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Social Supply Chain Practices and Companies Performance: An Analysis of Portuguese Industry*

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Abstract

Purpose: This research aims to study the internal and external social practices of supply chain management along with economic and social performance of eight Portuguese companies from different industrial sectors. Through empirical data derived from eight case studies, five research propositions are suggested and tested. **Research, design, data and methodology**: The data was collected through 22 semi-structured interviews with general, procurement, and environmental/safety managers from eight companies from different industrial sectors. Secondary data was collected from reports, websites, and companies' internal documentation. **Results**: The analysis identifies the most important social practices considered by managers, as well as the performance measures that are most appropriate and most widely used to evaluate the influence of social practices on corporate economic and social performance. The results support four of the five propositions of this research. Companies' economic and social performance are affected by the implementation of social practices into the supply chain, namely the internal social practices. **Conclusions**: The findings confirmed that there is a positive relationship between internal social practices and economic performance. Internal social supply chain practices contribute to improve social performance. It also identifies the social practices which have negative effects on focal company performance.

Keywords : Social Practices, Supply Chain, Sustainability, Performance, Case Study

JEL Classification Code : L25, L62, L66, M14, M16

1. Introduction

The 21st century is marked by a heightened urgency to respond to pressing global challenges like climate change, water and food insecurity, ecological degradation, and poverty. Corporations are key actors for successful response to those pressures by implementing sustainable practices because of their impact on the environmental matrices of soil, water, and air, their leading role in society, and their global reach. Sustainability in supply chains refers to financial and operational performances and, simultaneously, to the social and environmental dimensions of business activities, as conceptualized by the TBL approach (Gunasekaran et al., 2004; Dyllick & Hockerts, 2002). Sustainable companies have to ensure their production without causing environmental damage while complying with social standards. Choosing to ignore this problem means they face a significant risk to their reputation and brand (Seuring, 2004).

Today organizations are confronted with pressures from the media, non-governmental organizations (NGO), communities and requirements imposed by legislations. Consumers demand transparency and responsibility for the conditions of their production and distribution, especially in respect for the environment and human rights. This obliges companies to rethink the way in which they do business, to guarantee the long-term future for mankind (Awaysheh & Klassen, 2010; Kleindorfer et al., 2005; Sarkis et al., 2011). At the same time there is a public concern about the sustainable supply of natural resources and many firms are

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concerned about sustainable supply of raw materials in developing countries for their production because the world's population continues to grow from 7.6 billion in 2017, in 2030 the global population is expected to reach 8.5 billion, 9.7 billion in 2050 and 10.9 billion in 2100.[23]

Sustainable supply chain management (SSCM) covers different environmental and social responsibilities, such as, the prevention of child and forced labor, the replacement of toxic substances in manufacturing, the excessive consumption of energy, materials and also the protection of biodiversity. To be able to manage all these, companies employ universally accepted guidelines or standards, like international standards for certifying management systems covering quality, environment, occupational health and safety, social or GRI directives (Beske et al., 2008; Bai & Sarkis, 2010; Gold et al., 2010; Köksal et al., 2017; Seuring & Müller, 2008; Wittstruck & Teuteberg, 2011).

The research of social issues in SSCM is still scarce, and according to the latest literature review, there is a call for more specific research in the field of social practices (e.g. Carter & Easton, 2011; Carter & Rogers, 2008; Golini et al., 2017, Hoejmose & Adrien-Kirby, 2012; Koksal et al. 2018; Longoni et al., 2014; Mani et al., 2018, Sodhi & Tang, 2018; Tajbakhsh & Hassini, 2015).

The main objective of this paper is to study the internal and external social practices of eight Portuguese companies' and the relationship between economic and social performance.

The structure of this article is organized as follows: a literature review concerning the social supply chain management practices and the performance indicators used, in section three a theoretical framework is developed. In the next section the methodology of the study is introduced, and the qualitative analysis is developed according to the eight case studies. The findings, results and future research directions of the empirical data analysis are presented in the final section.

2. Literature Review

A failure to correctly comply with social practices can have serious repercussions for a company's long-term economic performance due to its reputation and image in the marketplace. Several examples of companies (e.g. Nike, Foxconn Technology, and Nestle) that failed to implement social practices saw their image loss. These failures results in judicial proceedings and the loss of current and potential customers, which represents large costs for the companies involved (Schaltegger & Wagner, 2011).

