Examining the Real Implementation of Corporate Social Responsibility in Spanish Companies and their Fit with the Human Resources Management Area: Qualitative Contributions based in Interviews:

Barrena-Martinez, Jesus,
Faculty of Business & Economics,
University of Cadiz, Spain.
E-mail: jesus.barrena@uca.es

Lopez-Fernandez, Macarena,
Faculty of Business & Economics,
University of Cadiz, Spain.
E-mail: macarena.lopez@uca.es

Romero-Fernandez, Pedro Miguel,
Faculty of Business & Economics,
University of Cadiz, Spain.
E-mail: pedrom.romero@uca.es

Abstract

In recent years many researchers have shown the positive effects of integrating a socially responsible orientation into business management. This article focuses on disaggregating information about Corporate Social Responsibility (CSR) and its special connection with Human Resources Management (HRM). The methodology of the study is qualitative based in six interviews with Spanish managers of different companies, sizes and industries. Among the main conclusions extracted we found: the existence of individual job positions in the human resource department and committees in charges of CSR decisions; a generalized unknown legal framework for governing CSR actions; a general assumption that CSR is a voluntary management philosophy implemented in all of organizational areas included in HRM; the great weight that environmental actions take in companies at the expense of economic and social areas; and the potential synergies between CSR and HRM translated in several socially responsible human resource practices.

Key Words: Corporate Social Responsibility; Human Resource Management; Management; Qualitative Analysis; Sustainability
JEL Classification: M12, M14, O15
1. Introduction

Corporate Social Responsibility (CSR) has been proclaimed a key tool that helps companies to meet these environmental concerns as well as to improve their competitiveness (Grzebyk & Stec, 2015; Marano & Kostova, 2016). At institutional level, since 2001 the European Commission has taken an active interest in CSR, this field has been conceived as one of the strategic priorities for all of the companies. The institution defines CSR as the process of integrating the social, environmental, ethical and human concerns of any company’s groups of interest into the organization’s activities, with two aims: (1) to maximize the value creation for these groups, and (2) to identify, prevent and mitigate the adverse effects of firms’ actions on the environment (European Commission, 2011:6).

The review of CSR literature reveals progressive advancements in theoretical support (Barrena-Martinez et al., 2015; Garriga and Mele, 2004), but more research is needed to know the real implementation processes and the ways to measure its economic, social and environmental results (Romolinoni et al., 2014; Weber, 2008). This article using a qualitative analysis based on interviews with managers explore the implementation of CSR into Spanish companies, and its fit with one of the most important organizational areas, the human resource management field through a common framework with eight specific questions.

The structure of the paper is divided into four specific sections. Firstly, the literature review to clarify the importance and added value of CSR in HRM based on two major theories: the institutional perspective (Brammer et al., 2012; Campbell, 2007) and stakeholder’s theory (Ayuso et al., 2014; Freeman, 1984). Secondly, we presented the methodology used. Thirdly, the results extracted of the qualitative analysis. The final fourth section presents the conclusions, discussion and implications for future research.

2. Literature Review: CSR and HRM Fit

Many researchers are showing the importance of companies carrying out socially responsible behaviours, and how this process can foster improvements in organizational performance (Carroll & Shabana, 2010; Chun et al., 2013). In order to understand the effects of CSR actions on business results, we need to understand the nature of the term organizational performance, coined by Venkatraman & Ramanujam (1986: 803). They defined organizational performance as the ‘indicators that reflect whether a company has achieved its objectives in terms of comparison with other companies’. There are two types of indicators: (i) financial results, which include economic or accounting indicators such as sales growth, the rate of profit, return on investment, return on sales, return on equity and earnings per share; and (ii) non-financial results, which consider other non-economic aspects such as global market share, the introduction of new products, the quality of production processes and business services, efficiency and technological efficiency or innovation.
The literature currently sees the reasons for an enhancement of results derived from CSR actions with: the efficient and responsible management of the company’s processes and resources (Guenster et al., 2011); the reduction of negative social and environmental impacts, and thus the enhancement of the firm’s reputation (Garay & Font, 2012); or the recognition and legitimacy perceived by its stakeholders (Liu et al., 2010).

Other institutions like the Commission of the European Communities (2011) argue that initiatives in CSR help to improve both the financial and non-financial ratios of companies through: (i) reducing the risk of legal penalties, criminal prosecution, litigation and damage to business reputation; (ii) the creation of a culture of ethics and morality in management to assist in the decision-making process of the company; (iii) the increase in sales and building of a brand that enjoys greater loyalty and credibility among consumers; (iv) the achievement of a more human relationship with employees, leading to greater productivity and satisfaction thereof; and (vi) the attraction and retention of skilled labour.

