





facilitates the exchange of knowledge, skills and attitudes among workers – human capital. As a results of these enhancements, the intellectual capital of the organisation will increase, encouraging the achievement of competitive advantages. If we add the importance of HRs into the development of business and CSR strategies, we will reach the main objective of this study: To analyse whether a socially responsible orientation in the HRs practices can help companies to accomplish their goals and economic performance through two ways:

1. From an external adjustment between society and stakeholders expectations and their satisfaction by firms.
2. From an internal adjustment between business society and stakeholders and HRs strategies.

In this regard, we focus on the improvements that this adjustment could generate in variables, such as working environment and employee involvement

### **Theoretical background and research propositions**

These studies illustrate how companies that develop CSR actions

1. Can increase their financial performance
2. Improve the relationship with their stakeholders
3. Enhance the commitment of their employees.

Different researchers have emphasized the relation of HRs in the implementation and develop CSR objectives and strategies. In this manner, Rupp et al. (2006) highlight those organizations which carry out CSR practices can achieve more satisfaction and commitment from their employees. According to a study conducted by Sirota Survey Intelligence (2007) in more than 70 companies during 2007, 70% of workers are more satisfied and committed to those companies which have social and environmental responsibilities. In this way, proclaim that CSR activities comprise a legitimate, compelling and increasingly important way to attract and retain good employees as well as good tool to satisfy customers with the aim to differentiate the from its competitors in the market. Considering this background and relevance about CSR and HRM, this research proposes a conceptual framework with two main goals: firstly, to explain the relationships between both fields; and secondly, to examine the external and internal adjustment that firms must carry out to achieve competitive advantages from this process.

### **External adjustment of CSR**

Companies play a vital role in the development and welfare of society (employment generation, economic wealth, distributing goods and services, etc.), so they must assume additional responsibilities that go beyond their economic and legal obligations. In this sense, many organizations have incorporated social, ethical and environmental commitments to meet the society and stakeholder's expectations. The expression of these commitments has resulted in the integration of CSR by a large number of companies in order to legitimate their activity and increase their competitiveness. On the other hand, organizations that manage their resources in an irresponsible manner are punished with heavy criticism by the market. This causes an attrition of their image and value, damaging seriously their stakeholder's relations. Some relevant examples of the social impact of firms are the accounting manipulations of information by TCS, the environment pressures on Shell Oil's or the pressures on Kike about their employment policies (Wheeler et al., 2003), These companies were forced to redirect their behavior towards sustainability models to adapt to society requirements (Globe Reporting Initiative, 2002, 2006; Principles for Responsible Management Education, 2009). For these reasons, literature based on the stakeholders approach underlines the importance of considering the needs of the firms interest groups (society, government, customers, suppliers, employees, shareholders, etc.) who can affect the firm's outcomes.

The process of adjustment between companies and their environment requires the internlisation of a set of institutional factors by firms in order to be accepted by the community and achieve more competitiveness. Show how organizations that:

1. The practices and strategies of greater success companies in their markets – mimetic isomorphism

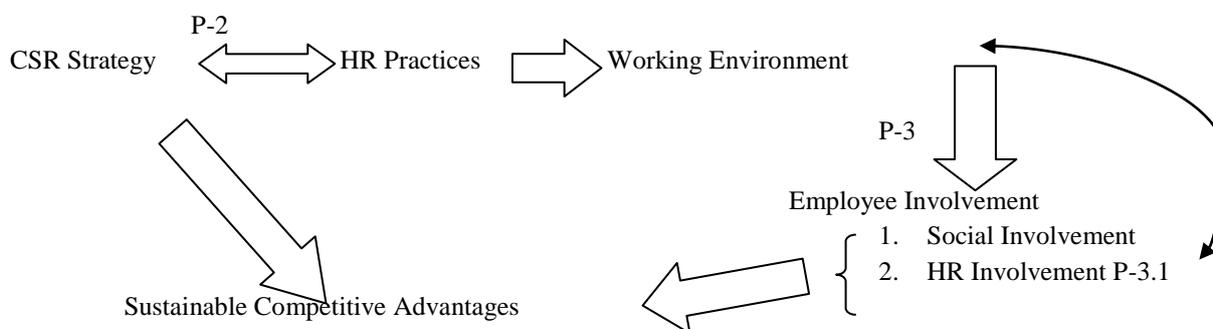


achievement of organizational goals. This network of relations enhances the trust and reciprocity among workers, facilitating a collective welfare and a stronger commitment between them. The improvement and quality of the relationships promote an exchange of knowledge, skills and their experience among employees – human capital, increasing in this way the intellectual capital within the organisation, encouraging the achievement of sustainable competitive advantages through this capital. Hence, our third and for propositions are:

**Proposition 4: An improvement of working environment resulting from socially responsible HRs practices can increase the intellectual capital of organizations.**

**Proposition 5: Companies with a socially responsible orientation in their HRs practices can achieve competitive advantages resulting from an improvement in the intellectual capital of organizations.**

The research propositions are reflected in the conceptual model shown below (Figure 1).



### Conclusion

This research examines the issues of development and testing of a conceptual model which analyses the casual relationships between CSR and SHRM. The literature shows the importance of institutional factors and stakeholder's expectations in the internal and external adjustment process of CSR. Specifically, this study has focused on employees due to the importance of human capital in the process of integrating CSR strategies

Therefore, the integration of CSR in the field of SHRM represents an opportunity to improve the engagement, sense of belonging and productivity of employees. CSR has become in this sense, in a key partner that contributes to the value's generation in the HR management, helping to retain and motivate the human capital and improving the firm's performance and sustainability of firm's. To sum up policies and organizational practices represent the principal initiatives of HRM to internalize social responsibility and ensure that CSR issues become part of the firms.

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