Despite the number of papers on social practices in supply chain is growing, it is still scarce, and there is a need for more specific research in the field between social practices and performance, and on theory building efforts (e.g. Carter & Easton, 2011; Croom et al. 2018; Koksal et al. 2018; Longoni et al., 2014; Mani et al., 2018, Sodhi & Tang, 2018; Pagell & Wu, 2009; Zorzini et al., 2015; Tajbakhsh & Hassini, 2015; Tang, 2018; Yawar & Seuring, 2017).

Croom et al. 2018, found that sustainability orientation predicts operational performance through advanced but not basic SSSC practices, and the effect of sustainability orientation on operational performance is significantly moderated by long term orientation.

Mani et al. (2015), found that the majority of social issues, in India, are child and bonded labor, education, wages, housing, philanthropy and ethics. Zorzini et al. (2015), found that further research is required for measuring social practices, and they suggest the inclusion the supplier perspective in developing countries.

De Brito et al. (2008) explored how fashion firms' supply chain could improve their economic, environmental and social levels. Klassen and Vereeke (2012) developed a framework based on case studies in which they explored the role of external practices on achieving economic improvements. Stiller and Gold (2014) illustrates various social practices, a focal company may use for enhancing social standards in international supply chains.

Gallear et al. (2012) found that firm's financial performance is affected by the way firm's internal awareness on sustainability issues, the monitoring of the firm's sustainability performance, and the sharing of best practices with suppliers.

Gimenez et al. (2012) conclude that implementing social practices will lead to an improvement in the satisfaction and motivation of the workforce, in the safety conditions and in number of workplace accidents. Previous work, while not being directly related to the study of internal and external social practices found that companies should recognize, value and involve human resources, with practices and policies that promote equality, career progression and equal opportunities, leading to increased motivation and satisfaction among employees.

According to Elkington (2004), the organization internal practices are linked to human resources practices, such as, recognition, appreciation and encouragement of workforce skills, practices of equality, fair salary, training, safety conditions.

External social practices go beyond the limits of the focal company, extending to the members of the supply chain (Amaeshi et al., 2008; Andersen & Skjoett-Larsen, 2008; Mont & Leire, 2008, Mani et al., 2018)).

Once the social practices have been implemented, measuring focal performance is fundamental for any organization to manage its activities, to attract and retain clients in a market that is increasingly competitive, at the same time being an important pre-requisite for improvement processes, and is crucial to improving the management of the supply chain (Neely, 1999: Sink & Tuttle, 1989). Measuring social and financial performance is hardly done within the corporate social responsibility literature,

2 https://population.un.org/wpp/Publications/Files/WPP2019_Highlights.pdf retrieve in October 2019

especially in a supply chain context and needs further research (Yawar & Seuring, 2017).

3. Theoretical Framework

The theoretical framework was developed to provide an overview and understanding of the influence of social practices on focal company performance, based on literature review (Cf. Table 1).

Table 1: External and Internal Social Supply Chain Practices

Practices		Indicators
Internal social practices	*Internal social management*	Commitment by top management to social management Support for social management by the middle layers of management Inter functional cooperation for social improvements Ethical codes and codes of conduct SA 8000 certification and social management systems (e.g., GRI)
	Employment practices	Gender balance and equality of opportunities Career progression opportunities Training and education Relationship between workers and management Disciplinary procedures Opportunities for career development Satisfaction Flexible working hours Rotation of workers Benefits for part-time and full-time workers
	Health and safety	Number of workplace accidents Absenteeism Compliance with standards (e.g., OSHAS 18001) Health and safety training (hours) Safety procedures
External social practices	*Social collaboration with customers*	Customer health and safety Labelling of products and services Marketing communications Customer privacy and requirements Consumer education
	Social collaboration with suppliers	Codes of conduct Health and safety in the workplace (e.g. SA 8000) Supplier evaluation, including social aspects
	Collaboration with the community	Support for teaching institutions and community projects Social cohesion Grants and donations Partnerships

