

## **Contemporary approach to adding value to corporate responsibility toward fair business functions**

M.Sc., Jure Lebarič  
University of Maribor  
Faculty of Business and Economics  
Razlagova 14, SI- 2000 Maribor  
jure.lebaric@student.um.si, www.um.si

### **Abstract**

The results of this paper highlight Analysis of the users' trust in Slovenia in 2017. Human factors from primary sources of organization are commented in the framework of social responsibility and considered as opportunities, compared to the research problems of only focused constructs. The paper's purpose is to explore and comment on the challenges of the organization's processes through the already used practices. The aim of the study is to develop and apply modern tools and guides for the independent growth of the organization by business functions. The contribution recommends how manager should proceed in procedures for ensuring a functional compliance with international recommendations and practice standards. The focus of the study addresses users - these are employees. For the contemporary internal control of the objectives PDCA model is proposed. The study explores the uncommitted worrying silent problems of employee unfaithfulness. Employees are often problems in ensuring social responsibility definition. The irresponsible and incapable intruders predominate. They comment about their daily actions as (1) normal and (2) harmonized within the requirements of social responsibility. According to studies already carried out, a proactive approach to the problem area is proposed.

1

---

**Keywords:** *internal users, social responsibility, adding value, contemporary approach*

### **Sodobni pristop k dodajanju vrednosti podjetniški odgovornosti vse do poštenih poslovnih funkcij**

#### **Povzetek**

Rezultati tega prispevka osvetljujejo Analizo zaupanja uporabnikov v Sloveniji leta 2017. Človeški dejavniki iz primarnih virov organizacije so v okviru družbene odgovornosti opisani kot priložnosti, v primerjavi z raziskovalnimi problemi zgolj v središče postavljenih konstruktoev. Namen dokumenta je raziskati in komentirati izzive procesov organizacije s pomočjo že uporabljenih praks. Namen študije je razvoj in uporaba sodobnih orodij in vodnikov za neodvisno rast organizacije po poslovnih funkcijah. Prispevek priporoča, kako naj upravljavec nadaljuje s postopki za zagotavljanje funkcionalne skladnosti z mednarodnimi priporočili in standardi ravnanja. Študija je osredotočena na uporabnike - to so zaposleni. Za sodobno notranjo kontrolo ciljev je predlagan model PDCA. Študija raziskuje zaskrbljujočo raven zamolčanih problemov nezvestobe zaposlenih. Zaposleni so pogosto težave pri zagotavljanju opredelitve družbene odgovornosti. Prevladujejo neodgovorni in nesposobni. O



vsakodnevnih dejanjih komentirajo, da so (1) normalni in (2) usklajeni z zahtevami družbene odgovornosti. Po že izvedenih študijah je predlagan proaktiven pristop k problematičnemu področju.

**Ključne besede:** notranji uporabniki, družbena odgovornost, dodajanje vrednosti, sodobni pristop

## **1 Introduction**

Business function responsibility refers to acting of committed internal human being who is usually organizational employee. Humans are constantly displayed as the weakest link in company structure (Parsons et al., 2010). This terms describes relationship between individuals' trust and organizational expectations. Maybe the reason is in functional descriptions and systematization which can be already obsolete and express nothing about adding value to human inputs, transformation of them and its validating indicators. In context of contemporary era the positive personal self-awareness is a competitive advantage of the organization. This paper presumes that internal users can reduce velocity of the functional harms only if they understand their functional obligations, leads, and if they aspire to communicate disadvantages through the supervision structure.

Further this paper examines how digitized contemporary internal business functions should be managed through the good practice exploitation principles. Non-governmental association for social responsibility from Switzerland released standard ISO 26000 as adequate framework for vertically and horizontally aligned organizational models. Our applied paper highlights the current importance of standardizations and suggests contemporary social responsibility approaches to digitized business function. For sure, decade of evolutions of all information communication technology - ICT has brought opportunities for functions to add value to corporate results.

