

Integrating Corporate Social Responsibility (CSR) With Human Resource Management (HRM) Practices: A Proposed Framework for Small Medium Enterprises (SMEs) in Malaysia

SALASIAH MAERAT^{1*}, SITI SARAH OMAR¹, MOHD ASMADI ANGSOR¹

¹ Faculty of Technology Management and Business, Universiti Tun Hussein Onn Malaysia, 86400 Batu Pahat, Johor, Malaysia

*Corresponding Author: salmaerat@gmail.com

ABSTRACT

Developing and implementing corporate social responsibility (CSR) has become a critical component of an organization's social responsibility. Due to the growing concern and value of CSR to human resource management (HRM) in an organization, researchers have emphasized an increased interest in debating the integration between these two. The study on the integration of CSR and HRM has been of interest to many researchers. However, the lack of empirical research on the integration between CSR and HRM in practice among small, medium enterprises (SMEs) in Malaysia has led to a lack of understanding of how these two ideas are linked in dynamic and complex organizational CSR in Malaysia's SMEs perspective. In order to bridge this knowledge gap, this exploratory study examines what CSR practices have been implemented in HRM functions, examines to what extent CSR is embedded in HRM functions, and proposes a framework for integration between CSR and HRM. This study hopes to provide both theoretical and practical contributions, especially in identifying the link between CSR and HRM as well as the role of HRM for the success of CSR operations. In resource-based view theory, HRM is critical in order to achieve effective CSR practice through a programme run by companies, such as training and development, employee recruitment, and compensation provided. Additionally, in stakeholder theory, businesses must consider and respond equally to the interests of shareholders, employees, customers, and communities. From an internal perspective, socially responsible practices should focus on employees' human capital investment, health and safety, and management change. External influences also involve a diverse range of stakeholders, including suppliers and customers. Therefore, CSR and HRM are intimately connected and serve the same purpose. The population will be SMEs in Malaysia, which have implemented CSR in their organization's HRM function. This is positioned in an explanatory paradigm and uses qualitative research methods, as it is deemed the most suitable method to explore the subjective nature of the data under study. The data collection method will be in-depth interviews, documents analysis, and observation on selected SMEs using certain criteria of purposive sampling. The number of SMEs and respondents will be determined based on data saturation. The participants in this study will be the owner-managers of SMEs, the HR Manager, and employees of the companies. Triangulation of data will be gathered from various parties and various documents. These data will be analysed using thematic analysis and NVivo software to identify the meaning, features, and integration of CSR and HRM functions in SME companies. This study will provide exploratory findings for SMEs on the opportunity to enhance their understanding of how CSR is embedded in HRM functions in SMEs. The result of this study attempts to make a contribution to the management of HRM in SMEs by exploring the impact of CSR and functions of HRM in the private sectors of SME companies. It is hoped that the findings can help provide improvement of individual employee well-being, improve organizational performance by improving employee satisfaction and organizational commitment by developing labour practices that adhere to CSR ideals.

Keywords: corporate social responsibility, human resource management, small and medium size enterprises (SME), embedding of CSR in HRM