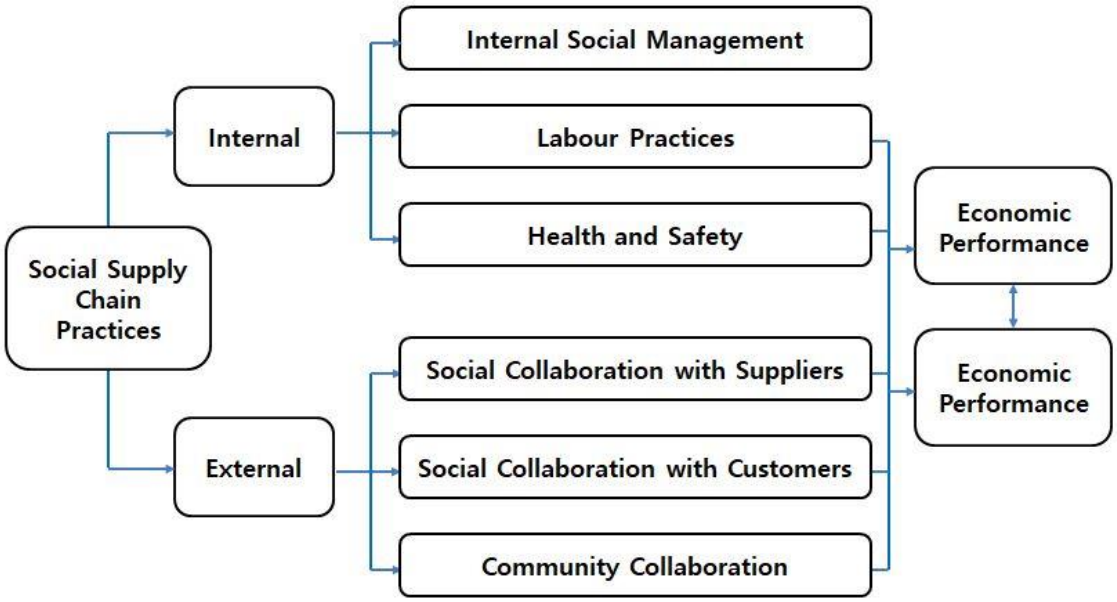

Figure 1: Theoretical Framework

To evaluate the influence of these practices on company's focal performance the following indicators were consider:

- Economic performance - Sales Volume, and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA);
- Social performance - number of injuries and working hours lost due to illness, accident frequency and severity index, absenteeism rate, staff turnover rate, training hours, customer satisfaction, number of activities and partnerships with the community, supplier evaluation and auditing.

On the basis of the proposed framework, five propositions are derived from the collection and testing of primary data as a means to conceptualize the influence of social practices on focal performance in different industry sectors:

P1 - Companies implement social internal practices

P2 - Companies implement social external practices

P3 - Companies implement economic and social performance indicators.

P4 - Companies consider that internal social practices have positive influence on economic, and social performance indicators.

P5 - Companies consider that external social practices have positive influence on economic, and social performance indicators.

To investigate the influence of social practices on companies' performance, and the development of a conceptual model, resource-based view theory was selected because it is good to provide explanations and new insights (Fellows & Liu, 2003; Easterby-Smith et al., 1991).

4. Methodology

This study adopted a qualitative approach, using a case study approach which was chosen as the most appropriate research method to describe and explore new phenomena which seems applicable to sustainable practices in the private sector (Eisenhart, 1989; Yin, 2009; Pagell, 2009).

Sample is composed of eight companies, which were chosen considering their location, size, the commitment with economic, environmental and social dimensions, having third party certification and/or recognition, the attitude of transparency described in their websites, social reports, and also through the newspaper articles, and articles in the business press.

Case studies have been developed by means of interviews conducted by a semi-structured protocol that was established on the basis of the reviewed literature. The use of protocols is advocated to enhance the reliability of case studies (Eisenhart 1989; Yin, 2009). Twenty-two (22) semi-structured face-to-face interviews with CEO (Chief Executive Officer), Procurement Manager, Environmental, Health and Safety Manager and in some cases also the Human Resource Manager were conducted on site and each interview lasted in average 180 minutes. All interviews were taped, recorded and transcribed, and participants reviewed a draft case study report. To encourage openness of response from interviewees the company names were made anonymous.

To enhance the validity and reliability of the study, triangulation with secondary data sources was conducted. Secondary data was collected from reports and several websites, including companies' websites, sustainability reports, newspaper articles and confidential internal procedures provided by the companies. Table 2 shows the main features of the selected companies.

