

**CATÓLICA  
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# **The Impact of Internal Social Responsibility on Organisational Commitment: The case of Jerónimo Martins Group**

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## Abstract

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**Dissertation title:** «The Impact of Internal Social Responsibility on Organisational Commitment: The case of Jerónimo Martins Group»

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The Jerónimo Martins Group is a multinational firm operating in the Distribution and Agribusiness sectors, with a strategy focused on value creation and sustainable development. It assumes a Corporate Responsibility governed by five pillars; however, this thesis focuses essentially on the following one: “Being a Benchmark Employer”. The Group ensures benefits to the members of the organisation, such as training, development, compensation, and a positive working environment. In 2008, the company decided to go further and created a department focused on improving the quality of life of its employees.

Since the company has the need to continuously guarantee that this area constitutes a differentiation factor and effectively adds value to the company, the main aim of this thesis is to investigate the relationship between employees’ perceptions of internal social responsibility and organisational commitment. Specifically, it analyse the perceptions of internal social responsibility from two different perspectives – the company and its employees – and subsequently studies the impact of seven internal dimensions on affective and normative commitment: employment stability, working environment, skills development, workplace diversity, work-life balance, tangible employee commitment, and empowerment.

The analysis is based on primary and secondary research conducted with managers and employees of the Group. The main results showed that all internal dimensions are significantly and positively related to affective and normative organisational commitment.

**Keywords** – corporate social responsibility, social exchange theory, internal social responsibility, organisational commitment, Jerónimo Martins Group

## Resumo

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**Título da Dissertação:** «O Impacto da Responsabilidade Social Interna no Compromisso Organizacional: O caso do Grupo Jerónimo Martins»

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O Grupo Jerónimo Martins é uma empresa multinacional que opera no sector de Distribuição e no negócio Agro-alimentar, com uma estratégia focada para a criação de valor e desenvolvimento sustentável. Assume uma Responsabilidade Corporativa governada por cinco pilares, no entanto, esta tese foca-se essencialmente no seguinte: "Ser um Empregador de Referência". O Grupo assegura benefícios para os membros da organização, tais como, formação, desenvolvimento, compensação e um ambiente de trabalho positivo. Em 2008, a empresa decidiu ir mais longe e criou um departamento focado na melhoria da qualidade de vida dos seus colaboradores.

Uma vez que a empresa tem a necessidade de garantir de forma contínua que esta área constitui um factor de diferenciação e efectivamente adiciona valor à empresa, o principal objectivo desta tese é investigar a relação entre as percepções dos colaboradores sobre responsabilidade social interna e o compromisso organizacional. Especificamente, analisa as percepções de responsabilidade social interna a partir de duas perspectivas diferentes - a empresa e os seus colaboradores - e, posteriormente, estuda o impacto de sete dimensões internas no compromisso afectivo e normativo: estabilidade no emprego, ambiente de trabalho, desenvolvimento de competências, diversidade no local de trabalho, equilíbrio entre a vida profissional e familiar, compromisso tangível dos funcionários e capacitação.

A análise é baseada em pesquisa primária e secundária conduzida com gerentes e colaboradores do Grupo. Os principais resultados mostraram que todas as dimensões internas estão significativamente e positivamente relacionadas com o compromisso organizacional afectivo e normativo.

**Palavras-chave** - responsabilidade social corporativa, teoria da troca social, responsabilidade social interna, compromisso organizacional, Grupo Jerónimo Martins

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## 1. Introduction

Based on Turker's view (2009b), there are various studies investigating the various dimensions of corporate social responsibility in the literature, "however, relatively few studies have considered its impact on employees" (p. 1).

Therefore, my thesis aims to study the internal dimension of corporate social responsibility (CSR) concept by analysing the impact of employees' perceptions of internal CSR on their organisational commitment (OC), in the case of the Jerónimo Martins Group (JMG).

Internal social responsibility (ISR) has become an essential aspect of an organisation's social responsibility as well as organisation's management (Mory et al., 2015). Furthermore, OC is important for management sciences because it constitutes a significant indicator of employee organisation relationship and is related to positive outcomes at an individual level and organisational level (Baltazar, 2011).

In what concerns the company in analysis, the case study presented in this thesis was not developed for teaching purposes. It aims to provide information about JMG and describe the social responsibility of the Group, in specific, its internal practices, within the Portuguese context. Moreover, JMG is a multinational firm with headquarters in Portugal and operating in three different geographies. Since 2008, the Group has a department focused on improving the quality of life of its employees and their respective families through the area "POR NÓS Jerónimo Martins".

## 1.1. RESEARCH PROBLEM

Without evaluating the effect of the internal practices on employees' attitudes, the company makes faulty conclusions regarding the utility of the developed initiatives. In this context, understanding how the ISR perceptions held by JMG employees might contribute to the improvement of their OC constitutes a relevant research question.

Therefore, the problem this thesis aims to address is: Do the ISR practices of JMG have a positive impact on employees' OC?

## 1.2. KEY RESEARCH QUESTIONS (KRQ)

**KRQ1:** What are the motives and objectives behind ISR of JMG?

**KRQ2:** What are the perceptions of JMG employees towards ISR?

**KRQ3:** What is the relationship between employees' perceptions of ISR and OC?

## 1.3. METHODOLOGY

To answer the KQR, both primary and secondary data were collected.

Regarding primary data, two in-depth interviews were conducted to assess relevant information about the ISR area of JMG and understand the main motives and objectives that led the company to invest in Human Resources Practices and Policies towards its employees. The information was carefully analysed and treated qualitatively.

Another primary research method was the conduction of a focus group aiming to understand the employees' overall perceptions about the ISR concept and gain insights about employees' knowledge, opinions, and evaluations of the practices and initiatives developed by the company. It was also useful to help structure the survey. The information was analysed qualitatively and provided insights to the following research stage.



A survey was conducted to complement the information taken from the focus group and understand the relationship between employees' perceptions of ISR and OC. The questionnaire was designed using the Qualtrics Survey Software and it was sent to employees' email. Data was analysed through SPSS Software to explore the relationship between the mentioned variables.

Secondary data was also collected to present relevant information about the topic studied and explore the relationship between the variables purposed to analyse in this research. The source used were online books, papers, articles and websites.

## 2. Literature Review

### 2.1. CSR: CONCEPTUALISATION AND PRACTICES

CSR is a concept largely accepted by countries, organisations, and general public, (Farooq et al., 2014) and one of the key conceptions in the study of business and society relations (Midtunn, 2007). Nevertheless, it still lacks a commonly accepted definition given its complexity that derives from the differences in national, cultural, and social contexts, which are linked to different responsibilities from firms (Midtunn, 2007).

Therefore, CSR has been approached from different perspectives, such as social performance, business ethics, corporate governance, stakeholder management, corporate citizenship, and social contract (Aguilera et al., 2007).

According to Carroll (1979), “the social responsibility of business includes the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time” (p. 500). However, some academics suggest that the definition of CSR goes beyond economic and legal aspects, sustaining that businesses are also concerned with the “actions that appear to further some social good, beyond the interests of the firm” (McWilliams and Siegel, 2011, p. 117)

In this line of thought, being socially responsible means not only fulfilling economic and legal expectations but also taking into consideration the attitudes and behaviours of any groups or individuals who have interest in how an organisation performs or interacts. These groups or individuals who have a stake in the organisations’ activities are often distinguished between primary stakeholders (e.g. customers, employees, shareholders, suppliers) and secondary stakeholders (e.g. NGO’s, local community, environment, future generations), according to their influence on the business strategy, operations and long-term survival (Freeman, 1984). They ensure the success or failure of the business, so the organisations should create strong and lasting relationships with them by providing the benefits that satisfy their needs and expectations (Bhattacharya et al., 2009).

Hence, I rely on the following conceptualisation of CSR:

Corporate social responsibility is a form of management that is defined by the ethical relationship and transparency of the company with all the stakeholders with whom it has a relationship as well as with the establishment of corporate goals that are compatible with the sustainable development of society, preserving environmental and cultural resources for future generations, respecting diversity and promoting the reduction of social problems. (Ethos Institute, 2007, p. 78).

In addition to the distinction mentioned before, CSR has internal and external practices. Internal CSR refers to practices, which are directly related to employees' physical and psychological well-being (Turker, 2009a). The field of its implementation includes employment stability, a positive working environment, skills development, workplace diversity, work-life balance, tangible employee involvement and empowerment (European Commission, 2001). External CSR instead is primarily concerned with the local communities, business partners and suppliers, customers, public authorities, and NGO's, and the environment such as philanthropy, volunteerism, and environmental protection (European Commission, 2001).

## **2.2. THE INTERNAL DIMENSION OF CSR**

A review of past literature reveals that most researchers focus their studies on external stakeholders, resulting in less attention being given to the internal ones, in special, the employees (Cornelius et al., 2008).

Internal CSR practices have more impact on engaging employees rather than external CSR. In this regard, during the last years, some researchers have started to address how CSR affects employees, through the field of organisational behaviour and human resources (Gupta and Sharma, 2016).

### **2.2.1. Employees as Important Stakeholders**

Stakeholders are the individuals and groups who can affect and also be affected by a company's activities (Freeman, 1984). Based on stakeholder theory, organisations should undertake more responsibilities to their key stakeholders, which includes their employees, customers, suppliers, and communities (Zheng, 2010).

Turker (2009a) purposed a stakeholder framework that classifies CSR actions into four main categories: CSR toward social and non-social stakeholders, CSR toward employees, CSR

toward customers and CSR toward government. Since the scope of interest of this thesis is the internal dimension of CSR, I rely on the second category, which refers that the organisation's actions must ensure the well-being and support of its members, including "good working conditions, career opportunities, organisational justice, or family-friendly policies" (p. 192).

Employees are one of the most important stakeholder group whose interests must be taken into consideration; however, the concept of internal CSR is still rather vague among researchers (Al-bdour et al., 2010). This gap in knowledge is not in accordance with what some authors sustain regarding the existence of a well-established relation between employees attitudes and behaviours and the overall success of organisations (Meyer and Allen, 1997).

In fact, as noted by Mitchell et al. (1997), employees are identified as relatively highly salient stakeholders, which means that they have high power, urgency, and legitimacy to influence the organisation.

There are three reasons to justify the importance of stakeholders' evaluation on CSR. Firstly, employees act as agents for social change because they push the organisations to adopt socially responsible behaviours (Aguilera et al., 2007). Secondly, employees tend to support progressive labour relations policies, safety, and financial security necessary to secure effective CSR programs (Ramus and Steger, 2000). Thirdly, employees are likely to perceive, evaluate, judge, and react to the organisation's acts of CSR (Rupp et al., 2006).

### **2.2.2. Motives Behind Internal CSR**

According to Donaldson and Preston (1995), CSR can strengthen the relationship among employees. This relationship is formed in order to obtain benefits and contribute to the wealth of the organisation.

The implementation of internal CSR initiatives above the regulatory obligations, such as requirements, laws and professional codes, lead to the rise of some intangible benefits, such as an increase in employee engagement and retention. By creating a good working environment and developing practices towards employees, organisations can expect higher motivation from its members since they are aware that their organisation is making an effort to ensure their well-being (Turker, 2009a).

Moreover, many organisations are confronted with employees' talent shortfall due to the fact that there is an insufficiency of talented employees, thus, CSR can act as a strategy to attract and retain the best workforce (Orrell, 2009). Since the retention of employees is typically based on organisation's performance and how the organisation compares to others in a similar size and market, individuals will join the organisation that is congruent with their needs and expectations (Cooper and Wagman, 2009). This will create a network of association, trust, and reciprocity among the members of the organisation, which overall, increase the performance of engaged employees (Ali et al., 2010).

To summarise, internal CSR practices give organisations the competitive advantage in the agile business environment by creating shared value between employees and organisation and seeking win-win outcomes (Carroll and Shabana, 2010).

## **2.3. VARIABLES IN RESEARCH**

The relationship between CSR and job attitudes and the focus on the internal dimension of CSR still lacks attention. For that reason, some researchers have called for further research in the study of the impact of CSR on employees' attitudes and behaviours (Aguilera et al., 2007).

The present thesis contributes to the study of individual-level impacts of internal CSR by analysing the relationship between employees' perceptions of ISR and a focal job attitude, namely, organisational commitment.

### **2.3.1. Perceptions of Internal Social Responsibility**

The review of past literature refers that employees expect organisations to assume responsibilities consistent with their own self-perceptions.

Self-perceptions, in turn, refers to employees' evaluations and interpretations of company's activity. These perceptions are suggested to derive from a cognitive process that serves as a reference point in the way that employees evaluate the involvement of organisations in CSR initiatives (Barnett, 2007).

Zheng (2010) sustains that perception is recognised as a significant driving force leading to an employees' attitudes because individuals tend to behave according to their perceptions of

what reality is rather than reality itself. The perceptions of what reality is derive from information about the organisation's CSR practices while the reality itself refers to the actual organisation's business action. Accordingly, Hansen et al. (2011) argued that "stakeholder perceptions about CSR may be more important than the CSR activities themselves since these perceptions are what constitute the reality upon which stakeholders base their decision, opinions, and attitudes" (p. 31). In the same line of thought, Barnett (2007) refers that meeting employees' expectations will lead to the improvement of job attitudes but only to the extension to which this group of stakeholders perceives and evaluates the CSR initiatives.

Therefore, organisations should be aware of the importance of implementing internal initiatives that satisfy employees' needs and expectations in order to enhance their perceptions of organisation's attractiveness and, subsequently, improve the degree to which they feel attached to the organisation to which they belong (Greening and Turban, 2000).

### **2.3.2. Organisational Commitment**

As a significant measure of employees' work attitudes (Mowday et al., 1982), OC is defined as the relative strength that an individual identifies with and involves in an organisation (Steers, 1977). Moreover, Steers (1977) argues that OC can be used as an index to assess organisational performance.

During the last decades, several models of OC have been proposed: compliance, identification and internalisation; affective, normative and continuance commitment; value and continuance commitment (Baltazar, 2011) but the Three-Component Model developed by Allen and Meyer (1991) has become the dominant model for the study of this job attitude. The authors distinguish between three aspects of OC: affective commitment, which refers to a positive emotional attachment to the organisation; normative commitment, which reflects feelings of moral obligation to the organisation; and continuance commitment, which is related to the perceptions of high costs of leaving the organisation.

According to previous studies, the affective and normative commitment are the ones receiving more attention from different authors, specifically Meyer et al. (2002), Brammer et al. (2007) and Al-bdour et al. (2010). All of them sustained that there are significant effects on these forms of commitment. Previous studies testing for continuance commitment have failed to find significant effects (Al-bdour et al., 2010). In addition, Shen and Jiuhua Zhu (2011)

argues that CSR contributions to human resources management relate more to affective and normative commitment than continuance commitment.

Drawing upon these previous findings, this study includes the affective and normative organisational commitment variables, excluding the continuance organisational commitment.

## **2.4. SOCIAL EXCHANGE THEORY**

Social Exchange Theory (SET) is a social psychology concept that attempts to explain social changes as a process of interactive exchanges between parties. It is argued as being one of the most influential concepts for understanding workplace behaviours.

By taking care of its employees, organisations can expect beneficial outcomes related to a more effective work behaviour and positive attitudes and behaviours (Cropanzano and Mitchell, 2005).

### **2.4.1. Social Exchange Theory and Internal Social Responsibility**

According to (Farooq et al., 2014), social exchange theory helps to explain the effects of internal CSR practices on employees. CSR has the capacity to induce social exchange processes between organisations and its members. Therefore, CSR may influence employees' attitudes and behaviours through a social exchange process.

The rule of reciprocity based on the statement “if one person supplies a benefit, the receiving party should respond in kind” (Gergen and Taylor, 1969, p. 81) is associated with this theory and can be applied to CSR. By supporting employees' well-being through CSR initiatives that go beyond legal and financial levels, organisations are incurring in voluntary actions that provide benefits to employees. Therefore, this group of stakeholders may feel a sense of obligation to reciprocate these actions.

