Social responsibility in the Spanish financial system

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Abstract

Purpose – *This paper aims to analyze the degree of implementation of corporate social responsibility (CSR) policies in the Spanish financial system.*

Design/methodology/approach – *The study includes nine entities within the same organizational field to explore the pressure mechanisms that can affect the behavior of organizations.*

Findings – *It concludes that the strategic nature of CSR is limited by the highly institutionalized character of this practice, a fact that causes isomorphic social structures among the approaches to responsibility of diverse entities.*

Originality/value – *The results obtained are of great value to those responsible for the management bodies, as they show evidence of the need for a new approach to corporate governance policies if it is to achieve a competitive advantage in the industry, especially in the case of savings banks, where social work can play a fundamental role.*

Keywords *Institutional theory, Banks, Corporate social responsibility, Savings banks*

Paper type *Case study*

1. Introduction

Since the onset of the global financial crisis starting in August 2007, the resulting economic recession has been having a direct and adverse impact on the real economy of those countries that had experienced constant growth rates so far. The crisis in the US mortgage market as a result of the insolvency caused by the subprime led to a scenario of mistrust and instability in financial markets around the world.

Such circumstances worsened with the bankruptcy of Lehman Brothers in September 2008, as the global nature of this financial institution and its close interconnection with major global banks would cause a deep shock to the markets of the major economies. In Europe, the European Central Bank (ECB) was forced to make a series of cash injections to prevent major banks from ceasing their activities. Initially, the ECB's decision came after France's biggest bank and the second in capitalization in the euro zone, BNP Paribas, decided to freeze funds due in part to the instability in the US mortgage market.

Financial instability began then to show evidence of a series of imbalances particularly affecting risk management, supervisory and regulatory mechanisms and the rating agencies that had been unable to evaluate the products of a complex financial network, with different impact levels depending on the country. The consequences have been disastrous for the economic and social development of many countries, including massive job losses, high unemployment rates, lack of liquid assets in financial markets, widespread declines in values in the main European indices, risk premium to historical values, a debt crisis that forced Ireland, Greece and Portugal to ask for bailout from the European Union (EU), etc.

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A direct consequence of this process of economic upheaval has been the generalized suspicion among citizens and investors. The image of the financial sector has been severely damaged as a result of poor corporate governance practices, presenting a much more regulated institutional environment both in terms of bank solvency and operability. New capital requirements on financial markets (Basilea III) add to the Single Supervisory Mechanism adopted in November 2014, when the ECB assumed the competence for banking supervision in the euro area.

In Spain, all these macroeconomic changes have especially affected a particular financial institution: savings banks (SBs), which in 2009 started a process of banking reorganization which completely changed the legal nature and the purpose for which they emerged. As a consequence, SBs ceased to exist as such in 2014 to become foundations and perform the indirect pursuit of their business through banks constituted for this purpose.

Subsequently, in the present context, there is a much more concentrated financial system with a high degree of homogeneity among the participating entities and where banking intermediation margins are greatly reduced, making it necessary to redefine the strategic plans of action and implement new innovation processes that stimulate a differential character among acting entities.

Within this process of change, business management policies seem geared toward the inclusion of a line of business that has gained great importance in the organizational field: corporate social responsibility (CSR). Both from national and European institutions, it is intended that CSR becomes a business excellence practice that should contribute to promote a more environmental and sustainable economic growth that is also committed to the social concerns of all stakeholders.

Public institutions have been supporting this process of change for some time. The Brundtland Report published in 1987 by the World Commission on Environment and Development refers to sustainable development as development that provides present welfare without compromising the possibility of future generations to meet their own needs. In Europe, this process starts at the Lisbon Summit in 2000, which considers it a priority to make all member states competitive economies capable of sustainable economic growth with greater social cohesion, with a special emphasis on lifelong learning, work organization, equal opportunities, social integration and sustainable development.

At first, one might think that CSR is a business management practice whose applicability focuses especially on those sectors most sensitive to public opinion for their social or environmental (oil, metallurgy, textiles) impact activity. However, in practice, CSR can be useful in any organization regardless of its business, not only because of its direct impact on society, but also as a means of legitimation to help strengthen corporate reputation within a much more competitive and global context.

