Personnel participation: a review of its role in Corporate Social Responsibility models and standards

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Abstract. The object of this article is to identify if personnel participation in continuous improvement is an issue considered within the wide concept of Corporate Social Responsibility (CSR), as this is currently understood. To this end, in this paper we analyze the main international CSR models and standards, in order to describe to what extent personnel participation is treated in them. Finally, some conclusions and the authors' proposals are provided.

Keywords: Corporate Social Responsibility, Continuous Improvement, Personnel Participation

1. Introduction

1.1. Corporate Social Responsibility (CSR)

CSR is a business field on which much has been debated in the last years. This is a consequence of the increasing concern of society about the sustainability of the current business models and business activities, from diverse points of view, especially the environmental and the labour ones.

The majority of activities in a company have, direct or indirectly, a social, external and/or internal impact. Some of them, in fact, can be designated 'socially responsible activities', like the resources management, the minimization of the

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pollution, the preservation of equality of opportunities, or the increase of workers' welfare, that is to say, activities that show a commitment of the organization with the sustainable development, beyond the strictly legal fulfillment.

To facilitate to all-type organisations a socially responsible performance, several norms and guides have recently been published by various official entities or bodies directly or indirectly linked to CSR, such as AccountAbility, Social Accountability International (SAI), Global Reporting Initiative (GRI), the International Organisation for Standardization (ISO), the European Foundation for Quality Management (EFQM) or the United Nations, *inter alia*.

1.2. CSR and Continuous Improvement

As regards the concept of continuous improvement (CI), Boer et al. (2000) define it as "the planned, organized and systematic process of ongoing, incremental and company-wide change of existing practices aimed at improving company performance". Indeed, the ultimate aim behind companies introducing CI is to increase their performance, by means of a systematic process of incremental improvement, which does not imply (or at least assume) consumption of resources (Terziovski and Sohal, 2000). This improvement in performance could be attained based on improving productivity, quality and/or production time (Boer et al., 2000; Rapp and Eklund, 2002), by cutting down costs (Bond, 1999) or, more globally, by orientating towards a higher customer satisfaction, better workers' health and safety conditions, and environmental matters, which are a concern of main stakeholders, such as clients, workers, the society at large and the Administration.

1.3. CSR, CI and personnel participation

It is generally accepted nowadays that personnel participation becomes essential for CI in an organisation. Structured employee participation systems, both at individual and group level, are a vehicle with considerable potential for developing CI. They make it possible to have an active, systematic intervention in improvement processes of people belonging to different hierarchical levels in an organization. In many cases, they contribute to channelling the strategic objectives of numerous efficiency improvement approaches (JIT, Lean, TQM, etc.).

But, moreover, employee participation systems contribute to improve the workers' level of satisfaction. Contributing with ideas, developing and implanting them, obtaining improvements, sharing knowledge with other workers (many times belonging to other areas) etc, all of those allow a greater professional and personal development of the worker, and elevates his/her self-perception of utility to the company that he/she works for, improving his/her satisfaction with the work

and his/her commitment with the organization. In this sense, the promotion of participation becomes, in our opinion, an important element of social responsibility, because of its orientation to the empowerment of the worker as an essential stakeholder of the firm, and because of its undoubted contribution to competitiveness and, therefore, to sustainability.

2. Standards review

Starting from the premise that personnel participation in CI is a CSR issue, we wanted to check if the current international CSR standards take it into account.

The CSR standards checked are:

- AA1000 Series of Standards (from AcountAbility)
- SA8000 (from SAI, Social Accountability International)
- SGE 21 (from Forética)
- ISO 26000 (from ISO, International Organization for Standardization)

2.1. AA1000 Series of Standards (AccountAbility)

AccountAbility is a "leading global organisation providing innovative solutions to the most critical challenges in corporate responsibility and sustainable development" (AccountAbility, 2012). The core of this entity's work is the AA1000 series of standards: AA1000APS (2008): AccountAbility Principles Standard; AA1000AS (2008): Assurance Standard, and AA1000SES (2011): Stakeholder Engagement Standard.

2.1.1. AA1000APS: AccountAbility Principles Standard (2008)

In AccountAbility words, "the purpose of the AA1000APS (2008) is to provide organisations with an internationally accepted, freely available set of principles to frame and structure the way in which they understand, govern, administer, implement, evaluate and communicate their accountability" (AccountAbility, 2008a). This standard "provides a framework for an organisation to identify, prioritise and respond to its sustainability challenges" (AccountAbility, 2012).

