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School of Business and Management

Master's Thesis

Strategy, Innovation and Sustainability

The role of HRM in developing and implementing CSR strategy

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Abstract

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Corporate Social Responsibility (CSR) has become a prerequisite for companies' success and it should be considered as an integral part of a business strategy. Development and implementation of CSR has been usually understood as a job of top management and communications department, and less attention have been given to Human Resource Management (HRM) as a function that can play a significant role in integrating CSR to a whole organization and among its personnel. Nonetheless, there is a major potential for HRM to be involved in the development and implementation process of a company, for HRM has various roles especially when implementing CSR strategies.

The aim of this master's thesis is to examine the role of HRM in developing and implementing CSR strategy, as well as to analyze the organizational and contextual factors that might affect these roles. This is a qualitative research, which is conducted by interviewing HR and CSR representatives from four different companies. Interviewees from both HR and CSR functions were chosen in order to get comparative analysis and see the possible gap there is between the HR and CSR professionals' answers considering the role of HRM in developing and implementing CSR strategy. The data gathered from different organizations was analyzed by using content analysis. The main results of the study suggest that HRM has a role in CSR development and implementation, but most often it is limited to internal strategy development and implementation, and is subject to various organizational and contextual factors. The results also suggest that there are some observable gaps, when it comes to the HR and CSR professionals' answers about the role of HRM in developing and implementing CSR strategies.

Tiivistelmä

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Yhteiskuntavastuusta on tullut edellytys yritysten toiminnalle ja sitä pitäisi ajatella liiketoimintastrategian olennaisena osana. Yhteiskuntavastuun suunnittelu ja implementointi ymmärretään yleensä ylimmän johdon ja viestintäosaston tehtävänä, ja vähemmän huomiota annetaan henkilöstöjohdolle funktiona, jolla voi olla merkittävä rooli yhteiskuntavastuun integroimisessa koko organisaatioon ja henkilöstön keskuudessa. Henkilöstöjohtamisella on kuitenkin suuri potentiaali olla osallisena yrityksen yhteiskuntavastuun kehittämis- ja implementointiprosessissa, sillä henkilöstöjohtamisella on useita rooleja erityisesti yhteiskuntavastuustrategioiden implementoinnissa.

Tämän maisterin tutkielman tarkoituksena on tutkia henkilöstöjohtamisen roolia yhteiskuntavastuustrategioiden suunnittelussa ja kehittämisessä sekä niitä organisatorisia ja kontekstuaalisia tekijöitä, joilla saattaa olla vaikutusta kyseessä oleviin rooleihin. Tämä on kvalitatiivinen tutkimus, joka on toteutettu haastattelemalla sekä henkilöstöhallinnon ja yhteiskuntavastuun edustajia neljästä eri organisaatiosta. Haastateltavat valittiin sekä henkilöstö- että yhteiskuntavastuufunktioista, tarkoituksena saada vertailevaa analyysia ja nähdä mahdollinen aukko henkilöstö- ja yhteiskuntavastuuasiantuntijoiden ajatusten välillä koskien henkilöstöjohtamisen roolia yhteiskuntavastuustrategian suunnittelussa ja implementoinnissa. Eri organisaatioista kerätty aineisto analysoitiin käyttäen sisällönanalyysia. Tutkimuksen olennaisimmat tulokset esittävät että henkilöstöjohtamisella on rooli yhteiskuntavastuun suunnittelussa ja implementoinnissa, mutta se rajoittuu usein sisäisen strategian suunnitteluun ja implementointiin ja siihen vaikuttaa useat organisatoriset ja kontekstuaaliset tekijät. Tulokset osoittavat myös havaittavissa olevia eroja henkilöstö- ja yhteiskuntavastuuasiantuntijoiden vastausten välillä koskien henkilöstöjohtamisen roolia yhteiskuntavastuustrategioiden suunnittelussa ja implementoinnissa.

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Now it is time for me to focus on the next era of my life. Even though the future excites me and I am eager to seize new opportunities, a piece of me will always remain on the beautiful lake of Saimaa.

In Espoo, 1st March 2018

Eveliina Olkinuora

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1. INTRODUCTION

Following a trend about being environmentally friendly, socially fair and politically responsible has shifted towards an understanding that a company should not only consider Corporate Social Responsibility (CSR) as a transient trend but to involve it in the long-term business strategy and actions. A properly planned and implemented CSR strategy can have a positive impact on company's brand image, but CSR also guides investors' and consumers' decisions as well as attracts employees and increases employee satisfaction and thus it is a way to better business results. Focusing on CSR issues can increase the competitive advantage of a company. Due to constantly growing competition in among almost all business sectors, this is a subject worth to focus on.

Though the benefits related to a well executed CSR strategy and its implementation are nowadays rather widely known, it is not yet completely understood, how the function of Human Resources (HR) can be a part of the process, because CSR has been mostly understood as top management driven activity. Therefore, it is important to examine the role of Human Resource Management (HRM) in developing and implementing CSR goals because ultimately, employees are the main force in the actual implementation of CSR goals and through multiple HR processes this can be better ensured. For example, influencing in employees' behavior, organizational culture as well as focusing on certain HR practices, such as recruitment and training, is highly important in order to achieve CSR objectives. HR should not only be a part of the implementation of CSR strategies, but it should be integrated into the strategic planning process in order to increase the chances for a successful implementation of strategies in a company (Rimanoczy & Pearson 2010). Jamali et al. (2015) aid this statement by claiming that HRM has a clear role in co-defining the CSR strategy, mission and objectives, which utilize unique competencies and capabilities of a firm, while securing that this is in line with business outcomes and objectives. This research will provide valuable information and suggestions about how HRM can be included in organizations' CSR.

1.1 Research gap and justifications

There is a clear research gap when it comes to examining the role of HRM in both developing and planning CSR goals of a company. Though some research exists when examining the topic in question, (see for example Lam & Khare 2010; Inyang et al. 2011; Liebowitz 2010), it is yet a research field that has remained rather underexplored. The majority of research done in the area of

CSR has been focusing on the correlation of CSR and Corporate Financial Performance (see for example Cavaco & Crifo 2014; Mishra & Damodar 2010; Van de Velde et al. 2005). The research field in HRM has focused widely for example on the relationship of HRM and organizational performance, mainly on financial performance or other organizational performance that is not related to CSR goals (see for example Huselid 1995 and Cho et al. 2006). With that being said, the research done in the area of HRM has not included that much research about the relationship between HRM and CSR. The 21st century places various challenges for both the HRM and CSR functions of a company. This study aims to prove that these challenges can, if planned and implemented well, turn out to be great possibilities for a company.

Though the research and practice linking CSR and HRM has increased, there is still a need for more comprehensive examination of the relationship between CSR and HRM (Voegtlin & Greenwood 2016). Lee et al. (2013) found that there exists a research gap for employees' views and perceptions of CSR activities, for there has been mostly research about customers' perceptions of CSR activities. In practice, HR practitioners have not yet fully acknowledged CSR as a fundamental responsibility within the arena of HR (Lam & Khare 2010). In their study, Ricardo de Souza Freitas et al. (2011) point out that HR function is still managed and structured with emphasis on control that considers people only as a cost of business. Ricardo de Souza Freitas et al. (2011) also state that it is not enough to align a strategic HRM only to economic results, and HRM should be supporting more sustainable companies: there is a need for HRM that supports, not only economics but also social and environmental firm's performance. This is also stated by Sharma et al. (2011, 9), according to whom a CSR driven corporate culture with CSR related values and competencies is required to achieve the synergistic benefits that focusing on CSR has. As employees are at the center of a company when developing a CSR oriented culture, HRM professionals should be more involved in taking a leading role as attempt to encourage CSR activities at all organizational levels (Sharma et al. 2011, 9-10), which is in line with Inyang et al. (2011), who have explored HRM as a practice that has an important strategic responsibility in the organization and contributes to the bottom line. Inyang et al. (2011, 120) have also claimed that "managing people in organization is an important activity under HRM".

Lam and Khare (2010) have stated that in order to overcome the challenges that there are regarding the involvement of HR to CSR matters, HR professionals should first of all recognize CSR as a fundamental responsibility in HR. Lam and Khare (2010) have also claimed that education, information and discussions about CSR could work when trying to change HR practitioners' mindsets and attitudes as well as raise overall awareness about CSR among HR. The role of HR in

leading sustainability initiatives is reasonably justified, because for example recruitment, retention, recognition and rewards are components that belong strongly to CSR or business sustainability strategy of a company (Glade 2008; ref. Inyang et al. 2011). Hence, this research aims to awaken both HR department and top management's CSR function to cooperate more when it comes to CSR.

1.2 Aim of the research and research questions

The aim of the research is to focus on the link between HRM and CSR; what is the role of HRM in achieving CSR goals and how the role of HRM in CSR is understood and dealt with in both HR and CSR functions. This study aims to find the possible gap that there exists between these two functions in this matter as well as to provide understanding and provoke conversation about how and why this gap should become more narrow. Like discussed in the introduction, HRM to CSR relationship is not a widely researched subject, and therefore this research aims to examine a topic that is still rather rarely discussed and acknowledged in both academia and practice. The purpose of the study is not to give specific answers to the research questions, but to evoke conversation and awareness of an important subject in a modern business world.

The research questions of this research will consist of one main research question and four sub-questions, which help to answer the main research question. The fourth question aims to seek answers to the research problem: the differences between CSR and HR functions' actions and attitudes towards the role of HRM in CSR. The analysis of the research problem focuses on the empirical part, where the interview results from both HR and CSR managers are analyzed and compared.

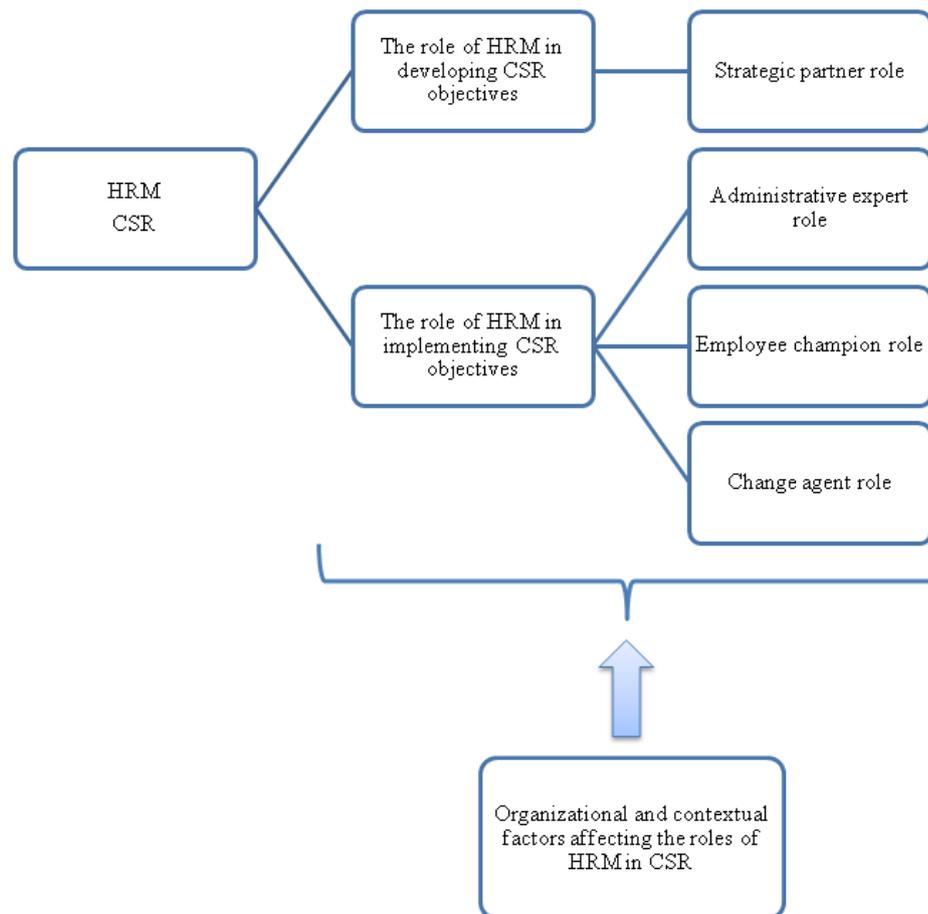
- What is the role of HRM in achieving CSR objectives?
 - What is the role of HRM in developing internal and external CSR objectives?
 - What is the role of HRM in implementing internal and external CSR objectives?
 - What are the organizational and contextual factors that affect the roles of HRM in CSR?
 - What kind of gap there is between CSR and HR functions in understanding and reacting to the roles of HRM in CSR?

1.3 Research method and material

The research is divided into both theoretical and empirical parts. The theoretical part consists of scientific articles related to HRM and CSR and other scientific literature. The data in the empirical part is collected by conducting semi-structured interviews with HR managers and CSR managers from four different organizations. The interviews will be transcribed and then analyzed by using an analysis method that is common in qualitative research and prevalent for this study: the content analysis. The findings of the interviews will be first analyzed as such without using literature as comparative material, after which the analysis will be conducted by using literature in order to see the consistency with practice and theory. A more thorough analysis of the research methodology will be handled in chapter four.

1.4 Theoretical framework and limitations

The theoretical framework of this study, presented in Picture 1, is built on three major structures: the premises of HRM and CSR, the role of HRM in developing and implementing CSR objectives and the organizational and contextual factors that affect the roles in both development and implementation. The theoretical analysis of the role of HRM in the development and implementation of CSR is based on Ulrich's (1997) roles of HRM: strategic partner role, administrative expert role, employee champion role and change agent role. The first mentioned role is used to describe HRM as a strategic partner, which takes part in the development of CSR related strategies. The three latter roles are used to describe the various functions that HRM performs in the implementing process of an organization's CSR related objectives. There are organizational and contextual factors that affect all these HRM roles and concern both the internal and external CSR objectives. This part will finish the theoretical part of the study.



Picture 1. Theoretical framework.

This research focuses on the role of HRM in achieving both internal and external CSR goals of a company. Industries of companies or their geographical location will not be limited neither in literature review or in the empirical analysis. The sizes of the companies will be limited to large companies with a separate HR function in the empirical part of the study. All the dimensions of CSR including social, economic and environmental, will be taken into account in this research.

1.5 Structure of the research

This research consists of six sub-sections. The first part, introduction, orientates the reader to the research topic, research aims and objectives as well as describes shortly the research method and limitations of the study. In the introductory part also the theoretical framework is presented, as well as the aim of the research, research gap and justifications will be discussed. The second sub-section of the study introduces the theories of the study and describes the premises and dimensions of HRM

and CSR, their development and future aspects. The third part of the study is the second theory chapter which focuses fully on the subject of the research: the role of HRM in CSR development and implementation. The fourth sub-section consists of the data gathering and data analysis. The empirical part and the analysis of the results follows the structure and themes of the second theory chapter. After the fifth chapter follows the second part of the empiricism, where the empirical results will be analyzed in the light of the theoretical findings. Finally, the conclusions summarize the whole study and its results. In the conclusions also the reliability and validity of the research will be discussed and further research topics proposed.

2. PREMISES OF HRM AND CSR

Before progression to the main focus of this study, it is pertinent to begin the theoretical part by considering the premises of CSR and HRM. This chapter will provide basic information about HRM and CSR as well as the functions of HRM and divisions of CSR. Also the development of HRM and CSR over the years will be explained and the current situation and future aspects of both areas will be discussed. Focal theories considering the divisions of CSR will also be introduced and explained.

2.1 HRM

Armstrong (2017, 7) has provided a rather simple and generalizing description of how Human Resource Management (HRM) can be understood: “Human Resource Management (HRM) is concerned with all aspects of how people are employed and managed in organizations”. This description is a good basis for understanding the main focus of HRM, but it also leaves a lot of guesswork for the reader. Inyang et al. (2011) describe HRM in terms of activities whose main idea is to attract, develop, motivate and maintain a high-performing workforce in a successful way that will result in organizational success. Wall and Wood (2005) claim that by focusing on different parts of HRM, such as training and teamwork, knowledge and skills of a company can be increased and thus employees can be encouraged to invest their acquired information for the benefit of a company. Managing human resources can be seen as a series of activities enabling the understanding of the conditions of employment services between employees and organizations and securing the realization of this consensus (Kauhanen 2012, 16). The main goals of HRM, proposed by Armstrong (2017, 7) include for example developing and implementing HR strategies for the benefit of an organization’s objectives and business strategy. This would enable a more high-performance culture where suitable employees are hired and where working towards a positive employment relationship and promoting the application of an ethical approach to people management would take their place in an organization (Armstrong 2017, 7).

The definition of HRM has not remained the same and it is changing constantly within the organizational development. According to Inyang (2010), the traditional concepts of HRM focusing on transactional and administrative support services in the organization have shifted towards the concept of Strategic Human Resource Management (SHRM). The evolution of HRM and its conceptual development will next be further discussed.

