Abstract-The interrelationship between knowledge management (KM) and corporate social responsibility (CSR), foreseen as a leveraging point that could benefit corporations, clients, communities and society has not yet been fully studied. The purpose of this study is to draw attention to research on KM and CSR in order to address the relationship as a framework for corporate solutions and methods, since paradigm shifts are constantly required in management strategies. New models are needed in order to respond to the changing needs of an ever-changing business environment, new demands, the increasing expectations of stakeholders for companies to address environmental and social impacts, and the increasing importance for businesses to engage with CSR issues.

Keywords- Knowledge Management; Corporate Social Responsibility; Strategy

I. INTRODUCTION

Over the last two decades, public attention, especially via consumer organizations, has focused on demanding accountability and transparency from corporations and businesses. In the past, profit was the main (and sometimes only) concern of corporate boards. Today, environmental problems globalization and privatization trends and the information revolution that society is faced with have created favorable conditions for raising the bar on business standards. Businesses have a major role in generating these impacts but play an important part in providing the solutions as well. This study is a theoretical review which is backed and supported by hypotheses methods (not by empirical figures) to illustrate the conceptual framework of how the KM and the CSR are interrelated.

II. CORPORATE SOCIAL RESPONSIBILITY

The term corporate social responsibility was coined by the international organizations, which set strict professional criteria for conducting business and encouraging high ethical commercial standards. As researchers have noted, “Organizations need to re-invent their business models to be competitive…when firms are faced with renewed stakeholders’ agitation and criticism” [1]. Some are far reach to site and declare that “in a free enterprise, the community is not just another stakeholder in business but is in fact the very purpose of its existence” [2]. Corporate social responsibility is the new way to respond to the growing demand of stakeholders. Many researchers stress that “to meet the expectations of groups concerned about the environment, companies must adopt a responsible attitude for their surroundings to maintain the sustainable development” [3]. “The need for a shift of our entire society towards a more sustainable way of life is widely recognized” [4].

CSR requires that corporations take into consideration fairness towards employees, clients and sub-contractor employees. Corporations are expected to protect natural resources and to demonstrate involvement and responsibility in sustainability, community, human rights, and environmental components which may be affected by the actions of the business. Beyond its immediate profit motivation, therefore, the corporation must commit itself to the well-being of society. Corporations must, furthermore, report to the public on their efforts towards social responsibility. Adopting CSR can benefit companies by increasing their reputations, through better financial performance, the good will of regulators, and by retaining and attracting talent.

III. KNOWLEDGE MANAGEMENT

Before the CSR model, knowledge management had been the strategy most promoted by opinion leaders in the field of corporate management. (Druker, Nanoka, Prozac, Davenport, Snoden). Knowledge management uses knowledge and human resources in an efficient, innovative and effective way. By analyzing the organizational environment, its partner’s community, competitors, clients and employees, the corporation learns about and engages in constant improvement. It is thus able to elicit changes in its attitudes and operations in order to achieve better corporate goals.

KM applies a spiral process of defining targets and objectives, mapping existing knowledge, production and preservation of new knowledge, monitoring and feedback. An important value of KM is making intangible, tangible and known knowledge. KM views collaboration as a way of life. Transparency, knowledge transfer, sharing and collaboration are important tools which a corporation cannot survive without. KM depends heavily on information technology as a basis for knowledge sharing, preservation and retrieval. Technology enables the presentation of the right information at the right time and helps corporations
discover experts and best practice. The technology assists in the gathering of information from the organization’s environment as well as increasing the visibility of knowledge for decision-making, cooperation and control.

IV. THE KM-CSR INTERRELATIONSHIP

A number of researchers have drawn attention to the notion, connection and evolution related to KM and CSR [1, 2, 5, 6], but this issue has not been studied in full. KM strategy defines the employee community and its partners as some of the most important assets of an organization. As such, they require nurturing and enhancement. These values are compatible with CSR’s concern with the needs and rights of employees and partners. In both CSR and KM, the community has its own inherent social and interpersonal business value, which drives social and business synergy. KM tools can leverage implementation of CSR in various ways, since they share their main values and stress common objectives.

An increasing number of corporations report their CSR to authorities and to the public, above and beyond the financial reporting required by law. But the total number is still very small, and, as with KM, strategy implementations have been rather lack luster. It is not clear whether the implementation level of both strategies reflects a lack of cultural, social and moral values, or whether monetary, political, public or legal motivations become a hurdle for senior management to implement KM and CSR. Our professional belief is that an interrelation between the two may contribute to leveraging the level of implementation in many corporations.

V. CONCLUSIONS AND RECOMMENDATIONS

We argue that the current global public climate provides an excellent opportunity to use KM (the “how”) for implementing CSR (the “what”) and to leverage both strategies for the sake of good practices in corporation management and for the benefit for society, as researchers [7] point out, by “putting people at the center.” CSR defines the norms (transparency, visibility, responsibility and accountability), which can be applied using KM tools in daily organizational life. This will contribute to an improved and more natural implementation of CSR in both large and small corporations. We believe that the thorough study of the nature of the connection between these two strategies is required in order to reveal the synergy and leverage that this relationship may yield.

REFERENCES