



Departamento de Economía
Facultad de Ciencias Sociales
Universidad de la República

Documentos de Trabajo

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implementing corporate social responsibility?
The Uruguayan case**

Ana Bogiloff y Natalia Melgar

Documento No. 03/11
Enero 2011

ISSN 0797-7484

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Ana Bogiloff* and Natalia Melgar**

Abstract

We assess whether being socially responsible is influenced by the origin of capitals and we examine the different views of the firms regarding CSR, in the case of a small open economy, Uruguay. Our dataset comes from the 2007 Corporate Social Responsibility Survey. The contributions of this research are threefold. Firstly, while a great part of the research on this issue is based on special cases, we employ and draw conclusions from a representative survey. Secondly, we deal with an unexplored issue: the incidence of the origin of capitals in motivating social responsible behavior. Finally, we highlighted the need of strengthening the communication channels between the firms and the public.

Key words: corporate social responsibility, being socially responsible, Uruguay

JEL Classification: M14

Resumen

En este trabajo analizamos si ser socialmente responsable depende del origen del capital de las empresas así como los distintos puntos de vista de las empresas sobre la responsabilidad social en el caso de una economía pequeña y abierta, Uruguay. La base de datos proviene de la Encuesta sobre Responsabilidad Social realizada en 2007. Las contribuciones de este trabajo son tres. En primer lugar, mientras que la mayoría de los estudios se basan en el análisis de casos específicos, este análisis emplea una base de datos representativa del país. En segundo lugar, se analiza un campo inexplorado: la incidencia del origen del capital de la empresa como factor determinante de un comportamiento socialmente responsable. Finalmente, se destaca la necesidad de fortalecer los canales de comunicación entre las empresas y el público.

Palabras claves: responsabilidad social empresarial, ser socialmente responsable, Uruguay

Clasificación JEL: M14

* Estudiante de Posgrado en la Universidad Politécnica de Valencia, España

** Departamento de Economía, Universidad de la República, Uruguay

1. Introduction

Throughout the last decades, Corporate Social Responsibility (CSR) has become a key issue both in the corporate agenda and for the civil society. There are different points of view and multiple definitions of CSR, from some very restricted to wider ones. The CSR has become more and more important on an international basis. It is also a relatively new issue for small economies in ways of development. The question is therefore whether firms with local capital show a different behavior from those with foreign capital participation. The answer to this question has motivated the following research.

Organizations obviously understand the importance of implementing these practices. With regards to the theory of benefit maximization the perception has changed. Some issues related to employees and society are generating benefits beyond the fulfillment of laws. In fact, CSR implementation is perceived as an investment and not just an increase in costs. Since this concept involves multiple agents (firms, workers, the society, the state, etc.), we must consider that opinions in accordance with CSR which range from economic to moral and social issues are also multiple.

The main hypothesis which motivated this research sets forth the issue that companies with foreign capital have been performing more practices and for longer periods than those with local capitals. At the same time the different types of companies focus on different areas of CSR. The results verify the former hypothesis. Although at first all of the companies relate CSR with society, community and/or people followed by employees and workers, they show a different behavior in relation with these agents.

The structure of the paper is as follows. Section 2 describes the concept of CSR. Section 3 stresses the role of national and international organizations in its promotion. Section 4 outlines the main features of the dataset and the methodology. Section 5 presents the findings and the conclusions are drawn in section 6.

2. The concept of CSR and its relevance

According to Porter and Kramer (2006), the surge of CSR was not a voluntary process. In fact many companies responded to requests coming from the public. These demands pressed firms to take responsibility on different issues that were not considered by them. Several activist organizations have experienced an aggressive and effective growth thus increasing public pressure on corporations.

On one hand, Friedman (1962) points out that managers should fulfill shareholders' requests. In other words, the basic idea is to maximize benefits but following the rules. However, CSR implies that more areas are relevant and in some cases, more important than shareholders.

On the other hand and more recently, Becchetti et al. (2009) find that those firms which have implemented CSR practices have redirected their objectives from shareholders to their stakeholders. Finally, authors consider that socially responsible enterprises have contributed with a sustainable development. According to Becchetti et al. (2008) there are external pressures that make convenient (and profitable) to be socially responsible. This change in attitudes does not damage the relationship with shareholders. Moreover, it has the potential of creating product differentiation and therefore, profits may go up.

