« Organization and sustainable development : toward a new form of social responsibility? »

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Summary:

This paper analyzes the situation of six multinational companies' policy of "social responsibility" and of "sustainable development". The purpose of this article is to define how these companies, especially the subsidiaries, are socially responsible and take into account environmental issues. This study is based on the analysis of official discourse of the firm and those of human resources managers. We highlight different types of "social responsibility", the "stakeholder" that are taken into account by companies and the means implemented to achieve the policy of "sustainable development" and "social responsibility". We wonder in conclusion about the hypothesis that a new way of human resource management of enterprises is likely to appear through this new "social responsibility" and conversely the new management influences the emergence of a new social responsibility.

CSR – sustainable development – Multinational Corporation – Stakeholders

1. Introduction

Major actors in our societies, companies present, in some respects, a double face. They appear sometimes as the prior agents of the ecological crisis, sometimes as initiators of actions for sustainable development.

Furthermore, some organizations have been trying to highlight policies of "sustainable development" and "social responsibility" to change the negative image imputed to them. Aware of their environmental impact and of the importance of turning to "sustainable development", companies demonstrate some consideration of the "stakeholders" and address the "social responsibility" accordingly.

We will define the concepts of "social responsibility" and of "sustainable development" and then we will set the theoretical framework that will enable us to classify firms according to the different types of "social responsibility". We will conclude by highlighting the role of human resources in consideration of the "stakeholders." We will consider the assumption of the emergence of a new form of "social responsibility" : a more citizen minded one.

2. Definitions and approaches

First, let us define the notion of "social responsibility" and "sustainable development" before explaining the different forms of "social responsibility."

2.1 Definition of « social responsibility » and of « sustainable development »

On the one hand, we will retain the definition of "social responsibility" favoring the "stakeholders" approach (Freeman, 1984: 46) and the theory of "sustainable development" involving people, environment and benefit on the other hand.

The "stakeholders" notion comes from Freeman. The latter defines "stakeholders" as "*any* group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984: 46). For example, shareholders as well as employees or even customers belong to the "stakeholders".

We will retain as a definition of "sustainable development" a model of development characterized by taking into account the impact on the future actions of the company combining the following three areas: people, profit and the environment. There is as well the idea of respect of democracy and respect for the rules of good governance (Brégeon, 2004: 78).

Several approaches to "social responsibility" exist, some focusing on the responsibility, other on performance or on ethical development. They enable a joint reading of the notion of "social responsibility."

2.2 Several approaches of corporate « social responsibility ».

3. <u>The organizational discourse</u>
   3.1 The methodology

We work through the analysis essentially of qualitative data. We have retained the status of six companies that we call A B C D E and F. The first two belong to the chemical sector; C belongs to the service sector (consultancy); D to the energy and the last two to the metal sector. More accurately, those are subsidiaries of multinationals in Belgium facing problems of pollution and or adopting measures to protect the environment. For each of them, we first gathered official information mentioned mainly on the websites of the company.

In a second step, we conducted 1 to 2 interviews lasting on average 45 minutes with each of the human resources managers of these companies except for one of them. We have focused on semi-structured interviews: the position taken in these interviews is to let the interviewed speak freely but to direct him or her in the topics of interest (Quivy Van Campenhoudt, 2006, p.15). We firstly asked about the function of the interviewee. Then, we guided the interview on the following topics: the "social responsibility", "sustainable development" and finally, we have questioned the inclusion of "stakeholders ". The sub-themes were used to boost the respondents to obtain information on the type of activities and communication organized around the above themes. Thematic analysis allowed us to compare the different companies from the theories presented above.

For the companies A, E and F we used their websites and interviews with human resource managers as sources of information. Regarding companies B and C, we gathered information on the websites of companies and in official documents as well as through the human resources manager's interview. To analyze the firm D's situation, we used the website of the company, a conference on the "*social responsibility in times of crisis*" given by the organization as well as official documents. The websites indicate the appearance of topics related to "social responsibility" and "sustainable development." Visibility, time of onset (first sub-tab page) and content analysis helped to define the communication the company wants to make about its responsible actions and the importance it attaches to them.

The analysis of this information enables us to answer the question of what kind of "social responsibility" is implemented and which means are used. We then present the identification and the place of the "stakeholders". This analysis will enable us to locate the position of human resources

in the development of "social responsibility" and the existence of a new form of "social responsibility."

