

# **CSR PRACTICES BY BUSINESSES IN ALBANIA. RESULTS OF A SURVEY**

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## **Abstract**

Corporate social responsibility has evolved over time. It is time for Albania to enter the European Union, and a path toward it is by being socially responsible. The main aim of this paper is to investigate corporate social responsibility practices from the perspective of businesses in Albania. At what extent is the knowledge of CSR concept among businesses employees, especially entrepreneurs and managers of the firms. At what extent are they engaged in CSR activities, how much they know about the benefits of the socially responsible behavior of enterprises. What are the barriers they face? A questionnaire was distributed to the businesses of the Central Albania Region. The survey results demonstrate that companies do engage in CSR activities, but only a limited number go beyond what is required by the law. There is much to be done, companies should integrate CSR in their strategic management. Major limitation of this research is the sample size, which limits the generalizing of the findings to the whole country.

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**Keywords:** Corporate Social Responsibility, SMEs, Managers

## **The concept of CSR**

Corporate social responsibility (CSR) concept has evolved over time, and there are many definitions that try to explain what it is. One definition given by “The World Business Council for Sustainable Development is the following: “CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large”.

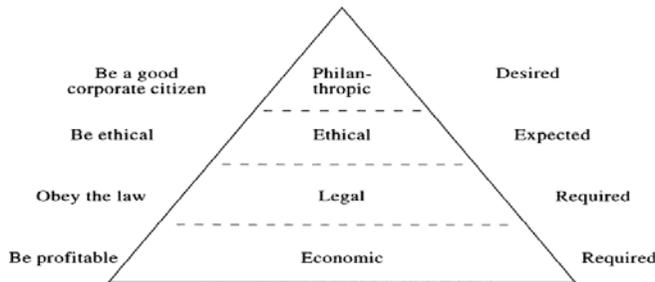
The European Commission defines CSR as “Being socially responsible means not only fulfilling legal expectations, but also going

beyond compliance and investing more into human capital, the environment and relations with stakeholders.”<sup>60</sup> (EC, 2015 a)

A famous study is that of Carroll (1991) (The Pyramid of Corporate Social Responsibility), where he stated that his pyramid conceptualization depicts the obligations of the business.

According to the author ‘the economic responsibility is the foundation which is required by global capitalism; the legal responsibility has to do with complying with the laws and regulations the ethical responsibility is about the stakeholders; and the philanthropic responsibility is to do what is desired by global stakeholders’. It remains a leading paradigm of CSR in the social issues in management field. (Schwartz & Carroll, 2011a)

Figure 1: Carroll’s (1991) Pyramid of Corporate Social Responsibility



Source: Carroll, (1991), “The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders”

Due to the acceptance and impact of Carroll’s CSR contributions, the authors Schwartz and Carroll (2011), re-examine his model to determine a possible alternative approach to conceptualizing corporate social responsibility. They define three domains; ethical, economic and legal, which interact with each other in the form of a Venn Diagram, see Figure 2

Figure 2: The Three- Domain Model of Corporate Social Responsibility



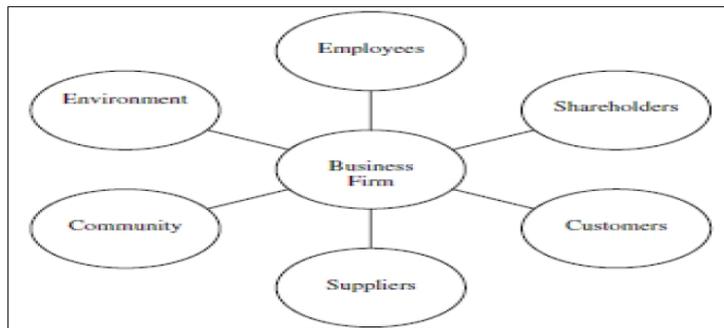
Source:(Schwartz & Carroll, 2011)

<sup>60</sup> From the EC website , accessed 28-th August 2015, from URL: [http://europa.eu/rapid/press-release\\_MEMO-11-730\\_en.htm](http://europa.eu/rapid/press-release_MEMO-11-730_en.htm)

### The stakeholders approach

There have been developed many theories regarding CSR, one of them is the stakeholder approach. The first authors who contributed in this field of study have attempted to raise awareness among corporations, to act in a responsible way. They suggested that, if the firms behave responsibly, they will avoid stakeholder pressures.