Carroll (1979) argued that Howard R. Bowen (1953): "Social Responsibilities of the Businessman" started a new stage in CSR and is considered the first book that deals with CSR. Moreover, Carroll (1998) argues that CSR should be defined considering the four dimensions that characterized enterprises' responsibility towards society: 1) the economic dimension (the provision of goods and services with the purpose of obtaining profits), 2) the legal dimension (the compliance of laws), 3) the ethical dimension (considering which activities are correct or incorrect according to the public) and 4) the social dimension (those activities that improve the community quality of life. However, the environmental dimension has not been included although nowadays it is considered one of the most relevant aspects.

Consumers' demand for CSR has also increased. This specific demand is an incentive to its implementation that could lead to product differentiation. Ferre et al. (2007), Piani et al. (2007), and Calveras et al. (2006) show consumers as agents who internalize the externalities. Consumers take into account firms' behavior when purchasing and some of them would turn to a socially responsible supplier even paying a higher price for that reason. As Canessa and García (2005) state CSR implies reputational benefits that create loyalty among consumers.

Additionally, Porter and Kramer (2006) held that the interdependency between enterprises and society has strengthened. Successful enterprises need healthy societies and vice versa. Rather than merely acting on well-intentioned impulses or reacting to external pressure, the enterprise can set a CSR agenda to maximize social benefit as well as gains for the business.

Considering all the previous points, we define CSR as a business vision where a company should willingly commit, to satisfy the needs of the parties employing its own resources. The firms should at the same time take care of the environment thus contributing to a sustainable development. It is clear that this business vision has to be previously defined and incorporated to the organizational strategy. It is relevant for all of its members to be involved in the CSR implementation process. Throughout the last years CSR has become a key issue in the business agenda.

3. The role of national and international organizations

In the early 80's, the concept of social investment was developed, emerging as a severe criticism to previous actions. Activities to improve the community quality of life were promoted based on this concept. It was in the 90's when CSR defining actions and the concept in itself started to take shape. Since then, the number of firms and organizations engaged in these practices has continuously grown, i.e: 1) The United Nations Global Compact (1999), 2) The European Commission CSR Green Paper (2001), 3) SA-8000 standards and the standard AA-1000, 4) the ISO 26000 and 5) OCDE guidelines.

Fernández (2005) stressed the relevance of national non-governmental organizations in promoting CSR. The author has also highlighted the need of implementing common standards in order to compare practices and evolution among countries.

Institutions are found in Uruguay which impulse CSR issues (i.e ACDE). ACDE was founded in 1952 and has promoted social development since it was opened. During the 2002 crises the institution reinforced its objective in relation to CSR. The CSR index was created in 2003 as a tool to compare CSR variations along the years. In 2001 DERES was created as a net which links firms, academic sectors and social agents interested in CSR thus generating tools and aid materials.

Another institution promoting CSR is the Uruguayan Institute of Technical Rules (UNIT). In 2002, the board of directors defined specific areas for CSR which are as follows: access to public spaces, environmental management, labor safety and health training. It also participates through a National Mirror Committee in the development of ISO 26000 norms in relation with CSR.

4. Data source and methodology

4.1. The survey

Enterprises located in Montevideo (the capital city) and in the metropolitan area were surveyed between April and June 2007. The enterprises survey (ES) is representative of enterprises that have 50 or more employees. The sample was selected using stratified simple random design. The employed sampling frame was the 2005 Economic Activity Register. The sample size was 122 enterprises of which 95 answered the questionnaire.

The questionnaire was designed following the CSR Index (that is computed by ACDE). We included a set of questions about the components of the ACDE's CSR Index (that are mentioned in the next paragraph). ACDE considered these answers to compute the weight of each component.

The survey included questions about the activities that the enterprises could have implemented and their future plans. These questions contemplated the four dimensions (“community, State and environment”, “consumers, competitors and providers”, “employees” and “shareholders”). With the aim of avoiding misreporting, we asked for specific examples. Questions related to enterprises’ characteristics and with the enterprises’ role were also included.

4.2. Methodology

A methodology both qualitative and quantitative is being employed based on the nature of the objectives. It is a transversal exploratory research since the knowledge related to this subject is still limited in our country. The STATA 10 program was employed to perform the statistical analysis based on a micro data set which has been previously described. The survey includes a question which allows identifying the origin of the capital in each of the companies. Given this question, we generate the multinomial variable *CAPITAL* that equals: 1 if being a national firm, 2 if being a foreign firm and 3 if being a mixed firm. The questionnaire also includes a specific set of questions related to the implementation of CSR practices that allow us to cross the information and obtain the following results. Table 1 describes the weighted distribution of answers.

