

Article

Boosting Competitiveness Through the Alignment of Corporate Social Responsibility, Strategic Management and Compensation Systems in Technology Companies: A Case Study

José M. Núñez-Sánchez ^{1,*}, Jesús Molina-Gómez ¹, Pere Mercadé-Melé ² and Santiago Almadana-Abón ¹

¹ Department of Economics and Business Administration, University of Malaga, 29071 Malaga, Spain; jmolinag@uma.es (J.M.-G.); santiago.almadana@uma.es (S.A.-A.)

² Department of Applied Economics, University of Malaga, 29071 Malaga, Spain; pmercade@uma.es

* Correspondence: josemanuel.nunez@uma.es

Abstract: In the turbulent and dynamic post-COVID business environment, strategic management (SM) and corporate social responsibility (CSR) must increasingly adapt to meet the diverse needs of stakeholders and improve outcomes. Within this context, the total compensation (TC) system can play a pivotal role. This study aims to evaluate the importance of the TC system as a human resource management (HRM) tool that is mediated by the organisation's strategy and a socially responsible factor in organisational behaviour. Our analysis explores various TC policies, including both financial and non-financial elements, and examines their relationship with SM and CSR policies. Using structural equation modelling on a sample of 205 employees from multinational technology companies based in Spain, we demonstrate a stronger relationship between SM and non-financial TC. Additionally, the indirect effect of SM on the social aspect of CSR is notably stronger through non-financial TC. These findings could have profound implications for practitioners, suggesting that the effective implementation of non-financial TC systems can enhance SM and foster socially responsible organisational behaviour. Moreover, aligning SM with CSR policies through robust compensation systems could enable companies to achieve competitive advantages by increasing workforce commitment and engagement.

Keywords: strategic management; total compensation; financial remuneration; non-financial remuneration; corporate social responsibility



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1. Introduction

In today's increasingly globalised and dynamic environment of continuous change, such as the recent challenge posed by the COVID-19 pandemic, companies are forced to focus on surviving in the business world [1]. Organisations must adapt to create and maintain their competitive advantages through the analysis, formulation and implementation of strategic actions aimed at ensuring the survival or success of the company [2,3]. It is now more essential than ever to design an effective strategic management (SM) approach that enables the organization not only to adapt to this new environment but also to enhance its competitive position.

In this sense, corporate social responsibility (CSR) is a fundamental objective in the creation of long-term value for investors, consumers and other stakeholders. This is achieved by taking advantage of business opportunities and comprehensive risk management linked to new economic, social and environmental challenges [4]. This is integrated into its values, culture, decision-making, strategy and operations to establish best practices within the company, create wealth and improve society [5].

This is an opportunity for the organisation to generate new revenue through innovation, differentiation or product design and distribution to new customers. Environmental management reduces costs and responsible HRM improves productivity. Moreover, being

aware of the new corporate governance and the environmental and social risks of the globalised world in which we live makes it possible to anticipate new regulations or avoid reputational risks that damage the company's image [4]. In addition, the scientific literature has shown that a company's commitment to CSR positively influences its sustainable performance, mainly in its social aspects [6].

On the other hand, it is important to highlight the significance of employees in achieving a competitive advantage [7]. Also, according to important academic studies, employee performance, in line with the remuneration system, could bring benefits to the company [8]. In this sense, it should be noted that the main objectives of studies of total compensation (TC) in organisations as part of the organisations' SM [9,10] would be to achieve maximum pay efficiency. This is understood as optimisation between the economic effort made by the organisation and the perception of this by each professional. For this reason, it will be necessary in this environment to determine the importance of the TC system as an organisational tool that is fully aligned and coherent with SM as a socially responsible factor in organisational behaviour.

There are studies that address how organisations should consider pay and its configuration as a priority, to ensure both the attraction and retention of staff, as well as improvements in the organisation's results [11–14].

However, there are hardly any studies that integrate the concept of sustainability and corporate strategy [15,16] and convert CSR orientation into a source of competitive advantage [17] through a TC system. For this reason, the authors of the current study decided to carry out the present research in order to fill the gap in the scientific literature. For this purpose, an analysis was carried out to identify different TC policies, which, when applied strategically, would indicate the company's CSR.

This research provides organisations with information to understand employee behaviour based on external stimuli related to TC through a more responsible form of management. The aim is to create long-term value for investors, consumers and other stakeholders, in a way that is consistent with the organisation's CSR, generating a social impact.