Foa and Foa (1975) state that a social exchange process is characterised by resources that can be viewed as the content and outcome of the process. The author divides these resources into six categories: love, services, good, money, information, and status. Transferring to the organisational context, ‘love’ refers to the attention given to employees in terms of comfort, support, security, and stability; ‘services’ can be seen as the activities offered to the employees; ‘goods’ includes the products, objects and materials provided by the organisation; ‘money’ is

associated with the symbolic gifts of exchange as well as financial resources; ‘information’ is understood as the education and training by the company, and lastly, ‘status’ is viewed in terms of employees’ respect and recognition.

The conceptualisation of the internal CSR perceptions follows the one purposed by Mory et al. (2016), which was based on SET and the mentioned related resources<sup>1</sup>:

Resources	Internal CSR dimensions
Love	Employment stability
Services	Skills development
	Workplace diversity
	Work-life balance
Goods	Working environment (health and safety)
Money	Tangible employee involvement
Information	Empowerment
Status	

Figure 1 – Conceptualisation of the internal CSR perceptions based on SET, per Mory et al. (2016)

#### 2.4.2. Social Exchange Theory and Organisational Commitment

Adapting social exchange theory to the organisational context, the workers can form distinguishable social exchange relationships with their supervisor, co-workers, employing organisations, customers, and suppliers (Cropanzano and Mitchell, 2005).

These relationships have implications for behaviour: when organisations offer individuals economic and socio-emotional resources, they are likely to return the benefits they receive with positive attitudes (Al-bdour et al., 2010).

Moreover, the normal of reciprocity is related to this theory. It is sustained that employees are more likely to reciprocate those benefits if the resources received from the organisation are considered to be given voluntary, instead of being a result of external circumstances or pressures (Mory et al., 2016).

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<sup>1</sup> See Appendix 1



Therefore, it is predicted to exist a positive relationship between internal CSR and OC based on social exchange theory and the idea of voluntary exchange.

## **2.5. THE RELATIONSHIP BETWEEN INTERNAL SOCIAL RESPONSIBILITY AND ORGANISATIONAL COMMITMENT**

When organisations invest strong relationships with their stakeholders, both parties are likely to work toward the achievement of common objectives (Lindgreen et al., 2010).

Researchers on employee behaviour have suggested the use of CSR to build strong employee bond and to achieve better employee commitment. To strengthen its relationships with organisational members, companies use internal CSR practices as a strategic tool. Since OC is “the relative strength of an individual’s identification with and involvement in a particular organisation” (Mowday et al., 1982, p. 27), it can be predicted a stronger commitment of employees when they perceive that the organisations in which they work are concerned about their well-being.

The social exchange theory suggests that employees’ commitment will be based on their perception of the value and benefits they receive from the organisation (Collier and Esteban, 2007). In addition, Armeli et al. (2001) found that employees felt a sense of obligation to reciprocate when they were supported by their organisations, contributing thus to the increase of their commitment.

Therefore, positive perceptions of the initiatives developed by the company towards its members have a positive relationship with employee commitment (Peterson, 2004; Brammer et al., 2007; Turker, 2009b).

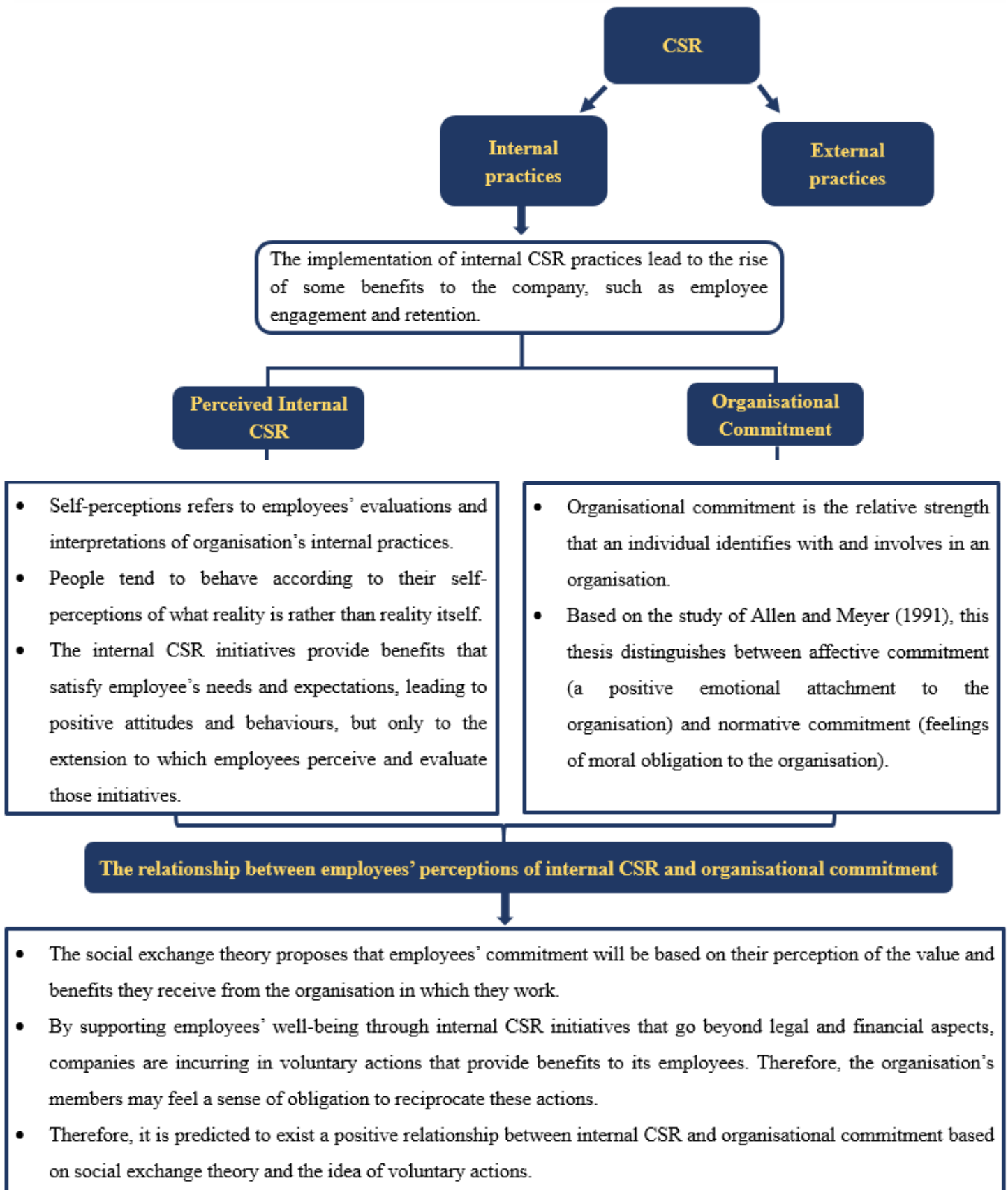


Figure 2 – Framework that summarises the relationship between perceived internal CSR and organisational commitment, based on past literature. Self-developed.

## 3. Case study

### 3.1. INTRODUCTION

With a history of over 220 years, Jerónimo Martins is an international group with its head office in Portugal, operating in the Distribution and Agribusiness sectors, aiming to satisfy the interests of its shareholders and the needs and expectations of stakeholders, through a strategy focused on value creation and sustainable development.

Due to the dimension of its business, the company believes that it can make a positive influence on all those with whom the Group establishes relations with, in special, its employees. For the Group, people are really important and have always been the main foundation of the company.

The JMG was pioneer in the execution of some Human Resources Practices and Policies, but it was in 2008 that the firm decided to create an area focused on improving the quality of life of its employees and their respective families: the Internal Social Responsibility area called “POR NÓS Jerónimo Martins”.

### 3.2. JERÓNIMO MARTINS GROUP

#### 3.2.1. The History of Jerónimo Martins Group

In 1792, Jerónimo Martins – a young entrepreneurial from Galicia – opened a small store in the heart of Lisbon, which quickly became one of the most prestigious stores in the city. In 1920, the five owners of the *Grandes Armazéns Reunidos*<sup>2</sup> wanted to found a branch in Lisbon and decided to buy the Jerónimo Martins establishment. However, the financial situation of the company was not the expected and only two of the five partners, Elísio Pereira do Vale and Francisco Manuel dos Santos, agreed to move ahead with the deal. A few years later, in 1949, the company forged a partnership with the English-Dutch company Unilever whose products had already been represented in Portugal for years for the development of the margarine and detergents businesses.

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<sup>2</sup> A public limited company established in Porto (Portugal)

In 1978, the JMG decided to invest in the modern food distribution business with the establishment of the Pingo Doce supermarket chain. In order to strength the Group's growth and bring to Pingo Doce the know-how of this business, JMG formed a Joint Venture with the Belgium food retailer Delhaize.

In 1988, in the same year that a fire destroyed the historic store in Rua Garret, JMG entered the wholesale food distribution as a proof of their determination and commitment towards the growth and expansion of the Group. It purchased the chain of Recheio stores and entered the cash and carry sector, in addition to the food retail segment. In 1990, considering the importance of giving Recheio its own identity and a national dimension to the wholesale business, JMG proceeded with the acquisition of Arminho, the largest cash and carry in Portugal, located in Braga. In 1991, Recheio established an alliance with the largest European cash and carry, the British Booker. In 1992, the Group celebrated 200 years of history and Pingo Doce repositioned its strategy creating a partnership with the dutch Ahold for the development, support and growth of the supermarket chain.

The internationalisation of the Group started in 1994 when Alexandre Soares dos Santos identified Poland as the ideal country to start this new challenge. After the acquisition of a Polish food wholesale, Eurocash, in 1995, JMG purchased the Briendroka discount retail chain in the following year. Through this, the company started the Operation Ladybird, an ambitious expansion plan for Poland, based on three distinct formats: cash and carry, hypermarkets and discount supermarkets. Nevertheless, at the beginning of the 21st century, the Group decided to abandon its multi-format strategy and concentrate on the concept of discount stores.

The JMG believe in traditional commerce that is why, in 2009, it went ahead with the project for Amanhecer stores as Recheio's own brand for the traditional retail business. This was a new concept that favours the neighbourhoods with revolutionary grocery stores that offer a range of products specially dedicated to the daily needs of Portuguese homes.

In 2011, JMG expanded into a new country in a new continent: Colombia. Ara is the name of its most recent food distribution labour, which aims to be the preferred food store of the Colombian people by offering quality products at very competitive prices. In order to so, JMG established partnerships with Colombian producers and manufacturers to develop private brand products.

### 3.2.2. Main Operations

In 2017, Jerónimo Martins SGPS operates in Portugal, Poland and Colombia in two different sectors: Distribution (Food Distribution and Specialised Retail) and Agribusiness. Regarding the Food Distribution, the Group is the leader in Portugal through the Pingo Doce and Recheio chains and also in Poland, through the Biedronka chain of stores. In Colombia, JMG has the Ara neighbourhood stores. With regards to the specialised retail, the Group operates the Jeronimo coffee shops and the Hussel bomboneries in Portugal and the chain of Hebe drugstores in Poland. More recently, JMG decided to invest in a new business area, the Agribusiness sector, whose main goal is to have direct access to sources of supply of strategic products, in order to meet the Group's and consumers' needs.

Concerning its operating profile, the market's presence of the various companies of the Group is defined by a constant focus on value and mass-market strategy. Its value proposition is marked by strong differentiation in three aspects: variety and quality of fresh food, strong brands, and quality store environment. In order to be able to offer consumers proximity, convenient foods and solutions at very competitive prices, the Group operates with maximum efficiency and lean cost structures. Its leadership within a mass-market approach is essential for creating economies of scale that enable the Group to be cost leaders and offer the best prices.

At the end of 2015, the Group reported a total of 13,728 million Euros in sales, an EBITDA of 800 million Euros and a net profit of 333.3 million euros. Nowadays, the JMG count with more than 4,200,000 daily visits; 3,383 stores and 89,027 employees in all areas of business.<sup>3</sup>

## 3.3. CORPORATE RESPONSIBILITY IN VALUE CREATION

### 3.3.1. The Philosophy of Responsibility

The philosophy of responsibility has a long tradition in the Group and it is well established in the mission and values of the company. JMG aims to “create value in a sustainable manner, respecting the quality of life of the present and future generations and seek

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<sup>3</sup> Jerónimo Martins Annual Report 2016

to mitigate the impact of its activities on the ecosystems”<sup>4</sup>. In addition, its values, which include Humanity, Merit, Entrepreneurship, and Citizenship, shape the Groups’ corporate mission.

The JMG is aware of the significant impact that its activities might have in the regions where it operates as well as its capacity to influence practices and processes, given the size of its business. Moreover, it is important for the company to establish a balance between economic prosperity and social and environmental actions, as a way of being committed to the cornerstones that shape its approach to Corporate Responsibility: value creation and sustainable development.

### 3.3.2. Engagement with Stakeholders

The JMG believes that the firm can achieve its strategy for creating value by engaging with the people who depend on its activity: the stakeholders. It is aware that the different groups who have a stake in the company have different needs and expectations, so the company tries to establish a proactive dialogue with them by using specific communication channels<sup>5</sup>, which are important to improve engagement with all stakeholders and, consequently, work on the creation of long-lasting relationships.




Figure 3 – Group’s stakeholders  
 Source: <http://www.jeronimomartins.pt/>


<sup>4</sup> Jerónimo Martins Annual Report 2015, p. 199


<sup>5</sup> JMG communication channels: <http://www.jeronimomartins.pt/responsabilidade/envolvimento-com-stakeholders/os-nossos-publicos.aspx?lang=en>


### 3.3.3. The Pillars of CSR


The strategy of the Group incorporates environmental and social concerns in the management of the value chain, assuming a Corporate Responsibility governed by five priority commitments:

 **Promoting Health through Food** by investing in the quality and innovation of private brand product ranges; providing a trustworthy service, and referring all the nutritional information on the products they sell. Through this, the Group pretends to guarantee the food safety of the products that consumers buy and contribute to the adoption of healthy lifestyles.

 **Respecting the Environment** by promoting more sustainable production and consumption practices and contributing to the minimisation of negative environmental impacts. In order to so, the Group focuses on three priority areas: climate change, waste management and biodiversity.

 **Sourcing Responsibly** by favouring local suppliers and products in the countries where the Group operates; offering quality products, practising fair pricing, and implementing procedures to protect the environment and biodiversity, taking into consideration the ethical, social and environmental concerns in its supply chains.

 **Supporting Surrounding Communities** through the involvement of employees in internal campaigns; through the support of causes and social initiatives that aim to help the more vulnerable groups in society (children, young and elderly people); and by fighting hunger and malnutrition through the donation of food.

 **Being a Benchmark Employer** by creating employment, promoting fair and competitive salary policies, implementing good working conditions and contributing to the development of employees. In addition, the company involves the employees and their families in social responsibility initiatives, as a means of engaging them in the Group's culture.

### 3.4. JERÓNIMO MARTINS GROUP – A BENCHMARK EMPLOYER

JMG considers that employees are one of the most valuable resources of its business, leading them to affirm themselves as “A Business for People, made by People”<sup>6</sup>.

At the time, the Group employs a total of 96,233 individuals in its three different geographical presences (62,413 in Poland; 30,732 in Portugal and 3,088 in Colombia)<sup>7</sup>.

The Group prioritizes the establishment of a proactive dialogue with employees, their personal and professional development, and the continuous improvement of their satisfaction within the company through a significant investment in the different areas of humans’ resources.

#### 3.4.1. Communication with Employees

JMG aims to ensure that its employees are fully engaged in the culture and values of the Group. In order to do so, the Group has an area called “Corporate Culture and Engagement” which aims to reinforce the feeling of belonging among employees and increase their motivation. Additionally, the company discloses its principles and values throughout the entire organisation using internal means of communication, such as the “Our People” magazine and the monthly communication “Open Letter”.

The Group has a Code of Conduct<sup>8</sup>, which serves as a guide for employees’ behaviour when carrying out their daily actions. Moreover, in line with the Code, the Group adopts practices that promote equality among employees and prevents discrimination towards them.

In addition to this, the Group has a specific area inside the Human’s Resources department - the “Employee Assistance Services” - which is focused on two main components: the labour, by clarifying any work-related issues; and the social, by providing support to all employees.