Figure 3: The Stakeholder Approach to CSR



Source : Jamali et al. 2008

The Stakeholder Theory considered all groups and individuals with an interest in the company. Usually, the stakeholders comprise all those who stand to benefit or lose by the businesses’ behavior. (Schwartz & Carroll, 2011). CSR therefore means balancing the interests of a wider group of stakeholders and strategically managing the interconnected social, environmental and economic impacts of business activities. This does not necessarily mean that all stakeholders of a company have an equal say in its strategic direction but it does mean that they affect, and are affected by, that direction and therefore must be considered.(Forstater, Raynard, & UNIDO, 2002)

### Deepening Levels of Engagement

Corporate Social Responsibility operates at three key levels:

Figure 4: Levels of Engagement of CSR



- Firstly, it includes compliance with legal responsibilities (e.g. tax, health and safety, workers rights, consumer rights, environmental regulations) and industry standards.
- Secondly, it concerns minimizing or eliminating the negative effects of business on society and managing risk (for example of human rights abuses and environmental pollution).
- Finally it involves increasing the positive effects of business and creating value through innovation, investment and partnership aligned towards social and environmental good (for example job creation, social and economic development and conflict resolution). At each of these levels different tools and processes have been developed to enable Corporate Social Responsibility to be measured, rewarded and replicated. (Forstater, Raynard, & UNIDO, 2002)

### **The importance of corporate social responsibility today**

The European Commission (EC) stresses the importance of CSR practices today. So according to EC<sup>61</sup> a strategic approach to CSR is increasingly important to a company's competitiveness. It can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. Through CSR, enterprises can significantly contribute to the European Union's treaty objectives of sustainable development and a *highly competitive social market economy*. CSR underpins the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth, including the 75% employment target. Responsible business conduct is especially important when private sector operators provide public services. CSR requires engagement with *internal and external stakeholders*. This means it can also act as a driver for the development of new markets and create real opportunities for growth. By addressing their social responsibility, enterprises *can build long-term employee, consumer and citizen trust* as a basis for sustainable business models. This in turn helps to create an environment in which enterprises can innovate and grow. Helping to *mitigate the social effects of the crisis*, including job losses, is part of the social responsibility of enterprises. In the longer term, 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.

By renewing efforts to promote CSR now, the Commission aims to create conditions favorable to sustainable growth, responsible business

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<sup>61</sup> from the European Commission website accessed on 28 August, 2015 [http://europa.eu/rapid/press-release\\_MEMO-11-730\\_en.htm](http://europa.eu/rapid/press-release_MEMO-11-730_en.htm)

behavior and lasting job creation for the medium and long-term. (EC, 2015 b)

*So briefly the importance of CSR<sup>62</sup> is summarized as follows:*

- *In the interest of enterprises* - CSR provides important benefits to companies in risk management, cost savings, access to capital, customer relationships, HR management, and their ability to innovate.
- *In the interest of the European Union economy* - CSR makes companies more sustainable and innovative, which contributes to a more sustainable economy.
- *In the interests of society* - CSR offers a set of values on which we can build a more cohesive society and base the transition to a sustainable economic system.

### **Corporate social Responsibility in Albania Promoting CSR in Albania**

For the business community is becoming more and more important the necessity of the implementation of the the Revised European Commission Strategy 2011-2014. Priority is given to the development of the national strategies in the field of corporate social responsibility and the creation of a multilateral forum. In the Albanian ground, the CSR principles, also with Business Code of Ethics, as concepts are finding ground for implementation, and are becoming part of the strategic management of the companies. Since 2005, Albania has initiated a local network, with UNDP (United Nations Development Programme) as a secretariate closely collaborating with the Ministry of Economic Development and Tourism and Entrepreneurship (MZHETS), to facilitate the communication of this forum. This forum has representatives from business organizations, public institutions, academia, Non for profit organizations and companies. It was created with the objective to encourage the business community and public administration in the implementation of best practices of Corporate social responsibilities and undertake joint actions in: addressing to important issues as; environment protection, social support, and encouraging investments and employment. (MZHETS, 2014). Promoting CSR will contribute substantially to raising competitiveness in and internationalizing of the Albanian economy. These priorities have been set by consecutive Albanian governments, and they equally play into another major national goal of Albania, which is its path towards EU integration. Corporate Social Responsibility is a solution. (Yperen & Graaf, 2014)

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<sup>62</sup>from the European Commission website accessed on 28 August, 2015, with URL <http://ec.europa.eu/growth/industry/corporate-social-responsibility>

## **Challenges of CSR in Albania**

First of all, understanding of CSR within different actors is limited. It is often only seen as philanthropy, or as a luxury that Albania cannot afford at this time. The full continuum of strategies and seeing CSR as a business case is not widespread. From a report commissioned from the Kingdom of Netherlands, the challenges in general for Albania in relation to CSR can be summarized as follows: People – Planet- Profit - Partnerships. (Yperen & Graaf, 2014)

### ***People:***

- High rate of unemployment, particularly youth unemployment and in rural areas.
- The Vocational Education and Training system needs to be improved.
- Technical and professional skills of workforce are limited (some sectors excepted).
- Capacity of government to enforce labor laws needs to be improved.
- Informality is high (working without contracts, problems with payment of salaries and social contributions, bribery etc.).

### ***Planet:***

- Awareness of environmental management and nature conservation not fully developed.
- Mindset of short term profit making hampers long term exploration of natural resources.
- Natural heritage and conservation not seen as selling point for attracting foreign investments and tourism.
- Environmental management and cleaner production not seen as means for cost reduction and efficiency.
- Capacity of government to enforce environmental laws and standards needs to be improved.

