



Corporate Social Responsibility And Its Relationship With Human Resources

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Abstract

The culture of social responsibility has gained strength in the operational performance of companies through commitment and trust with their stakeholders, where one of its aspects focuses on labor conditions, seeking fair treatment and welfare of their employees, hence this research aims to characterize the appropriation of labor practices in service companies in the light of good practices of corporate social responsibility. The research used a quantitative, descriptive, documentary and field approach, with a non-experimental cross-sectional design without manipulation of variables. The results reflect the non-compliance of the companies under study with issues related to working conditions, human development, social dialogue, social protection and safety at work, which leads these types of organizations to assume the challenge of directing their business policies and strategies to the development of human quality.

Keywords: Human development; social dialogue; medium enterprises; Employment relationship.

1. Introduction

It is generally known that worldwide the greatest economic strength is made up of companies categorized as micro or small. It should be clarified that, according to Law 590, Law 905 and Decree 957, the business classification in Colombia is divided into micro, small, medium and large companies. However, previously, this classification was made according to criteria such as the number of employees or the volume of assets, while nowadays the total value of sales in pesos or Tax Value Unit (UVT) is analyzed. In that sense, for a company to be considered MSMEs, its sales must be within the threshold of sales in UVT between 23,563 and 2,160,692 (Bancóldex, 2022). Such is the importance of this business segment that, according to the Center for Economic Studies (ANIF-Bancolombia, 2021), the Colombian economy is promoted in 99% of the cases by MSMEs, which generate up to 79% of jobs nationwide and are responsible for approximately 40% of the country's Gross Domestic Product (GDP). In this sense, the promotion of SMEs and their consolidation becomes one of the best actions to distribute

the wealth of a nation. However, models that respond to the needs of the environment are required, which leads the academy to develop research actions that guarantee not only the growth of organizations but also their long-term sustainability (Posada-Velasquez, 2015).

From this perspective, since SMEs represent the largest business mass in the country, they become the fundamental tool to reflect the social function of organizations, being recognized as entities that are sensitive to the needs of the environment and that advocate for the development of responsible actions with it. However, there are very few companies of this type that demonstrate a real commitment to the implementation of initiatives related to CSR, as a result of insufficient economic resources, the lack of government policies to support them, the lack of understanding of the relevance of such actions for the corporate image, or simply because the proposed actions are not perceived by society (Gupta & Kalra, 2012).

Sumba and Santisteva (2018) state that microenterprises arise as a result of the needs of society in the face of the lack of stable jobs. However, for this, the existence of entrepreneurial skills and abilities that allow them to generate income and achieve an economic relief for their families must be recognized. These business units face internal problems that affect decision making, including the lack of training not only of the microentrepreneur but also of his or her collaborators, as well as communication styles that do not allow workers to achieve a sufficient level of empowerment to contribute to the achievement of organizational objectives. In this regard, Picado and Sergueyevna (2021) state that human talent management in MSMEs ensures an appropriate working environment, encouraging commitment, productivity and motivation of all members. Similarly, it allows to identify the personal needs of workers and how they can be oriented to business objectives, mentioning training as the mechanism conducive to the continuous development of its human resources.

When focusing on the implementation of good CSR practices in SMEs, the role played by third-sector companies in the development of actions aimed at having a significant impact on society cannot be ignored. According to (Padrini & Sánchez, 2007) and citing (Vidal, 2005), the social responsibility of organizations belonging to this sector makes sense when the way in which they behave or act is aligned with their values, i.e. their way of doing things is consistent with their reason for being socially responsible. In this sense, the CSR of an organization to ensure trust with society and at the same time work for "Sustainable Human Development" makes sense when it develops actions to motivate its work teams, articulating them with the corporate objectives and mission and not explicitly with a particular area or person.

From this point of view, human capital plays an important role in the establishment of CSR strategies in organizations, since, according to the European Commission's Green Paper, companies are responsible for ensuring a balance between the different environments in which their human resources operate, whether in work, family or leisure activities. For this reason, several authors agree that companies should formulate programs of motivation, health and safety, training and development of human capital, which seek to improve working conditions through training, recognition and the granting of benefits to workers. On the other hand, that human capital makes its significant contribution to society from the provision of its services regulated by ethics, diligence, respect for human rights and good faith (López-Salazar, Ojeda-Hidalgo, & Ríos-Manríquez, 2017).

