

## A RESEARCH ON THE SOCIALLY RESPONSIBLE HUMAN RESOURCE MANAGEMENT IN SERBIA

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**Abstract:** *Corporate social responsibility (CSR) and sustainable development are concepts that at their core deal with the socially responsible behavior of economic and political actors, i.e. balancing economic, social and environmental goals. CSR is linked to all aspects of management, especially Human Resource Management (HRM). HRM occupies a special place in the area of social responsibility because it refers to people who are engaged in the organization and who are considered to be one of the most important resources of any organization. The aim of the paper is to investigate the relationship between CSR and sustainable development, on the one hand and HRM, on the other. The subject of the paper covers the link between the concept of CSR, sustainable development, and HRM, based on empirical analysis of corporate data from the Republic of Serbia. The research methodology includes theoretical research of the available literature and data, as well as analysis of empirical data on CSR, sustainable development and HRM, based on the CRANET database for Serbia. Descriptive statistics, Pearson's Chi-square test, and t-test were used for the data processing.*

**Keywords:** *corporate social responsibility, sustainable development, environmental matters, HR activities, human resource management, CRANET, Serbia*

**JEL classification:** *J24, M12, M14*

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## ISTRAŽIVANJE DRUŠTVENO ODGOVORNE PRAKSE MENADŽMENTA LJUDSKIH RESURSA U SRBIJI

**Sažetak:** *Korporativna društvena odgovornost (Corporate social responsibility CSR) i održivi razvoj su koncepti koji u svojoj osnovi polaze od odgovornog ponašanja ekonomskih i političkih subjekata, tačnije od balansiranja između ekonomskih, socijalnih i ekoloških ciljeva. CSR je povezan sa svim aspektima menadžmenta, posebno sa menadžmentom ljudskih resursa (Human resource management HRM). HRM zauzima posebno mesto u okviru društvene odgovornosti, jer se odnosi na ljude koji su angažovani u organizaciji i smatraju se jednim od najvažnijih resursa svake organizacije. Cilj rada je istraživanje odnosa između CSR i održivog razvoja sa jedne strane, i HRM sa druge strane. Predmet rada obuhvata vezu između koncepta CSR, održivog razvoja i HRM, kroz empirijsku analizu podataka preduzeća iz Republike Srbije. Metodologija istraživanja obuhvata teorijsko istraživanje dostupne literature i podataka, kao i analizu empirijskih podataka o CSR, održivom razvoju i HRM, na osnovu CRANET baze podataka u Srbiji. Prilikom obrade podataka korišćeni su metodi deskriptivne statistike, Pirsonovog hi-kvadrat testa i t-testa.*

**Ključne reči:** *korporativna društvena odgovornost, održivi razvoj, ekološke performanse, menadžment ljudskih resursa, CRANET, Srbija*

### 1. INTRODUCTION

Sustainable development encompasses development in which available resources meet current human needs without endangering natural systems and the environment, thereby enabling human needs to be met in the future (WCED, 1987). The concept is based on the principle of equal opportunities, which implies that intragenerational and intergenerational justice must be ensured (Ljajić, Stošković and Kostić, 2018, p.84). By analyzing the definition of sustainable development, we can conclude that there are three interrelated elements, namely the environment (natural resources), needs (economic context) and people (social context).

Besides the concept of sustainable development, the corporate social responsibility (CSR) concept is very often mentioned, too. CSR is understood as a modern management philosophy and marketing tool for market success and as a management concept that strikes a balance between meeting economic, social and environmental goals. It is a decision model that takes into account the strategic positioning of organizations (Vasconcelos, Alves and Pesqueux, 2012). CSR consists of its internal and external dimensions (Commission of the European Communities, 2001). The external dimension of CSR includes a broad range of stakeholders such as business partners, suppliers, users, public

administration and non-governmental organizations representing the local community, as well as global environmental issues. On the other hand, within the internal dimension of CSR, a particular attention is paid to human resource management, occupational health and safety, adaptation to change, environmental impact management and natural resources.