Insert Table 1 – Weighted distribution of answers

5. Findings

5.1. CSR definition

At first respondents were requested to give a definition of CSR in their own words. As a result of data processing some categories appeared to be the most related to the spontaneous definition.

Graph 1 shows the categories and their frequency. More than half of the respondents relate CSR with the “society, community and/or people” (54, 5%) followed by “employees and workers” but with a significantly lower percentage (16, 5%). After that we find

“businessmen and firms” (11, 2%), “the environment” (7, 9%) and finally the “government” (1, 6%). The same happens if we consider the responses based on the capital origin. The responses are concentrated in the same category although with a different intensity.

Insert Table 2 - Most important categories linked to CSR

1. “The society and the community”: Although this category is the most related to CSR by all firms we find great differences in responses. While rates reach 60.2% in firms with mixed capital this rate lowers to 51.8% in firms with local capital and 33.6% in those with foreign capital.
2. “Employees”: Firms with foreign capital are the ones where this category is the most widely accepted (27.5%); this figure lowers to 15.3% for the ones with local capital and to 12% for the mixed ones.
3. “The environment”: Firms with mixed capital apparently have not related this category with CSR, while 9.4% of the firms with local capital and 13.7% of the ones with foreign capital have.
4. “Clients”: firms with foreign capitals show the lowest ratio (2.8%) if compared with 5.1% and 7.2% for mixed and local ones.
5. “Employers and firms”: this category shows the highest ratio in foreign firms (22.4%) if compared mixed and local firms which show a similar behavior (9.7% and 9.3%).
6. “Government”: both foreign and mixed firms do not relate it with CSR, only a low percentage of local ones linked the government with CSR (2.4%).

In second place, we must analyze the assignment of responsibilities to the state, firms or both in issues related to the abovementioned categories.

1. “To inform the public about social and environmental firm practices”. All of them consider that both the state and firms are responsible for this task. While 86.7% of foreign firms gave this response, in the case of firms with local capital the percentage lowers to 61, 1% and 48.3% for those with mixed capital. This result could be related to the fact that businessmen may perceive that information coming from the state can

generate a stronger impact on the society than the one provided by the firm because of its reliability or transparency.

Insert Table 3 – Responsibilities for informing the public about firm practices

2. “To assure that the industry will not harm the environment”. All of firms consider that both have the same degree in terms of responsibility (69.2% for mixed ones, 70.9% for local ones and 85.4% for foreign ones). That the highest percentage is found in firms with foreign capital.

Insert Table 4 – Responsibilities for assuring that firms do not harm the environment

3. “To support community and charity projects”. Respondents consider both actors as responsible. 43.9% of firms with foreign capital consider the state as responsible while in the case of firms with mixed capital this ratio lowers to 25.5%. None of the firms with foreign capital indicated the option “big companies” while the ones with local and mixed capitals did (1.7%, 8.1% respectively). Firms with local capital (total or partial) seem to be more involved in this kind of activities.

Insert Table 5 – Responsibilities for supporting community projects and charity

To sum up, the responsibility granted to the state appears as comparatively high. Firstly firms with foreign capital do not consider items related to the environment and information of CSR practices as the State’s exclusive responsibility. In my opinion firms with foreign capital have already assumed their responsibility in relation with the environment and information to the public. In second place, in issues directly linked to the firm’s activity there is some consensus in the fact that firms share their responsibility with the state.

The following step was to provide the respondents with a card including the CSR definition (provided by ACDE) asking them to evaluate the firm’s performance in Uruguay. Half of the respondents think this performance is “neither good nor bad”.

If we analyze this question based on the origin of the firm's capital we obtain two results. On one hand, both local and foreign capital firms consider the performance in relation with the CSR area "neither deficient nor excellent". The responses are found in the mid terms of the range. In firms with local capital 2, 1% is considered deficient and 4.6% excellent. Firms with mixed capital seem to be more critical as their responses are focused on level 2 while the rest are on level 3.

Insert Table 6 – Opinions on firms' performance

If we consider the areas in which firms can be involved in CSR, the question was about the most important one. There were four categories: 1) clients, suppliers and competitors, 2) shareholders, 3) employees, 4) community, state and environment.