Academics like Hastings & Bartels (2008), in a comparative study in Europe and the U.S. for the professional consultant KPMG, have mentioned that social responsibility activities can positively affect financial and nonfinancial performance due to several factors: a) market differentiation based on their strategy and commitment to stakeholders; b) a better understanding of the expectations and market risks; c) their commitment to workers; d) access to favourable financing conditions, as well as obtaining a ‘licence to operate’, which gives more freedom in transactions and exchanges with their environment.

More specifically, some studies support the relevance of coining a new concept like socially responsible human resource management (SR-HRM), defined as corporate social responsibility directed at employees, underpinning the successful implementation of CSR (Shen & Benson, 2014). Other works highlight the use of a responsible framework of governance for companies as being able to extract a better performance from workers (Flammer & Luo, 2015); additionally, there are works which demonstrate the importance of having a responsible culture in developing coherent CSR strategies and practices.

Before delving deeper into the qualitative interviews, it is important to understand why companies undertake these socially responsible behaviours. As previously stated, and with that aim in mind, we herein examine two complementary approaches: the institutional theory and the stakeholder theory.

**Conceptual Framework: The Institutional and Stakeholder approaches to understanding socially responsible behaviour**

**2.1 Contributions from Institutional Theory**

The neo-institutionalism suggests that organizations and their strategies are substantially influenced by cultural, legal, historical and political factors that define specific patterns of behaviour for different regions or countries (Doh & Guay, 2006). Based on this trend, we
understand that there are a wide number of factors which can affect companies adopting CSR policies. According to Keim (2003), there are two kinds of institutions to be considered in the analysis of the context: (i) Formal institutions, which incorporate laws, policies and formal agreements validated by citizens from different localities and countries; and (ii) Informal institutions, which are behavioural rules and mental models generated by individuals from cultural heritage, religious beliefs, etc. These latter institutions, in the field of business, are reflected in informal practices and routines. In addition, there are some key institutions - political, legal and social legislation at a national and supranational level, from which jurisdiction specific to a particular territory or geographical area is handed down.

Following this classification, we can interpret that the institutional environment in geographical contexts such as Europe and North America is traditionally affected by different historical and political variables. In our analysis we focus on European territory, because Spain is at the forefront of much of the current research. Also, there is a large amount of European legislation and regulation which harmonizes social and labour aspects - Maastricht Treaty, 1993; Amsterdam Treaty, 1996; Treaty of Nice, 2000– (Doh & Guay, 2006). The integration of the European countries under a single monetary system with inter-governmental decision-making has had the effect of reformulating traditional relationships between business and Governments resulting in a more coherent system of welfare (Doh, 1999). The European Commission has therefore unwittingly become an expert advisor on negotiation and improvement of these European collective interests.

In terms of CSR at European level, the elaboration and publication of the Green Book of CSR (2001) should be highlighted as one of the main manuscripts promoting a common framework within which entrepreneurs and managers can develop responsible behaviour. In additional terms, according to Doh & Guay (2006), NGOs and society in general are promoting socially responsible behaviour in order to mitigate unethical decisions leading to organizational scandals. Specifically, the negative impact of air pollution, gender inequalities or the use of child labour have led to the creation of several platforms for expressing general dissatisfaction and the need for regulation at institutional level.

This background exposes a progressive institutionalization and increased company interest in developing responsible behaviour, which leads to the analysis in numerous studies of the relevance and added value of including social responsibility as a part of organizational goals (Branco & Rodrigues, 2008; Galbreath, 2009). Other factors such as a company’s financial strength or level of competitiveness, or the historical political baggage of a given country, become complementary constraints to a firm implementing socially responsible behaviour (Campbell, 2007; Doh & Guay, 2006).
On the other hand, the balance demands of the large number of players involved in any business activity represents the main foundation of the stakeholder theory, which can act as a complementary approach (Barrena-Martinez et al. 2015).

2.2 Contributions from Stakeholder Theory

The development of the stakeholder perspective encompasses the transformation of the traditional bilateral relationship established between a firm and its traditional relevant interest groups such as the shareholder or owners, into a new set of multilateral relationships, which include the employees, unions, customers, suppliers, the Government, investors, media, competitors or the local community.

