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An overview of corporate social responsibility in Greece: perceptions, developments and barriers to overcome

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The objective of this paper is to provide an overview of corporate social responsibility (CSR) in Greece and present the challenges that need to be met in order to further promote socially responsible business behaviour in the domestic economy. This is the first attempt to provide a systematic analysis of CSR in Greece and adds to the existing pool of knowledge of CSR embeddedness in countries where CSR awareness is still rather low, a literature field that is still quite limited. Drawing from prior literature, the paper is built around three basic questions in relation to the Greek context: how is CSR perceived by Greek business professionals? How is CSR practised in Greece? And which issues evident in the modern domestic environment act as underlying barriers to the broader dissemination of CSR in Greece? The extant empirical work suggests that, while CSR in Greece appears to be developing, there is still scope for improvement and further diffusion of relevant practices. While some of the patterns shaping CSR in Greece have been analysed, much work still remains to be carried out in extending and deepening our knowledge in this part of Europe.

Introduction

Corporate social responsibility (CSR)[1] footprints in terms of relevant policies and practices are evident among all regions, but the level of uptake and diffusion differs, as countries differ considerably in terms of their levels of economic development, legal-political systems, cultural standards and expectations concerning business conduct (Hofstede 1991, 2001, Wotruba 1997). CSR research has traditionally tended to focus on developed countries – the United States, Europe and to a lesser extent Asia – sometimes in a comparative perspective (e.g. Maignan & Ralston 2002, Welford 2004, Kolk 2005). While attempts have been made to document developments in countries where CSR has not been widespread in business conduct and/or not investigated, yet in general the literature in country-level business environments with limited CSR awareness is, with few exceptions (e.g. Luken & Stares 2005, Kraisornsuthasinee & Swierczek 2006, Vives 2006), somewhat limited.

In order to examine the CSR engagement of western economies, Midttun *et al.* (2006) developed a measure based on four company-level sets of indicators: SRI analysis based on scores on sustainability indices (DJSI, FTSE4Good, Global 100), membership of CSR initiatives [Global Compact

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and World Business Council for Sustainable Development (WBCSD)], CSR reporting [based on Global Reporting Initiative (GRI) guidelines and KPMG survey outcomes] and adoption of voluntary management standards (ISO 14001 certification). The results showed that all Mediterranean countries scored low on SRI indices. Portugal and Spain were ranked considerably higher than Italy and Greece in the industrial memberships in CSR communities.[2] Moreover, in terms non-financial reporting and the adoption voluntary standards, Spanish industry scored higher, with the Greek ranked far lower.

Similarly, proposing a typology model for European governmental action towards CSR, Albareda *et al.* (2007) place the Mediterranean countries in an 'agora' model[3] of CSR public policy. They argue that in terms of CSR policy design and formation, Mediterranean governments aim to achieve a social consensus and therefore to engage in a multistakeholder dialogue of all the related agents: companies and social groups, along with state representatives. Greece along with Italy, Portugal and Spain are identified by Albareda and colleagues as late adopters of CSR policies in Europe as only recently have they started to design a CSR agenda, motivated mainly by the European Commission initiatives to promote a European framework for CSR as well as the impact of global CSR/sustainability initiatives. Furthermore, governmental action in these countries is supported by the drafting of reports and studies on CSR, investigating the development of CSR by the more proactive (Northern) European governments. The authors note, however, that on the whole, even though not keen towards innovative or proactive CSR public policies (apart from Italy), governments in the Mediterranean region seem to have adopted a positive attitude towards CSR (Albareda *et al.* 2007).

With this in mind, and drawing from the extant literature, this study attempts to portray CSR in Greece. To this end, the paper is built around the following three questions:

How are CSR and ethical business conduct perceived by Greek business professionals? Fishbein & Ajzen's (1975) theory of reasoned action, which proposes that intentions are influenced by attitudes as well as subjective norms (and that are the best predictors of behaviour), provides the conceptual underpinning for examining individual perceptions for CSR. In this context, a firm's non-financial performance depends on the decisions and actions of individual actors (e.g. see Wood 1991, Agle *et al.* 1999) as well as on an individual's perception of whether social responsibility can contribute to organizational effectiveness. Such a perception is likely to be a critical antecedent of whether s/he realizes a CSR-related dilemma in a given situation or business decision (Hunt & Vitell 1986, Jones 1991, Singhapakdi *et al.* 1995).

How is CSR practised in Greece? In line with Midttun and colleagues measure of national-level CSR embeddedness, we provide evidence from the domestic business sector in terms of: (a) current developments in the Greek capital market, (b) the adoption of management systems standards, (c) the promotion of corporate triple-bottom-line/CSR reporting and (d) the participation of Greek companies in globally acknowledged voluntary CSR initiatives. So far, Midttun and colleagues have provided the most compelling approach for cross-national comparisons of CSR engagement as 'systematic policy data on CSR do not exist' (Midttun *et al.* 2006: 376) and 'most of the debate (is) being fuelled by conceptual arguments or anecdotal evidence from cross-country case studies' (Ringov & Zollo 2007: 477). Their composite index of national CSR practices and the typology of western economies have been adopted and further explored by authors (see Gjolberg 2009a, b, Jackson & Apostolakou 2010), adding valuable insights on comparative analysis of regional CSR trends and developments.

Which issues in relation to the domestic culture and economy act as underlying barriers to the broader dissemination of the CSR concept in Greece? While a growing number of domestic companies are assuming new roles and responsibilities, shaping their vision and strategy towards CSR, setting targets and allocating resources in that direction, the majority of Greek firms have a limited awareness of CSR and minimal engagement in relevant activities. With this in mind, we attempt to spotlight problems, intrinsic in the Greek case, that allow companies to adopt socially irresponsible behaviour and overlook or misinterpret the potential benefits CSR can yield (e.g. increased corporate reputation and minimized conflicts with primary stakeholder groups).

The rest of the paper is structured as follows: the next section reviews the findings of extant research on perceptions of CSR by representatives of companies operating in the Greek business environment. The following section addresses the current developments on the four aforementioned aspects of CSR. Next, the obstacles that hamper the implementation of sound CSR-related strategies in Greece are identified. Finally, future research perspectives and trends concerning the Greek case are pointed out.

Perceptions on business ethics and CSR in the Greek context

Determining what is socially responsible is probably the most important step in the formulation and pursuit of a CSR strategy, in order to implement this objective and the issues that should be emphasized. In this context, managerial perceptions can reveal the level of awareness and the relevant importance of factors that support the socially responsible behaviour of business conduct. The literature search revealed a number of studies on this specific topic in relation to the Greek environment.

Kavali *et al.* (2001) examined the perceptions of marketing professionals of 10 foreign subsidiaries operating in Greece on business ethics – the study of business, either individual or corporate, action with special attention to its moral adequacy (Goodpaster 1997: 51). Conducting in-depth interviews examining topics on ethical problems, ethical standards, corporate policy instruments and culture, the authors identified a series of key issues. Among the various ethical problems with which marketing professionals are confronted, the most frequently cited were bribery, corporate tax evasion and mainly gift giving and receiving, opportunities for extravagant expensive entertainment or trips and gifts received from customers, suppliers or middlemen in order to 'facilitate' transactions. According to the interviewees' perceptions as well as the authors' opinion, ethical standards in Greece have been influenced and upgraded by the consistency of procedures of multinational and other foreign firms with presence in the country, affirming the trend noted by Ward that 'multinationals can raise the standards in total business sense' (Ward 1994 in Kavali *et al.* 2001: 99). Moreover, the privatization schemes initiated by recent Greek governments, together with the high level of professional qualifications and the impact of relationship marketing, were also reported as positive factors on ethical behaviour. In contrast, a non-negligible minority of informants stated that today's ethical standards of behaviour are lower than the past and are negatively affected by lax legislation, political corruption and uninformed customers. The code of ethics as an internal policy instrument was considered to help employees in ethical decision making. As the majority of marketing professionals noted, the introduction of policy instruments and controls developed by multinationals and other foreign companies established in Greece has overall upgraded the use of ethical policy instruments. Finally, it was found that the impact of the prevailing corporate culture is the most crucial factor in affecting ethical behaviour, in addition to, primarily, the top management's actions responsible for removing any ambiguity that exists between organizational priorities and ethical conduct.

