

How to measure the societal impacts of companies' sustainability?

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Abstract

Sustainable business models have been discussed according to different ethical and political concepts. They have also been analysed with respect to the question of how a business can be changed in order to gain (more) sustainability. Contrary thereto, a new question which is related to a different, in fact an impact-oriented approach, is: How can the societal impacts of companies be analysed and measured? Using the example of an EU/FP6 funded project on “Rhetoric and Realities of CSR in Europe” (www.rare-eu.net, from 2003 to 2007) a method of analysing the societal impacts of CSR is presented. Societal impact in this approach is defined as the company’s contribution to political goals of EU policy (in different EU policy fields). Thus, a leading question was how CSR can contribute to fulfilling EU policy goals. This research was done for selected policy fields as part of the RARE project: resource management (fishery industry), environment and climate change protection (oil industry), anti-corruption and bribery (banking sector), and also for the policy field of gender equality. After presenting the conceptual frame of pointing out the differences between a company’s output and outcome (what is the performance of a company) and its societal impacts (effects outside the company), the contribution demonstrates in an exemplary way for the policy field of gender equality how to do such an impact assessment. This is illustrated by the example of two case studies in the banking sector (Caja Madrid and Dexia bank) which analysed the contribution of human resource management to the EU policy goals of gender equality.

Keywords: Societal impacts of companies’ CSR, measuring societal sustainability, impact assessment, banking sector, case studies, CSR for gender equality, CSR in human resource management

Societal commitment of companies is not a new phenomenon. However, CSR research has mainly focused on CSR management within companies and the impacts of such commitment for sustainability. Contrary thereto, a new question related to a different, in fact an impact-oriented approach is: How can the *societal* impacts of companies be analysed and measured? Is it possible to develop a method that evaluates the CSR impacts of companies for society and the environment? What do CSR activities of companies contribute to making societies more sustainable? These questions were leading for an EU/FP6 funded project on “Rhetoric and Realities of CSR in Europe” (www.rare-eu.net, from 2003 to 2007) in which seven research institutions from different European countries participated.¹ The goal of RARE project was to develop a method of analysing the societal impacts of CSR and to prove it empirically.

The RARE project’s concept of impact assessment²

First of all, the RARE project elaborated a concept to assess CSR activities with respect to their *output* and *outcome* on the company level and to their *impacts* on societal level and in the environment. RARE project transferred these analytical terms from public policy analysis to CSR research to develop an impact model including the company as well society and environment. *Output* describes corporate commitments and strategies on sustainability, including adoption of CSR instruments. *Outcome* is defined as changes in the companies’ concrete practices resulting from CSR output. Output and outcome are prevalently understood as the performance of a company. In contrast, *impact* is defined as the direct effect on society and on the environment, which means that impacts are effects which can be detected outside the company. These definitions of output, outcome and impact relate to a model of integrating CSR through process steps: after a precedent step of perception in the light of internal and external factors, CSR is perceived as an opportunity for the company or as a risk avoiding mechanism. Subsequent to this perception of CSR, three main steps of CSR integration are differenti-

¹ In RARE-project participated under the lead of Oeko-Insitute, Germany; Fridtjof Nansen Institute, Norway, Stockholm Environment Institute, Sweden, Fondazione Eni Enrico Mattei, Italy, Budapest University of Technology and Economics, Hungary, Peter Wilkinson Associates; UK and Institute for Social-Ecological Research (ISOE), Germany.

² As regards findings of the whole project see Barth & Wolff 2009

ated: commitment, strategy and implementation, the latter one also including performance measurement. The effects of these CSR implementation activities can be found inside the company and outside the company (Barth & Wolff 2009: 17).