The literature shows the concept of wider spread ‘stakeholders’ as arising from the field of business management, being introduced by Freeman and defined as ‘any group or individual who can affect or be affected by the decisions and the achievement of corporate objectives’ (Freeman, 1984: 25). In this respect, a solid framework related to stakeholders theory has been built, which shows how balancing the satisfaction of the interests of these parties can help companies to improve their financial performance and subsequently their sustainability (Barrena-Martinez et al., 2015; Tanimoto, 2013). Specifically, authors such as Donaldson and Preston (1995) argue that there are different forms of analysing the relationship established between the company and these groups.

Furthermore, Donaldson and Preston (1995) suggest three trends for examining stakeholder management with accuracy: (i) the descriptive approach, which explains that companies are defined as a broad set of different interests which need to be balanced, a process that can produce better or worse results; (ii) the instrumental approach, which explains how stakeholder management of the company is an instrument or a tool to meet specific traditional organizational goals: profitability, stability and growth; and (iii) the normative approach, supported by the belief that the management and satisfaction of stakeholder interests should be any company’s main goal, relegating economic benefits to second place.

Taking into account these approaches, we have focussed on normative perspective to justify how the of better quality relations between the company and stakeholders heightens goal achievement (Fassin, 2009).

After examining the theoretical foundation, not only academic proof must be provided, but also professional evidence of the integration of CSR into management function and more specifically into Human Resource Management.
3. Methodology

3.1 Research Questions

The main two research questions of the article are: (i) how is the real implementation of CSR strategies and its framework in Spanish companies? And (ii) how is the real fit and synergies between CSR and HRM? We will examine these questions through a qualitative analysis.

3.2 Qualitative Analysis

In order to know about the integration of CSR into HRM we conduct a face-to-face interview with managers. Ten Spanish companies were selected, of which six participated in a detailed interview regarding elements of CSR & HRM used by management (Table 1). Two of the interviews were conducted via Skype and four by phone. The rest of the companies were not able to participate within the deadline.

Table 1: Sample of the Qualitative Study

<table>
<thead>
<tr>
<th>Case Study</th>
<th>Gender (respondent)</th>
<th>Sector</th>
<th>Size (number of employees)</th>
<th>Scope of operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Male</td>
<td>Tertiary</td>
<td>88</td>
<td>International</td>
</tr>
<tr>
<td>B</td>
<td>Female</td>
<td>Tertiary</td>
<td>More than 250</td>
<td>National</td>
</tr>
<tr>
<td>C</td>
<td>Male</td>
<td>Tertiary</td>
<td>More than 250</td>
<td>International</td>
</tr>
<tr>
<td>D</td>
<td>Female</td>
<td>Secondary</td>
<td>50-250</td>
<td>National</td>
</tr>
<tr>
<td>E</td>
<td>Female</td>
<td>Tertiary</td>
<td>Less than 10</td>
<td>Local</td>
</tr>
<tr>
<td>F</td>
<td>Female</td>
<td>Tertiary</td>
<td>More than 250</td>
<td>International</td>
</tr>
</tbody>
</table>

Source: own elaboration

3.3 Debate & Qualitative Interviews

The interviews revealed an interesting depth of thinking on the part of the interviewees, going beyond a uniquely quantitative value and allowing respondents to be more open about their opinions on a topic. A culture of Corporate Social Responsibility integrated into Human Resource Management strategies, policies and practices could therefore be better defined and interpreted in qualitative terms by practitioners through interviews. In order to achieve this, a semi-structured interview was carried out between the months of June and July 2015th, ensuring the anonymous participation of respondents. The questions included in the study, were as follows.

Questionnaire

1. Is there a person in charge of Corporate Social Responsibility decisions?
2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?
3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?
4. Does the company voluntarily undertake any corporate social responsibility activity? Or do they respond to environmental and other specific interest groups? If so, which groups?
5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

8. Do you believe that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

4. Results

The responses of the six interviewees are provided. Additionally, we offer a short personal final commentary.

Company A

Description

The activity of this Spanish company, a multinational firm in the tertiary sector, is orientated towards collecting and moving containers inland from a port terminal (Figure 4). The terminal is capable of handling both the latest and future generations of container vessels with equipment such as Ship-to-Shore Cranes, Automatic Stacking Cranes and Shuttle Carriers. This is a medium-sized company with 88 employees. The person being interviewed is the Human Resources Manager.

1. Is there a person in charge of Corporate Social Responsibility decisions?

   There is no one in charge of Corporate Social Responsibility actions.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

   No, in cases in which the company does apply any CSR actions, these are decided upon in isolation by the sales and marketing department. Consequently, the Marketing Manager is the person who usually makes the decisions and implements CSR activity within the company.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?

