

SPANISH SAVINGS BANKS' SOCIAL COMMITMENT: NOT JUST PRETTY WORDS?

ABSTRACT

Purpose – This paper aims to determine the impact of the economic crisis on the level of Social Commitment of the Spanish Savings Banks.

Design/Methodology/Approach – The paper uses the information provided by Spanish Savings Banks (SSBs) for 2004-2009. In particular, it analyses the evolution of the Welfare Fund, the Financial Results, and the Ratio between the Welfare Fund and the Financial Results variables for each of the SBs, to go more thoroughly into how the Welfare Fund is distributed.

Findings - The evolution of the allocations to the Welfare Fund shows a significant decline in absolute numbers, as a logical consequence of the significant decrease in the financial results. However, we can see a substantial WF/P ratio growth in 2008 - 27.81% - and, above all of 36.08% in 2009. This has allowed a certain mitigation of the decline of the allocations. In addition, a change has taken place in the distribution of the Welfare Fund, the amount for Health and Social Care being bigger than the amount spent on Culture and Leisure.

Social Implications – This paper aims to highlight the impact that the process of mergers and acquisitions can have on the survival and the social commitment of the SBs.

Originality/Value – The paper provides a quantitative and qualitative analysis of the effect of the economic crisis on the Social Commitment of the Spanish Savings Banks.

KEY WORDS: Corporate Social Responsibility, Legitimation, Spanish Savings Banks, Welfare Fund.

1. INTRODUCTION

Over the last decade or more, the awareness that a company must behave in a socially-responsible way has become widespread (Argandoña, 2007). As a result of this, increasing attention has been paid to Corporate Social Responsibility (hereinafter CSR) in all areas (Angelidis and Ibrahim, 1993; Crowther, 2004).

Within this CSR boom, numerous initiatives have proliferated in Spain in recent years. Among them stand out: the increasing adherence to the *Global Reporting Initiative (GRI)* guidelines for presenting information, the 2001 undersigning of the UN World Pact containing the universal principles on human rights, labour regulations and the environment, and even the admission of a number of companies in the *Dow Jones Stoxx Sustainability* index, stand out (Escobar and González, 2006).

Many of the most active companies in social responsibility in Spain belong to the financial sector (González and Jiménez, 2008). For example, Acero et al. (2009) stated that in the Spanish financial sector only three Savings Banks (hereinafter SSBs) were registered as organisations reporting to the GRI for the 2003 financial year, whereas there are currently 17 SBs, 6 banking organizations and 1 cooperative bank that have opted to publish their accounts through sustainability reports. The increase in the number of reports is not however, a hard indicator of an improvement in CSR, and the quality of the content would also have to be taken as a differentiating element.

Table 1. SSBs with GRI Sustainability Reports.

Bancaja	Caja Madrid
Bilbao Bizkaia Kutxa (BBK)	Caja Navarra (CAN)
Caixa Catalunya	Caja Vital
Caixa Galicia	Cajasol
Caja Badajoz	Ibercaja
Caja Castilla La Mancha	Kutxa (Caja Gipuzkoa- San Sebastián)
Caja de Ahorros del Mediterraneo (CAM)	La Caixa
Caja España	Unicaja
Caja Granada	

Source: Acero et al. (2009).

From a CSR point-of-view, SSBs are a particularly interesting financial system object of study as: (1) they represent more than half of the financial system activity in Spain (Maravall et al., 2009); (2) in spite of the financial crisis and the impact it has had, especially in the financial sector, they obtained profits of 3,058 million euros in 2009 according to the data on the Spanish Savings Bank Confederation (CECA) ⁽¹⁾ website; (3) their distinctive features mean that they are the most deep-rooted financial organisations in society (Cals, 2005).

In addition, the current economic crisis provides us with the perfect opportunity to test the real extent of the SSBs' commitment to CSR. In the same line, their behaviour during these hard times will demonstrate whether the SSBs are still really committed to CSR (González and Jiménez, 2008) as a result of a conviction and committedness in keeping with their position, or whether they are simply using this as an instrument that allows them to meet with institutional rules, and so provide them with an air of legitimacy as far as their *stakeholders* are concerned, in line with the precepts of New Institutionalism (DiMaggio and Powell, 1991; Mouritsen, 1994; Scott and Meyer, 1994; Garruthers, 1995; Selznick, 1996).