Specifically, and based on the above, we conducted an analysis of the impact of SM on CSR through a TC system, in all its forms, both in terms of financial (FIN) and non-financial (NOFIN) remuneration.

For a better understanding of the analysis, a brief review of the existing literature is carried out and the hypotheses of the proposed model are presented. Through the research design, the subsequent analysis and results of this study are obtained and, finally, the discussion and main conclusions are set out with the practical implications, limitations of this study and future lines of research.

2. Theoretical Framework

2.1. Strategic Management (SM)

Within the framework of an integrated system, companies must develop strategies and policies that are coherent with each other and adjusted to the business strategy, the environment, and the capabilities and particular characteristics of the organisation [18,19]. This will allow the organisation to achieve its objectives in a manner that is fully aligned with the other organisational aspects, to respond quickly to changes in the environment, to improve its competitive position and to increase its market position [20].

There are different classifications of strategies in the specialised literature, with the typology proposed by Miles and Snow [21] being the most commonly accepted and applied in diverse organisational settings. It has had strong empirical support for its reliability and validity and has been an extremely influential source for better understanding as the strategies of organisations [22,23].

This model views strategy as a form of alignment between the organisation and its environment. In addition, internal processes must be in line with the strategy to fit the environment and the organisation [24]. In other words, the organisational response to dynamic environmental conditions is critical.

Miles and Snow described four strategic orientations: prospective, defensive, analysing and reacting [21]. Through these orientations, the firm can address three different problems in organisations: entrepreneurial, technological and managerial. The four orientations are described below [21,25]:

First, prospectives are firms that aggressively pursue growth opportunities through new product development, marketing expertise and innovation with multiple technologies and flexible structures. Second, defensives place high priority on efficiency improvements and protect a narrow and stable product-market domain with cost-effective technologies and centralised structures. Third, analysers exhibit a combination of both forward-looking and defensive characteristics. They are organisations that seek to minimise risk while maximising profit opportunities. Finally, reactors lack a clear and coherent strategy, react inappropriately to environmental uncertainty and are generally not viable.

For Miles and Snow [21] and Blumentritt and Danis [26], the survival of the firm will depend on the quality of the alignment between the three problems of business, technology and management, that is, the quality of the internal fit between the organisational components and the external fit between the organisation and its environment [25].

In this sense, some authors highlight the key dimension underlying the typology as being the organisation's response to changing environmental conditions [21,27]. This response occurs, above all, in prospective firms, a model applied to our study, as they are those that seek growth opportunities by developing new products, marketing experiences and innovation with multiple technologies and flexible structures. This is carried out in order to respond to constant change and create and maintain competitive advantages [28]. In addition, forward-looking companies take actions related to the environment that will affect the development of CSR [29]. Moreover, they are also more likely to create shared economic and social value in an integrated way than other strategic dimensions [17].

One of the key aspects of our study will be to observe whether in our current environment, CSR is a competitive approach that fits that model. Some studies integrate the concept of sustainability and corporate strategy [15,16] and turn the CSR orientation into a source of competitive advantage [17]. In fact, CSR can be as strategic as any profit-maximising business orientation [30].

In our study, the first objective is to develop a strategy aimed at responding to CSR concerning the different needs of stakeholders, and establishing global and specific objectives that will lead us to obtain the best results. In short, the aim is to assess the extent to which the needs of these stakeholders serve as an objective for determining the strategy.

2.2. Total Compensation (TC)

TC forms a fundamental part of the process of determining the strategic direction of human resources [9,10]. It aligns with the organization's strategy, is regularly updated according to this strategy and its objectives, and is clearly defined [21]. This TC in an organisation must be part of an integral system that refers to the various components that make up the payment system, consisting mainly of two large blocks; financial retributions and non-financial rewards [9,31]

Financial retributions (FIN) are those extrinsic retributions of a fixed type (base salary or wage) or variable (incentives or bonuses) and indirect retributions (benefits or benefits in kind offered by organisations), i.e., any income received by a worker in exchange for the service provided [32,33].

Non-financial rewards (NONFIN) are those extrinsic rewards that refer to any type of award, recognition, or gratification that does not have an economic impact and is mainly related to the job, with the various aspects of environmental and working conditions [34]. This group includes intrinsic rewards (internal to the individual) derived from their involvement in certain activities, job satisfaction, commitment, autonomy, and growth and learning opportunities, related to the employees' mindset at work [9,35].