Given the global nature of financial markets, of the various sectors that make up the Spanish economy; the financial sector has positioned itself among those with a highest number of initiatives recorded in this regard. Concern about CSR in the financial sector becomes increasingly evident, not only by the need to properly manage ethical, reputational, social and environmental risks, but also by pressure from regulators and society in general, who demand an increasing involvement and transparency of banking in society (De la Cuesta, 2006).

The research conducted aimed at determining to what extent CSR can act as a strategic variable in a highly institutionalized and mistrusted business sector whose reputation has been severely damaged. To do this, we selected a sample of banks and SBs and used a methodology based on multiple case studies to contrast CSR lines between different financial institutions.

First, this article lists the institutional variables that can affect the performance of organizations. Then, it presents the objectives and methodology of the study as well as the case study of each particular entity. Finally, it shows the results obtained and the conclusions reached after their analysis.

2. Institutional theory as a paradigmatic model applicable to organizational behavior

In the analysis of any business management model, we must consider the existence of an institutional environment consisting of a set of norms, rules and values which organizations must adapt to so as to ensure their stability and firm survival. As Selznick (1996) points out, institutional theory analyzes the emergence of new patterns of behavior in response to the interaction of the internal and external environments that organizations must face.

In this respect, Scott (1995) shows that institutions are constituted by a series of regulatory, normative and cognitive structures that provide stability and meaning to a particular behavior. From this perspective, the analysis of any business management model must consider the existence of three institutional pillars:

1. *Regulatory*: Laws and rules set in the environment to regulate the functioning of organizations. The State is the agent that may influence their implementation.
2. *Normative*: All those norms and values that describe the most appropriate way to achieve the objectives.
3. *Cognitive*: All those patterns of behavior that are based on already accepted structures.

Based on the different welfare systems of each country, their legal and institutional frameworks, governance structures and the role played by both public and private actors, Lozano *et al.* (2005) identified four models of government action on the development of public policies for the promotion of CSR in the context of the EU: Partnership, Business in the Community, Sustainability and Citizenship, Agora (Table I).

Embid (2006) notes that, initially, conducting CSR activities in Spain was the result of voluntary business decisions, and not of actions conditioned by the law. The so-called “CSR codes” are not genuine legal binding norms, but are usually included in the so-called “soft law”, i.e. they are mandatory for those who take them as their own.

At policy level, to ensure that a company is socially responsible, it is required that it materialize CSR principles by applying standard-based measurable variables or sectoral indicators. In these cases, the process for determining whether a company is socially responsible undergoes phases of normalization and certification (De la Cuesta and Valor, 2003):

Table I Government models to promote public policies on CSR

Models	*Policies*	*Implementing countries*
Partnership	Partnership between sectors as a shared strategy for resolving social and labor challenges	Denmark, Finland, The Netherlands, Sweden
Business in the community	“Soft intervention” policies to promote business involvement in community governance challenges	UK, Ireland
Sustainability and citizenship	Updated version of the existing social agreement and importance of a sustainable development strategy	Germany, Austria, Belgium, Luxembourg and France
Ágora	Creation of discussion groups for the different stakeholders involved to provide public consensus on CSR	Spain, Greece, Italy and Portugal

Source: Adapted from Lozano *et al.* (2005)

- Standardization is the development and application of a set of rules in which a set of CSR compliance principles are established. They can be general if they encompass all dimensions of CSR, or sectoral if they focus on a particular dimension or industry.
- Certification is the process whereby an independent agency ensures that the company is subject to the applied rule or standard.

The globalization of markets has significantly expanded the context in which the actions of an organization have consequences. Therefore, the European model of competitive enterprise requires taking on new elements of permanent innovation where corporate responsibilities should focus beyond the legislation (Tortosa, 2006). The new models of business management include the following measures of social performance, which are commonly used as practical management tools capable of evaluating the non-financial performance of organizations (Table II).

In the Spanish financial system, we must consider that both banks and SBs carry out their activity within the same organizational field, defined by DiMaggio and Powell (1983) as the set of organizations that share a recognized area of institutional life and in which a series of technical and institutional elements is established that makes it different to any other sector of activity (Scott, 1992).

In a market like the current one, conforming to social expectations is becoming increasingly important in the design of the strategic plans of organizations that seek social legitimacy in their immediate environment (Simcic and Vidaver-Cohen, 2009), as legitimacy may be a key factor in business success (Alcantara *et al.*, 2006). In this sense, considering that legitimacy is a continuous variable in time and that it can be modified by the activity of organizations, organizations with greater legitimacy have a greater acceptance in society, which gives them a greater power to influence its direct environment (Díez *et al.*, 2010).