According to the responses the most important area is the one related to "employees" and the least important "shareholders". In my opinion this shows that the abovementioned Friedman's theory of benefit maximization for shareholders is no longer the most relevant to firms since other issues beyond the economic ones have to be taken into account (more in accordance with Carroll and Mc. Guire). This result must be highlighted, since by the time businessmen define the CSR concept they generally linked it to "society, community and environment". However when respondents are questioned about the order of CSR areas "society, community and environment" is not ranked first.

If we analyze this result based on the firm's capital some data must be highlighted on chart 3. If the position based on the capital in CSR areas is analyzed the following results are obtained.

1. "Clients, suppliers and competitors": both firms with local capital and those with foreign one concentrated their responses on the 4th place (34.6% and 36.8%), while the mixed ones do it on 3rd place (40.9%).
2. "Shareholders": most of the local and mixed capital firms place this category in the 3rd position (54.4% and 42.1%), while nearly half of the foreign ones place it in the 2nd position (50.2%).
3. "Employees": Both local and foreign capital firm's place this area in the first position (41.8% and 37.9%) while mixed ones place them in 2nd position (36.7%).

4. “The community, the state and the environment”: both local and mixed firms placed it in 2nd position (60.2% and 49.1%) and half of the foreign firms place it in 1st position (50.2%).

Insert Table 7 – Classification of the assessed areas

If we compare results, we find that respondents do not fully agree. Although all the firms related CSR with “society and/or people” by the time the categories were ordered the only firms which ranked “community, state and environment” first were the ones with foreign capital.

5.2. Ways of communication between the company and internal stakeholders.

The first question is related to a document setting vision and mission. More than half of the firms answered that they did develop this document: 70.5% for firms with foreign capital, 68.2 for mixed ones and 62.4% for local ones.

Following the same line, the question was whether the vision and mission of the firm had been communicated to the personnel. 93.8% answered affirmatively. All the firms with foreign capital responded affirmatively while in the case of mixed and local capital the results are slightly lower (98.1% and 93.2%).

Another question was related to the way of communication employed and the most usual practice was meetings (86.9%) and publications or internal documents (78.5%). The behavior is similar in the three types of firms. 100% of the firms with foreign capital indicated at least one of these options. In the case of firms with local or mixed capital these percentages are below 89%.

It was also considered if the firms had provided their personnel, shareholders or partners with information related to results. As for the employees the firms with foreign and mixed capital show a similar behavior different from the ones with local capital. While most of the firms with foreign and mixed capital responded that they had employed this practice (68.6% and 62.2%), this ratio lowers to 47.8% for the ones with local capital. In the case of

shareholders or partners the percentage of affirmative responses is either higher or almost the same of the previous case, achieving 76.6% for firms with foreign capital, a figure which lowers to 66% for firms with mixed capital and 61.5% for the local ones.

Insert Table 8 – Do employees access to information on profits?

Insert Table 9 – Do shareholders access to information on profits?

In all the cases the most widely accepted ways of communication were by means of “internal documents and/or meetings”.

Another question was related to the creation of a space where employees’ suggestions could be heard. Firms with mixed capital 79.7%, the ones with local capital 65.7% and the ones with foreign capital 59.5%. As for the question related to the CSR definition, in firms with mixed capital only 12% went to “employees and workers”. However in the case of the abovementioned question firms with mixed capital achieve the highest ratio.

To sum up, firms with foreign and mixed capital show higher percentages in practices related to communication with their personnel or shareholders. They are more open to show results and share them with all firms generating a better flow of communication among businessmen and workers. It seems that firms with local capital have not fully incorporated this type of communication. A reason could be that firms with foreign and mixed capital have developed and incorporated better practices which result from their headquarters. This may be related to cultural differences between local and foreign firms.

5.3. Other practices focus on different stakeholder

5.3.1. Employees

Considering the benefits granted to employees the question was about the existence of programs to distribute profits among employees, and how to grant awards to workers depending on their productivity or performance.

In first place results show that although 30.1% of the firms responded that they did have this kind of program. While 28.8% of the firms with foreign capital responded affirmatively, those with local and mixed capital achieved much lower ratios (13.3% and 12.4%).

In the second case affirmative responses are above 50%. Firms with foreign and mixed capital show a similar behavior (84.9% and 81.8%), while only 40.4% of the firms with local capital gave an affirmative response. The responses of all the firms to the question on how these awards were granted are concentrated on the “monetary” category.