There are studies that address how organisations should consider pay and its configuration as a priority, to ensure both the attraction and retention of staff, as well as

improvements in the organisation's results [11–14], and to motivate staff [35]. Furthermore, employee performance, in line with the remuneration system, could bring benefits to the company [8].

2.3. Corporate Social Responsibility (CSR)

CSR aims to create long-term value; it is not only an opportunity for companies, but also a reflection of the expectations of customers, employees, society and other stakeholders, by taking advantage of business opportunities and comprehensive risk management linked to new economic, social and environmental challenges [4,36]. Stakeholders have been shown to react favourably to responsible business practices [37,38], with employees being a critical part of this group, generating a social impact [39].

Previous studies have focused on the link between CSR and firm performance [40,41]. Other research has focused on the impact of CSR on employees [42,43], on the preference of employment choice in socially responsible companies [44] and on the positive impact on engagement [17,45].

We know that employees play a vital role in addressing the new challenges faced by companies and in implementing CSR initiatives [46]. In this sense, compensation has powerful effects on employee behaviour [47]. This relationship is important because a socially responsible company can gain practical improvements in compensation due to employee attraction, developing the social part of CSR [48,49].

Sustainable development can be treated as a multidimensional construct [50], as argued by different studies that take into account various related dimensions [51,52]. Companies need to develop appropriate behaviour closely related to sustainability principles and to make decisions based on financial factors such as profits or dividends, but also based on the immediate and long-term social and environmental consequences of their activities [5,50,53].

Numerous authors have conducted studies on social factors as the organisation starts to require CSR practices by assuming broader responsibilities towards its stakeholders and its social environment to better meet the needs of stakeholders and ensure their loyalty to the company [50,54].

Social problem management can be defined as the process of addressing social problems [55]. In this sense, social development refers to a company's management ability to reduce social inequality and divisions, improve quality of life and strengthen relationships with its various stakeholders [56,57]. Such actions by companies include paying attention to the health and safety of the community and employees [50]. CSR should include capital, social infrastructure, social justice and equity, and engaged governance [58].

The literature has investigated governance mechanisms to align corporate strategies and organisational processes with sustainability challenges [59,60]. In this sense, because of the weight that TC has on organisational behaviour, it could play a mediating role between corporate strategy and CSR. According to Venkatraman [61], a mediating perspective specifies the existence of a meaningful intervention mechanism (TC system, in this study) between an antecedent and the consequent variable.

In general, TC management is concerned with the design and implementation of strategies and policies that help to compensate employees fairly, equitably and consistently in accordance with their values for the organisation [9].

Gaps have been identified that indicate shortcomings in management and limitations in integration from a stakeholder approach to CSR, as socially oriented CSR policies have only recently been developed [62]. Consequently, this research aims to fill these gaps in policy studies more oriented to linking management and CSR from the social domain. Therefore, in our study, a relationship with the principles of sustainability is developed to make decisions based on social consequence factors. Could the concept of sustainability be integrated into corporate strategy [15,16]? Could it turn CSR orientation into a source of competitive advantage [17] through a TC system?

Based on our in-depth literature review, the following five hypotheses were formulated.

- H1.** SM significantly influences CSR.
- H2.** SM has a significant influence on NOFIN compensation.
- H3.** NOFIN remuneration significantly influences CSR.
- H4.** SM has a significant influence on FIN compensation.
- H5.** FIN remuneration significantly influences CSR.

Consequently, the researchers of this study propose the research model shown in Figure 1.

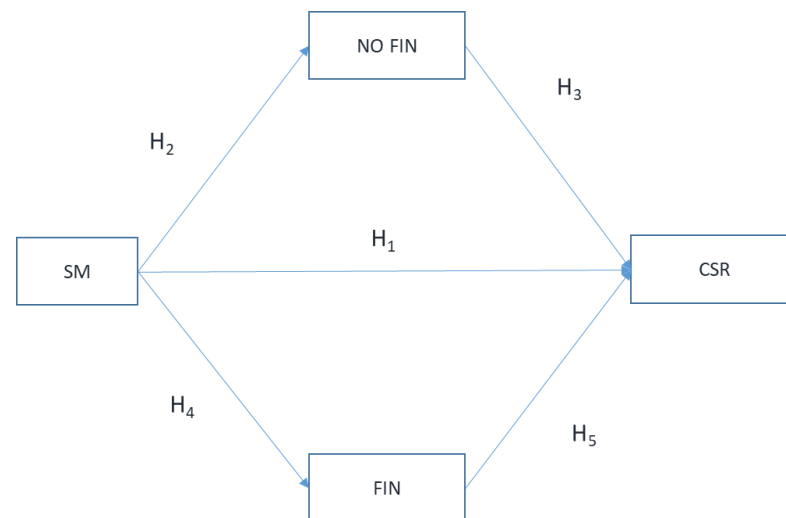


Figure 1. Proposed research model.