However, when a particular practice gains great social acceptance in the market as a result of the processes of social legitimization proposed by organizations, it can become

Table II Common tools for implementing CSR policies

Tools	*Tool types*
Codes of conduct	Voluntary statements subscribed by companies to ensure responsible accountability at all levels of the organization
Guides	ISO 26000
General principles	Global Compact (UN) OECD guidelines for multinational enterprises World Business Council on Sustainable Development Corporate Social Responsibility Europe
Sectoral principles applied to the financial sector	Principles of Ecuador United Nations Principles for Responsible Investment (UNPRI) United Nations Environment Programme Finance Initiative (UNEP-FI) European Alliance for CSR Investor Network on Climate Risk (INCR) Institutional Investor Group on Climate Change
Management and certification systems	SA8000 Norm SGE21 ISO 14001 EMAS
Generation information systems	Global Reporting Initiative (GRI) International Integrated Reporting Council Sustainability Accounting Standards Board
Audit and information assurance systems	AA1000
Ethical investment indices	Dow Jones Sustainability Domini 400 Social FTSE4Good FTSE4Good Ibex

Source: Compiled by author

institutionalized. This is a process by which the practices of a formal structure become widely accepted models that give legitimacy to an organization (Tolbert and Zucker, 1983).

As Tolbert and Zucker (1996) point out, when a practice or a behavior is adopted, there may be different levels of institutionalization depending on the degree of acceptance of the practice, which may arise at first by the innovation needs that occur in markets as a result of competitive or institutional changes. After a practice is adopted, these authors identify three phases in its development and evolution:

1. *Habitualization*: Initial phase in which there is no general consensus on its usefulness, with a limited number of organizations that adopt it.
2. *Objectification*: Period in which there is a certain social consensus between organizations on the usefulness of a practice and a growing number of organizations are beginning to adopt it.
3. *Sedimentation*: Phase in which a practice is fully institutionalized and where it is considered the correct way to operate within an organizational field.

Early theorists of this school of thought believed that organizations obtained legitimacy through compliance with the norms, beliefs and values that were established in a given institutional environment (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). Suchman (1995) defines legitimacy as the widespread perception that the actions carried out by an organization are correct or appropriate within a system of socially constructed norms and values.

After various financial scandals, the perception of social activities can be a variable that increases the confidence of both the financial system in general and bank customers in particular (Carbó *et al.*, 2012). Several empirical studies show a positive relationship between CSR and social legitimacy (Díez *et al.*, 2014), as organizations that pose CSR actions gain greater legitimacy in their operating environment.

Under this thinking, companies are seen as an open entity continuously interacting with their environment that can respond to external pressures by rejection or resistance (Oliver, 1991), or by compliance with established rules and values (DiMaggio and Powell, 1991). Thus, organizations that act according to the strategic plans developed by others are perceived as legitimate by society, as isomorphism is a variable that can positively influence both increased legitimacy (Suchman, 1995; Deephouse, 1996) and the degree of institutionalization acquired by a particular practice (Llamas *et al.*, 2005).

But if all organizations decide to adopt the same standards and values set in the environment, there could be homogeneous entities with organizational structures highly similar with each other (Dacin, 1997), thus leading to isomorphism – the emergence of organizational structures that tend to resemble each other as a result of imitating practices that have already been accepted as a response to pressures from the environment (DiMaggio and Powell, 1983).

DiMaggio and Powell (1983) identify the existence of two types of isomorphism in business performance that result from environmental and market pressures: the competitive and institutional isomorphism. The first is associated with adopting similar practices to those developed by competitors due to market competition practices. Institutional isomorphism, however, analyzes the processes by which organizations adopt the same patterns of behavior as a response to the same pressures from the environment in which they operate.

Within institutional isomorphism, DiMaggio and Powell (1991) consider the existence of a coercive isomorphism resulting from formal and informal regulatory pressures established in the environment, and a normative isomorphism that is associated with professionalization and responds to the application of a series of norms and values that are shared between different organizations. Finally, they refer to mimetic isomorphism, which occurs when organizations that interact in an environment of great uncertainty and which are perceived as successful within an organizational field are imitated by other organizations.