Insert Table 10 – Existence of productivity bonus

The existence of recruitment plans carried out the year prior to the survey (2006) was analyzed, focusing on the following options: 1) “people with physical and/or psychological disabilities”, 2) “people with problems to access the labor market”, 3) “Young people without labor experience”. Only a few firms have carried out the first type of program (8.5%). In the second case the figures achieved 21.3%. The most developed plans are aimed at “young people without labor experience” 50%.

Insert Table 11 – Implementation of special recruitment programs

If we consider the responses according to the firm’s capital the behavior is heterogeneous depending on the type of practice.

1. “Disabled and handicapped people” firms with mixed capital 17.7%, followed by the ones with foreign capital and finally the ones with local capital (13.7% and 4.3%).
2. “People with problems to access the labor market”, 21% for local firms, 22.9% for foreign ones and 21.4% for mixed ones.
3. “Young people without labor experience”. Mixed firms 68.6%, local firms 47.1% and foreign ones 44.9%.

The following question was related to the development of CSR programs for employees. Seven options were granted based on the distribution of the resulting responses:

1. “Teaching and/or training of workers” (84.6%). All the firms with foreign capital take part in these practices and the ones with local and mixed capital achieved similar percentages (82.7% and 83.5%). The most usual practice for the three types of firms was “specific courses for the firm”.
2. “Improvement of the labor environment” (59.7%). This practice is more frequent in firms with mixed capital (69.9%), local capital and foreign capital (57.4% and 49.9%). In relation with the examples provided the firms with local and foreign capital mostly responded “improved building conditions” and those with mixed capital answered “new equipment and decoration”.
3. “Promoting personnel participation, involvement and/or sense of belonging” (58.8%). Firms with mixed capital 72.2%, the foreign ones with 61.3% and finally the local ones with 49.1%. According to the examples provided by the firms, the ones with foreign and mixed capital choose “organizational and psychological analysis” (51.5% and 52.8%) while the ones with local capital choose “meetings, events, entertainment and encounters” (62.1%).
4. “Improvement of employees’ safety conditions” (54.9%). Firms with foreign capital 89.5%, followed by the ones with mixed capital (75.8%) and those with local capital (42%). The most widely employed practices by firms with foreign and mixed capital are “courses to prevent accidents and first aid measures” (68.5% and 38.1). Those with local capital preferred practices related to “equipment and garment”.
5. “Improvement of employees’ health conditions” (45.1%). Firms with foreign capital 68.2% the ones with mixed capital 56% and those with local capital 37.6%. In this case the most usual practice carried out by firms was “prevention medicine”
6. “Employees family assistance and/or development” (32.5%). Firms with foreign capital 51.7%, followed by firms with mixed capital (44.2%) and the ones with local capital (25.3%). The three types of firms chose the same practice “education, school garment, fees”, with percentages ranging from 55.8% (foreign capital) to 33.6% (mixed capital).
7. “Prevention of sexual, moral or psychological harassment in the workplace” (51%). Firms with mixed capital did not carry out this kind of practice and only 2.5% of those with local capital responded affirmatively. 34.3% of firms with foreign

capital did perform them. The most usual practice has been “training, education, chats, etc.”.

5.3.2. Clients and competitors

The first question is related to non-advertising plans. The most usual practice is through web pages and regular publications. TV spots or phone lines are not that usual. Nowadays internet contributes to a more fluent communication. In the past it was usual to receive monthly magazines while consumers nowadays access web pages. However the public opinion as was said before does not select web pages as the most reliable media. Therefore we could say that the ways of communication between firms and public the opinion should be enhanced.

If all the options are analyzed based on the firm’s capital we can see that 0-800 telephone lines are not employed by most of the firms. In the case of web pages the results change. Firms with local and mixed capital (56.6% and 67.1%), and the ones with foreign capital 43%. As for regular publications: firms with foreign capital (57.9%), followed by those with local capital (40.1%), and mixed ones (36.6%). Finally, in the case of communication by TV and/or radio the three types of firms responded that they do not employ this practice. This could be a result of the high costs of advertising on these media, which cannot be compared with those of the web page. However it can be said that both radio and TV are more massive than internet and publications which are generally developed by means of subscription.

Insert Table 12 – Affirmative responses of communication programs (non publicity)

5.3.3. State, community and environment

The first question was related to the implementation by the firm of some program or communication plan with the community. More than a half of the responses were negative. If the question is analyzed based on the firms’ capital it turns out that in none of the three cases the responses are above 50%.