Siomkos *et al.* (2006) investigated the factors of socially responsible marketing strategies of private healthcare organizations from the consumers' and top managers' perspectives. Providing further insight to researchers and practitioners in the healthcare sector, the study revealed that the consumer-perceived ethical marketing performance was a four-structure concept, consisting of four CSR components: organization and sponsorship of social-charity events; focus on ethical aspects of business conduct apart from profitability; reasonable pricing of supplied services; and respect for the environment. The group of top managers, on the other hand, pointed out respect for employees and other stakeholder groups (i.e. consumers, environment) as well as the enhancement of research activities as critical factors of socially responsible marketing performance in the sector. The authors conclude that combining these perceived CSR aspects assists private healthcare organizations in Greece to respond effectively to the need for top-quality healthcare of the people in their communities and simultaneously improves their social image and financial results. Q2

Fafaliou *et al.* (2006) assessed CSR awareness in small and medium shipping companies in Greece. The overall findings showed that CSR is limited to a small number of short sea shipping providers, which are either subsidiaries of international conglomerates or are controlled by entrepreneurs that are personally aware of and committed to CSR, as – in line with the organizational characteristics of the Greek short

Table 1: Excerpt from the GLOBE results on Greek societal culture

Societal culture dimension	Society 'as is' Score	Country ranking Rank	Society 'should be' Score	Country ranking Rank	Difference between 'as is' and 'should be' Score
Institutional collectivism	3.25	61st	5.40	5th	2.15
In-group collectivism	5.27	35th	5.46	41st	0.19
Power distance	5.40	21st	2.39	52nd	–3.01

GLOBE, Global Leadership and Organizational Behaviour Effectiveness.
Source: Adapted from Papalexandris (2007).

sea shipping – design and implementation of such voluntary initiatives is dependent on top-down attitudes. The survey further revealed that CSR practices were related to the companies' internal operations, with most of the responding managers not perceiving CSR as a tool for adjusting the internal affairs *as well as* the expectations of their stakeholders. The perceived benefits from CSR practices were mainly limited to improved employee job satisfaction and customer loyalty, which partially explains why this subsector has a low level of involvement in such activities.

Putting the Greek managerial perceptions of CSR into a broader perspective, the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) research programme provides some very fruitful insights. (For an overview of the GLOBE project, see House 2004.) According to the GLOBE data, Greek managers desire institutional collectivism (the extent to which institutional practices at the societal level encourage and reward collective action) much more than business executives of most other countries included in the survey. This is indicated by the society 'should be' – what should be happening in Greek society – coefficient, 5.40, ranking Greece fifth out of 61 countries, a finding that suggests the strong individualism of Greeks (Papalexandris 2007). In contrast, societal in-group collectivism, the extent to which individuals should express loyalty to, pride of and interdependence with their families, is much more highly valued in Greece than a large number of participating countries. Likewise, Greek managers regarded the concept of power distance (which denotes whether power should converge at the upper levels of society and whether people should believe in the ability to question superiors) considerably higher than those of most other participating countries, revealing the centralization of power perceived by respondents as existing within Greek society (Papalexandris 2007). In this context, Waldman *et al.* (2006) found that nations that highly value institutional collectivism incorporate CSR aspects into the decision-making process and consider how managerial actions pertain to the concerns of the larger collective or society. Contrarily, in-group collectivism does not predict social responsibility values, as CSR refers to more societal-level concerns and such concerns are beyond the realm of the in-group. These authors also suggest that in cultures where power distance is high (such as Greece), aspects of CSR tend to be devalued as 'when there is a strong belief in society that there should be distance among people in terms of power, relatively high-level managers who have the power (such as our respondents) may be more self-centered or lacking in concern for shareholders/owners, broader stakeholder groups, and the community/society as a whole as they make decisions' (Waldman *et al.* 2006: 834) (Table 1).

Finally, it should be noted that there is a considerable female under-representation in high managerial posts, and in power positions in general (Mihail 2006a, b, Galanaki *et al.* 2009) in the Greek business community. In this regard, it has been found that masculinity has a significant negative effect on corporate social and environmental performance (Ringov & Zollo 2007) and is negatively related to a firm's ethical policies (Scholtens & Dam 2007).

CSR in Greece – current developments

CSR initiatives, voluntary standards and indices

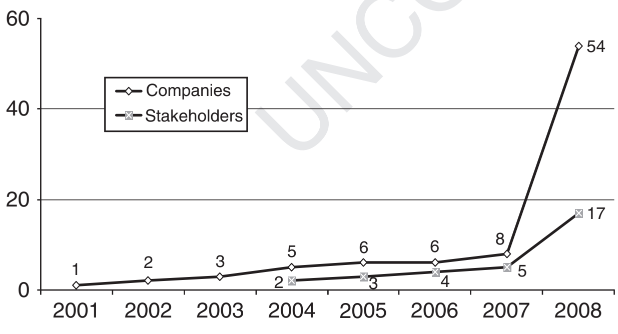
Greek companies prove to be at least reluctant to adopt and endorse voluntary CSR initiatives. Only two companies (Titan Cement and Emporiki Bank) have certified their 2008 CSR reports according to the AA 1000 Assurance Standard, while 24 organizations have indicated their adherence to the GRI guidelines.[4] Moreover, 18 organizations have been certified to Social Accountability 8000 standard.[5]

Furthermore, the number of organizations that have shown their commitment to the world's largest voluntary corporate responsibility initiative, the UN global compact principles, was similarly low until 2007. During that year, there was an exponential growth in the number of business participants, while the number of stakeholders declaring their commitment to the initiative has more than tripled (Figure 1; Table 2).[6]

Only recently (November 2008) was the Greek Business Council for Sustainable Development (BCSD) launched. The BCSD is a member of the WBCSD's regional network. The 31 founding members – mainly industrial companies – have all signed a Code for Sustainable Development: a 10-point declaration on continuous improvement in economic, environmental and social performance. In this regard, it should be mentioned that Titan Cement is the only Greek participant in a WBCSD sectoral project: the Cement Sustainability Initiative, a joint effort of 18 companies with the aim to develop common standards and systems to measure, monitor and report on health and safety performance, which the individual companies can then implement.

Table 3 shows the companies currently included in sustainability/CSR indices. Greek corporations are more oriented to the FTSE4Good indices. Midttun *et al*. (2006) provide a reasonable explanation for this:

Figure 1: UN global compact participants in Greece



Source: unglobalcompact.org

Table 3: Greek companies currently included in sustainability indices[6]

FTSE4GOOD	Europe index	1. Alpha Bank 2. Bank of Piraeus 3. Coca-Cola Hellas 4. Cosmote 5. Emporiki Bank 6. EFG Eurobank Ergasias 7. Bank Emporiki Bank 8. Greek Org. of Football Prognostics 9. Hellenic Telecommunications Org 10. National Bank Of Greece
	Global index	1. Alpha Bank 2. Bank of Piraeus 3. Cosmote 4. EFG Eurobank Ergasias Bank 5. Greek Org. of Football Prognostics 6. Hellenic Telecommunications Org. 7. National Bank Of Greece
DJSI	Dow Jones STOXX sustainability	Coca-Cola HBC
	Dow Jones EURO STOXX sustainability	Coca-Cola HBC
Ethibel sustainability index (ESI)	ESI excellence	1. Coca-Cola HBC 2. Emporiki Bank
	ESI pioneer	Emporiki Bank

Source: Sustainable-investment.org, stoxx.com.

Table 2: Adoption of voluntary standards and initiatives by Greek companies

	AA1000AS	SA8000	GRI guidelines	Global compact
Number of organizations (as of late 2008)	2	18	24	71

GRI, Global Reporting Initiative.
Source: Authors' own elaboration.

