

UNIVERSITY OF PIRAEUS
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Corporate Social Responsibility:

The case of Hellenic Petroleum

Sfakaki Dafni-Eleni

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Όνομα/ First name:	ΔΑΦΝΗ ΕΛΕΝΗ			Επώνυμο/ Surname:	ΣΦΑΚΑΚΗ					
Όνομα και Επώνυμο Πατέρα/ Father's Name and Surname:	ΣΦΑΚΑΚΗΣ ΑΝΤΩΝΙΟΣ									
Όνομα και Επώνυμο Μητέρας/ Mother's Name and Surname:	ΚΑΜΟΝΑΧΟΥ ΜΑΡΙΑ									
Ημερομηνία γέννησης/ Date of Birth ⁽¹⁾ :	Δέκα οκτώ Ιουνίου Χίλια Εννιακόσια Ενενηντα Τέσσερα									
Τόπος Γέννησης/ Place of Birth:	ΑΘΗΝΑ									
Αριθμός Δελτίου Ταυτότητας/ ID- Passport Number:	ΑΕ085895			Τηλ/Tel:	6973894086					
Τόπος Κατοικίας/ Place of Residence:	Ν. ΗΡΑΚΛΕΙΟ		Οδός/ Street:	ΠΡ. ΛΟΦΟΥ		Αριθ/ Nr:	54	TK/ PC:	14121	
Αρ. Τηλεομοιοτύπου (Fax):				Δ/ση Ηλεκτρ. Ταχυδρομείου (Email):	sfakakidaf@yahoo.gr					

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1. ABSTRACT AND INTRODUCTION

1.1. Abstract

The main objective of the master thesis is to highlight the significant importance of Corporate Social Responsibility (CSR). The master thesis is a qualitative research consisted of two parts. In the first part, an in dept analysis of the theoretical framework is provided. Moreover, we explore how the examined concept can serve the needs and expectation of society. The second part refers to the case study of Hellenic Petroleum (HELPE) that has the leading position on the Greek energy market. In addition to that, we seek to examine how HELPE integrates CSR into its strategy so as to preserve its leading position. All in all, we argue that CSR concept, which is still under process, confers added benefits towards the company that engages in it and the society at large.

1.2 Introduction

The idea of composing a master thesis concerning the Corporate Social Responsibility concept came up during the master program when we visited the headquarters of Hellenic Petroleum. During the presentation of the business's activities an argument that was frequently expressed; highlighted that despite the great contribution towards the Greek economy, society is not fully aware of the Hellenic Petroleum activities and CSR practices.

On the basis of the first pillar of the master program; meaning strategy, we seek to examine the CSR concept. The theoretical background and a historic review provide us a necessary framework so as to understand the evolution of the examined issue. Literature suggests that CSR is of paramount importance for the business existence and operation. A prerequisite to formulate an effective CSR strategy is to take into consideration stakeholders' needs and expectations. In addition to that, it could be argued that CSR context is challenging, due to the fact that the company has to combine society's needs while implementing national law and international guidelines. Moreover, CSR decision making can be determined by the company's resources, vision and mission. Therefore, it could be argued that managers play a key role concerning the strategy formulation, company's image and reputation.

The wide range of arguments for and against CSR concept suggests the benefits and some contemporary concerns that might rise because the CSR concept has not been fully restricted yet. Furthermore, the different stakeholder types and the fact that some are perceived as a significant pressure group point out that a company has to look after their needs.

The evolution of CSR is undoubtedly. The variety of CSR activities pinpoints that a company has to promote different initiatives in order to meet the society's needs at large. In the meanwhile, CSR could be a rather triggering concept. Precisely, apart from the society's needs, a company has to deal with issues of globalization, the state

of the art technology, great competition and at the same time, its actions should be communicated properly in order to avoid any misunderstanding.

Overall, CSR used to be a controversial topic over the course of the last decades, but nowadays is a necessity. Companies are perceived to be part of society and their contribution can be resulted into state's economy, enhanced work conditions, living standards and innovation. A lack of one accepted CSR definition might raise questions related to what extent CSR can be used as a mean to serve society's needs.