For this analysis we have used financial information from the census of SBs operating, during the 2004-2009 period, available on the CECA website. To be specific, first of all, we analyse some variables such as the Welfare Fund (hereinafter WF), as a CSR indicator- then, go more deeply into how it is made up-, the Financial Results, and, finally, the Ratio between the WF and the Financial Results for each of the SSBs.

Apart from this introduction, the paper is organised as follows. The second section presents our object of study (the SSBs and their social commitment), while the third analyses the main controversial issues surrounding CSR. The fourth section gives the results and the fifth an analysis and discussion of them. Finally, the sixth section presents the conclusions drawn, some limitations, and the practical implications of this study.

2. SPANISH SAVINGS BANKS' SOCIAL COMMITMENT

According to the CECA website, the origin of the SSBs can be traced back to the old 17th century 'Montes de Piedad' (Pawn Banks). The first were founded some 170 years ago, not long after the end of the Spanish War of Independence, to try to mitigate the poor circumstances that most of Spanish society found itself in. Their main aims were to turn people's savings towards investment and to carry out some community service in their respective areas. The first SSBs were founded in 1834 in Jerez de la Frontera. Four years later the 'Caja de Ahorros y Previsión de Madrid' (Madrid Savings and Provident Bank) opened its doors to the public. During the so-called Liberal Period, SSBs consolidated themselves after being entrusted with encouraging the industrial classes to save. Subsequently, they gradually became proper financial institutions and began offering their customers a full range of

services. In this way they began to compete with other banking organisations until the present day, when their share of the Spanish banking market is over half.

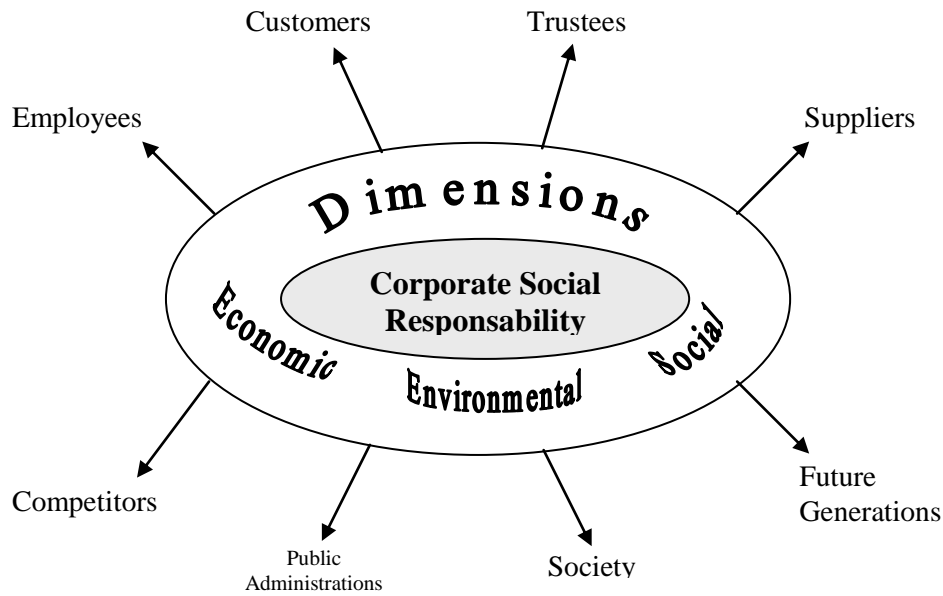
SSBs are currently private public-utility foundations that are part of the Spanish financial system. Their main activity is the receipt of deposits from third-parties to be loaned out or placed in financial investments (Ballarín, 1991). They also have a social purpose which means that, although they act in accordance with market criteria, they put a major percentage of their profits back into society through their WF (CECA, 2009). They therefore have two main functions: financial and social.

The current Spanish legislation on Financial Institutions (Law 13/1985 of 25th May, Art. 11) states that these organisations must set aside as reserves or providence funds not attributable to specific risk at least 50% of their free disposition surplus. This allows them to use resources to increase their reserves as a means of strengthening solvency, and also for satisfying various social demands, such as Culture and Leisure, Health and Social Care, Education and Research, Artistic and Natural Heritage, and, in broad terms, programmes for integrating unfortunate people with major problems. All these activities come under the banner of the WF.