2.1.1 Evolution of HRM and its conceptual development

In the middle of 1800s, due to the industrial revolution, the problems in managing untrained workforce started to rise. The sizes of workplaces started to grow and industrial work replaced production work, which required ways to ensure regularity and discipline in the activities of the workforce. However, especially in larger companies it was recognized that there exist more effective ways to ensure better results than for example threatening and punishments. The wellbeing of employees was understood as a more beneficial way towards effectiveness and satisfaction of employees. For example, villages of factories and responsible persons who were taking care of employees started to become more common. (Viitala 2013, 31)

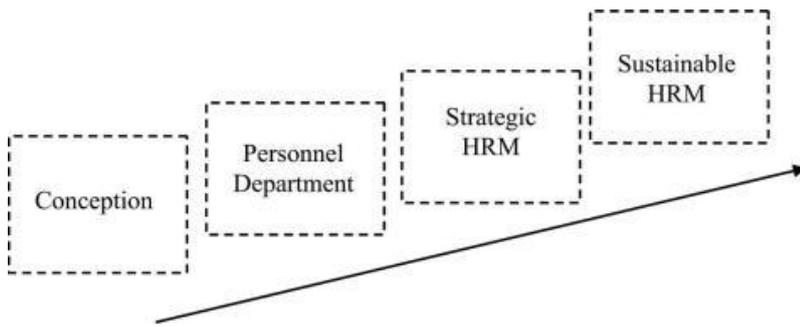
The development of HRM was strongly affected by the First World War in the beginning of 1900s (Viitala 2013, 13) which, according to Khanna (2014), was the time of growing importance of personnel department. As men joined the army, women were also recruited (Khanna 2014). Women became also employed in management jobs, after which the wellbeing of employees was more consciously taken into account. The use of provisions became also understood in effectiveness of work. After the First World War and before the Second World War, western industrial countries faced a deep regression causing rationalism and Taylorism taking place: there was a need to intensify work and develop organizations and functions. (Viitala 2013, 31-32) At the same time, Human relations movement was developed and it focused more on participating people and taking social environment into account in order to affect the comfort at the workplace (Viitala 2013, 31). During the outbreak of the Second World War, “a requirement for immense war material showered an enhanced improvement in the image of personnel department” (Khanna 2014, 148).

Beginning from 1940s, matters related to human resources meant mostly taking care of employment relationship matters as well as administration, and the structures regulating work markets started to evolve (Viitala 2013, 32). Between 1950 and 1960 the deployment of automobile industry took place, which shifted the attention towards efficiency and performance (Ricardo de Souza Freitas et al. 2011). The knowledge and understanding of how people behave in organizations had developed, but in the 1960s the personnel function was still seen as a record-keeping unit that was mostly famous for its operational characteristics, such as handing out tenure awards or coordinating the company picnic. The importance of HR increased in mid 1960s, which was mostly due to the Civil Rights Act in 1964. Class-action suits and the large financial settlements were illustrating the costs from improper personnel management. This caused managers outside the personnel function to pay

attention as the top management pointed out that ineptitude in this area was not accepted. (Jamrog & Overholt 2004)

As the North American authors revealed concepts between 1960 and 1970, the worldwide adoption of the term HRM started to increase (Ahmed & Kazmi 1999; ref. Ricardo de Souza Freitas et al. 2011). In 1980s the evolution of HRM shifted towards the strategic management of human resources management (Ricardo de Souza Freitas et al. 2011) and the link of HRM to organizational effectiveness started to become clearly identified (Ewing & Caruana 1999). In the end of 1980s, efficiency thinking was prevalent and in addition to quantitative issues, planning the work as well as developing working practices and organizations were the focal targets of human resources planning. HRM was seen as a strategic competitive tool. (Viitala 2013, 33) To sum up the evolution of managing human resources during the last few decades, can be said that there was a transformation first from personnel management to HRM and from HRM to Strategic Human Resource Management (SHRM).

In addition to the traditional description of the historical development of HRM, Ricardo de Souza Freitas et al. (2011) present the evolution of HRM in the new light that includes continuity to HRM evolution, where sustainability is the new step of the evolution of HRM. In this development model, the evolution of HRM is organized in four main stages: conception, personnel department, strategic human resources and human resources as a basis for organizational sustainability (see Picture 2). Conception stage is about creating the organization. In this stage the HR function is mainly kept as a necessity and a cost center and it is lacking a structured area in conducting the activities of people management. Personnel department stage means that HR department does routine management and enforces labor laws. In other words, in this stage the responsibility of HR is in operational and limited activities and practices such as recruitment and training. The practices are integrated with each other and with business objectives in the strategic human resources stage: HR operates according to the organizational needs and under guidance but does not forget the needs of people. The final and the fourth stage, human resources as a basis for organizational sustainability, highlights the centrality of HR in the organizational sustainability, which, according to Jabbour and Santos (2008), means that HRM is aligned with the organization's goals that are linked to innovation management, cultural diversity management as well as continuous improvement of environmental management. (Ricardo de Souza Freitas et al. 2011)



Picture 2. Model of the evolution of HRM. (Ricardo de Souza Freitas et al. 2011)

2.1.2 Functions and practises of HRM

This part of the chapter introduces and explains the following functions and practices of HRM, which can be kept the most focal ones for this study: recruitment and selection, rewarding, human resource development and training and performance management and appraisal.

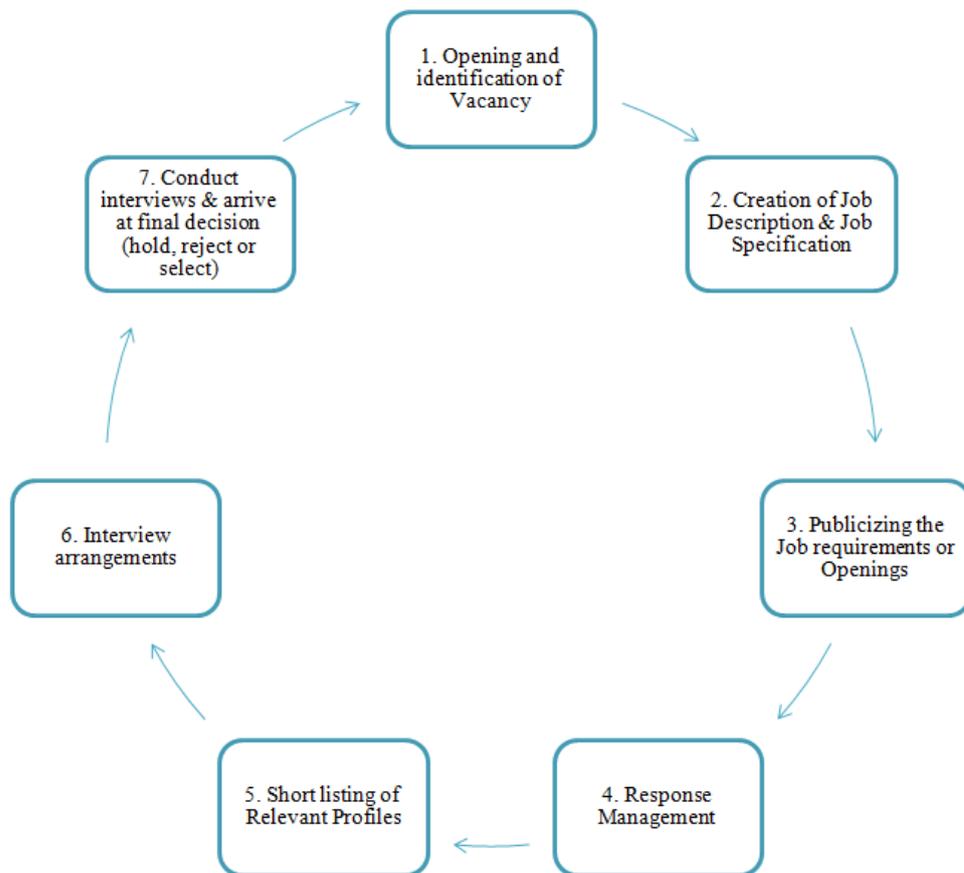
Recruitment and selection

According to Khanna (2014, 148), recruitment “is a process of publicizing the vacancies or openings of any esteemed capacity (openings) in the most attractive and rightful manner with the sole objective of attracting maximum pool of eligible candidates for the position”, whereas selection refers to “a process of sorting the most relevant job applications in accordance to the JD (job description) or JS (job specification) provided for further rounds of candidate selection or closure”. Recruitment is characterized by the following (Khanna 2014): it reduces the amount of under or overqualified applicants and helps to identify the potential candidates as well as reduces the risk of job applicants leaving the organization once they are recruited. The selection is based on a job analysis and the intention is to identify the special bond between job requirements and the competencies that applicants have concerning the job. The main focus in job analysis is to focus on identifying the behavior, duties and responsibilities of a job and it can be divided into both job description and job specification like mentioned above. (Khanna 2014)

Identifying, attracting and influencing the job choices of competent applicants as the organization's collective efforts are often stressed in many definitions of recruitment (Ployhart 2006). In his study, Ployhart (2006) examined the new challenges and opportunities of recruitment and staffing in the 21st century of which tight labor markets cause pressure for organizational leaders to recruit the right talent. Thus, Ployhart (2006) claim that the modern challenges exist mostly in recruitment and not so much in the selection because in order for selection to be effective and financially defensible, first a suitable amount of applicants need to apply to the organization. In their study, Phillips and

Gully (2015, 1416) support this challenge by stressing that “Because an organization’s talent influences its capabilities, strategic execution, and competitive advantage, recruiting is a foundation of organizational performance”.

An example of a recruitment and selection process, based on the study of Khanna (2014), is presented in Picture 3. It is a simply drawn recruitment process, which covers the life cycle from recruitment process all the way from the identification and opening of a vacancy to the final step of conducting interviews and arriving at the final decision, which includes either keeping the candidate rejecting or selecting the candidate to the open position.



Picture 3. Recruitment and Selection Process (Khanna 2014).

Training and Human Resource Development

Training and human resource development (HRD) are essential functions of HRM, but the concepts differ from each other as follows: training, according to Truss et al. (2012, 165) “involves planned instruction in a particular skill or practice and is intended to result in changed behavior in the workplace leading to improved performance”. HRD, conversely, has usually a longer-term focus and its definition is broader than training. The main focus of HRD is to enhance individual’s

personal portfolio of competencies in order to encounter individual's future career plans. (Truss et al. 2012, 165)

Rewarding and compensation

Rewarding refers to the compensation an employee gets from a company in exchange for his or her service (Jiang et al. 2009). It is an important management tool, which is used to support organizational success and to encourage employees. By rewarding, personnel should be encouraged to work according to the goals and values of the company. In order to support the organizational success, the reasons for rewarding should be chosen correctly. Rewarding in a company can be thought as an input, by which the output can be gained and business can be developed to maintain competitive advantage in both short and long-term. (Kauhanen 2012, 108)

Rewarding can be classified into two categories on the basis of the nature of the reward. These categories consist of extrinsic and intrinsic rewards and are described as follows: intrinsic rewards are mostly based on social recognition (Deci et al. 1999) and according to Jiang et al. (2009), examples of non-monetary rewarding include having a comfortable office or access to decision-making involvement as well as preferable growth opportunities inside the company. Extrinsic rewards, in turn, cover job related components that include for example salary, fringe benefits, promotion or advancement opportunities and physical working conditions (Deci et al. 1999).

Performance management and appraisal

Performance management can be seen as a process where the performance of people in an organization is defined, measured, evaluated and rewarded (den Hartog et al. 2004). In most cases, performance appraisals are conducted only once or twice a year, which is not enough, especially when the organization is trying to make larger strategic changes. Liebowitz (2010) suggests that feedback should be given not only on an annual basis, but throughout the year to promote employee's growing, changing and improving. Liebowitz (2010) propose that in the performance appraisal system, employees could be rated in proportion to such behavioral and technical competencies, like teamwork, collaboration, diversity, innovation and environmental stewardship in order to strengthen the company's core values. It is worthwhile to notice that to be able to manage and appraise employees' performance, the organization should identify a goal that is specific and challenging enough (Liebowitz 2010).

2.1.3 Future aspects for HRM

As discussed earlier, the role of HRM has shifted from personnel management through HRM towards SHRM. HRM should no longer be kept only as a necessary law based function of a company, while it can have a strategic role in companies in helping to gain competitive advantage and better organizational performance. And this is the case, because the emphasis of HR function is nowadays more and more on the business and strategic points of view and adding value to business through HR, which means producing additional value by the expenditure of effort, time and money on HRM activities (Armstrong 2017, 7). SHRM has also started gradually to spread into different HR functions, of which Phillips and Gully (2015) bring up strategic recruitment that consists of recruitment practices in line with the company's strategy, goals, context and the organizational characteristics. Phillips and Gully (2015) advocate the importance of strategic recruitment even to an extent where they claim that if recruitment is not strategic or if it is not implemented well, there is no SHRM in practice, which results in lack of human capital or sustainable source of competitive advantage.

Lately, transformational field of missions has become the center point in the development of HRM, replacing transactional field of missions. This means that personnel organizations' focus is on the strategic activity that aims to create preconditions for implementation of business strategies and following through changes. As the strategic role of HRM has increased, transactional field of operations has decreased, meaning that the routines considering for example payroll administration, acquiring staff and maintaining personnel registers are continually being outsourced or centralized into service centers. (Viitala 2013, 244)

The growing amount of service business in HR has speeded up this transformation in HRM. After 1980s, a mindset called "think global, act local" took hold in the field of HRM, but during the last years this trend has again decreased and a more centralized HRM has taken its place once again. Especially in multinational companies the principles of HRM are global and solid, despite of the country where the company operates in. Unifying culture, gaining comparable information from all the places the company operates in, duplicating practices as well as using uniform softwares of HRM have been the reasons behind this modern development. (Viitala 2013, 244-245)

Globalization has naturally changed the focus of HRM to a more congruent direction. However, what is also notable is the fact that especially in multinational and multicultural companies, HRM should not rely too much on only one viewpoint of how people should be managed. This causes HRM a significant challenge in balancing between understanding and taking into account the

cultural differences of the workforce, and at the same time making managing human resources congruent in a globalized world. Additionally, HRM faces a wide range of other modern challenges of which the growing role of CSR requires new approach to managing human resources. Demands from customers, investors, suppliers and workers have risen, which poses challenges for managing these activities and allocating resources to them and this puts HRM in an important role (Morgeson et al. 2013). The strategic and participative role of HRM is continuing to grow, and as the world changes, HRM has to develop within.

2.2 CSR

The content of CSR is derived from the three words that CSR contains: corporate, social and responsibility. CSR includes both the relationship between corporations and with the societies which they interact with. The word responsibility in CSR concept, on the other hand, means the integral responsibilities of both the societies and corporations. Society in CSR includes all stakeholder and constituent groups which have a constant interest in the organization's activities. (Werther & Chandler 2011, 5). Therefore, society is defined more extensively when it comes to CSR.

European Commission (2017) has brought up various matters that can be kept as the focal reasons for companies to involve in CSR: following the law and integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations. These matters are mainly demanded from various stakeholders, but that cannot no longer be kept as the only motive for focusing on CSR because companies have started to understand the growing impact of CSR on companies' brand image and reputation which, in the long run, have a positive effect on company's revenues. With that being said, the orientation of focusing on CSR has become more self-imposed than it was before.

CSR can be divided into three dimensions that are financial, ecological and social responsibility. The financial responsibility includes for example paying taxes and actions that prevent corruption. Paying attention, measuring and reporting environmental influences of business belong to the ecological dimension. Ecological responsibility also includes for example energy efficiency, using environmentally friendly technology, recycling and avoiding the use of noxious materials. The third dimension, social responsibility, includes procedures, practices and working circumstances that respect the human rights and are fair. This responsibility also extends to consumer related matters, such as product safety and marketing. (UNA Finland 2016)

2.2.1 Evolution of CSR and its conceptual development

The roots of CSR date back all the way to ancient Chinese, Egyptian and Sumerian writings that considered rules for commerce in order to simplify trade and to consider the wider public's interests. From then on, the eyes of the public have been in the interaction between business and society affecting corporate activity and CSR has taken its foothold among the discussions of corporates, schools and private persons. (Werther & Chandler 2011, 9-11)

As stated by Lee (2008), CSR as a concept is quite modern and it has developed progressively over the years as a result of several pioneering studies, of which Lee (2008) adduces Bowen's (1953) publication when describing the theory of CSR in the 1950s and 1960s. Howard Bowen's Social Responsibilities of the Businessman (1953) has been kept as the first attempt in theorizing the relationship between corporations and society (Carroll 1979; Preston 1975; Wartick and Cochran 1985; ref. Lee 2008) though the relationship between corporations and society has existed before this (Lee 2008). Before this, CSR was defined as Social Responsibility (SR). During the time, modern corporations were not that prominent and dominant in the business sector, which for its part might have explained the concept of SR instead of CSR (Carroll 1999) Bowen (1953; ref. Lee 2008) was famous for his normative orientation, which referred to businessmen's obligations to act in a way that was in line with the society. Therefore, it is no wonder that business managers started to become more and more concerned with their social responsibilities (Lee 2008). The growing focus on CSR evoked also criticism, of which Milton Friedman's point of view was kept as the most prominent: the purpose of social responsibility is only to make money for its shareholders (Friedman 1962; ref. Lee 2008).

During 1960s, there were more and more attempts to formalize the meaning of CSR (Carroll 1999). 1960s entailed civil rights, women's rights, consumers' rights and the environmental movement. The focus of the CSR literature was on the actual meaning of social responsibility and its importance to society and business. Keith Davis was kept as a significant writer in 1960s. Davis (1960) defined CSR as decisions and functions of a company that go beyond financial and technical interests. Even now, after over half a decade, this concept is correct. 1980s was characterized by alternative definitions for CSR, of which corporate social responsiveness, CSP, public policy, business ethics, and stakeholder theory or management are examples. However, the interest in CSR was not decreasing, but the essential concerns of it were transforming into alternative concepts, theories, models or themes. (Carroll 1999)

1990's was the decade when the basic concepts of CSR started to take shape (Jussila 2010, 8) and according to Lee (2008, 53), "by the late 1990s, the idea of CSR became almost universally sanctioned and promoted by all constituents in society from governments and corporations to non-governmental organizations and individual consumers". The focus of the development of CSR was on recognition, division and grouping of dimensions of CSR and the basic division to economic, social and ecological responsibility was born. During that time, also the indicators and measurement methods for the most focal parts and measures of CSR were created. (Jussila 2010, 8-9) Carroll (1999) also noted that during 1990s there no longer appeared significant changes in the definitions of CSR, for CSR was mostly a stage point for other themes and related concepts such as CSP, stakeholder theory, business ethics theory, and corporate citizenship. Carroll's theory of Pyramid of Corporate Social Responsibility was introduced and it has been used ever since in the literature of CSR. This theory will be further explained later on. To sum up the development of CSR, Maon et al. (2009, 72) state that "CSR has developed from relatively uncoordinated and voluntary practices to more explicit commitments in response to stakeholder pressures and, recently, ongoing future commitments".