3. Design and research methodology

The ultimate goal of this research is to test social behavior in response to changing expectations present in today's society. In this sense, in trying to measure the evolution of a phenomenon taking into consideration the pressures of the environment in which the activity takes place, it was decided to use the case study among existing methodological alternatives to analyze and interpret certain assumptions, as the most adequate research methodology for the proposed analysis.

According to Escobar and Gonzalez (2005), this research technique allows to analyze the strategies used by organizations and their impact on different stakeholders. Also, Escobar and Wolf (2002) affirm that this technique permits to analyze the implications of diverse variables that are difficult to quantify, such as business behaviors or actions.

For studies as proposed in this work, Cepeda (2006) discusses three reasons why the case study is a feasible research methodology within the area of business economics:

1. The company can be studied in its natural state, one can learn from the situation and generate theories from it.
2. It allows researchers to answer the "how" and "why", i.e. understanding the nature and complexity of the processes carried out.
3. It is an appropriate technique in scarcely studied areas.

Similarly, Villarreal and Landeta (2010) highlight a number of advantages over other research methodologies:

- It allows to explain causal relationships that are difficult to determine by other means such as surveys or experiments.
- It explores situations where the evaluated phenomenon has no clear result.
- It is of wide applicability in the analysis of longitudinal change processes.
- It is recommended when the phenomenon studied cannot be understood independently of its institutional context.

To provide greater reliability to the contrast of results, it was decided that a multiple case study was conducted in the analysis to strengthen their internal validity and to apply the so-called "theoretical replication", i.e. reproducing the experience of each case in every other so as to verify the results obtained and to clarify their determinants (Villarreal and Landeta, 2010). According to Bonache (1999), comparative case studies use logical replication; that is, not statistical induction but analytic induction is used. Therefore, instead of generalizing the results to a given population, it is aimed at discovering the causes that explain and predict phenomena in specific cases.

Considering the methodology of multiple cases, Eisenhardt (1989) recommends the use of a number of cases, between four and ten. In our case, we selected a sample of a total of nine financial institutions, four from the SB sector and five private banks (Table III).

Moreover, we must set an indicator that allows us to assess the social performance of each entity. In economic literature, we can find different units of analysis based on the work considered, such as those that use SB social work as a measure of CSR (Martínez *et al.*, 2013) to survey business reputation and social rating carried out by certain journals and specialized consultants (Griffin and Mahon, 1997).

In this research, we decided to consider a framework document setting out the main criteria for implementing a socially responsible management system. Among the alternatives, we took the values proposed by Forética's System of Ethics and Social Responsibility

Table III Technical factsheet used in research

Purpose of research	*Contrasting CSR lines to identify isomorphic behavior in response to pressures from the same organizational field*
Methodology used	Descriptive, exploratory and explanatory multiple case studies
Unit of analysis	Two types of financial institutions: on the one hand, foundational and social entities (SB); on the other hand, capitalist entities aimed at maximum profit (banks)
Scope	Financial institutions operating in Spain: BBVA, Santander, Popular, Bankinter, Banesto, Cajasol, Caja Navarra, Caja de Burgos and Caja Canarias
Sample	Four SBs from four different autonomous communities and the top five banks listed on the IBEX 35
Method used in information collection	Document review: CSR reporting entities that publish this information and annual reports from those that do not
Date of research	Time horizon since the publication of the first CSR report in the field of SB until the sectoral restructuring that took place in 2010: 2004-2009

Source: Compiled by author based on Villarreal and Landeta (2010)

Management (SGE) indicators as reference. Forética's SGE 21 is the first European standard that establishes the requirements to be met by an organization to integrate its CSR strategy and management.

After reviewing the documentation, we considered the following 13 indicators affecting the management of corporate strategy, transparency and communication practices, the inclusion of purveyors within the value chain and further action aimed at employees:

1. *Indicator 1:* Reporting practices;
2. *Indicator 2:* Mechanism used to make reports;
3. *Indicator 3:* External verification;
4. *Indicator 4:* Identification of stakeholders;
5. *Indicator 5:* Adherence to CSR initiatives;
6. *Indicator 6:* Codes of conduct;
7. *Indicator 7:* Socially responsible investment products;
8. *Indicator 8:* Environmental management;
9. *Indicator 9:* Purveyor policy
10. *Indicator 10:* Participation of employees (volunteering);
11. *Indicator 11:* Equality policies;
12. *Indicator 12:* Social management; and
13. *Indicator 13:* Social and philanthropic activity.