Consequently, considering that SSBs are private public-utility organisations, the voluntary and periodic allocation of economic resources to the WF contributes to the advancement of the economic development and progress of the communities where they are based. This is why people prefer be costumers of SSBs instead of Banks. At the same time it also justifies their lack of profit-making spirit, in the sense that private profit cannot be made from their financial results. This generally means they can become market-leaders in the areas where they exist (Cals, 2005). Whereas private banking organisations are governed by their shareholders, statutorily SSBs are controlled by their stakeholders, in keeping with their social mission. This implies that managers have more power than in other kinds of organisations.

According to CECA (2009), all the information about SSBs can be summarised by the following figures: 45 SSBs, 24,637 branch offices and 131,933 employees serving and collaborating with the growth of all communities. In addition, they have 10,990 million euros profit and 1,097,760 million euros of customer resources.

Figure 1. SSBs-adapted CSR Conceptual Framework.



Source: Adapted from AECA⁽²⁾ (2004).

Finally, it should be underlined that any person can benefit from the WF, whether a customer of one of the SSBs or not. According to CECA (2009), the number of beneficiaries has risen sharply in recent years: in 1995, some 26 million people were users of these activities and actions; in 2004, the figure has continued to grow, reaching 128.67 million citizens in 2007.

3. SOME CONTROVERSIAL ISSUES SURROUNDING CSR

Numerous controversies still exist around the CSR, despite the wide theoretical framework in which it is sustained. All this theories were classified by Garriga and Melé (2004) into four groups: instrumental, political, integrational, and, ethical³.

First of all, there is not an agreement about the definition of CSR (Carroll, 1999), although a broad consensus appears in Dahlsrud (2006) where five component parts were identified: stakeholders, the social dimension, the economic dimension, voluntariness and the environmental dimension. In addition, however, Husillos and Alvarez-Gil (2008), state that these components can be reduced to three, thus giving the three of sustainable development: economic, social and environmental.

But some disagreements continue to exist relating to the concept and the convenience of CSR actions (Miras et al., 2011). Firstly, there is not a consensus about its altruism (Margolis and Walsh, 2003; Maignan and Ferrell, 2004; Husted and De Jesus, 2006; Winsord, 2006), and its voluntariness or the need of regulations (Phillips et al., 2003; Williamson et al., 2006; Carroll and Shabana, 2010).

In reference to convenience (Friedman, 1970; Freeman, 1984), highlights the debate about the relationship between CSR and Financial Performance. The empirical research on the CSR/financial performance relationship first appeared at the beginning of the nineteen-seventies (Moskowitz, 1972). Almost forty years have passed and the empirical study of the link still attracts interest from researchers, companies (management), policy makers and society in general, basically because the results have not been seen to be totally conclusive (Orlitzky *et al.*, 2003; Allouche and Laroche, 2005; Wu, 2006). After exploring possible causes of these very different results, Gomez (2008) concludes that one of the most important is that the companies analysed belong to diverse sectors and therefore proposes the advisability of carrying out sectorial studies to improve the results. This is why our study is focused on the banking sector and, particularly, on the SSBs.

Furthermore, according to Preston and O’Bannon (1997), the mathematical sign for the causal relationship can be positive, negative or neutral. In addition, following Salzman *et al.* (2005), the issue of the direction of causality between the two variables has still not been resolved. There is therefore a broad theoretical framework with numerous hypotheses that try to explain all the above possibilities (Table 2).

Table 2: Types of relationship between CSR and FP.

CAUSAL SEQUENCE	SIGN OF THE RELATIONSHIP		
	Positive	Neutral	Negative
CSR → FP	Social Impact Hypothesis	Hypothesis of moderator variables	Trade-Off Hypothesis
CSR ← FP	Slack Resources Hypothesis		Managerial Opportunism Hypothesis
CSR ↔ FP	Positive Synergy		Negative Synergy

Source: Preston and O’Bannon (1997) and Gomez (2008).