In 2000's the interaction with stakeholders was an important part of the development of CSR. The intention was not only measure the results of actions caused by CSR in its different dimensions, but to follow the expectations of stakeholders and to ensure that also the stakeholders were satisfied with the achieved results. As the 2010's came closer, the focus was on management practices of CSR that was due to the understanding of the fact that single actions do not matter in the long run. Thus, CSR should be led purposefully and there should be a positive attitude towards CSR among managers and owners in order to execute responsible and good actions in the future. During the recent years, companies have focused on evaluating the essentialness of decisions related to CSR: resources should be used only to actions that have an actual societal contribution. (Jussila 2010, 9)

2.2.2 Divisions of CSR

Triple bottom line and Carroll's Pyramid of Corporate Social Responsibility are chosen as theories in this research to describe the divisions of CSR. These theories are widely used in research related to CSR and they explain company's responsibilities towards both the society and other stakeholders. Triple bottom line is described also in relation to HRM, which directly demonstrates the connection of Triple bottom line to the research topic of this study. The analysis of the connection of HRM and Triple bottom line is based on the study implemented by Colbert & Kurucz (2007). Carroll's Pyramid of Corporate Social Responsibility is chosen as the second theory

explaining CSR because it covers all the different dimensions of CSR and evaluates the importance of each dimension when it comes to company's responsibility towards the society. Carroll's Pyramid of Corporate Social Responsibility is a simple model that gives a sufficient basis for the research of CSR.

Triple bottom line

Triple Bottom Line (TBL) is based on stakeholder theory, but the perspective of the stakeholders that are affected by the organization is much wider than it is in Balanced Scorecard, which includes financial, customer or market, short-term efficiency and long-term learning and development factors. The main idea in TBL is to measure a company's performance in relation to stakeholders, not only with the ones it has direct and transactional relationship with, but also with local communities and governments. (Hubbard 2009) TBL is divided into three dimensions that are economic, environmental and social dimensions. Social responsibility of a company consist of its responsibility for its different stakeholders and can be described also as a stakeholder loyalty like in Picture 4. Stakeholder loyalty includes for example focusing on fair trade, employee welfare and cause marketing. Profitability is measured in revenue, margins and growth. Sustainability on the other hand, is measured in terms of energy consumption, resource management and waste management. (Canadian Stewardship Services Alliance 2013)



Picture 4. Triple bottom line. (Canadian Stewardship Services Alliance 2013)

In their study, Colbert & Kurucz (2007) adduced the connection of Triple Bottom Line and HRM by examining the impact of the three conceptions of triple bottom line on sustainability at work and the implications of each conceptions to HRM processes. Colbert & Kurucz (2007) interviewed altogether 66 persons from executives to line managers from three firms. It became clear that the company's approach to sustainability has correlation with how sustainability is put into practice. The results from the study could be summarized in four different statements: first of all, in sustainability oriented organizations, leaders have notably different conceptions of how sustainability is seen in their company and second of all, these conceptions can be described in both the dimensions of sustainability intent and sustainability alignment. Third, there might be various conceptions at work within one firm, which means that there are no specific boundaries when it comes to defining the conceptions. Finally, HR function has a key role in helping to create dialogue and build consensus on the sustainability intent, as well as building alignment capabilities in order to help to realize the intent. (Colbert & Kurucz, 2007) Inyang et al. (2011) have claimed that according to the existing literature, CSR is a triple bottom line performance that mostly concerns top management and lacks the participation of employees. The study of Colbert & Kurucz (2007) identifies with this statement by focusing on the viewpoints of managers, leaving out employees' opinions. However, what should be noticed, is that managers are mainly the directive power in an organization, through which employees' actions and motivation towards CSR can be increased. Thus the implementation of CSR initiatives can be improved by starting the CSR planning and implementation from the top of the organization. Colbert & Kurucz (2007) stated that there is correlation between the practice and the company's approach to sustainability in terms of framing, interpreting and discussing about sustainability among managers and members of the company.

Carroll's Pyramid of Corporate Social Responsibility

Carroll's Pyramid of Corporate Social Responsibility, as originally stated, covers both the economic, legal, ethical and discretionary (also referred to as philanthropic) responsibilities of an organization. These responsibilities are kept as expectations that a society has when it comes to CSR at a specific time. All the responsibilities create a basis for a company to delineate its responsibilities towards the society that a company is a part of. (Carroll 2016) Picture 5 presents graphically Carroll's Pyramid of Corporate Social Responsibility. As seen in the picture, economic responsibilities pose the highest importance when it comes to company's responsibilities in CSR towards the society. After this come the legal responsibilities, then ethical and finally the philanthropic responsibilities. Next, the different responsibilities of Carroll's Pyramid of CSR will be further explained.



Picture 5. Carroll's Pyramid of Corporate Social Responsibility. (Carroll 2016)

Economic responsibility means a company's responsibility to be financially profitable towards the society, but also towards its investors and owners. Profitable business does not only mean redeeming the responsibility, but it has a great correlation towards a company's business growth and it is the fundamental basis for a company to be able to be successful also in redeeming other responsibilities, of which being sustainable is at the center in today's extremely competitive and global business environment. Legal responsibility comes right after economic responsibility, meaning that every company is expected and required to follow the laws and regulations according to society's view of "codified ethics" as part of their condition of operating. Thus, society's legal expectations towards companies include the following: companies need to respond to the expectations set by the government and law, as well as to conform with various federal, state and local regulations. Moreover, companies need to act in a way that makes them law-abiding corporate citizens, fulfill all their legal duties to societal stakeholders as well as provide goods and services that are in line with the legal requirements and meet at least the minimal requirements. (Carroll 2016)

In addition to economic and law-based responsibilities, companies are expected by the society to operate and conduct their affairs in an ethically right manner. Ethical responsibility is based on the norms, standards, values, principles and expectations that take into account consumers, employees, owners and the community in terms of their moral rights. What differs ethical responsibility from

legal responsibility is that even though legal responsibility is based on ethical premises, ethical expectations consist of further matters than just the legal regulations. (Carroll 2016) Like Carroll (1999) has stated, ethical responsibility is about behaving in society-approved way and following the ethical norms that society has defined.

The highest responsibility in Carroll's Pyramid of Corporate Social Responsibility is the philanthropic responsibility, also known as discretionary responsibility. It takes the smallest part of the pyramid and thus brings up the rear of all the pyramid's responsibilities. Properly speaking, philanthropy is not kept as a responsibility of a company, but it is something that is expected from a company, especially in today's society. (Carroll 2016) According to Carroll (2016, 4), "Corporate philanthropy embraces business's voluntary or discretionary activities". For example, a company may not be legally or ethically obliged to be involved in charity work, but by giving out donations it is fulfilling some of its discretionary or philanthropic expectations in its community.

2.2.3 Future aspects for CSR

In the future, CSR will not only keep its place in companies' strategies, but it will continue to increase its importance in everyday business life and in all sectors. Climate change, globalization, growing amount of pollution and waste, as well as questions about human rights are only a few reasons among the many that are explaining why CSR is becoming more and more crucial among every company's business. Growing amount of businesses increases competition and this competition in most cases can be seen in keeping the prices as low as possible. This results in mass production which, then again, has impact on both environmental, social and political matters. With that being said, there is no doubt that companies nowadays are really facing the challenges of balancing between the moral expectations and expectations about gaining profits.

Lee (2007) has stated that CSR will shift its focus from being only a moral responsibility of corporate managers to a more financial aspect, where CSR is understood and seen as a source for better financial performance. Lee (2008) also pointed out the change in CSR theory: researches have started to focus more on managerial and strategic issues at the organizational level in order to broaden the scope of CSR as means to cover all types of business activities that meet the interests of corporation's different stakeholders.

Four different topics related to future trends in CSR can be recognized and forecasted: generalization and refinement, mega phenomena, welfare indicators and visual reporting. Generalization and refinement mean that stakeholders require more and more detailed information

about processes and activities and from the influences of products. A need for measurements becomes more important and in addition to measuring only pieces of CSR, evaluating the totality of CSR becomes major. Mega phenomena is a second topic that will be at the center of focus in the future in the field of CSR. Climate change is the first mega phenomenon of CSR: it changed the contents, development projects and tracking measures of CSR only within a few years. The trend in this area is that in the future even the impacts that might now seem irrelevant are taken into account and been followed even more in industries. (Jussila 2010, 152-154) Like Sullivan and Gouldson (2017) pointed out in their study, companies have started to adopt a variety of carbon and energy management practices as a result from the pressure coming from governments, investors, non-governmental organizations and other stakeholders. However, the will for the actions do not yet result so much from the companies themselves, to which Sullivan and Gouldson (2017) pointed out that companies tend not to invest capital in situations, when there is no clear financial case meaning that the benefits would outweigh the costs. Welfare indicators are creating a foothold for example among the promotion of well being of the territory of business and in the future companies might even draw their own welfare indexes. Due to the increase of Internet as a communication channel, the visibility keeps on taking its place in CSR reporting. It becomes important, how the information is introduced to the audience. To sum up, the future holds a more informative, detailed, clear and visual CSR than before. (Jussila 2010, 154-157)

3. THE ROLE OF HRM IN DEVELOPING AND IMPLEMENTING CSR

This chapter enters into the main topic of the research: the role of HRM in developing and implementing CSR objectives. The chapter is divided into three sub-themes: the role of HRM in developing CSR objectives, the role of HRM in implementing CSR objectives and finally the organizational and contextual factors that affect the previously mentioned roles of HRM in a company's CSR. The theory of the chapter is built on the Ulrich's (1997) model of HR roles that are strategic partner, administrative expert, employee champion and change agent roles (Ulrich 1997, 25). The main idea behind the model is that HR function becomes a business partner in the organization and due to the potential of HR for creating organizational competitiveness, it adds value for the company (Ulrich 1997; ref. Lemmergaard 2009). Lemmergaard (2009) describes the role of HR in adding value as the creation of competitive advantage, which enables the organization to compete over time. When building internal competences that, according to Ulrich et al. (1995; ref. Lemmergaard 2009), are required to apply appropriate practices, HR function can be a part of creating essential organizational capabilities (Ulrich et al. 1995; ref. Lemmergaard 2009). With that being said, it can be noticed that the major focus behind the Ulrich's (1997) model is to displace the classical thought of HR being only an obligatory and money-consuming function, and to consider HR as a strategically important function of a company.

The outcomes of CSR actions and policies can be divided into two themes including internal CSR and external CSR (Aguinis & Glavas 2012). This research focuses on the role of HRM in both internal and external CSR. The themes of internal and external CSR can be described by the outcomes of CSR actions and policies consisting of external outcomes and internal outcomes. The division is based on whether these outcomes affect primarily on external or internal stakeholders. (Aguinis & Glavas 2012) External outcomes include for example reputation of the firm (Brammer & Pavelin 2006; ref. Aguinis & Glavas 2012) and consumer choice of firm or product (Arora & Henderson 2007). Internal outcomes, on the other hand, can include for example improved perceptions of the quality of management (Waddock & Graves, 1997) and enhanced demographic diversity (Johnson & Greening 1999).

The chapter begins with a literature review, where some previous studies of the topic are discussed and summarized into a table. The rest of the chapter's structure follows the structure of what will be in the empirical analysis, and is logical considering the strategic process in a company. First, the role of HRM in CSR development will be analyzed in terms of a strategic partner role, then the role of HRM in CSR implementation will be analyzed in the frames of an administrative expert role, an

employee champion role and a change agent role. The organizational and contextual factors affecting the role of HRM in both the development of CSR objectives and in the implementation of CSR objectives will be analyzed separately and the analysis will not be based on a specific theory.

3.1 Literature review

Some studies concerning the HRM-CSR relationship have been gathered to the Table 1. All of these studies are made during the past ten years, which proves that this research topic is rather new. Popular subjects seem to be employee perception and employee commitment in Corporate Social Responsibility in organizations and how HRM can be part of building a sustainable culture and enterprise. The results from all the studies seem to advocate the important role of Human Resources in changing the business culture, engaging employees and developing CSR initiatives. However, in order to do this, Bučiūnienė and Kazlauskaitė (2012) state that the more strategic role HRM has in a company and the more HR function performance is evaluated, the more likely HRM has a positive influence in CSR policies leading to better financial outcomes of a company. Though the studies in Table 1 advocate the importance of HRM in CSR and it is clearly a current topic in a modern business world, Lam and Khare (2010) disclose the truth of this research field: more research should be done about the relationship between HRM and CSR.

Author	Year	Article	Research aim	Main results
Collier, J. & Esteban, R.	2007	Corporate social responsibility and employee commitment	Collier and Esteban studied employees' motivation and commitment to adopt CSR policies in terms of both contextual and perceptual factors.	Ethics needs to become embedded in the business culture of a company and the members of a company have to adopt the ethical principles, not only in action but also in their minds.
Sarvaiya, H. , Eweje, G. & Arrowsmith, J.	2016	The Roles of HRM in CSR: Strategic Partnership or Operational Support?	The aim of the study is to investigate whether HRM offers operational support or strategic input when participating in CSR development and implementation.	HRM was found to be more involved in implementing CSR than developing CSR. The role of HRM varied among different companies and is influenced by contextual variables.
<u>Bučiūnienė, I. & Kazlauskaitė, R.</u>	2012	The linkage between HRM, CSR and performance outcomes	The study focuses on CSR and HRM developments in Lithuania and studied the relationship between CSR, HRM and organisational performance outcomes.	Organisations where HRM has a strategic role and the HR function performance is evaluated, CSR policies are also more developed and thus there are better financial performance outcomes.
Lam, H. & Khare, A.	2010	HR's crucial role for successful CSR	Lam and Khare examined the importance of HR in taking on CSR responsibilities and the roles of HR in CSR changes. They also discuss about the challenges and limitations related to HR in CSR and provide solutions to them.	HR has important and diverse roles in developing CSR initiatives in an organization. These roles include for example planning, education, employee involvement and rewarding. Challenges exist mainly in HR's involvement in CSR and this involvement is rather small in most cases. Lam and Khare suggest that more research should be done about HR's role in CSR.
Liebowitz, J.	2010	The role of HR in achieving a sustainability culture	Liebowitz studied how the organization culture can be made more sustainable through HR practises, such as compensation, performance management, training, development and employee selection.	Results indicate that for example perseverance, top management support, sufficient resources and collaboration between departments can lead to success of HR in implementing a sustainable culture in an organization.
Wirtenberg, J., Harmon, J., Russell, W. G., & Fairfield, K. D.	2007	HR's role in building a sustainable enterprise: insights from some of the world's best companies	Wirtenberg, Harmon and Fairfield studied HR's role in building a sustainable enterprise by interviewing nine of the world's most sustainable companies.	The role of HRM in sustainability was stronger in companies where HR leaders were strategically positioned and they were influential in the firm. Wirtenberg, Harmon and Fairfield also came up with the fact that in some areas of HR the involvement of HR to sustainability issues was stronger than in others.

Table 1. Previous literature.

3.2 The role of HRM in developing CSR

Developing a CSR strategy mainly consists of defining CSR values and objectives, formulating broader strategies and designing various CSR projects and initiatives that are in line with these values, objectives and strategies (Sarvaiya et al. 2016). Strandberg (2009, 12) indicates that “HR is a strategic partner in the organization and as such, can help drive the formulation of the CSR strategy”. This is the case especially in companies where CSR is positioned in HR department and thus the HR manager has a key role when it comes to CSR strategy development (Strandberg 2009). Also Yang et al. (2013) are in line with Fenwick and Bierema (2008) by adding that HR has a key role in helping the firm to identify, prioritize, and achieve CSR goals, which will result in the improvement in social and environmental conditions both domestically and across borders.

The role of HRM in developing CSR initiatives goes under the strategic partner role in Ulrich’s (1997) model about HR roles and this role will be used as a basis for examining the topic in this chapter. According to Ulrich (1997, 27), strategic partner is a metaphor for the role where HR is executing the business strategy: when HR professionals participate in defining the business strategy, ask questions about moving strategy to action or design HR practices that are aligned with business strategy, they become strategic partners in a company.

According to Armstrong (2014, 110), there are some notable matters needed to be taken into account when developing a CSR strategy. These ideas are presented in Table 2. From Armstrong’s (2014, 110) ideas can be seen that for example prioritization and evaluating the most important CSR objectives pose high importance when developing a CSR strategy: resources are, all in all, limited in every organization. What also can be observed, is that HR function cannot work alone: after planning a strategy, it has to be approved by top management and stakeholders. Maybe the most important observation, however, is that what happens after planning and deciding the strategy matters: communication and training must be part of the daily life in an organization in order to ensure the proper implementation of the strategy.

“Identify the areas in which CSR activities might take place by reference to their relevance in the business context of the organization and an evaluation of their significance to stakeholders.”
“Prioritize as necessary on the basis of an assessment of the relevance and significance of CSR to the organization and its stakeholders and the practicalities of introducing the activity or practice.”
“Drawn up the strategy and make the case for it to top management and the stakeholders to obtain their approval.”
“Communicate information on the strategy, comprehensively and regularly.”
“Provide training to employees on the skills they need to use in implementing the CSR strategy.”

Table 2. Developing a CSR strategy (Armstrong 2014, 110)

Sarvaiya et al. (2016) found in their study that HR can have strategic roles in developing CSR strategies and initiatives by representing in CSR committees and supporting the development of projects concerning CSR. However, HR can play the strategic roles only up to some extent and the involvement of HR in the development of organization's CSR is dependent on contextual factors that include for example organization's CSR structure and the scope of CSR strategy (Sarvaiya et al. 2016). The contextual and organizational factors affecting the role of HR in developing and implementing CSR goals will be further discussed in chapter 3.3. Next, the role of HRM in developing CSR initiatives will be discussed in terms of internal CSR and external CSR objectives.