Source: Prepared from Norm SGE21 of Forética.

4. Corporate responsibility as a strategic factor in organizational performance: analysis and results

Within the Spanish financial system, banks and SBs are the two financial institutions that capture the largest market share of the business of banking intermediation. With the liberalization of the SB sector at the end of the 80s and the possibility that they extend their business anywhere in the country, a new stage begins when the competitive positions of both institutions increasingly approach each other, and when the strategies for innovation within the business management may acquire transcendental value in gaining market shares.

Comparing the governance structures of the two types of financial institutions, we find two different management models that have generated a hot debate in the economic literature over the past decade. What Freeman (2008) called the "Friedman-Freeman debate " confronts a shareholders model in which shareholders are the main group of decision and whose ultimate goal is the maximization of profit, with another stakeholders model representing a plurality of interests and where it becomes necessary to get an economic benefit to ensure business survival, but also to contribute to the development of social progress and general welfare through social work (Table IV).

As Coello (1994) points out, it is from 1990 when the strategic interaction between banks and SBs could be considered as equivalent; thereafter, the competitive attitude between the two institutions would be completely symmetrical. However, despite the existing operational and functional equivalence between these organizations, other factors such as differences in size, the localization of activity and the ability to access the capital market seem to have had a positive impact on the profits obtained by private banks. The new market reality requires the SBs to work in a more competitive environment, which has significantly reduced the number of entities and where the technical and functional features of banks and CA are equated.

In financial management, banks have shown a more efficient management of their business strategy during the economic expansion cycle private. While SBs opted for an expansionary policy showing overcapacity of both offices and employees, the main national banks decided to adopt strategies of domestic market contraction to favor international expansionary policies. This fact, together with a financial activity that was less linked to the funding needs of domestic and real estate economies, prompted that the impact of the crisis was smaller for banks than for SBs.

As for business reputation, the data of the Business Corporate Reputation Monitor (MERCO) for 2004-2010 show that banks have a better reputation than SBs. Specifically, in 2004, only two of the eight financial institutions with better corporate reputation belonged to the SB industry; in 2010, only four SBs were among the ten most reputable financial institutions.

If we contrast the two types of financial institutions evaluated in this work from the perspective of profitability, banks are due in part its largest market share (Maudos, 2001). In this sense, the latest research in the sector seems to confirm this hypothesis and shows

Table IV Differences between banks and savings banks

Features	*Savings banks*	*Banks*
Legal nature	Foundational entities	Corporations
Distribution of profit	Reserves and social work	Reserves and dividends
Form of foundation	Contributions of the founders	Shareholders' equity
Capital increases	Subordinated debt and equity units	Expansions by the shares
Responsible authority	State and Autonomous communities	State
Governing bodies	General assembly, board of directors and control committee	General assembly and board of directors.
Groups represented in the governing bodies	Local and regional public authorities, clients, employees and founding institutions	Shareholders

Source: Prepared from González and González (2012) higher levels of profitability in the case of private banks (Torres *et al.*, 2012; Escobar and Guzman, 2010; Guzmán and Reverte, 2008; Climent, 2012; Trujillo-Ponce, 2013).

In social terms, SBs have traditionally played an important role through the development and implementation of social projects, which has been their hallmark and the differential element in comparison with other financial institutions (Castelló, 2003). However, considering that CSR is not a social or philanthropic action, but strategic business development through social and environmental benefits, its strategic approach presents complex elements for SBs (Igual, 2008). Therefore, the decision of each entity to strengthen CSR, social work, both, or neither involves not only specific benefits but a number of competitive advantages in the industry in which they operate as well.

Therefore, considering the competitive differences existing between banks and SBs, CSR can be a strategic variable that positively influences the profitability and efficiency levels obtained by entities. Previous studies of the sector, such as Marín and Ruiz (2008), argue that CSR initiatives may contribute to a more positive assessment of the entity by consumers, which is directly related to communication policies emphasizing all content related to CSR initiatives.