An effective CSR formulation is the one that (a) takes into account stakeholders' needs, (b) honors local community and its culture, (c) remains moral and loyal towards the CSR concept for a long period of time, (d) provides a variety of activities and (e) communicates properly not only CSR values but also activities' outcomes, (f) follows suit the international standards and guidelines. In return, the company will reap the benefits of the examined issue; from the competitive advantage, good reputation and enhanced corporate image to mutual trust between itself and all types of stakeholders.

On the other hand, Hellenic Petroleum can be perceived as a perfect example so as to examine how a company that has a leading position in the energy market integrates CSR practices into its business strategy. Additionally, we explore to what extent the theoretical background is applicable in our case study. Furthermore, we interviewed an administrative employee, in order to discuss CSR practices, taking into consideration all the provided information found on the official web site.

To sum up, the master thesis is a qualitative research of sixty-eight (68) journals that helped us gather information concerning the theoretical background of CSR. The interview and the official web site of HELPE were the channels via we seek to interpret the company's decision to engage in CSR for a long period of time. The main aim of the research is to highlight the significant importance of CSR concept under the prism of strategy. Finally yet importantly, the outcomes of the interview will highlight company's decision to engage in CSR and how various dimensions of the examined issues are evaluated.

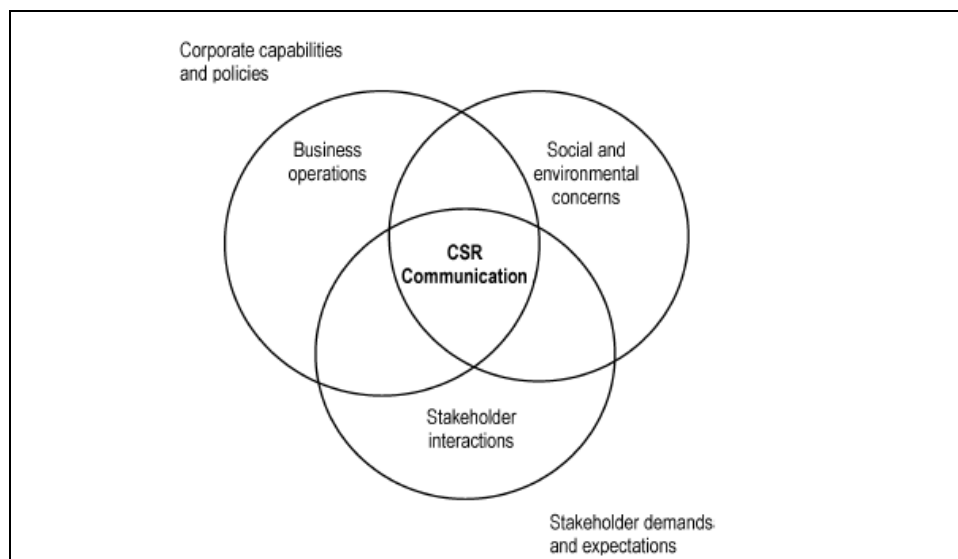
2. THEORETICAL FRAMEWORK OF CSR

2.1 Historic Background

Corporate Social Responsibility (CSR) is a continued commitment to promote wealth fare, to provide better living standards for society and to improve workplace conditions. CSR refers to both states and corporations. Unfortunately, to date governments and states have failed to integrate as much as possible CSR objectives. The aforementioned statement pinpoints the main reason why companies and non –governmental organizations (NGO’s) play a significant role towards the topic of corporate social responsibility. Additionally, apart from the firm’s obligations that Carroll pinpoints, a firm engages in CSR due to the advantages that the latter confers. Enhanced reputation and added sales are some of the benefits that CSR provides (Wamitu, 2014), (Paredes-Gazquez, Rodriguez-Fernandez, Gonzalez, (2016).

Despite the fact that there is a lack of one accepted definition of the examined issue, CSR is a rather challenging field. It is associated with firm’s reputation, the fair treatment to the employees, the quality of products and services, the respect to environment and local communities (Glavas, 2016), (Paredes-Gazquez, Rodriguez-Fernandez, Gonzalez, 2016).