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<sup>6</sup> Jerónimo Martins Annual Report 2008, p. 5

<sup>7</sup> Jerónimo Martins Annual Report 2016

<sup>8</sup> Code of Conduct of JMG: <http://www.jeronimomartins.pt/media/431763/code-of-conduct.pdf>



### **3.4.2. Development and Compensation**

The Group considers that the professional development of the employees is the most important human resources process. Therefore, JMG built a global development model to manage talent, which enables the company to identify internal talent and create development programmes aligned with the needs of the business. Every year, the employees of the Group pass through a performance appraisal process, which includes the identification of development and training opportunities.

Promoting fair and competitive salaries is also one of the commitments of the company because as the Group believes, this is essential for the attraction and retention of talent. Within the “Global Compensation Policy”, the company maintains a policy of minimum wage above the national minimum wage and also developed a salary review model in order to foster internal fairness and so assuring that it is suitable for the Group’s strategy and culture.

In addition, JMG attributes bonuses to its employees, with the objective of regarding merit and performance.

### **3.4.3. Training**

JMG provides employees with the required training to face the Group’s future challenges.

The Group has the “Jerónimo Martins Training School”, focused on programmes involving employee management and leadership competency.

With the aim of qualifying operators for the Perishables areas, the different Pingo Doce regions put into operation various courses for operators in the Butcher's, Bakery, Delicatessen and Take-Away, Fishery and Fruit and Vegetables areas.

Furthermore, the “Strategic Management Programme” is an intensive programme undertaken at Universidade Católica in Lisbon and at Kellogg School of Management in Chicago, which aims to reinforce the organisational culture, the development of the knowledge-sharing and the contribution towards a spirit of innovation.

#### **3.4.4. A Positive Working Environment**

The JMG is committed to the “Zero Accidents Tolerance”, a commitment focused on providing a positive working environment to the company’s employees. In order to do so, the Group has been developing initiatives, such as the commemoration of “Safety Day”, with the objective of promoting a culture of safety within the company and the attribution of the “Prevention and Safety in the Workplace Award”, which recognises the employees with the best performance in adopting prevention measures.

### **3.5. INTERNAL SOCIAL RESPONSIBILITY – “POR NÓS Jerónimo Martins”**

#### **3.5.1. When and How It All Started**

In 2008, Marta Maia, Chief People Officer at JMG, decided to formalise the human resources initiatives that were already been practised within the Group over the years by creating the ISR area called “POR NÓS Jerónimo Martins”.

This area’s Mission is to contribute towards improving the life quality of the employees of JMG and their families through practices and initiatives that promote their well-being and motivation, contributing to the sustainable development of the Group.

Through the definition of sustained and innovative Human Resources Practices and Policies, the Group tries to meet the personal and professional needs and expectations of those who give their best towards the success of the business. In order to so, in 2009, the Group carried out a survey in Portugal that demonstrated the social reality of the employees and identified their real needs. More than 21 thousand employees were involved in this study and the participation rate was 90%<sup>9</sup>.

#### **3.5.2. The Internal Social Practices**

Through the questionnaire conducted in 2009, the Group mapped out the needs of its employees and identified three main areas for action: Health, Education and Family Well-Being.

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<sup>9</sup> Jerónimo Martins Annual Report 2009

## Health

The company believes that health is the most important thing and places it at the top. The investment in this pillar reflects that: in 2015, more than 1.3 million euros was invested in this area. The Group has now six programmes: “Mais Vida” (More Life), “Protocolo Grupo Lusíadas Saúde”, “SOS Dentista” (SOS Dentist), “SOS Dentista Júnior” (SOS Junior Dentist), “Protocolo Raríssimas”, “Psicologia Infantil e Juvenil” (Child and Juvenile Psychology Programme) and “Famílias Especiais” (Special Families).

Since 2015, the JMG supported employees through the programme “Mais Vida”. This initiative was created in partnership with the *Fundação Champalimaud*, and the Portuguese Red Cross, with a view to provide complementary support to employees and their families suffering from cancer. The employees, their spouses, and children, can benefit from different services, such as second medical opinion at an international benchmark institution, psychological support for the entire family unit, home support, and transport for treatment.

The protocol established with the *Grupo Lusíadas Saúde* provides access to quality services at competitive prices to employees with an employment contract of over 6 months, spouses and children. In 2016, 379 credentials were issued by employees to access consultation<sup>10</sup>.

The “SOS Dentista” is a programme focused on supporting employees with lower incomes who need dental treatment. The applications are accepted on the basis of the annual per capita income. In 2016, 1,500 employees enrolled in this programme and 523 treatments were reimbursed. The “SOS Junior Dentist” aims to offer dental treatment to employees’ children aged between 7-17 years old. In this programme, 500 children were integrated and 270 are being reimbursed<sup>11</sup>.

To ensure a better quality of life and increase the autonomy of individuals with rare diseases, the JMG established a partnership with *Raríssimas* – National Association for Rare Diseases – in order to support the children of the Group’s employees affected by these illnesses through discounts in consultations, treatments and hospitalisation.

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<sup>10</sup> Jerónimo Martins Annual Report 2016

<sup>11</sup> Jerónimo Martins Annual Report 2016

The Group is aware of the challenging period of growing up, representing a phase of change and adaptation for young people. In this way, the Group created the “Programa de Psicologia Infantil e Juvenil”, an initiative designed for providing psychologist support to employees’ children. In 2016, 158 children and young people had consultations with specialised psychologists<sup>12</sup>.

In the company, there are employees with children with neurological diseases, who need a continued support from their caregivers. Therefore, the Group created the Programme “Famílias Especiais”, seeking to improve the well-being and the quality of life of employees and their children with special needs.

## Education

As another important issue for the Group is the education. JMG aims to invest in the future and in the development of people. Therefore, it also invested more than 1.3 million euros in this pillar, in 2015. The three initiatives carried out by the Group are “Campos de Férias de Verão” (Summer Holiday Camps), “Regresso às Aulas” (Back to School) and “Bolsas de Estudo” (Scholarship).

The “Campos de Férias de Verão” is a benchmark initiative promoted by the area, which facilitates the family management and provides a guarantee of unforgettable moments lived by employees’ children.

Under the initiative “Regresso às Aulas”, the Group offers kits with essential school supplies to employees’ children when they start the 1st year of primary school. The Group’s employees can also have access to school textbooks with special conditions and prices and discount coupons to be used in school supplies. In 2016, 784 school kits were offered to children of employees in Portugal<sup>13</sup>.

Also within this area, JMG launched the “Bolsas de Estudo” programme, aimed at providing financial support to employees and their children who wish to enrol or re-enrol in higher education. The Group believes that supporting the ambition of each individual is

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<sup>12</sup> Jerónimo Martins Annual Report 2016

<sup>13</sup> Jerónimo Martins Annual Report 2016

supporting the personal and professional development of people and also contributes to the evolution of society. In 2016, 90 scholarships were attributed in Portugal<sup>14</sup>.

### Family Well-Being

Within the scope of this pillar, the Group intends to improve the quality of the time that employees spend with their family. In 2015, more than 14.8 million euros were invested in the following initiatives: “Fundo de Emergência Social” (FES – Social Emergency Fund), “Kit Bebê” (Baby Kit), “Dia da Criança” (Children’s Day) and “Vale de Natal” (Christmas vouchers).

The “Fundo de Emergência Social” was created in 2011 and has been contributing to the improvement of employees’ life in situations of economic difficulty or in social or family risk. In 2016, 783 families were supported through different areas of action: food, legal advice, financial guidance, health, and education. This programme has 180 voluntary employees – the Ambassadors – who receive the technical and behavioural training needed for their mission of following-up the employees supported by this fund. In 2014, in order to give a more professional response to the specific situations, the Group integrated two social workers with various years of experience in the field, which are responsible for developing life plans with a view to give a continued support to employees and their families.

Giving birth signifies the start of a new journey composed of happiness and challenging moments. As buying diapers and baby milk represents a financial effort, the company created a gift card, which allows the employees to buy these products at Pingo Doce stores. In 2016, 908 kits were offered to the employees of the Group<sup>15</sup>.

The Children’s day is celebrated in the Group by offering to employees’ children toys. The Christmas vouchers aim to help the company’s employees to provide their children with a present in this festive season by offering a voucher, which can be used in Pingo Doce stores. In 2016, the Group offered 13.602 toys and 13.405 Christmas vouchers to employees’ children<sup>16</sup>.

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<sup>14</sup> Jerónimo Martins Annual Report 2016

<sup>15</sup> Jerónimo Martins Annual Report 2016

<sup>16</sup> Jerónimo Martins Annual Report 2016

### 3.5.3. The Challenges

In the future, the strategy of the ISR area intends to maintain its focus on continuously improving the life quality of its employees and their families as a way to contribute to the improvement of their commitment, and consequently, achieve great levels of organisational performance.

Nevertheless, there are some challenges that JMG faces in the field of the ISR area. Vanessa Silva - Head of Corporate Culture Engagement - highlighted the following aspects.

Regarding the new initiatives that the Group pretends to create in the future, it is necessary to guarantee service providers with a similar vision shared by the company: not only focused on the business perspective but also on the social impact expected from the programmes developed.

In addition, one of the main challenges of this area is to ensure the knowledge and recognition of all initiatives and practices from its employees, so the company has the need to establish better means of communication to raise awareness of all programmes developed by the Group.

Finally, given the fact that the company wants to meet employees' needs and expectations and contribute further to the increase of organisational performance through internal practices, another challenge that arises is the need to continuously guarantee that this area constitutes a differentiation factor and effectively adds value to the company.

## 4. Market Research

To approach the KRQ, it is important to gather relevant information both from managers of the ISR area and the individuals who can directly benefit from the initiatives of the JMG – the employees.

The main aim of this research is to understand employee’s perception of ISR and how it affects their OC.

Exploratory Research	Descriptive Research
Assess the views and perceptions of internal social responsibility from two different perspectives: Jerónimo Martins Group and its employees.	Assess and describe the relationship between employees’ perceptions of internal social responsibility and organisational commitment.
<ul style="list-style-type: none"> <li>▪ In-depth interviews</li> <li>▪ Focus Group</li> </ul>	<ul style="list-style-type: none"> <li>▪ Survey</li> </ul>

Figure 4 – Research Design

### 4.1. METHODOLOGY

#### 4.1.1. In-depth Interviews

To answer the first KRQ, two in-depth interviews were conducted. It followed a semi-structured interview by covering a list of questions. This technique was chosen mainly to encourage interviewees to freely discuss their own opinions and points of view about the specific topics discussed during the session.

Each interview started with an introduction to the general aim of the study. The interview script<sup>17</sup> was divided in three main parts: the past, the present, and the future of the ISR area of JMG. The information collected helped in the creation of the case study about the company. For marketing research purposes, there was a focus on two main topics: 1) the

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<sup>17</sup> See Appendix 2

motivations and objectives behind the implementation of the ISR area, and 2) assess the opinions of managers about employees' perceptions of ISR.

The interviews were audio-recorded in order to be able to gather all the information expressed by the respondents. After the interviews, I summarised what was said during both sessions and asked the respondents if my interpretation was correct, as a way of avoiding misunderstandings. Following the first two days, the audio-recorded material was transcribed word-for-word.

The interviews took place on January 27th and February 23rd at JMG head offices in Campo Grande. The respondents, Susana Correia do Campos - Head of Corporate Employee Relations - answered to the "Past" part and Vanessa Silva - Head of Corporate Culture Engagement - answered to the remaining parts. The interviews had an estimated length of 30-45 minutes.

#### **4.1.2. Focus Group**

To answer the second KRQ, a focus group was conducted. It started with a general introduction of the moderator and participants, followed by an explanation of the ground rules and the main aims of the study.

The focus group script<sup>18</sup> has two main parts: 1) employees' perceptions about the ISR concept, and 2) employees' perceptions, knowledge, and evaluations about the ISR area of JMG. It consists mainly of open-ended questions as to obtain participants opinions. To approach the second goal of the session, I showed employees brochures of all company's internal initiatives, and then I asked them to fill in a small questionnaire<sup>19</sup>.

The focus group was audio-recorded and transcribed. In order to ensure that important aspects were not left out, participants were given the opportunity to make extra comments they thought to be relevant.

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<sup>18</sup> See Appendix 3

<sup>19</sup> See Appendix 4



The session was conducted on November 15th, having an approximate duration of one hour. The session was done in the JMG head offices in Campo Grande, during lunch, in a relaxed and controlled environment.

The participants were seven employees of the JMG, mainly women (6), with organisational tenures from 1.5 years to 14 years. Five of the participants are operators in Recheio and Pingo Doce stores in Lisbon, the remaining work in the offices of the company.

#### **4.1.3. Survey**

To answer the third KRQ, a survey<sup>20</sup> was designed. It was verified and validated by the JMG before it was sent to employees. It was subsequently conducted online through the Qualtrics Survey Software and sent to company's employees, in Portugal, by email. It was available between January 18th and February 4th, having collected 2152 valid responses. The data was analysed using IBM' SPSS Software.

Since the goal of this quantitative method is to evaluate the impact of employees' perceptions of ISR on their OC, the survey includes two sections: "Perceived Internal Social Responsibility" (PISR) and "Organisational Commitment" (OC).

Each construct was operationalised on the basis of an established scale from two previous studies. The PISR questionnaire was based on the study of Mory et. Al (2015) and employees' perceptions of ISR. The focus group was an important instrument to understand employees' perceptions, and so understand which would be the relevant dimensions in measuring this scale. Therefore, the PISR questionnaire includes seven dimensions – employment stability, working environment, skills development, workplace diversity, work-life balance, tangible employee involvement and empowerment – which led to 28 questions being introduced. The OC questionnaire was based on the study of Meyer and Allen (1991) and includes 9 questions being divided into two dimensions: affective commitment (AC) and normative commitment (NC).

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<sup>20</sup> See Appendix 5

Moreover, the survey included two open-questions to assess respondents' opinions and additional comments about the topics in study as a way of collecting more valuable information for this study.

Demographic data was also collected in order to be able to characterise the sample. This data contained details on sex, age, organisational tenure, and geographic location of workplace.

A five-point Likert scale ranging from (1) strongly disagree to (5) strongly agree was used.

The questionnaire included an attention check question ("Please, select 'Agree'. This is an attention check question.") to detect if the respondents were not concentrated when answering the questions. It was used the tool 'skip logic' to send the respondents, who answer incorrectly, to the end of the survey.

## 4.2. RESEARCH FINDINGS

### 4.2.1. In-depth Interviews

#### *A. Motivations and objectives behind the implementation of the internal social responsibility area*

Susana Correia de Campos highlighted that through the implementation of this department, the JMG wanted to transmit to its employees that they are not simply numbers for the company, but instead people who contribute to the success of the business.

Susana and Vanessa Silva referred that the objectives behind the investment in a department focused on its employees are placed within two fields: the social – contribute to the improvement of the quality of life of its employees and respective families; and organisational – increase employees' engagement and commitment towards the company and, consequently, attain higher levels of organisational performance.

Vanessa mentioned the following information: *"We believe that caring about employees' well-being at the times when our help is much needed, we can achieve the return of having members more engaged and committed to the company."*

Besides that, the Group is aware of the fact that the personal difficulties of its employees can affect their working time, thus the company pretends to intervene in the areas where the State does not intervene or does so in an inefficiently way. In order to do that, JMG aims to help its employees to get through their most difficult times by developing and implementing internal initiatives within three strategic axes: *“Essentially, we want to make a difference in our employees’ lives through the implementation of initiatives divided by three pillars – Health, Education and Family Well-Being. We want to contribute not only to the employees’ engagement but also to their family’s engagement”*.

### ***B. Opinions from the managers about employees’ perceptions of internal social responsibility***

The area still does not have any metric to evaluate quantitatively the impact of its initiatives on employees but they are aware of the value that employees put on the actions taken by this area: *“We have a lot of practical cases who reveal the positive impact that our initiatives make on our employees’ lives and we recognize that this is contributing to the creation of a relationship with employees that goes beyond the functional level.”*

Moreover, she believes that the area still has a lot of work to do in order to have employees fully aware of the ISR area of JMG. She perceives that the majority of employees know the older programmes taken by the area but they do not fully realise the dimension of this department and all the initiatives and practices that the Group has been implementing. According to Susana, this is mainly due to the fact that there are not effective means of communication to reach employees who work at the stores. For these employees, it is more difficult for them to know and understand all the initiatives that exist.