   I feel helpless in this area and do not know how to implement social responsibility actions in accordance with current laws or regulations. For me, and for the director of the company, social responsibility will continue to be a challenge going forward. The company would like to be better engaged with CSR, but unfortunately they have neither the knowledge nor strong
fundamental goals that will help them to move forward and consolidate this area. We must be cautious regarding the legal interpretation of CSR.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to the environment and other specific interest groups? If the latter, which groups?

CSR actions undertaken since the creation of the company have been voluntary. In some specific cases, the organization has responded to a specific stakeholder, such as customers, who have asked about the use of corporate social responsibility policies in order to collaborate and share knowledge in this specific area. For example, in the environmental arena there is special concern from customers who demand the use of standards that minimize impact on the environment (use of fuels, renewable and efficient energy, etc.).

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

In terms of transparency and visibility, I know that there is nothing developed at a corporate level. In fact, I think that many actions that could be classified as socially responsible, but which are conducted in isolation, have no effect on our stakeholders because the actions are not properly publicized subsequently. The company is not currently considering publishing CSR activities in reports, as this is not a work priority.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

From my point of view, those CSR actions which have been implemented to date are definitely isolated. The company’s understanding is that CSR is not related to their core business operations.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

Despite the firm making advances in this field, they do not collect these practices within an integrated plan, although they would like to do so. Currently, only two people work in the company’s human resources department and measuring socially responsible human resource policies or practices are not among their responsibilities. There are two relevant socially responsible human resource practices that I want to describe in detail:

1) Breakfast with employees: a conversation with employees during breakfast has been developed, where the Human Resource Manager and the company CEO gradually assist an employee in a particular area of business (marketing, logistics, etc.) in which they are involved. Conducted in an informal manner, this is expected to inspire employee
participation, in order to improve the company’s operations, the employment status of workers and their conditions in the long term.

2) Event (Strategic meeting): consists of two consecutive days at the end or at the beginning of the year when (day 1) company employees and managers, alongside outside speakers, take part in a series of immersive activities that explain the general performance of the company and the achievement of objectives. On the second day, employees take part in a competition of ideas, culminating in a formal gala dinner, in recognition of the best ideas or initiatives.

8. Do you believe that that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

I believe that there should be synergy between CSR and HRM. Although we do not officially carry out or control CSR actions, it would be helpful if the University could give us training to help implement CSR actions and to facilitate this adjustment. Given the global character of the company, I think a good way of managing and optimizing the firm’s capital would be to integrate HR within a general CSR department.

Company B
Description

The company provides a professional cleaning service and facility management, using innovative techniques (Figure 5). A logistics department plays an integral business role given that their over 250 employees are widely spread throughout Spain.

The person interviewed was the Human Resource Manager. As well as a large number of employees, the company is considered a large one in terms of sales. They are actually a certified ISO 9000 (Quality Management) and ISO 14000 (Environmental Management) company.

1. Is there a person in charge of Corporate Social Responsibility decisions?

The enterprise does not formally, i.e. in the organizational chart, have any one person in charge of CSR actions.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

The members of the Human Resource Department make decisions regarding CSR; collaborating closely in terms of environmental and social concerns to reach a decision. However, in some cases this can be complicated as a consequence of the distance between the company HQ and its outlying branches.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?
It is quite difficult to interpret and adapt the laws to our specific services industry. The law is diverse and wide-ranging; and it is complicated to adapt this very general set of laws to the cleaning sector specifically. For this reason the HR department have made a significant voluntary effort to introduce the necessary conditions for the certification of ISO standards.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to environmental and other specific interest groups? If so, which groups?

With respect to the voluntary ingredient, at the beginning of 2002 the company made a huge effort in order to attain both ISO 14000 and ISO 9000 certificates, in order to be able to bid for certain contracts without which certification they would not have had access; considering these an obligation in order to survive in the market. However, in the long term, the direction assessed this effort as an economy of scale, providing an opportunity to improve in other areas apart from those of quality and the environment. In the medium term, the employees are considered one of the key parts of the business, therefore investing in their training and education is aimed at ensuring good levels of risk prevention, and health and labour safety.

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

The company guarantees transparency and visibility on its website, as well as internally with their employees. They have also published their social and institutional agreements in the BOJA (Official Bulletin of the Council of Andalucia). These methods are also used for communicating these agreements to employees, as well as to offer different employment opportunities to improve the work-life balance: for example, if there is the possibility that someone might be able to change their place of work (mobility agreements), as well as opportunities for career promotion. The human resource department maintains constant close communication with employees.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

The company has developed isolated actions such as charitable donations to Caritas, Afanas, etc. along with other actions linked to their core business. Due to their core activity being cleaning services, the firm takes particular care regarding the consequences of their activities, ensuring that the products used do not have harmful effects on their employees or the environment.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?
The company is careful to ensure a socially responsible orientation in all of its human resource policies and practices. Some of the actions highlighted were: the use of remote access to office computers, promoting a work-family balance, flexible schedules according to employees’ other commitments (for example child care), mobility agreements among work locations, local holidays (each employee can choose one extra day of vacation to coincide with a local holiday in the place they live).