### ***Profit:***

- Value chains are fragmented and little added value is created.
- Profits are transferred outside of Albania.
- Cooperation and incorporation in cooperatives is tainted by communist past.
- Lack of national sector guidelines and/or sector strategies on CSR.
- Unlevel playing field as lagging companies are often not penalized or prosecuted when they don't follow the rules.

### ***Partnerships:***

- Civil Society has not yet found its role as full partner or as a constructive partner for helping businesses to improve.
- Multi stakeholder cooperation and Public Private Partnerships are not usual.
- Local/rural NGO's are not widespread.
- Media and NGOs have not yet grown into the role of critical investigative journalism.

### **Methodology**

A structured questionnaire was used for this study. Many researchers state that structured questions produce more relevant and comparable responses. The questionnaire was sent to a panel of experts, for testing it. The sample was randomly selected among businesses of the region of Central Albania, the biggest cities Tirana and Elbasan and smaller cities in the region.

A total of 170 questionnaires was distributed during the January-April 2015 period, and 105 were completed and returned, 3 of them were unusable, with a rate of return of nearly 61 %.

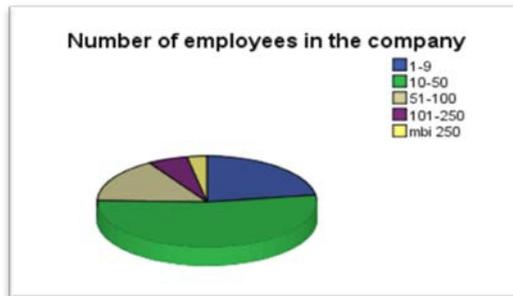
Questionnaires were handed out to managers or entrepreneurs in the company, believing that these are the persons with more information according to corporate social responsibility involvement in the company. A cover letter send with the questionnaire, promised all participants strict anonymity. Promising that the responses would be treated in aggregate form, was a reason to encourage firms to give sincere evaluations, as in these cases firms tend to give responses that improve the real situation. Results were elaborated with SPSS 21 package program. One of the limitations of the survey is that the number of the companies surveyed in the city of Tirana should have been greater, but due to costs and time it could not be possible, so the generalization to the whole country and Central Albania is made difficult.

### **Results of the survey**

The questionnaire had different questions, including those of socio-demographic data for the companies and respondents, and questions relating to the knowledge and intentions of corporate social responsibility of their respondents and their companies which they represented. In the following paragraphs analyses of the survey responses are given.

## Size of the companies by number of employees

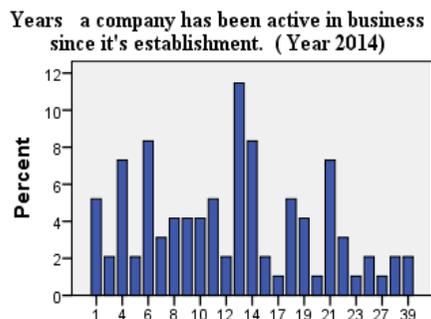
Graph 1



As a measure for the size of the company we have used only the number of employees, according to the Albanian Law the annual turnover should be taken in consideration<sup>63</sup>. As it is seen by the graph the random distribution of the questionnaires is in 22.5% of them at companies with 1-9 employees which are the microenterprises; 52.9 % are 10-50 named small enterprises; 15.7 % are 51-100 employees; 5.9 % have 101-250 employees (21.8 % that are considered the medium sized enterprises) and 2.9% over 250 employees (large enterprises).

## Years a company is active in business

Graph 2



The respondents were asked to the years a company has been active in business. As new start ups face many problems, it is thought that those companies that have many years in business and have created a name in the market, tend to present themselves to the consumers not only as supplying quality products, but also being socially responsible. Companies had a mean of 12.88 years and, with standard deviation of 7.786 years. The graph 2 gives

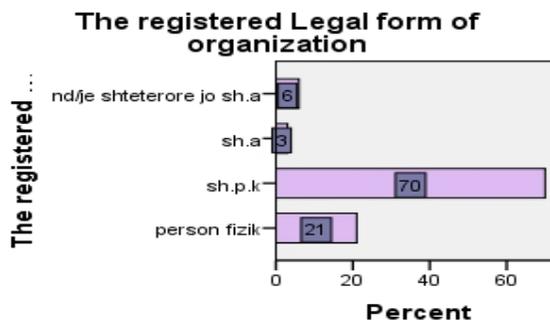
<sup>63</sup> Albanian Government has amended the law no. 8957, date 17-10-2002. On "Small and Medium Enterprises" on 29-10-2008 with the new law no. 10183 in order to bring the SME definition closer to EU standards.

a view of the years that the company has been active in business. The frequency table gives a more clear view of the number of years with the highest percentage. So 7.3 % have 4 years activity, 8.3 % have 6 years, 11.5 % have been active for 13 years, 8.3 % have 14 years activity; 7.3 % have 21 years, 5.2 % have only one year in activity, the same percentage of 5.2 % are those companies with 11 and 18 years) all the others are from 1% to 4.2 %. The mean is 12.88 years, with a standard deviation of 7.786 years.