If we take into account the object of our study, the SSBs, we can justify the positive influence that the Welfare Fund (as its CSR indicator) has on the profits by its social attachment. Customers prefer to trust in SSBs instead of Banks because these organizations are going to invest a part of their profits in the customers' environment (Cals, 2005). This is consistent with the Social Impact Hypothesis. However, Guzman and Escobar (2011) demonstrated that the smaller and more socially-engaged SSBs are not more efficient than the bigger ones.

Hence, we focus our study on analyzing the hypotheses that aim to explain the influence that the financial performance could have on the CSR actions. On the one hand, the Slack Resources Hypothesis (Waddock and Graves, 1997b) indicates that companies will be socially responsible to a greater or lesser degree on the basis of available financial resources. Better performance will allow greater investments in social projects. CSR will, therefore, only be viable in companies with solid and sustainable financial results, i.e., some authors, such as Moreno (2006), emphasise that CSR is a luxury that can only be borne by buoyant companies.

In contrast, the Managerial Opportunism Hypothesis (Williamson, 1967, 1987) argued that the objectives pursued by these managers may be different from those of the owners and other stakeholders. This is due to the managers' objectives being oriented towards the short-term and immediate profitability, while the owners' objectives are more linked to the long term. This hypothesis is also relevant in the SSBs' case because of their nature: they do not have shareholders and the trustees are public institutions.

This theoretical framework allows us to approach our working hypothesis: CSR activities are dependent on the profits made by companies. In particular, we study if the amount that SSBs allocated to the Welfare Fund or the percentage that they employ in the WF, depends on their profits.

4. METHOD AND SAMPLE

As stated in the introduction, there are some reasons why SSBs are a particularly interesting object of study from the CSR point-of-view. Firstly, SSBs' activity represents almost exactly half the financial system activity in Spain (CECA, 2009), and SSBs have become the main group of external deposit and credit organisations (Maravall *et al.*, 2009).

Secondly, according to data on the CECA website, in 2009 the SSBs obtained an attributed profit of 3,058 million euros, despite greater allocations and the slow-down in the growth of the Spanish economy. This figure provides us with a thorough idea of their economic-financial importance.

Thirdly, their distinctive features mean that they are financial organizations with deep roots in society. The result of this is that they are therefore able to carry out a social function. In this line, the voluntary and periodic allocation of economic resources to the WF contributes to the advancement of economic development and progress of the communities in which they are based. At the same time, this justifies their lack of profit-making spirit, in the sense that private profit cannot be made from their results. This generally means they can become market-leaders in the areas where they exist (Cals, 2005).

Table 3. Spanish Savings Banks.

Caja Mediterráneo	Caixa Laietana
Caja de Ávila	Caja Murcia
Caja de Badajoz	Caixa Ontinyent
La Caixa	Cajastur
Caixa Catalunya	Cajasol ⁴
BBK	La Caja de Canarias
Caja Círculo de Burgos	Caja Navarra
Caja de Burgos	Colonya Caixa Pollença
Caja de Extremadura	Caixa Sabadell
CajaSur	Caja Duero
Caixa Galicia	Kutxa
Caja Castilla-La Mancha	Caja Canarias
Caixa de Girona	Caja Cantabria
Caja Granada	Caja Segovia
Caja de Guadalajara	Caixa Tarragona
Caja de Jaén	Caixa Terrasa
Caja España	Bancaja
Caja Rioja	Caixa Nova
Caja Madrid	Caixa Penedès
Unicaja	Vital Kutxa
Caixa Manlleu	IberCaja
Caixa Manresa	Caja Inmaculada
Sa Nostra	

Source: CECA website (2009).

Apart from the above-stated specific reasons that guarantee the suitability of SSBs for the purpose of our research, two others, of a more general nature, must be mentioned. Firstly, there is the fact that SSBs belong to the financial sector that stands out as being particularly proactive in its commitment to CSR (González and Jiménez, 2008). Secondly, due to the possibility of accessing the information required for the study on the CECA website.

The sample was made based on the information from the Yearbooks and the CSR reports of the CECA that we can find in this organization's website of. From this source, we obtained all the economic and financial information for the SSBs (these are listed in Table 3) that operated in Spain for the 2004-2009 period. We are specifically interested in information about their financial results, the amount that each SSBs spent on the WF and the particular composition of the WF. With all this information, we made a database in order to be able to obtain all the data needed for our analysis.