4.1 Responsibility analysis for the sector of savings banks

The objective of this research is to analyze the strategic position of CSR within the internal management of the two major financial institutions operating in Spain. To address this issue, we evaluated 13 indicators affecting the social management of such institutions, which allowed us to compare the lines of action of entities belonging to the same sector of activity. The horizontal axis of the following table shows the proposed indicators for analysis, while the vertical plane shows the SBs selected for the study, with the results as shown in Table V.

The table above leads to several considerations that are relevant for this first case. First, a direct relationship between the publication of CSR reports and social activity is observed. Thus, the SBs performing practices of transparency and social information respond to a greater number of indicators related to socially responsible management. As a result, different strategic plans for social management are observed.

Table V Lines of responsibility related to the sector of savings banks

Indicators evaluated	*Cajasol*	*Caja de Burgos*	*Caja Navarra*	*Caja Canarias*
Reporting practices	CSR report	CSR report	CSR report	Not found
Indicator for the elaboration of reports	GRI	GRI	GRI and Rule AA1000	Not found
External verification	Yes	Yes	Yes	Not found
Stakeholders identified	Yes	Yes	Yes	Not found
Adherence to CSR initiatives	Yes	Yes	Yes	Not found
Code of conduct	Yes	Yes	Yes	Not found
Socially responsible investment products	Pensions and investment funds	Pensions and investment funds	Investment funds	Investment funds
Environmental management	ISO 14001	ISO 14001	ISO 14001	Not found
Purveyor policy	Selected with social and environmental criteria	Selected with social and environmental criteria	Selected with social and environmental criteria	Not found
Employee participation	Volunteering	Volunteering	Volunteering	Volunteering
Equality policies	Equality plan	Equality plan	Equality plan	Equality plan
Social management	CSR department	Area of CSR management	Committee on ethics and responsibility	Not found
Social and philanthropic activity	Social work	Social work	Social work	Social work

Source: Compiled by author

Thus, in those SBs without CSR reports, CSR is typically perimetral and focuses especially through social work. In these cases, coercive (equality plan) and mimetic (voluntary and ISR) pressures take on a greater role while other entities redefine social activity with a transversal approach to CSR where a multi-stakeholder model is established in the process of defining content. Finally, contrasting the approaches of each entity, isomorphic behaviors are observed in the lines of responsibility of all those entities that publish CSR reports.

4.2 Analysis of responsibility for the sector of private banking

Following the same approach as in the previous case, we obtained the different lines of responsibility that had been incorporated into the management of private banking. In this case, the five entities evaluated published CSR reports to present their main actions on sustainability to the public in general. The results of each variable are set forth in Table VI.

In Table VI, the existence of homogeneous structures of social management is evidenced by contrasting the proposed indicators for each particular entity. All cases show a policy of financial organization that affects the internal management of the entities and acquires a transversal and multidisciplinary character within different areas of the organization, social activity being collected in the CSR reports published and structured according to the Global Reporting Initiative (GRI) standard.

Table VI Lines of responsibility associated to private banking

Indicators evaluated	*BBVA*	*Santander*	*Banco popular*	*Bankinter*	*Banco Sabadell*
Reporting practices	CSR report	CSR report	CSR report	CSR report	CSR report
Indicator for the elaboration of reports	GRI and Rule AA1000	GRI and Rule AA1000	GRI	GRI	GRI
External verification	Yes	Yes	Yes	Yes	Yes
Stakeholders identified	Yes	Yes	Yes	Yes	Yes
Adherence to CSR initiatives	Yes	Yes	Yes	Yes	Yes
Code of conduct	Yes	Yes	Yes	Yes	Yes
Socially responsible investment products	Pensions and investment funds	Pensions and investment funds	Pensions and investment funds	Pensions and investment funds	Pensions and investment funds
Environmental management	ISO 14001	ISO 14001	ISO 14001	ISO 14001	ISO 14001
Purveyor policy	Selected with social and environmental criteria	Selected with social and environmental criteria	Selected with social and environmental criteria	Selected with social and environmental criteria	Selected with social and environmental criteria
Employee participation	Volunteering	Volunteering	Volunteering	Volunteering	Volunteering
Equality policies	Equality plan	Equality plan	Equality plan	Equality plan	Equality plan
Social management	Corporate responsibility committee	Sustainability committee	CSR office	Sustainability committee	Corporate ethics committee
Social and philanthropic activity	Foundations	Foundations	Foundations	Foundations	Foundations

Source: Compiled by author

4.3 Results

The adoption of the GRI standard as a consensus mechanism for making memories of responsibility may be one factor that results in obtaining isomorphic lines of responsibility. Thus, to compare the strategic plans implemented both in the field of SBs and in private banking, we find the possible existence of a normative isomorphism associated with the professionalization of internal management processes that result in social structures that are almost identical.

