



ESTONIAN  
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## 57th EOQ Congress

**Quality Renaissance – Co-creating a Viable Future**

June 17-20, 2013 Tallinn, Estonia

From Customer to Stakeholder Management  
Quality Managers perceptions of Sustainability and Social  
Responsibility concepts, motivations and impacts

Estonia  
Positively surprising



European Union  
Regional Development Fund



Investing in your future

# The World today

- Increased mobility and access to information.
- Range of global issues, like environmental protection, health improvement, and fight against poverty.
- Economic and financial inter dependence.
- Stakeholders demand that organizations act in a more transparent and responsible way.
- Aim of achieving simultaneously economic growth with social progress and equity and respect for the environment.

# The world today

**Causes -> Symptoms -> Consequences**

• Population Increase

• Occidental Life Style

• Linear Value Chains

• Intensive Resource Utilization

• Climate Change

• Price Volatility

• Dry seasons

• Deforestation

• Threats to

Biodiversity

• Epidemics, ...

Short Term:

• Consumers Concern

• Brands risk

• Legal and regulation problems

**Long Term:  
Humanity  
Survival**

# Quality Management Pillars

- Work of the Quality Gurus (developed during the 80's namely by Crosby, Deming and Juran).
- The ISO 9000 international standards series.
- The Excellence models where the US Malcolm Baldrige (late 1980) and the European EFQM model (beginning 1990) are the most spread, with a multi-stakeholder approach and organizational excellence as the key to sustainable success.

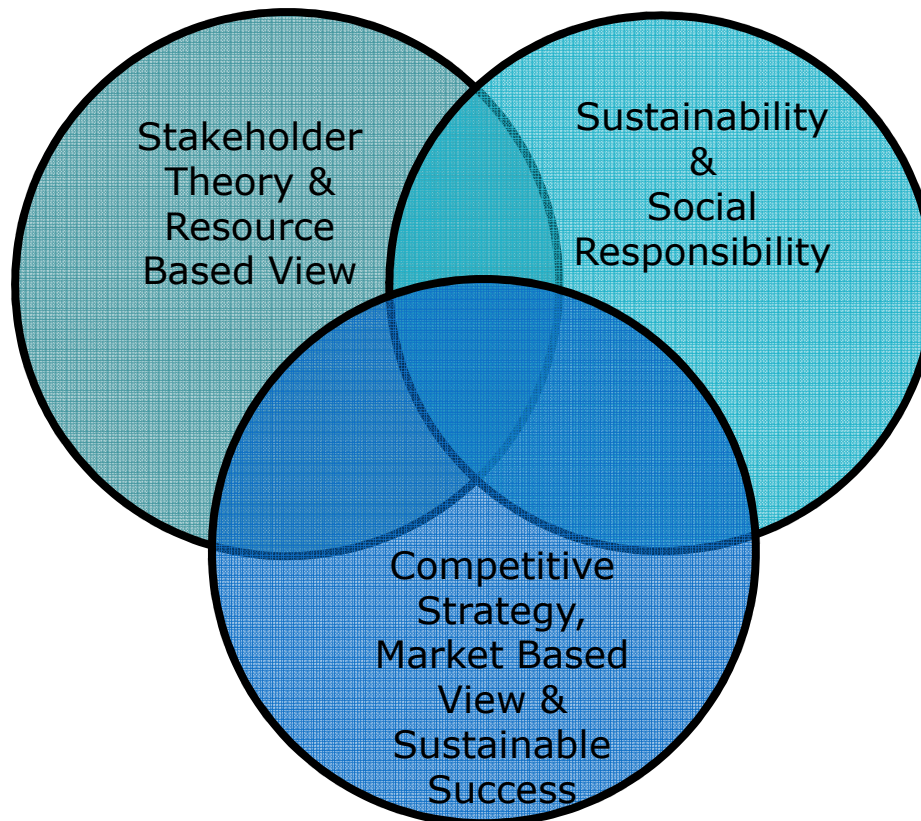
# Investigation Purposes

- The customer is just one of the key stakeholders. It is a must to assure customer satisfaction for the sustainable success of the organization but this alone might not be enough to achieve this goal.
- Purpose: to research the perception of Portuguese Quality Managers concerning stakeholder orientation, sustainability and social responsibility and their influence on the sustainable success of organizations.

# Theoretical Framework

- Sustainable Development is profitable economic development + social progress and equity + respect for the environment, while creating value for shareholders, customers, workers and the society at large.
- In recent years Corporate Social Responsibility has become a relevant concept that frames the business contributions to sustainability.