Three figures have been used in this study. The financial year profit and loss line has been used to measure Business Results, because it is the indicator that is most used. CSR has been measured by the amount allocated to the WF. This indicator is incomplete because the CSR of SSBs is not only their WF, though the WF is the most important part. Finally, the WF/Profit ratio has been calculated to obtain a relative figure that allows comparisons to be made.

[INSERT TABLE 4]

5. RESULTS

Our results show that all the SSBs had positive results during the 2004-2009 period with the exception of Caja Castilla-La Mancha and Cajasur, because they were intervened by the Bank of Spain (29th March 2009). Consequently, all the SSBs have set allocations for Community Service during all these years except for the cases mentioned, and Caja España and Caja Duero. The remainder of the profit has always been set aside for reserves, except in the case of the Caja de Ahorros del Mediterráneo which put aside part of its profit for “Sundry Other” in 2008 and 2009.

The SSBs’ total average profit during this period was 6,028.71 million euros. The average allocation to the WF, meanwhile, was 1,483.95 million euros, which means that, also on average, the SSBs allocated 26.8% of their profit to the WF during the years 2004 to 2009.

Related to the evolution of the three figures under study during the 2004-09 period, it can be stated that:

(1) The SSBs’ total profits went down from 4,080.61 million euros in 2004 to 3,058.36 million euros in 2009, which is a decrement of 25 %. Although they managed to achieve a

figure of 10,946.94 million euros in 2007, 168% more than in 2004 and almost double the figure for that year, the profits in 2009 were a third of that profit.

(2) The total amount that the SSBs allocated to the WF during this period rose from 1,176.82 million euros in 2004 to 1,945.80 million euros in 2007, dropping to a final figure of 1,103.35 million euros for the 2009 financial year.

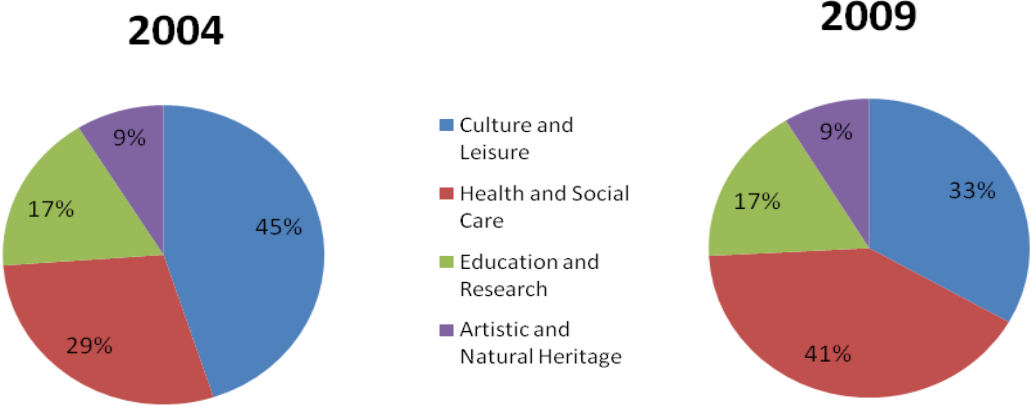
Furthermore, we can observe in Table 5, how the WF is distributed.

Table 5: How the WF is made up (millions of Euros).

	Culture and Leisure	Health and Social Care	Education and Research	Artistic and Natural Heritage	Total WF
2009	588,508.7	725,545.2	303,175.1	154,188	1,771,417
2008	700,421.3	772,046.5	309,114.6	219,428.4	2,000,951.2
2007	653,126	673,453.9	278,929.6	174,289	1,770,832
2006	587,695.9	482,615.2	246,840	162,562.8	1,479,764.1
2005	547,843.8	403,248.4	231,502.7	120,882.5	1,303,477.6
2004	510,401.3	327,514.1	196,363.1	100,114.5	1,134,392.8

Source: Prepared by the authors.

Figure 2: Distribution of the WF (2004-2009).



Source: Prepared by the authors.

Based on the developments that the WF have suffered, in terms of how it is made up, we highlight the changes experienced. While in 2004, the biggest investment was in Culture and Leisure, in 2009, SSBs invested more in Health and Social Care.

(3) The WF/Profit ratio, calculated as the quotient between the allocation made by the SSBs to the WF and their financial results, started with an average of 28.9% in 2004. Subsequently, it gradually fell to 17.8% in 2007, although it then picked up again to reach 36.1% in 2009.