Human resources management is a scientific discipline that deals with the issues of effective and efficient people management in order to achieve the goals of the organization and the goals of the employees. Human resources are the most important capital of all organizations, and the efficient management of this capital is a key pillar of success (Héder, Szabó and Dajnoki, 2018). People are the only resource that can create and use other resources that would otherwise constitute a group of “useless things” (Ivanović-Đukić, Đorđević and Lepojević, 2018, p.13).

The aim of the paper is to explore the relationship between CSR and sustainable development on the one hand, and HRM on the other. The subject of the paper covers the link between the concept of CSR, sustainable development and HRM. The research methodology includes theoretical research of available literature and data, as well as the analysis of empirical data on CSR, sustainable development and HRM, based on the CRANET database for Serbia, consisting of 158 companies.

## 2. THEORETICAL BACKGROUND

The research on the link between the concept of HRM, CSR, and sustainable development is becoming more and more significant and common in contemporary literature worldwide (Kim and Scullion, 2011; Renwick, Redman and Manguire, 2013; Garg, 2014; Slavić and Berber, 2015; Sarvaiya, Eweje and Arrowsmith, 2018). Contemporary HRM is also increasingly associated with environmental issues (“green HRM”) (Renwick et al., 2013; Paillé, Chen, Boiral and Jin 2014; Ahmad, 2015) and corporate social responsibility (Lis, 2012; Martínez-García, Sorribes and Celma, 2018; Diaz-Carrion, López-Fernández and Romero-Fernandez, 2019). The introduction of socially responsible elements in the day-to-day management of companies legitimizes the activities of the company in relation to the stakeholders with whom it operates: shareholders, partners, suppliers, customers, public institutions, non-governmental organizations, employees and society (Barrena-Martinez, López-Fernández and Romero-Fernandez, 2018), where HRM can provide different types of support (strategic and operational) in the development and implementation of CSR (Sarvaiya et al., 2018).

“Corporate social responsibility means that the company engages independently and voluntarily in activities that will contribute to the development and

maintenance of the environment. Thanks to it, the company assesses the impact of its decisions on the natural, social, legal and economic environment in which it operates” (Boljević, Radovanović and Strugar, 2015, p.117). CSR is linked to the idea of a circular economy, which includes the sustainable use of material resources, social responsibility and more balanced development of the economy (Vukadinović and Ješić, 2019). In this sense, modern business models should be based on the idea that newly created value should represent value for all stakeholders and should include sustainable business behavior (Miletić, 2018), not just a narrow profit- oriented attitude (Sekulić and Pavlović, 2018). CSR aims to develop mechanisms that reduce the negative effects of the global economic crisis on the society (Đurić Kuzmanović and Vuković, 2010, p.35).

Sustainable development means “the complementarity of development policy and environmental protection with respect for environmental principles“ (Aničić, Aničić and Kvrđić, 2019, p.66). Miltojević (2011) mentions the most significant dimensions of sustainable development. It has been pointed out that there are 4 dimensions, namely the ecological, economic, social and cultural dimensions. Ecological sustainability is based on conservation of biodiversity, ecosystems, habitats, care of endangered species, conservation of natural resources, and reduction of environmental pollution. Economic sustainable development is based on the reconciliation of economy and economic development with environmental capacities. The social dimension of sustainable development is based on the achievement of well-being and respect for human rights. The cultural dimension of sustainable development includes respect and fostering of religious and cultural diversity, new ethics and behavior. This dimension of sustainable development requires research and preservation of the cultural heritage of local communities, both material and spiritual heritage and traditions, and finding opportunities to be part of the local and regional economic sustainable development, which contributes to the preservation of the identity of the local community (Miltojević, 2011, pp. 644-645).

The following section provides an overview of the most significant studies that addressed the relations of the three mentioned concepts.

