

Corporate family responsibility

Mireia Las Heras PhD, Nuria Chinchilla PhD and Esther Jimenez, Researcher, International Center for Work and Family at IESE Business School, University of Navarra, Spain

We live in a world undergoing rapid and profound transformation. Changes have an impact on the economy and on companies, and affect the ways in which they compete, work and interact. In this context, companies frequently react with short-term strategies, focusing on efficiency and growth parameters. Work's worth is equated to financial results and regarded as a mere means to economic rewards. Thus, under these assumptions, people are treated as a commodity, a 'human resource' that is rigid and quantifiable.

The short-term and instrumental approach pushes organizations away from their responsibilities to the various stakeholders affected by their decisions. But it is impossible to generate sustainable value with such a limited view of the business and the world. Moreover, considering social responsibility and sustainable development only from an economic, social and environmental perspective leaves aside certain essential variables that affect what is most important for people: their well-being and their families, their quality of life and the future of society at large.

Sustainable development is closely linked to human ecology as it is the person who, with his or her decisions, can enhance or deplete the ecosystem in which he or she lives. Responsibility is born out of a more global and anthropological vision of the company which takes into account the interdependence of the people and the environment, and considers the benefits of other aspects that are not purely economic.

To understand and study the human ecosystem, the International Center for Work and Family (ICWF) at the Instituto de Estudios Superiores de La Empresa (IESE) Business School proposes the 'triangle of sustainability', a construct that consists of the family, company and society, putting the person in the centre.

The company is without doubt the institution with the greatest impact on the human ecosystem of people, families and society. It influences its employees' quality of life and their ability to satisfy other vital roles. Therefore, it is crucial that companies contribute so that work, family and personal life enrich each other, since they are fundamental, indispensable and complementary dimensions in the lives of men and women.



Participants at the ICWF International Academic Conference at the IESE Business School in Barcelona, Spain



A project with Compartamos Banco, the biggest microcredit institution in Latin America, to increase the CFR of its employees

To make this possible, companies must respond with flexibility to the personal and family needs of their workers. Without time, energy or adequate compensation, employees are not only less productive, but also incapable of raising children, caring for their elderly and participating as active citizens to improve society. And that loss has great repercussions both for the person and for the whole of society.

Hence the necessity for a new responsibility arises: Corporate Family Responsibility (CFR) as the internal, essential and nuclear dimension of Corporate Social Responsibility (CSR).

CFR, a term coined by the ICWF of IESE, indicates that a company counts on the leaders, culture and policies of flexibility that foster the integration of work, family and personal life. A company with CFR has managers that:

- make sure every decision made takes people into account
- create flexible and equal opportunity policies and practices
- foster worker commitment and satisfaction
- increase the competitiveness and sustainability of the company.

In 1999 ICWF created the IESE Family Responsible Employer Index (IFREI) to measure CFR and its impact on people, society and the results of the company. It is a model based on a system that puts the person at the centre of the company. IFREI diagnosis, which is used in 21 countries on five continents, contrasts information provided by the managers with that provided by its collaborators.

The CFR level is determined according to three dimensions: policies, supervisor support and the organizational culture, which affect whether or not the worker may reconcile their professional, personal and family life. These factors make up and contribute to the environment in which the employee works.



A meeting at the European Parliament. Left to right: Renata Karmajka, Focal Point for the United Nations Programme on the Family; Jaime Mayor Oreja, Head of the Spanish Delegation to the European People's Party of the European Parliament in Brussels; Mireia Las Heras, IESE Professor; Ada Garriga, Researcher for ICWF at IESE; and Noor Al-Malki Al-Jehani, Member of the Board en Qatar Foundation For Social Work and the United Nations Committee on the Elimination of Discrimination against Women

A low level of CFR hinders the systematic integration of professional-family-personal life. This situation produces what we call a 'polluted environment' that in turn creates a high degree of dissatisfaction, stress and loss of motivation in employees, leading to the desire to leave the company.

On the other hand, companies that promote CFR create 'enriching environments' that foster satisfaction with the reconciliation of work and family; this in turn creates high commitment, higher quality of life and a higher level of general health. CFR also facilitates a greater amount of time dedicated to raising small children, caring for the elderly and other dependent people, and tending to different commitments in various fields of social life.