Numberless definitions of CSR outline the difficulty to restrict what CSR is all about (Podnar, 2008). CSR emerged due to the contemporary needs and challenging political, economical, technological and environmental issues. It is imperative we provide a historic review of CSR definition with the main objective to examine the evolution of the CSR concept (Martínez, 2016).



Source: Guest Editorial: Communicating Corporate Social Responsibility,2008
Figure 1: CSR Communication

Key words of CSR: “Corporate citizenship, corporate social performance, Stakeholder Theory, sustainability and sustainable development” (Glavas, 2016).

2.1.1. Evolution of CSR

In 18th century, Adam Smith pinpointed how a free market operates and how the needs of society can be met through the interaction between individuals and organizations. Between 1900 and 1960, corporations understood that apart from profitability, they are also obliged to contribute somehow to society and its needs (Wamitu, 2014). In 1953, Howard Bowen, known as the father of social responsibility, sought to investigate the relationship between corporations and society; stating that “*social responsibility is a set of moral and personal obligations that the employer must follow, considering the exercise of policies, decisions or courses of action in terms of objectives and values desired by society*” (Martínez, 2016).

A year later, Drucker gave emphasis on the public opinion, taking as an example Ford and General Motors. Drucker argued that the public opinion is of primary importance. As a result, corporations should include in their actions collaboration with environmental organizations and implementation of a volunteer program for employees; in order trust to be regained (Martínez, 2016). In the sixties Davis underlined that a firm should take into consideration the agents that are affected by the firm so as to look after their needs. By doing so, those agents will be in favor of the firm’s actions and will be supportive towards the firm. The abovementioned idea is related to the template of social institutionalism. More specifically, a firm should have a social profile and act responsibly, especially towards the group of its interest so as to continue to operate and be in the market. (Martínez, 2016).

Walton perceived CSR as a tool for managers. Managers through CSR can promote a socially responsible profile for the firm, where a strong relationship with society and especially with the group of its interest can be built (Lindgreen, Swaen, Johnston, 2009).

According to Walton, social responsibility is related to programs and actions that include risk and cost from the firm’s behalf. In the meanwhile, society’s needs are met (Martínez, 2016). In 1970 both Wallich and McGowan suggested that socially responsible actions can determine the success of a company due to the fact that they are the mediators between the economic and social interests of their stakeholders (Martínez, 2016).

Carroll stated, “*CSR can be broadly defined as corporate actions addressing issues which are beyond the scope of its narrow economic, technical and legal requirements*” (Gond, 2015). As a consequence, Carroll outlined the various dimensions that CSR can be characterized by (Rupp, 2015). Suggesting that economic and legal responsibilities are “*required*”, ethical responsibilities are “*expected*”, and discretionary/philanthropic responsibilities are “*desired*” (Carroll, 2010). In 1999 Carroll was rather interested in the CSR concept (Lindgreen, Swaen, Johnston, 2009). He argues that corporations’ great influence over society obliged them to intervene, and to provide solutions concerning economic and social imbalances. As a result, corporations beside the economic function should also take into consideration the social impact resulting from their actions (Martínez, 2016).

Kotler and Lee in 2005 argued that the context of CSR is “*a commitment to improve [societal] well-being through discretionary business practices and contributions of corporate resources*” (Du, 2010). Additionally, Blowfield and Frynas described CSR as “*an umbrella term for a variety of theories and practices all of which recognize the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the*

behaviour of others with whom they do business (e.g., within supply chains); and (c) that business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society.”(Lund-Thomsen, 2014).

According to Barnett “*CSR is a form of corporate investment characterized by a dual orientation towards the improvement of social welfare and of stakeholder relations*”. The abovementioned statement outlines the stakeholder relations and more precisely, why employees are perceived as a significant stakeholder group, which can be influenced by CSR policies (Gond, 2015). Furthermore, Dahlsrud in 2006 identified five dimensions of CSR: environmental, stakeholder, social, economic and the voluntariness (Carroll, 2010), (Lindgreen, Swaen,, Johnston, 2009). Moreover, scholars such as Mohr, Scherer, Palazzo and Tench defined CSR “*as a company’s commitment to minimize or eliminate any potentially harmful effects and maximizing its long-run beneficial impact on the society*” (Glavas, 2016), (Saeidi, 2018).