## **2.1. RESEARCH ON RELATIONS BETWEEN HRM-CSR**

Based on Cranet data for Lithuania, Buciušienė and Kazlauskaitė (2012) performed an analysis of the relationship between the HRM and CSR concepts. Companies with more developed HRM have been found to have a more developed and implemented CSR (Buciušienė and Kazlauskaitė, 2012). Speaking of formalized CSR policies, the situation in Lithuania was relatively bad: 42,7% of organizations have a written statement of corporate values, 34,6% code of ethics, 21,4% a statement on employee diversity, and only 16,3%

CSR statement. According to the survey results, three-quarters of the analyzed organizations had written or unwritten HR strategies. As regards the usage of CSR-related HRM practices in Lithuania, it is still quite limited. Organizations rarely use some of the following CSR practices: action programs to improve the participation of marginalized groups in the workforce, flexible time management and job rotation, profit sharing, and employee share ownership. Employee health and employee health insurance schemes above legal requirements are also not extensively used. The most widely used practice in this area concerns parental leave, childcare, maternity leave, and breaks for education or training. However, only one-third of organizations in Lithuania offered such benefits.

Summarizing the results of Berber (2013) survey on a sample of European Union countries based on the CRANET project database, it was found that there is a positive relationship between the existence of a CSR statement and the level of environmental performance in companies in the EU and Serbia. If companies have written CSR statements, they have a higher level of environmental performance and evaluate their environmental performance better. About 55% of companies in EU countries have some form of CSR statement, which are official, written statements (32%) or unwritten statements (23,2%), while 44,8% of companies do not have a CSR statement. Central and Eastern European countries such as Slovakia, Hungary, Bulgaria, and Serbia have significantly lower CSR rates (between 14% and 28%). 45% of companies in EU countries have clearly written codes of ethics. There were more companies in Serbia with a code of ethics (60%). In companies that do not have a CSR statement, training programs for specific groups of workers are implemented less frequently. Regardless of the existence of a CSR statement in any form, training programs for special groups of workers are used in a very small percentage - between 5% and 29% of companies (where the most common are training programs for young workers). Career development programs for specific groups of workers, which are particularly emphasized as a part of responsible behavior towards employees (Commission of the European Communities, 2001), are also less widely used in non-CSR companies. Regardless of the existence of a CSR statement in any form in companies, career development programs for specific groups of workers are used in a very small percentage.

Kazlauskaitė, Ligthart, Bučiūnienė and Vanhala (2013) conducted a CSR and HRM linkage study on a sample of organizations from 13 countries, taken from the 2010 CRANET project database. About 52% of the countries were from the Nordic bloc and 48% were from Central and Eastern Europe, including Serbia. They demonstrated a positive link between formalized, written CSR statements and socially responsible HRM activities, primarily specific programs for the recruitment, training and career development of minority groups of employees,

as well as organizational communication. Also, Nordic Bloc countries had a higher percentage of formalized CSR activities compared to organizations in Central and Eastern Europe

Slavić and Berber (2015) investigated the relationship between HRM and sustainable development on the basis of the 2010 CRANET survey for V4 countries (the Czech Republic, Slovakia, and Hungary, excluding Poland, because that country did not participate in the survey) and Serbia. The paper finds that there are positive correlations between the existence of a business strategy, a human resources strategy, and a CSR statement. Statistically significant positive correlations were found between CSR statements and recruitment, career development and training plans for special categories of workers (minorities, older workers, people with disabilities, women, low-skilled labor, as well as younger workers). The existence of a CSR statement is positively correlated with the flow of information on strategic issues in organizations, employee share schemes, use of flexible employee benefits, use of job rotation, level of investment in employee training and the level of environmental performance of organizations. Also, there were positive correlations between the existence of a human resources strategy and CSR statements with the environmental performance levels of the organization. These results indicate that HRM is a driving force for conducting corporate social responsibility in contemporary organizations (Slavić and Berber, 2015).