# Theoretical Framework

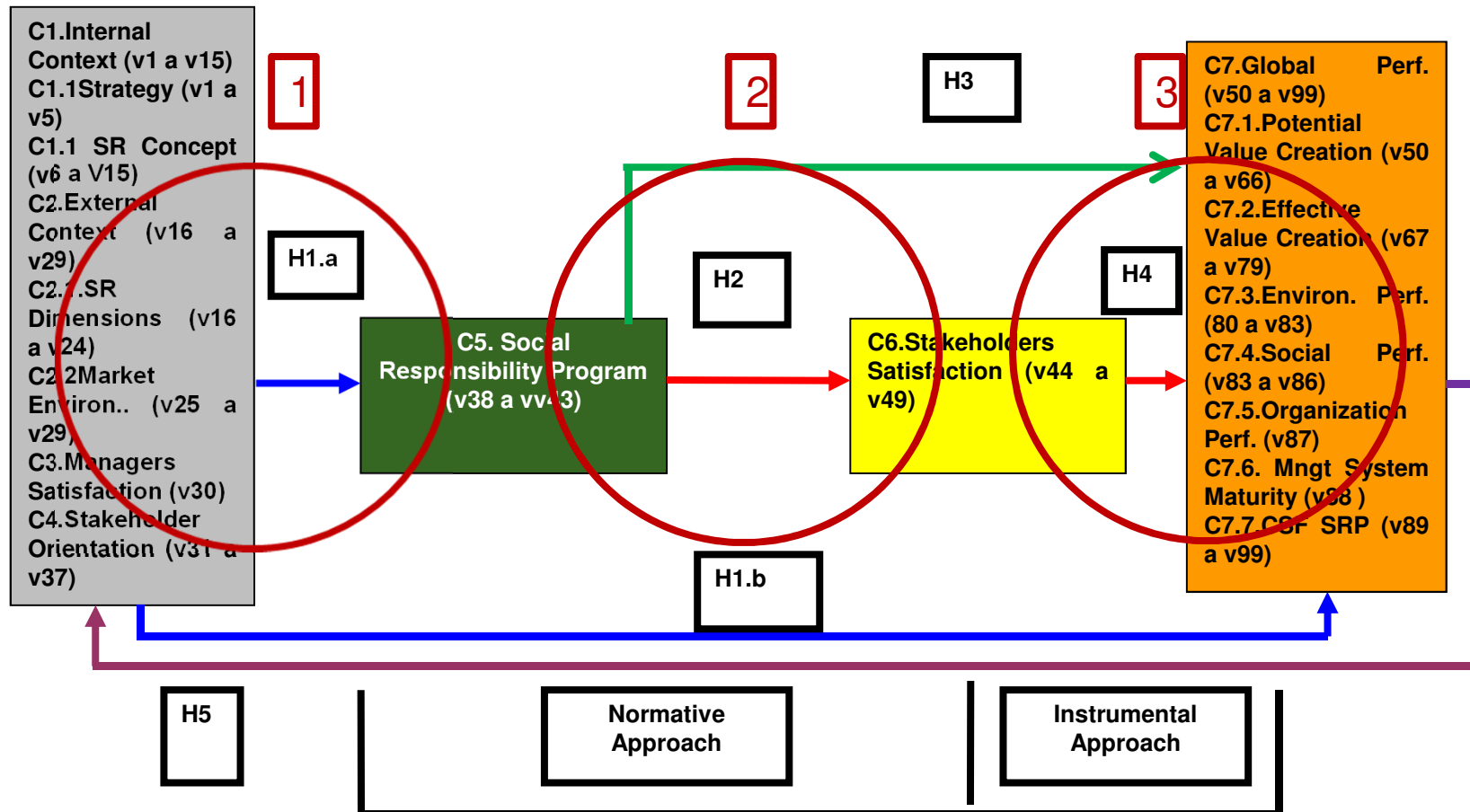


- Stakeholders Theory (Freeman, 1984, Carrol, 1979, McWilliams and Siegel, 2001, Carrol and Schwantz, 2003)
- RBV- Resource Based View (Barney, 1991, Russo and Fouts 1997)
- Social Responsibility and Financial Performance (Margolis e Walsh, 2003 )
- Hockerts K. (Sustainability Innovations, PHD 2003)
- Social Responsibility and Stakeholders relations (Neville et al. 2005, Morsing and Pruzan 2002; Clarkson 1995).
- Powell T.C. (TQM as competitive advantage, 1995)
- Porter and Kramer (The link between Competitive advantage % CSR, 2006)
- Husted and Allen (Strategic CSR and Value Creation, 2007)
- Barone, Suroca and Tribo (CEI vs Firm Performance, 2007)
- ISO 9004: 2008 , ISO 26000:2010

# Theoretical Framework

- There is no consensus yet concerning Social Responsibility (nature, motivation, frameworks, measurement impacts) within Business and Academia, but there is a growing support for SR Business Case.
- Previous studies researching the impact of Social Responsibility and financial performance have achieved mixed results, pointing to a positive relationship (Margolis and Walsh, 2001) but have to be analyzed carefully due to potential methodological concerns (McWilliams, Siegel e Wright 2006; Margolis and Walsh 2001).