8. Do you believe that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

I believe that HR strategy and CSR strategy should be aligned, as it promotes better loyalty and a sense of belonging among workers; better staff scheduling; a comfortable environment in the office and, consequently, more satisfaction, a basic ingredient for achieving the best results from people. As a specific environmental example: the company has created recycling points in the cities where they operate with the aim of promoting environmental concern among citizens, workers and their families; educating future generations and transmitting values of sustainability. I think that these activities make the employees feel proud of their company.

**Case C**

**Description**

The third Spanish company chosen is a large bank which forms part of a huge international financial and insurance group. There are more than 250 employees, and our respondent is a regional Director whose role includes leading and training the company’s own training team.

1. Is there a person in charge of Corporate Social Responsibility decisions?

   The company has a department which is almost entirely dedicated to their social responsibility programme and services.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

   There are several committees charged with social and environmental activities. These committees meet regularly to evaluate possible options of aid and grants.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?

   The Director was unsure, saying he didn’t know exactly what the legislation was with regard to social responsibility.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to environmental and other specific interest groups? If so, which groups?
All social activity is voluntary. However, this came about historically as the original aim of the company was a mutual depositary savings bank, whose responsibilities lay with their immediate investors - their customers - and a consequent concern about social welfare.

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

Yes, they do. The company has social auditors, who publish annual reports regarding the firm’s charitable activities and numerous welfare projects.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

No, they are not linked to core business operations. However neither are actions carried out in isolation, but rather they fulfill one of the company’s many social missions.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

They certainly do! The company’s welfare projects include an extensive programme which actively promotes social inclusion of many different disadvantaged groups.

The company has developed a programme that integrates many groups at risk of exclusion into the labour market. This sense of social responsibility filters down to the employees who are encouraged to do voluntary work. Every year all the employees take part in a charity fundraising drive.

Among other diverse programmes, they educate the poor; promote volunteer work and inter-cultural social cohesion; fund cultural events and scientific research; and actively promote responsible environmentalism.

8. Do you believe that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

The company strategy clearly integrates social responsibility into all areas of its business. Within Human Resources there is, as well as this integration, a resolve to improve many aspects related to this commitment: a sense of belonging and the creation of a responsible company culture.

**Case D**

**Description**

These responses are from a medium-sized (50-249 employees) company who manufacture LED lighting products. The interviewee is Director of Finance & Administration.
1. Is there a person in charge of Corporate Social Responsibility decisions?

No one person is in charge of CRS; rather, this function is integrated across the board in the company’s daily business: manufacturing to quality and environmental norms; commitment to the company’s employees.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

No, as explained above, responsibility is integrated throughout day-to-day business.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?

The Director did not know whether there were actual CSR norms. In this company quality, environmental and labour norms are adhered to, for example, but each norm is specific to that area.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to environmental and other specific interest groups? If so, which groups?

Some actions are voluntary and some are to satisfy groups of interest to the company. For example, we offer our customers a quality product; 100% recyclable; designed, developed and manufactured on our own premises. And these points are guaranteed by internationally recognized certification. During 2014 the company renewed their adherence to and successfully met the standards of Environmental Management ISO 14001:2004; Quality Management 9001:2008; UNE 166.002:2006 in RD&I Management, UNE 150301 in Ecodesign; Ecotic (environmental standard in collecting & recycling), CE mark; RoHS (EU directive 2002/95/EC on hazardous substances); and Ecoembes (Spanish not-for-profit which specializes in collection & recycling of packaging).

We care about our customers; before, during and after a sale. We therefore provide them with tools to keep them, and us, informed. We strive to know our customers better, and that they should know us better too, whether through factory visits or via our website, offering them with detailed information about our products, our services and our manufacturing processes. For example, our product information includes a technical datasheet, instruction manual, Dialux® software, installation instructions and even a digital showroom.

As for social commitment to employees, shareholders and the community in which we operate, we have various programmes as follows:

Employment: we have a company training scheme for the unemployed, whose aim is to create a job pool through work experience. In all 200 people have benefitted from this scheme so far. Following their experience with us, they can join our ‘Employment Bank’ for when future positions arise.
Since 2014 we have had an agreement in place with the local University and other colleges, whereby engineering and electronics students come and work with us to get training and work experience.

