

Corporate Social Responsibility in Greek Small and Medium Enterprises

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Abstract

The Corporate Social Responsibility in Greece is a new, related to the E.U., concept that was first introduced in 2001 between entrepreneurs, CSR promotion organizations and the State.

The concept of CSR was mostly developed from and for big multinational corporations. According to the strategic of the Committee that prioritizes the small enterprises, the concept, the actions and the tools of CSR must be appropriately adapted to the special circumstances of the Small and Medium Enterprises, which are the majority of the European enterprises. Due to their simplicity and the power of their owners, the small and medium enterprises manage their social impact based on a more unofficial insight than other enterprises. Indeed, many small/medium enterprises are currently implementing social and environmentally responsible actions without even knowing the concept of CSR or without making these actions public.

A qualitative empirical research was organized in order to analyze the prevailing viewpoints and opinions of the Greek small and medium enterprises as far as CSR is concerned. The research was conducted by the means of personal interviews based on structured questionnaire. The questionnaires were addressed to forty enterprises with different subject and place of activity. The questionnaire was structured in a way to provide information and reach conclusions around two axes:

a) the degree of familiarization of the participants with the concept of CSR, the degree of awareness of the impact of their entrepreneurial activities, the influence of CSR on the basis of the triple bottom line and finally the motives/difficulties of practicing CSR initiatives.

b) the degree of implementation of Corporate Social Responsibility actions when it comes to the local community, the environment, the market, the human resources and the corporate principles.

By processing the answers, the findings of the research are extracted and subsequently the conclusions of the study are reached.

Keywords: Corporate Social Responsibility, small and medium enterprises, Greek enterprises.

JEL classifications: M14

Corporate Social Responsibility in Greece

The Corporate Social Responsibility in Greece is a new, related to the E.U. (European Community 2001, 2002), concept that was first introduced in 2001 between entrepreneurs, CSR promotion organizations and the State. The academic research is in an initial stage as far as CSR is concerned, and it mainly focuses on the continuously changing role of an enterprise in its social context (Bouga, 2009).

A first acknowledgement about Corporate Responsibility is that it is not a "peripheral" activity for enterprises anymore. However, according to Communication Counsellors that specialize in CSR (Analytis, 2007) it seems that Greek enterprises have not concluded to a particular plan of action. Consequently, the CSR programs are

being called sporadic sponsorships or charity events. This can be interpreted by the fact that most Greek enterprises are of small/medium size or they are family businesses and their Corporate Responsibility identifies with the charity activity of the owner.

Corporate Social Responsibility in Small and Medium Enterprises

The concept of CSR was mostly developed from and for big multinational corporations. According to the strategic of the Committee (European Community, 2006) that prioritizes the small enterprises, the concept, the actions and the tools of CSR must be appropriately adapted to the special circumstances of the small and medium enterprises, which are the majority of the European enterprises.

Due to their simplicity and the power of their owners, the small/medium enterprises manage their social impact based on a more unofficial insight than other enterprises. Indeed, many small/medium enterprises are currently implementing social and environmentally responsible actions without even knowing the concept of CSR or without making these actions public. Those kinds of practices are regarded as responsible entrepreneurship for the small/medium enterprises. Their communal and social responsibilities can be characterized as local, occasional and independent of entrepreneurial strategic (Bouga, 2009).

The main motif is ethical thinking of the owner/manager. However, a big part of the small/medium enterprises takes into consideration other benefits as well, such as the building of better relationships with the consumers and the local community. Furthermore, it is a fact that there is a positive relationship between the strategic centres of the small/medium enterprises and their socially responsible activities: the small/medium enterprises that focus on innovativeness, quality and development, are more effective when it comes to their current and future social commitment.

The promotion of athletic, cultural and health/welfare programs are the mostly developed communal activities. The promotion of athletic activities is preferred by the small/medium enterprises of all sizes and in the majority of the countries. The environmental activities that are not linked to the function of the enterprise are occasional. Most of the external communal activities of the small/medium enterprises are occasional and are not linked to the entrepreneurial strategic (Bouga, 2009).

The lack of sensitiveness appears to be the most important obstacle to the communal commitment, especially for small enterprises, followed by restricted funding. The associations of small businesses, the support organizations and networks ought to play an important role to increase sensitiveness by offering information, friendly to the user tools and by spreading cases of proper practice (To Vima, 2008).

The research "Action Research on Corporate Citizenship among European Small and Medium Enterprises" in 2001, (CERFE European Commission 2001) showed that:

- The CSR policies and practices for small/medium enterprises are usually more sensitive to the environmental consequences rather than to the social and financial consequences. This is reflected on the fact that certain practises are largely implemented: environmental policies, public sensitiveness and international certification and control of processes.