In relation with the aforementioned issue, the firms which responded affirmatively were asked about the type of practice they usually performed. According to the responses the practices were the following: 1) educational and cultural, 2) donations, contributions, 3) support, infrastructure, cleaning and 4) publicity, leaflets, mails, billboards.

If the question is analyzed based on the firms' capital the distribution of affirmative responses is: firms with foreign capital (57.7%) with option 3 (support, infrastructure and cleaning), while those with local capital took option 1 (educational and cultural), 41% and the mixed ones with option 4 (publicity, leaflets, mails, billboard).

Insert Table 13 – Activities towards the community

The following question to be analyzed was related to programs aimed at the community. The option with the highest percentage was “the improvement of community life conditions” (52.1%) while none of the remaining options achieved 50%. The following option is “support to educational institutions such as universities, technical institutes, schools, highschools, etc (48.1%).

Insert Table 14 – Implementation of medium and long-term programs towards the community

1. “Social programs jointly developed with an NGO”. In the three types of firms affirmative responses were few. Firms with mixed capital (29%), those with local capital 26.9% and the ones with foreign capital 11%.
2. “Cultural, sport or social activities”. Firms with foreign capital show the lowest rate in affirmative responses (13.7%), while firms with local and mixed capital achieved 48.8% and 52.6%, while sport practices were the most widely selected by firms with local and mixed capital. Firms with foreign capital prefer practices related to culture, theater, cinema and arts (65.9%).
3. “Support to educational institutions such as universities, technological institutes, schools, highschools, etc.”. Firms with local capital show the lowest ratio in affirmative responses (37.5%, those with mixed capital 45.9% and the ones with foreign capital 50.4%. Most usual practice “donations and contributions”.

4. “Improvement of community life conditions”. Firms with local capital 59.6% and the ones with foreign and mixed capital (38.9% and 37.2%). Most employed practice “donations, contributions” followed by “educational and cultural”.

The following question was related to the use of recycling policies with an affirmative response from more than half of the firms. Firms with foreign capital show the highest percentage (77.4%) the ones with mixed capital (67.6%) and those with local capital (53.3%). The most usual practice for firms with local capital was “paper, cardboard and plastic” (46%), while for those with foreign and mixed capital the option was “specific material for each firm (64% and 65%).

Insert Table 15 – Existence of recycling policies

Another question was related to plans or programs aimed at lowering the negative impact caused by the firm on the environment. 40% of firms responded that they do perform the aforementioned practices, with important differences in relation with the capital origin. Firms with local capital responded that they do not carry out this type of programs (42.2%) with a 37.6% of responses to the option “the firm does not carry out contaminating practices”. Firms with foreign and mixed capital responded that they do implement this type of programs (46.2% and 57.4%).

Insert Table 16 –Programs to minimize the negative effects of the activity on the environment

It was also asked whether the firm had supported any state social program. In this case negative responses achieved a 60%.

Another question was related to norms or any kind of behavior to prevent traffic accident with firms’ vehicles. The affirmative responses achieved 33.7%. Based on the origin of capital firms with local capital show the highest percentage (18.4%), followed by those with foreign capital (6.4%) and finally the ones with mixed capital (4.2%).

In general, all firms have norms to promote the rational use of energy and/or water. Firms with local and foreign capital (52.9% and 51.7%) and those with mixed capital (71.7%). The most widely accepted option was “electricity saving” and “no work during peak hours” for the three types of firms.

Insert Table 17 –Joint programs with non-governmental organizations

Another type of analysis can be based on the behavior of firms in relation with CSR in Uruguay. This will allow us to see the placement of Uruguayan firms according to the Zadek (2007) dimensions.

In first place we find the organizational learning dimension. As Uruguay is still undergoing a transition period the “civil” CSR stage has not been achieved yet. The “civil” CSR promotes an active participation within the business sector. A great part of organizations in Uruguay are in the “Managerial” stage where managers are responsible for social issues and their resolution. CSR practices are integrated to daily activities. And the remaining organizations in Uruguay are undergoing the “Strategical” stage where social issues are integrated to the firms’ core strategies. Firms with local capital are mostly in the “Managerial” stage while those with foreign capital can be placed in the “Strategical” stage.

In second place we find the firms’ maturity dimension. Uruguayan firms are undergoing the stage of “Emerging” maturity. Both the political community and the media are starting a research on this issue.