3.2 Data Analysis

We will, starting from the internet sites and HRM speeches, highlight, for each company, the types of responsibility, the types of legitimacy and the theories of "social responsibility" that are favored by each company. The table below summarizes the status of each company.

	Sector	TYPE OF RESPONSIBILITY		FORM OF LEGITMACY		CSR THEORY	
		Site	Discourse	Site	Discourse	Site	Discourse
A	*Chemistry*	*Ethical Economic*	*Ethical Economic*	*Cognitive*	*Pragmatic Cognitive*	*Integrative*	*Integrative*
B		*Economic Ethical*	*Economic Ethical*	*Cognitive Pragmatic*	*Pragmatic Cognitive*	*Integrative*	*Integrative*
C	*Service*	*Ethical Philanthropic*	*Ethical Philanthropic Economic*	*Cognitive Moral*	*Cognitive Pragmatic*	*Politic*	*Ethic Integrative*
D	*Energy*	*Economic Ethical*	*Ethical*	*Cognitive*	*Cognitive Pragmatic*	*Politic*	*Integrative*
E	*Metal*	*Economic Ethical*	*Ethical Legal*	*Cognitive Pragmatic*	*Cognitive*	*Integrative*	*Politic*
F		*Economic Ethical*	*Ethical Legal*	*Pragmatic*	*Cognitive*	*Integrative*	*Politic*

A first reading of the table leads us to hypothesize the existence of several business groups. The first group consists of companies in the chemical sector and energy (A, B, D). A second group consists of companies in the metal sector (E, F). Company C, the service sector (consultancy) differs from the first two.

3.3 Comparison Sites-speech

Companies include, for the most part, on their website, economic and ethical issues, the discourse of human resource managers seems meanwhile focus rather ethical, however, those of the metal sector also mention the economic and legal aspects. As mentioned websites, speeches by human resource managers also highlight the "cognitive" aspects (adequacy of social responsibility to the values of the

company). The human resource managers of companies A, B (chemical industry) and C (energy) insist on a theory of "integrative" type (considering the "stakeholders"). The human resource managers of companies in the metal sector combine the "integrative" perspective to the "political" perspective (the responsibility involved the power of the company). We can combine the companies into three groups: the first is composed of companies A, B (chemical industry) and D (industry), the second of the company C (Service-consultancy) and the third of companies E and F (metal sector). We can therefore say that organization A, B and D are the first group seeking to involve staff in their actions ("integrative" perspective), these being a catalyst for staff involvement. Company C is also characterized by the involvement of employees. The discourse of human resources managers of organizations E and F take into account the highly competitive industry involving restructuring and possible job losses they belong to. They are aware of their responsibility in this regard. In addition, a strong union presence imposes a climate of dialogue and negotiation.

4. Taking into account the stakeholders

We noticed differences in the consideration of the stakeholders: each company defines stakeholders and their role in social responsibility.

We have identified major differences between companies A, B, C and D that involve staff in the actions of "social responsibility" and companies E and F that fit more in a dictate position, although they negotiate these actions with the social partners (trade unions, prevention and protection at work committee).

a) Organization A : eco labeling

The human resources manager of the company A names as individuals or groups that influence or are influenced by the results of the company. Let us explain how an action associated with a process of "social responsibility" happened in this business to understand the involvement of its players. It was an eco labeling action. This action came from a request by a staff member and was coordinated by the human resources manager. Although he has neither the manpower nor the need to develop the project budget, he built a strategy and invites students to help. The human resources manager adds that "*we must consult the social organizations because no change is possible without them*" (A). To justify this eco labeling to management, the human resources manager based his arguments on factual and economic data (cost reduction). This eco labeling also reflects a desire of shareholders, in favor of "social responsibility" accompanied by the creation of profits. It echoes a request for

environmental protection from clients and a staff request for consistency between the subsidiaries. This eco labeling responds moreover to a legal requirement to obtain an environmental permit.