> . . . Institutionalised orientations may also help explain the peculiar differences in industrial orientation towards different indexes. The fact that Nordic companies predominantly choose listings on DSJI, while many of the continentals and Mediterranean companies choose the FTSE4-Good, presumably reflects different patterns of internationalisation. When Nordic and UK companies internationalise, they prefer listings on the New York stock exchange. Continental and Mediterranean countries, on the other hand, seem to be more oriented towards FTSE in London.
> (Midttun *et al.* 2006: 380)

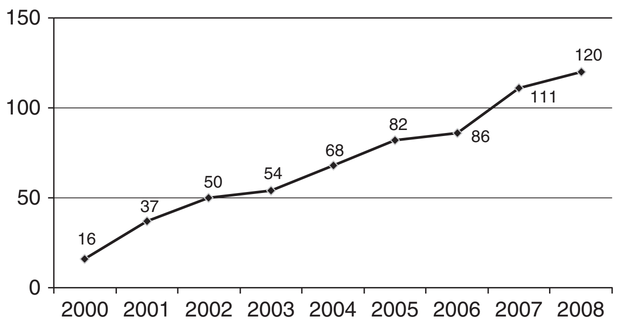
It should be noted, though, that all major financial institutions are included in sustainability indices, proving that the Greek banking sector demonstrates robust corporate governance and risk management as well as high levels of environmental and social performance [United Nations Environmental Program Financial Initiative (UNEP-FI) 2007].

Moreover, compared with the number of global compact business participants, the number of Greek companies enlisted in such indices is low. Again, Midttun and colleagues neatly comment that:

> . . . one might argue that the aggregated CSR indicators cover important distinctions in terms of CSR performance. While for instance it requires little or no effort to enter into the Global Compact and the GRI statistics, the SRI indices and the WBCSD involves significant demands in terms of performance and engagement. Thus, one might argue that the Global Compact and the GRI represent more of an indication of interest than an actual measure of performance. The DJSI and FTSE4Good, which measure real performance, should arguably be given greater significance. (. . .) Nevertheless Global Compact membership is gradually becoming more demanding and indicates a focus that is about to entail more and more screening of the firms' real commitment. The Mediterranean companies are quite active in this field and show clear ambitions with respect to future development.
> (Midttun *et al.* 2006: 380)

At a national level, a milestone in the diffusion of the CSR concept and supporting practices has been the formation of the Hellenic CSR network, partner of the European CSR network. The Hellenic CSR network, based in Athens, was formed in June 2000 as a non-profit organization by 13 companies and three business institutions. Its mission is to promote the concept of CSR to both Greek businesses and Greek society, with the ultimate target to increase awareness on sustainable business practices. The network aims at continuously updating and disseminating information on CSR; networking and collaborating with businesses, associations and other organizations, on all levels, for the exchange and dissemination of information; raising the awareness of the business community and the public on social action and the contribution of businesses on a local, national and international level; mobilizing and developing partnerships for the promotion of social projects and the management of social issues; and transferring, adapting and disseminating good practices in social cohesion and responsibility (Hellenic Network for Corporate Social Responsibility 2009). Its current priorities include the collection of data on the social responsibility of Greek businesses; the increase of support provided to business practitioners, especially small and medium sized;[7] the support and promotion of the 'European Alliance for Corporate Social Responsibility'; collaboration with public sector organizations; joint projects between its members for the management of urgent/sudden social or environmental changes; and the creation of a national network for the support of the principles of the global compact. Since its inception, there has been a steady growth in the core-member companies of the network, which is quite promising (Figure 2).

Figure 2: Hellenic corporate social responsibility network – core members 2000–2008



Source: Hellenic CSR Network

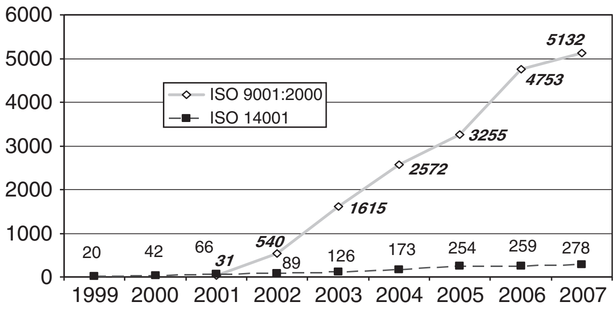
Among the limited number of civil society organizations that work on the transparency of public administration and companies is Transparency International Greece, a chapter of Transparency International. Its mission is to fight corruption and the apathy that enables corruption. It is involved in a range of anti-corruption programmes at an international, national and local level aiming to promote the adoption of initiatives to fight corruption in political funding, the promotion of transparency in local government as well as combat corruption in public procurement (http://www.transparency.gr).

An important initiative that can assist in the linkage of enhanced competitiveness with social responsibility of small- and medium-sized enterprises (SMEs) has been the 'Responsibility Labelling Scheme for SMEs'. Set up by the University of the Aegean in collaboration with Lesvos Chamber of Commerce, this scheme focuses on providing an internal management tool to the participating SMEs in order to increase their competitiveness; raising consumer awareness; the improvement of the responsible SMEs' position in the market; and enhancement of the image of the North Aegean region as a 'Responsible Region'. So far, the Responsibility Labelling Scheme for SMEs is still in its pilot phase. The development team – after setting up the labelling system through collaboration with a group of approximately 30 SMEs in order to define the system's criteria and procedures, incorporating the particular characteristics of the local SMEs and the region – is now preparing a guide for auditors that will evaluate all the interested SMEs eligible to obtain the responsibility label.

Management systems standards

There is a significant divergence in the number of ISO 9001:2000 and ISO 14001 certificates in Greece (Figure 3). This should be conceived in conjunction with what Neumayer & Perkins (2004) point out, that ISO 14000 is relevant to communities, NGOs, regulators and other non-economic parties that need not have any business links with the certified firm. ISO 14000 can potentially affect a broader set of stakeholders, and hence could reflect the country's cultural values more strongly than ISO 9000. In this regard, Corbett *et al*. (2003) report that firms

Figure 3: ISO certifications in Greece



Source: ISO Annual Report 2004, 2007

adopting ISO14000 are more motivated by relations with authorities and communities than firms adopting ISO 9000.

Greek industries may be safely considered to be late starters in the international certification process. This slow response has been particularly observed for ISO14001 and ISO 9000 quality systems by Lagodimos *et al*. (2007) and Lipovatz *et al*. (1999), respectively. Lagodimos *et al*. (2007) found that the bulk (approximately 75% of the total) of the ISO 14001-certified entities operate in manufacturing, while others are roughly equally distributed between services (15%) and commerce (10%). This distribution differs significantly from that of ISO 9000-certified enterprises, where 55% represented manufacturing, services and commerce, having 23% and 22%, respectively (Lagodimos *et al*. 2005).

The authors, along with Tsekouras *et al*. (2002), confirmed that in Greece, there is an association of relatively large companies with ISO 14001/ISO 9000 certification and suggest that the degree of development of a sector certification culture (created by the previous adoption of ISO 9000) is a possible factor for EMS certification. Furthermore, Lagodimos *et al*. (2007) comment that the role of the state policy in Greece has been crucial in explaining organizational size as a factor for certification; aiming to increase national awareness on quality and environmental issues, the implementation of standardized ISO management systems has traditionally been heavily subsidized by the Greek state, mainly through European Union (EU) funds. While these subsidies were primarily directed towards SMEs, given the size of Greek enterprises, nearly all can be classified as SMEs (according to uniformly applied EU norms). Consequently, the relatively larger firms (considered as more reliable) have been the prime beneficiaries, resulting in the association with relatively large organizations. It is only recently that the problem has been understood and that real SMEs (based on specific criteria reflecting Greek enterprise norms) are starting to obtain access to state subsidies.