Our results and findings propose, how government or managers may act to increase operational business administration's performance through social responsibility frameworks, and to avoid obsoleted social responsibility practices. Further this paper displays a developed conceptual model to address operational implementations of contemporary business social responsibility function. As we find out, more than 61,9% responses of employees argue their own daily acting on function are (1) normal and (2) harmonized within the requirements of responsibility function systematization. The key human components explain the reason for uncommitted results (Bitner, 1992). Related to the study' results, paper suggests a contemporary approach as a tool to ensure contemporary responsibility function. For model conceptualizations PDCA methodology is displayed; its famous phases are widely used for similar problems and feasible for further examinations in sub-ordinates. In paper elaboration we carry out tacit approach and add principles related "to before" study assumptions in national research of users' trust to the state. Only analysed organizational variables are investigated. Findings involve phases: planning, doing, checking and acting.

## **2 Theory review**

Following Human resource management theory (Beardwell et al., 2004), researchers investigate that there are at least three approaches to looking at the phenomenon that might help to explain different groups of arguments and compliant deeds, based on whether the



analysis focuses on the role of strategy, style or outcomes in all issued problems of internal employees. Anyway, the problem of proper strategy stands, and it will be a permanent organizational issue for division planning supervisor. To support this effort, the research that is reported about in this contribution, suggests systemic perception of social responsibility, to cause the end of abusing, strategy of promoting social responsibility, and of economic preconditions, supported by several lines of action, which everybody can trigger (Mulej, Ženko, and Žakelj, 2017). From that viewpoint it is almost inappropriate to comment that employees' driving profiles are not unique and have comparable human components.

In this paper one kindly suggested and highlighted the importance of the regular analyses for individuals and teams, in order to ensure intersecting maturity results for comparison as quality asset input to strategy plan. The way to do that is linked to the managerial or other authorized employee's supervision, who has ability to empower undertaking employees through his or her tactic and strategy approach.

The strategy emphasis has by far the longest pedigree in the HRM debate; indeed, it is probably the strategic aspirations of the models that were defining the future of internal employees, as it has emerged in the 1980s. As we can assume, strategy has been seen as one of the touchstones of HRM's viability. The extent to which HRM came to play a role in the direction and planning of organizations has been a persistent theme not simply in academic literature but in practitioner activity too (Beardwell et al., 2004; Spears and Barki, 2010). From authors' theory it is possible to outline the importance of internal employees, that can presume importance of committed acting too, but justified in case, if organizational manner of tackling the social responsibility problem in order to address academic and practical viewpoints. Business advantage is not tangibles; it is related to the human components synergy, and it is recommended for the planning approach. Within strategic approach two further strand might be noted. The first one remains centred inside macro-strategic issues and the general locations of internal employees within organizational structure, overall - perhaps best summed over whether internal employees have a seat on the board.

The contemporary explanation of the HRM's strategic position has emerged in the use of the term business focus. This became a popular phrase to describe a range of organizational activities into which internal human being is expected to be linked (Beardwell and Claydon, 2007). However, it has an ambiguity and a potential for use across not only strategy, but also styles and outcomes. Further on, the article discusses the strategic level and presumed strategic reflection on business function responsibility. We put research question - how organizational benefits can be attained?

## **2.1 Digitizing business functions**

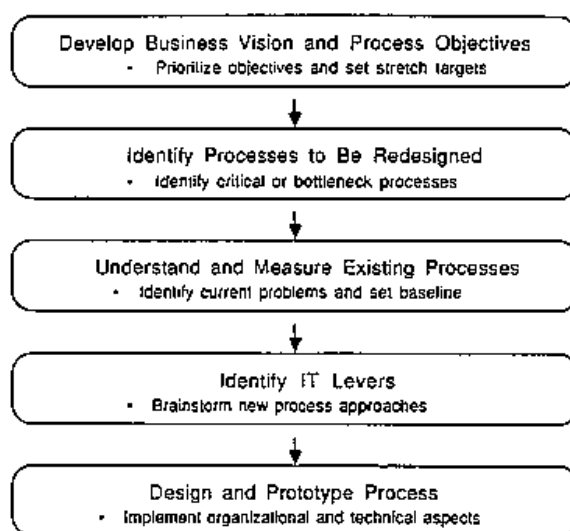
Traditional business functions involve human factors as executive tools for working activities. The human beings are in the core of transaction between several parties (Davenport and Short, 1990). For example, we can presume situations in selling process. Involved are parties A and B. If we put situations in context of selling diagram we get selling procedure, which may look like the next descriptions: "Customer A came to the seller B. Seller B had no information about his item stock. He tells customer A to come the next day. Customer is disappointed and searches another seller B." From the example we assume that the item stock of party B was on a remote place, and therefore seller was unable to check the stock. At the end the result is unsold item, and internal indirect justified responsibility. The proper solution, for example, is



digitized business process, which has occurred in 1964, when the first hardware component and ICT were developed (McLeod and Schell, 2007). In our selling scenario the problem of unsold item could be solved, if seller had a digitized user access to inventory stock on remote place.