In particular, it highlights the existence of a CSR plan that is managed and coordinated by a body established for such a purpose (committee, department or office) and that is partly developed through codes of conduct which define the corporate values of each entity. All this activity is complemented by membership in associations or CSR forums of common interest, such as the UN Global Compact, which serve as a site for meeting competitors and exchanging experiences.

Under this management model, providers are identified as interest groups and selection criteria are established in the commercial relations them. Also, despite the low environmental impact that results from financial activities, an environmental policy managed through ISO 14001 is designed, which focuses on three perspectives:

1. design of eco-efficiency and building-certification plans;
2. relevance of environmental risks on granting credits; and
3. environmental projects financed either directly or through the marketing of certain products.

In terms of transparency and social communication, we see that all those entities that make business reports use their CSR report as an instrument to highlight their major developments in this area, and have all social content externally verified by independent experts and structured according to previously identified particular interest groups.

In the field of socially responsible innovation, we have observed that pension plans and investment funds with SRI criteria are financial products that have gained greater prominence within the portfolio of organizations. Furthermore, in the case of private banks, all the entities evaluated are listed on ISR stock indexes.

Regarding employee policy, a common occurrence in all cases is the development of an "Equality Plan" to eradicate discrimination that may arise from gender or disability. Furthermore, employees are offered the opportunity to volunteer in social projects.

Finally, compared to the social and philanthropic activities performed by SBs through their social work, in recent years, private banks have made significant progress in this regard through budgetary allocations that are dedicated to foundations. Although of lesser importance than in the case of social work, foundations develop an important activity in various fields such as education, culture, art or projects of great social or environmental impact.

5. Conclusions

After analyzing the internal management policies of the two types of financial institutions selected for study, we can say that in recent years, CSR has gained prominence in the financial sector and has established itself as a strategic variable capable of providing social legitimacy in business.

However, when comparing the proposed indicators by type of institution, private banks are clearly ahead of SB in relation to socially responsible management practices. While all the banks evaluated report about their actions in CSR, certain SBs have not yet incorporated this practice to their financial performance and have social work as their most outstanding course of action.

Likewise, while committees are created in almost all banks to manage social activity, in the case of SBs, this activity corresponds mostly to departments or specific areas. Perhaps, these circumstances may be due to the greater transparency and information that is required of private banks as a result of listing.

In general, it appears that financial institutions are responding to the new social demands and expectations by conforming to the norms and values set in the environment. Such has been the degree of acceptance that by contrasting the social structures of entities belonging to the same organizational field, isomorphic lines of responsibility are revealed that may be largely due to regulatory processes arising from the use of the GRI standard.

Such precepts partly restrict the strategic nature that CSR may have within the business sector, as there is barely any difference between the social approaches that are held in each case. This fact becomes more transcendental in nature in the case of SBs if the existing competitive and profitability positions between the two financial institutions are to be matched.

From a strategic standpoint, we could be describing a behavior that is almost institutionalized in the sector; it is generally considered that CSR is the correct way to operate within the organizational field. In this context, social innovation strategies are emerging as leverage to obtain competitive advantages.

In the case of SBs, this could be achieved by designing innovation models affecting their social work, as it is at this point that they can accentuate their social status. In this regard, Vives and Svejenova (2009) highlight the social management model proposed by Caja Navarra, where customers rather than the board of directors are the ones in charge of deciding the areas of action that should set the social work of the entity, which has positioned the company from number 41 in return on equity and 32 in return on assets to number 6 in Spain in only six years.

As future research, it would be interesting to analyze to what extent have CSR and SW been integrated as strategic variables after the process of sectoral restructuring undertaken in mid-2010. In forming SBs as corporations, it is expected that the budget dedicated to SW is reduced to increase shareholder profit. This will certainly oblige to implement new management formulas that are more closely linked to the social work of SBs, which are largely financed by the social activity carried out without relying solely on the contributions made by the main entity. This would imply a strategic approach in which the SW is considered not as a cost inherent to the foundational nature of SB, but as an investment in wealth-generating innovation that can bring stability to financial business.

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