Diaz-Carrion et al. (2019) conducted a survey on a sample of 153 companies with headquarters in Germany, Spain, Sweden, and the United Kingdom. The dependent variables were 98 socially responsible HRM practices and 6 HR activity groups. To measure CSR HR practices, HR executives in companies answered questions by completing an 8-level scale (1=strongly disagree; 8=strongly agree) to what extent the organization they work for is implementing each of the 98 HR practices. Six groups of human resource activities (staffing, training, performance appraisal and career management, earnings, work-family balance and enhancement of diversity, health and safety at work) were calculated as average values. The influence of national and institutional context on the implementation of socially responsible human resource management practice was demonstrated. In particular, differences were found between the Nordic and Central European clusters in relation to other groups of countries. Companies based in the Nordic cluster are more likely to implement socially responsible HRM practice than companies from other clusters. Companies in the Central European bloc show a lower level of involvement in this kind of HRM activities than companies in other clusters (Diaz-Carrion et al., 2019).

Based on the aforementioned theoretical and empirical research, the following research hypotheses were made:

*H1: The level of formalization of the CSR concept in an organization has a positive relationship with the implementation of socially responsible HR activities.*

*H2: There is a significant difference in the level of environmental performance between organizations that have formalized CSR practices and those that do not have such practices.*

### 3. RESEARCH METHODOLOGY

This paper is based on the CRANET methodology<sup>1</sup>. Cranet is a network of scientific institutions from various countries that collect unique and comparable information on HRM policies and practices. Established in 1989, this network conducts the largest research on HRM practice around the world and has an up-to-date picture of the state of the HRM in the Member States. Currently, the organization has about 40 members (Leković, Slavić and Berber, 2015; Szabó, Slavić and Berber, 2019). The survey is conducted using a standardized questionnaire, which is translated into the languages of the participating countries. The research is descriptive and relies on objective data. It contains about 70 mostly closed questions concerning the main activities of HRM. The following results were obtained after a basic statistical analysis of the responses received from 158 organizations in 2015.

The largest share of the analyzed organizations in the Serbian sample was in the group of small and medium-sized enterprises (about 60% of organizations), grouped by the number of employees, from 1 to 250 workers. About 40% were large companies (with over 250 employees in the organization) and 13% very large enterprises (with over 1000 workers). The largest share of the analyzed organizations in Serbia was from the private sector, 66%, while 34% were from the public sector. About 8% of analyzed organizations engaged in agricultural production, almost 1/3 of enterprises engaged in production, while about 63% of organizations are working in the service sector. The largest share of organizations analyzed in 2015 belonged into the food, trade, telecommunications, and IT sectors.

### 4. RESULTS OF THE RESEARCH

The research results are divided into two parts. The first part presents the results of descriptive statistics for the most significant variables related to the concepts of CSR, sustainable development and HRM. The second section presents the results of the t-test and Chi-square test used to investigate the relationship

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<sup>1</sup> More about CRANET project and methodology can be found at: <https://learn.som.cranfield.ac.uk/cranet/Pages/Methodology.aspx>  
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between CSR and HRM practices in organizations in Serbia with respect to the level of environmental performance of the analyzed organizations.

About 60% of surveyed organizations in Serbia have a written, formulated HR strategy. About the half of the organizations surveyed have a written statement of CSR, while 60% have a written statement of acceptance of employee diversity. These data indicate an improvement in the status of CSR from the point of view of the existence of written documents and strategy compared to the situation in the previous period of 2008-2010 when 46% of organizations in Serbia had written and unwritten CSR statements (Berber, Štangel Šušnjar, Slavić and Baošić, 2014, p.363).

To a very modest extent, organizations from Serbia use special programs to recruit specific groups of employees such as minorities, older workers, and people with special needs, women, unskilled workers, and younger workers. Within recruitment, company-specific programs are developed at a slightly higher percentage only for disabled people and younger workers, 29% and 30% of organizations, respectively. Special recruitment programs are the least used in the case of unskilled labor, women returning to the labor market and older workers.

Serbian organizations also use, to a very limited extent, specific training programs for specific groups such as minorities, older workers, and people with special needs, women, unskilled workers, and younger workers. In the training domain, company-specific programs are developed at a slightly higher percentage for younger workers only, in about 42% of organizations. Training programs are the least used in the case of ethnic minorities, women returning to the labor market and older workers.