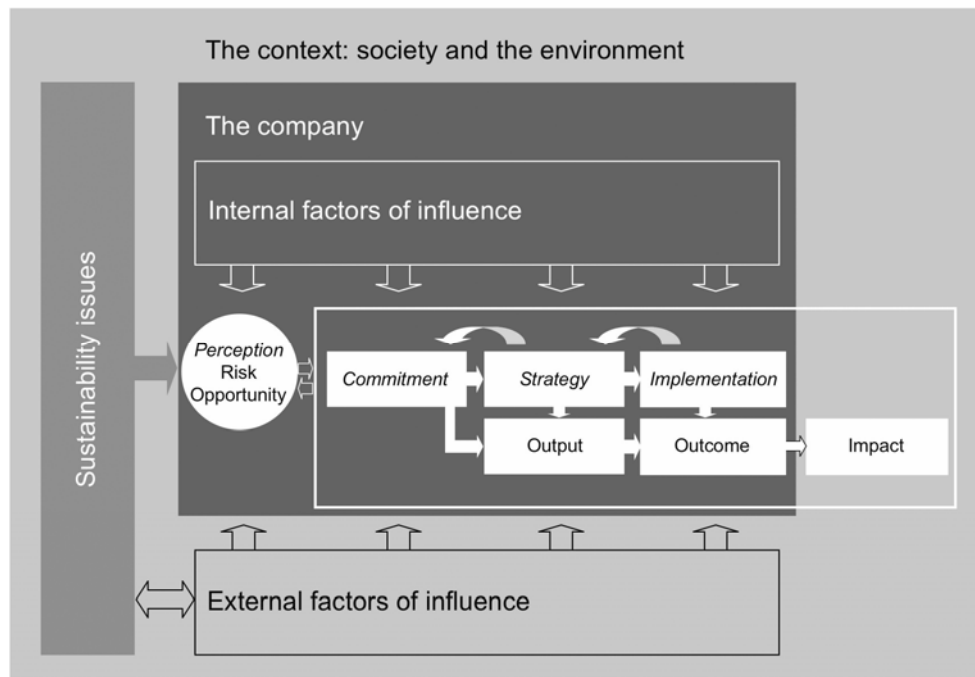


Figure: RARE project's framework for analysing the creation of sustainability impact through CSR

Concerning the title of the project “Rhetoric and realities of CSR in Europe” it should be mentioned, that the project partners of RARE did not translate output into ‘mere rhetoric’ and outcome into ‘reality’. CSR output, among others, includes adoption of instruments, commitment and the adoption of strategies for sustainability. This goes beyond mere corporate rhetoric. While certainly going beyond ‘rhetoric’, the outcome cannot be equated with ‘reality’ either. This is because socially and environmentally motivated changes in corporate practices can - but do not necessarily - affect society and the environment. Aside from this, most interesting for many stakeholders, policy-makers and responsible businesses would be to know if CSR really generates *sustainability impacts for society and the environment*. A characteristic feature of the RARE project was to research this in different business sectors and with specific foci on different policy fields and sustainability dimensions. In order to

identify societal impacts of the EU, CSR impacts were related to EU policy goals of specific EU policy areas.

Sustainability dimensions, CSR issues and business sectors studied

CSR activities were researched with reference to EU policy goals of four policy fields: (1) the mitigation of climate change and chemical risks (ecological sustainability), which was researched in the oil sector, (2) sustainable management of resources (economic sustainability), which was researched in the fish processing sector, (3) countering bribery (economic sustainability) and (4) promoting gender equality (social sustainability), which were researched in the banking sector. Empirical research was conducted through a survey among enterprises committed to CSR – with 49 respondents in the oil sector, the banking sector, the fish processing sector, and among 20 SMEs in the automobile sector (Austria and Hungary). Furthermore, ten case studies with company and stakeholder interviews (non-SME) were conducted. The *Institute for Social-Ecological Research (ISOE)* worked on the social dimension of gender equality in the banking sector. Some of the key findings will be presented here and put into a broader frame for discussion.

CSR for gender equality – insights from a survey in seventeen banking companies and two case studies³

CSR is understood to be primarily an instrument of corporate management – an approach to organisational change adopted by companies to become more socially or environmentally responsible. The understanding of RARE project goes beyond this managerial dimension. The project partners perceive CSR, at the same time, to be a mode of societal self-governance which is embedded in public governance regimes.