Besides this eco labeling, the firm is trying to induce behavior to reduce energy consumption and costs as well as supplies. Beyond these projects arising from a legal economic and social logic, environmental, the company is part of an ethical approach: it sponsors various activities (football clubs) and provides budgets for employees who wish to make social projects.

b) The company E: negotiation

The human resources manager of the company E justifies the choice of actions in terms of "social responsibility": "*the company has a duty to all the people who work there*" (E). In his speech, he distinguishes the staff, the social agencies and the subcontractors as stakeholders. "*Compared to external stakeholders, | ... | internal requirements apply to all subcontractors*. "(E)

The company focuses in their "social responsibility" on the legal obligations and those related to ISO (14001) standard, as well as sustainable human development.

Company E therefore includes its training policy in a responsible and sustainable development target. The companies E and F are facing restructuring, so it is not insignificant that they act favorably on the employability of staff. The interest for 'safety' and 'health' aspects is also explained by the particular context of metalworking that pushes companies to prevent incidents.

Showing less interest in environmental issues, the speech of the human resources manager of the organization E differs from that of the human resources manager of the Company A by the way of taking into account the stakeholders and the role the human resources manager in the process "social responsibility."

Company A, B, C and D include and integrate stakeholders in the formulation of policies of "social responsibility" but they mostly seek the staff implication in the development of specific projects. The human resources managers have an incentive role of catalyst of "social responsibility." They bring "social responsible" projects and "sustainable development" project, organize and defend them to the management so that they can be realized.

The organizations E and F are characterized by a "social responsibility" led primarily by legal obligations and that focuses its actions towards the social. Stakeholders are not invited to propose projects, even less to build the policy of "social responsibility" with the management.

5. <u>The role of the HR manager in the CSR development within the subsidiaries.</u>

Decision process		HR manager role	Management tools
The group fixes from the business strategy the outline to follow and defines corporate values (energy saving, quality of jobs, the principle of sustainability). Subsidiaries apply the principles defined at the group level.	TOP DOWN	Participate to seminars (all). Uphold the values (all). Remind the requirements: results, customer satisfaction (C). Ensure the organization and participation in trainings on company values (C). Encourage initiatives (A, D). Motivate (all). Involve (A, B, D).	Project management Education Communication plan (intranet, meetings, folders). Company charters Staff evaluation.
Subsidiaries adapt the implementation of the group's principles to the local situation and promote staff initiatives. Initiatives can be formally (meeting competition) or informally (the staff make suggestions to managers) induced.	INTERMEDIATE	Promote and support staff's social projects (A, B, C, D). Research subsidy for the implementation of projects (A). Collect data (all). Communicate in a transparent way (B, E, F). Communicate with the others departments (A, D). Communicate with stakeholders (all).	
The subsidiary managers decide to pass the information and spread achievements to other departments, other subsidiaries and headquarters.	BOTTOM UP	Identify the privileged stakeholders and ensure consideration of their wishes (all). Negotiate with the management ((A, B, D). Negotiate changes with the stakeholders, more specifically the union representatives (E, F). Link between management and staff (all).	

In both cases, the human resources manager is an intermediary that links top management and staff. The human resources manager allows the inclusion of stakeholders and dissemination of initiatives.

6. <u>The measures of social responsibility to the human resources department?</u>

Our analysis enables us to distinguish the discourse of human resource managers in the sector of chemistry and energy on the one hand and on the other hand the metal sector. The first emphasized the importance of taking into account the "stakeholders" and the employee involvement in the project definition. Their approach is both top-down and bottom-up. The main areas of their policy are defined by the headquarters of the firm; each division has to implement the policy through concrete actions, giving the freedom to the staff to define projects of "social responsibility" and "sustainable development" they want to favor.

The discourse of human resources managers of companies in metal industry highlight the importance of the social impacts of policies pursued by the company.

We can therefore hypothesize that the "social responsibility" and the actions of "sustainable development" are part of a new human resources policy seeking to mobilize staff in a process that also wants to be a bottom-up approach. However, the advantage to companies facing economic difficulties associate "social responsibility" and "sustainable development" in compliance with legal measures, transparency and honesty of information. They are also trying to limit the negative impacts of their activities.

<u>Conclusion</u>

At the end of this study there seems to be a relative coherence between official discourses found in the websites and discourses of human resources managers. Each company integrates its "sustainable development" activities in a process of "social responsibility." This approach of "social responsibility" is at the service of human resources development.

The speech from the human resources managers showed differences between the sector of activity of the selected companies and focus on the specifics of their sectors. Companies of the group 1 (chemistry energy) stresses the importance of economic interests. The metal sector companies mentioned the importance of considering the legal aspects.