Organizations from Serbia, similarly to staffing and training, use, to a very limited extent specific career development programs for specific groups such as minorities, older workers, people with special needs, women, unskilled workers, and younger workers. As a part of career development, specific programs are developed by the company at a slightly higher percentage only for younger workers, about 26% of organizations, and for women, about 23%. Career development programs are the least used in the case of unskilled workers (only 5% of organizations). In all other cases, less than 15% of companies in Serbia use such programs.

The modern way of doing business requires flexibility. In response to this challenge, organizations often introduce alternative ways of organizing working hours in addition to the traditional eight-hour workday during five days. Table 2 shows the approximate percentage of employees in the analyzed organizations working under “flexible working” arrangements. The alternative way of organizing working hours in the form of flexible working hours has not yet



found adequate application in Serbia. This is evidenced by the fact that most of the analyzed organizations, 72 of them, do not use a condensed workweek, teleworking, home-based work, division of work, part-time work or a contract on annual working hours at all. Similarly, companies in Serbia use job rotation, as a method of reducing job monotony and career development to a lesser extent. Namely, 44% of organizations do not use this method at all, while only 12% use the rotation to a greater extent.

The share of training costs in the total annual wage costs is a significant indicator of the importance of training. 37% of organizations invest less than 2% of their earnings on training programs and on improving employees' knowledge and competencies. Less than 3% is invested in about 25% of organizations, while from 4 to 5% is invested on employees' training in a quarter of Serbian organizations. Only 6% of organizations invest more than 5% of wage costs in training. What is also very important is the average amount of training costs, as a part of wage costs, on an annual basis. Serbian organizations on average invest 2.68% of the cost of salaries in training, which is below the European average of around 4% (Morley, Slavić, Poór and Berber, 2016; Slavić and Berber, 2019).

Another socially responsible aspect of HRM is employee incentives and rewarding system. As employees differ from each other, it is essential to develop such benefits that suit their specific preferences. This approach is made possible through the so-called cafeteria - a self-service approach (an employee receives a specific benefit fund that he or she can spend on various benefits packages) (Berber, 2015, p.116). Organizations in Serbia use to a very small extent flexible benefits for their employees, only 19% of organizations. The majority of analyzed companies, namely 81%, do not provide such a benefit to their employees.

Table 1

*Relation between CSR and HR strategies in organizations in Serbia in 2015.*

		Existence of CSR strategy		Total
		No	Yes	
Existence of HR strategy	No	76,9%	23,1%	100,0%
	Yes	31,5%	68,5%	100,0%
Total		50,3%	49,7%	100,0%
TEST		Value	Sig. (2-sided)	Phi
Pearson Chi-Square		31.406	0,000	0,447

*Note.* The study of authors based on Cranet database for Serbia 2015.

According to the results of the Chi-square test, it can be concluded that there is a positive association between the existence of a written HR strategy and a written CSR statement in organizations in Serbia. Namely, if organizations have a written HR strategy they will also have a written CSR statement, 68,5% of them. The relationship between the two variables is statistically significant, measured by the Chi-square test, where  $\phi = 0.447$  ( $p = 0.000$ ).