- The small/medium enterprises tend to prioritize CSR issues and prefer to focus on one or two basic points rather than try to cover the wide spectrum of social and environmental issues, which is only possible for large enterprises.
- As far as their social attitude is concerned, the small/medium enterprises tend to focus on local issues.
- When it comes to CSR activities, the small/medium enterprises are more active in places where they have extensive communication networks and where they have paid attention to quality. They also appear to be more active when they are connected to other countries or when they participate in productive processes with high environmental cost or when they present extensive use of human capital.

The empirical research

The methodology of the research

A qualitative empirical research was organized in order to analyze the prevailing viewpoints and opinions of the Greek small and medium enterprises as far as CSR is concerned. The research was conducted by the means of personal interviews based on structured questionnaire. The questionnaires were addressed to forty enterprises with different subject and place of activity (Athens, Rodes, Serres, Thessaloniki). The questionnaire was specially designed to gradually lead the responders from general questions about being aware of the subject to more specific ones about implementing CSR. The questionnaire was structured in a way to provide information and reach conclusions around two axes:

a) the degree of familiarization of the participants with the concept of CSR, the degree of awareness of the impact of their entrepreneurial activities, the influence of CSR on the basis of the triple bottom line and finally the motives/difficulties of practicing CSR initiatives.

b) the degree of implementation of Corporate Social Responsibility actions when it comes to the local community, the environment, the market, the human resources and the corporate principles.

More particularly, the questionnaire consists of 33 mostly closed-type questions (bisected, multiple choice and multi-objective questions) that concern the following seven units:

1st) Characteristics of the Enterprise: This unit consists of questions about the year of establishment, the headquarters, the faculty and range of activity, its competitive position, the years of function under the CSR and the specific position of the respondent in the enterprise.

2nd) Corporate Social Responsibility and the Enterprise. Positions and Viewpoints: This unit consists of questions that concern the definition of CSR, the main non-economical goal of the enterprise, the socio-environmental and economic impact and the possible benefits from the CSR activities, the motives and the obstacles for adopting a CSR policy. Finally, this unit analyses how consumers respond to the implementation of CSR practices, the degree of such implementations by small and medium enterprises, the acquisition or not of awards and a final account of all.

3rd) Policies in the working place: This unit examines the existence of encouragement policies for the employees to develop their dexterities, their right to equal opportunities, to consultation and communication, to security and hygiene, to balance their family and

working life, to be further educated and informed about issues that emerge from the working place.

4th) Environmental policies: This unit examines the policies for the reduction of the environmental impact of the entrepreneurial activities. It also examines the provision of information about the products/services of the enterprise and the existence of environmental certification.

5th) Market policies: This unit examines the assurance of fair exchanges with the costumers, the provision of information and special sign of products/ services, the re-alimentation and cooperation with organizations in order to help and support CSR issues.

6th) Social policies: This unit examines the existence of educational programs for the local community, the existence of a constructive dialogue with the local organizations, of policies that support and enhance the local market, of participation in the citizenship and finally the existence of sponsorship and charity programs.

7th) The values of the Enterprise: This unit asks whether or not there is an "ethic code" and a number of corporal principles that are familiar to the members of the enterprise. Another issue of this unit is the education of the personnel when it comes to the values and the conduct code of the enterprise.

The research findings

After the statistical analysis of the answers, it can be concluded that:

The enterprises that participated in the research specialize in the following faculties: Industry 28, 50%, Trade 28, 50%, Tourism 28, 50% and Craft Industry 14, 50%. 45% of the enterprises cover the local spectrum of the market while 55% of them have a wider, national range. 50% of the participant enterprises are highly competitive, 25% are less competitive and another 25% are unable to define their level of competitiveness. 63% of the participants employ 51-250 people, 17% employ 11-50 people and 20% of them employ 1-10 people. According to the number of employees, all enterprises fall into the category of small and medium enterprises. 75% of the respondents were members of the management of the enterprise and 25% were the owners.

50% of the enterprises answered that they implement Corporate Social Responsibility policies and the 50% answered that they do not.

Positions and viewpoints of the Enterprises for Social Responsibility

60% of the participants describe the concept of Corporate Social Responsibility (CSR) like this: "Enterprises voluntarily embody social and environmental anxieties to their activities and relations with all the interested members". 40% of the participants define CSR otherway: "Enterprises abide by corporal principles or ethic codes and transparent processes".

The most significant non-economical goals of the enterprises are:

Responsibility and respect towards the costumers is considered to be very important. The promotion of sustainability and the respect of the environment are important for the 50% of the enterprises, unimportant for the 25% and extremely important for the 25%. The support and respect towards the local community is considered to be and important goal (75%) for the enterprises. On the contrary, the

participant enterprises do not seem to be very sensitive about the development of human resources and the protection of their rights. The implementation of strategies that take into consideration all the interested parts (suppliers, stakeholders, consumers, society) is an important goal for the 70% of the enterprises but an unimportant one for the rest 30%.