Dahlsrud in 2008 examined all the 37 available CSR definitions and suggests that regardless the differences among them, three common points can be found. First and foremost, a special interest is given to stakeholders. Secondly, all CSR definitions mention the voluntary degree of CSR actions. Finally yet importantly, all CSR activities clearly represent a wide range of activities (from environmental, social to economic obligations) that can lead to sustainable development (Martínez, 2016).

In conclusion, Anguinis in 2011 stated that CSR or the “*triple bottom line of economic, social, and environmental performance*” of a corporation (Aguinis, 2011) should be examined under the prism of the stakeholder theory. Arguing suggests that the main goal of CSR is to fulfill the organizational obligations for both the internal and the external stakeholders. At first, researches that took place sought to explain the relationship between CSR and the financial performance of the business, taking as a variable the power of marketing and how it can meet consumers’ needs and preferences (Rupp,2015), (Lindgreen, Swaen, Johnston, 2009).

Lee in 2008 aptly argued, that two main changes can be found concerning CSR definitions from 1950 up to date. First and foremost, corporate social responsibility is not usually scrutinized on a macro economic level, while the impact of socially responsible activities is examined in detail. Secondly, there is a shift as far as the corporate social responsibility context is concerned. In the past, emphasis was given to the philanthropic and ethical perspective, while nowadays CSR is more business and result-oriented concept (Baric, 2017).

All in all, the wide variety of definitions underlines the different perspectives that CSR encloses (Gangi, 2016). The lack of a universal definition can be interpreted as an opportunity to define all the perspectives that the examined issue has (Lindgreen, Swaen, Johnston, 2009). Meanwhile, the most popular definition comes from Carroll, who suggests that a common point among all the provided definitions is undoubtedly the responsibility that a business has over both society and environment that is beyond its legal responsibility and its main goal, which is the economic profitability (Podnar, 2008).

CSR seems to be a wide field, which has not been restricted yet. Having as a main objective to understand CSR concept, it is imperative we note two main theories that seek to investigate the examined issue. In the nineties many authors such as Carroll, Garriga, Mele and Lee provided an in depth analysis of CSR taking into consideration both Stakeholder and Institutional Theory (Martínez, 2016). The origin of Stakeholder Theory arises from business management and Freeman sets its definition (Martínez, 2016). The continuous interaction between the former and the Institutional Theory is more than obvious when examining firm’s CSR actions.

2.1.2. Stakeholder Theory

Milton Friedman was a proponent of the conventional belief of the classical model concerning business operation. He suggested that the only social responsibility that a business has is to increase its profits. Profits that would be later redistributed accordingly amongst the shareholders of the company. On the other hand, Freeman argues that profit is a consequence of the company's activity, not its primary cause (Martínez, 2016). Hence, companies should give emphasis on the different types of stakeholders. Freeman pinpoints the mutual relationship between the stakeholders and the company (Donaldson, Preston, 1995). Stakeholders can be greatly affected by the company's activity. More precisely, if the stakeholders' needs are not met, the company will declare bankruptcy.

To sum up, if stakeholders' needs are heard, they will be supportive to business operation and profit will be made (Donaldson, Preston, 1995). Freeman's idea is commonly known as the Stakeholder Theory, which underscores the radical change of the traditional bilateral relationship between the firm and shareholders into the great impact that any type of stakeholders may have towards a corporation (Martínez, 2016).

Stakeholders' engagement

The origin of the stakeholder theory arises from the business management and Freeman set its definition (Martínez, 2016). Stakeholders are defined as "*any group or individual who can affect or be affected by the decisions and the achievement of corporate objectives*" (Martínez, 2016). Therefore stakeholders can be employees, consumers, customers, suppliers, the government, non-governmental organizations (NGO's) and other vital sources for the firm's survival. Therefore, CSR is perceived as a driving force that creates a bond between business and society. It seeks to deal with major problems related to poverty, elimination of discriminatory policies in order to meet stakeholders' expectations and needs (Jariko, 2017).