### Organization form of the companies

The registered Legal form of the organization : 21% are physical person, 70% are limited liability companies, 3% are joint stock companies (JSC); 6 % public enterprises not JSC.

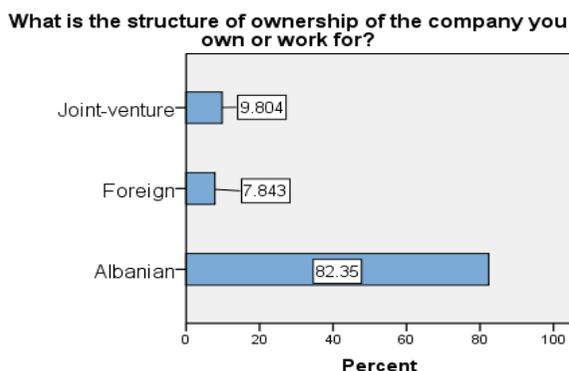
Graph 3



### Structure of the ownership

The structure of ownership of the company in 82.35 % of cases are Albanian; 7.8% are foreign companies and 9.8% are joint – ventures.

Graph 4

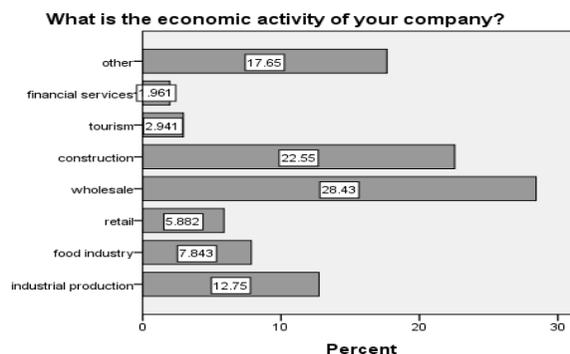


Foreign companies may have a tradition in their home countries for being more informed about social responsibility, not always these companies when they go and invest in another country behave in the same way as they

used to, but at least there is hope that they know about the benefits that the company will have from a socially responsible behavior. The major part of (82.35%) the companies in the survey are Albanian so there is much to be done, in increasing the awareness level of these companies. Joint-venture companies also have their share in the survey sample, these companies are those that may be under the influence of their foreign investor who comes from a more developed country and where companies follow more socially responsible practices.

### Economic activity of the companies

Graph 5



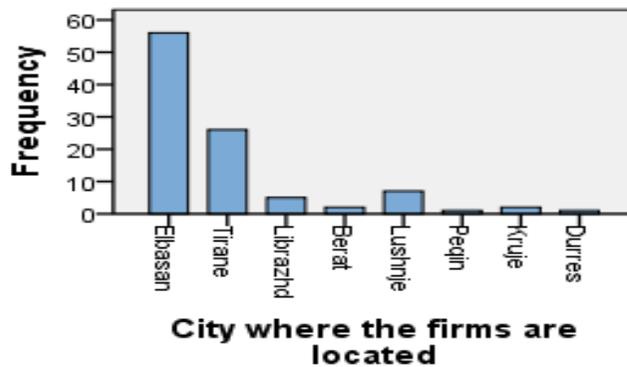
The economic activity of the companies in the sample are as follows: Approximately 2 % are financial services; 2.9 % are in the tourism sector; 22.5% are in the construction; 28.4 % are wholesale; 5.9 % are retail and 7.8 % are in the food industry; 12.7 % industrial production and 17.6 % other. As it is seen on the graph 5 wholesale and construction are the two sectors more included in the sample and industrial production relatively. It is important that the construction sector has many problems regarding social responsibility, because of the nature of the jobs. Many employees work with no adequate technical conditions and there are penalties for those firms that do not respect the law, the fines are very high and the managers are aware that respecting the rules is part of being responsible to the employees (see case study in section 8.1).

### Geographical distribution of firms

The major part of the businesses that returned questionnaires (54.9 %) were located in the Elbasan Region; 27.5 % were in Tirana (the capital of Albania, which in fact has the most part of the businesses located, but the return rate was lower than expected); 4.9 % in Librazhd; 2 % in Berat; 6.9 % in Lushnje; 1% in Peqin; 2 % in Kruje; and 1% in Durrës. So if we see the cumulative percentage 82.4 % of all the surveyed companies are from

Elbasan and Tirana, also all the other cities geographically are in the Central Albania.

Graph 6



### What is the financial stability of your company?

An important indicator of the enterprise is the financial stability which is the key factor in understanding the specific context of businesses attitude to CSR, because more financially healthy a firm is, more are the chances it engages in social responsibility behavior.

Table 1: Responses given by firms regarding their financial stability.