The participants believe that the implementation of social responsibility policies by their enterprises helps or could help to deal with social issues. More particularly, it could be very helpful (75%) to prevent poverty and social exclusion. It could be also beneficial for the image and reputation of the enterprise. 50% of the respondents believe that the implementation of such policies can not be very helpful to the improvement of the general circumstances, the equal employment opportunities and the lack of communication with the interested parts (customers, stakeholders, suppliers, local community). According to all the participants (100%) the contribution of the implementation of social responsibility policies is fundamental for the hygiene and security in the working place.

Respectively, the implementation of social responsibility policies by the enterprises helps or could help to deal with environmental issues. To be more particular, 50% believe that it would help very much to generally sensitize the people for environmental issues and to form an environmentally responsible local community. The participants assess that this implementation could moderately help to utilize sustainable sources of energy and to environmentally upgrade the region. They also consider that the implementation of such policies cannot contribute much to the Climate change (25%) and to the reduction of litter (25%).

The implementation of social responsibility policies helps or could help to deal with the financial issues of the enterprises. More particularly, according to the research, small and medium enterprises are benefited by the implementation of CSR in terms of Competitiveness in the markets (30%) and sustainability enhancement (80%).

The important benefits for an enterprise are: Saving money (38%), Productivity increase (29%), Enhancement of pride/satisfaction of the employees (22%), Improvement of relations between employees, suppliers and the local community (35%), Improvement of the working conditions (34%), Improvement of the image and reputation of the enterprise (25%), Increase of competitiveness (32%), Financial sustainability-profits (25%).

The most powerful motives for a small/medium business to implement CSR are the Knowledge of effective practices from other businesses (25%) and the Provision of free consultation services. Among the less important motives are: Consumers' requests, requirements by investors and Non-Governmental Organizations to adopt a responsible attitude towards the community and the environment (50%) and the related legislation (33%). The less powerful motive is Social dialogue. The restraining factors for the implementation of CSR by small/medium enterprises are: the economic expenses, the small size of the enterprise, lack of specialized partners, lack of support by the public administration.

The implementation of CSR policies by the enterprises positively influences the recipients of the products/services to a small degree (50%), to a moderate degree (25%), to a large degree (25%).

According to the respondents, the Greek small and medium enterprises implement social responsibility policies on a degree (69%), on a moderate degree (8%), not at all (23%).

75% of the participant enterprises have never won an award for implementing CSR practices. Only 15% of the enterprises have been awarded for their social responsibility and 10% did not answer the question.

None of the enterprises has established a stable annual account for its CSR activities and its results, as all enterprises do for their financial activities. None of the enterprises composes a social account.

Policies in the working place

The enterprises encourage their employees to develop their real dexterities and their career potentials on a large degree (51%), on a moderate degree (23%) and on a small degree (14%).

The enterprises appear to have taken the proper measure in order to avoid any kind of discrimination in the working place (for women, disabled people, people of different ethnicity, religion ect.) on an important degree (25%) and on a moderate degree (75%).

28% of the enterprises do not consult their employees in order to decide for significant issue, such as: future goals of the enterprise by the means of a consultation system. 32% of the enterprises partly and occasionally consult their employees and 40% consults them more often. No enterprise consults its employees on a stable and organized basis.

There is a high percentage (73%) of the participants that offer the necessary conditions when it comes to hygiene, security and welfare to their employees. 5% of them offer these conditions on a moderate degree and 22% on a small degree.

25% of the enterprises do not take particular action to offer their employees and balanced working and personal life. 25% of them take absolutely no action towards that end. The other half of the responds answered that such actions are impossible to be taken in small/medium enterprises.

25% of the enterprises have largely developed educational programs for the personnel about the issues of hygiene and security in the working place (dangers in the working place, first aid, dealing with working stress). Half of the enterprises have developed such programs on a small degree and 25% have not developed them at all.

Environmental policies

The attempts of the enterprises to reduce the environmental impact are presented in the following table:

Table 1: Environmental Impact

Sector	Much	Enough	Little	None	Cannot be implemented
Save energy	40%	10%	40%		
Minimize litter and promote recycling	21%	25%	54%		
Prevention of pollution	22%	30%	48%		
Protection of natural environment	25%	75%			
Sustainable alternative solutions for transfer		25%	50%		25%

Enterprises offer clear and accurate environmental information for the products, services, activities with clients, suppliers and local community on a large degree (25%), on a moderate degree (25%), on a small degree (25%) and not at all (25%).

Only 22% of the participant enterprises implement a certain system of environmental administration or a system that secures environmental quality (ISO 14001, EMAS ect.). The vast majority (78%) do not implement any system.