Table 6. The SSBs that stand out for their allocations to the WF.

Years	Stand out (+)	% WF/P	Stand out (-)	% WF/P
2004	La Caja de Canarias	46.50%	Caixa Penedés	11.48%
	La Caixa	43.03%		
	Caja España	40.77%		
	Caixa Terrassa	40.45%		
	Caja Badajoz	40%		
2005	Caja Badajoz	40.09%	Unicaja	18.75%
2006	Caja Badajoz	50.00%	Bancaja	10.65%
	Caixa Galicia	48.12%		
	Caixa Nova	41.50%		
2007	Caja Badajoz	39.93%	Caja Madrid	9.44%
2008	La Caixa	42.68%	Caja Castilla-La Mancha	-
	Caja Granada	35.59%	Caixa Tarragona	7.69%
			Caixa Sabadell	8.04%
2009	Caja Inmaculada	49.74%	Caja Castilla-La Mancha	-
	La Caixa	43.67%	Caja Duero	-
	Caja Avila	42.29%	Caja España	-
			Caja Sur	-

Source: Prepared by the authors.

The situation is logically very different for each SSB. Therefore, in Table 6, we present the SSBs that have most stood out for their allocations to the WF each year, whether for setting aside the largest allocation, or the smallest.

It should also be pointed out that there are some organisations that maintain a constant 30% allocation to the WF, such as the BBK and Caixa Ontinyent.

As can be seen in Table 4 (appended as an Annex), with the exception of the 2008 and 2009 financial years, the smallest of the SSBs set aside a larger percentage for allocation to the WF than the larger organizations, with 2007 standing out in this respect. This was the year in which the SSBs achieved their historically best ever results and also where the greatest difference can be found - over ten percentile points in favour of the smaller SSBs.

Also, when we observe the data analysis for the years 2004-09, there is a substantial difference between the two largest SSBs, La Caixa and Caja Madrid, in favour of the first. For this period as a whole La Caixa allocated significantly more to its WF than Caja Madrid, 2,359 million euros compared to the 1,026 million euros of the latter. There were also striking

differences of an average thirteen percentile points in the allocations compared to the profits achieved.

Finally, mention must be made of the only merger between SSBs during the period in question, with the resulting savings bank, Cajasol, following the El Monte percentage rate of WF allocations, which were traditionally lower than those of the Caja San Fernando.

6. DISCUSSION OF FINDINGS

The undeniable importance of the 8,903.75 million euros allocated to the WF by the SSBs during the 2004-09 period justifies their being recognised as fundamental organizations to the development of CSR actions in Spain, as likewise stated by CECA (2009).

However, from a detailed analysis of the SSBs' variables (Profit, Welfare Fund and how it is made up) and taking into account the current financial crisis, we can highlight some issues.

Firstly, it can fortunately be stated that the SSBs' behaviour in 2008 and 2009, with the crisis at its height, has been more socially responsible if we take into account the percentage of the financial results that the WF represents. Specifically, the evolution of the allocations to the WF shows a significant decline in absolute numbers, to reach 1,103.35 millions of euros, a logical consequence of the notable decline in the results. This is consistent with the Slack Resources Hypothesis, as was explained in section 3. In contrast, if we focus on the percentage of the WF, we can see the same evolution as in the amount that was allocated to the WF, with the exception of the years 2008 and 2009, in which there is a substantial growth of the ratio in line with the decrease of the Profits. Hence, we can conclude that there is a direct relationship between the profits and the amount of the allocation to the WF in absolute numbers, although in relative terms we cannot draw the same conclusion.

These results provide us with partial evidence against our Hypothesis, "The CSR activities are dependent on the profits made by companies" and could be explained by the existence of a larger number of social needs in a crisis period. If we focus on the SSBs' industry, our results agree with those that were obtained by Lopez-Iturriaga et al. (2007), because they did not find evidence that supports the relationship between the WF and the profits. However, they disagree with Ballarín (1991) and Cals (2005) because they stated that the profits obtained by

SSBs are one of the determinants of the amount spent on the WF. Likewise, our results differ from those found by Brammer and Millington (2005), Prior et al. (2008), Surroca et al. (2010) among others, because they concluded that the FP positively or negatively affects the CSR actions.