3.2.1 The role of HRM in developing internal and external CSR objectives

Internal CSR strategies can consist for example of employee-related strategies including equality and diversity, work life balance, personal wellbeing and women in leadership training (Sarvaiya et al. 2016). In their study, Sarvaiya et al. (2016) found that HRM has a proactive role in developing those internal CSR strategies and initiatives, where the organization has a comprehensive CSR strategy. These strategies included promoting women's leadership development, training under-performed employees and monitoring wellbeing issues of employees (Sarvaiya et al. 2016). This finding was accurate especially in the banking industry: Sarvaiya et al. (2016) found that a bank that was covered in their study had a specific CSR strategy both for employees, customers, suppliers, governance, society and environment.

Jamali et al. (2015) emphasize the role of HRM in the development of internal CSR initiatives by claiming that the nature of the organization's CSR objectives has impact on the role of HRM in developing these objectives: for example, if the CSR of a company focuses on internal organizational environment, the role of HRM differs from its role in a situation where the focus of

CSR would be in environmental stewardship. What was also seen from the results of the study of Sarvaiya et al. (2016), was that the role of HR professionals in terms of internal CSR objectives and themes was more leading in comparison to CSR professionals, when it came to initiatives that are more directly HR related. Supporting the statements of Sarvaiya et al. (2016) and Jamali et al. (2015), Porter and Kramer (2006, 2011) brought out the importance of the role of HRM in the beginning phase, where HRM has an important role in establishing how certain CSR objectives and initiatives can take the use of the unique resources and competencies of the firm internally.

The situation seemed to be different when it came to developing external CSR strategies that consist of matters that have impact on external stakeholders, such as environmental and community projects including for example sustainable sourcing, rescue operations and sponsoring sports (Sarvaiya et al. 2016). Sarvaiya et al. (2016) found that, in addition to the fact that only one of the investigated organizations had HRM representation in CSR committee, especially in companies which employed only a narrow CSR strategy and focused more on the external CSR, HR did not have such a great role as in the development of internal CSR initiatives. With that being said, Sarvaiya et al. (2016) summed up that when it comes to developing external CSR initiatives, HRM does not have a strategic input unlike in developing internal CSR initiatives.

3.2.2 Summary of the role of HRM in CSR development

The integration of HR into the strategic planning process increases significantly the chances of a successful implementation of CSR strategies, because HR is a key function in a company when it comes to ensuring cohesion of policies, processes and systems, as well as making the line managers to understand the important role of employee development and reflecting it in the employees' behavior (Rimanoczy & Pearson 2010). Buller and McEvoy's (2012) study results are in line with the previous statement: instead of just being familiar with business strategy, HR professionals should work as integral partners in the strategic management process. Therefore, Buller and McEvoy (2012) suggest that an ongoing dialogue among the participants involved in strategy formulation, implementation and evaluation should be maintained in order to have "accurate and effective line of sight", a description that Buller and McEvoy (2012, 43) use when referring to "the alignment of organizational capabilities and culture, group competencies and norms, and individual KSAs, motivation and opportunity with one another and with the organization's strategy".

Ulrich's (1997) strategic partner role is provably important, especially in the CSR beginning and strategizing phase resulting in the need for HRM to ensure that CSR priorities and their human resource implications are part of leadership decision making (Jamali et al. 2015). However, the

results of the studies explored in this research seem to advocate the fact that there still seems to be a gap between CSR and HR professionals when it comes to the development of internal and external CSR initiatives. The next chapter explores the role of HR as an administrative expert, employee champion and change agent in CSR implementation.

3.3 The role of HRM in implementing CSR

This part of the study focuses on the role of HRM in implementing CSR goals and it is based on the three key roles of Ulrich's (1997) model: administrative expert role, employee champion role and change agent role. These roles can be kept the most relevant when evaluating the role of HRM in implementing CSR strategies, because these roles demonstrate the necessary actions required from HR unit to develop and implement CSR.

The role of HRM in implementing responsibility objectives of a company is a rather new theme in academic research as well as in practice. However, especially during the last decade many studies have been conducted about the topic and scientifically important results have been gained (see e.g. Berrone & Gomez-Mejia 2009; Lam & Khare 2010, Buciuniene & Kazlauskaite 2012; Jamali et al. 2015; Sarvaiya et al. 2016). Special practices of HR function have been found to be efficient in the implementation process. Berrone and Gomez-Mejia (2009) summarize these practices of HR programs: appraisal of involvement in social initiatives, emphasizing the role of social responsibility in training and orientation, providing such technical support and advice that helps to measure for example particulate emissions and chemical releases, focusing on career development plans and promotions contingent with CSR actions as well as recognizing those individuals and teams in public events, who have met or even exceeded expectations related to socially responsible activities. Berrone and Gomez-Mejia (2009) conclude that there is a correlation between employees' belief in the seriousness of a company's aim to implement socially responsible policies and the extent to which the previously mentioned HR programs are in place.

Fenwick and Bierema (2008) have examined the role of human resource development (HRD) professionals in CSR and found that HRD units appear to be well positioned in helping to understand and implement CSR initiatives when it comes to individual and organizational development. HRD, according to Simmonds and Pedersen (2006, 123) is "a combination of structured and unstructured learning and performance based activities which develop individual and organizational competency, capability and capacity to cope with and successfully manage change." Thus, HRD is in a key position when managing CSR related change in an organization.

3.3.1 Administrative expert role

The administrative expert role of HR means creating and managing organizational infrastructure, according to which HR professionals should design and deliver efficient HR processes for example in recruiting, staffing, training, appraising and rewarding (Ulrich 1997, 27). Though HRM is shifting to a more strategic focus, successful accomplishment of the administrative expert role continues adding value to business (Ulrich 1997, 27) and it is therefore worthwhile to explore how CSR strategies can be implemented through different HR practices. Next, the most focal HR processes found in literature and their contribution to CSR implementation is discussed.

Recruitment and screening

Recruitment is not unreasonably one of the most important practices of HR, while it ensures acquiring the right employees to promote the CSR goals of a company. Parkes & Davis (2013) found that among the respondents in their study, recruitment and selection processes were seen to make an important contribution to the role of HR in ethics within the organization. Lam & Khare (2010) propose that the corporate values on CSR as well as job specification involving knowledge, skills and abilities considering matters related to CSR, should be presented already in recruitment advertisements in order to attract the right applicants. Screening process follows recruitment. This is supported by Colbert & Kurucz (2007) who claim that sustainability intent and objectives should be meaningfully integrated into recruitment and selection processes when a company is seeking suitable employees as well as building commitment in the employees that are hired. Lam & Khare (2010) state that the screening process could focus more on the candidates' CSR backgrounds and consistent CSR related values between the candidate and the organization. Personality tests, using behavioral-anchored interviews and making reference checks over applicant's real past actions within CSR, are examples of good methods in screening applicants (Lam & Khare 2010).

Supporting statements of recruitment's contribution to CSR implementation can be found when considering recruitment under the administrative role of Ulrich (1997). Jamali et al. (2015) claim that HR managers' role as administrative experts is to contribute CSR strategy delivery with the help of required HRM functions and roles. Recruitment and selection is one of these functions and for a reason: through recruitment HR department can hire the people with right personal traits and add value through attending workforce diversity (Jamali et al. 2015).

Based on the previous discussion, can be said that it is acknowledged that recruitment is an important process of HR when it comes to implementing CSR goals. However, Colbert & Kurucz

(2007) have stated that recruitment does not keep up with business strategy processes and companies are lacking such human capital that would be necessary in order to implement strategic plans. Therefore, acquiring the right workforce is an area that needs constantly more focus and improvement for companies to keep up with the modern development within that area and in order to promote the achievement of their CSR objectives.

Training, education and development

A well conducted recruitment process, like discussed above, is an important basis for implementing CSR initiatives, but in order to maintain and increase employees' abilities and motivation in working towards CSR goals, it is crucial to constantly train employees in order to achieve the desired CSR aims of a company. First of all, a company should start by increasing an overall awareness about CSR among employees (Lam & Khare 2010) and like Maon et al. (2008) have stated in their study, communication and education are great ways in accomplishing awareness. This kind of awareness can be done for example through green practices and recycling both inside and outside the organization (Jamali et al. 2015). Education and communication can be implemented for example through company statements and policies, employee newsletters or bulletins and formal training sessions (Lam & Khare 2010). Liebowitz (2010) suggests that in addition to managers, also employees should have an access to workshops and conferences considering environmental matters. Jamali et al. (2015) support this by claiming that training programs and skills development could overtake both lower and higher employee levels.

Lam & Khare (2010) have compiled a set of matters that need to be focused on in training and development programs. First, a company should create a knowledge base about CSR issues that surround the organization, its stakeholders' interests as well as industry standards and norms. Secondly, employees should be taught about the necessary skills considering CSR initiatives. This can be done by teaching employees about the various working processes and methods in order to do the work efficiently and effectively according to CSR norms. Employees should also be able to understand the complex CSR activities in order to see the big picture and mutual relations between CSR dimensions. This requires development of employees' cognitive ability. Getting employees to work according to specific goals requires not only reporting and training but employees should become enthusiastic about CSR. For example, employees could be informed about the difference and impact the change has on the organization, themselves or others. Finally, focusing on the development of employees' talent and skills promote successful CSR initiatives and increase the overall human capital. Colbert & Kurucz (2007) support this statement by claiming that in order to support sustainability-framed business objectives, HR should focus on skill-building.

Rewarding and compensation

By rewarding and recognizing both economic and social performances of employees through a special pay system, HRM can work as a value creator in implementing CSR objectives (Jamali et al. 2015). Collier and Esteban (2007) have pointed out ethical leadership's role in using a reward system as a tool to implement CSR objectives: reward system can either be used to highlight success by building ethical achievement into performance evaluation and using compensation and promotion structures or it can be used to ensure that company's reward system sends a message that only ethical conduct is tolerated.

There are various aspects when considering rewarding and compensation as a HR practice in the implementation process of CSR initiatives. Berrone and Gomez-Mejia (2009) have examined the criteria of social performance in the design of executive compensation schemes as a response for the financial criteria in awarding. The suppositions in the study of Berrone and Gomez-Mejia (2009) were that socially responsible practices are not very likely pursued by executives, unless proper incentives are in place. The results proved that there are both positive and negative sides in rewarding of social initiatives. Despite the current trends of recognizing and rewarding activities considering for example the interests of employees, customers and environment groups, some stakeholders find social initiatives conflicting with their interests, which therefore does not support rewarding managers for undertaking social initiatives. For example, some workers and their families have been found not to support environmental policies if there is a risk that they might lose their jobs. Other negative examples are that there is uncertainty whether social initiatives have a useful impact on firms' financial performance and secondly, when social efforts are rewarded monetarily, it might reduce the person's intrinsic motivation to social initiatives and thus lead to the opposite of the intended goal. (Berrone & Gomez-Mejia (2009) To solve this issue, HRM could prepare tangible and intangible rewards for employees' participation in CSR, which, according to Jamali et al. (2015), belongs under the reward and compensation practice of HRM in enhancing CSR implementation.

On the other hand, there are many positives sides, of which a few examples are now given: first of all, managers become receptive in deploying efforts and resources towards social initiatives resulting in the growth of firm's value through greater institutional legitimacy (Berrone & Gomez-Mejia, 2009; Coombs & Gilley, 2005). Secondly, companies that perform socially well can benefit from new market opportunities and third, companies that are legitimate, face less risk of having social and legal sanctions, costly penalties, high insurance premiums and significant remediation

costs related to environment (Godfrey, 2005; Khanna & Damon, 1999; Sharma & Vredenburg, 1998; Shrivastava, 1995)

Performance management and appraisal

Performance management and appraisal play a key role in the CSR implementation, as they are the HR functions through which the actual implementation of CSR can be ensured by evaluating and guiding the work in practice. Jamali et al. (2015) have listed four focal ways of conducting performance appraisal. First, performance should be defined in a way that it is based also on social objectives and not only on outcomes and results. Service to community, as well as participation, involvement and contribution to social initiatives should be included in the performance appraisal, which then should be linked to rewarding, for example in the form of bonuses. Third way includes follow up with employees CSR, including CSR action plans as well as motivating employees in a way that they would engage more in CSR when regular performance evaluation meetings are taken place. It might be the case that in many companies these meetings might be organized only annually, and thus Liebowitz (2010) suggests that managers should discuss with their subordinates about their performance all throughout the year and not only once a year. Liebowitz (2010) has also noted that in order to enable employees' continuous growing, changing and improving, managers have to provide informal feedback throughout the year. As a final step, Jamali et al. (2015) suggest that employees should be allowed to contribute and formulate such performance indicators that relate to CSR, and then to involve them in CSR projects.

3.3.2 Employee champion role

The second role of HR presented in this study focuses on employee contributions, setting an important role for HR professionals to participate in for example encompassing the important role of HR professionals in the involvement of day-to-day problems, concerns and needs of employees. Under the employee champion role of HR, employees are valued to a high extent, especially in companies where intellectual capital is kept as a critical source of a firm's value. In this kind of situation, HR professionals can be understood as champions of employees, who are linking the contributions of employees to the organization's success. In order to ensure the overall increase of employee contribution, understanding the needs of employees and meeting the needs is crucial. (Ulrich 1997, 29) Within this role, HRM can be instrumental in increasing employees' motivation, engagement and commitment to CSR, as suggested by Jamali et al. (2015). It is also proposed by Jamali et al. (2015) that to ensure employees' contribution to CSR, it is important to listen to the views of employees regarding organizations' CSR strategy as well as engaging the employees as a

part of the CSR change process. Strengthening the relationship of the organization and the employees by allowing the employees to express their views about CSR is also worthwhile in order to make employees feel that their contribution to CSR is recognized, valued and rewarded. This again increases the chances to achieve CSR goals. (Jamali et al. 2015)

Employee motivation and commitment towards CSR will be discussed by focusing on perceptions that are analyzed in terms of identity and image of both the employee and the organization, justice and fairness and the contribution of top management (Collier & Esteban 2007). First, it is reasonable to explain the difference between motivation and commitment. To ensure employee responsiveness that is crucial for them to fulfill CSR requirements of a company, employees have to be motivated and committed to CSR (Collier & Esteban 2007). Motivation, as described by Locke and Latham (2004), can be described by internal and external factors: internal factors impel actions and external factors induce to action. Actions can then be divided into three aspects that motivation is affected by: direction (choice), intensity (effort), and duration (persistence). Not only does motivation affect the acquisition of people's skills and abilities but it also affects how and to what extent people take advantage of their skills and abilities. (Locke & Latham 2004) Motivation is followed by commitment that reinforces and embeds the motivation (Collier & Esteban 2007). Commitment therefore encourages to a such discretionary behavior that is applicable to result in positive goal outcomes and thus strengthens employee's commitment to the organization (Collier & Esteban 2007).

According to the social identity theory, the way in which employees find the organization they work in, shapes their behavior (Collier & Esteban 2007). It is proposed by Dutton et al. (1994) that when the members of an organization identify strongly with the organization, the same attributes the members use to define the organization, also define the members, reciprocally. This indicates that when employees find organizational attributes attractive, they identify strongly with the organization, which then again results in co-operative and citizenship-type behaviors (Collier & Esteban 2007).

Employees' motivation and commitment to implementing organizational goals is naturally influenced by the whole organization's attitudes and actions. Organization sets an example for employees by drawing such rules and regulations that cover and are followed by the whole organizational structure. Trevino and Weaver (2001) have raised this topic by pointing out that in order for employees to commit to the ethical behavior and the organizational ethics policies of the organization they work in, there are two issues that have to be reassured: the organization need to follow the ethical policies that they support and those who violate the rules regarding ethical

behavior, need to be penalized. Thus, procedural and retributive justice should be taken place in an organization (Trevino & Weaver 2001). According to Collier and Esteban (2007), if there is no procedural or retributive organizational justice, covert or indirect unethical conduct might take place, which is a result of getting away with behaving unethically or that employees feel as they are aggrieved or let down. Simply put, if the organization encourages ethical behavior, it increases the motivation and commitment of employees to do so, and vice versa, if the organization does not encourage and maintain ethically responsible culture, motivation and commitment from employees' side cannot be truly expected.

Top management plays an important role in committing employees to ethical behavior as well as internal and external trust (Collier & Esteban 2007). There are two characteristics that describe ethical leadership: the leader has to be a moral person and the leader has to be a moral manager (Trevino & Brown 2004). This means that if leaders are moral managers but not really moral persons, internal and external stakeholders will lose their trust for them and the leaders will be seen hypocritical. Then again, if leaders are moral persons but are not moral managers, they are kept as "ethically silent" leaders and thus viewed with cynicism. If the leader is neither or a moral person or a moral manager, he or she is kept as an unethical leader. (Collier & Esteban 2007).

3.3.3 Change agent role

Change agent role refers to management of transformation and change. The aim is to create a renewed organization. In the management of transformation, the purpose is a fundamental cultural change within an organization, leading HR professionals to become both cultural guardians and cultural catalysts. Change, in turn, refers to the organization's ability in improving the design and implementation of organization's initiatives. It also aims to reduce the cycle time in all of the organization's activities. The role of HR professionals in this case is to help in identifying and implementing processes for change. (Ulrich 1997, 30) HR function's activity as a change agent can be seen as a continuum for employee champion role, because to be able to implement the necessary transformation and change in an organization, employees' motivation and commitment for working towards the implementation of CSR objectives need to be ensured.

Buyens and De Vos (2001) and Zappalà (2004) claim that as a change agent, HRM can add value to the implementation of CSR: it can contribute to the creation of CSR change by understanding the effect of CSR change to other stakeholders of the organization, making employees more sensitive and ready to interact with the change to incorporate CSR, introduce such objectives that promote CSR objectives and overcome resistance to change and other barriers as well as taking managers as

part of the change by raising their awareness to CSR through training and development. Colbert & Kurucz (2007) also agree on that executives and managers need to be taken as part of the change management process regarding CSR; in order to build consensus on the conception of sustainability, dialogue on triple bottom line sustainability among senior executives and on managerial level need to be highlighted. Triple bottom line sustainability, as described earlier in this research, covers both the economic, environmental and social sustainability. By enabling employees to change the way they work, learn new skills and pursue new goals, sustainability goals such as cost savings, risk reduction, reputation enhancement and innovation can be achieved (WVCSD (2010:4-5).

