

The role of human resources management in the performance of social organizations in Portugal

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Abstract

Social entrepreneurship is seen as a practice that applies an entrepreneurial behavior to the exercise of activities aimed at creating social value. In Portugal, following the European tradition, social and solidarity economy has been identified as the institutional framework that typically supports social entrepreneurship. Given the huge economic and social relevance of this field, it is important to understand the extent to which resource management and, more specifically, human resources contribute to the performance of social organizations. Resource-based theory argues that differences in organizations' performance are explained in the way they manage their resources and capabilities. Through an exploratory study, this communication seeks to broaden the knowledge about social entrepreneurship by analyzing the role of human resources management in social organizations in Portugal. In order to achieve this objective, we first analyse the relevance attached by the social organizations' managers to different human resource practices and then we assess the impact of these practices on the organizations' success.

The article starts with a review of the relevant literature on the topic, where we explore the role of human resources management for social organizations and the particularities that people management have on in this type of organizations. For the empirical study we use a quantitative methodology. The primary data were collected through an online survey sent to the heads of Non-Governmental Development Organizations registered in Portugal and projects listed on the Portuguese Social Stock Exchange. The data gathering process led to the collection of 68 responses. For the analysis of the primary data, we used several statistical techniques, such as descriptive analysis, data reduction (main component analysis) and the non-parametric MANOVA test to evaluate the research hypothesis.

The research indicates that the managers of social organizations in Portugal assign high importance to human resources practices, especially the management of volunteers, paid employees and work teams. In fact, there is a great heterogeneity on the way social organizations manage paid employees and volunteers, although the importance attributed to the management of employees is, on average, slightly lower than that given to volunteers.

Analyzing the impact of human resources practices on organizational performance, we observe that organizations show more concern about employee and team management that have a higher level of economic and social performance, respectively, as suggested by the correlations analysis. The non-parametric MANOVA test, however, indicates that the importance attached to human resources practices does not explain, in a direct way, a higher level of performance. However, the most entrepreneurial policies of human resources, in analysis (employee management and workforce management) are statistically correlated with the management of assets found as critical to the social organizations' success. In particular, we observe that human resources management are important to financial resources and intangible resources management (especially, image, reputation and quality management).

The results thus indicate that human resources are an important source for building organizational capabilities and that constrains the way resources are used in social and, therefore, the value these organizations are capable of achieving.

Social organizations are often faced with a scenario of scarce resources, which requires the ability to understand how they can leverage the resources they have and enhance their performance through human resources management. In-depth knowledge of human resources practices of Portuguese social organizations has important implications for a more efficient and effective management of these organizations, which can maximize the social value they can produce.

Keywords: *Social entrepreneurship; Social economy; Human Resources; Skills and competences; Competitive advantages;*