Table 2

*The relation between CSR and HR activities in organizations in Serbia in 2015.*

CSR STATEMENT	RECRUITMENT (%)		TRAINING (%)		CAREER DEVELOPMENT (%)	
	<i>Minorities</i>		<i>Minorities</i>		<i>Minorities</i>	
<i>No</i>	10,1	$X^2=6.447$	8,9	$X^2=4.262$	5,1	$X^2=6.420$
<i>Yes</i>	25,6	$p=0.011$	20,5	$p=0.039$	17,9	$p=0.011$
<b>TOTAL</b>	17,8	$\Phi=0.203$	14,6	$\Phi=0.165$	11,5	$\Phi=0.202$
	<i>Older workers</i>		<i>Older workers</i>		<i>Older workers</i>	
<i>No</i>	12,7	$X^2=0.071$	11,4	$X^2=6.125$	11,4	$X^2=0.001$
<i>Yes</i>	14,1	$p=0.819$	26,9	$p=0.013$	11,5	$p=0.977$
<b>TOTAL</b>	13,4	$\Phi=0.021$	19,1	$\Phi=0.198$	11,5	$\Phi=0.002$
	<i>Persons with disabilities</i>		<i>Persons with disabilities</i>		<i>Persons with disabilities</i>	
<i>No</i>	20,3	$X^2=5.499$	11,4	$X^2=10.907$	11,4	$X^2=0.906$
<i>Yes</i>	37,2	$p=0.019$	33,3	$p=0.001$	16,7	$p=0.341$
<b>TOTAL</b>	28,7	$\Phi=0.187$	22,3	$\Phi=0.264$	14,0	$\Phi=0.076$
	<i>Women</i>		<i>Women</i>		<i>Women</i>	
<i>No</i>	13,9	$X^2=10.150$	21,5	$X^2=0.625$	22,8	$X^2=0.054$
<i>Yes</i>	35,9	$p=0.001$	26,9	$p=0.429$	24,4	$p=0.816$
<b>TOTAL</b>	24,8	$\Phi=0.254$	24,2	$\Phi=0.063$	23,6	$\Phi=0.019$
	<i>Women returning to the job market</i>		<i>Women returning to the job market</i>		<i>Women returning to the job market</i>	
<i>No</i>	7,6	$X^2=3.785$	6,3	$X^2=4.132$	8,9	$X^2=0.637$
<i>Yes</i>	17,9	$p=0.052$	16,7	$p=0.042$	12,8	$p=0.425$
<b>TOTAL</b>	12,7	$\Phi=0.155$	11,5	$\Phi=0.162$	10,8	$\Phi=0.064$
	<i>Unskilled workers</i>		<i>Unskilled workers</i>		<i>Unskilled workers</i>	
<i>No</i>	8,9	$X^2=0.637$	16,5	$X^2=3.128$	3,	$X^2=0.554$
<i>Yes</i>	12,8	$p=0.425$	28,2	$p=0.077$	6,4	$p=0.457$
<b>TOTAL</b>	10,8	$\Phi=0.064$	22,3	$\Phi=0.141$	5,1	$\Phi=0.059$
	<i>Young workers</i>		<i>Young workers</i>		<i>Young workers</i>	
<i>No</i>	19,0	$X^2=9.088$	36,7	$X^2=1.854$	19,0	$X^2=4.186$
<i>Yes</i>	41,0	$p=0.003$	47,4	$p=0.173$	33,3	$p=0.041$
<b>TOTAL</b>	29,9	$\Phi=0.241$	42,0	$\Phi=0.109$	26,1	$\Phi=0.163$

Note. The study of authors based Cranet database for Serbia 2015.

Table 2 shows the results of Spearman's Chi-square test that was used to determine the link between the existence of a CSR statement and HRM activities that are considered socially responsible. The analysis was done for

variables related to staffing, training and career development for specific employee groups.

In the case of recruitment, as a part of staffing process, organizations in Serbia use more specific action programs for national minorities, persons with disabilities, women, women returning to the labor market and young workers (the extent to which an organization uses this action is higher if they have written CSR statements, statistically significant relationships  $p < 0.05$ ). In the case of training for specific workforce groups, organizations in Serbia use to a higher extent the specific action programs for national minorities, older workers, people with disabilities and women returning to the labor market (the usage is higher if an organization has written CSR statements, statistically significant links  $p < 0.05$ ). In the case of career development, organizations are more likely to use specific action programs only for national minorities and young workers (the proportion of organizations is higher if they have written CSR statements, statistically significant links  $p < 0.05$ ). Based on the above results, hypothesis H1 is confirmed.

The next part of the research involved the application of the t-test to determine the difference between organizations that have CSR statements and those which do not have that statement in terms of environmental performance.

Table 3

*Differences in the level of environmental performance in relation to the existence of CSR statements in organizations in Serbia in 2015.*

	<b>Existence of CSR statement</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
<b>The level of environmental performances</b>	<i>No</i>	78	3.21	.843
	<i>Yes</i>	74	<b>3.92</b>	.962

*Note.* The study of authors based Cranet database for Serbia 2015.

