities in which it operates and environmental policies and then activities which are core to the business and how they make their money”.

People play a central role in the value creation process which is about understanding the way an organization works and the consequences of its activities, argued Gifford. “For example, how you treat your customers and how you treat suppliers ethically. If you define your value creation in narrow financial terms, you can develop this very far while maintaining a deep disregard for social responsibility. But a triple bottom line view focuses on long-term value creation and brings this together with a much wider stakeholder view. This leads organizations to look at what is socially and environmentally sustainable and ethics is integrally linked to value creation”.

Gifford argued that HR profession has a three-fold task in CSR as many aspects relate to HR Management. “HR needs to make sure people management practices are ethical and secondly, to embed corporate responsibility you need to give people the right support and training and HR has a role in learning and development side of that. The third aspect is embedding ethics into the organizational culture. That’s about being able at board level to ask the challenging questions”. The HR function should be totally integrated into CSR, said Judi Marshall, Programme Director in MA in Leadership for sustainability for Lancaster University Management School. “It’s not always the case as sometimes it’s a marketing tool. The HR function needs to think about leadership, recruitment and reward. Some of the best organizations have taken an interesting HR aspect to this where they look at the work-life balance of CSR”.

One of the challenges facing organizations when it comes to the impact of CSR is measuring the impact of those activities on the targeted communities, said Professor Kamel Mellahi, professor of strategic management at Warwick Business School. “CSR differs from any other corporate activity. It deals with issues like environmental pollution, child labor and product safety which are often seen as outside the traditional boundaries of a business. Therefore it’s not easy to measure CSR performance by using traditional indicators such as return on investment. Effective measures of CSR must consider economic, social and environmental impact”.

Q4. (a) *Identify* two key diversity management issues of the organizations and briefly *explain* how those issues can be managed effectively through HRM while achieving diversity management objectives?

(05 marks)

(b) *Define* the term '*Corporate Social Performance*' and *create* a research model that shows relationship between Socially Responsible HRM (SRHRM) and Corporate Social Performance (CSP).

(06 Marks)

(c) *Define* the term '*Green HRM*' (GHRM) and briefly *organize* the key literature components of Green HRM by using Ability, Motivation and Opportunity (AMO) Theory.

(07 Marks)

(Total 18 Marks)

Q5. (a) *Assemble* a model by using following concepts that shows the incorporation of Knowledge Management (KM) and Corporate Social Responsibility (CSR) in an organisation Human Resource Management Models.

Concepts:

Knowledge, External factors, HRM practices, Knowledge Management, Human Resource Management, Internal factors, outcomes and stakeholders satisfactions

(03 Marks)

(b) *Define* the term '*Sustainable Human Resource Management*' (Sustainable HRM) and *identify* the major features of Sustainable HRM.

(06 Marks)

(c) Assume that you are working as a Management Trainee-HRM in a newly established company in Sri Lanka. Your company is located in a remote village. You have been assigned to implement some CSR activities in that village by your HR Manager.

- i. How would you *plan* to implement a key CSR activity in considering various social needs of that village (*Give your answer in a practical manner or way*).
- ii. *Propose* two organizational theories which are applicable to handle the above situation effectively.

(09 Marks)

(Total 18 Marks)