Table 2: Characteristics of the Sample

Company	Industry	Annual Turnover	Number of employees	Number of Interviews	Role of interviews
C1	Glass	95 ME	350	3	CEO; Environmental, Health and Safety Manager (EHSM); Procurement Manager (PM)
C2	Cork	318 ME	927	4	CEO; EHSM, PM, Human Resources Manager (HRM)
C3	Automotive: components	84,4 ME	348	4	CEO; Integrated Systems Manager; PM; Public Relations Manager
C4	Wood based panels	1.321 ME	177	3	CEO; EHSM; PM
C5	Office furniture	8.62ME	122	1	Quality, Environmental, Health and Safety Manager
C6	Automotive: assemblage	216ME	190	3	CEO; HRM; PM
C7	Drink	498 ME	1500	1	Environmental, Health and Safety Sustainability Manager
C8	Automotive: textile	44 ME	182	3	CEO; EHSM; PM

5. Analysis and Discussion of the Results

This section presents the similarities and differences between the eight companies, related with internal and external social practices across the supply chain, the performance indicators, and the relationship between the social practices and economic, and social performance.

5.1. Internal Social Practices

The interviewees were asked about the extent of implementation of a set of social internal practices, and were free to do their own assessments based on their experience, no scale was provided with respect to level requirements. Managers' perceptions were collected, and their assessments were codified on a scale from 1 (not implemented, if the practice is not part of a company's operations), 2 (limited implemented, when the practice is not fully implemented by the company) to 3 (totally implemented), when the practice is fully implemented and is implanted in the company processes). Each company individually, has different levels of implementation of internal social practices (Cf. Table 3).

Table 3: Level of implementation of internal social practices

Internal social practices	Companies							
	C1	C2	C3	C4	C5	C6	C7	C8
Internal social management								
Commitment to social practices by top management	3	3	3	3	3	3	3	3
Interfunctional cooperation for social improvements	3	3	3	3	3	3	3	3
Ethical codes and codes of conduct	3	3	2	3	2	3	3	2
Employment policies	3	3	3	3	2	3	3	2
Health and safety practices	3	3	3	3	3	3	3	3

Table 3 reveals that regarding the *commitment to social practices by top management* and the cooperation for social improvements in all the companies is totally implemented. They defined the vision, mission and strategy, according to the different certified management systems and integrated management policy regarding the quality environmental, safety and social policies, and third party certification depending on the activity sector. Companies C2 and C6 have specific plans for sustainability, reflecting top management commitment and involvement with social practices, company C2 has a Balanced Scorecard for Sustainability. All companies define annual objectives covering interfunctional cooperation for social improvements. Indicators, goals and action plans are set out to achieve established objectives, and are monitored on a daily and/or monthly basis, with either monthly or quarterly analysis. Social indicators are defined with human resources, environment and safety department managers.

Companies C3, C5 and C8 do not publish a Sustainability Report according GRI guidelines, the others do, clearly making a commitment to Sustainability. Companies C1 and C4 have ethics codes and codes of conduct which are applicable to all employees, C1 is the only one that the code of conduct is applicable to all suppliers, while of the C4 is applicable only to tier one suppliers and service providers. The ethics code of C7 covers the relationships between the organization and all stakeholders. Companies C3 and C8 do not have an ethics code or code of conduct, but they subscribe a set of values based on ethical and honesty principles guiding all employees and all those that are engaged in commercial relationships. Company C5 has a code of conduct for its workers described in the welcome guide that is given to all employees.

Employment policies in all companies are considered extremely important, because workers are considered a crucial resource to achieve the main goals of the organization. The workers are involved on environmental and social practices, reflected in the large number of activities and projects to help, involve and motivate the workers. Some of the companies in this study show more evidence of worker involvement than others. Company C2 has specific projects and plans for retaining critical skills, helping to ensure the sustainability of the business. Company C8 involves its employees in a variety of activities such as *Kaizen*, and *Jishuken*, encouraging the creation of working groups that cover different areas. Three of the companies, developed numerous internal activities that involve workers and community, to stimulate the teamwork and solidarity, such as: collection of food, books and waste oil; blood donation; commemoration of Environment, Safety and International Women's Day, among others. Two of the companies studied (C2 and C4) implemented an Idea Management Systems, which seeks to identify innovative ideas and measures for improving management, procedures and processes. Workers that come up with the best ideas and suggestions are reward.