Against this background the project selected key issues of the policy fields. To obtain a selection of key issues for gender equality the EU policy goals for gender equality were identified. Addi-

³ This study is more detailed documented in chapter 12, Barth & Wolff 2009, 190 -214.

tional to an overview on current legislation on gender equality and anti-discrimination which ought to be legally binding, action fields were detected where companies can install CSR activities 'beyond compliance'. In this sense the current framework strategy on gender equality, which is the *Roadmap of equality between women and men* (Commission of the European Communities 2006) and other communications were screened for identifying 'priority areas for action'. The *Roadmap* outlines six priority areas for the period 2006-2010: (1) Equal economic independence for women and men, (2) Reconciliation of private and professional life, (3) Equal representation in decision-making; (4) Eradication of all forms of gender-based violence; (5) Elimination of gender stereotypes and (6) Promotion of gender equality in external and development policies. RARE project concentrated its empirical studies for economical reasons on five gender issues that have actuality and correspond with the above depicted priority policy areas of the *Roadmap*, except the sixth policy area 'Promotion of gender equality in external and development policies. These selected gender issues are:

- equal opportunities,
- equal pay,
- conciliation of work and family life,
- antidiscrimination as regards sexual harassment,
- and – important for the financial sector - equal access to and supply of financial services.

With the help of an empirical survey in the banking sector and the example of two in-depth studies: one in Caja Madrid in Spain and the other in Dexia bank in Belgium, France, Luxembourg, the project analysed the banks' contribution to the five selected gender issues.

The two banks, Caja Madrid and Dexia bank, were chosen because both of them have been well known for their involvement in CSR and their social engagement including their engagement for gender equality.

Caja Madrid is a Spanish savings bank which is not stock market-listed. The bank operates all over Spain with more than 1,900 branches and more than 6.7 million clients. The main activities and products of the savings bank are business with clients as well as investment banking. CM bank is

part of Caja Madrid group. As supplement to its financial activity, the Group holds a portfolio of investments in firms operating in strategic sectors. A series of companies are owned by CM directly or through the 'Corporación Financiera Caja Madrid'. Similar to other Spanish saving banks, Caja Madrid bank allocated a huge amount of profit (161.2 million EUR) to Obra Social (Social Work) and its Caja Madrid Foundation. The bank had 12,731 employees in 2005, 43.4% of them women. (Caja Madrid 2005)

In contrast, Dexia Group is stock-market listed. Dexia bank resulted from a 1996 merger of two major European players in local public finance: Crédit Local in France and Crédit Communal in Belgium. Since this first merger the bank is characterized by strong development activities (and more mergers). Dexia serves two principal markets: local authorities and similar institutions on a global scale and the retail market, mostly in Belgium and Luxembourg. It has developed private banking business for affluent customers in Belgium, Luxembourg and France. In 2004, Dexia had around 24,000 employees, 54% of them male and 46 per cent female. (Dexia 2005a). Both banks have a social remit and tradition.

General insights and findings of CSR for gender equality in the banking sector

The survey was conducted in seventeen European banks committed to CSR, in countries where the banking sector is rather developed.⁴ The selection criteria preferred banks with an explicit CSR profile and a good CSR performance. The survey, which was conducted at the end of 2005, contained questions related to all selected policy fields (Viganó & Nicolai 2009).

Almost all of the 17 banks surveyed attribute high strategic relevance to the issue of gender equality. Concerning CSR instruments, 15 of 17 banks have developed company-specific codes to systematically manage social and environmental issues and to reinforce corporate identity. In addition, a sizeable share of the sample also participated in codes of conduct (UN Global Compact; Equator Principles etc.). Sustainability reporting is quite often practiced in the banking sector and management

⁴ Germany (Deutsche Bank, Dresdner Bank, KfW Bankengruppe, West LB and Hypo Vereinsbank); United Kingdom (the Royal Bank of Scotland and the Cooperative Bank); Switzerland (UBS); France (Caisse Nationale des Caisses d'Épargne); The Netherlands (ABN AMRO); Italy (Unicredit Group, Gruppo San Paolo IMI and Gruppo Monte dei Paschi di Siena); Belgium (Dexia and KBC); Spain (Banco Bilbao Vizcaya Argentaria and Caja Madrid).

systems like ISO 14000 are adopted most frequently whereas EMAS has been adopted to a lesser extent. Finally, stakeholder engagement was conducted as a CSR instrument. According to our survey the great majority of banks collect information on and from stakeholders and take part in multi-stakeholder initiatives.