3. Materials and Methods

3.1. Study Design

In order to answer the hypotheses put forward, the authors decided to carry out a quantitative study.

The Andalusia Technology Park (PTA) in Malaga (Spain) was chosen to design this research study, as it represents 7.98% of the GDP plus 8.27% of the total employment in the province of Malaga as of 2019. Moreover, it has a great predominance of national and multinational companies from the Electronics, Information, Computer and Telecommunications sector (63%). This presence of multinational companies represents a broad representation of this type of organisation for the purpose of this study. Specifically, the sample consists of 205 employees surveyed, belonging to companies with different numbers of employees, turnover and scopes of action. This research complies with the usual parameters in the field of social sciences [63,64].

The method developed for the analysis in this study is a structured questionnaire-type instrument concerning the type of organisation, SM, TC systems and CSR characteristics. The data collection was performed in a digital format and the type of sampling was convenience, according to the number of companies that responded to the questionnaire. Table 1 shows the characteristics of the sample.

Table 1. Technical details of the sample.

Data collection period	18 November 2022–25 January 2023
Population	24,396
Type of sampling	Convenience
Sample size	205 respondents
Type of survey	Face-to-face questionnaire and online

Table 1. *Cont.*

Sampling error	6.82%
Level of confidence	95%

Source: own elaboration.

Table 2 shows the data of the organisations.

Table 2. Personnel in organisations.

N° Workers	N°	%
From 1 to 9	41	20.00%
From 10 to 49	39	19.02%
From 50 to 100	27	13.17%
From 101 to 250	15	07.32%
More than 250	83	40.49%

3.2. Statistical Analysis

Validated instruments and scales were used in this research for each of the dimensions studied. All the items were measured using a five-point Likert scale (1—Strongly Disagree and 5—Strongly Agree):

In the SM dimension, four items were adapted from the competitive factors scale developed by Dess et al. [65] from Porter [66] to measure the three problems (business, technological and managerial) of Miles and Snow’s prospective strategy [21].

The TC system was based on the validated scales of the studies related to the Global Payoff Practices Scale (hereafter, PRG-13) and Specific Payoff Practices Scale (hereafter, PRE-21) by Boada-Grau et al. [67].

Finally, for the measurement of the CSR system, the validated scale of [55] on the principles underpinning sustainable development through social equity was adopted.

In order to analyse the proposed model, the structural equation methodology was used, employing variance-based equation modelling (VBM). The PLS technique allows the simultaneous estimation of multiple causal relationships between constructs or unobservable variables [68]. Structural equation modelling is a multivariate technique that has become widespread in the social sciences [69–71]. For the analysis of the model, we followed the recommendations of Anderson and Gerbing [72], first analysing the goodness of fit based in a confirmatory factor analysis and then analysing the causal relationships. Table 3 below analyses the psychometric properties of the model.

Table 3. Constructor reliability and validity.

Factor	Items	Loads	Average Loads	α	AVE	CRI
SM	SM1	0.6410	0.723	0.8090	0.526	0.821
	SM2	0.729				
	SM3	0.815				
	SM4	0.707				
NOFIN	NOFIN1	0.754	0.726	0.8700	0.528	0.871
	NOFIN2	0.718				
	NOFIN3	0.673				
	NOFIN4	0.728				
	NOFIN5	0.752				
	NOFIN6	0.733				
FIN	FIN1	0.671	0.717	0.8460	0.521	0.843
	FIN2	0.813				
	FIN3	0.643				
	FIN4	0.817				
	FIN5	0.642				

Table 3. Cont.