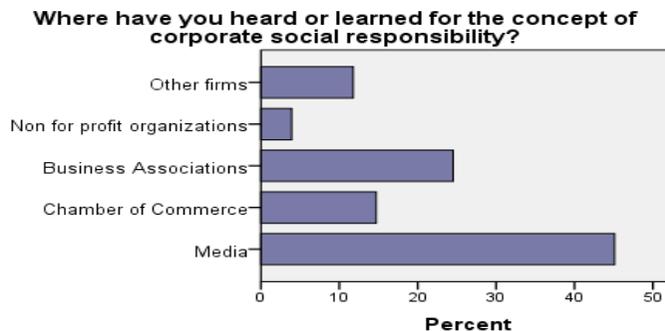
Aspect of financial stability	Percent	Aspect of financial stability	Percent
1. Financial stability over 3-5 years	11	4. Regular financial difficulties	10
2. Financial stability during 3-5 years	25.4	5. Minor financial difficulties	25
3. Financial stability during 1-3 years	22.8	6. Financial stability of less than 1 year	5.8
Total			100

### Knowledge of CSR

Companies (their representatives in this case) were asked some questions to understand how they have become familiar (if they have) with the concept.

## Where have you heard or learned for the concept of corporate social responsibility?

Graph 7



The concept of social responsibility can be learned or heard from different sources like Media, Chamber of Commerce, Business Associations, Non for profit organizations, or other firms. From the survey it results that 45.1 % has heard or learned from Media; 14.7 % from Chambers of Commerce; 24.5 % from Business associations; 3.9 % from Non for profit organizations; and 11.8 % from other firms. As it can be seen by the graph 7 the media plays the major role, and business associations, are at the second place regarding the information distribution for CSR.

A considerable percentage is when firms learn from other firms, which may be their clients, suppliers or competitors. Firms are aware that the company must know what others are doing, especially competitors this is a good beginning in following their paces to behave socially responsible in the future.

### Do you agree or not questions

*The respondents were asked if they agree or not with the following statements. (Yes or No answers were given).*

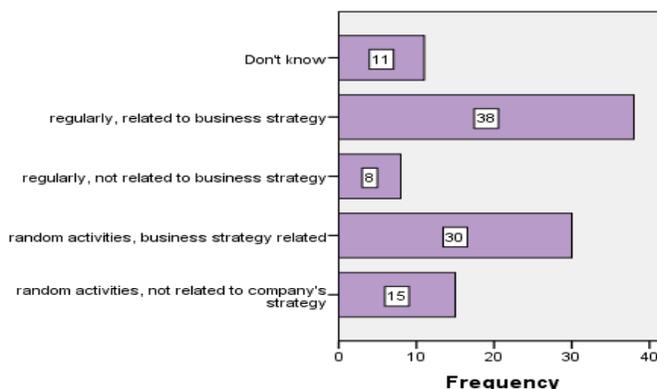
Table 2

<i>Statement</i>	<i>Yes (%)</i>	<i>No(%)</i>
CSR is an issue to be solved in legislative level, so it could be spread faster	78.4	21.6
A responsible company is the one that acts according the law of employment and environment protection.	92.2	7.8
Responsible companies do much more than requested by the Law.	54.9	45.1
Corporate social responsibility should be promoted by the government.	78.4	21.6
Companies should implement Corporate social responsibility only with the external consultancy help.	25.5	74.5
Corporate social responsibility includes activities that protect the environment.	87.3	12.7
Corporate social responsibility is equivalent to philanthropy.	40.2	59.8
Corporate social responsibility is more important to companies from developed countries than those in the developing countries.	49.4	50.6
Corporate social responsibility is more important to manufacturing sector than the service sector.	45.9	54.1

From the above statements, it is interesting that respondents about the statement that companies should do much more than requested by law, only 54.9 % of them agree; 45.1 % think that respecting the law is enough for a company to be responsible. So with these companies it is needed more awareness campaign on the concept of CSR.

**Companies were asked how often they involve themselves in CSR practices**

Graph 8



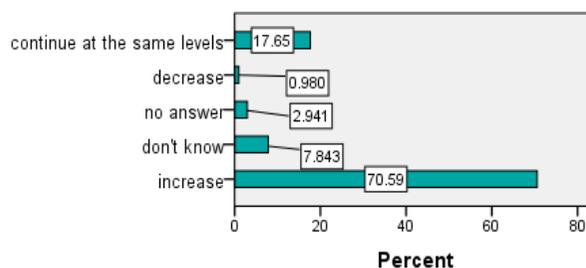
From the frequencies table we find that 14.7 % answered random activities, not related to company's strategy; 29.4% random activities, business strategy related; 7.8 % regularly, not related to business strategy; 37.3 % regularly, related to business strategy; 10.8 % answered don't know.

**What are the intentions of your company regarding its involvement in CSR activities for the future?**

To this question nearly 71 % have answered they will increase their involvement in the future; 17.65 % continue at the same levels, 3 % no answer, 7.8 % don't know and only nearly 1 % have intentions to decrease.