From the point of view of Alea (2007), the socially responsible behavior of companies with their human capital, represents benefits from the organizational perspective that addresses increased trust, an improved sense of belonging of employees, labor availability, lower turnover of human resources, which facilitates the reduction of recruitment costs and increase labor productivity indexes. CSR in an organization is the accepted responsibility for the impact that its actions have on a specific environment and society. In this way, its transparent and ethical actions contribute to corporate sustainability,

incorporating aspects such as the well-being and health of society, as well as attention to its stakeholders and compliance with regulations. However, this social dimension of corporate responsibility cannot divert attention from work-related issues that focus on an organization's main stakeholder group, its workers (Torres, Torres, León, & Rivas, 2017).

In line with all of the above, Labor Practices is the third fundamental subject set out in ISO 26000 and is defined by (Argandoña & Silva., 2011) as "all those practices and policies that involve the organization's own workers or subcontracted workers". Likewise, this matter is composed of five (5) fundamental elements namely; labor and labor relations, working conditions and social protection, social dialogue, occupational health and safety, and, human development and training in the workplace (Posada-Velasquez, 2015).

For his part, Eróstegei (2011) (cited by Soto & Delgado, 2020) considers the primary circumstances for implementing good labor practices in an organization, highlighting that the first refers to the elimination of the gaps that limit the development of practices to the current labor regulations. Meanwhile, the second circumstance is based on the integral care of employees. Likewise, Cañizares (2020) highlights the role of good labor practices in organizations, stating that "the human resource represents the value that sustained in family ties and associativity by differentiating factors, seeks a common goal, the integral development", taken from a holistic conception of the productive factors and incorporating the existing synergy between each of these elements in the management and corporate responsibility.

Given that human capital is the most important asset of any organization, having a greater relevance in the third or service sector, due to the role that people play in strengthening relationships with customers and the ability to transmit confidence during the economic transactions that take place between them, it is essential to take into account aspects such as "quality of employment, lifelong learning, equal opportunities"; promoting conditions of balance between each of the environments in which workers develop, supported by the development of mechanisms and actions that contribute to their personal, professional and family development (Campuzano & Chacón, 2010). Likewise, Soto and Saucedo (2020) state "Good Labor Practices (GLP) also present this mandatory character, although they highlight the aspect of the predisposition of companies to establish good labor relations with their employees". However, a few decades ago the main concern of the human resources manager was based on the resolution of union problems, but today this aspect must be articulated with the development of competitive employees, business planning, measurement of the impact generated financially by human resources, value creation and staff commitment (López, 2010).

On the other hand, Gómez, et al., (2020) explain that there are several problems that affect companies, among which are those associated with occupational health and safety, so every entity must assume its socio-business responsibility, acting ethically and reducing the likelihood of their employees suffering accidents or occupational diseases, ensuring the welfare of the same and reducing the costs related to turnover. Similarly, to achieve an adequate awareness of the work environment dimension, Naranjo, et al., (2018) argue that there must be a relationship characterized by the businessman seeing the human being he intends to associate with his productive activity and this in turn sees him humanly, since the significant improvement of the productive, competitive and labor factors depends on the relational links between the two.

It is important to understand that the adoption of socially responsible policies and practices, despite not having a direct impact on profitability, does have an impact on intrinsic aspects of business competitiveness and the commitment of human resources to the fulfillment of organizational objectives. In this sense, Remache, et al. (2018) establish that the working environment, productivity levels, attraction and retention of human talent, satisfaction levels, motivation, self-esteem and skills of workers are improved. Similarly, the postulates of Benavidez and Villanueva (2019) allow establishing the

importance that should exist in the interconnected society, based on the awareness of organizational practices and respect for rights, turning companies into actors "catalysts of general welfare", not a simple mechanism for the exploitation of human talent for profit.

2. Method

The study is approached through an exploratory, documentary, descriptive and field research, framed within a quantitative orientation, taking as population 765 service sector companies in the city of Ocaña Colombia, according to the database of the Chamber of Commerce (Equation 1).

$$(1) \quad n = \frac{(1.645)^2 * 765 * 0.50 * 0.50}{(0.07)^2 * (765 - 1) + (1.645)^2 * 0.50 * 0.50}$$

$$n = 117$$

The sample is made up of 117 companies in the service sector.

Through the application of the survey technique, information was collected on socially responsible practices, referred to in the ISO 26000 standard, addressing the dimension "Labor Practices".