Halkos & Evangelinos (2002) similarly concluded that the likelihood of environmental management systems standards (EMSS) implementation for a large company in Greece is significantly higher than for a medium company, and even higher than for a small company. Exploring the determinants of EMSS uptake in the Greek industry, they also point out managerial perceptions on win–win possibilities from EMSS implementation is a significant parameter, while, in contrast to what prior literature indicates, legislative pressure on companies to improve their environmental performance does not result in a higher uptake of the standards.

Empirical findings from Bichta (2003) on the perceived variables that influence the environmental responsibility of two Greek industrial firms (in the chemical/fertilizer and metal sectors, respectively) suggest a series of internal and external determinants realized by managers. With regard to internal factors, economic considerations, corporate culture and the ethical standpoints of the CEO and employees were suggested as critical parameters for environmental responsibility. Externally, determinants that support (or undermine) most decisively decision making towards corporate environmental responsibility were found to be the legal requirements and the available technology, the ownership of the organization (state owned vs. private sector companies) and the national culture, along with country-level socio-economic values and the sector of operation. The authors stress that 'regional characteristics in environmental control have been predominant in the way the Greek firms behaved towards the environment', '. . . with the centralized model of monitoring environmental policy in Greece to undermine the effective implementation of environmental policy' (Bichta 2003: 22).

With regard to the Greek companies' motives for the development and certification of an ISO 9000 quality assurance system, Gotzamani & Tsiotras (2002) found that these stem primarily from the firms' overall quality policy and the intention for (quality) improvement of the final products and internal operations. Secondary motives appeared to be the satisfaction of future demand and the development of an advantage over their peer competitors. Moreover, the authors point out that ISO 9000 certification in Greece is a good step towards TQM, conferring significant operational and other benefits to the certified entities while it boosts quality culture and relevant commitment. The standard's contribution was found to be more effective for SMEs with relatively lower TQM performance before their certification as well as to enterprises that had been certified for a longer period of time. However, they conclude that '. . . there is much yet to be achieved by the certified companies on their road to TQM concerning mainly the "soft" elements of quality, like human resource management, suppliers' relations, and others . . .' (Gotzamani & Tsiotras 2001). Finally, it should be noted that in their analysis of the best practices and the ISO 9000 contribution to business excellence among leading Greek firms, Vouzas & Gotzamani (2005) revealed a number of problematic areas such as increased bureaucracy; lack of flexibility in the design and implementation of the European Quality Award model; low utilization of employees' skills and knowledge; and low utilization of the award as a marketing tool and as a means of penetrating new markets.

Kollman & Prakash (2002) investigate cross-national variations in the implementation of EMSS and conclude that the characteristics of both domestic (business-government) relations and of international institutions advocating the standards (the EU and the International Organisation for Standardisation) need to be taken into account to fully explain the variations in the implementation of EMSS between different countries. They suggest that the standards represent a new form of governance in which governments play a more limited role, resulting in an extremely fragmented and decentralized form of policy making. However, this form of policy making has been slow to take hold in Greece. Indeed, Getimis and Giannakourou (2001) stress the normative, rigid and legalistic form of Greek environmental policy, which is also evident in the low level of awareness of the various stakeholders, thus explaining (Kollman & Prakash 2002) the low uptake of such standards and voluntary initiatives, as well as the fact that Greek companies appear to be less proactive than those in other countries (e.g. UK companies).

Supporting evidence for this claim is provided by Getimis and Giannakourou (2001), who note the centralized and bureaucratic nature of environmental policy making in Greece. Specifically, the government in Greece has retained the right to policy making, with regional and local authorities having mainly a consultative role. NGOs, corporations or independent institutions have rarely been consulted and utilized in the formulation and execution of environmental policy, reinforcing its normative, legalistic and mandatory nature. Their exclusion from the process is the result of a widespread perception that environmental policy making would be compromised if it involved NGOs or other independent institutions, as well as stemming from a fear on the part of bureaucrats that they might lose the privilege to maintain client-based relations with companies. In this context, the administrative approach is in favour of command and control strategies rather than the development of self-regulation through proactive actions.[8]

> The absence of a tradition of negotiation and debate both in the public service and in civil society, the low level of environmental awareness and of corporate ethics, and the particular characteristics of the Greek manufacturing sector (small and medium sized enterprises with few international connections), are some of the main features which have limited responsiveness to the EMAS Regulation.
>
> (Giannakourou 2001, quoted in Watson & Emery 2004)

As of 2008, 462 plants and facilities of 62 organizations operating in Greece have been certified under the EMAS regulation. What should be further highlighted, though, is that 85% of those certifications belong to Vodafone Hellas, which, in 2003, certified 392 of its sites, making the company the first mobile telecommunications enterprise in Greece and the second worldwide to receive EMAS certification. The remaining 15% (70 sites) reveals the notably low level of EMAS penetration in Greek industry. While the nature of environmental law in countries such as the United Kingdom or Germany seems to encourage companies from embracing voluntary initiatives, in Greece, environmental legislation appears to have the opposite effect (Watson & Emery 2004). Additionally, as Heinelt & Toller (2001) note, companies in Greece find it difficult to fulfil their formal legal obligations and *they appear reluctant to publish corporate information*: Q4

> In Greece the obligation to publish an environmental statement under the EMAS rules is one of the factors that make companies choose ISO 14001 . . . . The pursuit of their own interests by companies is viewed so negatively in Greek society that asking companies to make a voluntary contribution to environmental protection would not be understood by the general public. Publication in this setting of internal company data would only add more fuel to the fire.
>
> (Heinelt and Toller 2001: 381)

A number of reasons may explain why some companies are more reluctant to commit the necessary time and resources in exploring opportunities in this area. The absence of established environmental (or triple-bottom-line) management systems for managing, measuring and reporting on key issues may hinder the realization of benefits that would have otherwise been identified and thus motivate companies to invest the time and effort required to explore any additional opportunities. The lack of information on the notion of sustainability or of relevant examples of win–win possibilities from other companies may hinder a company's willingness to look for business opportunities associated with sustainability benefits. Similarly, the long history of command and control regulation in western countries may have embedded the perception that environmental issues are always associated with costs. The latter is particularly true in Greece, with Getimis and Giannakourou (2001) noting that:

> ... Environmental policy is characterised by command and control type regulatory rules defining specific objectives that leave others with only limited discretion and flexibility.
>
> (Getimis and Giannakourou 2001: 292)

Is there a case for CSR in the Greek capital market?

The Greek capital market has been largely transformed over the last few years. The concept of corporate governance, a set of mechanisms through which outside economic stakeholders protect themselves against expropriation by the insiders of the company (La Porta *et al.* 2002), emerged as a major issue in Greece during the mid-1990s. The main driver for the introduction of more efficient and transparent corporate governance system was the unprecedented capital market growth in Greece in 1997–1999.[9] The prosperity and wealth created during those years was followed by severe underperformance during 2000–2002. In an attempt to restore investors' confidence, the Capital Markets Commission set up a Committee on Corporate Governance, which initiated discussions with market participants and experts from the relevant fields of corporations, auditors, legal practitioners and investors. These discussions eventually led to the publication of a voluntary Code of Conduct, entitled 'Principles on Corporate Governance: Recommendations for its Competitive Transformation' (Committee on Corporate Governance 1999), which was devised in line with some of the OECD's 'Principles of Corporate Governance' (OECD 1999). Among the 44 recommendations, the proposed principles and best practice rules included topics concerning the role of stakeholders[10] in corporate governance as well as the improvement of the transparency of the market and the establishment of appropriate business ethics.

Q5 Q6

However, in August 2001, the Federation of Greek Industries (FGI) introduced the Principles of Corporate Governance for all companies, particularly for those listed on the Athens Stock Exchange (ASE), but the issue of stakeholders' rights was excluded.