6. Conclusions

Being CSR a new subject in Uruguay as it happens in developing countries, the firms should become aware of their responsibility towards the community and the employees (stakeholders). As outlined by the theory, these stakeholders have put pressure on firms in order to generate responsibility in relation with issues they are involved in. In terms of responsibility it is clear that the most general subjects related to society should be assumed

by both state and firms. These subjects involve such a complexity as to force firms and state to articulate actions assume each one's responsibility and be aware of it.

Findings indicate that firms have changed its goals. Considering the area placement order the fact that shareholders appear in last term shows that Friedman's theory is no longer the prevailing one. As a consequence a new business era is starting being the maximization of stakeholders' benefits no longer the key issue. There are other subjects to be focused within the organization.

It is important that both firms and consumers (stakeholders in general) become aware of the work to be done and the fact that this work should be carried out by all of them. The firms and the State should articulate actions to achieve better results and consumers should articulate their actions in order to make affective pressure to make firms comply with their responsibilities. This joint work among firms, the state and the remaining stakeholder will contribute to developed higher levels of CSR in developing countries. For doing so, information should be provided upon the subject both to employees and the society. If practices are carried out properly this should be communicated to help others start similar lines of action.

The conclusion that arises from the joint examination of results is that local firms are developing CSR practices, but the differences with those with foreign capital is very clear. These ones are influenced by the headquarters in their action plans. All this should contribute to exchange both information and practices among Uruguayan firms so as to improve the existing ones. For example, in relation with the environment results show that firms with foreign capital are the ones with the higher percentage in relation with this subject. This result is understandable since local firms are focused on their employees and the community and not so much on the environment and regarding incentive practices, local firms are different from those with foreign capital.

Firms have a long way ahead in terms of CSR but they must not forget that all should be involved in the process. If developed countries have already implemented CSR, developing countries can also achieve good results. We have to consider specific problems and differences in each of the countries in order to implement CSR and adapt it to Uruguay's

culture and habits. We consider that CSR must be considered as a long term investment and not as a cost for the organization.

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Annex – tables

Table 1 – Weighted distribution of answers

Firms	Percentage
National firms	65.8
Foreign firms	10.0
Mixed firms	24.2
Total	100

Note: values in percentage

Table 2 – Most important categories linked to CSR

Category	Percentage
The society and community	54.5
Employees	16.5
Employers and firms	11.2
The environment	7.9
Clients	6.6
Government	1.6
Others	1.7

Note: values in percentage

Table 3 – Responsibilities for informing to the public about firms practices

	Government	Big firms	Both	Total
National firms	13.4	25.5	61.1	100
Foreign firms	0.0	13.3	86.7	100
Mixed firms	18.8	32.9	48.3	100
Total	13.4	26.1	60.5	100

Note: values in percentage

Table 4 – Responsibilities for assuring that firms do not harm the environment

	Government	Big firms	Both	DNK	Total
National firms	16.2	12.4	70.9	0.5	100
Foreign firms	0.0	14.7	85.4	0.0	100
Mixed firms	9.8	21.0	69.2	0.0	100
Total	13.0	14.7	72.0	0.3	100

Note: values in percentage

Table 5 – Responsibilities for supporting community projects and making charity

	Government	Big firms	Both	DNK	Total
National firms	16.2	12.4	70.9	0.5	100
Foreign firms	0.0	14.7	85.4	0.0	100
Mixed firms	9.8	21.0	69.2	0.0	100
Total	13.0	14.7	72.0	0.3	100

Note: values in percentage

Table 6 – Opinions on firms’ performance

	Deficient	2	3	4	Excellent	Total
National firms	2.1	35.9	57.4	0.0	4.6	100
Foreign firms	0.0	28.2	69.6	22.9	0.0	100
Mixed firms	0.0	49.8	40.6	9.6	0.0	100
Total	1.4	38.5	54.6	2.6	3.0	100