Factor	Items	Loads	Average Loads	α	AVE	CRI
CSR	CSR1	0.846	0.819	0.9260	0.675	0.926
	CSR2	0.836				
	CSR3	0.806				
	CSR4	0.805				
	CSR5	0.82				
	CSR6	0.817				
Goodness of fit						
$\chi^2 = 484.398$			SRMR			
			0.057			

The validity measures are adequate, both the standardised coefficients, which are greater than 0.5, and the means of its loadings, which are greater than 0.7 [68]. The composite reliability, the average extracted variance and the standardised root mean square residual also show optimal values [68]. In Table 4, discriminant validity is also confirmed, i.e., the items have to be correlated mainly with their construct and not so much with the others.

Table 4. Discriminant validity.

Factor	SM	NOFIN	FIN	CSR
SM	0.726			
NOFIN	0.680	0.727		
FIN	0.586	0.763	0.722	
CSR	0.659	0.848	0.733	0.822

Note: The diagonal presents the square root of the AVE. HTMT ratios can be shown below the diagonal.

4. Results

Once the measurement model was evaluated, we moved on to analyse the structural model. In this model, we wished to analyse the structural coefficients that show estimates of the model's relationships (see Table 5).

Table 5. Assessment of structural relationships.

Hypothesis	Structural Relationship	Coef.	f^2	95CI	Check
H ₁	SM → CSR	0.1290	0.0350	(−0.062–0.287)	Not Supported
H ₂	SM → NOFIN	0.672 ***	0.8230	(0.536–0.774)	Supported
H ₃	NOFIN → CSR	0.613 ***	0.4910	(0.434–0.820)	Supported
H ₄	SM → FIN	0.589 ***	0.5300	(0.459–0.703)	Supported
H ₅	FIN → CSR	0.193 **	0.0580	(0.013–0.347)	Supported
Specific Indirect Effects					
	SM → NOFIN → CSR	0.114 *		(0.009–0.228)	Supported
	SM → FIN → CSR	0.4190		(0.271–0.550)	Supported

* = $p < 0.1$; ** = $p < 0.05$; *** = $p < 0.01$.

Table 5 shows that all causal relationships are significant except the direct causal relationship between SM and CSR. The strongest relationship is between SM and NOFIN ($\beta = 0.672$). Furthermore, the indirect effect between SM and CSR is stronger through FIN ($\beta = 0.419$) than in NOFIN ($\beta = 0.114$).

The model with structural relationships is represented in Figure 2.

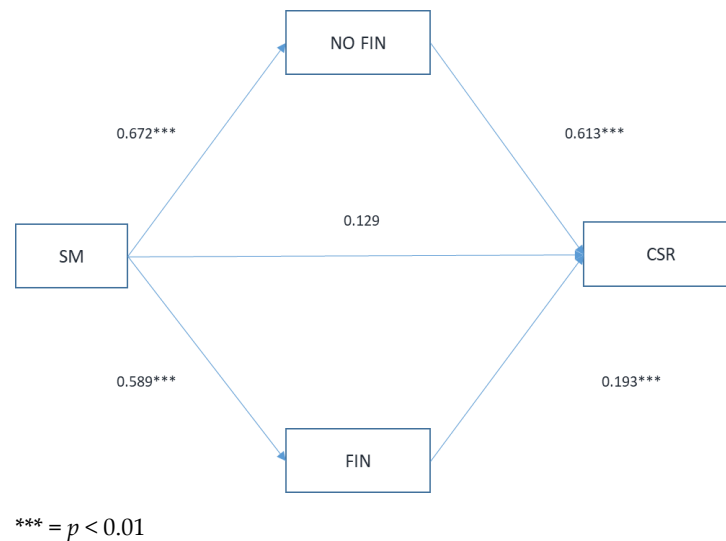


Figure 2. Model with structural relationships.

Finally, Table 6 below includes the questions corresponding to each item of each construct with its values. These are the descriptive results of the different items that make up the measurement of each construct, i.e., SM, CSR and both factors, FIN and NOFIN, of the TC.

Table 6. Items of each construct.