Environment: more than a commitment, this is the company’s main aim and reason for being. We investigate, develop and manufacture efficient lighting which is 100% recyclable, non-contaminating and with reduced CO2 emissions.

We consider it vital to promote energy efficiency, participating in activities, classes and workshops on this theme with the aim of contributing to transparency regarding energy savings. We use an Efficiency Calculator, software which, in a matter of seconds, calculates the percentage of energy money and CO2 saved, for any lighting installation.

The Green Office: the company works toward sensitising its employees to environmental matters through training. To this end we created ‘The Green Office’, a document which acts as an instructional manual, containing useful information about how to reduce the environmental impact of our day-to-day business in the offices.

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

Yes, the company is a signatory of the UN’s Global Compact, a voluntary international human right’s document on labour and environmental norms. Since 2011 we have published CSR reports, which are available on the company’s website.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

They are a fundamental part of our core business operations. Unfortunately, we are a medium-sized company that only came into existence in 2010; we haven’t yet generated enough profits to be able to make significant charitable donations.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

Yes, they do. The company guarantees an objective, transparent and non-discriminatory process of employee selection and promotion. Our employees are our greatest asset; their work has made our brand known nationally and internationally. We therefore create jobs which are based on quality, well-being and stability: more than 85% of our workforce have indefinite employment contracts. The company works hard to recruit and promote men and women equally, although 70% of our workforce is still male.
Relationships: our HR department organizes activities such as sporting competitions, lunches or family days to foster values in our employees such as teamwork, value of family, competitiveness and good working relationships.

One of our first initiatives was to develop an intranet: a space made for and by our employees to nourish internal communications. It has enabled us to develop tools for communicating both up and down the hierarchy, and includes a notice board for an events calendar, photos of extra-curricular activities and a suggestions box which we call ‘The Idea Factory’.

Health and Safety is also a priority: we hold OHSAS 18.001.

8. Do you believe that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

Yes, of course it is possible to integrate the two: they are very closely linked. Not only in that HR activities create a better working environment, which improves productivity through better motivated employees, but also the fact that the company produces a quality product, engaging with our community without damaging the environment makes the employees proud to belong.

Case E

Description

This interview was conducted with a micro-enterprise (1-9 employees); an agency which accepts work outsourced by other companies and individuals on tax, accountancy, legal and employment-related matters. The interviewee fulfils those tasks that are HR or employment related.

1. Is there a person in charge of Corporate Social Responsibility decisions?

   No, there is an administrative committee whose role this is.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

   Yes, the administrative committee which makes CSR decisions is made up of three partners: I am one of them.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?

   I don’t think that the framework is sufficiently developed. Our committee uses academic manuals and strategies copied from leading companies worldwide in the sector and from other sectors nationally, as guidance for implementing CSR actions.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to environmental and other specific interest groups? If so, which groups?
Yes, the committee’s actions are voluntary. The people who make up the company’s own workforce are of primary importance. As proof, the salaries they receive are higher than those set by the collective bargaining agreement, on top of which is added a ‘responsibility supplement’. And the benefits are not only monetary, the employees enjoy an appropriate work-life balance that allow them to assume family responsibilities.

The firm also shows they feel responsible for their clients; ensuring that their services are always firmly based in the law. They ensure that the clients are kept informed of, and trained in, any changes in legislation or labour norms, to their advantage and for the well-being of those in the employ of their all-important clients. A highly successful company initiative to this end has been the instigation of an annual lunch for their clientele, to which a well-known professional speaker is also invited to share a vision of responsible business practices. The numbers attending this event have progressed from 50 clients in the first year to 150 in this, the 5th year.

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

Only in so far as they treat their employees honestly; nothing is published with regard to company social responsibility, but that having been said, when presenting the annual accounts report, they indicate that the collaborate with environmental protection measures though various company practices such as energy saving and recycling, etc.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

They are isolated. All the social responsibility activity is carried out at an internal level, except for the afore-mentioned environmental initiatives such as using LED bulbs or recycling paper and glass.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

Yes, they do. The main active component of the company is its employees and therefore their management is carried out responsibly, by:

Career planning: Any employee can rise to the top ranks if they show their dedication and worth.

Training: the company pays for training, either University or otherwise, as long as it will benefit them in doing their job. As far as we are concerned, an employee should carry on getting training throughout their working life. We also actively look out for courses which will help keep the employees well-informed: an example being a course, on which we sent
two of the employees, regarding recent changes in legislation of interest to the company, who on their return created a synopsis of all they had learnt to give the rest of their colleagues.