In May 2002, the Greek Ministry of the Economy amended a new corporate law (No. 3016/2002) and incorporated a subset of the principles contained in the previously voluntary code. However, these did not take place without opposition; there was open controversy between the representatives of the industrial federations and the state, with the FGI suggesting that codes on internal governance should be voluntary and the regulator should refrain from legal enforcement (Xanthakis *et al.* 2004, Florou & Galarniotis 2007). In this context, Mertzanis (2001) relevantly comments:

> The effort to reform corporate governance has only recently grown in Greece, where legislators and business people are struggling to reform a corporate culture that has been highly centralized around government affairs since the inception of the modern Greek state. (Mertzanis 2001: 90)

Along with these developments towards a comprehensive framework on corporate governance, a series of studies have been performed by academics in order to assess how Greek companies compare with international best practices. Spanos (2005), Tsipouri & Xanthakis (2004) and Xanthakis *et al.* (2004) applied a corporate governance rating methodology, devised by the Centre of Financial Studies in the Department of Economics of the University of Athens, to Greek firms listed on the ASE. Among the different clusters of scoring criteria, indicators on the external position of the organization were included; these covered corporate governance commitment, the role of the company's stakeholders and the concept of social responsibility. The results revealed that the degree of compliance against these topics was relatively very low. Nevertheless, in the study of Xanthakis *et al.* (2004), a sign of improvement is identified on comparing the 2001 and 2003 scores (56.3% in the 2001 survey and 63.1% in the 2003 survey). Feedback from the best-performing companies to Tsipouri & Xanthakis's study (2004) suggested that, in order to make meaningful comparisons among local firms, the legally imposed corporate governance criteria should be eliminated in order to identify clearly the organizations that seek robust internal governance practices. Further analysis based on these comments revealed that large capitalization companies were more prepared to work for a higher corporate governance performance and therefore have stronger potential to compete for funds globally. In contrast, most medium and small capitalization companies had adopted the minimum mandatory requirements but still lacked further efficient corporate governance mechanisms.

The latter was further confirmed by Florou & Galarniotis (2007), who performed a benchmark assessment of the governance mechanisms in place of Greek companies listed in ASE, against three levels: the minimum requirements under Greek regulation (lower level); the incremental recommendations of the Greek code (middle level); and the additional international best practices, prescribed by the UK Combined Code (higher level). The findings showed that governance ratings of Greek companies increase with firm size. 65.5% of the 274 out of 340 listed in ASE in 2003 firms scored positively in relation to the minimum governance requirements of the national law. However, considering the incremental principles of the voluntary national code and the international best practices, the average governance scores declined. This empirical evidence led the authors to conclude that:

> . . . Greek firms may not yet be 'convinced' by the merits of corporate governance; instead, governance may still be viewed as an 'unavoidable cost.' (Florou & Galarniotis 2007: 992)

Q7

Assessing the impact of conditional volatility on CSR stock returns is an important aspect for asset valuation and efficient portfolio allocation and hedging strategies (Syriopoulos & Merikas 2005). The Greek capital market follows the major CSR trends seen in Europe, but CSR investments remain at a particularly low level (Merikas 2003). Two major contributions to the field of the possible relation between (aspects of) corporate social performance and corporate financial performance in the Greek capital market come from Syriopoulos & Merikas (2005) and Halkos & Sepetis (2007).

Halkos & Sepetis (2007) attempted to relate environmental policy and management planning with stock value of Greek companies. To achieve this, they constructed a 'green' portfolio constituted from 11 companies chosen from different sectors and that were acknowledged as environmentally benign (certified with ISO14000 or EMAS). The overall results revealed that companies that make a reference to their environmental policy in the annual financial report or publish an annual social report demonstrated a reduction in their beta estimates, especially in sectors with high environmental risk (heavy polluters).

Syriopoulos & Merikas (2005) investigated the volatility dynamics of stock returns and portfolio management implications for a (sectorally well diversified) sample of key members of the Hellenic CSR network. The risk–return profile of selected CSR stocks and its impact on shareholder value was assessed in alternative financial econometric models. The CSR stocks showed persistent although varying volatility, indicating that asset allocation to CSR companies may not present a low-risk investment opportunity. The authors inferred that domestic 'market effects' can have an impact on CSR stock behaviour, but sectoral and company-specific fundamentals may also be important to portfolio management strategies. They also point out that the establishment of a Greek CSR stock index could promote the establishment of domestic SRI mutual funds and support efficient portfolio management in the future. In this regard, Skouloudis *et al.* (2010) recently noted that the establishment of widely acknowledged sustainability indices in Greece (AccountAbility Rating, BITC Corporate Responsibility Index) can potentially contribute towards this direction.

Triple-bottom-line reporting in Greece

While most of the surveys carried out so far have concentrated on the state-of-the-art of triple-bottom-line reporters from leading countries in the reporting movement worldwide, there has been has been very little debate on the evolution of such practices in countries with more limited awareness of sustainability reporting, such as Greece.

The KPMG International Survey of Corporate Sustainability Reporting published in 2002 is the only global empirical study that included Greece in the sample. This survey examined the top 100 companies on the basis of their sustainability, non-financial reporting practices. The results confirmed that Greece has a relatively low reporting rate, with a mere 2% of the top 100 Greek companies publishing a report. However, 28% of those companies included health and safety, environmental or sustainability information in their annual financial reports.

The fifth Partners for Financial Stability (PFS) Program (2005), a public–private partnership established by the US Agency for International Development, evaluated the CSR disclosures by the 10 largest listed companies, by market capitalization, in Greece [among other countries of central and eastern Europe (CEE) as well as Turkey]. The survey analyses companies' disclosures in the annual report and on the company website based on the following three topics: corporate governance, environmental policy and social policy. The results showed that the number of Greek companies providing an English-language annual report online compares to the best performers in the 11 CEE countries analysed, while the number of companies with an English-language website is the same as that of the top performers among the other European countries included in the survey. Moreover, Greek companies disclosed significantly more information on social policy in their annual report than their peers in the CEE, but the best CEE performer, Slovenia, provided slightly more information than its Greek peers on corporate websites. In addition, the findings revealed that Greek and Slovenian companies provided slightly more information in their annual report and on websites than Turkish firms. Taking into account the nature of the issues discussed, Greek corporations mostly referred to staff development and benefits as well as their sponsored causes (PFS 2005).

Floropoulos (2004) examined the voluntary disclosure of environmental information in the financial statements of Greek firms listed on the ASE during the period 2000–2004. Among the 351 companies listed on ASE, <10 provided information on relevant environmental issues in some of their statements. The author states that disclosure of environmental information has been noticed in annual reports, but in no case in the balance sheet or the income statement. As noted in his study, this lack of sufficient information on environmental aspects of business activity led the National Statistical Service of Greece to conduct a survey of the environmental protection expenditures by Greek firms.

Spanos & Mylonakis (2006) assessed the internet corporate reporting practices by 141 companies listed on the ASE using a disclosure index. The methodology included criteria on areas such as environmental awareness, employee profile and training, donations to community groups and charitable bodies, and discussion of product quality and safety. The availability of a CSR report and special CSR pages was also examined. It came as no surprise that Greek companies scored very low in the area of CSR and human resources disclosures. Only 18.3% of the sample companies provided a CSR page and 6.7% provided a CSR report, indicating that this kind of reporting is relatively new. Although many companies included a general remark about the environment, only 19.8% presented a clear environmental policy statement or specified special policies. The two areas receiving interest from the highest number of companies were employee profile (32.5 score) and discussion of product quality and safety (34.2 points). These results, although low, indicate that Greek companies are quite sensitive in providing employee- and consumer-related information. These results showed a wide variation across the sample firms, with large companies scoring much higher than medium- and small-sized companies. The former also placed great emphasis on the provision of sponsoring/donation information. However, as the authors comment, 'many Greek companies have been criticized that they adopt a CSR agenda in order to protect their own self-interests, promote customer and community relations, and manage their reputation rather than tackling challenging issues' (Spanos & Mylonakis 2006: 138).

More recently, Skouloudis & Evangelinos (2009) and Skouloudis *et al.* (2009, 2010) have examined the comprehensiveness and materiality of standalone Greek CSR reports. Their findings reflect that CSR accounting and reporting is still an unsystematic activity in Greece and most companies are reluctant to adopt such accountability practices.