The IFREI study analyses the environment in which people work. Our data demonstrate that, within the same organization, some employees may develop their tasks in an environment that allows them to integrate work and family life, while others find that their environment systematically makes it difficult for them to achieve this integration. What are the causes of this contrast? The data of 16,000 people from all five continents, who so far have participated in the study and represent a universe of more than 100,000 people, indicate a lack of flexibility policies available to workers, as well as the poor communication of them or difficulty in accessing them. Diverse management styles among supervisors mean that, while some may facilitate employees' ability to reconcile, others in the same company may hinder it. The data also pointed to the existence of cultures, or subcultures, which generate different microclimates within the same organization that may value and respect family to a different extent.

Less than half of the population surveyed in the study (46 per cent) find themselves in an environment that promotes the integration of work and family (15 per cent in an



Image: LOVF

IESE meets with companies to talk about CFR. Left to right: Nuria Chinchilla, IESE Professor; Antonio Gonzalez-Barros, founder and CEO of Intercom; Enrique Valer, CEO of Schneider Electric Spain and Latin America; Joaquin Borrás, CEO of ISS Facility Management in Spain; and Vicente Ruiz, founder and CEO of RNB Cosmetics

enriching environment, 31 per cent in a favourable environment). The remaining 54 per cent work in environments that are difficult and hostile towards family and integration (41 per cent in an unfavourable environment and 13 per cent in a polluted environment).

The results around the world confirm that people who have their supervisor's support, access to conciliatory policies and an environment culture that is favourable to CFR have:

- fewer intentions to leave the company — only 5 per cent of those in an enriching environment claim to intend leaving their current organization, compared with 50 per cent of those in a polluted environment
- higher satisfaction with work-family balance — 16 per cent of people in a polluted environment claim to be satisfied with the way they integrate work and family, while 60 per cent of those working in enriching environments are satisfied with their conciliation
- more productivity — in an enriching environment people are 19 per cent more productive than those who work in polluted environments
- higher perception of company support — 88 per cent of workers in enriching environments perceive that the company supports them, compared with 26 per cent of people in environments that are difficult for them to reconcile
- better health — 78 per cent of respondents express general good health when in an enriching environment, compared with 55 per cent of those in a polluted environment:
 - when employees have to take care of young children and their environment is enriching, their health is 40

per cent better than that of those who take care of their children and are in a polluted environments

- employees who care for dependent parents and work in environments that allow them to reconcile say they enjoy excellent health; 71 per cent more than those in the same circumstances who work in polluted environments
- more dedication to their young children — on a weekly basis, people in enriching environments dedicate 21 per cent more time to having dinner with their children, 32 per cent more time to playing with them and 37 per cent more time to reading together, than those in polluted working environments
- better quality of life — 83 per cent of people in polluted environments consider themselves to have poor quality of life, while 54 per cent of people whose environment is enriching perceive a high quality of life.

In general terms, the results by continent show the same trend as those mentioned above. It is worth highlighting that in Africa,¹ 73 per cent of the people who work in enriching environments appear to have a high level of quality of life, compared with 23 per cent of those in environments that make conciliation difficult. In Asia,² none of the people working in an enriching environment intend to leave the company, compared with 45 per cent of the people in polluted environments. In Europe,³ 3 per cent of people in polluted environments perceive support from the company, compared to 87 per cent of those in an environment that allows them to reconcile. Latin America⁴ provided several interesting results. In Ecuador, 16 per cent of those who work in polluted environments have a higher intention to leave

the company than in the rest of the world. In Guatemala, 90 per cent of those working in polluted environments perceive a lack of support from the organization. In El Salvador, people in enriching environments are 8 per cent more productive than in the rest of the world. Some 89 per cent of respondents in Argentina (11 points more than the rest of the world) say they are in good general health when their environment is enriching. Only 3 per cent of employees working in enriching environments in Chile want to leave the company. In Peru, 77 per cent of the people working in polluted environments say they do not have good health, compared with 55 per cent worldwide. And in Colombia, 96 per cent of those working in enriching environments perceive support from their organization, compared to 2 per cent of those who work in environments that hinder conciliation.

The data obtained in different countries indicate that 70 per cent of employees are afraid to ask for flexibility or other measures which step out of the standard.