In example circumstances, the process digitization is suggested and more than welcome strategy for social responsibility competitive engagement. Davenport and Short (1990) argue businesses and processes redesigning are largely separated tools for specific purposes, in limited environments. Today ICT is used in industry as an analysing and modelling tool, and engineers have often taken the lead in applying ICT to redesign businesses. Well digitized environments include information systems for business functions for process modelling, production, services, production scheduling, control, logistic and materials management. Indeed, in most cases where the ICT has been implemented proactively to redesigned work in a given firm, this redesign has most likely covered the operational functions, and industrial programmers are the most likely individuals who have carried it out; this company's performance has increased rapidly. Assume that a company has decided its processes are inefficient or ineffective, and in need for redesign, how should it then proceed? There are many theoretical findings. Paper suggests the straightforward activities within five major steps (Davenport and Short, 1990):

Picture 1: Five steps proceeding to redesign function



Source: Davenport and Short, 1990, (3)

## 2.2 Employees – ICT users

Dedicated to Bright (2005), employees are individuals who are highly attracted and motivated by public service work. This attractiveness is argued to may be influenced by several motives, which can be ranked in social responsibility with rational, normative, and affective categories. This theory is important because it provides one of the first theoretical frameworks that explain why some individuals work in the public sector.

If we follow others, Fudge and Schlacter's (1999) theory, employees are humans who face an array of personal moral issues in their everyday decision making. Environmental concerns,



employees' and communities' welfare, and interests of other companies - competitors, customers, and suppliers, are only a few examples. Yet, businesses do not always address the issue of how employees should assess the moral impact of their actions and incorporate these considerations into their decisions making. As a result, moral considerations are often ignored and leading to unethical behaviour, which may harm long term interests of company power holders.

After discussion of traditional employees, Lamb and Kling (2003) describe ICT users as active agents in digitized information system use. The most common conceptions of the user in IS research is of an atomic individual with well-articulated preferences and ability to exercise discretion in ICT choice and use, within coordinated limits.

Therefore digitized user should be described as ambiguity potential to cause more damage to the organisation (Parsons et al., 2010), and has many advantages over an outside attacker: they have legitimate and often privileged access to facilities and secure information, have knowledge of the organisation and its processes, and will abuse vulnerability in threatening situations (Morrison & Robinson, 1997).

### **2.3 Social responsibility as a contemporary approach**

In contemporary business environment social responsibility phenomenon describing utilized relations between human beings' trusts and companies' environment. Obsolete working activities in traditional businesses' models are already obsolete in these days. To increase organizational performance, the middle management is responsible for redesigning business functions within business analytical results and international recommendation (Carroll, 1991). Sustainable development as object is defined by ISO 26000 as building on three "pillars" – the economic, environmental, and social organizational development (Schwartz and Tilling, 2009). In recent years, social responsibility has entered organizational sustainable development debate due the globalising and NGO's demands. These demands call for strengthening human rights within operative sector. To meet demands for improved employees working conditions, several actors are now interested in approach, earlier used for environmental issues, namely as developing a new standard, ISO 26000. Hahn (2013) maintains that this social responsibility standard will be generic and voluntary like the ISO 14001 environmental standard and is said to lead to common guidance on concepts, definitions, and methods for evaluating responsibility.

However global standard ISO 26000 is mainly concerned from the corporate perspective, when considering noted experiences in corporate social issues and corporate social responsibility. According to practice this standard should accomplish the following: (1) assist organisations by addressing social responsibilities while respecting culture, societal, environmental and legal differences in economic development conditions; (2) provide practical guidance related to operationalizing social responsibility, identifying and engaging with stakeholders, enhancing credibility of reports and any claims made about SR; (3) emphasize performance results and improvement; (4) increase confidence and satisfaction in organisation among customers and stakeholders; (5) be consistent with existing documents, international treaties, conventions and existing ISO standards; (6) not be intended to reduce the government authority to address the social responsibility of organisation; (7) promote common terminology in social responsibility field; and (8) broaden awareness of social responsibility (Dahlsrud, 2008).