Remuneration: generally above average for our sector.

Although employees begin with a temporary contract, as soon as the company can see that an employee is working well and is a good fit for them, their contract is immediately made permanent; we do not wait for the temporary contract to run out.

8. Do you believe that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

If the employee perceives that the company feels a sense of responsibility towards them, they develop a sense of responsibility towards the company in return: creating a self-perpetuating flow. You have to lead by example, demonstrating that contracts, promotions and other employee decisions are made responsibly; not only vis-à-vis the employee himself, but also from the client point of view.

Case F

Description

This case portrays the scenario in another large company (more than 250 employees); a credit risk agency which operates internationally. The interviewee is an HR Associate.

1. Is there a person in charge of Corporate Social Responsibility decisions?
There is a committee in charge of most CSR activity, and this committee has its own president. However, it is the name of the company’s Chief Executive Officer that appears on all company CSR documents and reports.

2. Are there committees, or groups of people known within the company, who make decisions about corporate social responsibility matters?

The company has a Social Responsibility Cooperative, made up of a group of employees from around the world who, after volunteering, go through a selection process. If accepted, they then take part in decision-making, coordinating activities and recruiting volunteers to carry them out.

3. Do you consider that the legal framework fosters or guides companies in terms of developing CSR actions?

I understand that there are different conduct codes and quality norms that serve as a guide for companies as to how to develop CSR activity. Although I am not a specialist in this area, I think that this information is accessible and could serve as a starting point for any type of company.

4. Does the company voluntarily undertake corporate social responsibility actions? Or do they respond to environmental and other specific interest groups? If so, which groups?
I think the company does both: some actions are part of a global CSR strategy and others are specific to certain employees or clients. Available reports show that most activity is centred on our own employees, supporting them both at work and at home. The firm has activities which centre on specific interest groups (LGBT, veterans, women), which concentrate specifically on diversity and inclusion, creating opportunities for learning and growth.

5. Does your company guarantee transparency and visibility in terms of social responsibility? Have you published or do you plan to publish annual reports which collate CSR actions?

Yes; each year a report is published which summarizes all the company’s CSR activities, along with the results of various surveys carried out. This information is available to all employees worldwide on the firm’s intranet, and a leaflet describing our CSR programme is also handed out to all new employees during their orientation, explaining how to become part of it.

6. Are the activities carried out in terms of corporate social responsibility linked to core business operations? Or, otherwise, are these activities implemented as isolated actions (for instance, environmental preservation; donations to educational projects or NGOs).

Both approaches are used. The company has various voluntary programmes to help aspects of the local community, such as environmental action or grants. They also have specific programmes aiming to foster flexible labour policies, so as to improve work-life balance. The CSR reports show how the company continues to grow and develop its business in a responsible manner.

7. Does the company implement Corporate Social Responsibility actions in the area of Human Resources? If so, do you think that there are human resource policies and practices that integrate a socially responsible orientation within the company? Could you list some of them?

No, CSR is completely separate from global HR, although there is a Manager for Inclusion and Labour Diversity in the department and various members of HR participate voluntarily in CSR activities.

8. Do you believe that that there should be synergy between HRM and CSR strategies? If so, what might the potential benefits to the employees of this alignment be? Example: commitment, sense of belonging to the company, etc.

I think in a company of this size CSR should be integrated with HR, although possibly there is scope for greater CSR activity if a specific committee/board exists to develop this activity. The role of HR in such a big company already creates a huge volume of work, and if the responsibility for socially responsible practices rested with them, then the department would have to take on further staff to cope.
Commentary on the Cases Studied

In most of the companies interviewed there are committees for making CSR decisions. This means that CSR is evolving as a strategic point to be considered by managers and CEOs. None of the interviewees are sure about the legal framework that surrounds the implementation of corporate social responsibility activities. With the existence of specific committees who meet daily to study options for social investment, it is normal that this branch should profess - despite his considerable knowledge of the company’s social culture - to be unaware of social responsibility legalization or norms: he has no need for such knowledge. However, this result is also explained by the fact that in Spain the government does not adequately report on existing Spanish legal initiatives in the field of CSR. These need to be better promoted through public institutions; there appears to be an important institutional barrier, which prevents the adoption of an SR-HRM model via public initiatives.

As we have seen, CSR is sometimes considered as a future challenge to be addressed because, currently, the person in charge of HR does not receive any training or instruction in policies and practices which would allow them to implement a CSR strategy.