As Skouloudis *et al.* (2010) note, domestic reporters typically tend to provide more disclosures concerning their profile and governance structure and less information on the 'hard facts' of non-financial dimensions of performance. Moreover, most of them disclose more information on labour practices, community donations and any CSR-related awards received during the reporting period, while only a few refer to their approach to crucial issues such as managing human rights-related performance, anticorruption and anti-competitive behaviour procedures or clarifying whether fines/non-monetary sanctions were imposed on the organization for non-compliance with laws and regulations. Such a major shortcoming of Greek reports reveals that this emerging instrument of corporate communication fails to address its key purpose: to promote stakeholder engagement and to discharge the organizational accountability towards the wider society.

This is further confirmed by the fact that a mere 14% of the companies publishing a CSR report during 2009 verified the validity of all the disclosed information through independent assurance of the full report and included the assurance statement in their report. While two more organizations had their reports third-party checked by experts, the rest either overlooked the issue of seeking assurance services or provided vague statements on future plans for external report verification. This absence of credible, verifiable information makes it difficult for customers, prospective employees, investors and pension fund managers, among other stakeholder groups, to make meaningful assessments and decisions about the CSR efforts of companies. Such evaluation processes become even more complex, as companies often mix information on issues of legal compliance (e.g. mandatory employee health and safety measures and environmental protection procedures) with voluntary activities and programmes to promote CSR.

CSR in Greece: barriers to overcome

The Social and Economic Committee of Greece (SEC 2003, quoted by Tsakarestou 2004) has pinpointed a series of obstacles that hamper the dissemination of CSR practices in the Greek business environment. Along with SEC's view below, we concentrate on the major issues that hamper an agenda over responsible business conduct.

Makridakis *et al.* (1997) have noted a form of 'dualism' in the Greek private sector, with the predominant form of business, the SMEs, coexisting with a dynamic cluster of multinational subsidiaries and foreign corporations. In this regard, Louri & Pepelasis-Minoglou (2002) (quoted in Stavroulakis 2009) stress that a marked difference of Greek economic development compared with other advanced countries lies in its incomplete transition from a mercantile/familial economy to joint stock/corporate capitalism. The slack of state protectionism, the deindustrialization of formerly unproductive industries together with the emergence of globalization, which allowed Greek business to relocate to more favourable socio-economic environments, gradually led to a decline in domestic industrial activity. This industrialization decline, evident since the late 1980s, 'left no room for the domestic industry to impress its norms and ethics on economy and society' (Stavroulakis 2009: 149). Stavroulakis points out that 'Greece, having been a rural country for long, still lacks business tradition and ethics'.

The vast majority (99.5%) of companies in the country are SMEs (most of which are family owned) and they employ 74% of the workforce of the private sector. Small business entrepreneurs usually focus exclusively on the pursuit of short-term profit, their business survivability and everyday performance, or what is called 'day-to-day' activities. Therefore, the dissemination of CSR practices to SMEs seems a particularly challenging task as there are a number of constraints, such as a lack of expertise, time and resources as well as a corporate culture that pays lip service to strategies above and beyond the minimum requirements of compliance. A recent survey by the Department of Communication and Media Studies of the National and Kapodistrian University of Athens (2006) confirmed these constraints in the Greek context along with bureaucracy. In addition, this study revealed that a large percentage (34%) of CSR activities undertaken by SMEs in Greece are aimed exclusively at intra-company issues, and specifically labour practices, while the survey's respondents associated the development of CSR activities with the growth of their turnover and other, indirect, benefits (e.g. lower taxation and increased sales), indicating that CSR is still connected to 'marketing' – promotional practices rather than the entire network of their business activities.

Many authors have considered the concept of social capital as essential when finding an argument for SMEs to engage in socially responsible activities. Social capital relates to various important aspects of business ethics, such as transparency, goodwill, good citizenship, etc. (Spence *et al.* 2003). High stocks of social capital, as reflected through formal (legal) and informal (cultural) institutions, interpersonal relationships and networks, can potentially have an impact on the attitudinal and behavioural manifestations of CSR within SMEs. Unfortunately, this is not the case for domestic SMEs, given that Greece is a country with comparatively low stocks of social capital, with the significance of informal networks (family and friends networks) as its strongest component (see Jones *et al.* 2008).

In addition, the low stock of social capital can potentially act as a determining factor of the moderate stakeholder pressures of domestic social actors on companies to discharge their accountability and uphold a more socially responsible behaviour. Greeks' passivity in productive common action can be attributed to their distrust and suspicion beyond the extended family–friends circle, along with an inherent weariness and cynicism regarding the effectiveness of common action. Additionally, there is a common belief that a dominating centralized state mechanism, despite its inefficiency, will tend to stifle any productive collective action outside its sphere. It is also worth noting that, until the 1980s, voluntarism was a concept, if not identical to, then directly connected with, that of private philanthropy (Vlachos-Dengler 2001).

Examining large companies' strategic intent, Stavroulakis (2009) pinpoints that Greek business management is characterized by short-termism and resistance to change. While over the past few years the largest business organizations have embraced a long-term strategy (see Theriou 2004), the majority of Greek firms tend to ignore as irrelevant any dynamic changes and innovative practices that emerge under the scope of a low-cost/cost cutting strategy. It is the foreign subsidiaries that first (and occasionally are the only ones) that adopt innovations, in line with the strategic focus of their parent company (Makridakis *et al*. 1997: 386). In addition, Greek companies are characterized by a highly centralized decision-making process, where top management is involved in most decisions (Joiner 2000). In this regard, Greek managers exhibit little confidence in the leadership capabilities of other individuals, even though they praise participative management (Cummings & Schmidt 1972, in Stavroulakis 2009). Finally, the author refers to the Greek manager's orientation to rational/personal interests, commenting that:

> (...) rarely did the average Greek businessman demonstrate evidence of social conscience and responsibility. Promotion of national and social interests through business activity, as happens for example among Japanese entrepreneurs, may appear extraneous to their Greek counterparts (with the exception of a small portion of the business elite).
>
> (Stavroulakis 2009: 151)

The strongly bureaucratic, centralized public sector in Greece is notably larger than that in other European countries, providing a broad range of social services. It is the vast and highly bureaucratic public sector that has served as a cornerstone of cronyism and clientelism, primarily between vote-seeking politicians and the job-seeking public, leaving no room for morality and ethical conduct (Kavali *et al*. 2001). In Afonso *et al*.'s (2005) assessment of public sector performance and efficiency, Greece scored well below average in the administrative cluster of indicators. The Greek public sector lags in the adoption of new public management techniques, qualitative changes that would emphasize the citizen and display the capacity to innovate. Such transformations in the purpose, incentives, accountability, power structure and culture of the public sector in Greece are still in progress, while earlier attempts had limited or no results (Kufidou *et al*. 1997, Zeppou & Sotirakou 2003, Philippidou *et al*. 2004). Moreover, Themelis (1990) (cited in Philippidou *et al*. 2004) points out that the lack of strategic vision, the resistance to change, the focus on regulations and not on achievements, as well as employee focus (opposed to citizen focus) are hampering the creation of a public entrepreneurship culture and mentality. In this regard, in an attempt to outline the lack of social responsibility in the Greek public sector, Tsakarestou (2004) addresses the level of environmental responsibility and notes: Q8

> On the issue of environmental protection, the public sector adopts contradictory practices, risking its own credibility. On the one hand, the parliament has ratified strict environmental laws while on the other hand the state and public sectors are under national media scrutiny for violating these very laws. (Tsakarestou 2004: 263)