There may be some explanations for this. First of all, SSBs might have been aware of the exceptional nature of the oversized results for 2007. Thus, they resisted increasing the WF allocation significantly due to the projects not being able to be completed when the profits and allocations to the WF returned to more normal levels because of a lack of funding. This behaviour could be understood in terms of prudence. Another explanation would be based on the supposition that the SSBs, on hearing the news of an imminent crisis -already taking place in the United States, and so on - would have tried to anticipate its effect by allocating a greater amount to reserves to the detriment of the WF. In addition, according to Cabeza-García et al. (2010), this could be due to the fact that many of the investments made in social activities have a negative impact on the FP, because SSBs do not suitably exploit the competitive advantage resulting from investment in the WF.

Nevertheless, we could see in 2008 and 2009 that the percentage that SSBs spent on the WF is rather larger than before. According to Balado (2011) this is due to strong SSBs being able to help alleviate social problems, especially now that the crisis is wreaking havoc. Moreover, the allocation to the WF being maintained in absolute terms at around 1,100 million euros could be explained by the inertia of the SSBs themselves. This would be due to the investments made in previous years still having to be funded, either for them to be concluded or for them to be kept operating, as they were commitments acquired with various pressure groups.

Secondly, it should be noted that, apart from Caja Badajoz in 2006, none of the Spanish SSBs goes as far as to allocate the maximum 50% envisaged in the Law 13/1985, of 25th May. The truth is that, on average, they allocate about a half of this percentage, within an interval ranging from a maximum of 36.1% in 2009 to a minimum of 17.8% in 2007, despite 2007 being the financial year in which the SSBs obtained their highest aggregate profits (10,946.94 million euros).

However, on the basis of the data it is fair to state that the 2008 and 2009 upturn was clearly headed by La Caixa, which allocated 500 and 425 million euros to its WF, corresponding to 42.68% and 43.67%, respectively, of its profits and almost a third of the total amount allocated by the SSBs as a whole. Meanwhile, the other of the two largest organisations, Caja Madrid, allocated 187.47 and 80 million euros to its WF, or 20.87% and 22.24% of its profit, despite doubling in 2008 the percentage it allocated in 2007. This means it is trailing far behind La Caixa - more than 20 percentile points, to be precise. As a result, it would appear that there is no clear relationship between the size of an SB and its behaviour about CSR (Guzman and Escobar, 2011).

Thirdly, the evolution and the composition of the WF have been studied by several authors (Carbó and Rodríguez, 1998; Castelló, 2003; López-Iturriaga et al., 2007). Our results agree with De Miguel and Morales (2009) about the changes in the WF composition, the Health and Social Care allocation being nowadays the most important of the WF, although most of the previous literature highlight the importance of the Culture and Leisure amount.

To conclude our analysis we should point out that there is sufficient margin for an improvement in SSBs' social commitment. This would see them approaching the 50% allocation of profits to WF. At the same time, we will have to remain alert to any more mergers and transformations between Spanish SSBs due to the changes in the Spanish Bank Industry. Moreover, we could find some evidence in both the economic press and academic literature about the effect that this restructuring process could have on the WF of SSBs. This would normally have a greater effect on the smaller SSBs, which are the ones that have traditionally allocated more resources to WF in relative terms, probably because they are more engaged with their environment on the basis of the 'greater attachment to the land' theory.

7. CONCLUSIONS AND PRACTICAL IMPLICATIONS

Taking advantage of the opportunity provided by the economic crisis, this study has analysed the real extent of SSBs' commitment to CSR. The aim was to test whether the SSBs might be using CSR not so much as a consequence of real conviction and commitment to their position, but as an instrument for adhering to institutional rules and, thus, appearing as legitimate to their stakeholders, in line with the precepts of New Institutionalism.

To do so, we have analysed information in the Census of SSBs available on the CECA website for the 2004-2009 period. The specific variables used for each of the SSBs were the Allocation made to the WF, the Results (Profit and Loss) for the Financial Year, and the WF/Financial Results Ratio.

The results of the study allow some rather odd behaviour to be seen on the part of the SSBs with regard to CSR. On the one hand, they remain highly active and recognisable companies in the country as their allocations to the WF prove. However, on the other hand, not one of them attains the maximum amount that can be allocated to the WF envisaged in the Law 13/1985, so there is still a margin for greater social commitment.