Clear communication is important when driving an organizational change towards a culture that emphasizes CSR. As mentioned earlier, as a change agent HR should introduce those objectives to employees that promote CSR (Buyens & De Vos 2001, Zappalà 2004). This can be paralleled to communication, which Inyang et al. (2011) consider as one of the many roles HRM has in an organization that initiates CSR programmes. HR professionals can serve as a channel or source, who not only communicate CSR activities to employees but to public and society as well. After participating in the development of CSR objectives, HR has a special role in communicating such values that highlight long-term interests in exchange for short-term interests. These values also enable the whole organization to see that by acting in a responsible way, the company's ability to survive increases. (Inyang et al. 2011) To achieve a sufficient level of communication and awareness, however, HR should generate conditions for dialogue to increase employees' understanding and agreeing on what is meant by sustainability. These conditions for dialogue also enable employees to understand and agree on what the corporate goals are or what they could be. After this, HR can develop the competencies and skills among all the levels of managements that are needed to achieve the goals. (Colbert and Kurucz, 2007) The organization can also develop a common language, which enables each employee to become aware of the sustainability impacts that the employee's daily business decisions have to the organization. (Rimanoczy & Pearson 2010)

In addition to communication and increasing awareness about CSR among employees, changing the culture of an organization towards a more sustainable culture, a method called action reflection learning (ARL) can be considered to facilitate the process. Action learning and programs that are designed with the action reflection learning (ARL) are ways to develop leadership competencies and to solve current business challenges, in this case, implementing CSR. (Rimanoczy & Pearson 2010) For organizational leaders to lead their companies in accordance with CSR goals, new competencies, new behaviors, and new mindsets are needed. Thus, ARL methodology can work as

a tool to implement CSR by forming the basis for developing such competencies that are relevant for CSR programs. These competencies include for example collaboration and teamwork, systemic thinking, creative thinking and diversity and multiculturalism which, according to Wirtenberg et al. (2007) are important components of a sustainable culture.

3.4 Organizational and contextual factors affecting the roles of HRM

In the final theoretical part of the study, the organizational and contextual factors affecting the roles of HRM in achieving CSR objectives both from the development aspect and the implementation aspect will be examined and discussed. First, the organizational factors affecting the role HRM in developing and implementing CSR will be discussed, and then the contextual factors' impact on the role of HRM in developing and implementing CSR will be taken under discussion.

3.4.1 Organizational factors

There are various factors affecting the role of HRM in CSR development and implementation inside the organization. Here, the following factors will be analyzed: organizational structure, organizational culture, company size and the degree of centralization, personnel structure and personnel characteristics.

Organizational structure

As stated by Rajasekar (2014, 174), "The organizational structure explains the decision-making process, clarifies roles and responsibilities, allocates human resources, and ensures a level of flexibility to respond to unexpected circumstances." The way CSR is positioned in a company, impacts the roles of HRM in the development and implementation process of CSR. It is reasonable to think that in those organizations where CSR is positioned in the HR unit, HRM has a significant role in the development and implementation process of CSR. This is demonstrated by Gond et al. (2011), according to whom the coordination between CSR and HR is on a very good level both strategically and operationally, when the configuration of an organization posits CSR as a part of HR or emerging from HR. On the other hand, when CSR is a separate and autonomous function, HR professionals' role for CSR appears supportive but HR professionals are sometimes viewed as followers and not active partners in CSR implementation (Gond et al. 2011). In many companies this is the case, which is evidenced for example in Zappala's (2004) study where most of the companies' CSR was driven by marketing or PR department.

Organizational culture

In their study about relationship between organizational culture and strategy implementation, Ahmadi et al. (2012) found that there is a meaningful relationship between organizational culture and strategy implementation. Ahmadi et al. (2012) also found that even though there are significant relationships between all the organizational cultures and strategy implementation process, the most effective culture is a clan culture whereas hierarchy culture was found to be the least effective. According to Carlopio and Harvey (2012), in order to succeed in the strategy implementation process, organization's structure and culture need to be aligned with a proposed strategy and the behaviors that are hoped to achieve. The study results of Brenes and Mena (2008) are in line with the statements of Carlopio and Harvey (2012), as they claim that in order to gain a successful strategy implementation, the organizational culture needs to support the principles and values that the new strategy represents. Collier & Esteban (2007) speak also for organizational culture's effect in strategy implementation, as they claim that a supportive cultural context where employees understand themselves as moral agents motivated to consider ways of acting well and in an efficient way in every situation, is affecting on the delivery of CSR. In addition, the culture of an organization needs to be open to change and not too set in one's ways because, as noted by Ardichvili (2013), the implementation of CSR strategy is probably broad and involves promoting meaningful changes in the organizational culture.

Company size and degree of centralization

Company size can be perceived to be an important organizational factor affecting the HRM-CSR relationship. It is rather pertinent to claim that the bigger the company, the more resources and management levels it has for HR function to participate in CSR. In turn, larger amount of employees can create a situation of increased distance between top management and organizational members causing additional levels of management and thus strategy making process becomes less centralized but more complex (Elbanna 2011). This kind of situation requires high level of communication and HR has to work actively to deliver the message to all the employee levels and involve employees to the strategy implementation.

The degree to which CSR related strategy development and implementation process is centralized in a company, mostly determines how important the role of HRM is. In most cases, companies where CSR related decisions are decentralized to business units, HR does not have so much space for involving in CSR. The nature of the industry, organization type and the nature of the organization's operations and management impact the degree of centralization (Fauzi & Idris 2010,

Zappala & Cronin 2002). Zappalà and Cronin (2002) have found that in large organizations with more centralized CSR decisions, HR is less involved in CSR and its reporting lines are given to other departments.

Personnel structure and personnel characteristics

Personnel structure and personnel characteristics have a lot to do with how involved the staff is to developing and implementing strategies of a company, and this naturally affects how well and to what extent HRM can contribute to CSR objectives. Age, the service time in a company, education level and the gender structure of a company are examples of variables of personnel structure. For example, when considering the effects of age to rewarding, young and well-educated people might get motivated very differently than the employees retiring from the position. (Kauhanen 2012, 110-112) Elbanna (2011) argue that financial and career security are more important to older managers which, in the case of strategic decision making, results in a situation where older managers are not as willing to go for risky decisions including major changes in a company's strategic direction, unlike, as claimed by Hambrick and Mason (1984), younger managers who tend to be more open to strategies with higher risk. This might cause challenges for HRM in terms of motivating managers and other employees, because CSR related strategies tend to make profit in the long run and thus focusing on CSR might be seen financially too risky.

3.4.2 Contextual factors

Contextual factors in this study originate from the special environment where the organization operates. These factors that are under the influence of various stakeholders, such as clients, customers, competitors, suppliers and regulatory agencies, determine to what extent HR function can take actions in participating CSR development and implementation. The influence of the various stakeholders is related to the industry, where the organization operates, and thus also the role of HRM in CSR development and implementation varies among different industries. It is reasonable to think that in those industries, where CSR focus is mainly on the issues that belong under the traditional HR concerns, such as wages and working conditions, also the role of HR is more strongly present. In this chapter, the focus is on in three different industries: apparel, food and retail.

Labor rights and working conditions considering for example low wages and child labour have been, and still are, predominant CSR concerns especially in the clothing industry (Tuppura et al. 2016). This topic has manifested especially in cases that concern larger apparel companies' supply chains, such as Nike, which often has been in the news due to their unhealthy supply chain. CSR

issues and concerns in apparel industry, therefore, include socially responsible HR practices, which, according to Cooke and He (2010) include observing labour standards and equal opportunity legislation as well as ensuring the quality of employees' working life covering job quality, work-life quality and personal wellbeing. Even though HR may not directly be able to influence for example the working conditions throughout the whole supply chain, HR can cooperate with its own organization's supply management and plead the case about ethical matters concerning personnel and thus try to have an impact on the subcontractor decisions.

Food industry is also known for its issues regarding labor and human rights. Maloni and Brown (2006) have stated that while labor and human rights propose a difficult issue in food industry, this industry might also become exposed to the same reactions and protests as seen in the apparel industry. Maloni and Brown (2006) did predict the direction correctly, because for example in chocolate and cocoa business, the low working conditions in cocoa plantations have been unfortunately often in the news recently. In their study about food chain and its CSR dimensions, Forsman-Hugg et al. (2013) found that one of the dimensions is occupational welfare. Occupational welfare was found to involve working conditions, work safety, motivation, wages, equality and employment effects of the entire chain and it was also recognized as one of the key dimensions of CSR in food chain. The problems regarding occupational welfare, such as child labor and equality were found to gain more importance in terms of food products that are imported than in domestic, Finnish products. (Forsman-Hugg et al. 2013) Therefore, especially when the company's supply chain extends to less developed countries that might have problems in occupational welfare, the role of HRM in food industry increases in terms of CSR.

For companies that operate in retail industry, it has become extremely common to have a complex supply chain and acquire products from suppliers around the world. Andersen and Skjoett-Larsen (2009) carried out a survey about CSR practices in global supply chains, having a furnishing retail chain company IKEA as their case company. According to Andersen and Skjoett-Larsen (2009), the majority of IKEA's product range is produced by suppliers worldwide. Due to the fact that IKEA has many suppliers also in developing countries, they developed a code of conduct, which includes requirements for their suppliers. These requirements include at least social and working conditions that comprise for example prohibition of child labor. As the focus for CSR in global supply chain increases, multinational corporations have become responsible not only for their own premises' environmental and social practices but also the corresponding activities within their suppliers throughout the entire supply chain. This requires that CSR is embedded within the entire organization, which can be implemented by knowledge enhancing that includes for example

employee training and positive incentives. (Andersen & Skjoett-Larsen 2009) This is where the role of HRM highlights, because training and rewarding are focal areas of HRM. Through a proper cooperation and communication among all the organizational functions, HR department can have a significant role in all the CSR dimensions, because HR can train the staff, communicate various messages for the staff, participate in incentives and rewardings as well as provide a comprehensive induction for new employees. HR can also reorganize or modify the recruitment process in a way that supports all the objectives of both economic, social and environmental responsibility.

4. RESEARCH METHODOLOGY AND DATA COLLECTION

A qualitative research method will be used when conducting the empirical part of the research. The purpose of the empirical part is to widen the understanding of the research topic by providing more practical implications for understanding the role of HRM in CSR in terms of the research objective and research questions. Accordingly, the purpose of the empirical part is to help the reader to understand the role of HRM in developing and implementing CSR objectives of a company on a practical level and from different aspects of the organization: the empirical analysis is mostly comparative and focuses on analyzing both the viewpoints of HR professionals and CSR professionals. The empirical analysis is drawn from the theoretical part and as a means to provide a logical progress for the research, the structure of the empirical analysis will follow the structure of the theoretical part.

4.1 Research method and data analysis

The research is conducted by a qualitative research method. This method can be kept the most suitable for this study due to several reasons. First of all, the purpose is to focus on only a few companies instead of a large sample size. This enables necessary preconditions for an in-depth analysis of the interview results, which is a type of analysis that is typical for discretionary sampling of a qualitative research. Qualitative research is a reasonable choice for a research method of this study also because the theory will be built from empirical data, instead of pre-settings or existing definitions. Accordingly, qualitative research is also called as data-driven analysis. (Eskola & Suoranta 1998, 18-19) The data will be analyzed by using content analysis, where the data is viewed specifying as well as looking for and summarizing similarities and differences. Content analysis is text analysis, where materials that are already in text format or modified to text format, are viewed. Texts under examination can be for example interviews and discussions. The purpose of content analysis is to form a summarized picture of the phenomenon that is under examination, which connects the results into a wider context of the phenomenon and research results considering the topic. (Tuomi & Sarajärvi 2002, 105; ref. Saaranen-Kauppinen & Puusniekka 2006)

4.2 Data collection

The research is divided into both theoretical and empirical parts. The data for the theoretical part was gathered from scientific articles related to HRM and CSR or from articles that directly dealt with the topic of the research and thus discussed about the role of HRM in CSR. Other scientific

literature, such as books and trustworthy online sources were also used for the empirical part as a means to support the academic articles and gather a versatile base for the theoretical analysis.

The data for the empirical part was gathered by conducting semi-structured interviews with four large organizations during February and March in 2017. Interview is one of the most common data collection tool used in qualitative research, most likely because of its simplicity and reasonability; using a face-to-face conversation with somebody is an efficient way to know the thoughts and motives of another person (Eskola & Suoranta 1998, 85-86). A face-to-face conversation as a data collection tool was particularly a reasonable choice while the subject of the research is rather specific and not yet very well-known or common in companies, especially in practice. Therefore, interview ensured a greater way to investigate participants' experiences and perspectives of the topic, as well as better mutual understanding between the interviewee and the interviewer.

Four major topics rising from the theory were used to formulate the research content: background of HRM and CSR in the interviewed companies and managers' personal thoughts, the role of HRM in developing CSR strategies, the role of HRM in implementing CSR strategies and the contextual and organizational factors affecting the role of HRM in CSR. The first topic included questions for example about managers' personal interests in CSR, the meaning of CSR for the company, how stakeholders are being paid attention to when it comes to CSR and whether the company has some specific business principles regarding CSR. The questions related to the second topic, development, were about the amount of cooperation between HR and CSR functions in developing CSR objectives and how the CSR objectives are developed. The third topic about the implementation of CSR objectives consisted of questions related to the participation of HR in CSR implementation, the areas in HR that should be focused on when implementing CSR and how the implementation is implemented in practice and how and who is communicating about CSR in the organization. Finally, the interview questions were focused on organizational and contextual factors concerning the role of HRM in CSR both in developing and implementing external and internal CSR objectives.

The purpose at first was not to send the questions for the interviewees beforehand in order to get as authentic as possible answers without the chance for the interviewee to plan the answers in advance, which might affect the results in a distortive way. Finally, the interview questions were decided to be sent to the interviewees before the actual interview. This was due to the hopes of some of the interviewees and also because the topics of the questions were rather specific and unfamiliar to some of the respondents. Confidentiality and anonymity of both the individuals and companies they

represented were ensured throughout the interview and research process. The duration time of the interviews varied between 28 and 57 minutes.

Interview is part of a normal life, where physical, social and things related to communication affect the interview situation (Eskola & Suoranta 1998, 85), which can be both a positive and a negative matter when conducting a research: for example bad chemistry between the interviewer and the interviewee might result in weak or skewed results, but on the other hand, a positive chemistry and trust between both parties will most likely result in wider, versatile and more accurate results.

Focusing on only a few samples is, as mentioned before, typical for discretionary sampling of a qualitative research. The interview was conducted by interviewing HR professionals and CSR professionals from only four different organizations in order to acquire more specific information regarding the research objectives. The reason for interviewing both the HR professionals and CSR professionals was to see the possible differences between how the role of HRM in CSR is seen both in HR functions and in CSR functions. Only three CSR professionals were interviewed because in one company, the CSR manager had just took office and might not have been able to give answers that are versatile and accurate enough regarding the role of HRM in CSR in his company. In Table 3, the interviewees are presented.

Interviewee	Title	Years in the organization	Industry of the organization	Education	Executive group
A	HR Business Partner	6	Chemistry	Bachelor of Business Administration, Public Law: B. Adm. Sc.	No
B	Environmental and Responsibility Manager	19	Chemistry	Master of Science, Environmental Engineering	No
C	HR Director	5	Service industry (Environment and property)	Master of Science, Economics	Yes
D	Director, Corporate Relations and Responsibility	25	Service industry (Environment and property)	Lawyer	Yes
E	HR Manager	8 (10)*	Retail	Master of Science, Economics	No
F	Account Manager	4	Retail	Master of Laws	Yes
G	Group HR Manager, Employment & Resourcing	< 1	Food and beverage packing	Bachelor of Business Administration	No**

Table 3. Information of the interviewees. (*8 years in the current position. **Belongs to the HR executive group.)

5. EMPIRICAL ANALYSIS

This chapter comprises the empirical part of the thesis. The empirical part consists of the findings of the conducted interviews regarding the role of HRM in developing and implementing CSR objectives. The empirical results are drawn from the interviews conducted with four different companies and seven different interviewees. The data collection and explanation of the data analysis are explained in the chapter four. The structure of the empirical part follows the structure of the theoretical part and therefore the aim is to find answers to the following questions: What kind of role of does HRM have in developing and implementing CSR strategy? What are the organizational and contextual factors affecting this role? In addition to these topics that were already discussed in theory, the purpose of the empirical part is to find the possible gap that there is between the thoughts and attitudes of HR professionals and CSR professionals, when it comes to the role of HRM in CSR.

Before the progression to the empirical findings, it is relevant to discuss the suppositions about what the results in both HR and CSR side of the organization will be, in other words, what are the expected answers of both HR professionals and CSR professionals. This analysis and the hypotheses are based on the chapter three and its theoretical findings about the role of HRM in CSR development and implementation. First, four different hypotheses based on the theoretical findings will be formed. The first hypothesis is about the role of HRM in CSR development: the role of HRM in CSR development is stronger when developing internal CSR strategies and weaker when developing external CSR strategies. The second hypothesis considers the role of HRM in implementing CSR strategy: the role of HRM is more important when implementing internal CSR strategies than external CSR strategies and HRM has altogether three different roles when it comes to implementing CSR and these roles are administrative expert, employee champion and change agent role. The third hypothesis concerns the organizational and contextual factors affecting the role of HRM in CSR development and implementation: organizational factors have impact on the role of HRM in CSR and industry of a company as a contextual factor determines the extent to which HRM has role in developing and implementing CSR. The fourth and the final hypothesis argues that there is a gap between HR and CSR functions in terms of how the role of HRM is understood in CSR development and implementation and that more communication and cooperation between HR and CSR functions is needed.