When it comes to concrete activities most banks are concerned with developing policies to promote gender equality first, then to counter bribery and finally to mitigate climate change. Regarding the selected five gender issues, banks carry out a variety of activities aiming at promoting *equal opportunities* and supporting *work-life balance* of employees. Closing the *gender pay gap* was tackled to a lesser extent. Internally, banks have also established measures against *sexual harassment*. With regards to ensuring gender equality in the *access to and supply of financial services*, many banks leave options unexplored such as programmes for credit services (e.g. loans to promote entrepreneurs in women dominated sectors).

The survey also asked for performance measurement. Gender equality performance and climate change performance are internally measured by all 17 banks. With respect to countering bribery, mainly the appropriate key performance indicators are missing. External reporting of gender equality performance is practiced in 14 banks and verification of this performance in nine, which is a pretty high share. Nevertheless, the high share of external reporting has to be seen together with the information that the majority of banks (15 of 17) have developed company-specific codes to systematically manage social and environmental issues. This point was revealed even more clearly in the two in-depth studies: Company-specific instruments and internal management systems are considered much more important and effective for introducing and integrating CSR into the company's activities than external instruments.

Measuring CSR impacts for gender equality in two banks

As described above, the impact assessment contains the analytical steps of output-analysis, outcome-analysis and analysis of societal impacts. Firstly, the three analytical steps concerning Caja Madrid are described, then those of Dexia bank:

Output-analysis of Caja Madrid's CSR activities for gender equality (including definition of a strategy, commitment and CSR instrument choice)

Caja Madrid has not developed a general and overall strategy on gender equality. The bank's CSR commitment does not explicitly mention gender equality and the principle of equal opportunity (Caja Madrid 2005a). However, equal opportunity is integrated into its human relations (HR) programmes via internal codes and agreements. They are related to an annual revisited human relation plan (strategy). Respective targets are annually identified. One of these targets involves achieving a share of 40% women in management positions.

Concerning the adoption of CSR instruments, two self-tailored instruments play a particular role: Caja Madrid's Integrated People Management System (CMIPMS) and the Integrative Personal Guidance System (SGIP). CMIPMS is closely connected to CSR and orientates all management systems; the SGIPS defines the topics of Human Resources (HR). It contains leadership rules and guides, several tools of career selection and career promotion which have a strong impact on gender relations. Gender equality is integrated implicitly into all tools by the banks' catalogue of 'Norms and Criteria of Behaviour in the Professional Field', which includes a separate chapter on equal opportunities.

With respect to external CSR instruments, Caja Madrid decided to participate in the Spanish gender award system 'Empresa Optima' (Optimal Company) in 2002. Gender award systems are a kind of management system. They have been developed independently of CSR activities – most of them with initial financial help from governments – to promote 'positive action' for women (Instituto de la Mujer 2006). However, in many companies including Caja Madrid and Dexia bank these systems have now become part of the companies' gender equality-related CSR portfolio.⁵ The Spanish award system provides a responsible officer for equal opportunities on side of the ministry (Institute of Woman) and also one on the side of the company. They jointly identify company specific challenges and formulate a tailor-made gender action plan. The action plan and targets of the gender award sys-

⁵ The award system 'Empresa Optima' is governed by a national programme named Programa Optima' ('Optimal Program') which the Spanish government initiated in 1996 with the help of the EU Structural Fund. Programa Optima is managed by the Spanish Institute for Women (Instituto de la Mujer) which is affiliated with the Spanish Ministry of Work and Social Affairs.

tem 'Empresa Optima' are integrated into the annual HR action plan of Caja Madrid.⁶ Concerning the five selected gender issues of RARE project, the gender award system 'Empresa Optima' addresses aspects of equal opportunities and of work-life balance. The issues of equal pay, sexual harassment and equal access to financial resources are not included. However, these issues except that of equal access to financial resources are evaluated through additional indicators of the HR action plan.

