

CSR IN THE RELATION TO WORKING CONDITIONS OF THE HUMAN CAPITAL

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HUMAN CAPITAL



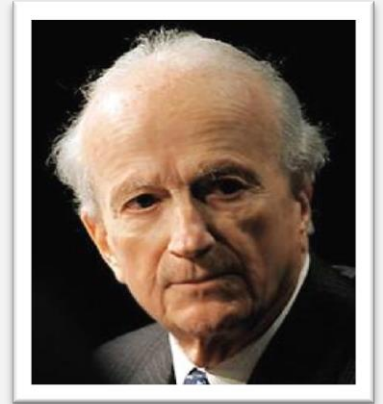
Human capital is a measure of the economic value of an employee's skill set.

- This measure builds on the basic production input of labor measure where all labor is thought to be equal.
- The concept of human capital recognizes the quality of employees can be improved by investing in them: the education, experience and abilities of employees have economic value for employers and for the economy as a whole.

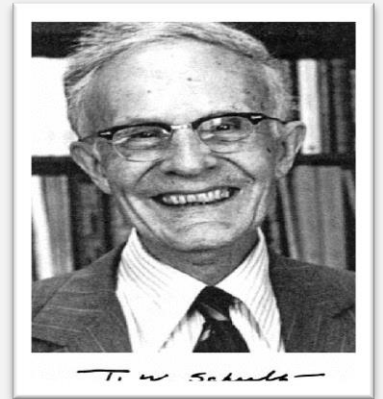


HUMAN CAPITAL

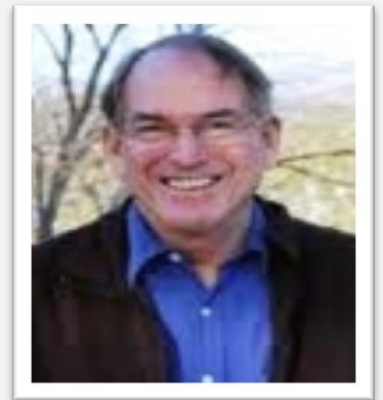
A. The Becker view: *"Human capital is directly useful in the production process. More explicitly, human capital increases a worker's productivity in all tasks, though possibly differentially in different tasks, organizations, and situation."*



B. The Schultz/Nelson-Phelps view: *"According to this approach, human capital is especially useful in dealing with "disequilibrium" situations, or more generally, with situations in which there is a changing environment, and workers have to adapt to this."*



C. The Bowles-Gintis view: *"Human capital" is the capacity to work in organizations, obey orders, in short, adapt to life in a hierarchical/capitalist society. According to this view, the main role of schools is to instill in individuals the "correct" ideology and approach towards life."*



SOURCES OF HUMAN CAPITAL DIFFERENCES

➤ Innate ability

Workers can have different amounts of skills/human capital because of innate differences.

- I) There is likely to be heterogeneity in human capital even when individuals have access to the same investment opportunities and the same economic constraints,
- II) In empirical applications, we have to find a way of dealing with this source of differences in human capital, especially when it's likely to be correlated with other variables of interest.

➤ School quality and non-schooling investments

A pair of identical twins who grew up in the same environment until the age of 6, and then completed the same years of schooling may nevertheless have different amounts of human capital. This could be because they attended different schools with varying qualities, but it could also be the case even if they went to the same school.

➤ Training

This is the component of human capital that workers acquire after schooling, often associated with some set of skills useful for a particular industry, or useful with a particular set of technologies. At some level, training is very similar to schooling in that the worker, at least to some degree, controls how much to invest.



CLARITY IN HUMAN CAPITAL GOALS



- Understanding the gap between current and desired state helps in developing human capital goals which would not only increase the overall efficiency of employees but also make them feel attached towards the organization.



Set human capital goals such as:

- Only the best talent should be hired.
- Developing realistic induction programs for new employees.
- Continuously develop skills of workforce in line with the requirements.
- Retaining hard working and dedicated employees.