Nevertheless, in Vanessa’s opinions, the area has so far yielded very positive results: *“Internally, we understand that both individuals who already had the opportunity to usufruct from the initiatives of the area and the individuals who still do not usufruct but are aware of their existence, consider them as very differentiated and makes the organisation special. Externally, we were able to understand in Forums in which we participated that what the company has been doing cannot be compared to what others’ employers do.”*

She mentioned that the company has the pioneer spirit behind the implementation of Human Resources Practices and Policies in Portugal; but, essentially, it is something present in

the ADN of the company and rooted in the culture and values of the Group, that is why it cannot be compared to other employers.

#### 4.2.2. Focus Group

##### *A. Employees' perceptions about the internal social responsibility concept*

The participants associate the concept of ISR to the following words: Well-being, support, stability, good conditions, education, training, incentives, motivation, encouragement, empowerment, investment, development, family welfare, and involvement.

In addition, two of the participants add their points of view:

One of them said that she believes that companies have the need and the obligation to provide employees with tools and support measures that enable them to carry out their tasks and perform their function in the best way, such as good conditions at work, education, and training. In addition, she said that the national conjecture of the country can affect the employees in certain aspects, such as economically. In this way, the ISR area can give a positive response to these type of shortage situations and help the employees in times of need. She also sustained that *"employees who are not feeling happy at their workplaces or are not motivated to fulfill their jobs, are employees who cannot perform their duties well."*




Another participant said that there is greater motivation and productivity in the workplace when employees perceive that the company in which they work is concerned about their well-being and is committed to giving them the opportunity to enjoy several services that they would not have the opportunity to enjoy otherwise.

When asked about their opinions of what lead organisations to engage in ISR practices, they all agreed that it is a way for firms to contribute to the improvement of employees' well-being. This way, employees will feel more motivated and engaged; and, consequently, they will show a greater performance and productivity in the workplace.

Additionally, one of the employees mentioned that she believes that there is a relation of reciprocity behind the ISR: *"There is a relation of exchange, in which the company provides certain tools or services that help the employee, and in turn, the worker feels the need to reciprocate that by putting more effort into his/her work"*.

### ***B. Employees' perceptions, knowledge, and evaluations of the internal social responsibility area of Jerónimo Martins Group***

The participants were asked to write down all the initiatives taken by the Group in order to evaluate their awareness and knowledge. Within the three strategic axes, the most mentioned initiatives were:

-  Health – SOS Dentist, Child and Juvenile Psychology Programme, Special Families, and “Protocolo Grupo Lusíadas Saúde”;
-  Education – Back to School, Summer Holiday Camps, and Scholarship;
-  Family Well-Being – Social Emergency Fund, Christmas Vouchers, Children’s Day, and Baby Kit.

Through the small questionnaire, it was possible to find that the majority of employees recognize all the initiatives after showing them the brochures. Only the more recent programme “Mais Vida” and “Protocolo Raríssimas” were highlighted as the ones that some employees still did not know.

Regarding the initiatives that employees are aware of and already usufruct from them – Back to School, Summer Holiday Camps, Scholarship, Baby Kit, Children’s Day, Christmas Voucher, SOS Dentist, “Protocolo Raríssimas” and Special Families – they are, in general, very satisfied with the programmes. Only the “SOS Dentist” was highlighted as the one that should be revised because the participants who already usufruct mentioned that the services are not meeting their real needs and/or the conditions are not the best.

Moreover, it was highlighted that the services, in specific, the ones related with the strategic axe “Health” are mainly offered only in Lisbon and Porto.

Only one of the participants still does not benefit from any of the initiatives but he is satisfied by what he hears from his co-workers. He mentioned that he is aware of the initiatives developed by the Group but still does not usufruct from any of the services because he has not needed them so far.

The main reasons that led the participants to usufruct from these programmes was mainly due to the facts that 1) they needed those services and they would not be able to use

them otherwise (Health), 2) it was a financial support (Education), and 3) they needed activities to occupy their children's holidays in a funny and secure way (Family Well-Being).

Concerning their evaluations towards the disclosure of these initiatives, the participants consider that they are well disclosed. However, two participants mentioned that they are not always fully aware of all the programmes and actions taken by the Group because in the stores in which they work the communication is not very efficient. It was mentioned the following: *“They advertise the initiatives in folders or in-store posters but few days after they remove them. They should keep them for more days in order to reach more employees and increase their awareness”*.

The participants also referred that they get to know the initiatives mainly through their personal emails, brochures, folders or in-store posters and word-of-mouth.

### 4.2.3. Survey

#### **A. Response Rate**

The survey was sent to 13.946 employees of JMG in Portugal, from which 3444 answers were attained obtaining a 24.7% response rate. In the end, 2152 valid responses were used in the analysis, as some surveys were not complete or did not correctly respond the attention question.

#### **B. Respondent's Profile**

Table 1 shows the profile of the sample respondents. From the total of 2152 employees, 69.1% are female and 30.9% are male. The 26-35 and 36-50 age groups constitute the largest fraction of the sample (44.2% and 39.1%, respectively). The majority of respondents have been working in the company for more than 10 years (44.2%). Concerning the location of workplace, there are two relevant geographic working areas: Lisbon (31.7%) and Porto (20.7%).

**Table 1 – Profile of the Respondents**

<b>Respondent's profile</b>	<b>Categories</b>	<b>Frequency (N = 2152)</b>	<b>Percent % (N = 2152)</b>
<b>Gender</b>	Male	666	30,9
	Female	1486	69,1
<b>Age</b>	Less than 18	1	0
	18-25	218	10,1
	26-35	841	39,1
	36-50	952	44,2
	More than 50	140	6,5
	<b>Organisational Tenure</b>	Less than 2 years	51
	2-5 years	388	18
	6-10 years	761	35,4
	More than 10 years	952	44,2
<b>Location of Workplace</b>	Viana do Castelo	30	1,4
	Bragança	11	0,5
	Vila Real	19	0,9
	Braga	130	6
	Porto	446	20,7
	Aveiro	137	6,4
	Viseu	76	3,5
	Guarda	18	0,8
	Coimbra	28	1,3
	Castelo Branco	35	1,6
	Leiria	105	4,9
	Santarém	104	4,8
	Portalegre	20	0,9
	Lisboa	682	31,7
	Setúbal	143	6,6
	Évora	42	2
	Beja	14	0,7
Faro	112	5,2	

### ***C. Factor Analysis***

A factor analysis was conducted to 1) reduce the number of items to a more manageable set, and 2) combine items to create new factors.

The study follows factor analysis guidelines as below.

1. KMO measure of sampling adequacy (MSA) with minimum value of 0.60;

2. Bartlett's test of sphericity was used to test the significance of correlations among all factors (p-value less than 0.05);
3. Communalities table will be used to find out the proportion of the variance explained by individual variable; ideally, above 0.5 for each item;
4. Factor with eigenvalues above 1 will be retaining.

A total of three factor analyses were performed: two for PISR scale and one for OC scale. The conceptualisation of the variables was taken into consideration. Reliability test were carried out after the factor analysis.

### **Correlation Analysis**

A correlation matrix<sup>21</sup> was produced before conducting the factor analysis to determine if the study variables were correlated. All independent variables need to have a correlation higher than 0.3. The table shows the correlation coefficients of all 37 variables in this study, which represents a considerable number of large correlations, indicating that factor analysis is appropriate to run.

### ***Factor Analysis of Perceived Internal Social Responsibility***

A factor analysis was done on the items of PISR scale. A principal component analysis with varimax rotation was used and seven factors have emerged as conceptualised. The data was appropriate for factor analysis since the KMO's value was 0.948. The Bartlett's Test of sphericity achieved a p-value of 0.000. The communalities of all items were above 0.5. The total variance explained by the seven factors was 68,294%.

In the first round of running the factor, item ISR46 ("In order to strengthen equality of opportunity, the company treats all employees equally, fairly and with respect.") and item ISR23 ("To ensure a good working environment, the company strives to remove psychological hazards from the workplace that contributes to stress and disease.") were found to have low loading values (below 0.5)<sup>22</sup>. Therefore, a reliability analysis was conducted to verify if the Cronbach's alpha of the factors workplace diversity and working environment would increase by deleting the mentioned items. By eliminating ISR46, the Cronbach's alpha of workplace

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<sup>21</sup> See Appendix 6

<sup>22</sup> See Appendix 7



diversity decreased from 0,890 to 0,879; and, by deleting the item ISR23 the Cronbach's alpha of working environment increased from 0,795 to 0,813<sup>23</sup>. Therefore, item ISR23 was dropped in the subsequent round.

In the second factor analysis, all conditions were satisfactory fulfilled<sup>24</sup>. All the remaining items had KMO value of 0,945 and significant Bartlett's test of sphericity (p-value of 0.000). The communalities of all items were above 0.5. The final solution includes 27 items and emerged seven common factors: workplace diversity, skills development, work-life balance, employment stability, empowerment, tangible employee involvement and working environment. The total variance explained by the seven factors was 68,877%.

### *Factor Analysis of Organisational Commitment*

A factor analysis was done on the items of OC<sup>25</sup>. A principal component analysis with varimax rotation was used and two factors were loaded as conceptualised. The data was appropriate for factor analysis since the KMO's value was 0,914. The Bartlett's Test of sphericity achieved a p-value of 0.000. The total variance explained by the two factors was 68,789%. The solution includes 9 items and an investigation on the loaded items revealed that the first factor is affective commitment (AC) and the second factor is normative commitment (NC).

#### ***D. Reliability Analysis***

The items that represent each factor were subjected to reliability analysis in order to ensure that the measures of the variables have internal stability and consistency. Reliability was measured in this study using Cronbach's alpha coefficients.

Table 2 provides the values of Cronbach's alpha for all the dimensions this study. It can be seen that these values exceed the minimum of 0.70, thus it can be concluded that the measures have an acceptable level of reliability.

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<sup>23</sup> See Appendix 8

<sup>24</sup> See Appendix 9

<sup>25</sup> Appendix 10

**Table 2 – Number of items and Cronbach Alpha**

	Number of items	Cronbach alpha
<b>PISR scale</b>		
Workplace diversity	7	0,89
Skills development	5	0,887
Work-life balance	4	0,862
Employment stability	4	0,717
Empowerment	3	0,811
Tangible employee involvement	2	0,766
Working environment	2	0,813
<b>OC scale</b>		
Affective commitment	5	0,904
Normative commitment	4	0,791

### *E. Means and Standard Deviations of Study Variable*

In this study, a five-point Likert scale was used to indicate the level of responses to all items, ranging from 1 – strongly disagree to 5 – strongly agree.

Al-bdour et al. (2010) categorised means values of less than 2.00 as ‘low’, mean values between 2.0 and less than 3.50 as ‘moderate’ and mean values of 3.5 or higher as ‘high’ level of responses.

The standard deviation measures the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation.

### *Perceived Internal Social Responsibility*

The following table presents means and standard deviations for the seven PISR dimensions. Taking into consideration the scale from 1 to 5, the values presented show that the JMG focuses the most on the tangible employee involvement, followed by empowerment, working environment, workplace diversity, employment stability, skills development and work-life balance. This means that, on average, the company adopts internal CSR practices (mean = 3.39, std. deviation = 0.94).

**Table 3 – Descriptive Statistics of Perceived Internal Social Responsibility Scale**

	<b>Mean</b>	<b>Std. Deviation</b>
Workplace diversity	3,42	0,90
Skills development	3,25	0,97
Work-life balance	2,94	1,06
Employment stability	3,36	0,99
Empowerment	3,63	0,77
Tangible employee involvement	3,68	0,94
Working environment	3,47	0,95
<b>Total</b>	<b>3,39</b>	<b>0,94</b>

### *Organisational Commitment*

Table 4 shows mean and standard deviation for the OC dimensions. The values indicate that, on average, company’s employees have high commitment within the Group (mean = 3.60, std. deviation = 0.88).

**Table 4 – Descriptive Statistics of Organisational Commitment Scale**

	<b>Mean</b>	<b>Std. Deviation</b>
Affective commitment	3,87	0,81
Normative commitment	3,34	0,94
<b>Total</b>	<b>3,60</b>	<b>0,88</b>

### *F. Multiple Regression Analysis*

In this study, two multiple regression analysis (MRA) are used to understand the nature of the relationship between each dependent variable – affective commitment and normative commitment - and several independent variables (workplace diversity, skills development, work-life balance, employment stability, empowerment, tangible employee involvement and working environment). In addition, the MRA is used to predict possible interactions among the variables.

First, it was checked whether there is a linear relationship between the independent variables and the dependent variable in the multiple regression models<sup>26</sup>. The scatter plots indicate a good linear relationship between the variables in study.

After conducting the regression analysis, some assumptions were checked:

- Error term is normally distributed<sup>27</sup>;
- Mean of error term is zero<sup>28</sup>;
- Variance of error terms is independent of each other<sup>29</sup>;
- Error terms are independent of each other<sup>30</sup>.

### *The Relationship between Perceived Internal Social Responsibility and Affective Commitment*

A multiple regression analysis test was carried out in order to determine the relationship between PISR dimensions and AC.

The results reveal that the PISR, consisting of seven dimensions, could explain 0.253 the variance of AC ( $R^2 = 0.253$ ). This value seems to be low but there is an explanation for that: human behaviour is relatively unpredictable and, therefore, the R-squared values tend to be less than 50%. By looking at the ANOVA table, it is possible to conclude that the model is significant ( $p$  value = 0,000).

All PISR dimensions have positive and significant association with AC: workplace diversity ( $\beta = 0.139$ ,  $p < 0.01$ ); skills development ( $\beta = 0.241$ ,  $p < 0.01$ ); work-life balance ( $\beta = 0.194$ ,  $p < 0.01$ ); employment stability ( $\beta = 0.181$ ,  $p < 0.01$ ); empowerment ( $\beta = 0.168$ ,  $p < 0.01$ ); working environment ( $\beta = 0.211$ ,  $p < 0.01$ ) and tangible employee involvement ( $\beta = 0.180$ ,  $p < 0.01$ ).

The multicollinearity was evaluated through the Tolerance and VIF. The obtained values do not suggested multicollinearity.

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<sup>26</sup> See Appendix 11

<sup>27</sup> See Appendix 12

<sup>28</sup> See Appendix 12

<sup>29</sup> See Appendix 13

<sup>30</sup> See Appendix 14

**Table 5 – Multiple Regression Analysis: The Relationship between Internal CSR and Affective Commitment**

Variables	Standardized Beta	t	Sig
Workplace diversity	0,139	7,47	0,000
Skills development	0,241	12,921	0,000
Work-life balance	0,194	10,37	0,000
Employment stability	0,181	9,693	0,000
Empowerment	0,168	9,018	0,000
Working environment	0,211	11,281	0,000
Tangible employee involvement	0,18	9,625	0,000
<b>R<sup>2</sup></b>	0,253		
<b>Adjusted R<sup>2</sup></b>	0,25		
<b>F</b>	103,636		
<b>df</b>	2151		
<b>Sig</b>	0,000		

### *The Relationship between Perceived Internal Social Responsibility and Normative Commitment*

A multiple regression analysis test was carried out in order to determine the relationship between PISR dimensions and NC.

The results reveal that the PISR, consisting of seven dimensions, could explain 0.212 the variance of NC ( $R^2 = 0.214$ ). Again, the R-squared value is less than 50%, however, this does not invalidate the results. The model is significant as  $p$  value = 0,000.

All PISR dimensions have positive and significant association with NC: workplace diversity ( $\beta = 0.147$ ,  $p < 0.01$ ); skills development ( $\beta = 0.247$ ,  $p < 0.01$ ); work-life balance ( $\beta = 0.216$ ,  $p < 0.01$ ); employment stability ( $\beta = 0.239$ ,  $p < 0.01$ ); empowerment ( $\beta = 0.106$ ,  $p < 0.01$ ); working environment ( $\beta = 0.078$ ,  $p < 0.01$ ) and tangible employee involvement ( $\beta = 0.102$ ,  $p < 0.01$ ).