In addition, in 2009 the areas in which SSBs spent more money were Health and Social Care and Culture and Leisure, at around 41% and 33%, respectively. This fact implies a change in the priorities in the SSBs' allocations of funds, motivated by the society needs due to the economic crisis.

At the same time, we would like to point out that, taking into account the increment in WF/P in 2008 and 2009, corporate social responsibility has not been the first victim of the financial crisis in the case of Spanish SSBs. Rather, what might have been seen is a compensation mechanism type of behaviour, where the WF/P ratio has been manipulated to prevent the allocation to the WF rising or falling drastically in absolute terms.

The importance that the WF has in society, which is evident from the results obtained, should be taken into account in the current restructuring process in the banking sector in Spain that is especially affecting the SSBs.

Regarding the paper's limitations, we could highlight that we only make a descriptive analysis about the WF of the SSBs. Moreover, we use the WF as a CSR indicator, although it is an incomplete indicator.

Finally, the allocation to the WF and its composition is of great importance, both regarding the amount concerned and because it is closely linked to the nature of the SSBs. We also believe that a very interesting extension to this work would be a comparison of the degree of

responsibility of the behaviour of the SSBs and banks which make up, to all intents and purposes, the other half of the deposit organisation sector.

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¹ <http://www.cajasdeahorros.es>

² Spanish Accounting and Business Administration Association.

³ (1) instrumental, that regard the company only as an instrument for the creation of wealth, with social activity no more than a means of obtaining profit; (2) political, related to the power that companies wield in society, and the responsible use of this power in the political sphere; (3) integrational, where the company focuses on satisfying social demands; and, (4) ethical, based on a company's ethical responsibilities.

⁴ Cajasol is the result of a merger between the Caja San Fernando and El Monte de Piedad y Caja de Ahorros de Sevilla. The data for the 2003 – 2006 financial years is separate for the two organizations, whereas for 2007 and 2008 they correspond to the single savings bank after the merger.

Table 4: Spanish SBs' Overall Results and Welfare Fund Data

SBs AVERAGES	WF 2004	Profits 2004	% WF/P 2004	WF 2005	Profits 2005	% WF/P 2005	WF 2006	Profits 2006	% WF/P 2006
TOTALS	1.190.817,00	4.123.720,00		1.375.543,00	5.229.669,00		1.688.413,00	7.060.452,00	
AVERAGE	25.887,33	89.646,09	28,9%	29.903,11	113.688,46	26,3%	36.704,63	153.488,09	23,9%
TYPICAL DEVIATION	41822,57351	117743,0081	6,899517708	49329,21452	179532,268	5,867806993	61252,84833	291601,0504	7,347448277
AVERAGE LARGE SBs	35.409,19	122.461,06	28,9%	40.827,39	156.229,58	26,1%	50.183,61	213.144,97	23,5%
AVERAGE SMALL SBs	6.208,80	21.828,47	28,4%	7.326,27	25.770,13	28,4%	8.848,07	30.197,20	29,3%

SBs AVERAGES	WF 2007	Profits 2007	% WF/P 2007	WF 2008	Profits 2008	% WF/P 2008	WF 2009	Profits 2009	% WF/P 2009
TOTALS	1.945.801,00	10.946.944,00		1.599.825,00	5.753.117,00		1.103.350,00	3.058.360,00	
AVERAGE	43.240,02	243.265,42	17,8%	35.551,67	127.847,04	27,8%	24.518,89	67.963,56	36,1%
TYPICAL DEVIATION	80685,73907	621157,7509	6,480204645	77868,32594	239841,0838	8,1473090534	64.058,08	201.949,28	11,48903278
AVERAGE LARGE SBs	60.120,50	347.611,43	17,3%	49.635,80	177.062,53	28,0%	34.255,77	92.507,63	37,0%
AVERAGE SMALL SBs	9.479,07	34.573,40	27,4%	7.383,40	29.416,07	25,1%	5.045,13	18.875,40	26,7%

AVERAGE WF.	1.483.958,17
AVERAGE PROFITS	6.028.710,33
AVERAGE WF/P RATIO	26,8%

Source: Prepared by the authors.