Strategies/Policies to Accomplish Already Defined Goals and Objectives

- ✓ Delegate responsibilities to employees as per their skills, educational qualification, expertise and interest areas. Assign a team leader.
- ✓ Team Managers must interact with their team members on a regular basis to understand their expectations from the system and also to keep a track on their growth in the organization.

DIGGING DEEPER INTO DATA

- ✓ Boards should also have a good handle on how their companies measure human capital.
- ✓ Companies such as a) Google Inc., b) Procter & Gamble Co., c) Lowe's Cos., d) Marriott International Inc., and e) Intel Corp. have all established HR analytics groups to get a clearer understanding of the behavior, potential, and risks inherent with their workforces.



Economist Adam Smith once wrote Human Capital is:

The “acquired and useful abilities of all the inhabitants or members” of a society. He noted “the acquisition of such talents, by the maintenance of the acquirer during his education, study, or apprenticeship, always costs a real expense, which is a capital fixed and realized, as it were, in his person.”



CSR AND WORKING CONDITIONS

- ✓ Recruitment and job access
- ✓ Training and advancement
- ✓ Health and well-being in the workplace





RECRUITMENT AND EMPLOYMENT ACCESS

- ✓ Targeted recruitment campaigns
- ✓ Partnerships with universities
- ✓ Job access programs



- ✓ Attract qualified labor
- ✓ Support local employment
- ✓ Diversity of recruitment, gender equality





TRAINING AND CAREER DEVELOPMENT

✓ *Employees become more and more educated and thus desire enriching work and opportunities for growth*



HEALTH AND SAFETY IN THE WORKPLACE



Reducing
workplace
accidents

Work/Life
balance

Comfortable
working
environment

Preventing
overwork

Promoting
healthy
lifestyle



SONY



But are the Multinational companies really likely to bring in more jobs, better pay, better conditions and better practices to host destinations?

WHAT SHOULD THE MULTINATIONAL COMPANIES PROVIDE TO THE EMPLOYEES?

LABOR
RIGHTS

RIGHT TO
WORK

RIGHT TO
HOLD
OPINIONS

RIGHT TO
PRIVACY

CULTURAL
RIGHTS

RIGHT TO
FAMILY
LIFE

MNC ISSUES

➤ Sweatshops



➤ Child labor



➤ Gender inequality



➤ Discrimination and Racism



CASES OF CORPORATE IRRESPONSABILITIES

- Nike factories in Asia were criticized for employing young children in extremely poor working conditions
- Explosion at Union Carbide Ltd-Bhopal, India in Dec. 1984 caused thousands of deaths and rendered many people disabled due to leakage of MIC gas.
- Fraudulent accounting manipulations led to collapse of Houston based Enron corporation.
- James Hardie was criticized for its failure to provide compensation to people affected by asbestos-related diseases.



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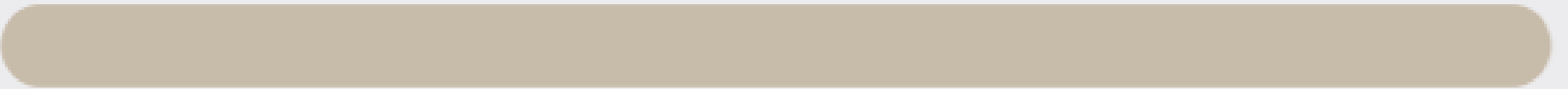
SOME FACTS ABOUT SKANSKA

- ✓ Founded: 1887
- ✓ Geographic markets in: the Nordic region, Europe and North America
- ✓ Operations: Construction and development of commercial property, residential and public private partnership (PPP) projects
- ✓ Employees: 43,000 (2015)
- ✓ CEO: Johan Karlström
- ✓ Largest shareholders: Industrivärden, Lundberg Group, Alecta