Graph 9

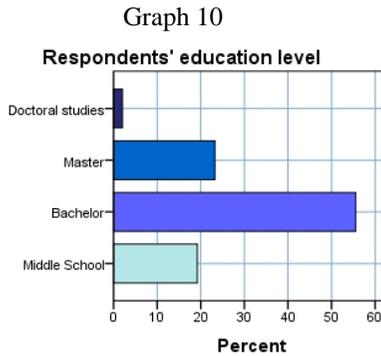
**What are the intentions of your company regarding its involvement in CSR activities for the future ?**



From these results we see that is a good sign that managers or entrepreneurs, think they will increase their involvement in CSR activities, but we hope that their involvement will be at considerable level.

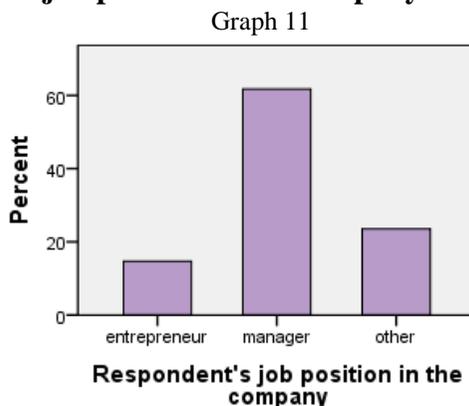
**A) 7. Socio -demographic profile of the respondents**

• **Education level**



It is believed that the level of education is a factor that affects the degree of knowledge of CSR among managers/ entrepreneurs. From the frequencies table 18.6 % (out of 102) had middle school education, 53.9 % had a bachelor degree, 22.5 % of them had a Master degree, and 2% were following the doctoral studies, 2.9 % didn't answer.( Bachelor Degree with the old system of higher education is four years, which includes a Professional Master Degree, so those that responded Bachelor the major part of them may be with the old 4 year system)<sup>64</sup>.

• **Respondents job position in the company**

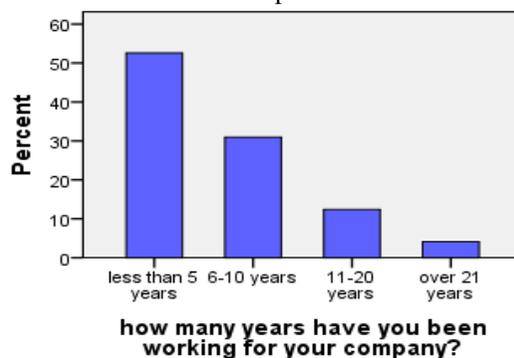


<sup>64</sup> Bologna System changed the type of diplomas issued by universities to ensure the flexibility and mobility of students in European countries.

Since it is believed that the persons with more information about the corporate social responsibility of the company are the entrepreneurs, or managers, because they are directly related to the decision making in the company. The entrepreneurs are those who have a vision about their company, where they want it to be and how they will achieve this. Being socially responsible is one way of doing this. The managers take decisions every day that affect: shareholders, community, consumers and employees- those to whom a company should be socially responsible. The way they treat all these four groups tells a lot of how socially responsible is the company they manage. As it can be seen by graph 11, 61.8% are managers, 14.7 % are entrepreneurs, and 23.5% other positions (marketing, accountants, engineers etc.) who also may have some kind of information about CSR practices of the company.

- **How many years have you been working for your company?**

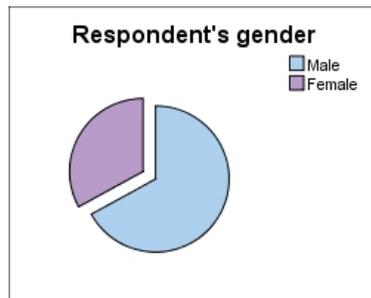
Graph 12



When employees that responded to the survey were asked how many years have been working for their company, 52.6 % of them answered less than 5 years; 30.9 % have 6-10 years; 12.4% answered 11-20 years and 4.1% had been working for the same company over 21 years. Working for the same company for many years is an indicator that the actions a company takes for its sustainability are closely related to the welfare of their employees too. Nearly half of the employees are over 6 years in the company. Also the information they provide for the socially responsible behavior of the company is for all the period they have been working for it.

• **Respondents' Gender**

Graph 13

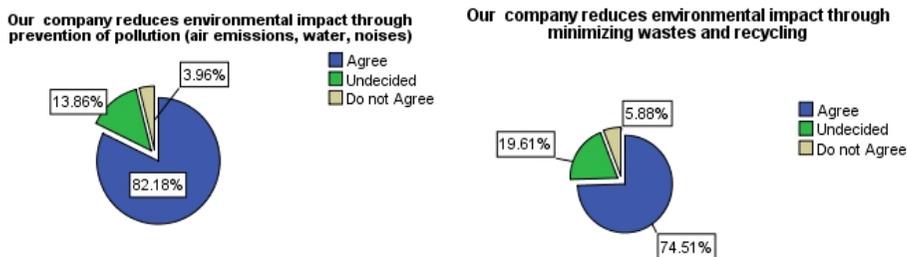


Of all the respondents nearly 65 % of them were male and 35 % female. Women are naturally more prone than men, to act in a more socially responsible manner. The number of enterprises owned or managed by women in Albania is small, in average 28.5 % but is increasing day by day. (INSTAT, 2014)

**Reducing impact on environment**

Companies state that they are being socially responsible when they respect the environment; like reducing the impact on environment through prevention of pollution; minimizing wastes and recycling; or through protection of natural environment.