Companies consider communication and transparency to be fundamental, with different types of communication being used to improve the relationship between workers and management (e.g. intranet communications, internal television, meetings, journals, and newsletters). Training is considered to be a priority by all companies, to change attitudes and behavior. All companies invest heavily employees training, including on environment and safety areas. Education is also one of the ways that all companies use to improve the performance of their employees, giving them the opportunity and time to improve their qualifications. Job rotation is a common practice in all companies studied, to increase productivity, avoid accidents,

and health problems.

One of the main goals of the organizations is employee's satisfaction, annually, all companies evaluate satisfaction and performance of their employees, some of the companies practice variable remuneration according to individual or global performance. Companies C1, C2, C3, and C6, to get get a more independent opinion about employee's satisfaction, outsourced this service.

The companies studied focus on internal recruitment rather than external recruitment. Two companies (C3 and C8) employs workers with special needs in their activities, in collaboration with Non-Profit Associations in the community. In two companies, C3 and C8, large proportion of their employees have a fixed term contract, and C8 has a significant number of temporary workers.

Health and safety practices are fully implemented by all companies, even on two companies who not have a certified health and safety management system. Different actions were implemented to avoid workplace accidents and work-related diseases, depending on companies' sector.

Data from Table 3 indicates the level of implementation of social internal practices thereby supporting the first proposition:

P1 - Companies implement social internal practices.

5.2. External Social Practices

To identify the social external practices in the supply chain, the procedure was the same as for the internal practices (Cf. 5.1.). Table 4 contains the data obtained from the interviews related to the social external practices.

Table 4: Level of implementation of external social practices

External social practices	Companies							
	C1	C2	C3	C4	C5	C6	C7	C8
Social collaboration with the community	3	3	3	2	2	3	2	3
Social collaboration with suppliers	2	2	2	2	2	2	2	2
Social collaboration with customers	2	2	2	2	2	2	2	2

Looking to *social collaboration with the community*, all companies are involved in social activities within the community, and for five of the eight companies the practices are embedded in the company processes. These activities seek to raise awareness among employees to adopt social behaviors for and with the community, such as: collecting food products, clothing, and books; financial donations; voluntary activities in the local community; collaboration with schools and universities, by leading to study visits, Cooperative Training Program, and research projects, school visits that help develop entrepreneurial spirit in children and young people, company employees take part in workshops and conferences to share best practice. C5 and C7 only interacts with schools and universities.

Two of the companies studied, C2 and C8, have non-profit foundations. They support children and needy young people, following their progress in school and creating opportunities for developing successful life projects. One of the foundations awards prizes to employees that complete any year of schooling/training in the educational system, also paying fees and textbooks to the orphans of employees and paying out bonus for births and marriages.

Social collaboration with the suppliers is based on interaction with the organizations on the supply chain, organizations and suppliers work together in planning activities to prevent and solve social problems. According to table 4, for all the organizations studied, except C1, social collaboration with suppliers is a practice that is not fully implemented by the companies studied. All companies have specific, and very strict procedures for service providers, requiring documents related with social, safety and environmental practices, which is not the case for suppliers that are providing raw material, and components. The majority of companies' suppliers are from the European Union, where the legislation is strict and the social conduct rules must be maintained, they have certified management systems in one or more of the following areas: quality, environment, health and safety in the workplace, and social responsibility. Social questions start with the selection of suppliers and audits. The companies have an image to preserve and as such do not want to be associated with companies that has environmental, and social issues. Only companies C1 and C4 has code of conducts for suppliers, C1 code of conduct, is applied to all suppliers, tier one and below, while C4 code of conduct is applicable only to tier one suppliers. In turn, the tier one suppliers assure that their suppliers comply with the legislation and standards. None of the companies studied jointly develop activities with their suppliers to meet social objectives.

Social collaboration with customers is based on democratic and ethical decision making, taking responsibility for the impacts created by the company's products and services on both customers and the wider community. The companies studied guaranteed to their customers quality of the products by defining requirements, according to their specifications, which are subject to rigorous quality control and legislative compliance. These measures ensure the health and safety of the customers by controlling raw materials, components and packaging. Some of the companies are more forthright about their commitments in this area. This is the case of C6 which runs responsible marketing campaigns based on commitments with associations in the sector, such as: improvements in nutritional information, including recommended daily intake on the label of the products; or bringing out new products with a low glycaemia level. Company C4 commits itself to supplying its end consumers sufficient and reliable information regarding the nature, origin, proper use and

disposal of products. Companies C2 and C3 are measuring their carbon footprint; in the case of C2, the company's activity is shown to benefit the planet in terms of greenhouse gas emissions, absorbing more CO2 than it emits.