From the responses given, CSR is definitely more than a voluntary effort. Most of the companies interviewed consider that CSR only really addresses the expectations of two key groups of interest: customers and employees.

The size of the company, or the sector in which they operate, were shown to not be key variables in the investment in, or implementation of, CSR actions. However, some of the small and medium companies participating in the study make responsible decisions and extract benefits from CSR without these benefits being reported in any way on the company’s website or in annual reports: they are clear cases of silent CSR.

Transparency is an important dimension of CSR. However, most of the companies do not report all of the activities and policies either internally or externally. There is an important effort to be made by Spanish companies when it comes to publicizing their activity.

Although interviewees all agreed that their employees are essential for business success, some of the companies interviewed do not consider that CSR and HRM are strategically linked.

The environment and its sustainability can be seen to play an important role in the development of CSR strategies for the firms interviewed. Most of the managers consider vital the idea of sustainability and preserving the planet for future generations, putting especial emphasis on the environmental section of the triple bottom line, possibly to the detriment of social and economic aspects. Specifically, clients often demand environmental standards before the company’s services or products can be considered. This could be because ISO 14000 certification promotes self-propagation. If any one business is environmentally friendly, it is essential that their suppliers, for example, also uphold excellent environmental practices.
standards. The policies of one company therefore necessarily and automatically resonate in other companies’ standards: contrary to the drip effect, this works from the bottom up. As discussed, without these standards, it can be difficult for a company’s client base to grow and diversify.

In the example of the bank (which might denote a leaning towards economic function only), the clear social orientation which the company has had from its beginnings has been maintained; and this despite the subsequent multiple amalgamations with other savings banks and financial entities. This social aspect has had an incredibly positive affect on the development of company social responsibility at both national and international level; not only via its social inclusion activities, but because of its social, environmental and cultural commitments to society. Although this might all seem unconnected with the company’s business function, in fact the employees consider this commitment to ethical and social values, which have been maintained over so many years, to be very important. Other cases also reveal their employees pride in their company’s welfare programmes, seeing them as a strategic aspect which company culture should uphold and reward.

Management’s main concerns for their employees are clearly health and safety, their remuneration - in cash and in kind, career planning and work-life balance. They consider that the main benefits of SR-HRM strategies are a sense of belonging and employee commitment. However, it would appear that those same employees also see immense value in external social responsibility activity, i.e. that their employer invests, where possible, in the community.

5. Conclusions, Discussion & Future Lines of Enquiry

Socially responsible behaviour is increasingly promoted by society; forcing companies to internalize social responsibility as a tool in response to these expectations and those of various institutions. In particular, it has been shown that a commitment to responsible behaviour in HR management can provide companies with a competitive edge in the recruitment market; improving their reputation and serving as a powerful tool for attracting and retaining skilled and experienced workers.

Employees, then, are our focus in this article, for their involvement and vital contribution to the company. However, we could consider other theories and future lines of enquiry for this research. For example, studying the transaction costs: explaining how the exchanges which take place between companies and their stakeholders, such as employees, may incur certain costs (Eisenhardt, 1989). We could also continue research by focusing on the resource-based view of companies as proposed by Prahalad & Hamel (1990) who suggest that distinctive behaviour can improve the efficiency and effectiveness of the company. Consequently, any degree of responsible business behaviour can be a source of positive
differentiation. The idea that employees are essential to business success leads us to place special emphasis on their needs and interests through responsible policies, which is consistent with the resource-based view theory (Déniz-Déniz & Saá-Pérez, 2003). With this in mind, another aspect that holds great interest for future study is to reflect on what social responsibility criteria are demanded by the college labour market when a prospective employee decides to join a firm. It would be interesting to carry out a survey of Master’s degree students as to whether they specifically wish to work for a socially responsible company.

The six cases presented provide an interesting starting point for trusting in the need for synergy between the CSR and HRM fields. Moreover, they shed light on the significant opportunities available for developing socially responsible human resource policies, and underline the long path ahead which managers and CEO’s in Spain must necessarily travel to align general, CSR and HRM strategies.

The case studies provide us with a draft of different responsible policies. However, we were unable to compare the content of these policies at international level; we are only providing evidence of the reality of a CSR phenomenon in Spain. This supposes an important bias effect. Among other future lines of enquiry, we are open to the possibility of expanding the study to companies internationally, in order to create a pattern of human resource policies tailored to an international reality.

Compliance with Ethical Standards:

• Funding: This study was funded by Andalusia Council (SEJ 1618)

Ethical Approval:

• All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.

Informed consent:

• Informed consent was obtained from all individual participants included in the study.

References