The procedure for the analysis of the information included: a thorough review of documents from the theoretical references that support Corporate Social Responsibility and the fundamental subject "labor practices". For the collection of primary sources of information, a structured survey was used as a technique, which was adapted taking into account the guidelines of the ISO 26000 standard and was applied to the leaders of the organizations. The information collected was tabulated according to the frequency of responses and represented through pie charts, then using SPSS statistical software, a percentage and arithmetic mean analysis was performed. Based on the information provided by these instruments, a diagnosis was made to determine compliance with socially responsible labor practices.

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3. Results

Labor practices are contemplated by ISO 26000 as the third fundamental material that provides guidance on the principles of corporate social responsibility, which are aligned with the guidelines of the International Labor Organization (ILO), seeking to promote labor opportunities, where the basic rights of workers such as freedom, equity, safety, dignity and human development prevail.

Thus, this section presents the results obtained from the research, beginning with a description of the characteristics of the companies under study.

To contextualize the analysis, Figure 1 shows the characteristics of the companies, where the level of training of those in charge of the management of the service companies could be evidenced, finding that 22% of the managers are trained as high school graduates, 13.7% have technical training, 15.4% have technological training, 23.1% are professionals and 25.7% have postgraduate degrees. In this sense, the

predominance of experience and managerial skills acquired in practice can be inferred as the main characteristic of the high percentage of high school graduates, technicians and technologists, dedicated to the administration of the companies under study.