Freeman divided stakeholders into primary and secondary. Primary stakeholders are those whose actions are of significant importance to the business operation. Their power signifies their ability to influence directly the management of the company. They can be the owners, the employees, unions, customers and suppliers. On the other hand, secondary stakeholders are those people who can possibly influence both the attitudes and the perceptions of the primary stakeholders. Still, the secondary stakeholders are not able to approach directly company's managers (Baric, 2017). Even though the second group is not directly involved in the firm's economic performance and activities, it can greatly influence both of the aforementioned aspects. Citizens, competitors, local community and the government are perceived as secondary stakeholders (Martínez, 2016). It has been observed, that when the needs of those two parties/groups have been met, then the company improves its financial performance, its competitiveness and promote sustainability (Martínez, 2016).

In 1991 Goodpaster suggested that the Stakeholder Theory can be examined under the prism of three theoretical trends, which provide an explanation regarding the firms' behavior in relation to stakeholders. First and foremost, strategic approach argues that stakeholders can either facilitate or hinder the achievement of the organizational aims. Secondly, responsibility approach points out that a company can be benefited by a quality relationship with the groups of its interest; especially when

those groups are satisfied and their needs have been met. Thirdly, the convergent approach is an intermediate trend from the abovementioned approaches (Martínez, 2016).

On the other hand, Donaldson and Preston propose three additional approaches so as to analyze the Stakeholder Theory as accurate as possible. The first approach is the Descriptive approach, suggesting that a corporation is a sum of different set of interests that have been balanced. Secondly, the Instrumental approach points out that the stakeholder management should be perceived as a tool through which specific goals can be achieved; such as profitability goals, stability and growth of the company. Last but not least, the Normative approach aims that both management and satisfaction of the stakeholders interest should be of primary importance while the economic benefits should be in the second place (Martínez, 2016).

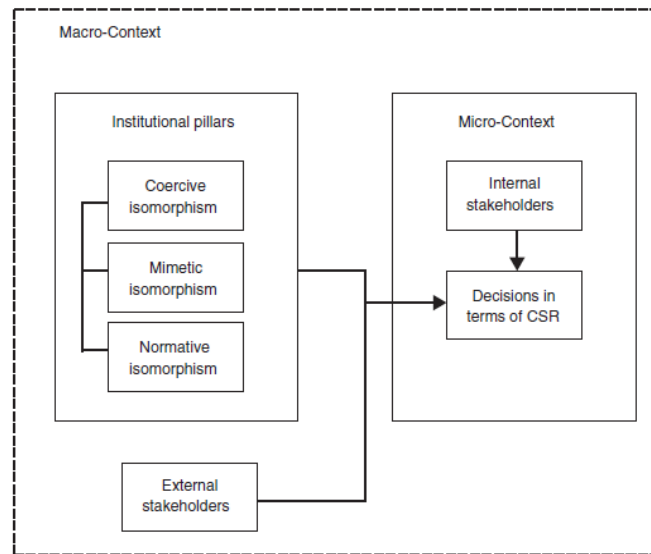
Freeman introduced the Stakeholder Theory but there are also other authors that supported his idea. Clarkson 1995 underlined that the interests of both primary and secondary stakeholders should be served. Furthermore, Hopkins argued that a business should treat its stakeholder in a moral way and improve both economic and social status of its stakeholders (Jariko,2017).Last but important, Mitchell in 1997 outlined that when CSR is examined under the prism of the Stakeholder Theory, then organizations should take into consideration the needs of shareholders, employees, investors, environmental groups, the press, activists and critics since the aforementioned groups influence the corporation's performance(Martínez, 2016).

2.1.3. Institutional Theory

Institutional Theory examines the CSR concept and argues how a corporation should integrate CSR values into its strategy. The examined theory analyses socially responsible behaviours, suggesting that the survival of an organization is strongly related to a sum of external and internal context and principles.