Note: values in percentage

Table 7 – Classifications of the assessed areas

Clients, suppliers and competitors						
	First	Second	Third	Fourth	DNK	Total
National firms	16.9	11.9	33.7	34.6	2.9	100
Foreign firms	3.7	29.0	26.8	36.8	3.7	100
Mixed firms	26.8	7.3	40.9	25.0	0.0	100
Total	18.8	11.7	35.3	32.0	2.2	100
Shareholders						
	First	Second	Third	Fourth	DNK	Total
National firms	26.1	1.6	54.4	15.0	3.0	100
Foreign firms	4.5	50.2	32.7	8.9	3.7	100
Mixed firms	27.5	6.9	42.1	23.5	0.0	100
Total	25.2	6.1	49.6	17.0	2.2	100
Employees						
	First	Second	Third	Fourth	DNK	Total
National firms	41.8	23.3	5.9	26.0	3.0	100
Foreign firms	37.9	3.7	36.8	17.8	3.7	100
Mixed firms	15.8	36.7	17.1	30.5	0.0	100
Total	34.3	25.9	10.9	26.7	2.2	100
Community, State and the environments						
	First	Second	Third	Fourth	DNK	Total
National firms	12.3	60.2	3.1	21.5	3.0	100
Foreign firms	50.2	13.4	0.0	32.7	3.7	100
Mixed firms	30.0	49.1	0.0	21.0	0.0	100
Total	19.6	54.2	2.1	22.0	2.2	100

Note: values in percentage

Table 8 – Do employees access to information on profits?

	Government	Big firms	Both	DNK	Total
National firms	16.2	12.4	70.9	0.5	100
Foreign firms	0.0	14.7	85.4	0.0	100
Mixed firms	9.8	21.0	69.2	0.0	100
Total	13.0	14.7	72.0	0.3	100

Note: values in percentage

Table 9 – Do shareholders access to information on profits?

	Yes	No	DNK	shareholders/ stakeholders	Total
National firms	61.5	14.8	0.6	23.1	100
Foreign firms	76.7	8.2	0.0	15.1	100
Mixed firms	66.0	2.8	0.0	31.2	100
Total	64.1	11.2	0.4	24.3	100

Note: values in percentage

Table 10 – Existence of productivity bonus

	Yes	No	DNK	Total
National firms	40.4	59.1	0.5	100
Foreign firms	84.9	15.1	0.0	100
Mixed firms	81.8	18.2	0.0	100
Total	54.9	44.8	0.3	100

Note: values in percentage

Table 11 – Affirmative responses of the implementation of special recruitment programs

	Disabled and handicapped people	People with problems to access the labor market	Young people without labor experience
National firms	4.3	21.0	47.1
Foreign firms	13.7	22.9	44.9
Mixed firms	17.7	21.4	68.6

Note: values in percentage

Table 12 – Affirmative responses of communication programs (non publicity)

	0-800 lines	Web pages	publications	radio or TV
National firms	12.5	56.6	40.1	22.3
Foreign firms	26.1	43.0	36.6	10.5
Mixed firms	11.5	67.1	57.9	38.9

Note: values in percentage

Table 13 – Activities towards the community

	Educational	Charity	Supporting	Communications	Total
National firms	41.8	16.9	0.00	41.3	100
Foreign firms	23.1	9.6	57.7	9.6	100
Mixed firms	40.8	7.9	9.9	41.5	100
Total	40.3	14.6	5.9	39.2	100

Note: values in percentage

Table 14 – Implementation of medium and long-term programs towards the community

	Si	No	DNK	Total
Improvement of community life conditions	52.1	47.9	0.0	100
Support to educational institutions such as universities, technological institutes, schools, highschools, etc.	48.1	52.0	0.0	100
Cultural, sport or social activities	41.0	59.0	0.0	100
Social programs jointly developed with an NGO	25.8	73.6	0.5	100

Note: values in percentage

Table 15 – Existence of recycling policies

	Paper, cardboard and plastic	Metals, iron scrap, batteries, iron and tin	Office materials	Specific materials for each firm	Classification, waste recycling	Total
National firms	46.1	2.0	11.6	29.7	10.6	100
Foreign firms	6.5	22.5	0.0	63.9	7.1	100
Mixed firms	31.8	0.0	0.0	64.9	3.3	100
Total	37.0	4.1	6.9	43.9	8.2	100

Note: values in percentage

Table 16 – Existence of programs to minimize the negative effects of the activity on the environment

	Yes	No	DNK	The activity does not pollute	Total
National firms	18.1	42.2	2.1	37.6	100
Foreign firms	46.2	37.8	13.7	2.3	100
Mixed firms	57.4	29.7	0.0	13.0	100
Total	30.4	38.8	2.7	28.1	100

Note: values in percentage

Table 17 – Existence of joint programs with non-governmental organizations

	Very efficient	Efficient	Less efficient	Inefficient	DNK	Total
National firms	10.0	41.5	24.0	2.1	22.4	100
Foreign firms	2.8	57.9	17.9	0.0	21.5	100
Mixed firms	14.1	33.5	34.0	0.0	18.4	100
Total	10.3	41.2	25.8	1.4	21.3	100

Note: values in percentage