ITEMS	
SM1: Operational efficiency	0.641
SM2: Brand identification	0.729
SM3: Innovation in marketing techniques and methods	0.815
SM4: Advertising	0.707
F1: Salary levels are used to manage fixed compensation increases	0.671
ID3: Eligibility for funding schemes for development processes (e.g., courses, coaching).	0.813
V2: A system of variable remuneration based on individual objectives has been implemented	0.643
V3: A positive contribution is rewarded through variable compensation	0.817
V4: A variable remuneration system based on team objectives has been implemented	0.642
I1: A sense of belonging is an element of payback	0.754
I2: Belonging to a socially responsible company is an element of retribution	0.718
I3: Belonging to a prestigious company is an element of retribution	0.673
I4: Enables participation in projects for development and innovation	0.728
NF2: Professional development practices are applied (e.g., knowledge management, recognition, participation in decision-making, career development, etc.)	0.752
NF4: Workplace conditions are positive	0.733
CSR-S1: Considering stakeholder needs when making investment decisions	0.846
CSR-S2: Communicate the risks and environmental impact of the activity to the general public	0.836
CSR-S3: Improving the health and safety of employees or society	0.806
CSR-S4: Protecting society's rights and claims	0.805
CSR-S5: Improving facilities to integrate them into the environment in which the activity is carried out	0.820
CSR-S6: Funding local community social initiatives	0.817

The highest-rated SM items are “Innovation in marketing techniques and methods” (0.815) and “Considering stakeholder needs when making investment decisions” (0.846). “Communicate the risks and environmental impacts of the activity to the general public”

(0.836) and “Improving facilities to integrate them into the environment in which the activity is carried out” (0.820) stand out in the CSR.

5. Discussion

Our literature review and empirical analysis indicate that there are different forms and intensities of relationship between the TC system and CSR depending on the organisational SM [73]. Specifically, higher outcomes are expected with a prospect orientation according to our results, which represents a strong change in orientation by monitoring trends in market evolution and new product development [74]. Firms with a higher CSR tend to align their compensation with the overall strategy, being more prospect-oriented [73].

Regarding the first hypothesis, our results confirm the indirect effect between SM and CSR through TC, being more intense through FIN ($\beta = 0.419$) than via NOFIN ($\beta = 0.114$), but not directly between SM and CSR. This provides new evidence on studies that integrate the concept of sustainability and corporate strategy [15,16] through trade-offs [75–77]. This offers, as an empirical novelty, a differentiating result between the prospector-type strategy effect and CSR through the TC effect, which is more intense through FIN in technological domains.

According to Franco-Santos and Gomez-Mejia [78], different combinations of rewards will generate different employer–employee relationships. In particular, the company can achieve its CSR objectives by establishing an appropriate TC system with different strategic orientations [21]. It is known that a firm’s CSR strategies can influence employees’ well-being and work outcomes during a crisis such as COVID-19 [39], so the contributions of this research can be of great help to organisations.

Regarding hypotheses 2 and 4, it has been shown that causal relationships are significant between SM and the different forms of remuneration of the TC system, thus verifying these hypotheses, confirming that TC, referring to the various components that make up the payment system, should be part of the fundamental process of formulating SM [9,10,31]. Specifically, the strongest relationship in our study is between SM and NOFIN ($\beta = 0.672$). In this sense, it is important to highlight these NOFIN employee wellness programmes, which are being promoted by companies of all sectors and sizes. Companies promote programmes that improve the well-being of workers, thereby increasing company performance [78]. Workers demand wellness programmes from their companies, health check-ups, work–life balance and flexible working hours, as well as stress management; therefore, organisations must respond to these demands [79].

On the other hand, there is a positive relationship between SM and FIN ($\beta = 0.589$). The structural relationships show higher intensity in the construct through “V3: A positive contribution is rewarded through variable compensation” ($\beta = 0.817$) and “ID3: Enables eligibility for funding schemes for development processes (e.g., courses, coaching)” ($\beta = 0.813$). This also confirms approaches that claim that FIN is more determinant [80–82].

Thirdly, the third hypothesis confirms the important relationship between NOFIN and CSR. This relationship is significant, and our results confirm the indirect effect between SM and CSR through it. NOFIN programmes that help to improve the well-being of organisations’ employees reduce absenteeism, increasing their performance and engagement [83]. The literature has shown that for the successful future of an organisation, it is critical to have engaged employees. According to Fan et al. [84], low work engagement can be negative for the company because it reduces employee well-being and productivity.

Finally, regarding the fifth hypothesis of this study, the relationship between FIN remuneration and CSR is confirmed ($\beta = 0.193$). This ratifies the results of previous studies that integrate the concept of CSR and compensation [75–77].

