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Communicating Corporate Social Responsibility Activities in Greece in a period of a prolonged economic crisis

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Abstract

The purpose of this paper is to examine the performance of companies operating in Greece in the field of CSR, which have voluntarily participated for evaluation under the international tool titled Corporate Responsibility Index (CR Index). CR Index assesses companies based on their performance in CSR activities related to society, environment, market and employees. A well defined period of 6 years since the adoption of CRI in Greece is examined for 26 participating companies, starting in 2008. The paper follows a content analysis approach. The findings shed light to the limited existing literature on the influence of the economic crisis of a country on the allocation of CSR activities. The findings indicate that the participating companies become more effective in regard to their CSR activities since there is a significant qualitative difference between pre-crisis CSR practices and the one reported after. Moreover, our study shows a bidirectional influence process between companies and the society in which they operate, if we take into consideration that, despite the economic crisis and the companies significant drop in profits, they become more efficient and are highly evaluated. Nonetheless, the content analysis illustrated that companies could further communicate and promote CSR activities to the society' since they have not fully done so. This is so because the communication of the CRI in the companies' corporate websites and the reference in the awards received appears to be limited in the companies' corporate websites.

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1. Introduction

CSR activities have been mainly associated with business performance while there is limited research in regard to the role cultural and social aspects and practices in different countries may play for CSR implementation (Giannarakis and Theotokas, 2011; Fernandez-Feijoo Souto, 2009). Social considerations need to be taken into account as the definition from the Commission of the European Communities proclaimed which defines CSR as “a concept whereby companies integrate social and environmental concerns in their business operations...on a voluntary basis” (Giannarakis and Theotokas, 2011: 2).

A new definition of CSR by the European Commission has been introduced as “the responsibility of enterprises for their impact on society” (European Commission, 2011: 6); The word “responsibility” in fact, illustrates that the European Commission aims to provide CSR with a significant role where enterprises need to be serious in their actions.

CSR offers a set of values on which to build a more cohesive society and on which to base the transition to a sustainable economic system. Nonetheless, not all countries, not to mention enterprises have incorporated CSR activities in their procedures and their organizational structure.

Many companies in the EU have not yet fully integrated social and environmental concerns into their operations and core strategy. Only 15 out of 27 EU Member States have national policy frameworks to promote CSR (European Commission, 2011: 5) while at the time of writing this paper, Greece has not yet implemented a national policy framework.

Corporate social responsibility concerns actions by companies over and above their legal obligations towards society and the environment (European Commission, 2011). This is particularly true for Greece where SCR activities of enterprises are not under a legal framework (Panteleou and Kollydas, 2013).

By renewing efforts to promote CSR now, the Commission aims to create conditions favorable to sustainable growth, responsible business behavior and durable employment generation in the medium and long term (European Commission, 2011: 4). Cultural differences between countries and societies may influence CSR, due to the dynamic and evolving ethical standards, which may differ (Fernandez-Feijoo Souto, 2009: 39; Kavoura, 2012).

The economic conditions of a country may influence the CSR activities. Nonetheless, there is limited research on the way CSR activities are affected by financial crisis. The international literature on interaction between financial crisis and CSR is scarce (Giannarakis and Theotokas, 2011).

The existing studies have shown that the economic crisis may influence CSR projects and there is a drop in numbers of CSR activities because companies act conservatively (Karaibrahimoglu, 2010; Giannarakis and Theotokas, 2011; Fernandez-Feijoo Souto, 2009).

The current economic crisis is one of the biggest ones in global economy and has forcefully spread to the real economy, having as a result a deep recession and employment reduction. Globalization has in turn contributed to the faster transmission of the problem from country to country (Kavoura, 2013).

More specifically, this paper aims to examine Greece as a case study, given that the country has been seriously affected by the economic crisis and may offer a good example for analysis in regard to CSR activities. In a European survey that took place in 2013, Greece, Portugal and Spain were found to be the worst affected by the economic crisis (TNS Opinion & Social, 2013: 5) having as a result the decline in contributions on cultural activities and spending in general, due to the difficult economic circumstances (TNS Opinion & Social, 2013: 8).

This study aims to examine which is the case in Greece in regard to CSR activities considering that companies operating in a country which is under a big economic crisis would be conservative in regard to allocating economic resources in CSR as the scarce literature on this issue has shown (Karaibrahimoglu, 2010; Giannarakis and Theotokas, 2011; Fernandez-Feijoo Souto, 2009).

We aim to examine whether the economic crisis of the country influence CSR activities. In order to examine the companies' performance and have a specific and valid way of measuring CSR activities since there is not a Greek CSR national policy yet implemented at the time of writing this paper which would allow for the initiation of activities from enterprises on a systematic basis, the research took place for all the companies participating in the CR Index, which has been implemented in Greece since 2008.

The examination of the communication of the companies' performance under the CR Index in their official websites and whether they promote and advertise such performance is another aim of the research.

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