The multicollinearity was evaluated through the Tolerance and VIF. The obtained values do not suggested multicollinearity.

**Table 6 – Multiple Regression Analysis: The Relationship between Internal CSR and Normative Commitment**

<b>Variables</b>	<b>Standardized Beta</b>	<b>t</b>	<b>Sig</b>
Workplace diversity	0,147	7,676	0,000
Skills development	0,247	12,875	0,000
Work-life balance	0,216	11,288	0,000
Employment stability	0,239	12,482	0,000
Empowerment	0,106	5,535	0,000
Working environment	0,078	4,067	0,000
Tangible employee involvement	0,102	5,325	0,000
<b>R<sup>2</sup></b>	0,214		
<b>Adjusted R<sup>2</sup></b>	0,211		
<b>F</b>	83,35		
<b>df</b>	2151		
<b>Sig</b>	0,000		

## 5. Conclusions

### 5.1. WRAP-UP

The main purpose of this thesis was to assess JMG employees' perceptions of ISR, aiming to evaluate whether the internal practices of the company are contributing to an increase of organisational commitment.

To answer that, three research questions were presented. The following answers were based on concepts and theory from the Literature Review, insights from the Case Study and primary data gathered in the Market Research.

#### **KRQ1: What are the motives and objectives behind ISR of JMG?**

The JMG believes that employees are a valuable asset to the company. Thus, the greatest **motivation** behind the investment in internal practices is the need to transmit to this group of stakeholders that they are not simply numbers but instead important people who contribute to the success of the business.

In fact, as sustained by (Mitchell et al., 1997), employees are one of the most important stakeholder group whose interests must be taken into account because they have high power, urgency and legitimacy to influence the organisation. It is, therefore, important to spread this message within the company in order to obtain benefits and contribute to the wealth of the organisation.

Furthermore, companies tend to invest in the internal dimension of CSR because it gives them competitive advantage in the business environment by creating shared value between employees and organisation and seeking win-win outcomes (Carroll and Shabana, 2010).

The main **objectives** of the JMG behind the ISR area are in line with that, that is, their objectives are focused on bringing benefits to employees and organisation: *“We believe that caring about employees' well-being (...), we can achieve the return of having employees more engaged and committed to the company”*. The company is committed to providing benefits to its employees, by taking care of their well-being and improving their quality of life. Moreover, the Group intends to increase the commitment of its employees in order to attain higher levels of organisational performance, contributing therefore to the wealth of the company.

## KRQ2: What are the perceptions of JMG employees towards ISR?

First of all, it was important to assess **employees' overall perceptions of ISR** because as Barnett (2007) sustains, meeting employees' needs and expectations will lead to an improvement of job attitudes but only to the extension to which this group of stakeholders perceive and evaluate the company's actions. The JMG employees perceive that organisations should ensure their well-being and provide tools and support measures that enable them to carry out their tasks and fulfil their jobs.

Moreover, they associate the ISR concept to a group of words, such as well-being, support, stability, good conditions, education, training, incentives, motivation, encouragement, empowerment, investment, development, family welfare and involvement. This can be summarised into the seven dimensions that constitute relevant measures of internal CSR for the European Commission (2011): employment stability, a positive working environment, skills development, workplace diversity, work-life balance, tangible employee involvement and empowerment.

Furthermore, the employees feel a sense of obligation to reciprocate the help and support they get from the company by putting more effort into their work: *“There is a relation of exchange, in which the company provide certain tools or services that help the employee, and in turn, the worker feels the need to reciprocate that by putting more effort into his/her work”*.

This can be explained with the social exchange theory, which it helps to clarify the effects of internal CSR practices on employees. By supporting employees' well-being through internal actions, organisations are incurring in voluntary actions that provide benefits to employees. Therefore, this group of stakeholders may feel a sense of obligation to reciprocate these actions Farooq et al. (2014).

Concerning the **ISR department “POR NÓS Jerónimo Martins”**, the employees are, in general, satisfied with the initiatives and actions developed by the company. In their opinion, those practices are contributing to the increase of their motivation and engagement with the organisation, in special, the initiatives developed within the Health pillar.



However, there are some aspects that the JMG needs to take into account. First, the Group should revise the Health strategic axe, in specific, the “SOS Dentist” programme. There are some complaints regarding the services providers and the services offered. This is something that the Group should take into consideration as it is an area in which the company invests a significant amount of money, as stated in the case study.

Another aspect highlighted was the geographic area in which the programmes and initiatives are offered. The employees perceive that not everyone has the same opportunities to usufruct from those services because most of them are only offered in the metropolitan areas of Portugal (Lisbon and Porto).

In general, employees are aware of the initiatives developed by the Group within the Health, Education and Well-being strategic axes. Nevertheless, there are other internal aspects pointed out by employees that should be controlled in order to manage better their real needs and expectations and, consequently, bring benefits to the company.

### **KRQ3: What is the relationship between employees’ perceptions of ISR and OC?**

The findings of this research suggest that all dimensions of ISR are significantly and positively related to employees’ affective and normative commitment. Therefore, this is aligned with past literature, which sustains that positive perceptions of organisation’s internal practices have a positive relationship with employee commitment (Peterson, 2004; Brammer et al., 2007; Turker, 2009b). A possible explanation for these results is that individuals come to organisations with some needs and expectations that they expect to fulfil; if a company provides these opportunities to its members, it can be predicted a stronger commitment of employees because they perceive that the organisation in which they work is concerned about their well-being (Mowday et al., 1982).

Moreover, in this study, it was found that internal CSR is a relevant concept for enhancing an employee’s AC, whilst having lower effects on NC. This is aligned with previous researchers, in which it was proven that social responsibility initiatives on the part of the company increase employees’ organisational commitment, especially the affective one (e.g. Brammer et al., 2007).

In more detail, concerning the **affective commitment**, the results of this study reveal that skills development and working environment have the highest contribution to the increase of employees' emotional attachment to the organisation. This emphasises the importance that the Group should place on giving employees opportunities to build up their skills and capabilities and contributing to further education and promotion within the company. Furthermore, the findings of this research indicate that maintaining a healthy and safe working environment are more likely to display employee's AC. There are other factors related to employees' affective needs showing further high coefficients, namely, working environment, work-life balance, employment stability, tangible employee involvement, empowerment, and workplace diversity. Accordingly, JMG should also pay particular attention to these factors.

Regarding **normative commitment**, skills development and employment stability are the factors calling for more attention from the company. This means that the investment in training employees and supporting their education as well as the efforts to provide its members with secure jobs have the highest contribution to the increase of employees' feeling of moral obligation to the organisation. In other words, employees might develop an obligation to reciprocate by continuing to remain and contribute to the organisation. Therefore, the company should pay special attention to these factors. There are other factors related to employees' NC, showing further high coefficients, namely, work-life balance, workplace diversity, empowerment and tangible employee involvement. However, working environment surprisingly seems to have a lower contribution to NC according to its coefficient, although being significant. It rather predicts higher AC - employees who perceive a work environment adequate, safe, and healthy will become more affective committed to the organisation - not having a great contribution to NC.

## **5.2. THE GRAND FINALE**

Finally, in response to the research problem, there is a positive impact of JMG internal practices on employees' organisation commitment, based on SET. This imply that SET is an appropriate theory that explains the reciprocity relationship between internal practices and employee's attitude, namely, employee commitment.

Through the internal practices within the area “POR NÓS Jerónimo Martins”, and the Group’s concern with other internal dimensions - employment stability, workplace diversity, skills development, working environment, work-life balance, tangible employee involvement, and empowerment - JMG can expect the return of having employees more committed to the organisation.

Skills development was found to have the highest contribution to both affective and normative commitment, thus JMG should pay special attention to this factor.

## 6. Limitations and Future Research

Although this study provides some evidence in support of the research questions and gathered relevant information for the development of the case study, there are some limitations to be considered. First, the ISR coordinator of JMG and a Social Responsibility Specialist were present on the focus group session. This might have led participants to fear for negative consequence of truthful answers and/or opinions. Second, the survey intended to assess employees' perceptions of ISR in respect of the JMG. However, as sustained by Vanessa Silva - Head of Corporate Culture - some of the respondents might not be fully aware of all of the internal CSR practices within the company, thus some might have given inaccurate responses. Third, another limitation is the simplicity of the model. In the beginning, my objective was to understand the relationship between employees' perceptions of ISR and OC, using job satisfaction as a mediating variable. However, due to lack of space, it was decided to study only two constructs.

For future research, it would be relevant to study the employees' perceptions of internal CSR among employees with different organisational tenures in order to assess if there are pertinent differences between new employees and employees with more years in the company. Moreover, I would recommend using job satisfaction as a mediating variable in the mentioned relationship. Based on past literature review, job satisfaction constitutes an important indicator of employees' relationship with the organisations (Locke, 1976). Furthermore, satisfying employees' needs and expectations will lead to improved job attitudes but, as sustained by Tuzzolino and Armandi (1981), this effect is mediated through the well-being of employees. According to Clark et al (1997), "the concept of well-being at work is better known as job satisfaction" (p. 97).

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## 8. Appendices

### 8.1. Appendix 1 – Social Exchange Theory and Internal Social Responsibility

<b>Love</b>	<b>Employment stability</b>	Employment stability refers to the extent to which the company provides and secures stable jobs for its employees. Regarding the social exchange theory, this dimension can be assigned to the source 'love', as the company provides support, comfort, and stability to the employees by ensuring secure jobs.
<b>Services</b>	<b>Skills development</b>	Skills development is associated to the extent to which the employees are promoted through the organisation. Drawing upon social exchange theory, the training and further education given by the organisation is a service contributing for the development of employees' skills.
	<b>Workplace diversity</b>	Workplace diversity refers to the prevention of social discrimination against minorities and marginalised groups in the organisational context. Applied to the resource of social exchange theory, it can be seen as a service delivered by the company that contributes to the existence of workplace diversity.
	<b>Work-life balance</b>	Work-life balance is linked to the organisations' efforts in ensuring a good balance between employees' social and leisure time and work time. Comparable to the resource of social exchange theory, it can be seen as a service from the organisation which reflects efforts to provide employees with a good balance between their private life and work.

<b>Goods</b>	<b>Working environment (health and safety)</b>	Working environment refers to the issues of health and safety at work. Organisations mainly use ‘goods’ as resources for obtaining a working environment that meets employees’ needs.
<b>Money</b>	<b>Tangible employee involvement</b>	Tangible employee involvement refers to the tangible or financial involvement of the employee by the organisation. As sustained by Foa and Foa (1975), a tangible involvement of an organization’s member can be assigned to the resource ‘money’.
<b>Information</b>  <b>Status</b>	<b>Employees' empowerment</b>	Empowerment is associated with the autonomy of employees in the organisation and the correction of tasks and goals. This is a relevant aspect of internal CSR because the involvement of employees in the decision-making process leads these members of the organisation to perceive that they are valued and trusted.

## 8.2. Appendix 2 – Interview Script

### Past

1. What year was the Internal Social Responsibility area created?
2. Who was the primarily responsible for the creation of this department?
3. What motivated this person to create this department? Is there any interesting fact/story behind it?
4. What were the main goals behind the implementation of a department focused on the company’s employees?

### Present

5. What are the goals of the company behind the implementation of the internal practices and initiatives for its employees?
6. Has the company goals been met? In which way?

7. Do you consider that the employees of the company have a good perception of the internal social responsibility area of Jerónimo Martins? Why?
8. Since the implementation of this department and the respective initiatives, has the company been verifying improvement on employees' satisfaction?
9. Does the company take into consideration the employees' opinions before the implementation of the internal practices/initiatives/policies? In which way?
10. How the company evaluate the employees' satisfaction about the internal practices?
11. What are the main challenges of this department?

### Future

12. What are the goals and/or ideas for the future? How does the company plan to reach them?
13. What are the challenges that the company must take into account in the development of those new ideas?

## 8.3. Appendix 3 – Focus Group Script

### Warm-up (5 minutes)

- Purpose of focus group: Ask participants permission to record the session by informing them that the answers are going to be treated anonymously.
- Ground rules:
  - The moderator will guide the discussion;
  - Only one person should talk at a time;
  - There are no right or wrong answers therefore no one should be afraid of giving their own opinion.
- Presentation of the participants (get-acquainted period).

### Discussion

#### Phase 1: Employees' perceptions about Internal Social Responsibility

##### 1. With regard to the topic "Internal Social Responsibility":

- 1.1. What does Internal Social Responsibility mean to you? Which words do you associate to this topic?

2. Please, refer a set of activities/initiatives/actions that you associate to Internal Social Responsibility.
3. In your opinion, what are the motives that led companies to invest in Internal Social Responsibility practices?
4. What does it mean to you the following term: employees' commitment to organisation?

## Phase 2: Employees' perceptions about Jerónimo Martins Group's Internal Social Responsibility

1. With regard to the Jerónimo Martins Group: Are you aware about JMG Internal Social Responsibility practices/initiatives?
  - 1.1. If yes, please write down the initiatives that you remember.
2. Next, I will show the brochures of the initiatives implemented by the Jerónimo Martins Group (one by one). In the small questionnaire that is being distributed to you now, I kindly ask you to put an 'X' in the:
  - 2.1. Initiatives that you are not aware of their existence (1st column).
  - 2.2. Initiatives that you aware of their existence, and already had the opportunity to usufruct or benefited from them (2<sup>nd</sup> column).
    - 2.2.1. What was the reason that led you to benefit from these initiatives?
    - 2.2.2. How satisfied are you with these actions on a scale from 1-5?
  - 2.3. Initiatives that you are aware of their existence, but still do not usufruct or benefited from them (3<sup>rd</sup> column).
    - 2.3.1. Is there any reason for this?
      - Did not meet employees' needs
      - Vacancies were quickly filled
      - Other \_\_\_\_\_
    - 2.3.2. How did you hear about these internal practices?
  - 2.4. Do you consider that the internal initiatives of the Jerónimo Martins Group are well communicated within the organisation?
  - 2.5. Of the initiatives you have already participated in, do you consider that any adjustment should be made? If yes, what adjustment(s)?
  - 2.6. Do you have any suggestions for future initiatives / programs / actions that the Jerónimo Martins Group could implement?

**3. On a scale from 1-5, to what extent do these initiatives influence your commitment to the company?**

3.1. What are the strategic axes (Health, Education, Family Well-Being) having the greatest impact on your commitment to the organisation?

**8.4. Appendix 4 – Questionnaire (Focus Group)**

Internal Social Responsibility: “POR NÓS Jerónimo Martins”	I am aware of the existence of these initiatives	I am aware of the existence of these initiatives and already usufruct or benefited from them	I am aware of the existence of these initiatives but still do not usufruct or benefited from them
<b>HEALTH</b>			
More Life			
“Protocolo Grupo Lusíadas Saúde”			
SOS Dentist			
SOS Junior Dentist			
“Protocolo Raríssimas”			
Child and Juvenile Psychology Programme			
Special Families			
<b>EDUCATION</b>			
Summer Holiday Camps			
Back to School			
Scholarship			
<b>FAMILY WELL-BEING</b>			
FES – Social Emergency Fund			
Baby Kit			
Children’s Day			
Christmas Vouchers			

## 8.5. Appendix 5 – Survey

Dear participant,

Firstly, I would like to thank you for taking this survey.

My name is Daniela Figueiredo and I am developing my Master Thesis at Católica Lisbon School of Business and Economics in collaboration with Jerónimo Martins.

The goal of this survey is to understand your perception about internal social responsibility practices and evaluate your organisational commitment as an employee of the Jerónimo Martins Group.

Your cooperation is crucial for the development of my work, so please answer truthfully to the following questions. It will not take more than 15 minutes of your time, and the received information will be treated anonymously and confidentially.

### **A: Internal Social Responsibility**

#### **1. Employment stability**

- 1.1. Employment with the company is guaranteed.
- 1.2. The company is committed to the goal of long-term employment stability for the employees.
- 1.3. If the company was facing economic problems, employee downsizing and layoffs would be the last option used.
- 1.4. Overall, the company provides employees with employment stability.

#### **2. Working environment (health and safety at work)**

- 2.1. Our organisation provide a safe and healthy working environment for the employees.
- 2.3. The company analyses and monitors the health and safety risks that are associated with its activities, in order to create a positive working environment.
- 2.4. To ensure a positive working environment, the company strives to remove psychological hazards from the workplace that contributes to stress and disease.