SKANSKA

Skanska Values



Care
for Life



Act Ethically
& Transparently



Be Better–
Together



Commit to
Customers

SKANSKA'S SUSTAINABILITY WORK

Safety



Green



Diversity and Inclusion



SAFETY WEEK

Ethics

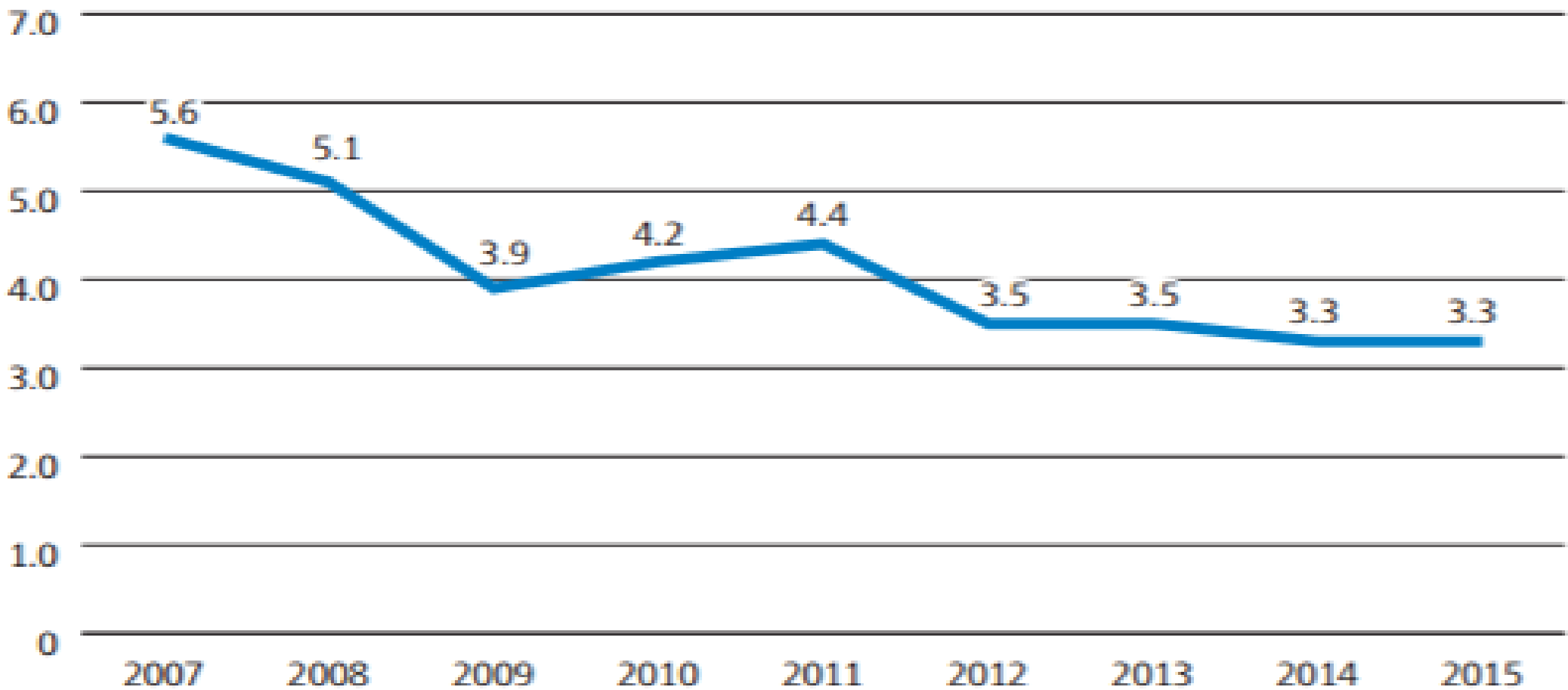


Corporate
Community
Investment



Lost Time Accident Rate (LTAR) 2007-2015

Number of employee lost time accidents times 1,000,000 hours divided by total labor hours.
Inclusive of Skanska employees plus contractors working on Skanska jobsites.



Make a difference!

SKANSKA

The image shows a blurred photograph of a wind turbine. The blades are out of focus, creating a sense of motion. The background is a clear blue sky. In the upper left corner, the word "SKANSKA" is written in a bold, dark blue, sans-serif font.



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THANK YOU FOR ATTENTION!