### 3 Findings and discussion

A problem related to social responsibility function is job satisfaction. Researchers Smerek and Peterson (2007) argue job satisfactions as knowledge of major debates in field of business psychology. The concept of job satisfactions emerged in this study areas and Herzberg's duality theory is one of major postulates. In contemporary environment, job satisfaction, particularly among internal administrators, is classified by Herzberg as the work dimension into motivators and hygiene factors (Stello, 2011). Motivators are the satisfying events described in interviews. They include events as achievement, recognition, work itself, responsibility, growth (Herzberg, 1968). When employees recall bad story where they felt "exceptionally bad" they often speak of the following factors: policy and administration, supervision, relationship with supervisor, all work conditions, salary, relationship with peers, personal life, relationship with subordinates, status, and security (Ford, Gadde, Håkansson, Snehota, and Waluszewski, 2008).

#### 3.1 Before study results

For the article aim we use data from Analytical study of information on user trust state in Slovenia in year 2017. Data was gathered from public administration's employees. The questionnaires for respondents were active and vailed for few months. Respondents had no ability to return back to previous question or correctly responded answer. There were more questions regarding the article problem. The State of art is discussed from the organizational level. To address actual intersecting problems individual questioned variables were rotated randomly. There were some issues within proceeding. To ensure reliability and empiricism of the study the adequate sample was developed in a distinguished manner.

Table 1: Employees Social Responsibility factors

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	25,045	52,177	52,177	25,045	52,177	52,177
2	3,376	7,033	59,211	3,376	7,033	59,211
3	2,074	4,320	63,531	2,074	4,320	63,531
4	1,397	2,911	66,442	1,397	2,911	66,442
5	1,234	2,571	69,013	1,234	2,571	69,013
6	1,115	2,324	71,337	1,115	2,324	71,337
7	,924	1,925	73,262			
8	,871	1,815	75,077			

Extraction Method: Principal Component Analysis.

Table 1 defines several factors. Through gathering methodology 48 variables were addressed, all related to the aspects area. The first three factors explain 63,53% of total variance inside user trust constructs. To extract results we define eigenvalue indicator above the acceptable statistical level > 1. For entrance into statistical matrix in SPSS the main input component



principle was used. After proceeded analyses, one significant factor was developed, and named as Organizational factor, which explain 52,2% of all explained variances. Inside variables group is positive strength and contributed are components with factor weight > 0, 6. Namely identifying 10+ more answers on objected questions, measured on Likert scale:

- Qi1: Organization takes care of HRM development and trainings.
- Qi2: Business information system is reliable.
- Qi3: Organizational data sources are secure.
- Qi4: Organization has clear security policy.
- Qi5: Organizations use proper security software.
- Qi6: User are involved in development of security policies.
- Qi7: Communications between internal users is great.
- Qi8: ICT department communicate actual security changes.
- Qi9: I can trust co-workers.
- Qi10: Stations desktop can stay unlocked.

### 3.2 Conceptualizing Social Responsibility function model

For digitized social responsibility function compliances “in house” the conceptual framework was developed. We use empirical phases of researched and feasible model PDCA. Argued and used approach include cycling phenomenon and it is applicable for article problem.

#### *Methodology*

The PDCA cycle had its origin with PhD. W. Edwards Deming’s lecture in Japan in 1950. His first lecture about the philosophy of science through the evolution of the scientific methods and the science of improvement has its origin’s roots from the 1600’s within Galileo’s theory (Moen and Norman, 2006). In year 1939 Walter Shewhart applied the scientific method with his cycle: specification-production-inspection. After that in year 1950 Deming modified Shewhart cycle to: (1) design of the product, (2) make it, (3) put it on the market, and (4) test it through market research, then redesign product. The Japanese interpretation of “Deming wheel” in Deming’s lectures of 1950 and 1951 lead to the plan-do-check-act or PDCA cycle. Sokovic, Pavletic, and Pipan (2010) discuss importance of Deming’s model PDCA as constant interactions among design, productions, sales, and research phases. They think that the four steps should be rotated constantly within quality of product and services, as the aim.