#### **3. Skills development**



- 3.1. The company trains and supports employees on skills that prepare them for future jobs and career development.
- 3.2. The company supports employees by providing them with enough time to learn new skills.
- 3.3. The company uses different learning tools and methods for the further development of the employees.
- 3.4. Through career counselling and assistance with career planning the company supports employees in a targeted way.
- 3.5. Overall, the company encourages employees at every stage of their professional experience by providing access to vocational training and education.

#### **4. Workplace diversity**

- 4.1. To ensure all employees the same opportunities, in the company there are anti-discrimination policies towards issues of gender.
- 4.2. To ensure all employees the same opportunities, in the company there are anti-discrimination policies towards issues of pregnancy.
- 4.3. To ensure all employees the same opportunities, in the company there are anti-discrimination policies towards issues of marital status.
- 4.4. To ensure all employees the same opportunities, in the company there are anti-discrimination policies towards issues of disability (physical and mental).
- 4.5. To ensure all employees the same opportunities, in the company there are anti-discrimination policies towards issues of ethnic minorities.
- 4.6. In order to strengthen equality of opportunity, the company treats all employees equally, fairly and with respect.
- 4.7. Overall, the company gives all employees (regardless of gender, ethnicity, etc.) the same chances and opportunities and therefore enhances equality of opportunity.

#### **5. Work-life balance**

- 5.1. With regards to a good balance between work and private life, the company offers all parents attractive programmes (e.g. child care facilities).
- 5.2. To ensure a good balance between work and private life, the company offers its employees flexible working time options.
- 5.3. The demands of the company do not interfere with the free time of the employees or their family life.
- 5.4. Overall, the company is working hard to provide a good balance between work and private life for the employees.

<b>6. Tangible employee involvement</b>
6.1. The company stands for partly rewarding employees through performance-related bonuses. 6.2. Overall, the company shares its success through involving the employees materially in some manner. 6.3. Please, select 'Agree'. This is an attention check question.
<b>7. Empowerment</b>
7.1. The company empowers the employees to determine their own ways of working independently within the agreed boundaries 7.2. The company provides employees with a degree of autonomy with regards to the independent performance of tasks. 7.3. Overall, the employees of the company have personal and independent responsibility in their tasks.
<i>Please use this box to provide any additional comments with regard to the internal social responsibility practices of the company.</i>
<b>B: Organisational Commitment</b>
<b>8. Affective organisational commitment</b>
8.1. I feel like 'part of the family' at the company. 8.2. The company has a great deal of personal meaning for me. 8.3. I am very happy being a member of this organisation. 8.4. I am proud to say I work for the company. 8.5. Overall, I feel 'emotionally attached' to the company.
<b>9. Normative organisational commitment</b>
9.1. I think that I owe the company quite a bit because of what it has done for me. 9.2. The company deserves my loyalty and faithfulness because of its good treatment towards me. 9.3. I feel I would be letting my co-workers down if I was not a member of this organisation. 9.4. After all that the company has done for me, I feel obligated to remain in this organisation.
<i>Please use this box to provide any additional comments with regard to your organisational commitment.</i>
<b>Gender</b> <input type="radio"/> Male <input type="radio"/> Female
<b>Age</b>

- Less than 18
- 18-25
- 26-35
- 36-50
- More than 50

**How long have you been working for this company?**

- Less than 2 years
- 2-5 year
- 6-10 years
- More than 10 years

**Geographic location of workplace**

- Viana do Castelo
- Bragança
- Vila Real
- Braga
- Porto
- Aveiro
- Viseu
- Guarda
- Coimbra
- Castelo Branco
- Leiria
- Santarém
- Portalegre
- Lisboa
- Setúbal
- Évora
- Beja
- Faro

**Thank you for your time and honest feedback.**

**Have a nice day!**

## 8.6. Appendix 6 - Correlation Matrix of PISR scale and OC scale

	ISR11	ISR12	ISR13	ISR14	ISR21	ISR22	ISR23	ISR31	ISR32	ISR33	ISR34	ISR35	ISR41	ISR42	ISR43	ISR44	ISR45	ISR46	ISR47	ISR51	ISR52	ISR53	ISR54	ISR61	ISR71	ISR72	
ISR11	1,000	0,430	0,249	0,390	0,211	0,191	0,262	0,159	0,224	0,174	0,264	0,209	0,170	0,170	0,178	0,114	0,170	0,182	0,187	0,147	0,161	0,238	0,189	0,126	0,163	0,157	0,141
ISR12	0,430	1,000	0,363	0,569	0,371	0,374	0,367	0,318	0,359	0,309	0,299	0,336	0,303	0,299	0,310	0,290	0,287	0,371	0,343	0,268	0,259	0,267	0,313	0,269	0,291	0,280	0,283
ISR13	0,249	0,363	1,000	0,415	0,272	0,267	0,369	0,248	0,286	0,224	0,295	0,256	0,179	0,195	0,190	0,196	0,197	0,282	0,237	0,246	0,224	0,302	0,301	0,230	0,245	0,212	0,230
ISR14	0,390	0,569	0,415	1,000	0,470	0,422	0,444	0,376	0,429	0,371	0,393	0,406	0,335	0,309	0,339	0,314	0,299	0,419	0,390	0,336	0,328	0,355	0,403	0,332	0,367	0,314	0,308
ISR21	0,211	0,371	0,272	0,470	1,000	0,684	0,494	0,436	0,458	0,450	0,411	0,437	0,385	0,330	0,342	0,329	0,305	0,468	0,415	0,352	0,344	0,358	0,414	0,366	0,368	0,313	0,343
ISR22	0,191	0,374	0,267	0,422	0,684	1,000	0,526	0,457	0,475	0,469	0,449	0,462	0,392	0,356	0,363	0,356	0,344	0,452	0,431	0,343	0,335	0,338	0,409	0,354	0,362	0,330	0,319
ISR23	0,262	0,367	0,369	0,444	0,494	0,526	1,000	0,434	0,498	0,435	0,529	0,473	0,348	0,344	0,319	0,359	0,324	0,476	0,415	0,417	0,431	0,464	0,505	0,292	0,317	0,314	0,322
ISR31	0,159	0,318	0,248	0,376	0,436	0,457	0,434	1,000	0,629	0,637	0,562	0,633	0,382	0,317	0,354	0,344	0,293	0,478	0,488	0,322	0,330	0,316	0,382	0,396	0,416	0,305	0,309
ISR32	0,224	0,359	0,286	0,429	0,458	0,475	0,498	0,629	1,000	0,646	0,601	0,609	0,378	0,337	0,359	0,365	0,308	0,490	0,474	0,403	0,423	0,425	0,500	0,387	0,392	0,328	0,336
ISR33	0,174	0,309	0,224	0,371	0,450	0,469	0,435	0,637	0,646	1,000	0,577	0,598	0,383	0,365	0,387	0,368	0,357	0,453	0,451	0,390	0,366	0,359	0,445	0,404	0,422	0,331	0,327
ISR34	0,264	0,299	0,295	0,393	0,411	0,449	0,529	0,562	0,601	0,577	1,000	0,641	0,363	0,336	0,310	0,332	0,314	0,471	0,477	0,386	0,406	0,449	0,473	0,328	0,373	0,312	0,312
ISR35	0,209	0,336	0,256	0,406	0,437	0,462	0,473	0,633	0,609	0,598	0,641	1,000	0,413	0,364	0,392	0,349	0,323	0,507	0,501	0,370	0,395	0,379	0,455	0,374	0,406	0,327	0,326
ISR41	0,170	0,303	0,179	0,335	0,385	0,392	0,348	0,382	0,378	0,383	0,363	0,413	1,000	0,604	0,589	0,511	0,525	0,530	0,551	0,310	0,348	0,289	0,380	0,319	0,347	0,355	0,340
ISR42	0,170	0,299	0,195	0,309	0,330	0,356	0,344	0,317	0,337	0,365	0,336	0,364	0,604	1,000	0,673	0,554	0,594	0,470	0,476	0,337	0,333	0,282	0,361	0,297	0,307	0,357	0,321
ISR43	0,178	0,310	0,190	0,339	0,342	0,363	0,319	0,354	0,359	0,387	0,310	0,392	0,589	0,673	1,000	0,579	0,627	0,475	0,475	0,325	0,344	0,296	0,361	0,324	0,337	0,341	0,324
ISR44	0,114	0,290	0,196	0,314	0,329	0,356	0,359	0,344	0,365	0,368	0,332	0,349	0,511	0,554	0,579	1,000	0,659	0,477	0,463	0,333	0,338	0,276	0,367	0,285	0,306	0,374	0,322
ISR45	0,170	0,287	0,197	0,299	0,305	0,344	0,324	0,293	0,308	0,357	0,314	0,323	0,525	0,594	0,627	0,659	1,000	0,421	0,444	0,295	0,287	0,235	0,302	0,264	0,277	0,337	0,297
ISR46	0,182	0,371	0,282	0,419	0,468	0,452	0,476	0,478	0,490	0,453	0,471	0,507	0,530	0,470	0,475	0,477	0,421	1,000	0,709	0,422	0,422	0,414	0,501	0,393	0,406	0,379	0,401
ISR47	0,187	0,343	0,237	0,390	0,415	0,431	0,415	0,488	0,474	0,451	0,477	0,501	0,551	0,476	0,475	0,463	0,444	0,709	1,000	0,396	0,400	0,364	0,450	0,380	0,366	0,370	0,355
ISR51	0,147	0,268	0,246	0,336	0,352	0,343	0,417	0,322	0,403	0,390	0,386	0,370	0,310	0,337	0,325	0,333	0,295	0,422	0,396	1,000	0,636	0,500	0,581	0,353	0,317	0,310	0,320
ISR52	0,161	0,259	0,224	0,328	0,344	0,335	0,431	0,330	0,423	0,366	0,406	0,395	0,348	0,333	0,344	0,338	0,287	0,422	0,400	0,636	1,000	0,573	0,666	0,303	0,299	0,334	0,322
ISR53	0,238	0,267	0,302	0,355	0,358	0,338	0,464	0,316	0,425	0,359	0,449	0,379	0,289	0,282	0,296	0,276	0,235	0,414	0,364	0,500	0,573	1,000	0,708	0,279	0,297	0,292	0,288
ISR54	0,189	0,313	0,301	0,403	0,414	0,409	0,505	0,382	0,500	0,445	0,473	0,455	0,380	0,361	0,361	0,367	0,302	0,501	0,450	0,581	0,666	0,708	1,000	0,361	0,383	0,371	0,370
ISR61	0,126	0,269	0,230	0,332	0,366	0,354	0,292	0,396	0,387	0,404	0,328	0,374	0,319	0,297	0,324	0,285	0,264	0,393	0,380	0,353	0,303	0,279	0,361	1,000	0,621	0,276	0,290
ISR62	0,163	0,291	0,245	0,367	0,368	0,362	0,317	0,416	0,392	0,422	0,373	0,406	0,347	0,307	0,337	0,306	0,277	0,406	0,366	0,317	0,299	0,297	0,383	0,621	1,000	0,317	0,304
ISR71	0,157	0,280	0,212	0,314	0,313	0,330	0,314	0,305	0,328	0,331	0,312	0,327	0,355	0,357	0,341	0,374	0,337	0,379	0,370	0,310	0,334	0,292	0,371	0,276	0,317	1,000	0,649
ISR72	0,141	0,283	0,230	0,308	0,343	0,319	0,322	0,309	0,336	0,327	0,312	0,326	0,340	0,321	0,324	0,322	0,297	0,401	0,355	0,320	0,322	0,288	0,370	0,290	0,304	0,649	1,000
ISR73	0,112	0,217	0,163	0,231	0,268	0,256	0,271	0,253	0,294	0,274	0,255	0,270	0,264	0,271	0,277	0,294	0,263	0,326	0,270	0,258	0,260	0,254	0,320	0,238	0,263	0,509	0,607

	OC11	OC12	OC13	OC14	OC15	OC21	OC22	OC23	OC24
OC11	1,000	0,550	0,572	0,544	0,531	0,401	0,510	0,342	0,450
OC12	0,55	1,000	0,692	0,686	0,742	0,470	0,529	0,310	0,500
OC13	0,572	0,692	1,000	0,818	0,704	0,504	0,585	0,302	0,554
OC14	0,544	0,686	0,818	1,000	0,738	0,496	0,589	0,298	0,552
OC15	0,531	0,742	0,704	0,738	1,000	0,470	0,541	0,336	0,497
OC21	0,401	0,410	0,504	0,496	0,470	1,000	0,613	0,328	0,628
OC22	0,51	0,529	0,585	0,589	0,541	0,613	1,000	0,325	0,657
OC23	0,342	0,310	0,302	0,298	0,336	0,328	0,325	1,000	0,391
OC24	0,45	0,500	0,554	0,552	0,497	0,628	0,657	0,391	1,000

## 8.7. Appendix 7 - 1º Factor Analysis of PISR Scale: Extracting factors

Rotated Component Matrix <sup>a</sup>								
	Component							
	1	2	3	4	5	6	7	
ISR45	<b>,794</b>	,117	,084	,126	,120	,078	,032	
ISR43	<b>,786</b>	,155	,136	,123	,111	,061	,129	
ISR42	<b>,779</b>	,137	,153	,112	,122	,074	,078	
ISR44	<b>,734</b>	,156	,158	,069	,164	,115	,056	
ISR41	<b>,700</b>	,225	,135	,088	,124	,147	,122	
ISR47	<b>,509</b>	,405	,234	,118	,129	,171	,151	
ISR46	<b>,463</b>	,364	,289	,141	,180	,244	,175	

ISR31	,191	<b>,765</b>	,082	,099	,113	,168	,200
ISR35	,227	<b>,739</b>	,191	,150	,117	,130	,122
ISR33	,228	<b>,719</b>	,167	,080	,131	,153	,190
ISR34	,163	<b>,717</b>	,285	,203	,103	,112	,026
ISR32	,172	<b>,710</b>	,257	,180	,136	,167	,119
ISR52	,213	,184	<b>,785</b>	,074	,129	,074	,083
ISR54	,194	,255	<b>,761</b>	,145	,171	,143	,130
ISR53	,109	,217	<b>,760</b>	,206	,102	,093	,036
ISR51	,206	,159	<b>,714</b>	,081	,121	,111	,174
ISR11	,085	,141	,060	<b>,781</b>	,024	-,108	-,057
ISR12	,214	,142	,066	<b>,711</b>	,123	,192	,117
ISR14	,189	,203	,175	<b>,639</b>	,112	,287	,183
ISR13	,047	,085	,207	<b>,568</b>	,092	,165	,128
ISR72	,184	,151	,155	,117	<b>,817</b>	,120	,099
ISR73	,144	,131	,125	,060	<b>,799</b>	,060	,066
ISR71	,251	,147	,158	,126	<b>,746</b>	,086	,090
ISR21	,195	,253	,173	,184	,138	<b>,764</b>	,157
ISR22	,235	,307	,148	,150	,120	<b>,756</b>	,114
<b>ISR23</b>	,183	,362	,383	,288	,118	<b>,441</b>	-,039
ISR61	,177	,215	,172	,102	,105	,122	<b>,813</b>
ISR62	,185	,257	,148	,156	,143	,095	<b>,774</b>

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.<sup>a</sup>  
 a. Rotation converged in 6 iterations.