# Conceptual Model-Hypothesis



# Methodology

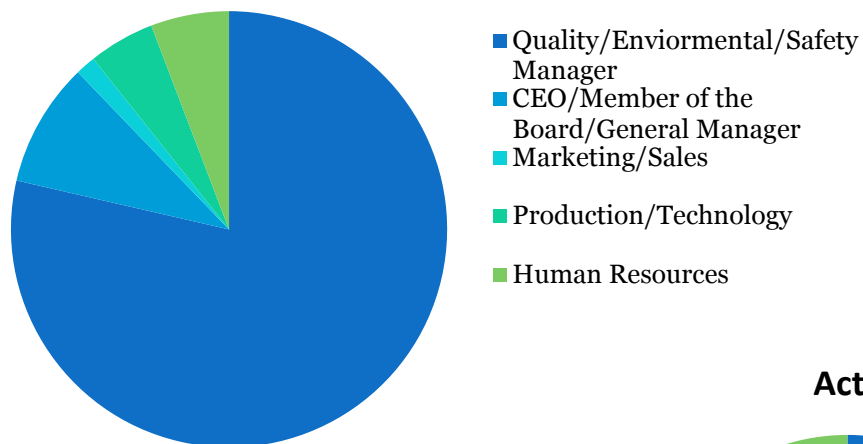
- Exploratory study + pre test.
- Self-administered on line questionnaire (Lime Survey) via web.
- Sampling frame consisted of Quality, Environmental, Safety and/or Sustainability Managers + CEO's of organizations with certified Management Systems. Of the 2906 Managers contacted by email, 375 responses were received (with 204 full complete responses).

## Results

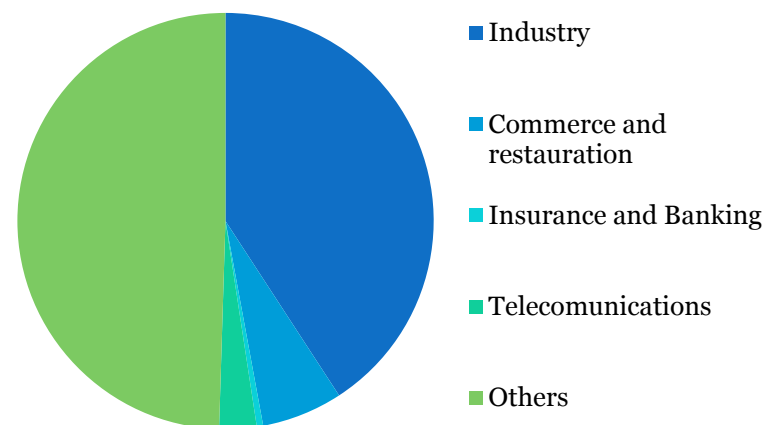
- **Correlation coefficient Spearman Rho** was used to measure the intensity of the relationship between ordinal variables. SPSS with significance test at 0.01 level (2-tailed) was used.
- **Regression analysis was also used** to specify how this relationship is processed and to identify the nature and the direction of this relationship.
- **Focus Groups** were used to triangulate conclusions.

# Results

**Respondent function**



**Activity Sector**



## Results + Contributions

- Results show a **positive** medium to moderate **correlation** between independent and dependent variables and all correlations (except one) are significant at the 0.01 level (2-tailed).
- Simple Linear Regressions confirm there is enough evidence that the slope of the linear regressions are different from zero and that **the independent variables are useful to predict the dependent variables.**
- Focus Groups further confirmed those conclusions.

## Results + Contributions-1

The implementation of a Sustainability/Social Responsibility program in an organization is mainly correlated to:

- 1<sup>o</sup> The approach to understand and work towards the satisfaction of the community's needs.
- 2<sup>o</sup> The environmental dimension is key to the success of the organization.
- 3<sup>o</sup> The organization tries to understand the needs of the employees and works towards their satisfaction.

## Results + Contributions-1

- There is consensus concerning the relevance of the Economic, Environmental and Social Pillars, but not concerning the exact content of each pillar. Use of proper tools and methodologies show great room for improvement.
- **Opportunity** to move from approaches based on compliance, cost reduction, risk management and communication to a more proactive one that in addition focus on **stakeholder engagement, innovation and systemic value co-creation** within the overall value chain.

## Results + Contributions-2

- Results highlight the importance of “Best Governance Practices”, “Best Customers, Suppliers and Partners Management Practices” and “Best Social Inclusion and Society Support and Relationship Practices” for the balanced and continuously satisfaction of different set of Stakeholders.
- Activities sectors, organizational nature and dimension and position held by the managers must be taken into account.

## Results + Contributions-3

- **The economic, environmental and social dimensions are key to organizational sustainable success;**
- **Stakeholder satisfaction is significantly higher when a Social Responsibility program is present and it is relevant for the organizational sustainable success and competitive position,** as suggested by Freeman (1984) Stakeholder Theory and in line with ISO 9004:2009 and the Excellence Models approaches.

## Future Research

- Respondents were Managers from organizations with a certified management system and the analysis is based on their perceptions. Additional research should extend this study to non-certified organizations and other countries and check if additional data confirms the perceptions of those managers (e.g., customer satisfaction results required by ISO 9001:2008).

# References

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**Thank You for Your attention.**

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