Graph 14 a) and b)



Companies were asked to answer how much they agree, are undecided or do not agree with statements regarding the behavior of the company towards environment.

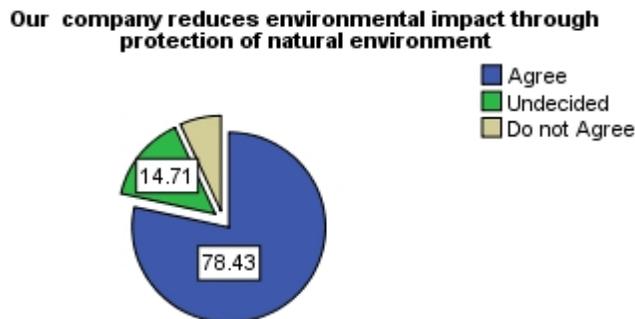
To the statement “The company reduces environmental impact through prevention of pollution (air emissions, water, noises etc.)”, 82.2 percent agree, 13.86 % are undecided and only 3.96% do not agree.

To the statement “Our company reduces environmental impact through minimizing wastes and recycling”, 74.51 % agree, 19.61% are undecided and 5.88 % do not agree.

*In both statements the responses indicate that the majority are conscious that taking care of the environment is a way to be socially responsible.*

Companies which agree that they reduce environmental impact through protection of natural environment are 78.4 %, 14.7% are undecided and 6.9 % do not agree.

Graph 15



As it can be seen from graph 15 the major part agree that a way of being socially responsible is by protecting the natural environment. Those who do not agree and the undecided part, (nearly 21.6 % are those that need more awareness raising about this issue and inducing them to operate in a responsible way towards the environment.

### Case study

Electric Energy Transmission System in Albania is directed by the Transmission System Operator (TSO), a public company with 100% of the shares owned by the state. TSO corporation was established in 14/07/2004 as a result of restructuring and separation of Albanian Electric Energy Corporation, by a vertically integrated company with the function of generation, transmission and distribution in three different companies. Based on applicable legal and regulatory frame –work, TSO Corporation has responsibility to operate maintain and develop the transmission network system. TSO considers conservations and environmental protections as one of its primary tasks and is continually working to improve the environmental performance of the company. TSO has already developed and implements environmental policy, which is disclosed information and is published on the website of the company. The environmental policy of TSO is based on three main pillars as follows:

- The management of environmental issues of TSO has been developed in accordance with national laws, regulations and requirements of electric energy about environment

- The improvement of environmental performance through appropriate awareness of the staff and relevant training for this issues
- The prevention and mitigation of the environmental impacts, monitoring and the control pollution discharge within accepted standards to manage the protection and sustainability of natural resources.

On basis of environmental policy, TSO has set the environmental objectives of the company and the environmental impacts arising from exercise of the activity of the company. A strong Base for the management of environmental issues is environmental management system in accordance with European standard ISO 14001. In case the Technical Security Rules doesn't get applied by the branches located in different the regions in Albania, penalties for employers are enforced.

Table 3

		Penalties
When electrical equipment is made modifications		20 000 ALL (circa 140 Euro)
When not carried technical instruction and not taken the exam a year.		20 000 ALL (circa 140 Euro)
When repaired defects in case of accident occurrence unfinished watching the responsible institution	Article 10	100,000 ALL (circa 710 Euro)
Exceeding the limits of implementation of tasks left by the instructor of the responsible institution	Article 17	2,000-100,000ALL (circa 135 Euro- 710 Euro)

Source: Regulation of technical security and exploitation for equipments, TSO company

### **Companies were asked what they think about the relation of CSR with the company's profit, if it is a strong one?**

And 64.7 % answered Yes and 35.3 % No. To those who answered 'No' there is need to make more awareness raise of the benefits of CSR for companies.

Table 4

<b>What has done your company in order to improve the CSR practices ?</b>	<b>Do not agree</b>	<b>Undecided</b>	<b>Agree</b>
employees opinion is important	21.6%	20.6%	57.8%
health , safety , and well being agreements to protect employees.	2.9 %	7.8 %	89.2 %
work life balance for its employees , offering work time flexibility.	8.8%	20.6 %	70.6%

In order to improve the CSR practices, the major part agree that considering the employees opinion is important; also having agreements to protect employees' health and safety and making possible a work life balance through work time flexibility is also important in improving CSR in the company.

