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CSR in metallurgy sector in Greece: A content analysis



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ABSTRACT

Corporate Social Responsibility (CSR) has become one of the most widespread business topics among the academic community. Various issues like environmental pollution, economic crisis, corruption, poverty are of major importance these days and besides governments and policy makers responsibility it is obvious that corporations are also part of these problems. In Europe the last 15 years, governments, NGOs, small and large enterprises are making an effort to establish in their business CSR strategies so as to become more competitive and innovative in the global market. The research presents the way 8 Greek companies from the metallurgy sector publish CSR activities and which dimensions of CSR are more common among Greek companies. The companies were selected according to a study of ICAP Group about CSR and Leading Employers in Greece. The findings reveal how Greek companies during the economic crisis make their effort to be more active especially on environmental issues, human resources, health and safety and contribution to local communities. The results of their efforts are controversial as far as their CSR strategy concerns.

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Introduction: theoretical background

The concept of CSR is analyzed in extent both by those who believe in it and those who question it and has been extensively discussed in the five recent decades (Boehm, 2002). Older studies (i.e. Holmes, 1976; Shanklin, 1976; Carroll, 1978; Gupta and Brubaker, 1990), tried to identify and classify, in theoretical and empirical way, concepts and objectives of CSR related to the organization and firms performance.

Although an exact definition of CSR remains elusive, the term is generally used to refer to a mode of business engagement and value creation, allowing to meet and even exceed legal, ethical, and public societal expectations (Jamali, 2007; Luetkenhorst, 2004). There are several definitions given by both parties and all have established strong arguments on whether CSR is an important tool for a successful enterprise or a marketing tool or an imparity idea. The famous opposition toward CSR comes from Milton Friedman who claimed that "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits" (Friedman, 1970). In the last four decades several important studies referred to the CSR theory and practice. According to Carroll's (1979, 1991) framework, one of the most widely accepted, firms have economic, legal, ethical and philanthropic obligations toward their environment, and these four dimensions make up CSR. Philanthropy is

considered by Carroll as a prerequisite and not obligatory from what communities and the public expect from enterprises. He makes an inspired metaphor by characterizing philanthropy as the icing on the cake (Carroll, 1991). Some years later the same author presented an impressive history associated with the evolution of the concept and definition of CSR. The author traced the evolution of the CSR construct at the beginning of the 1950s, until the 90s where CSR continues to serve as a core construct but yields to or is transformed into alternative thematic frameworks (Carroll, 1999). Earlier, Tilson and Vance had pointed out that philanthropy for some managers is an integral part of a well managed company (Tilson and Vance, 1985). A full definition is given by Oketch (2005) who defines CSR as a function that transcends but includes making profits, creating jobs and producing goods and services. On the other hand, Boehm (2002) supported that collaboration between the corporation and the community, is a key issue in understanding the phenomenon of CSR.

Very recently Carroll and Shabana (2010) put CSR in the 'business case' field and supported that the business case refers to the bottom-line financial—among other-reasons for businesses pursuing CSR strategies and policies. Many recent academics argue with the idea of CSR and its connection to financial performance (Vogel, 2005; Margolis and Walsh, 2003; Lee, 2008). Andersen and Dejoy (2011) investigated the role of commonly specified control variables in moderating the relationship between CSP and corporate financial performance (CFP). Lee (2008) tried to trace the conceptual evolution of CSR in the management theory and suggested limitation in the current state of CSR research that tends to overemphasize the business case of CSR, stating that it is critical to

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develop objective and behavioral indicators that could verify whether corporations are 'walking the talk'. In the same way, Waddock and McIntosh (2009) awarded the significance of CSR on management development and education programs interested in fostering a new wave of progressive leadership in management for the future.

There are other several studies regarding the extensive interest and research about CSR in various fields of business performance, consumer behavior and shareholders, environment and community development and law issues (Besser, 1999; Aaronson, 2003; Branco and Rodrigues, 2007; Mares, 2012). For instance, a number of studies awarded CSR as a crucial component in the stakeholder theory (Munilla and Miles, 2005; Acquier and Aggeri, 2008; Miles and White, 1998; Delbard, 2011). Hill et al. (2003) tried to identify common characteristics of CSR companies in an attempt to develop a profile of the socially responsible organization. Gyves and O'Higgins (2008) investigated the benefits arising from various CSR approaches, in order to determine which approach generated the most sustainable mutual benefit both for the focal firm, as well as for society and the firm's stakeholders. Molteni (2006) argued that social responsibility is part of corporate strategy, as it can help corporate management find innovative solutions based on the expectations of stakeholders. The author proposed an innovation model based on social responsibility, affirming that this can be a creative factor in the development of competition. In addition Ocler (2009) using a qualitative approach, examined how firms build and develop corporate discourse in the field of CSR. The same approach is also used by Katsoulakos and Katsoulakos (2007) who tried to establish a strategic management framework that supports the integration of CSR principles and stakeholder approaches into mainstream business strategy. From its point of view, Quairel-Lanoizelée (2011) included the dimension of compatibility in CSR and firm competition in order to contribute to the CSR concept through analysis of the conditions for its implementation, while Sweeney (2007), examined the management and activities of CSR among SMEs and large firms by uncovering barriers and opportunities experienced by SMEs when undertaking CSR in Ireland and Mele (2004) in Spain.