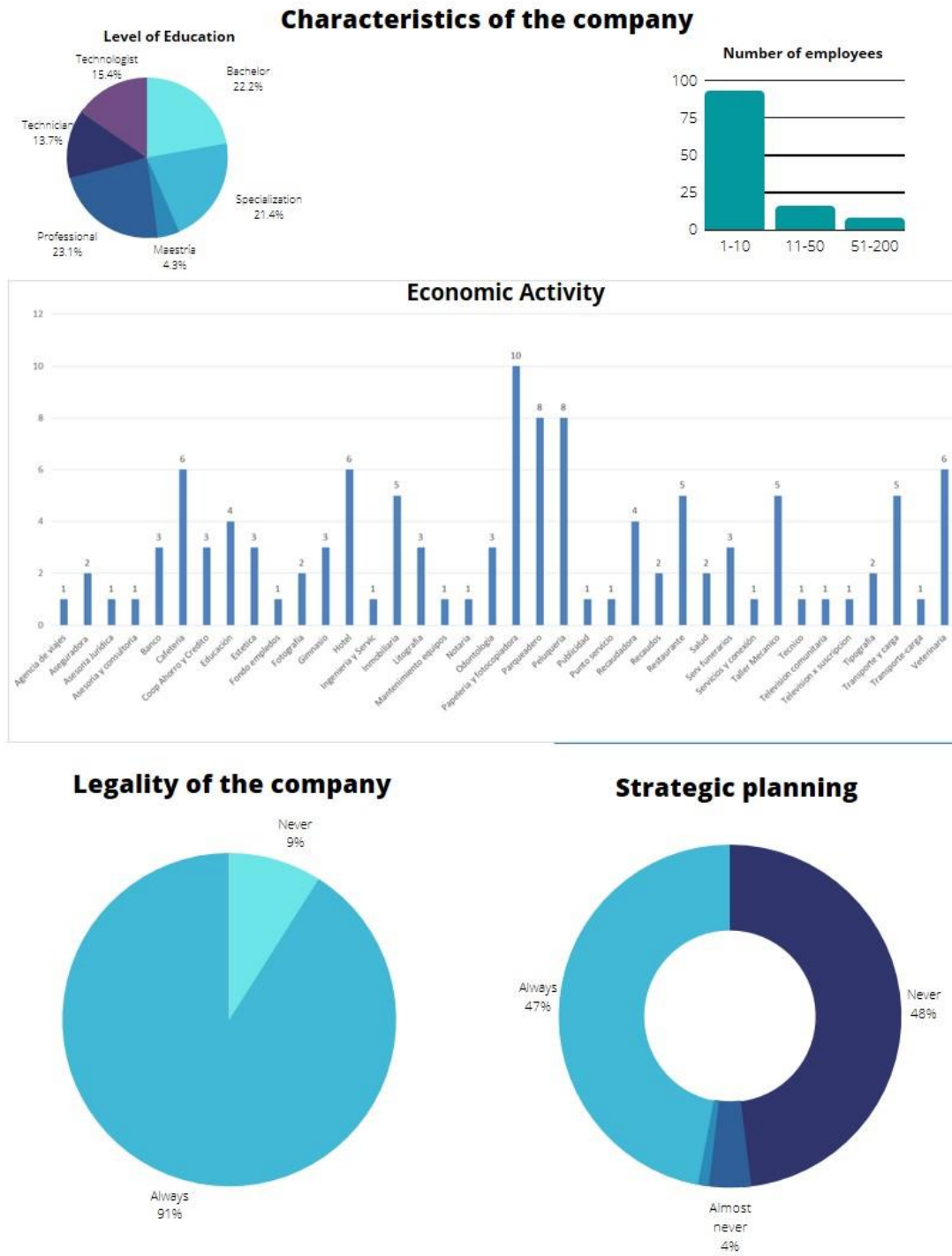


Figure 1. Characteristics of the companies in the sector

Governments have taken on the task of establishing classifications for the business sector; in the case of Colombia, the categorization of micro, small and medium enterprises is established through the number of workers and assets. In the sector analyzed, the predominance of microenterprises is evident with 79.5%, followed by small enterprises with an influence of 13.7% and medium enterprises with 6.8%. Microenterprises become the driving force of the region's economy, being able to adapt to technological changes in the market and generate employment, which represents an important factor in income distribution policies for the middle and lower classes, promoting economic development. These companies are also inclined to develop activities related to cafeteria services, hotels, photocopiers, hairdressers, parking, and workshops, among others.

It is noteworthy that the companies in this sector aim to comply with the legal provisions of the country, thus obtaining benefits and opportunities that make them more competitive, sustainable and profitable, since 91% of the sector is legally formalized. However, they are very negligent when it comes to carrying out the strategic planning that every company requires to achieve success. It is observed that the companies are divided between the extremes of the valuation scale, 47% always and 48% never, demonstrating that some companies only focus on the generation of resources and compliance with regulations, but not on their organizational development and the search for growth through clear purposes that guide their operation.

Core subject: Labor Practices

The labor practices dimension of ISO 26000 consists of five issues that an organization, regardless of its size and activity, should consider in its business policies, as shown in Figure 2.

This section presents the results of the diagnosis based on the results of the surveys applied to the managers of the companies in the investigated sector, where the issues related to the dimension "labor practices" contemplated in the ISO 26000 standard are addressed, analyzing: work and labor relations; working conditions and labor relations; working conditions and social protection; social dialogue; occupational health and safety; and human development and on-the-job training, as shown in Figure 3.