### **Influence of stakeholders in the improvement of CSR practices in the company**

Companies were asked to give their opinion about the influence of clients, suppliers, employees, competitors, managers, government/legislation, shareholders and the media.

They specified a value for each of the above mentioned from 1 to 5 (the Likert scale) were 1 -doesn't influence at all and 5 – strong influence.

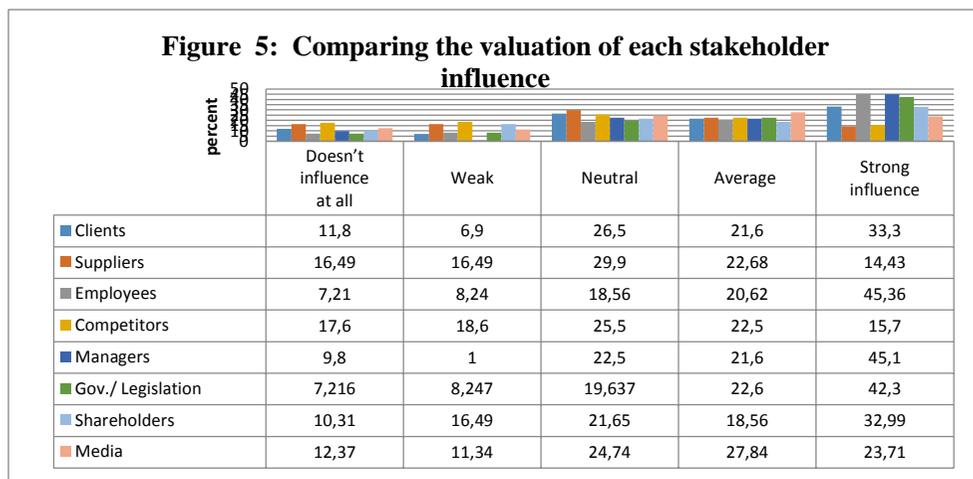
*What do you think is the influence of every stakeholder in the improvement of CSR practices in your company?*

Figure 5 gives in more detail the answers. From cumulative percentages it can be seen that 57.11 % think that suppliers have average or strong influence; 65.98 % think that employees have average or strong influence; 64.9 % think that Government have average or strong influence; Shareholders 41.55 % have average or strong influence; Media 51.55 % have average or strong influence.

Table 4 gives the mean and mode values for each stakeholders influence in the improvement of CSR practices in the company. The highest mean value is for managers 3.91 and the lowest is for suppliers 2.99.

Table 5

	<i>Clients</i>	<i>Suppliers</i>	<i>Employees</i>	<i>Competitors</i>	<i>Managers</i>	<i>Government /Legislation</i>	<i>Shareholders</i>	<i>Media</i>
<b>Mean</b>	3,58	2.99	3.69	3.00	3.91	3.88	3.48	3.38
<b>Mode</b>	5	3	4	3	5	5	5	4



### **CSR and strategic management**

From the surveyed companies to the question “*Does your company have a strategy or policies for CSR?*”, 58.8% said Yes and 41.2 % said No. Below are listed what the strategy includes in case they have a strategy, and those who answered no what are the barriers they face:

**Table 6**

<b>What does this strategy includes?</b>	<b>Share of</b>
Protect the employees 's rights	62.5%
To improve the work conditions	58 %
To conserve the resources	70%
To increase communication for CSR issues with shareholders and public	36.8%
Note: The total percentage is more than 100 %, more than one option could be chosen	

<b>Barriers for not having a strategy</b>	<b>Share of</b>
The lack of awareness and knowledge of CSR concept	65%
Lack of support from shareholders	52%
Lack of human resources	39%
Lack of financial support	40%
Lack of interest from customers	25%
Note: The total percentage is more than 100 %, more than one option could be chosen	

From the results we conclude that conserving the resources is the first important thing to include in the strategy, then protecting employees rights and improving work conditions.

From barriers they face, companies chose the most important the lack of awareness and knowledge of CSR concept, and the second one the lack of support from shareholders. More specifically with percentages are presented in the table 6.

### **Concluding remarks**

CSR is developing in various ways depending on a sector, geographical area and legal system, due to which every country as well as every firm are unique. Corporate social responsibility is connected with relation between business and society. This relation was subject to change as a result of changes brought about to business by globalization.

This survey gives an overview of how much are aware and what know businesses about the concept of corporate social responsibility. How much do firms agree that being socially responsible doesn't mean that it will decrease their profits and what are they doing for implementing corporate social responsibility in their strategies. The results show that there is an increased awareness among managers or entrepreneurs of the benefits of being socially responsible, but not always their opinions are followed by actions. They know the concept but not always are they willing to implement it. Large companies are those who have the financial resources and capacities to implement their social responsible behavior in their strategic management, not as sporadic reactive actions. A more intense campaign should be done from different actors involved in the process, for the benefits CSR behavior brings to companies, especially small and medium enterprises which contributes mainly to the GDP, employment and welfare.

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