### 8.8. Appendix 8 – Check for Unsuitable Items: Reliability Analysis of “workplace diversity” and “working environment”

#### Scale: Workplace diversity (all items)

Reliability Statistics	
Cronbach's Alpha	N of Items
,890	7

#### Scale: Workplace diversity (without item ISR 46)

Reliability Statistics	
Cronbach's Alpha	N of Items
,879	6

#### Scale: Working environment (all items)

Reliability Statistics	
Cronbach's Alpha	N of Items
,795	3

#### Scale: Working environment (without item ISR23)

Reliability Statistics	
Cronbach's Alpha	N of Items
,813	2

## 8.9. Appendix 9 – 2° Factor Analysis of PISR scale

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,945
Bartlett's Test of Sphericity	Approx. Chi-Square	30878,786
	df	351
	Sig.	,000

<b>Communalities</b>		
	Initial	Extraction
ISR11	1,000	,646
ISR12	1,000	,647
ISR13	1,000	,530
ISR14	1,000	,651
ISR21	1,000	,822
ISR22	1,000	,799
ISR31	1,000	,719
ISR32	1,000	,694
ISR33	1,000	,680
ISR34	1,000	,686
ISR35	1,000	,703
ISR41	1,000	,619
ISR42	1,000	,690
ISR43	1,000	,707
ISR44	1,000	,636
ISR45	1,000	,691
ISR46	1,000	,575
ISR47	1,000	,562
ISR51	1,000	,645
ISR52	1,000	,735
ISR53	1,000	,702
ISR54	1,000	,772
ISR61	1,000	,810
ISR62	1,000	,785
ISR71	1,000	,698
ISR72	1,000	,786
ISR73	1,000	,704
Extraction Method: Principal Component Analysis.		

<b>Total Variance Explained</b>									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10,579	39,183	39,183	10,579	39,183	39,183	4,058	15,030	15,030
2	1,877	6,952	46,136	1,877	6,952	46,136	3,735	13,833	28,863
3	1,494	5,533	51,669	1,494	5,533	51,669	3,001	11,114	39,977
4	1,425	5,279	56,948	1,425	5,279	56,948	2,272	8,416	48,393
5	1,338	4,954	61,902	1,338	4,954	61,902	2,248	8,325	56,718
6	1,011	3,745	65,647	1,011	3,745	65,647	1,657	6,136	62,854
7	,872	3,230	68,877	,872	3,230	68,877	1,626	6,023	68,877
8	,746	2,763	71,640						
9	,728	2,697	74,337						
10	,603	2,234	76,571						
11	,528	1,956	78,527						
12	,519	1,923	80,450						
13	,493	1,826	82,276						
14	,443	1,640	83,916						
15	,417	1,544	85,461						
16	,405	1,499	86,959						
17	,387	1,432	88,391						
18	,370	1,369	89,760						
19	,353	1,309	91,069						
20	,338	1,252	92,321						
21	,333	1,234	93,555						
22	,323	1,196	94,751						
23	,315	1,168	95,919						
24	,295	1,093	97,012						
25	,290	1,075	98,086						
26	,268	,993	99,079						
27	,249	,921	100,000						

Extraction Method: Principal Component Analysis.

<b>Rotated Component Matrix<sup>a</sup></b>							
	Component						
	1	2	3	4	5	6	7
ISR45	<b>,796</b>	,120	,081	,127	,122	,054	,044
ISR43	<b>,785</b>	,156	,137	,123	,111	,065	,124
ISR42	<b>,781</b>	,138	,151	,111	,123	,065	,082
ISR44	<b>,736</b>	,160	,154	,070	,166	,088	,069
ISR41	<b>,699</b>	,225	,138	,087	,124	,162	,110
ISR47	<b>,506</b>	,406	,239	,118	,128	,191	,133
ISR46	<b>,463</b>	,366	,292	,142	,181	,248	,166
ISR31	,190	<b>,767</b>	,083	,102	,113	,165	,193
ISR35	,227	<b>,742</b>	,191	,152	,117	,123	,117

ISR33	,227	<b>,722</b>	,169	,083	,131	,152	,180
ISR34	,167	<b>,721</b>	,279	,206	,106	,074	,040
ISR32	,171	<b>,713</b>	,257	,183	,137	,157	,114
ISR52	,211	,187	<b>,789</b>	,078	,129	,078	,071
ISR54	,194	,260	<b>,763</b>	,149	,172	,133	,125
ISR53	,109	,222	<b>,761</b>	,212	,102	,076	,036
ISR51	,205	,162	<b>,718</b>	,084	,121	,112	,165
ISR11	,086	,136	,055	<b>,777</b>	,024	-,096	-,065
ISR12	,212	,142	,071	<b>,712</b>	,122	,217	,095
ISR14	,187	,207	,179	<b>,642</b>	,112	,296	,167
ISR13	,053	,097	,200	<b>,578</b>	,095	,094	,160
ISR72	,183	,152	,155	,118	<b>,818</b>	,118	,097
ISR73	,145	,132	,122	,060	<b>,800</b>	,048	,072
ISR71	,251	,148	,158	,127	<b>,747</b>	,086	,087
ISR21	,191	,262	,190	,193	,138	<b>,779</b>	,132
ISR22	,233	,317	,161	,158	,122	<b>,754</b>	,100
ISR61	,179	,217	,169	,101	,105	,123	<b>,816</b>
ISR62	,187	,258	,142	,155	,143	,088	<b>,782</b>

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.<sup>a</sup>

a. Rotation converged in 6 iterations.

### 8.10. Appendix 10 – Factor Analysis of OC scale

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,914
Bartlett's Test of Sphericity	Approx. Chi-Square	11782,517
	df	36
	Sig.	,000

Communalities		
	Initial	Extraction
OC11	1,000	,515
OC12	1,000	,744
OC13	1,000	,800
OC14	1,000	,807
OC15	1,000	,764
OC21	1,000	,646
OC22	1,000	,665
OC23	1,000	,537



OC24	1,000	,712
Extraction Method: Principal Component Analysis.		

<b>Total Variance Explained</b>									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,256	58,396	58,396	5,256	58,396	58,396	3,781	42,009	42,009
2	,935	10,393	68,789	,935	10,393	68,789	2,410	26,780	68,789
3	,764	8,488	77,277						
4	,537	5,972	83,248						
5	,396	4,400	87,649						
6	,351	3,898	91,547						
7	,332	3,684	95,231						
8	,254	2,821	98,053						
9	,175	1,947	100,000						

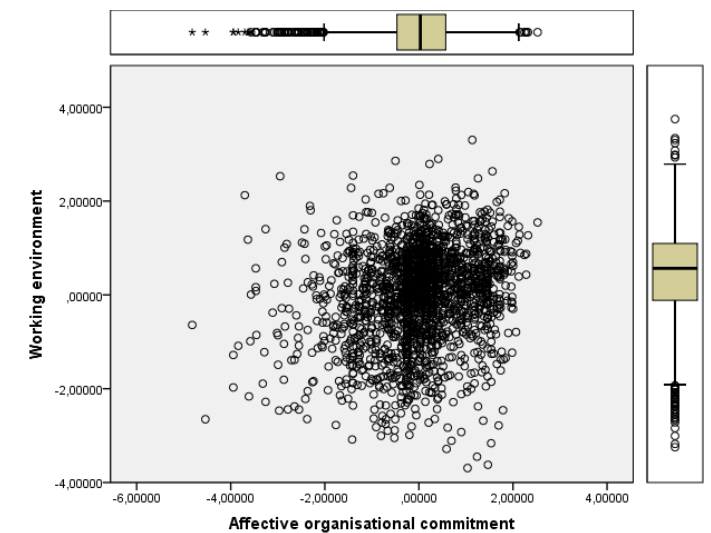
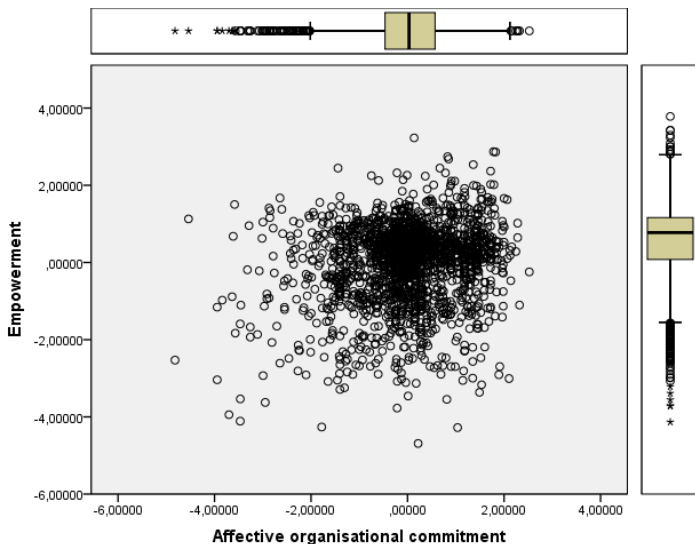
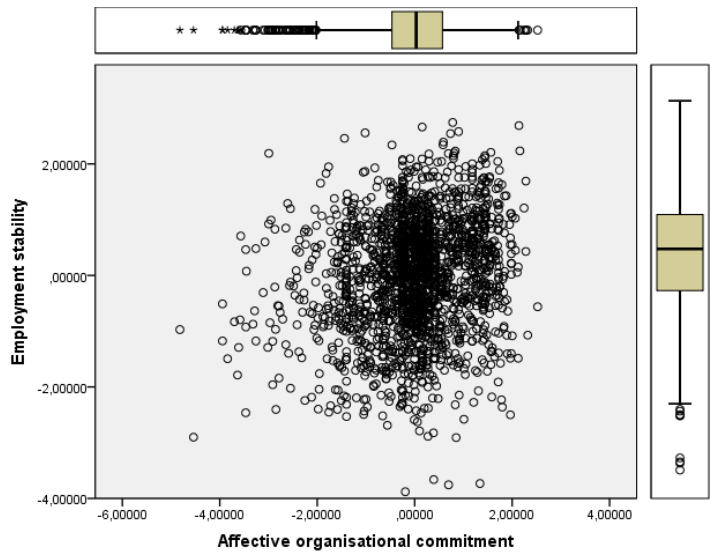
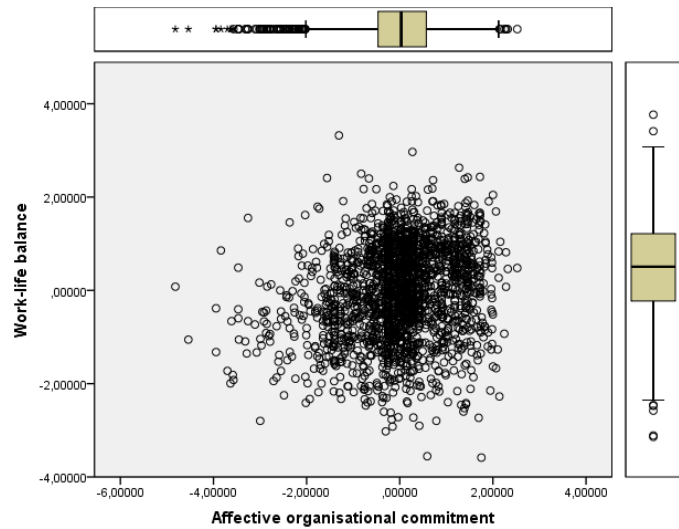
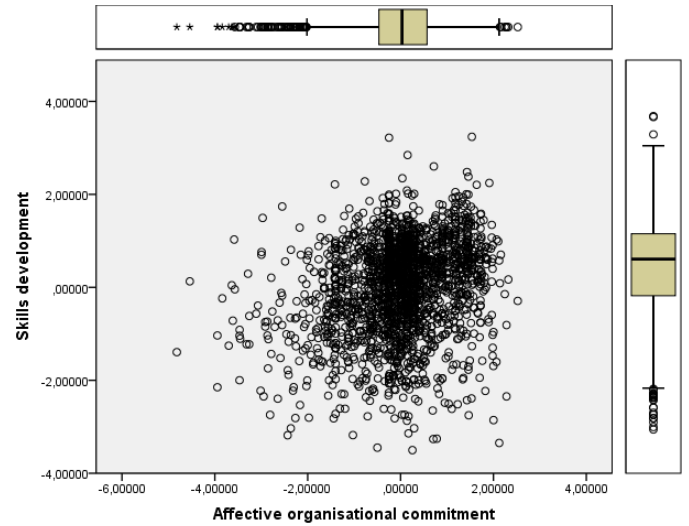
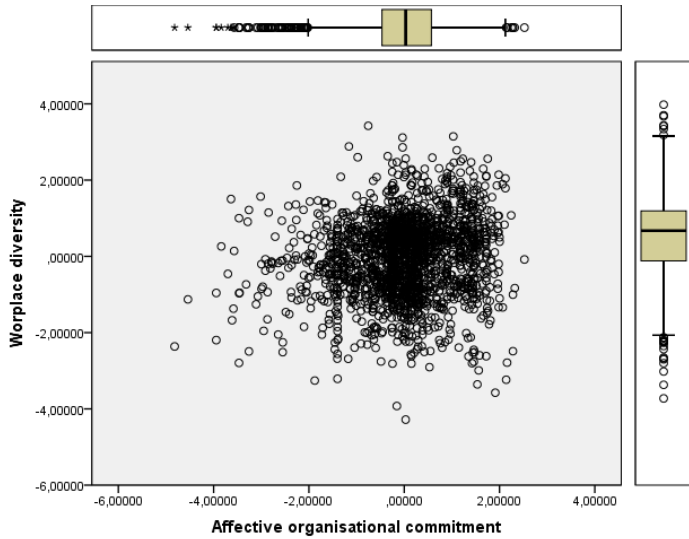
Extraction Method: Principal Component Analysis.

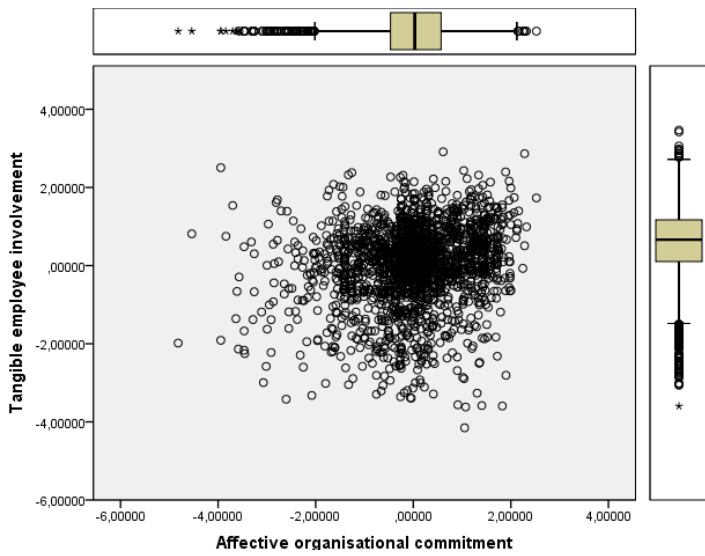
<b>Rotated Component Matrix<sup>a</sup></b>		
	Component	
	1	2
OC14	<b>,856</b>	,274
OC13	<b>,848</b>	,286
OC15	<b>,837</b>	,252
OC12	<b>,827</b>	,246
OC11	<b>,624</b>	,353
OC24	,404	<b>,741</b>
OC23	,075	<b>,729</b>
OC21	,360	<b>,719</b>
OC22	,508	<b>,638</b>

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.<sup>a</sup>  
 a. Rotation converged in 3 iterations.