Data from table 4 supports the second proposition:

P2 - Companies implement social external practices.

5.3. Companies Performance

The main objective of this section is to investigate which are the performance measures that best reflect the influence of social practices on company performance. Managers were asked which performance measures are actually used to measure economic, and social performance (Cf. Table 5).

It can be seen from Table 5, that ''Sales Volume'' and "Earnings Before Interests Taxes and Depreciations (EBITDA)" are the performance indicators highlighted by respondents as the one that best reflects the influence of social practices on companies' performance.

Regarding social performance indicators, it can be seen from Table 6, the ones used by all companies to measure the impact of social supply chain practices in companies' performance.

Table 5: Cross-case comparison of economic performance indicators

Economic Performance Indicators	Companies								Total
	C1	C2	C3	C4	C5	C6	C7	C8	
Sales Volume	✓	✓	✓	✓	✓	✓	✓	✓	8
EBITDA	✓	✓	✓	✓		✓	✓		6
ADT, APP	✓		✓		✓				3
Free Cash flow		✓				✓			2
Productivity					✓		✓		2

Table 2: Cross-case comparison social performance indicators

Internal Social Performance indicators	Companies								Total
	C1	C2	C3	C4	C5	C6	C7	C8	
Absenteeism rate	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Staff turnover rate	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Training hours	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Employee satisfaction	✓	✓	✓	✓		✓		✓	**6**
Number of injuries	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Accident frequency	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Number of working hours lost due to illness	✓	✓		✓	✓	x		✓	**6**
Severity index	✓	✓	✓	✓	✓			✓	**6**
Number of workers with professional diseases	✓	✓	✓						**3**
External Social Performance indicators									
Customer Satisfaction	✓	✓	✓	✓	✓	✓	✓	✓	**8**
Number of activities with community	✓	✓	✓			✓		✓	**5**
Number of partnerships with the community	✓	✓	✓			✓		✓	**5**
Supplier evaluation and auditing	✓	✓	✓	✓	✓	✓	✓	✓	**8**

It can be seen from Table 6, that all companies are using the absenteeism rate, staff turnover rate, training hours, number of injuries and the accident frequency index. Six companies monitor employee satisfaction, severity index, the number of working days lost due to illness. Only companies C1, C2, and C3 monitored number of workers with professional diseases. C3 stands out by using a Balanced Scorecard for health and safety, with indicators defined in four areas. Only one company (C3) monitors workplace incidents which follow the same process of analysis as for accidents.

The five companies that measure collaboration with the community use the number of activities and the partnerships that they are doing with the community. For social collaboration with suppliers, the indicators used for measuring this practice is the number of suppliers evaluated and the number of suppliers' audits. To measure collaboration with customers, customer satisfaction the indicator used by all companies.

The analysis of Table 5 and 6 gives evidence to support the third proposition:

P3 - To reflect the impact of social supply chain practices, companies implement economic and social performance indicators.

5.4. Influence of Social Practices on Supply Chain Performance

The main objective of this section is to explore the

relationships incorporated in the theoretical framework described in Section 3.

Concerning to the relationship between the implementation of *internal social practices* and *economic performance*, as can be seen in Table 7, in spite of some trade-offs perceived by the respondents, for all companies, opinions are unanimous, that implementing internal social practices, have an indirect positive impact on economic performance indicators, increasing motivation, satisfaction and pride among employees, increase productivity, improve quality, decrease absenteeism rate, number of accidents and their severity, as well as costs associated with overtime, which understandably have considerable impacts in the economic indicators. The relationship is positive and indirect, and best social internal practices suggests better economic performance. Internal social practices and social performance, according to the respondent's perception is a win-win relationship, with effects on economic performance.