#### *Conceptual framework*

Figure 1: Simplified contemporary Social Responsibility function model

A	P	D	C	A
<b>Supervision</b>				
<i>Employees</i>	<i>Organization</i>	<i>Organization</i>	<i>Organization</i>	<i>Organization</i>
<i>Goals</i>	<i>Vision</i>	<i>Functions</i>		<i>Suggest,</i>
<i>Culture</i>	<i>Culture</i>	<i>Culture</i>	<i>Communicate</i>	<i>discuss,</i>
<i>ICT habits</i>	<i>Policies</i>	<i>Technology</i>	<i>departed</i>	<i>communicate,</i>
<i>Norms</i>	<i>Norms</i>	<i>Norms</i>	<i>goals</i>	<i>evaluate and</i>
<i>Believes</i>	<i>Principles</i>	<i>Practice</i>		<i>rate objects</i>
<i>Knowledge</i>	<i>Leads</i>	<i>Seminars</i>		<i>refuse,</i>
				<i>propose,</i>
				<i>reward</i>



<i>Skills</i>	<i>HRM vision</i>	<i>Trainings</i>
<i>Faithful</i>	<i>Rituals</i>	<i>Workshops</i>
<i>Attitude</i>	<i>Symbols</i>	<i>Uniforms</i>

A-analyse; P-plan; D-do; C-check; A-act

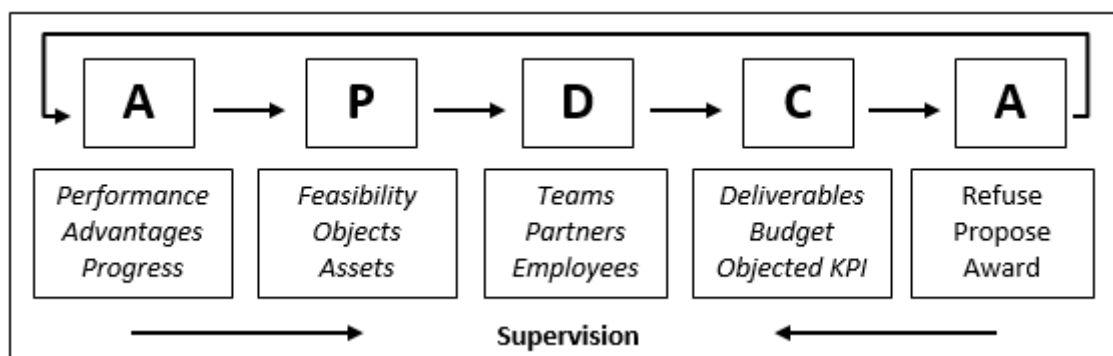
Conceptual model in Figure 1 involves four phases according to Deming’s methodology PDCA. Added additional phase marked as letter “A” represents the analysing phase. Modified analysing phase serves as input point in redesigning social responsibility function proceed. Every analysis in contextual situation of firm, either or it was performed within employees, technology, production, finance, communicates its strengths and its opportunities for its planning (Ford et al., 2008).

On the opposite side of model are vertical phases where variables are proposed as assets, to perform social responsibility acting on function. All concerned links employees and organizational factors stated within strong correlations. For model is suggested daily interaction within teams and permanent supervision as progress tool for real time object realization.

### 3.3 Enforcement proceed cycle

To address business performance in real time supervision for displayed social responsibility function model is proposed and it is practiced already. Some researchers stated that enforcement proceed cycle is a motivating force which forces all resources to lead their goals by preposition to target objectives deadlines (Mărușter and van Beest, 2009). Therefore, for implementation of function SR model is suggested step-by-step approach on planned maturity PDCA results.

Picture 2: Enforcement cycle for Social Responsibility function model



Picture 2 explains cycle of social responsibility function model. Empirical PDCA model phases were modified through analysis extension. Developed analysing phase includes evaluating of organizational - departments performance. To address acceptable intersecting estimates for internal business performance core activities in programs should be audited. Papers suggest rating of performance advantages and its progress. The next step in responsibility function cycle summarizes planning phases within the issued milestones. As milestones, management should plan project feasibility, objects, and assets for its purposes. When elected comprehension dimensions are stated and approved by stakeholders, managers may start planning in time their project organization and its outsourced partners. Anyway, the





enforcement cycle suggests supervision rejection, awarding, suggesting, and discussing. For outcomes we propose monthly analyses.