Furthermore, since 2004 Caja Madrid participates in CSR reporting. Through its electronic form the CSR report is accessible to every employee and stimulates discussions about CSR within the company (Caja Madrid 2006a). The bank's CSR report 2005 contains gender issues which are published in relation to Human Resources. Indicators and data were adopted from GRI reporting (GRI 2 indicators), which used only a few categories. Since then the gender-related categories within the CSR report have become more differentiated because the new GRI 3- categories entail more gender reporting. Thus, the output for CSR gender equality can be classified as only medium as an explicit gender equality strategy is missing.

Outcome-analysis of Caja Madrid (including identifiable progress in gender equality)

According to responsible officers of the Human Resource unit, the best performance in *equal opportunities* was reached by actions aimed at making employees, especially people from the HR department, aware of equal opportunity (Caja Madrid 2006a,b,c,d). The most substantial improvement within the defined six areas of 'Empresa Optima' concerned communication and sensitisation. Regarding outcome-analysis, the issue of *equal opportunities* shows measurable data: the share of women in the bank's total workforce has continually risen in recent years: from 42.3% in 2002 to 43.4% in 2005. This may signal that the bank is an attractive employer for women, possibly – though not necessarily – as a direct result of its voluntary initiatives on equal opportunities. A more significant indicator of the bank's success in promoting women careers is the *ratio of women in management positions*. This share has increased by more than 6% from 22.8% in 2002 to 29.2% in 2005. The bank's ultimate target is

⁶ The gender award system distinguishes six areas of action, including communication and sensitisation, continuous education and training, and workforce selection. Within a specified time frame performance is measured and new objectives and actions need to be agreed upon (Instituto de la Mujer 2006)

40%. An improvement of about 6% more women in top positions within three years indicates that CSR activities for gender equality have substantial effects in the area of equal opportunities for women and men. Outcome can be documented and measured in this point. Outcome can be classified as 'high'.

Concerning the *conciliation of work and family life* this issue is considered also as very successful and its outcome high. This is based on the implementation of programmes such as 'Working close to home', 'Help with childcare', or 'Help for external training and e-learning'. The success of these programmes is reported by participants. Aside from this Caja Madrid provides a maternity/paternity service offering information related to parenthood, nursery support for children up to three years of age, a full subsidy for access to the website during maternity leave, as well as subsidized activities for children during out-of-school periods. It supports part-time work, flexible working time arrangements and return regulations after parental leave which go beyond legal entitlements. Progress in gender equality and social performance are seen in the amount of such programmes.

Concerning the issue of *equal pay* between women and men, the 2005 CSR report of Caja Madrid states a relationship of 1:1 (Caja Madrid 2005: 107). But in this relation the point of bonuses remains unclear.

With respect to the gender issue of *sexual harassment*, Caja Madrid has established a confidential complaints channel. Cases of non-compliance with respectful behaviour are handled according to the internal codes and agreements on professional behaviour.

Finally, regarding the gender issue of *equal access to and supply of banking services*, Caja Madrid promotes equal treatment by offering equality training to its customer consultants for developing skills and behaviour for equal treatment in consulting. However, Caja Madrid did not offer micro-credits as a financial product with specific relevance to female customers in 2005/2006. Nevertheless, the bank's improvements regarding gender-related CSR outcome (as a whole) can be classified as 'high'.

The example of this outcome-analysis demonstrates that outcome (inside the company) with respect to gender equality is difficult to quantify. This might be one reason why in the international CSR debate about gender equality EIRIS, the Ethical Investment Research Service, has developed just

one key performance indicator for gender equality which is the ratio of women in the total workforce related to the share of women in top positions (EIRIS, cf. Grosser and Moon 2006: 7).

Analysis of societal impacts of Caja Madrid's CSR for gender equality

The example of an increase in female representation at board level (in-company) demonstrates that outcome also indicates societal impact to a certain extent. A rise of women on the board in a company also enhances the societal quota of women in top positions (impact). But the identification of *societal impact* needs more than just this argument. In order to gain an impression of the societal impact a comparison with national or European average data of the same industry sector gives an impression. Thus, we argued that societal impact would be achieved by a company when its level of outcome is considerably above that achieved by the same industry at a national or European level.