Table 3: Influence of social supply chain practices on economic and social performance

	Internal Social supply chain practices							
	C1	**C2**	**C3**	**C4**	**C5**	**C6**	**C7**	**C8**
Economic performance	+	+	+	+	+	+	+	+
Social performance	+	+	+	+	+	+	+	+
	External Social supply chain practices							
	C1	**C2**	**C3**	**C4**	**C5**	**C6**	**C7**	**C8**
Economic performance	+	+	+	+	+	+	+	+
Social performance	#	#	#	#	#	#	#	#

+: positive relationship; - : negative relationship *: no relationship or very difficult to establish a relationship; ---: doesn't know/ no answer **#** - not possible to establish a relationship

Concerning *external social practices*, and the ones focus on the community, according to respondents' perceptions, even for those companies, that these practices are limited implemented, do not have a direct positive relationship with economic performance. The impacts of this practices, according to the respondents, are reflected in the recognition of companies by the community, such as awards, partnerships with NGOs and participation in different research projects with different stakeholders. Indirectly the practices with community have a positive impact in economic performance because afterwards workers will feel satisfied, and proud which impacts in organizations productivity. These practices are part of the organization culture, intrinsic principles and values, which have repercussions on reputation, recognition and image in the marketplace.

Companies studied define technical requirements that are subject to rigorous quality control according to customer specifications. Some companies are more forthright about their behavior in this area, using responsible marketing campaigns which depends on company size and financial resources. The respondent's perception is that social collaboration with customers, has an indirect and a positive impact in economic performance.

For the relationship between *external social practices and social performance indicators* all the respondents had the same opinion, is not possible to measure the direct impacts on social performance indicators considered, some practices can have an indirect impact, like the activities for the community, but it's not possible to evaluate.

The evidence reported supports the fourth but doesn't support the fifth proposition:

P4 - Companies consider that internal social practices have positive influence on economic, and social performance indicators.

P5 - Companies consider that external social practices have positive influence on economic, and social performance indicators.

It was possible, with this qualitative research, to explore the perceptions of 22 managers from different companies about the adoption of internal and external social practices and the impact on performance, and, more than that the performance measures which best reflect the influence of those practices on companies' performance.

6. Conclusions and Future Research

The main goal of this research is to analyze the relationship between social supply chain practices and companies economic and social performance. It was proposed a set of internal and external social practices which could be implemented in the context of different industrial sectors, as well as performance indicators which could be used to evaluate the influence of these practices on companies' performance. To identify the main social practices, a literature review was performed, a theoretical framework was constructed to represent the relationships among companies' performance indicators and social practices. The conceptual model of the relationships between social practices and companies' performance was refined using cross case analysis.

Using eight case studies from Portuguese industrial sector, the most common social practices used by the companies were identified, along with the economic and social key performance indicators. A cross-case analysis was developed in order to find the relationship between social

supply chain practices and economic and social performance indicators.

This study supports, to a certain extent, that there is a positive relationship between internal social practices implementation and economic performance in terms of sales and EBITDA. Internal social supply chain practices contribute to improve social performance, in spite of some trade-offs, in all companies studied there is a positive relationship between internal social practices and social performance indicators. This positive relationship is enhanced by drops in absenteeism, the number of accidents and their severity, as well as costs associated with overtime, which have economic impacts. There is a win-win relationship between internal social practices and social performance, with effects on economic performance. External social practices, namely those focused on the community, do not have a positive relationship with economic performance. It is worth noting that the commitment to social practices depends on companies' strategy, size, financial resources and customers' needs.

The above results support four of the five propositions made in this research, since it is possible to conclude that the companies studied believe that the adoption of social supply chain practices is important for a company to be considered more profitable. They implement internal and external social practices, economic and social performance measures to reflect the impact of social supply chain practices. They consider that some performance measures reflect the influence of social practices on economic performance better than others.

A significant academic contribution to the social supply chain practices literature was made with this research. It contributes, to the adoption of social practices in different sectors of industrial sector by examining different companies, and the relationships between internal and external practices and economic and social performance. These results can be used by managers to improve their social performance and also gain economic benefits through the adoption of certain social practices.

As with any other study, there are some recognizable limitations which can hopefully be improved upon with future studies. In particular, the sample includes companies from different sectors of the economy, but it is based on eight case studies. This limits the possibilities for generalizing the results obtained to other contexts. One of the paths for future work relates to the possibility of generalizing the conclusions obtained to other contexts by replicating the research using other companies in other sectors.

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