Policies of the Market

Only 20% of the sample represents enterprises that have a clear policy according to which they secure honesty and quality to all their contracts, exchanges and advertising. 30% have a certain occasional policy and 30% have none.

All the enterprises offer clear and accurate information and signing for their products and services. They respond to their responsibilities after sale and they all have strategies to assure re-alimentation, consultation and dialogue with the clients, suppliers and other people they have exchanges with.

69% of the enterprises cooperate with other enterprises or organizations in order to solve issues that emerge from responsible entrepreneurship. The remaining 31% cooperate with other enterprises and organizations occasionally.

Social policies

45% of the enterprises offer the people from the local community the ability to educate themselves (internships or working experience in groups of young people or disabled people). 30% of the enterprises offer such opportunities occasionally and 25% do not offer them at all.

Only 25% of the enterprises have opened up a dialogue with the local community about the controversial and sensitive issues that concern the enterprise (gathering of waste near the facilities, vehicles that restrain circulation in roads or paths). 5% have party opened up this

dialogue and 70% have not introduced a dialogue with the local community.

68% of the enterprises are trying to buy their supplies from local markets. 6% of them party do that and 26% do not try it at all.

40% of the respondents encourage the participation in local activities (they offer their employees time to participate). 10% of the enterprises encourage this participation a little bit and half of the enterprises do not encourage it at all.

38% of the enterprises offer regularly financial support to the activities and programs of the local community (charity donations and sponsorships). 12% offer financial support occasionally and 50% never.

Values of the Enterprise

Only 20% of the enterprises have authored a text of corporal principles or "ethic code" or of corporate responsibility policies. This text accurately defines the principles and code of conduct.

25% have made known their principles and code of conduct to their clients, partners, suppliers, employees and other interested members. 65% of the enterprises educate their employees in order to understand the importance of the company's values and code of conduct.

Conclusions

The Corporate Social Responsibility in Greece is a new, related to the E.U., concept that was first introduced in 2001 between entrepreneurs, CSR promotion organizations and the State.

Greek small and medium enterprises have not concluded to a particular plan of Social Responsibility action. Consequently, the CSR programs are being called sporadic sponsorships or charity events. This can be interpreted by the fact that most Greek enterprises are of small/medium size or they are family businesses and their Corporate Responsibility identifies with the charity activity of the owner.

Many small/medium enterprises are currently implementing social and environmentally responsible actions without even knowing the concept of CSR or without making these actions public. Those kinds of practices are regarded as responsible entrepreneurship for the small/medium enterprises. Their communal and social responsibilities can be characterized as local, occasional and independent of entrepreneurial strategic.

The most important non-economical goals of the enterprises that develop or at least try to develop CSR practices in Greece are: responsibility and respect towards the clients, promotion of sustainability, development of the enterprise with respect for the environment and the local community. Least important goals for the enterprises are development of human resources and the protection of their rights.

The implementation of social responsibility practices by the enterprises helps or could help to deal with social issues such as poverty, social exclusion, hygiene and security in the working place. The implementation of social responsibility practices by the enterprises exceptionally helps to generally sensitize people about environmental issues and to form an environmentally responsible local

community. However, it cannot contribute to the climate change and the reduction of waste.

The implementation of CSR by a small/medium enterprise has an important positive impact when it comes to the increase of competitiveness and the enhancement of sustainability. This way an enterprises manages to: save money, increase productivity, boost the pride of the personnel, improve the relations with the employees, suppliers and local community, and improve the image and reputation of the enterprise, increase competitiveness and financial sustainability-profits.

The most powerful motives for a small/medium enterprise to implement CSR practices are the knowledge of effective practices from other enterprises and the provision of free consultation. The restraining factors for a small/medium enterprise to adopt CSR policies are the financial cost, the small size of the enterprise, the lack of specialized partners and the lack of support from the public administration.

The enterprises encourage their employees to develop their real dexterities and their career potentials and they appear to have taken the proper measure in order to avoid any kind of discrimination in the working place and they offer the proper conditions in terms of hygiene, security and welfare.

Enterprises do not consult their personnel for important issues and they are not particularly interested in offering their employees a balanced working and personal life.

Enterprises are trying to reduce the environmental impact by saving energy and preventing pollution. In a small extent, they offer accurate environmental information for their products and services and they apply a certain system of environmental administration or a system that secures environmental quality.

Enterprises continuously cooperate with other enterprises and organizations but they do not have a particular policy according to which they secure honesty and quality to all their contracts, exchanges and advertising.

The Greek small/medium enterprises offer a moderate and occasional possibility for people from the local community to educate themselves. The dialogue with the local community, the encouragement to participate in communal activities and the regular financial support of them are in a low level as well.

Very few small/medium enterprises have authored a text with the corporate values or with an "ethic code". However, they have familiarized their clients, partners, suppliers, employees and other interested members with their values and their code of conduct.

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