A study on the banking sector provided European data on this matter (Kreetz 2005:29). Regarding equal opportunities, it detected that British and Scandinavian banks have the highest proportion of females among employees and managers (61.5% among all employees and 22.2% among the managers), while the numbers of females are lowest in Southern European banks: only every third employee (33 %) is a woman and only 7.9% of the managers are female (ibid: 29). Hence, Caja Madrid with 28.1% women managers in 2004 (29.2% of women managers in 2005) performs significantly better than its Southern competitors.

According to the EIRIS key performance indicator of gender equality, having 42.7% of women in the total workforce and 28.1% in top positions in 2004, Caja Madrid outperforms its Southern European peers. It is this relationship between the company's outcome and the societal average which should be seen against a time-baseline (an improvement of about 6% more women in top positions within three years) that shows evidence that the company's outcome contributes significantly to the societal sustainability.

Concerning the issue of *equal pay* between women and men, the 2005 CSR report states a relationship of 1:1 (Caja Madrid 2005: 107)], that means no gender pay gap at all. This is an excellent result considering the persistent average pay gap in Europe: in 2005, the difference between men's and women's income was around 15% on average for all branches. In Caja Madrid, the statement refers to

salaries within the same remuneration classes. Hence, a hidden pay gap may exist should women be systematically classified into lower remuneration classes despite fulfilling the same tasks. Also, the report is unclear on the subject of bonuses. Nevertheless, the very fact that there is no difference in the pay of male and female employees within the same remuneration class already indicates a situation that is better than in the majority of other companies.

Relating to the issue of *work-life balance*, a further indicator for equal opportunities is the percentage of women and men with unlimited contracts. In Caja Madrid Group, 97.7% of female employees have an unlimited contract, whereas the comparative figure from the Spanish National Statistics Institute indicates only 36.9% for the private sector (Caja Madrid 2004: 2). The increasing trend of limited contracts especially for female workers and employees is discussed critically in the debate on work flexibility and work security. Against the background of this predominantly societal trend, Caja Madrid serves as a role model by giving an example and providing high contract security.

Against these first examples of identifying societal impact in a qualitative and quantitative way, the contribution of Caja Madrid to societal sustainability can be classified as high.

Output-analysis of Dexia bank's CSR activities for gender equality (including definition of a gender strategy, commitment and CSR instrument choice)

Just to start with the strategy: Dexia Group has developed a company-specific strategy for promoting the situation of women. This strategy implies a strong commitment to promote gender equality. In September 2004, the bank initiated a project on the position of women within the bank ('White Paper on the situation of women in Dexia', Dexia 2004a), which made the bank a prominent example of gender activities within the sector. The 'White Paper' project led to the company's gender equality strategy, which is applied equally across the Group's different national branches. The commitments of the 'White Paper' include ten objectives, among other things innovative ones regarding the career promotion of women and the work-life balance.⁷ They were introduced into the 2005 *Hu-*

⁷ The following commitments are included: to favour the recruitment of feminine talents (not positive discrimination, but allows for an equal number of male and female candidates to be presented to managers); to demonstrate more respect for private time; to promote non-linear career development (that means to develop a mechanism for employees to succeed in

man Resource Quality Charter that, for the first time, defined principles for an HR management strategy common to all national entities of the company.

Concerning management instruments, Dexia uses the environmental management systems ISO 14 000 and EMAS, the Social Accountability 8000 standard and others. Standardized management systems are used differently in different entities of Dexia Group. Dexia has a Sustainable Development Action Plan and a Sustainable Development Report (Dexia 2005, Dexia 2006a, b) that includes CSR reporting.

Concerning the external CSR instruments – Dexia bank applies to several codes of conduct of which the UN Global Compact (since 2002) is interesting for gender equality as it refers to anti-discrimination in its Principle 6 and has established an alliance with the Global Reporting Initiative (GRI). Thus, gender equality issues as defined by GRI have been reported in the annual sustainability reports of Dexia.