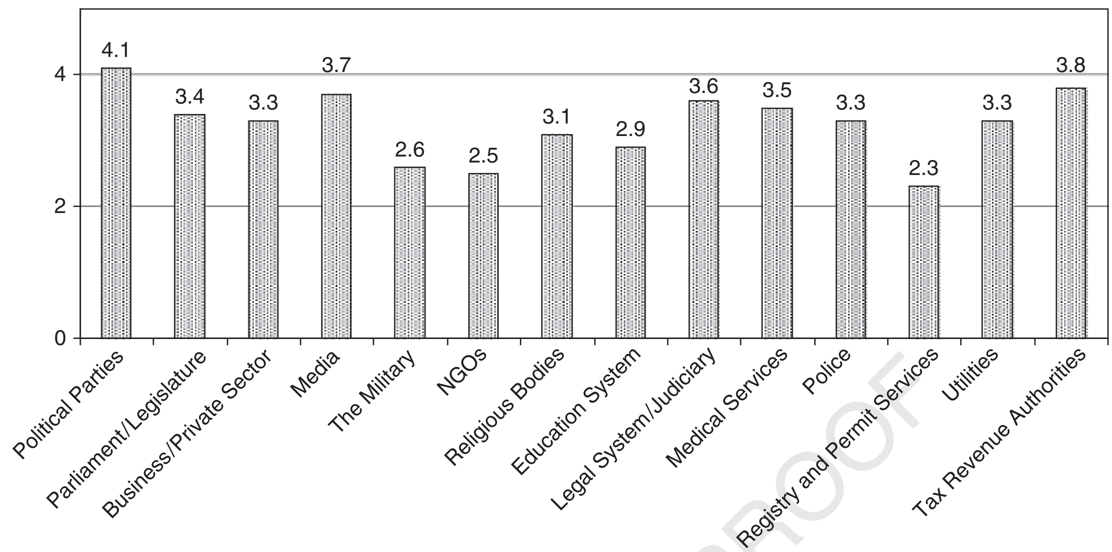
In terms of CSR policy design and formation, Greece, among other Mediterranean countries, only recently started to design a CSR agenda, motivated mainly by the European Commission initiatives to promote a European framework for socially responsible behaviour as well as the impact of global CSR/TBL initiatives (Albareda *et al*. 2007). In this regard, Directive 2001/453/EC recommends the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies, while Directive 2003/51/EC encapsulates the European Commission's view of non-financial reporting on annual corporate accounts, which for the first time invites enterprises to publish broader, non-financial data in addition to the financial requirements. A more recent Communication (March 2006) confirmed this approach by encouraging enterprises (especially large ones) to make information on their CSR strategies voluntarily publicly available in order to address 'the transparency and communication challenge and to make the non-financial performance of companies and organisations more understandable for all stakeholders and better integrated with their financial performance' (~~COM~~ 2006, 136 final: 12). However, while several EU Members have taken important steps towards corporate non-financial disclosure, Greece (among a few others), not keen to engage in innovative or proactive CSR public policies, has not demonstrated fair indications of activity concerning either mandatory or voluntary reporting on the non-financial performance of the major domestic companies, apart from a few guidelines regarding the insurance and banking sector (Allini & Rossi 2007).

While the national legislation includes special provisions on labour rights and environmental conservation, in line with EU legislation, that 'meet the standards of a CSR informed legal framework' (Tsakarestou 2004: 263), issues of corruption and bribery plague corporations, state and society in Greece. Corruption negatively affects the economic success of nations with high corruption ratings (Mauro 1998) and, with this in mind, before the EU's expansion into eastern Europe, Greece was widely considered the least transparent among the EU member-states. As underlined in the 'Report on Corruption in Greece' by an investigative body of the Council of Europe '. . . there are great dangers because of the relations among politicians, media groups and economic interests in Greece'. The linkages between business interests, political parties and media organizations have increasingly become dense and less than transparent in Greece. The topics of corruption and accountability are often taken up in public debates in Greece, but there is a clear reluctance to implement policy measures in order to ameliorate any relevant pathologies (Sotiropoulos & Karamagioli 2006). The Transparency International Corruption Perception Index[11] 2008 ranks Greece 27th among 31 countries of the EU and other western European countries, while the Global Corruption Barometer 2007 places it in the second cluster of countries most affected by bribery (along with Bolivia, Dominican Republic, India, Indonesia, Peru and others), with Greeks considering political parties and tax revenue authorities to be the most corrupt institutions (Figure 4). The Barometer also revealed that 59% of respondents in Greece believe that corruption will increase in the three following years as well as that governmental actions to mitigate such issues are ineffective.

Furthermore, investigating the differences in the way bribery and extortion is perceived by American and Greek culture, Tsalikis & La Tour (1995) concluded that ethical reactions do vary in terms of the nationality of the person offering the bribe and the country where the bribe is offered, and that Greeks perceived some of the scenarios they were exposed to as being less unethical than did Americans. In the Global Corruption Barometer 2007, 27% of respondents in Greece paid a bribe to obtain service(s), the third highest rate in the extended EU (following Romania and Lithuania, with 33% and 29%, respectively). In this regard, according to a study conducted by Kourvetoris & Debratz (1984), even though Greeks tend to disapprove of social 'favouritism' (and in particular 'intrusion' into the control of Greek economic affairs by western Europe and US business interests), Tsalikis & Reidenbach (1990) found that most Greeks do accept bribery as a fact of life in Greece.

Finally, the concept of CSR in Greece cannot be established by disregarding the problem of tax avoidance that undermines both public administration efficiency and social justice in the country. Examining available Greek CSR reports and the corporate websites of the 100 largest (by revenue) business organizations, it can be concluded that few domestic firms regard tax payment as a part of the CSR agenda (authors' informal elaboration). While collectively they touch on every other dimension of the business in society field, many of them do not include the most crucial and tangible aspect of socially responsible business behaviour: tax payment.

Figure 4: Perceived levels of corruption in Greece



Source: Adapted from Global Corruption Barometer 2007

Aggressive tax avoidance[12] in terms of transfer-pricing practices and formation of offshore companies has flourished in recent years, and the current tax reforms have taken into account such methods of tax avoidance. However, the availability of loopholes in the Greek tax system to exploit is the ultimate dilemma for any organization that asserts a socially responsible operation and claims to be a good corporate citizen. In other words, whether the incentive to increase short-term profits for shareholders (and consequently increase the remuneration of company executives) will urge the management to adopt tax avoidance practices and entail reducing the payment of democratically agreed taxes as well as undermining social welfare (see Christensen & Murphy 2004, Doyle *et al.* 2009) can potentially be the starting point for evaluating the CSR efforts of Greek companies.~~13~~ Q10

Concluding remarks

In this paper, we attempted to present a systematic and critical overview of CSR in Greece, emphasizing the challenges that the domestic economy needs to cope with and overcome in order to increase the embedding of this critical concept into domestic business conduct. Taking into account the multi-dimensionality of CSR, we have examined a number of predominant aspects of responsible business behaviour in the Greek economy. CSR awareness is still rather low in Greece and only a few large companies have articulated a sound strategy to promote such activities. Correspondingly, the adoption of externally developed CSR initiatives, guidelines and standards is limited and governance mechanisms towards a more socially responsible business conduct are scarce. A domestic firm's CSR agenda usually pertains to the responsibilities of the public relations, communications or marketing departments and is mostly narrowed to charitable contributions or community donations. On the other hand, however, the recent establishment of leading sustainability indices in Greece (AccountAbility Rating, BITC CR index) suggests that CSR will make further headway in domestic business conduct and potentially lead to the introduction of SRI funds in the domestic capital market in the long term.

Matten & Moon's (2008) observation that 'explicit' CSR is spreading to Europe13 surely encompasses the Greek case. Indeed, coercive isomorphisms mostly in terms of compliance with certain management standards and the development of self-regulatory initiatives (see the 10-point declaration of the Greek BCSD), but mostly mimetic processes, as reflected by the increasing number of members in the Hellenic

CSR network and the publication of 'best-practices' guides by the latter, have fostered the increase of 'explicit' CSR activities in Greece. However, normative pressures are evident to a lesser extent as the domestic educational and professional authorities that directly or indirectly set standards for 'legitimate' organizational practices infrequently include CSR in the curriculum and only as an optional part of business education. Isomorphism and 'explicit' CSR was also undoubtedly encouraged by the European Commission's Green Papers and communications for the formulation of a regional CSR agenda, although the national government engagement in this field has until now been rather limited. Still, the recent introduction of the concepts of 'e-democracy' (as a mean of increased transparency) and 'participatory-stakeholder democracy' (the broadening of participation in decision making) in the political debate can have a mediating effect in the policy-making process to encourage CSR.