The standard establishes three principles: the foundation principle of inclusivity, the principle of materiality, and the principle of responsiveness. The Foundation Principle of Inclusivity directly refers to stakeholder participation processes (and not particularly to personnel participation) within the organization, as summarized in Table 1 below.

Table 1. References to participation in AA1000APS (2008)

AA1000APS (2008) text	Chapter; epigraph
"For an organisation that accepts its accountability to those on whom it has an impact and who have an impact on it, inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability."	2.1. The Foundation Principle of Inclusivity; Definition
"Inclusivity requires a defined process of engagement and participation that provides comprehensive and balanced involvement and results in strategies, plans, actions and outcomes that address and respond to issues and impacts in an accountable way"	2.1. The Foundation Principle of Inclusivity; Explanation
"An organisation will adhere to the principle of inclusivity when: (…) It has in place a process of stakeholder participation that: • is applied across the organisation (e.g. group and local level); • is integrated in the organisation, and • is ongoing and not 'one off'."	2.1. The Foundation Principle of Inclusivity; Criteria
"The stakeholder participation process: • identifies and understands stakeholders, their capacity to engage, and their views and expectations; • identifies, develops and implements appropriate, robust and balanced engagement strategies, plans and modes of engagement for stakeholders; • facilitates understanding, learning and improvement of the organisation; • establishes ways for stakeholders to be involved in decisions that will improve sustainability performance; • builds the capacity of internal stakeholders and supports building capacity for external stakeholders to engage, and • addresses conflicts or dilemmas between different stakeholder expectations."	2.1. The Foundation Principle of Inclusivity; Criteria

Nevertheless, despite these mentions of participation, there is no specific reference to the manner in which the stakeholders and, more specifically, the personnel in the organization, can develop the same in a structured way.

2.1.2. AA1000AS: Assurance Standard (2008)

This standard provides the necessary requirements for conducting an assurance of sustainability. The standard is designed for use by suppliers and professionals in sustainability assurance. It provides a methodology for assurance practitioners to evaluate the nature and extent to which an organisation adheres to the AccountAbility Principles and the quality of the information released on performance in sustainability (AccountAbility, 2008b).

This standard makes no reference to personnel participation in CI.

2.1.3. AA1000SES: Stakeholder Engagement Standard (2011)

In AccountAbility words, "the AA1000 Stakeholder Engagement Standard (AA1000SES) is a generally applicable framework for the design, implementation, assessment and communication of quality stakeholder engagement. It describes how to establish commitment to stakeholder engagement; how to integrate stakeholder engagement with governance, strategy and operations; how to determine the purpose, scope and stakeholders for engagement; and the processes that will deliver quality and inclusive engagement practice, and valued outcomes" (AccountAbility, 2011).

Therefore, the standard develops aspects of interest for the "participation of stakeholders in developing and achieving an accountable and strategic response to sustainability. It is also a commitment to be accountable to those on whom the organisation has an impact and who have an impact on it, and to enable their participation in identifying issues and finding solutions. It is about engaging at all levels, including the organisation's governance, to achieve better outcomes" (AccountAbility, 2011).

This standard identifies different levels of commitment of the stakeholders for/to the organization (*consult, negotiate, involve, collaborate, empower*) and establishes possible methods for putting in place each of them. Specifically, personnel participation in the organization is not literally mentioned, although it can be interpreted as an option in several of these methods, specifically, 'meetings with selected stakeholder/s', 'workshops', 'online feedback mechanisms', 'multi-stakeholder forums', 'participatory decision making processes', 'focus groups', 'on-line feedback schemes', and 'integration of stakeholders into governance, strategy and operations management'.

Chapter 4 of the standard deals with *Stakeholders Engagement Process*, identifying four stages: *Plan, Prepare, Implement and Act, Review* and *Improve*. In all these stages, the standard includes useful comments for developing a personnel participation programme in CI (although this is not expressly mentioned), this being understood as a stakeholder (personnel) engagement system. Thus, aspects such as the following are mentioned: the degree of knowledge of the issues, willingness to engage, information sharing and boundaries of disclosure, anonymity, availability of time to participate, language and communication skills, individual personality, timing, tasks and timelines, ground rules, adopting a solutions-oriented approach, budget, briefing materials, documentation, action plans, feedback, channels of communication, monitoring and evaluation, reporting the engagement outputs and outcomes, risks (such as unwillingness, participation fatigue, creating expectations of change that the organization is unwilling or unable to fulfil, etc.).

Therefore, although the standard does not specifically deal with personnel participation in CI, not even partially, we can find some useful indications for the design and implementation of structured personnel participation systems.