5.1 Findings

This part of the empirical analysis includes the demolition of the interview results. First, background information considering both the HR and CSR professionals' thoughts about CSR in general, and the HRM-CSR relationship in their companies will be discussed, in order to get a proper basis for further analysis of the results. The second part consists of the findings regarding the interviewees' answers about the role of HRM in developing CSR. The third part consists of the findings that aim to give answers to the questions about the role of HRM in implementing CSR. Finally, the interviewees' answers considering the organizational and contextual factors in the role of HRM in CSR will be analyzed. The results in chapters 5.1.2., 5.1.3 and 5.1.4 will be analyzed in two groups: HR professionals' answers in one group and CSR professionals' answers in the second group. As seen in Table 3, interviewees A, C, E and G belong to the Group I, and interviewees B, D and F belong to the Group II.

5.1.1 Background information

Among all the respondents, CSR was understood as an important part of corporate activities and it was understood that companies have also other tasks than generate profit for shareholders. Personal interests for CSR were not brought up so strongly, but one interviewee stated that focusing on CSR adds significance to what the company does, and thus it also creates personal importance. The industry of the company and the company form were seen to have impact on how responsibly companies operate and have to operate. In two of the companies, the responsibility can be seen already in the product development and thus it is highly related to the industry due to safety requirements of the products that is crucial for their business. One of the companies interviewed is a customer-owned organization that operates in service sector. Thus, CSR is an essential part of this organization because its initial purpose is to provide welfare and services for the customers.

Social and environmental responsibilities stood out strongly when asking about how the three different dimensions of CSR are seen in corporate activities. Though economic responsibility was not pointed out so much, almost all the interviewees claimed that all of these three dimensions of CSR are part of their responsibility actions. All the respondents from HR were familiar with their companies' CSR projects and objectives, but it is noticeable especially from the HR professionals' answers that CSR is a new concept in many companies and only recently have CSR objectives or programs been further focused on.

CSR professionals found that HR has an important role in those CSR objectives that consider the HR field, such as human rights, working safety and work ability management. HR professionals

also found their role to be highly important in terms of CSR, especially in matters that consider for example staff wellbeing, justice, recruitment, human rights and working conditions. In one of the interviewed companies, the HR Manager was hired mostly due to her experience in CSR in her previous job assignments, which advocates that HR, at least in this company, is kept as an important partner for CSR function.

5.1.2 HRM-CSR relationship in developing CSR

Group I - Human Resources

Majority of the respondents claimed that HR takes part in the development process of HR, but the involvement of HR was found to require proactiveness, predictability and taking responsibility. Especially due to the fact that only one of the respondents belongs to the executive group, it is natural to assume that activity is needed from HR in order to gain a hearing. The same fact affects also to the decision making process, as described by interviewee A, who plays a demonstrator role in CSR initiatives. The final decision is made either by the HR director or in some cases, the executive group:

“-- now for example when this kind of diversity policy has been worked on for the whole group that is not yet ready, it proceeds just so that first some version is drafted and then it goes for different persons’ commenting and surely in the end it has to be-- on the top level approved then in order to get it as part of our diversity instructions and regulations.”
(Interviewee A)

It was clear from all the HR professionals’ answers that the role of HR in CSR development is stronger in those matters that consider the HR field. In most cases, these matters seemed to consider internal CSR objectives, such as employees’ wellbeing, employer image and recruitment. However, one of the respondents stated that despite of the fact that HR does not take part in the external decision making and development process in their company, they have a responsibility group where issues are discussed also outside the HR function’s own field: they are going to make evaluation work regarding human rights, which will include also topics that do not directly appear in the HR field, but in the supply chain.

In almost all the companies, HR professionals found the cooperation between CSR and HR to be on a sufficient level. Two of the respondents belong to a responsibility group as HR representatives, which for its part ensures proper cooperation and conversation connection between HR and CSR functions and thus enhances the involvement of HR in the CSR decision making. The other two respondents (interviewee E and interviewee G) did not say to belong in any groups of responsibility

in their organizations. Nonetheless, interviewee G takes part in “Excellence-practices”, which is a cooperation network towards CSR, and is lead by the company’s CSR manager.

“-- we are starting this, we call these this kind of Excellence exercises or this kind of cooperation network to that CR (Corporate Responsibility) side too and also HR takes part in it and besides me also other HR people and it is now then led by the CR manager.”
(Interviewee G)

Also interviewee E stated that they have meetings with the responsibility manager of the chain, to which their organization belongs to. Notwithstanding that there is some cooperation between interviewee E’s organization and the chain’s CSR, interviewee E does not cooperate that much about CSR with the person who is in charge of CSR in their own organization.

In one of the four companies that took part in the empirical part of the study, only HR manager (interviewee G) was interviewed, because their CSR manager had just took office. This influenced in a way that the results were left quite unilateral and there was no chance for comparative analysis between HR and CSR functions. Also the fact that the interviewee G had worked in this company less than a year at the time when the interview was made, had some influence. However, due to interviewee G’s background in CSR related jobs, the topic was easy to discuss. Interviewee G felt that the even though the cooperation pattern between HR and CSR functions was just starting to form at the time of the interview, HR function does cooperation with higher management and CSR manager.

Even though one of the respondents in the empirical part stated that they have a responsibility group where CSR related topics are discussed also outside the HR field, a conclusion from the empirical analysis can be drawn that the first hypothesis “the role of HRM in CSR development is stronger when developing internal CSR strategies and weaker in the development of external CSR strategies” stays valid.

Group II - Corporate Social Responsibility

Similarly to the results gained from HR professionals’ answers, also CSR professionals found that HR takes part in the development process of CSR, and the role of HR in the majority of the cases limits to internal strategy development and such strategies that consider the HR field. These strategies were found to include, according to interviewee F, matters that consider the personnel sector, internal communication and getting the staff aboard to projects.

Cooperation and communication between CSR and HR functions were found to be on a sufficient level according to all the respondents. For example, interviewee D stated that the whole executive

group takes part in CSR development in their company, and the HR Director belongs to the executive group. In addition, in interviewee D's company, they also have a special responsibility control group that consists of both the executive group, personnel representative and persons in charge of different functions. Interviewee B, in turn, stressed that there is no need to add the role of HR in the development sector, because they already do a lot of cooperation with HR and HR is essentially part of the planning process. However, interviewee B noted that, when the discussion was about the role of HRM in implementing CSR, HR could highlight CSR in development projects through internal communication in a way that it becomes more understood, which of the projects or matters are part of CSR. A conflict between the statements of interviewee E and interviewee F could be seen: interviewee E said that even though they make a lot of cooperation with interviewee F, they do not cooperate that much in terms of CSR matters. Nonetheless, interviewee F emphasized that they have proper cooperation with all the functions:

“-- I would see that it is a matter of our whole support organization and management organization and that this is like planned and developed and put into a better design. -- Cooperation in small organization is active and effective so there is no -- problem I at least haven't observed.” (Interviewee F)

Interviewee F added that their HR should think more, how CSR could be brought up as the organization's value and behind the making and communicate this kind of message to staff. Interviewee F summed up that when the discussion is about CSR towards staff, employer image and employment matters, then HR is the key player.

5.1.3 HRM-CSR relationship in implementing CSR

Group I - Human Resources

Among all the respondents, HR was found to have a significant role in implementing CSR objectives. Similarly to the development area, the role of HR is limited to the implementation of internal CSR strategies and such CSR goals that consider the HR field. Interviewee A stated that in their company, there are delegates inside HR, who then have their own fields of responsibilities. A similar situation is also in the company where interviewee C works, while implementation happens in projects. These projects have their own responsible persons, for example potential employees belong under a project managed by the recruitment manager. Interviewee E claimed that in their company, HR has a role in CSR implementation with regard to personnel perspective that includes employee wellbeing as well as young and student workers. Interviewee E said that HR implements these matters in cooperation with supervisors. Other areas where HR was found to take part in

implementation, were working condition standards and workplace safety, as stated by interviewee G. Interviewee G also described the role of HRM in CSR implementation to include applying the decisions to practical politics and instructions and monitor their realization.

It was essential to ask from the HR professionals about the areas and practices of HR, which could be worth to focus on and which might require development or modifying when implementing CSR through HRM, because this is where the actual implementing tools can be applied. Thus, the purpose with this question was to find answers to the practical implications. Recruitment as one of the areas within HR, whereby CSR can be implemented, stood out from all the respondents' answers. A lot of responsibility matters include in the recruitment process from the employer side, but recruitment is also a way to ensure the hiring of the right applicants with a CSR mindset. Also the mindset of the recruiter has to be right: even though in their recruitment CSR matters are not highly considered when evaluating applicants, interviewee E noted that there has to be such people in the recruitment process, who are committed to the company values. Interviewee A, in turn, said that they always have a HR representative and recruiting supervisor in the recruitment process, which ensures that the process is, with the help of the HR representative, taken care of in a responsible way and the supervisor can be guided. Interviewee C, on the other hand, stated that making integrates into the company's activity and that recruitment and ability to work are illustrative examples of this and the implementation is done from this perspective on.

Other HR practices that stood out from the respondents' answers were rewarding (mentioned by all the respondents) and training (mentioned by three respondents). In addition, performance appraisals, pay rises, annual development discussions, induction and communication were found to be such functions within HR field through which CSR objectives could be implemented. Interviewee A put weight on the internal training where information is delivered to everybody and supervisors are trained in a way that the leadership is homogenous and everybody works fairly. One of the respondents stated that they have an online education model, which includes a responsibility part. Interviewee A highlighted that for example in performance appraisals, annual development discussion, rewardings and pay rises, which are processes led by HR, equality, fairness and impartiality have to be present. With regard to rewarding, interviewee E said that every employee in their organization belongs to a monthly incentive system, which then has workplace-specific measures. Also interviewee G stated that recruitment, training, rewarding and encouragement were areas of HR worth to focus on when implementing CSR, but the respondent added that it is very important to make the link between implementing CSR and business success. Moreover, interviewee G stated that HR needs to be able to take a "business coach role" and make links to the

existing management of the company. Due to the fact that this company has 74 manufacturing units and locations in 34 countries, interviewee G claimed that cooperation has to be increased for building synergies and learning from existing good practices:

“--there are these kind of like local similarities in -- challenges related to CSR so that we should learn to do more together --” (Interviewee G)

Some development ideas were found for HR to work on in order to ensure a better implementation in CSR matters. Even though interviewee E did not feel that there would be a need to make bigger changes in their HR function to facilitate the implementation of CSR, interviewee E acknowledged that HR could be more oriented about their organization’s responsibility program in order for HR to be supporting also other than HR related CSR objectives. Interviewee E mentioned that through communication HR could deliver as extensively as possible the message about what CSR related matters are and how employees can with their own work have impact on them and how these matters should be seen in the daily life of the workplace and whether CSR has some effect in solutions made during the workday. Interviewee E also stated that they could still think how CSR could play a bigger part in recruitment. Interviewee C stated that everything starts from the organization’s strategy and how important the reputation and responsibility matter is seen: in their company, the matters are internalized well and experienced as important matters. However, interviewee C found that employees have a lot of other things to take care of as well and this complicates CSR implementation. Interviewee G stressed that increasing know-how and understanding are what is needed for HR to ensure better implementation of CSR and it should be understood that CSR is more than just compliance with law.

In all the interviewed companies, employees were found to have at least some kind of role in the implementation of CSR. Interviewee G, however, claimed that employees are not yet very involved in the implementation of CSR in their company and that employees’ participation in CSR and what changes should happen among employees is in most cases an area left without focus. The same respondent added that there is still the code of conduct of the company, according to which employees should report if they notice something abnormal. Employees’ role in CSR implementation, according to interviewee A and E, include wastage control and energy efficiency. As ways to involve employees more in the implementation of CSR initiatives, measurement, setting goals, guiding and leading, attitude education, rewarding, incentive salary as well as encouragement and feedback were found to be workable. Interviewee G accentuated the concreteness of the impact, which increases when they go deeper in the organization and closer to the employee: for example,

an employee can deliver the message of CSR to his or her family, which in the best case spreads to a whole community and causes wider impacts.

Group II - Corporate Social Responsibility

The results were partly similar to HR professionals' answers when asked from CSR professionals about how CSR strategies are implemented in their companies: the role of HR was seen to be important mostly in internal CSR objectives and the majority of the respondents found that the role of HRM in CSR implementation is important and should be increased. However, some new interesting aspects were also found. Interviewee B stated that CSR related discussion is being made with those whom the matters concern and whose responsibility it is:

“-- to whose responsibility kind of the matter belongs so they take a catch of it and then take care of the things forward that is it some kind of project natured thing that first clarifications are made and matters are defined and then they will be like implemented or how the matter is taken care of so it is kind of like again then dependent on which goal we are talking about--” (Interviewee B)

Interviewee B noted that the role of HR in the implementation process is to deliver the message and train the staff. However, interviewee B also noted that even though HR is taking responsibility matters as part of the recruitment, training and staff development, it could include CSR more for example in the form of releases and put more value to CSR in development processes.

Interviewee D, who works as Director of Corporate Relations and Responsibility, stated that there is no separate person who would be in charge of responsibility, and thus interviewee D claims that for example safety as a responsibility matter is part of all the management in their company. Interviewee D agreed with interviewee C that concentrated functions can have their own projects and goals that are in their own plans of action. Interviewee D pointed out an interesting matter regarding the relationship of their company's industry and CSR, which affects the CSR activities' implementation in a company:

“-- and I know that in many firms still in Finland responsibility is communication department's job or a little like reputation management work so that things that look nice are done -- quite a lot of companies that like as in under the pressure of stakeholders' expectations have to like in a daily work all the time -- environmental industry is just such that -- is followed like rather under magnifying glass at the moment.” (Interviewee D)

Interviewee F's responsibility is to decide what kind of CSR raises are made and what kind of actions related to these raises are made. Interviewee F gave local hobby activities' supporting as an

example, which is interviewee F's own project and they cooperate together with marketing department. In addition to this, the organization does for example food help. Interviewee F emphasized that developing is part of a daily life and therefore does not mean that a strategy is just put up: CSR is daily work.

Similarly to HR professionals' answers, also CSR professionals found that employees have a role in CSR implementation. Interviewee B also acknowledged that there is a role for employees in implementing CSR in some objectives, but in some objectives employees cannot have a role: for example, employees cannot affect which type of electricity is chosen or they cannot be involved in decisions regarding human rights influences, but they are involved when the process proceeds and they can also report for example about leaks. Interviewee D found that participation of employees is important: employees can, alongside their work, guide customers for example in waste separation. Interviewee F found that implementing CSR is daily operation and also a job of an individual employee, for example reducing wastage. Interviewee F noted that employees could be more encouraged to implement CSR if HR would communicate even more about that the question is about responsibility and not just an objective among others.

Interviewee D raised different nationalities as a challenge in CSR communication: there are dozens of different nationalities working in this company, which creates a linguistic challenge because it is not reasonable to translate everything in English and it is even more difficult to explain responsibility matters in a way that they become understandable. Interviewee D said that it is a challenge to deliver the message throughout the whole organization from top down, and in order to succeed in this, it is important that the messaging is multi-tier: it is not enough that HR or communication department sends out briefings. According to interviewee D, HR communicates via their own projects that relate for instance to working ability. Interviewee D found that line organizations' role in delivering the knowledge to all the organizational levels is more important than the role of HR and thus HR does not have a big role in implementing CSR.

Interviewee F found that there is room for improvement in CSR related communication: CSR and HR functions should support each other so that the matter can be concretized to a thousand employees. Interviewee F found that HR has a central role in the internal inlets of CSR and this is an important matter when changing the organizational culture in order to motivate employees:

“-- a picture about that we are responsible operators is formed to the staff and that these are important matters for us. And that is like great in these responsibility matters or like

great in a business sense as well that especially if we talk about for example about wastage or energy savings so they are also like financially rational. --” (Interviewee F)

Interviewee B found that in terms of developing CSR, the cooperation between CSR and HR is on a sufficient level but when it comes to CSR implementation, interviewee B found that there could be more cooperation between HR and CSR.

With that being said, interviewee F also stated that responsibility could be raised as an internal theme more and the goals should be sold to the personnel. The problems do not lay in actions but in awareness of CSR. The support from management is important for things to go through and responsibility should be brought as part of the employee-employer dialogue. (Interviewee F)

5.1.4 Organizational and contextual factors affecting the HRM-CSR relationship

Group I - Development

First, it was asked from HR professionals, whether they find any organizational or contextual factors that might affect the role of HR in CSR development both in external and internal CSR objectives. Interviewee A stated that while their headquarter is located in Finland, they follow the EU legislations and they do not have to make so many internal instructions because the instructions come within the EU laws. In this company, they have also made a responsibility report which is verified by an external party and thus all the actions need to be justified which therefore hones their making and line of development. The brand and vision was also found to affect: they have to find the areas where they already are doing well and then recognize the areas that need more focus. Interviewee A adduced that the size of the company affects the development process of CSR: they are a small company on an international level, so they cannot affect certain responsible production alone, and they need to attend supranational cooperation networks.

Internal and external stakeholders as organizational and contextual factors were claimed to have impact on the role of HRM in developing CSR. According to interviewee C, they have to constantly be aware of the demands of various stakeholders that include for example legislative factors or the expectations of customers and job seekers. Job seekers have to feel that they have been paid attention to and the recruitment team is ensuring this by gathering sufficient information of the applicants. The company in question participates stakeholders in the development. Especially customers are, through a customer experience program, taking part in the development process. As an organizational factor, cooperation between all the company functions was brought up, because this ensures different aspects and know-how. Interviewee C found that challenges caused by the previously mentioned factors are that there is a lot to develop and everything cannot be done at the

same time because of the limited organizational capacity. Interviewee C found that people should be authorized to do more little things in order to improve these things. As a final challenge, interviewee C found the big size of the company to have some effect:

“-- we are anyway that much like a big company that we operate truly in one hundred places so at our company things won't like in a company happen so quickly. So if some project is put up so its implementation just takes time in a company of our size. --”
(Interviewee C)

Interviewee E named proactiveness and predictability to be such features that are required for HR function to participate in the development of CSR. Even though HR gets rather well involved in CSR development in their company, interviewee E found that it takes activity from HR to go and ask from different business functions about the CSR matters that are going on or whether they need help from HR. Interviewee E did not mention any contextual factors that might affect the role of HRM in developing CSR objectives.