Companies that encourage CFR are creating greater loyalty and commitment to the organization. Policies alone are not enough to create a culture that allows people to integrate their personal, family and professional life. It depends mostly on the style of leadership that is exercised. Formal systems contribute to carrying out the company's strategy, but its effectiveness depends on having leaders capable of boosting employees' commitment.

If employees perceive that their managers encourage CFR:

- their motivation grows by 58 per cent
- their intention to leave the company is reduced by 48 per cent
- enrichment for work and family increases by 18 per cent
- their level of commitment is 25 per cent higher.

In order to achieve this, managers have to support employees in several ways. They must provide emotional support, generating empathy to understand the personal and family situation of the employee in order to counter possible conflicts. Instrumental support, with work organized in a flexible way, enables employees to combine the right balance of work and family life with the required labour productivity. The manager must be a role model, showing exemplary behaviour when it comes to the management of their own conciliation. And they must manage and facilitate the use of flexibility policies and practices in a creative and effective way.

It is necessary to count on managers who exert a kind of leadership that is able to discover what suits the organization to make it effective, make the company more attractive for people who work, and maintain and strengthen unity. The manager leader is the front-runner of CFR who inspires trust and builds strong and stable ties.

All cultural change takes time and leaders who are able to see opportunities in times of crisis. Leadership, policies and values of the company that incorporates CFR provide enormous personal, business, family and social benefits. As demonstrated by the research, which has been developed in the ICWF of IESE for more than a decade, CFR allows for the reduction of working hours, increases productivity and decreases absenteeism. It also manages to bring out the diversity of talent that people possess, provides greater wealth and makes companies more flexible.

The twenty-first century will only be sustainable if it manages to combine the 'F' for flexibility, femininity and family with the 'C' of commitment, complementarity and co-responsibility. Flexibility generates commitment and trust and to humanize the company, adapting it to the changes and needs of the people and the environment. Femininity promotes complementarity in the business world, which is dominated by male values with a rigid, mechanical and short-sighted vision. The female vision expands the capability of perceiving reality and allows the business to better anticipate the consequences of actions in the medium and long term. Family builds a home thanks to the co-responsibility between husband and wife. It is the area that creates new human and social capital, enriches the person and makes our world sustainable.

CFR, as a fundamental part of internal CSR, allows us to build a society in which women and men enjoy the same opportunities and can help create economic, social and ethical value, thus making possible a more just, productive and sustainable society.

Implementation of CFR

The IFREI has helped to raise CFR levels in hundreds of companies around the world. The following are examples of Ibero-American companies, where the project has taken place for a longer period of time. They represent industries and organizations of various sectors and sizes.

Iberdrola

This world-leading Spanish energy group conducted IFREI in 2006 and decided to implement flexibility measures: intensive workdays and flexi-time throughout the year. Days lost due to accidents were reduced by 35 per cent and sick leave fell by 14 per cent. In 2008 the company began a pilot programme of mixed, flexible and voluntary telework.

Transactel

This El Salvador call centre conducted IFREI in 2013. It decided to implement day care for employees' children, extend the licence for paternity leave, and organize training workshops to help couples strengthen their interpersonal relations and develop their competencies as parents.

Security

A Chilean group involved in finance, investment, insurance, travel and real estate projects, Security conducted IFREI in 2011. One of its best-known policies is post-natal flexi-time, which allows mothers to leave work at 4 p.m. during the four weeks following their return to work, plus the financial aid to hire a nanny for a month; it also gives fathers five extra days of paid leave after the baby is born along with the possibility of flexible working hours during the first month of the child's life.

Wal-Mart Argentina

Wal-Mart Argentina is one of the country's major retailers and generators of employment. Having conducted IFREI in 2011, it allows employees with children to reduce their day to six hours during the first month of the baby's life without salary reduction. For two years in a row, it has also sponsored a publication of CFR Good Practices, which is distributed for free, to foster CFR in Argentina.

Agrocentro

With 300 employees in 6 Latin American countries, this Guatemalan company provides crop protection products. After conducting IFREI in 2011, it implemented a flexible schedule for offices and factory staff plus a nursery, a maternity bonus and a gym room. It also exceeds the legislation in terms of days off with pay, insurance coverage for the family and paternity leave.