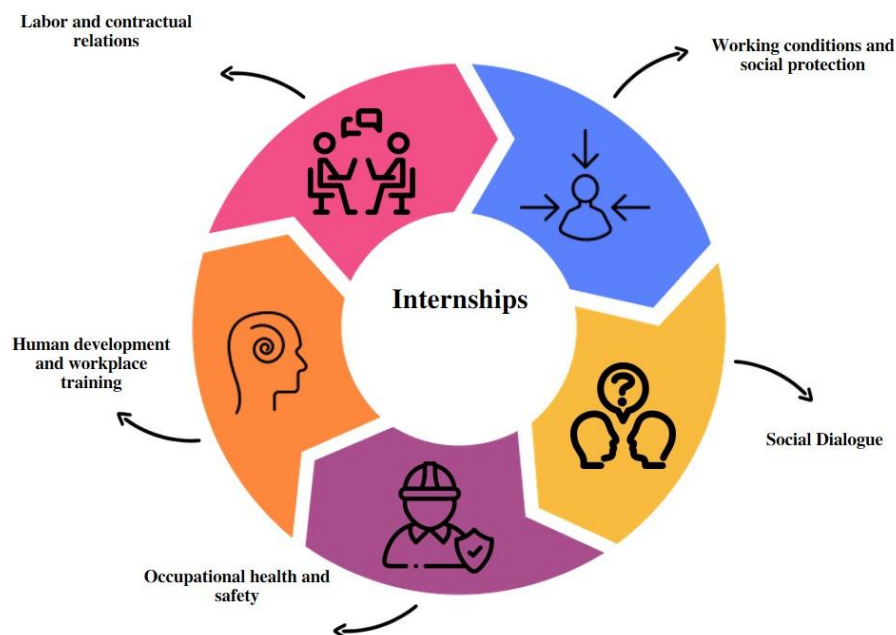


Figure 2. Issues addressed by the Labor Practices dimension

Internships

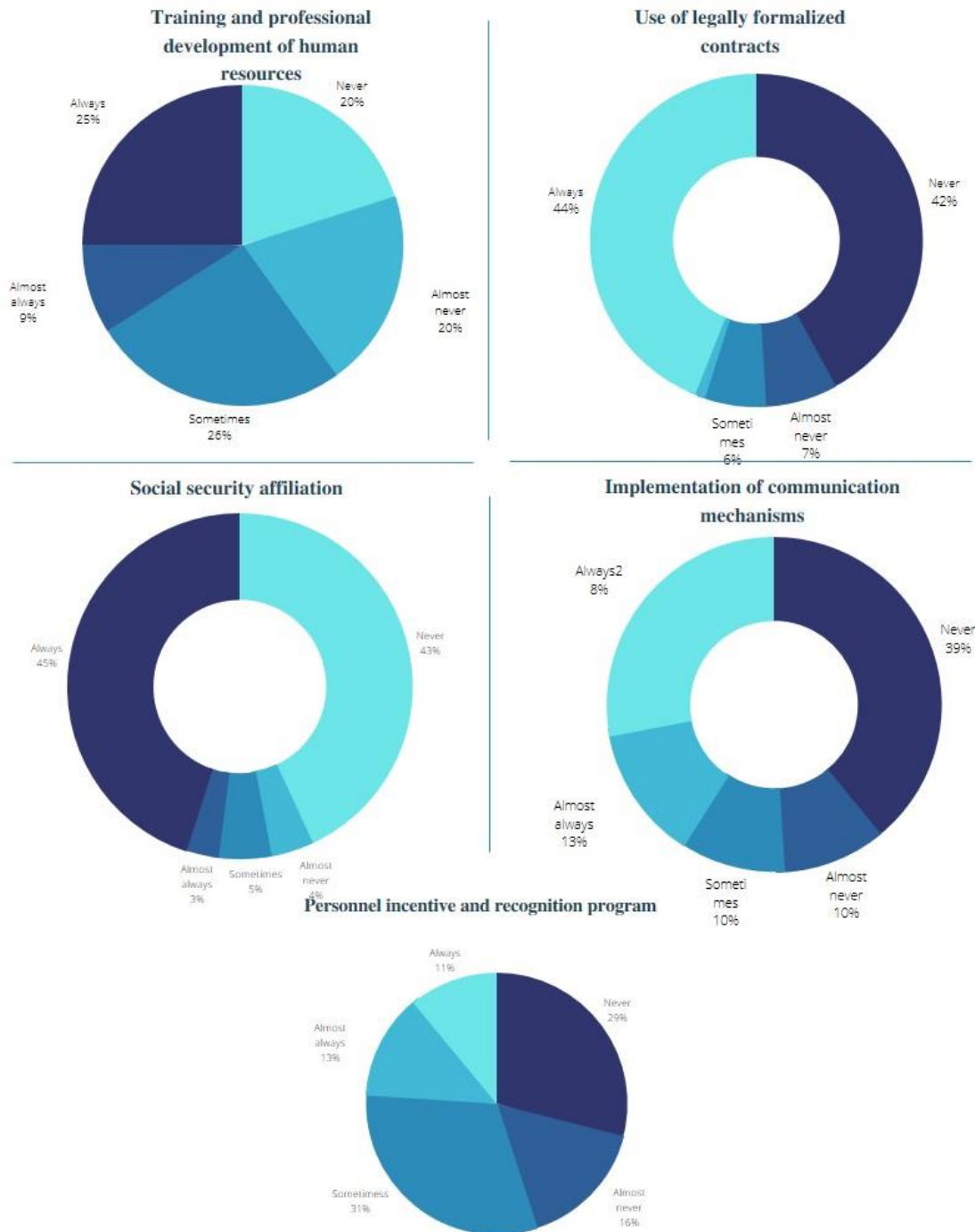


Figure 3. Percentage analysis of the companies in the sector that apply the Labor Practices.

The issue of labor and labor relations was raised under the premise "employees have legally formalized contracts", where it can be seen that 42% of the companies do not have a formalized contract with their collaborators, lacking an ethical commitment and respect in a dignified hiring with fair and timely payments. Although 44% of the companies do comply with this legal and moral requirement on the part of the organization, there is still a lack of commitment on the part of the companies to guarantee the labor stability of their human resources.

Likewise, the issue of working conditions, social protection and the issue of health and safety at work was addressed with the item "affiliation to social security" Although it is clear that all Colombian companies must guarantee comprehensive social security, understood as health coverage and the risks of disability, old age and death, as well as coverage in case of accidents at work, The data in the graph are not totally in accordance with the norm, as only 45% of the companies affiliate their workers to the social security system and 55% do so sporadically or never and therefore it is up to the employer to assume all the expenses derived from accidents, illnesses, disability or death and this can represent very high costs for the company.