Similarly to the other HR interviewees, also interviewee G brought up certain organizational factors that affect the role of HRM in CSR development: the company is scattered around the world and lacks centralized organization for all activities through which synergies, cooperation and good practices can be shared. Thus, sharing good practices and co-operation is done in excellence streams. Interviewee G did not specify those contextual factors that affect the development process and thus the role of HR, but still acknowledged that external motives impact activities in CSR and external motives help to prioritize where they as an international company are expected to go and what they are expected to do. However, interviewee G accentuated that their intent for being responsible begins from inside the company.

Group I - Implementation

In addition to the previously discussed factors regarding development of CSR, it was interesting to know, whether there are some organizational and contextual factors that have or might have effect in the role of HRM when implementing CSR. Interviewee A brought up cultural and national differences, which, in an international company, have impact on how the issues are taken into different cultures and countries. First of all, interviewee A found that there is a difference in how responsibility is understood in different countries, for example between Finland and Russia there is a difference. Interviewee A claimed that this affects how responsibility matters can be implemented because there might be different ways of working in different places for instance in terms of recruitment process. Moreover, not only attitudes and own rules determine the ways of working, but

also legislation might vary among different countries. Also the employer image is different in every place: in some countries a company might be highly valued but in Nordic countries there is no additional value in being a Nordic company, which can on the other hand affect strongly to the company image outside Nordic countries. In Russia, for example, companies have to fight for good staff by providing employees something extra, such as houses built through the agency of the company. (Interviewee A)

Interviewee C had found the organizational and contextual factors to be rather same in the role of HRM in implementing CSR as earlier described in the development section: implementing takes time due to the big size of their company and thus agility to develop and change fast is important. As stated by interviewee A, also interviewee C found national and cultural challenges as influencing factors. However, interviewee C reflected these factors to a global versus local dilemma, which means that the company must balance between global and local ways of working but still maintain certain ways and cultural principles.

Communicational issues resulting from a big organization whose 1000 employees are scattered among the organization's area of operation, were found to be an organizational challenge according to interviewee E: the difficulty is to get the same message for all the employees and the fact that all the supervisors do not have their own emails creates challenges. The second challenge that interviewee E described, is the organizational structure. Their organization belongs to a bigger chain, which means that their actions must be transparent and their actions need to be in line with what is talked about. Interviewee G found that CSR is implemented not only because of the customer requirements but because they see the business benefit in it. Interviewee G stated that in trainings about management systems the problems do not always consider resources but the understanding of whom the matters have to be told to and who should be trained. However, interviewee G said that scarce resources and manning impact the scale and schedules of CSR program implementation. Also the problem appears to be that the full benefits of impact are not widely recognized: CSR topics are not matters of a separate department but they have a comprehensive influence. (Interviewee G)

Group II - Development

As a contextual factor affecting CSR strategies' development and planning interviewee B named lack of feedback from stakeholders, but mostly in their company the challenges appear inside the company: the message of CSR is not noticed to brought forward inside their organization and because the matter as a term is new, everybody do not understand what is meant by term

responsibility. Interviewee B also named resources and use of time as restrictive factors that create challenges for developing CSR.

Interviewee D found also the expectations and feedback from stakeholders to be factors affecting CSR development, but unlike interviewee B, interviewee D found that the challenge with the feedback is not the lack of it, but the ability to change and develop their business according to stakeholders' demands. Listening and dialogue are important ways to fulfill stakeholders' expectations. (Interviewee D).

Due to the reason that the organization, where interviewee F works in, is part of a bigger chain, the challenge for developing CSR is that many functionalities are centralized in a different city than where their organization operates. This limits their own CSR development because centralized concepts, marketing and responsibility programs are coming from the bigger chain (interviewee F). However, interviewee F did not find this as an actual problem.

Group II - Implementation

Lack of resources and time, as well as the problem that the value and payback time of CSR are not seen, were the major factors that interviewee B found to create challenges for the implementation process of CSR. Interviewee B found that conversation, cooperation and communication can work as solutions for the problems. The respondent also said that it is important to bring out different viewpoints.

Interviewee D brought up the financial aspect as an influencing factor for CSR implementation. The respondent stated that CSR issues have to be essential in terms of the company success, so that there is a drive to do things. As an example interviewee D mentioned CO₂ emissions, which is related to the large costs of fuel: when employees drive as efficiently and ecologically as possible, CO₂ emissions can be reduced and thus fuel costs can be reduced. Other factors that have positive influence financially are reducing sick leaves and accidents and raising the work pension age (interviewee D).

Interviewee F found various factors that make CSR implementation more challenging, but which also have potential for better implementation. These factors include communication, getting staff involved, organizational structure and wide office network. Due to the fact that there are 1000 employees, of which majority does operative and manual work, and education level is approximately low and the working time is so efficient, there is not very much time to receive messages. This creates a communicational challenge. Another challenge is related to participation of staff: due to low education level, a company must consider, to what extent employees can be

expected to participate actively to responsibility matters. Also the job description and salary level are challenges. There has to be predigested entireties that are easily understood and implemented. Organizational structure is similar to a factory: a lot of manual work and a small management organization, which creates own challenges. Finally, a wide office network was found to be a potential communication tool that is not yet, but could be, better exploited. (Interviewee F)

5.2 Summary of the findings

The purpose of the empirical part was to give answers to the research questions. The aim was also to find practical implications for the research topic. The main research question is “What is the role of HRM in developing and implementing CSR strategy?”. Four sub-questions were made in order to facilitate the answering to the main question and to provide more specific information about the topic. The sub-questions are as follows: “What is the role of HRM in developing internal and external CSR objectives?”, “What is the role of HRM in implementing internal and external CSR objectives?”, “What kind of organizational and contextual factors there are that affect the roles of HRM in CSR?” and “What kind of gap there is between CSR and HR functions in understanding and reacting to the roles of HRM in CSR?”. The aim of this chapter is to analyze the truth of the hypotheses presented earlier, as well as to summarize the empirical results.

It was clear from the empirical results that HR has, according to majority of the answers, an important role in both developing CSR and implementing CSR. However, the role of HRM seemed to limit to developing and implementing internal CSR or such CSR matters that belong to the HR field. According to the first hypothesis, the role of HRM in CSR development is stronger when developing internal CSR strategies and weaker in the development of external CSR strategies. Based on the results can be said that the hypothesis stays valid, because the majority of the respondents found that HR mainly takes part in the development process with regard to internal strategy development. The cooperation and communication between HR and CSR professionals were in most cases on a good and sufficient level, which in turn advocates that HR is strongly part of the CSR planning process in those companies that were interviewed for this study.

Similarly to the role of HRM in developing CSR, also the role of HRM in CSR implementation was seen stronger when implementing internal CSR objectives, such as employee wellbeing and working safety, than external CSR objectives. Therefore, the hypothesis that the role of HRM in implementing CSR is more important when implementing internal than external CSR strategies, stays valid. Also the second part of the hypothesis, according to which HRM has altogether three different roles when it comes to implementing CSR, seems to, for the most part, stay valid when

viewing the results. Thus, in the companies that were interviewed in the empirical part of the study, HRM has an administrative expert role, employee champion role and change agent role. The descriptions of the roles are presented in chapters three and six.

Based on results, HR is an administrative expert because in all of the interviewed companies, HR formulates and manages various administrative processes that include for example recruitment, training and employee wellbeing. The majority of both HR and CSR professionals answered that employees are taking part in CSR implementation. It was not clear from the CSR representatives' answers whether HR works as an employee champion, but two respondents claimed that employees are part of CSR implementation at least to some extent. Another one of the respondents claimed that HR should inform staff more that the question is about CSR and it is not just another initiative among others. This advocates that the interviewee finds the potential for HR to work as an employee champion but there is still some improvement to do. From the HR professionals' answers, in turn, could be seen that employees are valued and employees are participated and motivated to implement CSR objectives. However, also among HR professionals' answers could be seen that the role of HRM as an employee champion is still developing and improvement regarding this matter is needed. In terms of communication, the role of HR was understood as a change agent or a potential change agent in majority of the cases, when implementing CSR. HR professionals did not find a need to improve communication, and thus based on their answers, can be claimed that HR has a role as a change agent. Among CSR professionals, HR was found to have a change agent role or at least a potential role as a change agent because some of the interviewees claimed that HR could be more involved in delivering the message about CSR.

As stated earlier, according to the third hypothesis, there are organizational and contextual factors affecting the role of HRM in CSR development and implementation, and industry as a contextual factor determines the extent to which HRM has role in developing and implementing CSR. The answers proved that there are various organizational factors that affect the HRM-CSR relationship. The role of HRM in developing CSR was understood to be affected by such factors that include for example the size of the company and the organizational structure. Organizational factors that affect the role of HRM in implementation, in turn, were noticed to be for example communicational issues resulting from a big organization size and scarce resources and manning. It was not asked directly from CSR professionals, what the organizational factors that affect the role of HRM in CSR are, but also CSR professionals brought up some organizational factors that are very likely to affect the role of HRM in CSR development or implementation. Examples of these factors are low educational level among personnel, resources and use of time as well as structural and communicational issues.

None of the respondents within HR or CSR departments mentioned that their industry might have influence in the role of HRM in CSR development or implementation. Based on this, the third hypothesis does not stay valid. However, the effect of industry to the business of the interviewees' companies came up on a general level. The main business and the products of the company that operates in chemistry industry, aim to responsibility and safety, which means that raw materials have to be used responsibly. One of the companies that operates in retail industry, is a customer owned service sector's company and thus CSR is an essential part of their business, while the purpose is to produce wellbeing, benefits and services for customers. One of the companies operates in food and beverage packaging industry and thus needs to focus on product safety in order to ensure good preservation of the food. Also one of the respondents, who works in a company that operates in environmental industry, claimed that their industry is nowadays under surveillance and CSR actions must be implemented. It is reasonable to assume that the previously mentioned facts might affect also the role of HRM in CSR development and implementation. Other contextual factors, however, were found to affect the development and implementation of CSR and these factors include for example various external stakeholders, external motives and cultural and national differences.

The fourth and the final hypothesis suggested that there is a gap between HR and CSR functions in terms of how the role of HRM is understood in CSR development and implementation and that more communication and cooperation between HR and CSR function is needed. It is pertinent to start the analysis by comparing the results considering background information in both the HR and CSR departments. Both the HR and CSR professionals understood CSR as a crucial part of their own business and also business in general, as during recent times CSR has become a necessity and a presumption for companies to succeed. All of the HR professionals were familiar or at least quite familiar with their companies' CSR programmes and CSR practices. Majority of both the HR and CSR respondents found that all the three dimensions of CSR are taken into account in the company's strategy, but it was clear that social and environmental responsibilities were kept as the most important ones. When asked about whether the interviewees' companies have some special business principles considering CSR, majority of HR respondents were familiar with the principles but one of the respondents could not name any specific principles. In this part of the study, both the HR and CSR interviewees found that HR has a significant role in CSR. However, it could be seen that even though CSR professionals acknowledged the important role of HR in CSR, they did not describe the role as widely as HR professionals did.

In general, HR and CSR functions cooperate enough when it comes to developing CSR strategies. Nonetheless, the level of cooperation seemed to be dependent on what kind of CSR matters are being developed: in majority of the cases, HR takes part in internal CSR strategies' development. In one of the companies, however, CSR representative's and HR representative's answers did not match, for the HR representative found that even though they cooperate with the CSR representative, they do not cooperate that much when the question is about CSR matters. The CSR representative from this company, in turn, claimed that the cooperation in a small organization is workable and efficient.

CSR professionals found that the role of HR in CSR implementation should be either increased or that it is not significant: one of the respondents stated that HR is not in a significant role in implementation, because majority of matters are communicated via line organization. Two other CSR representatives found that HR has role in CSR implementation but it should be increased especially when communicating CSR matters to personnel. The results of HR professionals' answers in relation to those from CSR professionals were somewhat different and also a mismatch could be found. All of the HR respondents stated that there is an important role for HRM in implementing CSR. This is not in line with one of the CSR representatives according to whom the role of HR is not significant. In respect to one of the companies, the CSR representative stated that HR could raise responsibility as an internal theme more and communicate it more to the personnel. The same respondent also found that there is room for improvement in communication as the communication, responsibility and HR should support each other in order to concretize CSR to the whole staff. The HR representative from this company acknowledged that the focus should be on the communication towards personnel, but did not find any special changes that should be made in HR function in order to facilitate the CSR implementation. With that all being said, it is clear that more cooperation and communication between HR and CSR functions is needed.

6. DISCUSSION

After analyzing the theory and empirical results separately, it is now interesting to discuss, how the empirical results are reflected in the theoretical literature. Thus, in this chapter it is discussed how the theory of the role of HRM in developing and implementing CSR, and the organizational and contextual factors that affect these roles, is reflected in the empirical results gained from the seven interviews conducted. This chapter is partitioned into three sub-chapters in order to maintain the consistency of the research structure. The aim of this chapter is to maintain a comparative perspective to be able to see the possible gap among HR and CSR professionals' answers in terms of the HRM-CSR relationship. Theory will be mirrored to the empirical results in the light of the four roles of Ulrich (1997) that include employee champion role, change agent role, administrative expert role and strategic partner role.

6.1 The role of HRM in CSR development

The answers from both the HR professionals and CSR professionals indicated that the role of HRM is greater when developing internal CSR objectives or such objectives that concern the HR field. Similar results were also found from the literature. As described in the third chapter, Jamali et al. (2015) have highlighted the impact of CSR objectives' nature on the role of HRM in CSR development by claiming that the role of HRM is bigger in those CSR matters that focus for example on the internal organizational environment and vice versa, the role of HRM is lower in external CSR matters. Sarvaiya et al. (2016) supported this by leaning to their research results that indicated HR professionals having a more leading role in internal CSR objectives and those initiatives that relate more to HR, as opposed to CSR professionals. In the empirical part of the research, internal CSR objectives where HR can be involved, were found to be for example employer image, employee's wellbeing, recruitment, internal communication and employment matters. Also Sarvaiya et al. (2016) have stated that monitoring wellbeing issues of employees belongs in those internal CSR strategies, where HR can have a role in CSR development.

All of the respondents, who work in the CSR function of their company, felt that the cooperation between HR and CSR functions is sufficient. The majority of HR professionals also felt that the cooperation is sufficient. Only one of the HR professionals interviewed admitted that they do not cooperate that much with the person in charge of CSR matters. A good cooperation level most likely results from the fact that in the majority of the companies interviewed, there is some kind of a responsibility group or a cooperation network where both CSR and HR representatives belong to. As found from the literature, an ongoing dialogue among those participants that are involved in a

company's strategy formulation, implementation and evaluation is, according to Buller and McEvoy (2012) important for HR professionals to work as integral partners in the strategic management process.

According to Armstrong (2014, 110), after planning a CSR strategy, it has to be presented for top management and stakeholders in order to get their approval for the implementation. One of the respondents in the empirical part said that even though HR can take part in the development of CSR, the decision making process is multistage, as HR plays a demonstrator of the idea and then the idea is taken in some cases all the way to the top management for approval. Therefore, as already stated in the empirical analysis, proactivity is required from HR to gain a hearing in initiatives that consider CSR. With that being said, HR department can have, to some extent, a role as a strategic partner in the organization. In the light of the results of this study it means that HR can become involved in defining a business strategy or design HR practices aligned with business strategy (Ulrich 1997, 27) that includes internal CSR objectives or such objectives that belong under the HR field.

6.2 The role of HRM in CSR implementation

As previously explained in the third chapter, HR as an administrative expert focuses on designing and delivering efficient HR processes, such as recruitment, rewarding and performance appraisal (Ulrich 1997, 27). In the theory part, recruitment and screening, training, education and development, rewarding and compensation as well as performance management and appraisal were discussed based on the previous literature. Results found from the empirical study demonstrate that all the above-mentioned practices are used to implement CSR in the companies that were interviewed. Although it was not asked from the CSR professionals, to what practices HR should focus on or what practices they are already using in order to implement CSR, also respondents from CSR function brought up some HR practices that are used or should be used to implement CSR. These practices were recruitment, working ability, training, staff development, communication and motivating staff. Similarly to CSR professionals' answers, recruitment, training and communication came up also in HR professionals' responses. In addition, HR professionals found for example pay rises and incentive systems as such practices that provide possibilities for CSR implementation in terms of motivating employees to work towards CSR objectives. Next, some of the above-mentioned practices will be further analyzed in terms of theoretical findings and empirical findings.

As stated by Jamali et al. (2015), recruitment is an important channel to hire those employees who have right personal traits, in this case, right CSR related personal traits. Lam and Khare (2010)

support this by claiming that screening process could focus more on the job candidates' consistent CSR related values between the candidate and the organization. What is worth to notice, is that in order to hire people with a CSR mindset, the employer and especially the recruiter has to be committed to the company values, as stated by one of the interviewed HR professionals. In this way, recruiters can more easily identify those applicants who most likely have the same values as the recruiter and the whole company. This is in line with the claims of Colbert & Kurucz (2007), according to whom recruitment and selection process should involve sustainability intent and integrated objectives. Colbert & Kurucz (2007) have also stated that recruitment is a way to build commitment among the employees hired. Commitment of the applicants or the new employees that are hired is pivotal for them to become truly involved in the company culture and values.