On the other hand, we have little doubt that the economic downturn Greece faces today will eventually hit donations, charity and philanthropy budgets of domestic firms that will be severely affected by the crisis, mostly those that have approached CSR superficially and only for instrumental purposes (public image and marketing enhancement). Those companies that have engaged in CSR from a strategic perspective will probably continue to support their voluntary policies, programmes and practices as in this case '(. . .) the success of the company and the success of the community become mutually reinforcing' and '(. . .) the more closely tied a social issue is to the company's business, the greater the opportunity to leverage the firm's resources and capabilities, and benefit society' (Porter & Kramer 2006: 12). Q11 In this regard, future research should examine the implications of the Greek debt crisis on the CSR agenda of domestic organizations.

Additionally, this study can be expanded in two ways: firstly, by providing groundwork for further in-depth analysis of the Greek case among the aforementioned aspects of CSR engagement (adoption of global CSR initiatives and management standards, non-financial reporting, socially responsible investment and CG practices for promoting CSR), and secondly, our analytical approach of perceptions–practices-barriers could easily be replicated in other Balkan countries, where comparative cross-national research can yield potential trends and patterns in a geographical region where CSR research is quite limited.

Although the degree of CSR in Greece is still moderate, a few business organizations are leading the way in more ethical-sustainable business conduct at the domestic level. We expect that the number of 'enlightened' corporate executives will increase in the short run, as the Greek business sector feels the pressure from its foreign competitors that have already incorporated non-financial concerns into their strategic goals. What is needed is an integrated approach to assess the level of CSR embeddedness in the country, in a manner that could assist the development of viable relevant policies.

Notes

1. So far, the quest for a common definition of CSR has remained elusive, despite the numerous – and often biased – efforts to define this key conception in the academic study of business and society relations. For the purpose of this study, we approached CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis', according to the most frequently mentioned definition of European Commission's Green Paper (see Dahlsrud 2008).
2. It should be noted that Portugal ranks third on the WBCSD list.
3. The term 'agora' is a Greek word meaning a public gathering place or forum.
4. Source: corporateregister.com (accessed 18 December 2009).
5. These organizations are: Aegean Motorways S.A., Attika Edesmata Syntagma Ltd. (Gilli Diet), Dien S.A., Federation of Industries of North Greece, Intracom Defense, Intracom Holdings, Intracom IT Services, Intracom Telecom, Kafsis Bio-Industries S.A., Latomiki S.A., O.P.A.P., Pelasgis S.A., Pernod Ricard Hellas S.A., POSEA – Panhellenic Federation of Voluntary Blood donor Associations, Regional Development Agency of West Macedonia (ANKO) S.A., Studio Alpha S.A., Themeli S.A., TNT Skypack Hellas.
6. The web search was performed during 12–15 January 2009.

7. Recently, the Greek CSR Network has launched the 'Hermes programme' designed with the objective of supporting Greek SMEs in applying and successfully adopting CSR practices as means of reinforcing their long-term competitiveness.
8. The bureaucratic and centralized nature of environmental policy making in Greece was demonstrated by the delayed response of the Ministry of Development in setting up the relevant committee of verifiers for EMAS implementation. Specifically, while the EMAS regulation came into force in 1995, it took 4 years to adhere to the requirements of the regulation.
9. At the end of the year 1999, the ASE General Index recorded an annual increase of 102.2%. Because of the increase of share prices of listed companies, the total ASE capitalization recorded an annual increase of 194.7% (from €67,024.8 millions in 1998 to €197,537 millions in 1999), among the highest in the OECD countries.
10. According to the Code, the corporate governance framework should recognize the rights of stakeholders in the corporation, as established by law, and encourage active participation between corporations and stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises (Spanos 2005: 23).
11. The Corruption Perception Index (CPI) Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt). In the CPI 2008, Greece was ranked 57th among 180 assessed countries and scored 4.7 with a confidence range of 4.2–5.0.
12. The term 'aggressive tax avoidance' is used by revenue officials in the United States and United Kingdom to describe transactions whose primary or whole purpose is the avoidance of tax.
13. According to Matten & Moon (2008), 'implicit' CSR refers to the set of values, norms and rules, which define proper obligations of corporate actors in a collective rather than an individual manner and result in mandatory requirements for corporations to address vital stakeholder issues. In contrast, 'explicit' CSR designates those voluntary programmes and strategies designed by individual business organizations, aimed to promote corporate responsibility in a societal context. In their seminal paper, Matten and Moon argue that strong demonstration of 'explicit' CSR practices may occur in countries with weak business–society–government relations, liberal economic systems. In contrast, 'implicit' elements of CSR reside in countries where legal requirements imposed on business (on issues such as workers' rights, the role of trade unions, corporate taxation and environmental legislation) are more evident, narrowing corporate discretional power.

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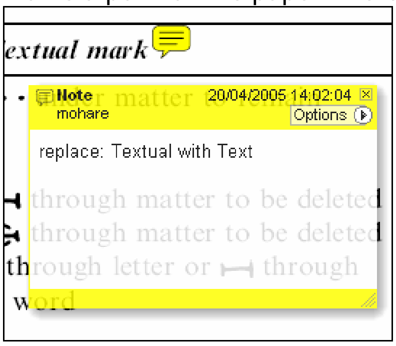

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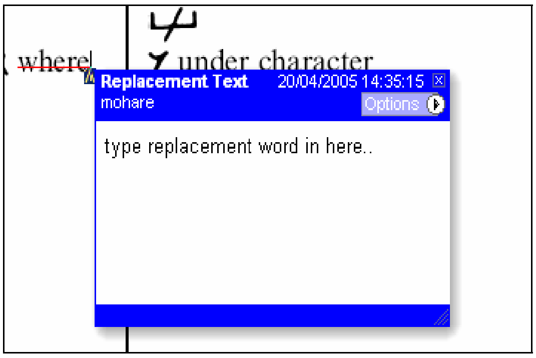

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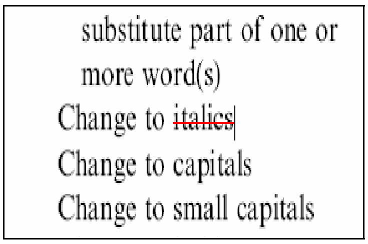

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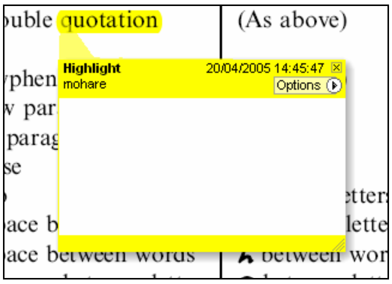

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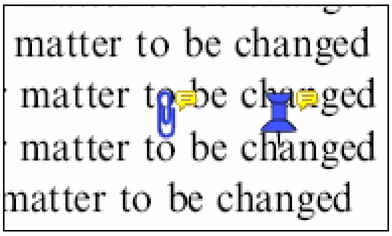

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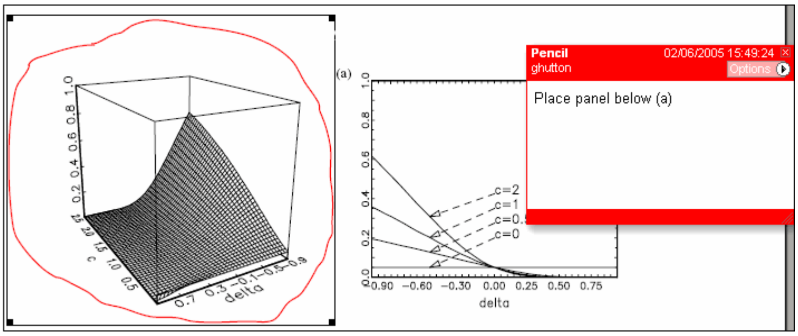

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