2.2. SA8000:2008

This is a standard created by the Social Accountability International (SAI) organization, which defines it as "a credible, comprehensive and efficient tool for assuring human workplaces" (Social Accountability International, 2012). It is a standard, auditable by certifying bodies, establishing the voluntary requirements to be complied with by the employers in the workplace, regarding: child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

More specifically, personnel participation in CI is not covered by this standard.

2.3. SGE-21:2008

SGE-21 is a standard created by the Spanish organization Forética, which defines it as a multi-stakeholder frame for developing the criteria that make possible to establish, develop and evaluate an Ethical and CSR Management System (Forética, 2012).

It is standard auditable by certifying bodies. It covers 9 CSR management areas: top management, clients, suppliers, people in the organization, social environment, environment, investors, competency and public administrations. The standard requires the creation of a Code of Conduct and the implantation of an Ethical Committee in the organizations.

Although there is an area devoted to people in the organization, personnel participation in CI **is not covered by this standard**.

2.4. ISO 26000:2010

ISO 26000 is an international standard, drafted by the International Organization for Standardization (ISO) that provides orientation of all types of organizations regarding: CSR concepts, terms and definitions; CSR antecedents, trends and features; CSR principles and practices; CSR foundation matters; CSR integration, implementation and promotion within the organization; stakeholders identification and engagement; and CSR commitments and performance communication (ISO, 2010). It is not a standard orientated towards certification, nor to a regulatory or contractual use. This standard sets out to succeed in behaviour in CSR in the organization going beyond legal compliance (ISO, 2010).

This standard ascribes an important role to the personnel in social dialogue, the aim being to assure compliance with human rights, equality in the work place,

freedom of association, labour practices, ethical behaviour of the organization, etc. Furthermore, this standards considers participation as one of the benefits provided by CSR in an organization. But however, it barely mentions personnel participation in the continuous improvement of processes, products or services, leaving existing circumscribed by social responsibility and health and safety activities. These mentions are listed in Table 2 below.

Table 2. References to participation in ISO 26000:2010

ISO 26000:2010 text	Chapter; epigraph
"Social responsibility may provide numerous potential benefits for an organization. These include: (…) enhancing employee loyalty, involvement, participation and morale (…)"	Box 5
"An organization's decision-making processes and structures should enable it to: (…) encourage effective participation of all levels of employees in the organization's social responsibility activities"	6.2 Organizational governance; 6.2.3 Decision-making processes and structures
"An organization should: (…) base its health, safety and environment systems on the participation of the workers concerned (…)"	6.4 Labour practices; 6.4.6 Health and safety at work

3. Conclusions

The CSR principles, models and standards cover several CSR issues on business activities. If we restrict our attention to those related to the personnel of the organization (and, more widely, the ones in the supply chain to which the organization belongs), it hardly appears in the models that we have reviewed.

Personnel participation in CI is given a more detailed treatment by other models or standards more traditionally linked to quality management and excellence, as is the case of the ISO 9004 standard and the EFQM Excellence Model. But however, as in the case of the CSR standards, development of personnel participation in the organization is not given detailed treatment in any of these.

The review allows us to conclude that personnel participation in CI is not sufficiently considered within the current CSR frame, probably because:

- it is regarded as too operative to include it in the CSR models and standards, that are too superficial with respect to the operative application of CSR practices:
- it is regarded as more a quality than a CSR practice, especially when taking into account that personnel participation is considered as one of the principles of quality management (ISO, 2005);
- it is not quite as evolved as to form part of socially responsible practices considered as such by international consensus.

Probably the field of application of these CSR models and standards is too broad to deal with operational issues but, in our opinion, certain lineaments are missing, at least of the organizational, structural or strategic kind, that could help organizations to design and develop personnel participation programmes in CI.

We believe it appropriate for the bodies developing CSR standards to firmly incorporate personnel participation in CI in said models, given its strategic importance and potential contribution to business sustainability.

We believe it also necessary to develop standards and guides for structuring personnel participation in CI. There are not many companies implementing structured employee participation systems and, when they do so, many of them fail because they apply a non-suitable structure and/or methodology. In the CSR standards reviewed, we have only found certain useful considerations for this in the AA1000 Stakeholder Engagement Standard (AA1000SES). Nor are ISO 9004 nor the EFQM Excellence Model of much help in this regard. A guide for the implantation of structured employee participation systems would be of great help for many organizations, especially the small and medium sized ones, with scarce in-house resources for developing these practices.

4. References

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