The structure of the research contains: a brief introduction about CSR and the reactions of several academics about the concept of CSR; a review of CSR in Greece and how it is promoted; an examination of how Greek companies from the metallurgy sector disclose CSR information into their CSR reports; an exploration of the contents of CSR reports and in which dimension of CSR they are mostly oriented and finally a discussion about the perspectives of CSR among Greek companies.

The purpose of this research is to investigate whether Greek companies from the metallurgy sector adapt in their business policy CSR practices and how they communicate this information. Furthermore, the additional value of the paper is the fact that it enriches the Greek bibliography since CSR is a contemporary issue with a limited up to now bibliographic activity (Aravosis et al., 2008; Metaxas and Tsavdaridou, 2010, 2012; Giannarakis and Theotokas, 2011), while at the same time it contributes to the international discussion providing a general view of CSR as it is formulated in the Greek business society during this financially critical period. Due to the economic crisis the sector of metallurgy has been in decline and is on the spotlight of the media because of the redundancy of the workers or the adverse effects of the sector collective agreements (the case of Hellenic Halyvourgia). The issue of ethics and the appliance of CSR practices are crucial and remain subjects of ambiguity for the business world.

CSR in Greece

Greece is a country which has been facing difficulties in its political and social system in the last two decades, by the governments of the two dominant political parties. Each political

party aimed at helping Greece get out of recession and finally become a competitive country "like" the rest of the European countries. Yet, during this difficult period of the economic crisis with the whole Europe trying to "save" Greece from bankruptcy, enterprises come to answer some of the major problems like unemployment, poverty, immigrants. The tool that could be useful for Greek companies so as to achieve their goals as ethical entities for their society could be CSR. But, in Greece several barriers like corruption, bureaucracy, the lack of incentives and motives for companies by the state, the lack of understanding of the meaning of volunteerism (Tzivara, 2007) have made it difficult for CSR to emerge earlier. Some of these problems still exist but the persistence of the business sector in an effort to deal with them has established CSR activities in their business strategy.

Corruption is one of the main obstacles in the adoption of CSR since Greece is 50th out of 133 countries according to the Transparency International (2002) in the Corruption Perceptions Index. According to the Social Economic Committee of Greece which issued an "Opinion on CSR" (2003) the difficulty of complying with the law and the size of Greek companies which are usually family owned and do not have the culture or the initiatives from the state to recognize the advantages of CSR principles are some of the obstacles to a successfully CSR strategy. The Social Economic Committee of Greece gives guidance on how to develop CSR and points out how important is the cooperation between stakeholders the state and the companies to accomplish their CSR goal (Social Economic Committee of Greece, 2003).

Nonetheless, CSR in Greece is slowly advancing and there are encouraging efforts by companies for a responsible behavior along with the help of NGOs and recently with the government as well. A characteristic example is that of the Hellenic Network for CSR which is a business-driven membership non-profit organization. Its mission is to promote the meaning of Corporate Social Responsibility to both the business community and the social environment, with the overall objective to create a balance between profitability and sustainable development. More specifically, the objectives of the Network are to raise awareness on CSR among Greek companies, mobilize and develop partnerships for the promotion of social projects and the management of social problems and give the opportunity to Greek managers to become competitive in the global market. In the summer of 2006 a survey was conducted by the University of Athens, on Corporate Social Responsibility (CSR) in Small and Medium-sized Enterprises initiated by the Hellenic Network for CSR. This survey was part of "Hermes", a program aiming on broader awareness of CSR among Small and Medium-sized Enterprises, funded by the European Commission. The axes of the HERMES program were based on the knowledge transfer or the adoption of best practices on CSR and the establishment of the correct structures in order to implement effectively CSR practices (Hellenic Network for CSR, 2006). The results of this survey showed the following: 34% of the actions of CSR were aiming at the internal dimension of CSR meaning human recourses, 60% of the enterprises are connecting CSR with the raise of their profits and their indirect profits are linked with the marketing and CSR, 54% believes that CSR activities have minimum cost but the fact is that some activities have zero cost, 35% of the respondents believe that CSR practices are adopted in a medium degree by SMEs, while 53% in a small degree of minimum.

The Hellenic Network for CSR conducted a qualitative survey and study on the trends and positions of the Greek business community (Hellenic Network for CSR, 2000). Five types of companies were distinguished: (a) The "non-sensitized" company does not recognize willingly its social responsibilities and remains immobile and uninvolved, (b) The "philanthropist" company acts based on the moral values and choices of its founder, (c) The

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