The bank has also taken part in national gender award systems. Dexia's branch in France (Dexia Sofaxis) participated in the French 'Diversity Charter in the company'; the Belgian bank participated in the Belgium 'Charte de l'Apprentissage' while Dexia bank in Luxembourg (Dexia BIL) received the award 'Prix Feminin de l'Entreprise'. The systems are similar to that of the Spanish gender award 'Empresa Optima' with regard to promoting equal opportunities, but the main action categories as well as the institutional set-up differ. Hence, actions derived from the different gender award systems are different in the individual national entities of Dexia. This implies a lack of data harmonisation which can be seen as an obstacle to the overall unification process of the Human Resource management of all national entities of the bank (including data unification of HR data). Thus, to a certain extent the case of Dexia illustrates the limits of national gender award systems in companies which operate in different countries.

At a whole the output-analysis of Dexia's CSR activities for gender equality shows that Dexia bank addresses equal opportunities and the work-life balance while equal pay, sexual harass-

ment and equal access to and supply of financial services are not specifically targeted. With respect to the two gender issues addressed output can be classified as (very) high.

Outcome-analysis of Dexia bank (including identifiable progress in gender equality)

Dexia's gender-related CSR outcome is, to a certain extent, structured by the targets set in the 'White Paper'. The action plan derived from the 'White Paper' defines four equal opportunity targets with indicators: percentage of women in top executive positions; percentage of women in the 'nursery' of high potential executives; recruitment percentage of women for executive positions in the main entities; and a proportion of women presented for entry into the Dexia Assessment of Leadership Device (DEAL). They are monitored every year for progress on the basis of these indicators. According to the HR manager of Dexia (Dexia 2006b), a specific progress can be generally observed in the 'after-one-year monitoring': the proportion of women at the top executive level has risen to almost 10%. The share of women is 9.3% only amongst the 259 top executives of the Group, 24% of the Dexia high-potential executives and 28% of all executives. Thus, an imbalance is particularly evident on the level of high-potential executives. In contrast, Dexia's share of women in executive positions including middle range positions increased by 10% within only three years (from 25% in 2002 to 35.12% in 2004). Regarding the second and third indicators – the percentage of women in the nursery of high potential executives and recruitment percentage of women for executive positions in the main entities progress was qualified as 'rather high'. On the other hand, the proportion of women presented for entry into the Dexia Assessment of Leadership Device (DEAL) as the fourth indicator features only a 'rather slow' improvement (Dexia 2006b).

With respect to closing the *gender pay gap*, Dexia's impact compares with that of Caja Madrid. Within the same income categories remuneration is almost equal between women and men. However, similar to the Spanish savings bank, there may be a hidden pay gap as women are less often found within the highest income categories.

Dexia's activities to promote *work-life balance* cause varied effects. More than 17% of the bank's salaried staff was hired under part-time contracts in 2004 compared to 15.5% in 2003. This fact can contribute to a better work-life balance, but can also be seen critically with respect to a tendency

towards involuntary flexibilisation. In this context one should note that 5.5% of male staff had part-time contracts in 2004 compared to 4% in 2003.

Concerning the gender issue of *sexual harassment*, Dexia has a commitment on this issue (Belgium bank) and has established preventive measures but no targets. Thus, any progress cannot be identified.

With regard to gender considerations related to the issue of *equal access to and supply of banking services*, Dexia Group provides both micro-credits and a basic banking service for everybody.

Against this backdrop *outcome of CSR activities for gender equality* can be classified as considerable ('high') as far as the short time of implementation of the White paper makes it visible. If the 'White paper' indicators will be monitored for a longer time, indeed there will be available quantifiable results in some years.

Analysis of societal impacts of Dexia bank's CSR for gender equality

To obtain an impression of the level of the societal impact of Dexia's gender equality activities, we will again construct a relationship between the company's outcome and societal average data. Thus, we compare the bank's performance with comparable European or national data in the banking sector. As regards *equal opportunities*, Dexia compares favourably with other Western European banks, having 46.4% of women in the total workforce and 35.12% of women in top positions (2004). This outcome has to be seen in comparison to an average of 45.6% of women in the total workforce and only 14% of women in top positions (Kreetz 2005: 29). However, Dexia has a weak gender ratio with respect to women's representation at board level. Since the only woman on the highest hierarchical level of the company had left the Board due to retirement in 2006 and was replaced by a man, there was no longer a woman at this level at the time of our research (Dexia 2006b).