#### **4 Conclusion**

This paper researches how contemporary adding value and social responsibility functions are linked. Through the paper presentations we find out that social responsibility function is significantly linked to the different organizational aspects. Social responsibility function is defined as the relation between organizational inputs and employees' expectations. In Slovenia, on average 52,17% employees' characteristics are correlated within organizational factors. This paper outlines the importance of the organization. To address social responsibility function's compliance, Deming's PDCA methodology is used and modified with analysing phase. Model for social responsibility function suggests polynomials observation of the core organizational factors within proper time cycle. Figure 1 describes the applied model dimensions. Priority is on its modified analytical phase. Inside vertical and horizontal analysing dimensions should state strong consistency. Proposed plan by managers should involve technological variables combined within any function plan. Decision which tacit strategy proceed is appropriate for the observed function model is responsibility of supervisor who ensures plans. In the action phase rejections, awarding, discussing, regarding the model, are suggested. As researchers argue the analyses make the first steps to company welfare and proper problem area for further researches.

#### **References**

- Beardwell, J., & Claydon, T. (2007). *Human resource management: A contemporary approach*: Pearson Education.
- Bitner, M. J. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *the Journal of Marketing*, 57-71.
- Bright, L. (2005). Public employees with high levels of public service motivation: Who are they, where are they, and what do they want? *Review of public personnel administration*, 25(2), 138-154.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, 34(4), 39-48.
- Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate social responsibility and environmental management*, 15(1), 1-13.
- Davenport, T. H., & Short, J. E. (1990). The new industrial engineering: information technology and business process redesign.
- Ford, D., Gadde, L.-E., Håkansson, H., Snehota, I., & Waluszewski, A. (2008). Analysing business interaction. Paper presented at the 24th IMP Conference, Uppsala.
- Fudge, R. S., & Schlacter, J. L. (1999). Motivating employees to act ethically: An expectancy theory approach. *Journal of Business Ethics*, 18(3), 295-304.
- Hahn, R. (2013). ISO 26000 and the standardization of strategic management processes for sustainability and corporate social responsibility. *Business Strategy and the Environment*, 22(7), 442-455.
- Herzberg, F. (1968). One more time: How do you motivate employees. In: *Harvard Business Review* Boston, MA.
- Lamb, R., & Kling, R. (2003). Reconceptualizing users as social actors in information systems research. *MIS quarterly*, 197-236.
- McLeod, R., & Schell, G. P. (2007). *Management information systems*. Upper Saddle River (New Jersey): Pearson; Pearson Education; Prentice Hall.
- Moen, R., & Norman, C. (2006). Evolution of the PDCA cycle. In.



- Morrison, E. W., & Robinson, S. L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of management Review*, 22(1), 226-256.
- Mulej, M., Ženko, Z., & Žakelj, V. (2017). Social responsibility as a next step in development of systemic behavior toward systems solutions of systemic problems of today. *Journal of Systems Science and Systems Engineering*, 26(3), 287-302. doi:10.1007/s11518-017-5333-9
- Mărușter, L., & van Beest, N. R. (2009). Redesigning business processes: a methodology based on simulation and process mining techniques. *Knowledge and Information Systems*, 21(3), 267.
- Parsons, K., McCormac, A., Butavicius, M., Ferguson, L., C3ID, Command, C., Communication and Intelligence Division, & Chief, C., Control, Communication and Intelligence Division. (2010). *Human Factors and Information Security: Individual, Culture and Security Environment*. doi:INT 07/012
- Schwartz, B., & Tilling, K. (2009). 'ISO-lating' corporate social responsibility in the organizational context: a dissenting interpretation of ISO 26000. *Corporate Social Responsibility and Environmental Management*, 16(5), 289-299.
- Smerek, R. E., & Peterson, M. (2007). Examining Herzberg's theory: Improving job satisfaction among non-academic employees at a university. *Research in Higher Education*, 48(2), 229-250.
- Sokovic, M., Pavletic, D., & Pipan, K. K. (2010). Quality improvement methodologies—PDCA cycle, RADAR matrix, DMAIC and DFSS. *Journal of achievements in materials and manufacturing engineering*, 43(1), 476-483.
- Spears, J. L., & Barki, H. (2010). User participation in information systems security risk management. *MIS quarterly*, 503-522.
- Stello, C. M. (2011). Herzberg's two-factor theory of job satisfaction: An integrative literature review. Paper presented at the Unpublished paper presented at The 2011 Student Research Conference: Exploring Opportunities in Research, Policy, and Practice, University of Minnesota Department of Organizational Leadership, Policy and Development, Minneapolis, MN.