First and foremost, a corporation asks for legitimacy in order to operate. Legitimacy can be defined as the internalization process in which a set of norms, values, beliefs, principles are accepted by society and as a consequence, the organization's operation can also be accomplished. The advantages of legitimacy are quite interesting and can be interpreted into an enhanced financial and economic performance. A legitimate corporation may have access to recourses from specific stakeholders, a supportive government, increase of sales, loyal customers due to the ability to negotiate contracts with various suppliers and distributors, committed and satisfied employees (Martínez, 2016).In addition to that, in 1983 DiMaggio and Powell pinpointed that corporations seek for legitimacy for three reasons. Firstly, corporations should take into account all the external agencies and especially the government due to its ability to exert both political and legal pressure over corporations. The aforementioned state is known as coercive isomorphism. Secondly, corporations would mimic the strategies that the leading company implement; such practice is known as mimetic isomorphism. Last but not least, corporations seek for collaboration with professionals that can provide the necessary knowledge in order to achieve both professional expertise among the personnel and confidence. The abovementioned state is also known as normative isomorphism (Martínez, 2016).

To conclude, it seems that both Stakeholder and Institutional Theory are perceived as two solid pillars when CSR actions of a firm are examined. The following table demonstrates the abovementioned argument.



Source: Corporate social responsibility: Evolution through institutional and stakeholder perspectives, 2016.

Figure 2: Influence of institutional and stakeholder perspectives in the introduction of socially responsible behaviours.

2.1.4. Three views on CSR

It has been observed that nowadays companies are not only interested in monetary matters since emphasis is also given to both social and environmental aspects that used to be perceived as secondary issues of importance. Therefore, companies adopt CSR initiatives that can be integrated into the company’s strategy, with the aim not only to deal with social-environmental concerns but also to enhance their market position by gaining a competitive advantage (Saeidi, 2018). It is rather interesting to examine, how CSR is perceived by both its proponents and opponents. In the following lines, CSR is to be examined under the prism of three different visions.

Vision 1: ‘Win-win’ (‘doing well by doing good’)

The first vision of CSR is the win-win vision, which suggests the idea of “*doing well by doing good*”. Being a corporate citizen can be helpful for the corporation to be more profitable since there is no corporation that has as a goal neither to destroy and harm the environment nor to hurt consumers or its employees (Benabou, 2009). There are two ways to examine this vision. Firstly, managers should take a decision bearing in mind both the needs of society and the objectives that the corporation has. The managerial incentives are closely related to what a corporation can provide on the CSR field. Even if there is a well-organized program, there is always a possibility to have some short term biases. When there are monetary incentives more weight is put on short term. Secondly, when decisions are taken by either the board or the shareholders then the management might change the scope of

the programs. As a result, short-term biases will occur since the goal or the incentives of the program might either change or be reformed (Benabou, 2009).

When emphasizing in the short-term profits then intertemporal loss of profit and externality on stakeholders will occur. More precisely, managers should take decisions that will provide to the corporation positive outcomes in a long term. For instance, if the corporation tries to renegotiate the working terms then no incentives will be given either to current or future employees (Benabou, 2009). As a consequence, the relationship between the corporation and the employees or the consumers will be harmed.

All in all, the aim of this vision of CSR is to adopt a long-term perspective so as to maximize corporation's intertemporal profits and try to deal with obstacles that might occur in a short-term. Practices such as renegotiation, or turning to a less environmental profile so as to diminish costs will turn into a bad decision. The main objective is to adopt CSR practices, where emphasis will be given to social responsible behavior (Benabou, 2009). As a result, the corporation will strengthen its position in the market and will make its rivals to raise its costs. For instance, CSR could be a means of placating regulators and public opinion to avoid strict supervision in the future, or an attempt to raise rivals' costs by encouraging environmental, labor or safety regulations that will particularly handicap competitors.

Vision 2: Delegated philanthropy (the firm as a channel for the expression of citizen values)

The second vision of CSR is the delegated philanthropy, where corporations act as a channel to express the citizens' values. Citizens are willing to provide help to those groups that are in need and expect from corporations to act accordingly. Moreover, citizens prefer a corporation that adopts more environmental practices even if there is no restriction from the government's behalf (Benabou, 2009). Corporations for example, could introduce initiative programs with the aim to overcome environment's pollution. On great hazards citizens expect to see the corporations' contribution, when for instance, a hurricane strikes an area or when there is water pollution and water is needed (Benabou, 2009). Many corporations try to promote a social responsible behavior so as to strengthen their relationship with society. There are companies that outline their engagement to fair trade such as Starbucks. Other companies produce clothes from organic materials, or in some corporations, employees participate in programs in community service. The abovementioned practices are adopted also by "sin stocks" such as tobacco, alcohol, casinos. The second vision "*does not raise any specific corporate governance issue: management caters to demand and maximizes profit. As with the long-term perspective, profit maximization and CRS are consistent*" as Benabou suggests (Benabou, 2009).