6. Conclusions

In conclusion, this study demonstrates the existence of two key aspects: the direct link between TC systems and SM, and the development of a TC system to achieve greater corporate sustainability (in the social domain). Following Shuck and Reio [85], in organisa-

tions that invest in their human resources and build an effective HRM system, a committed workforce is achieved and, in return, organisations improve their performance. On the other hand, employee engagement is a central and crucial element that helps transform a company's CSR strategy [86]. This engagement can be enhanced, among other ways, through adequate CSR on the part of the company. Therefore, it could be argued that the effectiveness and sustainability of companies revolves around CSR [87] and the factors that influence it, such as adequate SM supported by an adequate TC system, especially NOFIN.

6.1. Limitations and Future Research Directions

This research is not without limitations. Firstly, the sample of companies was of an acceptable size and the response ratio was higher than that obtained in similar studies. However, the number of surveys obtained was lower than expected, mainly due to the difficulty of the questionnaire, which was made up entirely of validated scales that are difficult to read and interpret, making it extensive. Therefore, it would be advisable to increase the sample size to reduce sample error. In other words, this research focused only on companies in the technology sector, and the sample, although representative, should be larger in order to be able to generalise the conclusions of this research. Therefore, a future line of research is to broaden the number of responses obtained. Furthermore, this research was carried out only in the technological field, so future research should take into account other sectors, even in other countries with different cultural backgrounds.

Secondly, this research focused only on the prospective dimension, so in future research, there is the possibility of studying the different dimensions of SM according to the strategic orientations of Miles and Snow [21], as well as being able to differentiate the results according to different sectors and company size either by turnover or by the number of employees.

Another limitation of this study is that only the social dimension of CSR was analysed, so the economic and environmental dimensions should be analysed in the future. Future research should also analyse the different types of CSR.

With regard to other possible future lines of research, it could be interesting to carry out a detailed analysis of the elements of each type of remuneration, both FIN and NOFIN, to facilitate a more precise TC strategy, and to compare the results within the same companies. This would be achieved using a validated and revised questionnaire with more comprehensible scales, in different positions in the organisation, in order to understand distinct personal motivations. Organisations, on the other hand, are in a constant process of change; therefore, a dynamic approach determines how a company modifies its TC system strategy in a sustainable way. This is important, as the COVID-19 pandemic has revolutionised our lives, as well as the business environment and the priorities of employees, so it would be interesting to replicate this study in the post-pandemic era.

Finally, it might be interesting to conduct this analysis from a generational and gender perspective in case there are significant differences.

6.2. Implications for Management

The relationship between management and sustainability has been studied in depth in the literature, highlighting the importance of this issue for organisations, which should be taken into account in their medium- and long-term strategies [87]. Furthermore, López-Concepción et al. [88], highlighted the positive impact of CSR on organisations and employees.

However, the authors have not found similar research that studies the mediating factor of remuneration policy between SM and CSR, which may be of considerable interest to companies. It is necessary to understand the factors that shape the organisation's strategy and what compensation practices can be developed to enable the company to implement better sustainable development practices.

Research has shown a significant relationship between NOFIN and CSR, confirming the spill-over effect between SM and CSR through NOFIN. This could help companies to

improve company performance because of the associated improvements they can have in the different aspects studied. According to Guzzo et al. [39], CSR can help improve employees' feelings of well-being, which, in turn, improves their loyalty to the company. Therefore, companies could enhance their corporate social responsibility (CSR) in relation to their strategic management (SM) through HR policies that improve compensation, particularly non-financial rewards (NOFIN), which can create multiplier effects for the well-being of both their employees and the company itself. Moreover, this would help business success as a company's employees are an essential foundation for developing a sustainable competitive advantage [7].

Furthermore, it could be concluded that companies should take into account that the relationship between SM and CSR is mediated by the TC system, both FIN and NOFIN. This means that the role of the TC system becomes more important because it promotes the development of the CSR required to successfully execute each type of strategy. In addition, we know that the scientific literature has shown that organisational commitment to CSR has a positive influence on companies' level of sustainable performance [6]. In addition, the increasing uncertainty in the business environment and the rapidly changing labour landscape have made organisational diversity issues more complex and have led to changes in companies' HRM while companies have become interested in promoting CSR to secure a competitive advantage [89].

Finally, according to Ibarria et al. [62], gaps have been detected in the literature that indicate weaknesses in management, and limitations in integration from a stakeholder approach, such as employees or CSR. Therefore, this research could help to fill these gaps.

For all the above reasons, the authors believe that the present research could help companies to better compete in the market by improving the alignment of their SM with their CSR policies and using compensation systems as a tool to reinforce the workforce's commitment and engagement, therefore achieving a competitive advantage.

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