The gender issue of *work-life balance* provides an interesting insight with respect to the sub-issue of part-time work, which generally increases disproportionately for women. In Dexia, men are increasingly doing part-time work, the ratio having risen from 4 to 5.5 per cent between 2003 and 2004. But compared with the average of 6.6 per cent of male part-timers in EU cross-sector data (European Commission 2006b), Dexia still performs substandard. These data would be even more

meaningful if sector average data and a time baseline concerning this point would be taken as benchmark.

As regards financial products and providing *equal access to and supply of banking services* the bank's engagement in micro-credits and in guaranteeing a basic banking service has to be interpreted in the context of statistics on poverty risks and social exclusion in Europe, which appear somewhat greater for women than for men during all stages of life. The risk of poverty, in particular, is higher amongst older women and amongst single parents with dependent children, a group predominantly composed of women (European Commission 2006b). In this light the guarantee of a basic banking service can be interpreted as a societal impact for gender equality.

This example again might demonstrate that industry specific average data are needed for the interpretation of societal impacts, and also contextual factors and trends. Without these context explanations de-contextualized data of societal impacts remain almost meaningless.

On the whole, Dexia's societal impact can be regarded as substantial ('high'), though a few points have been identified where societal impact is unclear.

One salient finding of the impact analysis

RARE project tried to prove empirically if a causal relationship from output – to outcome – to societal impact could be detected.⁸

As regards this causal relationship, the impact analysis of the two banks confirmed the assumption only partly. The assumption was that high output would cause high outcome and high societal impact. In this point the results of the impact analysis of the two banks were surprising. The similarly high levels of gender equality *outcome* (performance) in the two banks astonished – not only because the two companies differ in type and size, but also because their *CSR output* regarding gender equality differed considerably. Caja Madrid has not an overall gender strategy or an explicit commitment to gender equality. Thus, its output was classified only as 'medium'.

⁸ Furthermore, the project identified drivers which could explain successful implementation. As this contribution tries to present just the impact assessment approach, the insights concerning the success factors are not presented here.

Possibly, this can be accounted by the fact that at least implicit gender commitments existed in both cases and that both companies have adopted an effective implementation model that fits with their respective strategies, organisation and stakeholder relations. In case of Dexia we could find an explicit implementation model of CSR for gender equality, whereas that one of Caja Madrid can be characterized as 'implicit'.

Against the above presented method of measuring societal impacts of CSR, some challenges should be mentioned at the end.⁹ Firstly, there is to mention the challenge of causally identifying CSR effects, because it is difficult to distinguish between CSR-induced improvement and other improvement. Factors other than CSR can contribute to sustainability impact. Secondly, the challenge of delimitating CSR effects must be mentioned, because the distinction between outcome and resulting effects outside of companies (impact) is not always as obvious as expected. For example, increasing female representation at board level would be a change in corporate practices, but at the same time contributes to enhancing the quota of women in top positions in the entire society. In environmental fields, the delimitation between outcome and impact tends to be clearer. Thirdly, the difficulty of quantifying CSR effects should be seen. Progress in changing gendered prejudices and stereotypes is hard to measure. The long lasting persistency of gender inequalities in employment is caused also by deep cultural stereotypes, gendered images and role definitions that build 'cultural prerequisites for corporate social responsibility'(Hardjono and Marrewijk 2001). Thus, changing corporate culture in the sense of sensitisation against gendered stereotypes, what was highlighted as well in Caja Madrid as in Dexia bank, is a precondition for success in this field, but difficult to measure.

And finally: "we had difficulties to work out the extent to which CSR contributes to achieving absolute goals (in our case: EU sustainability goals). Among others, this had to do with minuscule samples, with the difficulty to determine a baseline of what companies contribute to the goals that do not actually engage in CSR and the fact that these goals were themselves often qualitative. More methodological work is needed to operationalize the goal attainment strategy in CSR impact assessment." (Wolff, Barth, Hochfeld et al 2009).

⁹ These are some reflections of the last chapter of the RARE book which have been elaborated by Franziska Wolff, Regine Barth, Christian Hochfeld and Katharina Schmitt.

Nevertheless, this study showed already a direction of how to prove the effects of companies' CSR activities for gender equality outside the company. To obtain developed ways on how to measure societal impacts needs indeed 'more methodological work'.

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