Social dialogue transcends the willingness of the company to open spaces for dialogue on issues related to working conditions, and this was raised from the item "Implementation of mechanisms and instruments to listen and respond to suggestions, ideas, requests and complaints from employees" yielding results where only 41% of the companies under study use internal communication mechanisms for the staff they work with, compared to 59% who do so sporadically or not at all. These responses further aggravate the motivation of human talent, reflecting the lack of commitment on the part of company management to keep human talent in constant connection with the organization and its philosophy. Therefore, if we do not know how to take care of the internal customer, it will be difficult to provide satisfactory answers to external customers.

The issue of human development and training in the workplace was addressed with the item "does the company invest in training or professional development of its workers and does it have any program to stimulate and recognize personnel for the generation of ideas, risk taking, decisions and creativity in favor of the organization and the business", 40% of the companies never or almost never train their employees, only 26% do so sometimes and 35% almost always. From the above it can be deduced that training does not take the importance it deserves within service companies, since it should be seen as an investment in improving the organization and not as an obligation required by law, since it increases productivity and quality of work as well as promotes communication in the organization. Motivated human resources point to the improvement of the work environment, representing a productivity factor (Ortiz - Gutiérrez, et. al, 2021).

In the companies investigated, 76% of them do not apply incentive programs to the personnel they work with, or do so from time to time, so there is a lack of interest in making employees feel at ease working for the organization, causing a deterioration of the work environment by not investing optimally in training or professional development of their workers, which could result in low levels of competitiveness. But there are 24% of companies that do care about the welfare of human talent, experiences that should be taken into account when formulating strategies.

From the statistical analysis, the data under study yielded the results of the statistical means of each variable, which indicate the behavior of the companies in relation to labor practices.

Given the above results, it can be argued that the companies under study go against the value of good labor practices, since in this dimension most of the averages are below the arithmetic mean (3), the most worrisome being the issue related to human development and training, leading to the demotivation of human resources, as well as the deterioration of the working environment by not investing optimally in training or professional development of their workers, which could result in low levels of competitiveness. Likewise, social dialogue plays an important role since it promotes the improvement of the organizational climate with the company's willingness to listen to its collaborators to enrich the information necessary for decision making; this aspect is not a strength in the companies studied, with an average score of 2.79 (Table 1). For these reasons and the need to respond to the demands of a globalized market, service companies in the city of Ocaña, Colombia, must rethink their business

strategies and policies, considering human resources as the fundamental element of their mission and strategic processes.

Table 1. Descriptive statistics of the labor practices issues applied in the service sector

Subject	Average
Labor and labor relations issue.	2.99
Subject of working conditions and social protection and the subject of occupational health and safety.	3.03
Social dialogue issue	2.79
Human development and workplace training issue	2.79
Media dimensión Prácticas Laborales	2.90

4. Conclusions

Human resources are the key element for the achievement of the objectives set by the organization, hence the importance of implementing and strengthening labor practices that enhance social dialogue, motivate employees, guarantee human development, working conditions, social protection and occupational health and safety. Hence, the managers of the organizations studied, presenting weaknesses in the compliance of labor practices with an arithmetic mean of 2.90, must assume the challenge of directing their business policies and strategies to the development of the human quality of their collaborators, where the basic rights of workers prevail, responding to the demands of society and the strengthening of a culture of social responsibility that will be reflected in the welfare of their stakeholders and in the achievement of the organization's goals.

Corporate social responsibility and the labor practices of an organization must be consistent with its organizational policies, and it is therefore of the utmost importance that CSR is not seen simply from the point of view of external stakeholders, but that it integrates its human capital, harmonizing its business management with social welfare and respect for labor rights. The research shows that it is of great importance for the organizations studied to implement strategies emphasizing labor-related policies and practices, which can have an impact on the achievement of the objectives set by each organization and improvements in the social sphere.

Microenterprises predominate in the companies analyzed, making them the mainstay of the region's economy and highlighting their willingness to comply with legal regulations, since most of them are legally formalized. However, they are very negligent when it comes to strategic planning, focusing their efforts on the generation of resources and compliance with regulations, but not on organizational development through clear purposes that guide their operation. Likewise, the predominance of experience and management skills acquired in practice can be inferred as the main characteristic of the leaders of these companies.

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