According to the data presented in Table 3, it can be concluded that organizations with a written CSR statement have a higher level of environmental performance ( $M=3.92$ ,  $SD=0.962$ ) than organizations that do not have such a statement ( $M=3.21$ ;  $SD=0.843$ ). These differences in the mean values of environmental performance indicators between the two groups were statistically significant ( $t(150)=4.873$ ;  $p=0.000$ ). Therefore, the hypothesis H2 is confirmed, too.

## 5. CONCLUSION

The research in this study was dedicated to the investigation of the relations and the determination of the level of development between three different, but at the same time related concepts: human resource management, sustainable development, and corporate social responsibility. The research is based on the available literature and empirical data on HRM, CSR and environmental performance of organizations in Serbia in 2015. Based on the data from the CRANET survey in Serbia, the authors analyzed the level of development of the three concepts and the relationship that exists between them. Based on the results obtained in the analysis, it is possible to draw several conclusions that can be significant for contemporary organizations that seek to achieve sustainable development on the postulates of social responsibility.

About 60% of surveyed organizations in Serbia have a written and formulated HR strategy. About half of the surveyed organizations have a written statement of CSR, while about 60% of them have a written statement on the acceptance of employee diversity. Serbian organizations to a very modest extent use specific programs for the recruitment, training and career development of specific groups such as minorities, older workers, and people with special needs, women, unskilled workers, and younger workers. An alternative way of organizing working hours in the form of flexible working hours and job rotation has not yet been adequately implemented in Serbia. Serbian organizations invest, on average, 2,68% of the cost of salaries in training, which is below the European average of around 4%. Besides, Serbian companies do not frequently offer flexible benefits to their employees, only 19% of organizations.

There is a positive relationship between the existence of a written HR strategy and a written CSR statement in organizations in Serbia. Namely, if organizations have a written HR strategy, they will also have a written CSR statement, 68,5% of them. The relationship between these two variables is statistically significant. In the case of recruitment, as a staffing process, organizations in Serbia use more specific action programs for national minorities, persons with disabilities, women, and women returning to the labor market and young workers if they have a written CSR statement. In the case of training for specific workforce groups, organizations in Serbia use more specific action programs for national minorities, older workers, people with disabilities and women who return to the labor market if they have a written CSR statement. In the case of career development, organizations in Serbia are more likely to use specific action programs only for national minorities and young workers if they have a written CSR statement. Organizations that have a written CSR statement also have a higher level of environmental performance than

organizations that do not have such a statement. The differences in the mean values of environmental performance indicators between the two groups are statistically significant.

When looking at the data from previous research, it is evident that the situation in Serbia regarding CSR is improving to some extent as the number of organizations implementing specific action programs for specific groups of employees and prescribing CSR values in written documents is increasing. On the other hand, some of the HRM activities widely used in EU countries and other parts of the world which are considered to be socially responsible, such as flexible benefits, flexible working hours and job rotation, do not yet have an adequate implementation in domestic organizations. What is important to emphasize is that organizations with CSR statement also achieve a higher level of environmental performance in their documents.

Based on the results drawn, the authors formulated several recommendations for companies in the domicile business environment related to the implementation of HRM activities. One concerns the formulation and implementation of an HR strategy that would incorporate elements of CSR and sustainability. As HRM is an internal dimension of the CSR concept, it is important to identify those activities that could help to improve the position of employees - especially of specific groups. For example, introducing flexible working hours for jobs that provide work-life balance as employees can match working hours to personal needs. The introduction of such and similar activities, which do not require an extreme increase of organizational costs, may increase the overall level of job satisfaction, which has also been found to be low in the majority of companies operating in Serbia. It is also necessary to define specific CSR standards and reporting which are voluntary but indicate the organization's commitment to social responsibility and sustainable development. In addition to documentation and promotional and philanthropic activities, it is also important to establish a control function for CSR and sustainability issues, so that the strategies and standards adopted are actually implemented and can be monitored. Viewed from a CSR angle, the authors of this paper emphasize HRM as a tool to “put CSR into practice”.

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