Vision 3: Insider-initiated Corporate Philanthropy

The third vision is the in-house initiated corporate philanthropy, where money is given to good causes. This type of CSR is not preferable due to the fact that specific charities are promoted with no clear incentives (charities to operas, concert halls, museums and political think-tanks). The majority of these activities are usually related to the managers and/or board members' proposals (Benabou, 2009).

The aforementioned visions can be examined under the prism of the corporate profitability (Benabou, 2009). The first and the second version of CSR seem to have

positive correlation between social responsibility and profits while on the other hand, the third vision seems to have negative correlation (Benabou, 2009). Yet, no specific outcomes have been seen due to the fact that CSR is a combination of all three types.

2.1.5. Conclusion

To conclude, CSR interpretation is a rather challenging aspect, due to the fact that there is lack of tools that could provide sufficient and reliable evidence of CSR performance. It is without any doubt, that when consumers or customers are asked regarding CSR the majority will express a positive opinion on the examined issue. Unfortunately, up to date, it is quite difficult to conclude on either how CSR concept is perceived or if it is actually taken into account in real time when customers' needs are multiple and so are their criteria to buy products or services (Benabou, 2009).

2.2. The emergence of CSR

2.2.1 Reasons that outline the need of CSR

Corporate Social Responsibility is interwoven with the evolution of society and the increased demands. Nowadays, corporations play a significant role to society, contributing to the GDP of a country, offering jobs, promoting programs that could be beneficial for both society and environment. CSR is not a new concept but the last decade is gaining momentum (Martínez, 2016). On the one hand, CSR suggests a framework of sustainable development; honoring local cultural differences and the environment. On the other hand, governments seem to have failed to deal with all the societal problems whereas NGO's appear to be better prepared to provide solutions in hazardous circumstances, to establish international norms and to ask for implementation (Martínez, 2016).

Issues that outline the emerging need of CSR on international level and demand greater commitment to sustainable behavior from the corporation's behalf are: the state of the art technology, globalization, the opportunistic strategies and fiscal abuses from corporations' behalf, poverty discriminations, hunger, inequalities among countries, the increased power of the multinationals, accountability, international relationships and the worsening environmental conditions (Wamitu, 2014). The aforementioned aspects not only suggest that it is imperative we form an international framework but that we also vindicate the lack of one accepted definition (Martínez, 2016).

CSR can be characterized as demanding and challenging due to the fact that nowadays society expects from both state and corporations to provide solutions to social and environmental problems. A corporation can be characterized as socially responsible when it promotes a set of values and practices that can improve the life standard of society, respect the ethics and the communities that live nearby the location where the firm operates and is located. Furthermore, a socially responsible corporation is the one that also promotes good causes; supporting arts, culture and education (Swaen, 2005).

All things considered, CSR pinpoints a mutual relationship between society and corporations. More precisely, corporations possess a vital role to society and as a consequence have some added responsibilities towards the latter. On the other hand, the engagement in CSR practices signifies that a corporation has to sacrifice part of its profits to corporate social activities in order to later reap CSR's benefits (Swaen, 2005).

CSR has not always been perceived as a tool through which social and environmental issues could be solved. Despite the fact that the international community promotes CSR activities there are also some objections concerning CSR concept. It is necessary to present both sides so as to remain objective on our analysis.