Rewarding appeared to be a practice that all the HR respondents found important when implementing CSR. As already found in the theoretical part in chapter three, Jamali et al. (2015) have stated that HRM can work as a value creator in implementing CSR by rewarding and recognizing both economic and social performances of employees with a special pay system. It was left unclear from the study of Jamali et al. (2015), what are the specific attributes of this kind of pay system, but it could be a monthly incentive system that rewards employees for doing something good that relates to CSR, like in one of the companies interviewed.

The majority of the respondents from HR field put pressure on the importance of education and training when implementing CSR. As said earlier, these practices of HR were also acknowledged by some of the respondents from CSR function. It was found from the literature that communication and education are great ways to accomplish awareness (Maon et al. 2008), and for example company statements and policies, as well as employee newsletters can be used (Lam & Khare 2010). Communicating information to everybody in the company was, according to one of the HR interviewees, important in internal training. The same respondent found that training is a way to increase homogenous leadership and fair working. In one of the interviewed companies, an online education model is in use, and it includes a responsibility part. As described earlier in the chapter three, Lam and Khare (2010) have stated that in addition to training employees and reporting, employees should get motivated and become enthusiastic about CSR and this could be ensured for example by informing about the difference and impact the change has on the organization, themselves or others. It was left unclear, whether the online education model, which was mentioned by one of the respondents in HR, includes such motivational information. However, companies could benefit from launching such education models that involve concrete information about why it

is beneficial for an employee to understand different aspects of CSR and to use the gained knowledge in the actual work.

All of the interviewees within HR and majority of the interviewees within CSR departments found that employees take part in CSR implementation at the fewest to some extent. As described in the theoretical part of the study, employee champion role includes valuing employees to a high extent and HR professionals work as champions of employees and thus make the linkage between employees' contributions and organizational success (Ulrich 1997, 29). Based on the empirical results can be said that the role of HR as an employee champion comes true in the majority of the interviewed companies or at least it is acknowledged that the contribution of employees in CSR matters is important and should be focused on even more. Mees and Bonham (2004) brought up the importance of employees' involvement in CSR by claiming that if employees are not engaged in CSR, CSR becomes an exercise of public relations and this causes the decrease in company's credibility because the company is not actually implementing CSR. It is understandable that employees cannot take actions in all the CSR matters and in other matters they can, as described by one of the CSR respondents: employees cannot influence for example what kind of electricity is used in the company but they can report about the leaks of compressed air. Other ways by which employees can implement CSR, were found to be for example suggesting domestic products for a customer, turning off lights and reducing waste in production.

Two of the HR respondents stated that they have "forages" where employees can bring out their own ideas regarding CSR. It was noted by one of the respondents that rewarding is related to developing ideas while all the ideas are rewarded and the best ones are taken into practice. Engaging employees to implement CSR change and listening the views of employees considering CSR strategy is, according to Jamali et al. (2015), a way to assure employees' contribution to company's CSR. Jamali et al. (2015) have also claimed that employees should be allowed to express their views about CSR in order to make employees feel that their contribution to CSR is valuable and this also strengthens the relationship between the company and the employee. One of the interviewees' answers supported the study results of Jamali et al. (2015), while the interviewee claimed that there should be a role for everybody when implementing strategy and employees in their company are participated in bringing out ideas about what can be improved.

Common ground rules and code of conduct were found important by two of the HR respondents. According to the code of conduct, employees have to report if they notice something abnormal at work. In turn, common ground rules and the way of working consider everybody who works in the

company and the purpose is that employees internalize the ways of working and strategic objectives. However, it is not enough to require certain ways of working from employees; the organization has to act as an example. This is described by Trevino and Weaver (2001), who claim that the organization has to follow the ethical policies that the organization supports, and penalize those who violate the rules about ethical behavior. This ensures the employees' commitment to the ethical behavior and the organizational ethics policies. A similar observation has been made by Collier and Esteban (2007), who have stressed the important role of top management in committing employees to ethical behavior as well as internal and external trust.

The final role in the implementation part is change agent role, which means that the role of HR is to help to identify and implement processes of change in an organization (Ulrich 1997, 30). The closer description of this role is presented in the third chapter. It was found from the theoretical literature that the role of HR as a change agent is to introduce CSR objectives to personnel (Buyens & De Vos 2001, Zappalà 2004), and communication is one of the various roles HRM has in an organization initiating CSR objectives (Inyang et al. 2011). All the HR professionals claimed that HR has a role in communicating CSR matters within HR field. The role of HR as an important messenger was acknowledged both by HR professionals and CSR professionals, but both the HR and CSR respondents noted that there is still room for improvement within communication and delivering the message to employees. Communication of HR was found that to be mostly internal but also external communication that is related to for example employer image, belongs under the HR tasks. This is addressed also by Inyang et al. (2011), who claim that HR professionals can communicate CSR activities also to the public and society. According to various respondents, spreading awareness is found crucial and, as stated by one of the respondents, even more important than having more resources: it is important to make employees understand what is meant by CSR so that employees can understand their own role in promoting CSR and what responsibility means in business life, as stated by one of the respondents within HR. This is addressed by Colbert and Kurucz (2007), according to whom communication and awareness can be achieved when HR creates conditions for dialogue that results in the employees' understanding and agreeing on what is meant by sustainability.

6.3 Organizational and contextual factors affecting the roles of HRM in CSR

The final part of the discussion deals with the organizational and contextual factors affecting the role of HRM in CSR development and implementation. The results from both HR and CSR representatives will be analyzed in relation to the theoretical findings described in chapter three. As

earlier discussed, organizational structure was found to be an affecting factor in both development and implementation. One of the HR representatives found that the role of HRM in CSR development is affected by their organization that is scattered around the world and thus lacks concentrated organizations. Two respondents brought up structure as an affecting organizational factor in the implementation process. These respondents both belong in the same company, but their answers varied in terms of how the structure is understood as a limiting factor. The HR representative claimed that while their organization belongs to a bigger chain, the actions must be transparent and in line with the talk. The CSR representative, on the other hand, found that the challenges result from the structure that is similar to a factory with a lot of manual work and a small management organization. The above-mentioned statements advocate the theoretical finding that decision-making process, roles and responsibilities as well as the allocation of HR is explained by the organizational structure (Rajasekar 2014).

Size of the company was found to be a notable organizational factor both in development and implementation area; four of the interviewees claimed that the size of the company affects the organizational processes, even though the size would not directly affect the HRM-CSR relationship. In one of the companies, however, the HR representative stated that due to their 1000 employees, it is difficult for HR to communicate the messages to the whole staff. Elbanna (2011) has found a similar challenge by claiming that larger amount of employees can create a situation where the distance between top management and organizational members increases causing additional levels of management and thus strategy making process becomes less centralized but more complex. Also the same company's CSR representative brought up communication as challenge that is related to their organizational size, but unlike the HR representative, this respondent felt that the challenge lies in the lack of time for employees to receive the messages.

According to Kauhanen (2012, 110-112) education level belongs to the personnel structure, which then again affects the contribution of HRM to CSR objectives. One of the respondents from the empirical study noted that in their company there is approximately rather low education level among employees and this wakes a question about how much employees can be expected to participate in CSR matters. This in turn affects the role of HRM in implementing CSR goals, while due to low education level HR might have to ponder, what kind of message could be delivered to staff and how much employees can be participated in CSR implementation.

The contextual factors affecting the role of HRM in developing and implementing CSR objectives were discussed in the third theory chapter with regard to three different industries that consist of

apparel, food and retail industries. When interviewing HR and CSR professionals about the contextual factors, none of the respondents within HR or within CSR mentioned that there would be any specific influencing factors that result from the industry where they operate. However, different industries and their effects to CSR in business in general, are analyzed in chapter five.

7. CONCLUSIONS

The purpose of this master's thesis was to find out, what kind of roles HRM has in developing and implementing CSR strategy in an organization. The purpose was also to examine those organizational and contextual factors that might affect the participation of HRM in developing and implementing CSR objectives. Research done about CSR and its impacts on business has increased enormously, and it is no wonder: CSR is no longer an area that companies can benefit from, it has become a precondition for companies' existence. Reputation management and real actions within CSR are highly important, especially nowadays when considering the power of social media. A small mistake of a company can easily get the wider public's attention and cause harm for the company's success. Even though companies seem to acknowledge the importance of CSR and its integration to their activities, CSR is still rather often understood as a top management driven activity or as a communication department's task. Therefore, this study aimed to evoke conversation about HRM as a significant function when considering the development and implementation of CSR.

The study was conducted as a qualitative research, for which a small sample size is typical. Only four companies were interviewed in order to get in-depth research material and analysis. The empirical analysis was conducted by applying content analysis. The analysis for the theoretical part of the study was drawn from previous literature and it mainly consisted of previous studies considering HRM and CSR. Also books and other scientific material regarding the research topic were used to support the analysis.

It clearly turned out from both the empirical and theoretical findings that HRM has a role when developing and implementing CSR strategy. However, the role seemed to be significantly wider when the question is about internal CSR objectives, such as personnel wellbeing and working capacity. Theoretical findings suggested that HR can work as a strategic partner when developing CSR, but it was found that the role tends to limit to developing internal CSR strategies instead of external ones. The role of HRM in developing CSR was found to be dependent on the organization structure and the scope of CSR strategy. For example, if CSR is positioned in HR department and the scope of the CSR strategy is wider, HR has more potential to play a strategic partner. The empirical results were in line with the theoretical findings: HR cooperates and communicates approximately well with CSR function and thus takes part in developing CSR objectives, and HR participates more in internal strategy development than external. Size of the company, various stakeholders, structure and centralization in an organization as well as resources were found to be

such organizational and contextual factors that affect the CSR development process and thus the role of HRM. Similar findings came up from the theory excluding the industry of a company as contextual factor which, in theoretical findings seemed to have impact on the role of HRM in CSR.

The previous literature indicated that HR has altogether three different roles when implementing CSR. These roles are administrative expert, employee champion and change agent. As an administrative expert, HR can contribute to implementing CSR objectives via different HR practices, for example recruitment, training and rewarding. Similar practices were also found in the empirical results. As an employee champion, HR can participate and motivate employees to engage in CSR implementation. Also in the empirical results, employees were found to be key stakeholders when implementing CSR. However, it was still acknowledged that employees' participation is limited, as employees cannot affect or participate in all the CSR objectives or parts of the objectives. Finally, as a change agent, HR contributes to transformation and change by influencing the organizational culture through for example encouraging employees and communicating. A lot of weight was put on communication among HR and CSR respondents and it was found to be a great tool for encouraging employees to work towards CSR aims. National and cultural differences, organization size, organization structure and resources were examples of those organizational and contextual factors that were found to have impact on the implementation of CSR in the empirical part of the study. Similarly to the development part, the industry of a company as a contextual factor seemed to have impact on the role of HRM in implementing CSR in the theoretical part of the research.

Representatives from both HR and CSR functions were interviewed in order to see the possible gap there is between the thoughts and attitudes of HR and CSR professionals when it comes to the role of HRM in developing and implementing CSR strategy. Depending on the area of focus, match or mismatch could be seen. First of all, both the HR and CSR professionals found that HR has a role in CSR matters, but approximately HR professionals found the role to be wider than CSR professionals. As noted in chapter five, even though the cooperation and communication between CSR and HR functions are mostly on an adequate level, dissenting opinions were also found. Interestingly, CSR professionals found that the role of HR should be increased when implementing CSR or it is not significant. This differed from the HR professionals' answers while the role of HRM in CSR was found to be very important among all the HR respondents. However, also the majority of the HR representatives acknowledged that there is still some improvements needed to be done to implement CSR strategy.

To sum up the results of the whole study, it can be claimed that considering HRM as a strategic function when developing and implementing both internal and external CSR, is still in the beginning phase and lacks sufficient conversation and understanding of the issue. The role of HRM in developing and implementing CSR seems to limit to internal strategies, while there would be potential for HR to contribute also to external CSR strategies, such as community related CSR objectives or objectives that relate to supply chains. In many cases, lack of resources and time limits the wider participation of HR in CSR. In addition, CSR as a concept seems to be rather new to many companies and their personnel, and thus all the dimensions of CSR are not understood as a possibility also for HR function and employees to participate. Thus, increasing knowledge, communication and cooperation among all the functions is necessary.

7.1 Reliability and validity

Validity of a research questions, whether the research is valid, conducted thoroughly and whether the results and conclusions are right. Validity is often associated with a question about how the social reality is seen and what kind of understanding researchers have of the language. (Saaranen-Kauppinen & Puusniekka 2006) Reliability, on the other hand, can be viewed from three different aspects (Kirk & Miller 1986, 41-42; ref. Saaranen-Kauppinen & Puusniekka 2006). The first aspect is evaluating a special method's reliability; in which circumstances a specific method is reliable and consistent. The second aspect is about viewing temporal reliability, which means the stability of measures and observations during different times. The last aspect for evaluating reliability is consistency in the results that have been gotten at the same time with different instruments. Interviewees had to be helped at times, for some of the topics and questions were unknown for some of the respondents. This affected the reliability of the research, because the interviewer had to guide interviewees and give possible examples of answers, causing respondents to be influenced by this and thus in some cases it is possible that the response took shape in a way that the interviewee felt was expected. However, it can be assumed that the reliability increased due to the fact that all the companies and respondents remained anonymous throughout the study and thus interviewees can be expected to have given answers as frankly as possible. The validity of the research can be kept sufficient.

7.2 Limitations and future research suggestions

Various limitations can be found in this study, to which future research suggestions of the topic can be based. First of all, only four companies and seven people were interviewed, so the results cannot be kept as statistically important and generalizations cannot be made. In addition, only HR

representative was interviewed from one of the companies, because the CSR manager had just took office and would probably not have been able to provide reliable answers considering the role of HR in CSR in their company. Thus, it is suggested for future research to focus on a larger sample size and interview both HR and CSR representatives in all of the companies to get comparative analysis.

All the interviewed companies operate in different industries, which provided possibilities to examine the effect of industry to the role of HRM in developing and implementing CSR strategies. In order to get more reliable results considering the impact of industry, various companies from the same industry could be interviewed and then compare these results to other companies' results. This would also increase the sample size and generalizability of the study.

Only large companies with more than 250 employees, were interviewed. It would be interesting to know, if also small and medium sized companies' HR functions take part in CSR development and implementation and to what extent. Even though the majority of the companies interviewed are international companies with offices in various countries, their headquarters are located in Finland. Thus, it would be pertinent to examine more, how national and cultural differences affect the role of HRM in developing and implementing CSR.

An essential starting point for this study was to interview representatives from both the HR and CSR functions in order to provide comparative analysis and to see the possible gap there is between these functions when it comes to the role of HRM in CSR. This gap was mostly examined and analyzed in the empirical part of the study, excluding the possible theoretical findings of the gap. By comparing theoretical findings and empirical findings of the gap between HR and CSR, more profound and comparative analysis could be provided.

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APPENDICES

Appendix 1: Interview questions for HR representatives

Background information

What do you think that CSR means and what does it mean to you personally?

How responsibly do you think your company works? Does your company develop constantly matters related to CSR?

How well do you know the practices that consider your company's CSR and what do they mean to your company? Are your organization's CSR objectives and projects familiar to you?

How is social, economic and environmental responsibility visible in your company's activity?

How do you experience your own role and the role of your company's HR function in implementing CSR objectives?

What is the status of the HR function in your company's organization structure?

Does your company have business principles considering CSR? (code of conduct, code of ethics)?

The role of HRM in developing CSR

Do you think that the HR function does enough cooperation with higher management and CSR manager and how much?

Does your HR function have a role in the decision making considering CSR objectives and is it related to planning and developing strategies?

How does the HR function participate in developing internal and external CSR strategies?

The role of HRM in implementing CSR

Does the HR function participate in implementing CSR objectives?

What kind of changes are needed to the HR function to facilitate the implementation of CSR objectives?

Which do you find to be the areas and practices in HRM, through which a company's CSR objectives can be implemented?

How can different areas of HR be developed and changed, what should be paid attention?

What kind of changes are needed among employees?

Are employees involved in implementing CSR objectives and how?

How are CSR matters communicated in your company and does HR have role in this?

Other ideas for implementing CSR objectives?

Organizational and contextual factors affecting the roles of HRM

What kind of organizational and contextual factors relate to the role of HR when developing CSR strategies in your company? What kind of challenges these factors cause for developing and planning and how can these factors be affected to?

What kind of organizational and contextual factors relate to the role of HR when implementing CSR strategies in your company? What kind of challenges these factors cause for implementing and how can these factors be affected to?

Appendix 2: Interview questions for CSR representatives

Background information

What does CSR mean to you personally?

What does CSR mean to your company?

How is social, economic and environmental responsibility visible in your company's activity?

Can you describe your company's CSR strategy and its priorities?

Which CSR objectives and projects have been implemented in your company?

What is the status of the HR function in your company's organization structure?

What are the stakeholders that are paid attention to in CSR strategies and activities? Priorities related to stakeholders?

Does your company have special business principles (code of conduct)? Are they based on some international standard?

Is your company committed to CSR reporting? Is the reporting based on international standards?

How much is CSR connected with HR?

The role of HRM in developing CSR

What are the functions and people who participate in planning and developing CSR strategies?

Should the cooperation be increased with some functions?

The role of HR, should it be increased?

The role of HRM in implementing CSR

How are CSR strategies implemented in your company?

Are employees involved in implementing CSR objectives and how?

How are CSR matters communicated in your organization and how are implementing the communication? Is there room for improvement and how it could be improved in a way that it would go through the whole organization all the way to grass-roots?

The role of HR in implementation?

Organizational and contextual factors affecting the roles of HRM

What kind of organizational and contextual factors relate to the role of HR when developing CSR strategies in your company? What kind of challenges these factors cause for developing and planning and how can these factors be affected to?

What kind of organizational and contextual factors relate to the role of HR when implementing CSR strategies in your company? What kind of challenges these factors cause for implementing and how can these factors be affected to?