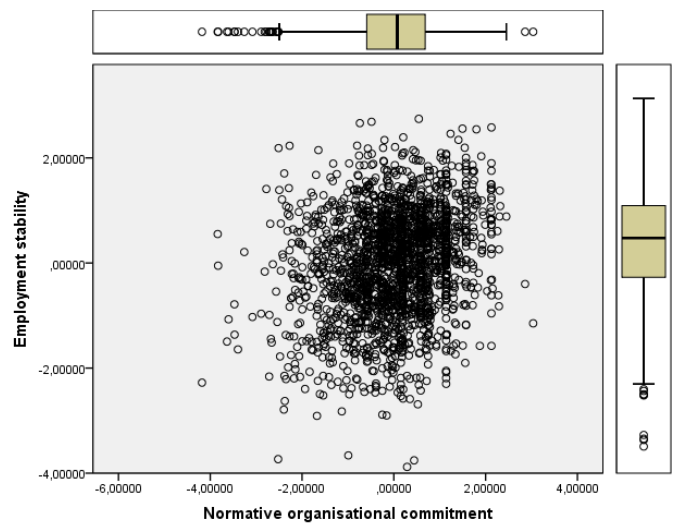
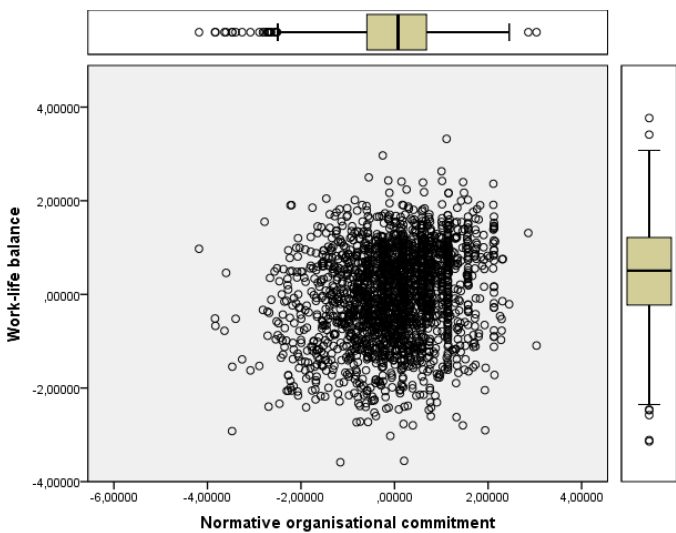
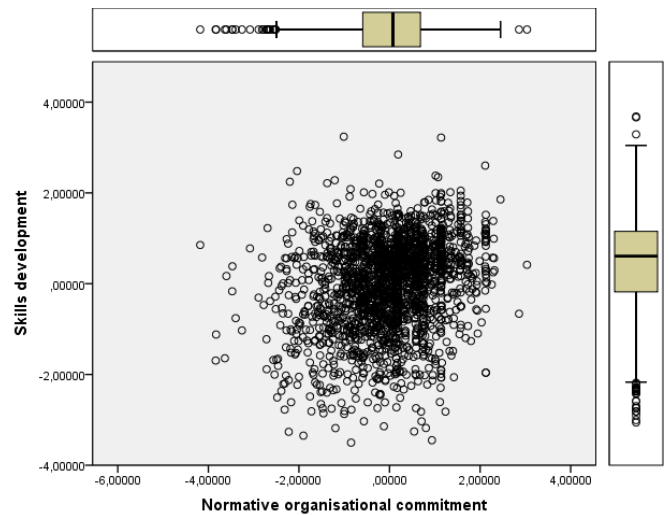
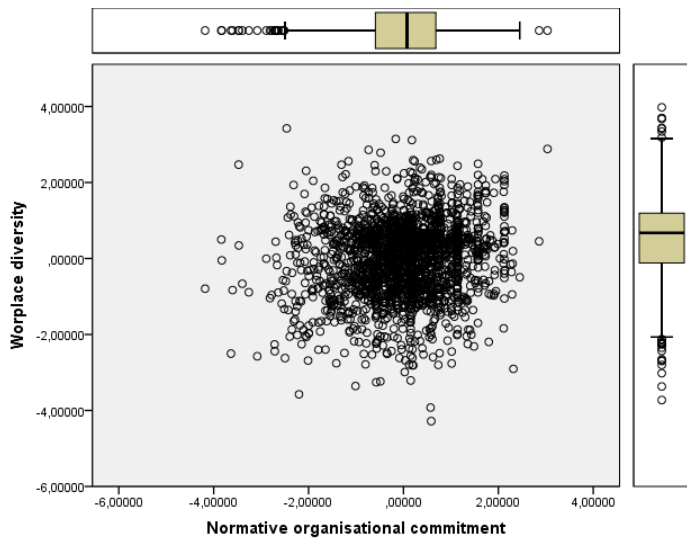
### 8.11. Appendix 11 – Check for Linear Relationship: Scatter Plots

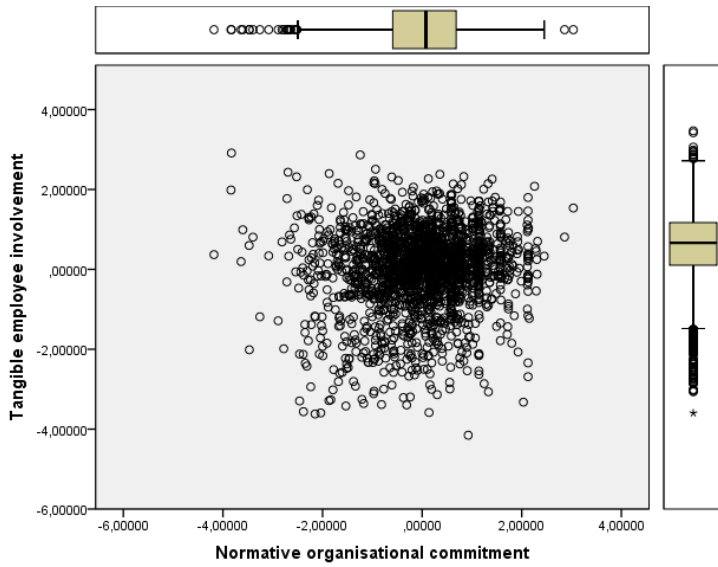
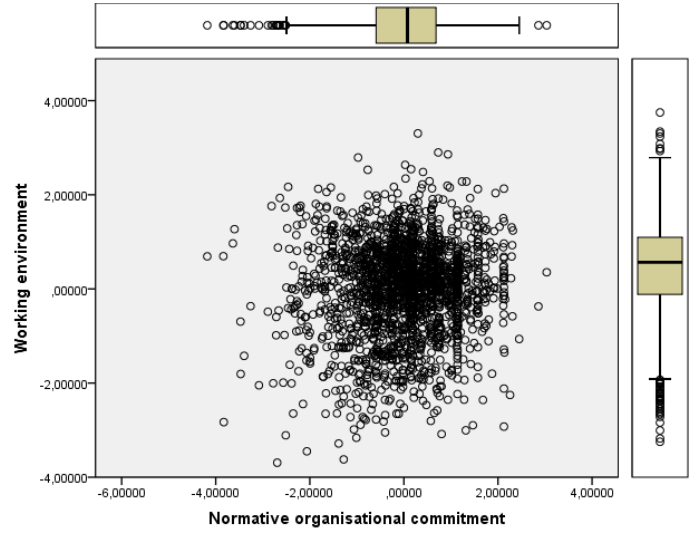
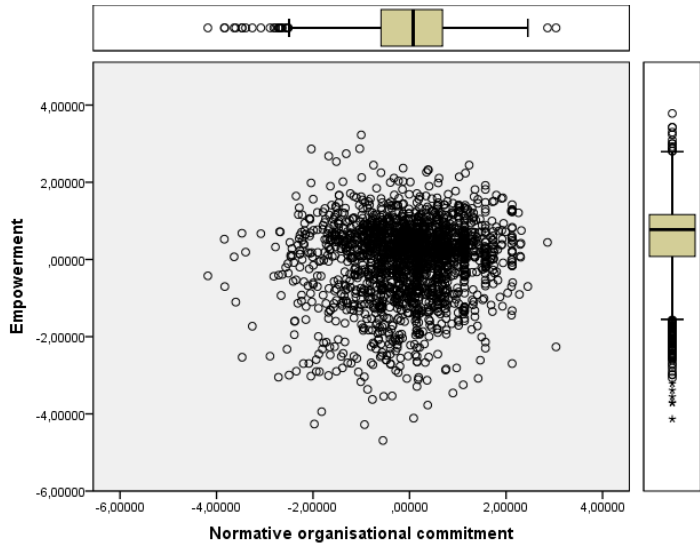
**Dependent Variable: Affective Commitment**



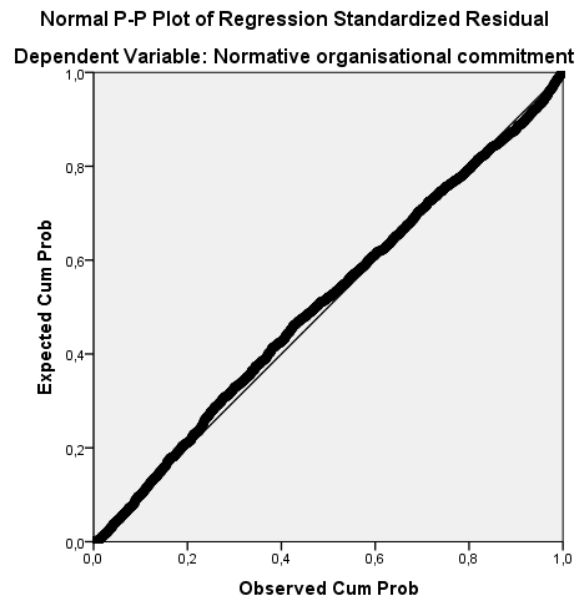
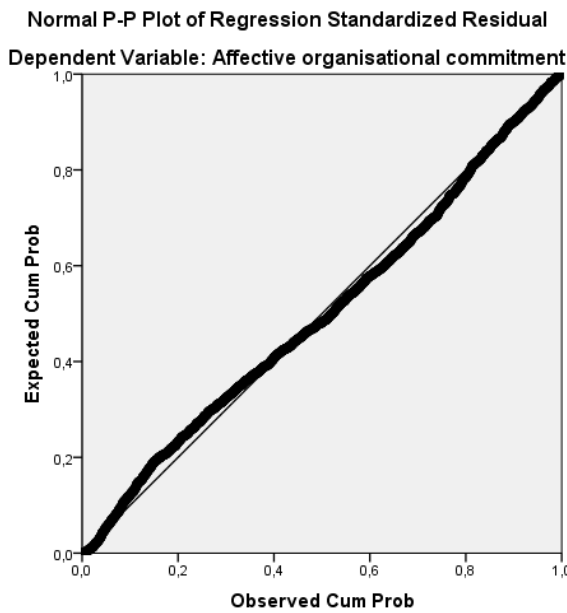
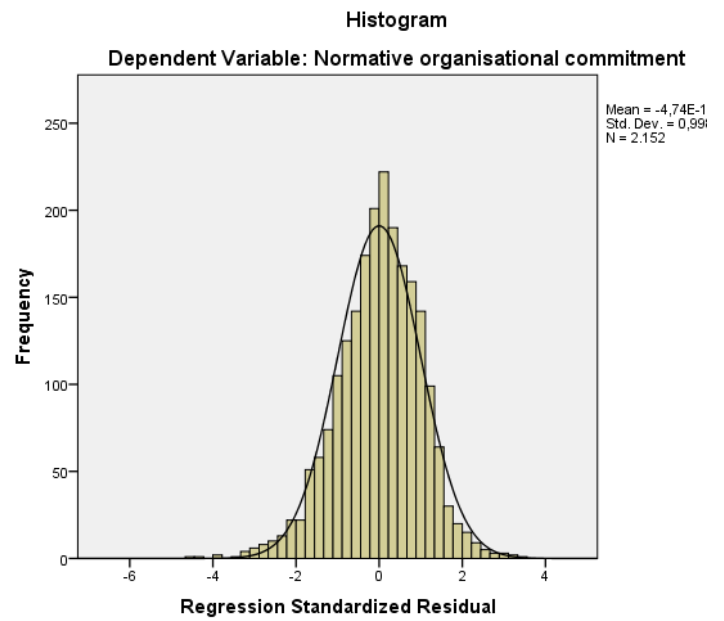
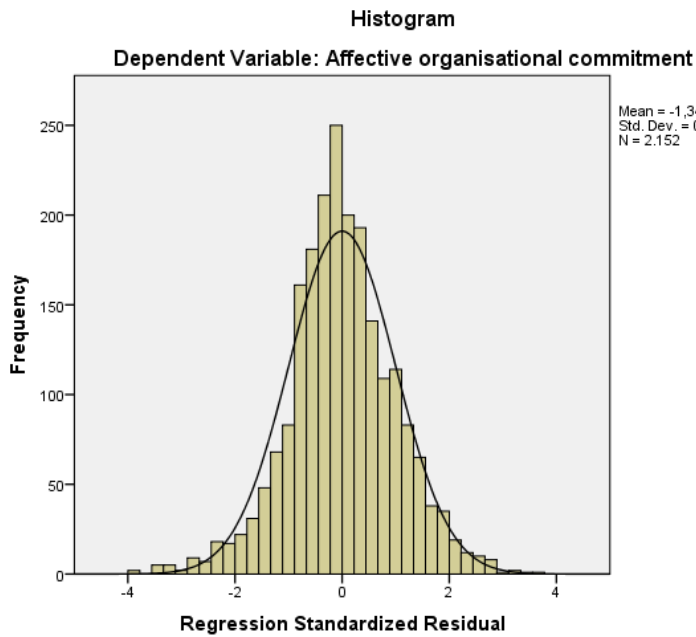


**Dependent Variable: Normative Commitment**

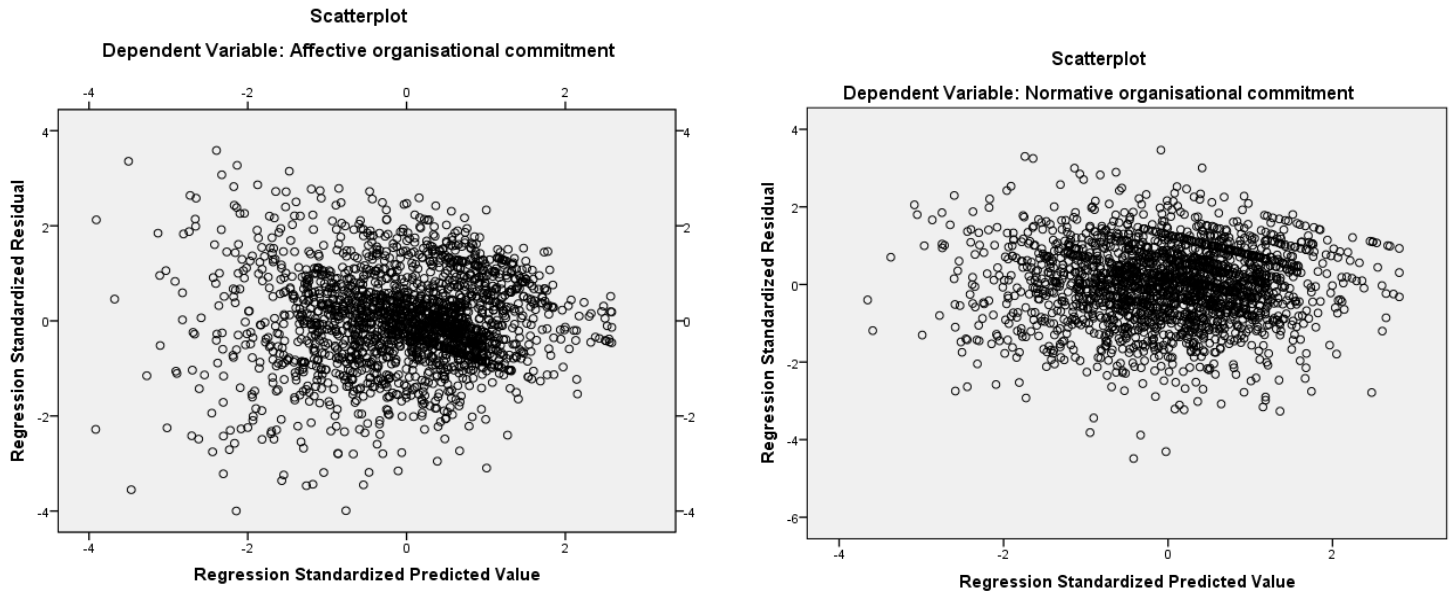




### 8.12. Appendix 12 – Assumption Regression Analysis: “Error term is normally distributed” and “Mean of error term is zero”



### 8.13. Appendix 13 – Assumption Regression Analysis: “Variance of error term is constant and is independent of the value of X”



### 8.14. Appendix 14 – Assumption Regression Analysis: “Error term are independent of each other”

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,503 <sup>a</sup>	,253	,250	,86580624	1,891
a. Predictors: (Constant), Tangible employee involvement, Working environment, Empowerment, Employment stability, Work-life balance, Skills development, Workplace diversity					
b. Dependent Variable: Affective organisational commitment					
Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,463 <sup>a</sup>	,214	,211	,88805898	2,091
a. Predictors: (Constant), Tangible employee involvement, Working environment, Empowerment, Employment stability, Work-life balance, Skills development, Workplace diversity					
b. Dependent Variable: Normative organisational commitment					