2.2.2. Arguments in favour of CSR concept

Proponents of CSR argue that nowadays businesses are obliged to have a socially responsible behaviour supporting their idea with a variety of arguments

(Saeidi, 2018),(Swaen, 2005). First and foremost, it should be mentioned that the benefits of CSR can be observable from the corporation's behalf in a long-term. Secondly, it is argued that when a company adopts and integrates CSR policies no governmental intervention will occur, due to the corporations' contribution to society's needs. Another argument explores the idea that should a corporation possess the necessary resources then in case of an emergency, it will be prepared to react when a problem arises. Additionally, society seeks for and support firms that adapt CSR programs and initiatives (Carroll, 2010). Hence, CSR strengthens the corporate image, improves the quality of services and products, enhances the market position and the corporation might become the market leader. Moreover, many authors such as Kurucz and Wheeler point out the mutual beneficial relationship between society and corporations. According to Kurucz in 2008 there are four CSR's characteristics that can be beneficial for the company. Firstly, the cost and risk reduction. CSR activities can decrease the cost and risks of the firm. Stakeholders' demand might be a threat for the company but promoting an environmentally responsible behavior can be interpreted positively. As a consequence, a corporation that remains committed to environmentally responsible policies can only be viewed by society in a positive way. By doing so, a strong relationship between society and company can be built. The corporation might have tax advantages due to the fact that it might be perceived as a sanctioned member of the society. Kurucz's opinion also outlines how a company through CSR activities can form a competitive advantage; suggesting that the adoption of CSR leads to win-win outcomes through synergistic value creation of society and the firm (Martínez, 2016), (Carroll, 2010).

In 2003 Wheeler perceived CSR as a win-win outcome because companies would be able to turn any social problem into an opportunity so as to have or provide a well paid job, human competence, productive capacity, economic benefit, economic opportunity and wealth. All in all "*the win-win perspective to CSR practices provides a view in which CSR is perceived as a vehicle that allows both the firm to pursue its interest and stakeholders to satisfy their demands.*" (Carroll, 2010).

2.2.3. Contemporary factors that highlight CSR's importance

Global Issues

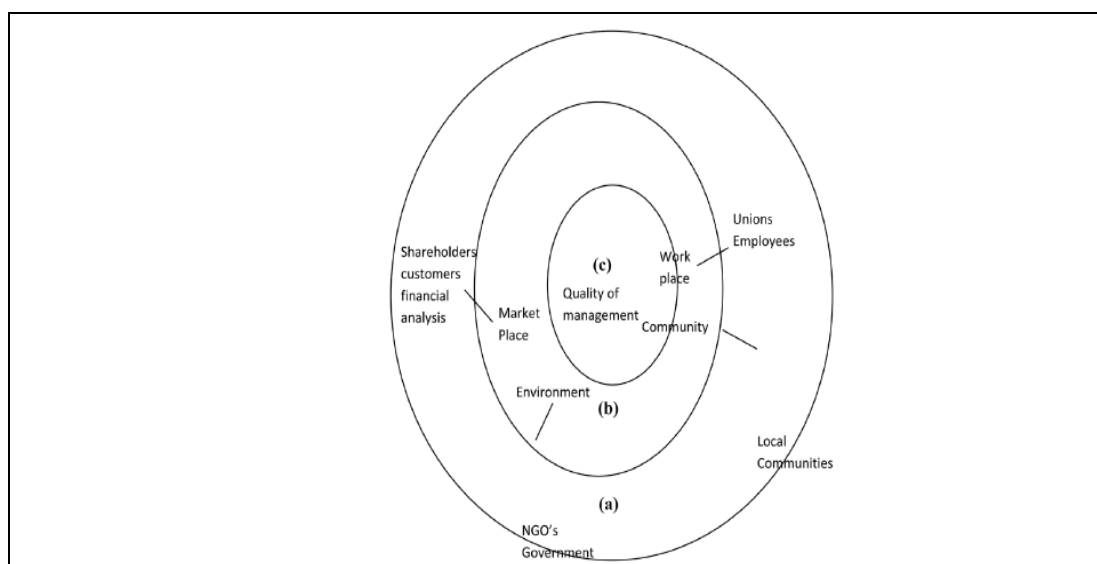
Nowadays businesses have to deal with a variety of problems and issues spanning from globalization to the use of state of the art technology. It is without any doubt that globalization is a hot debated issue. Proponents of globalization point out how beneficial can be this phenomenon for both developed and developing countries, concerning human and workers rights. On the other hand, opponents suggest alternatives so that developing countries increase their wealth and decrease the gap between them and the more developed countries.

Operating in a less developed country, business has to not only honor and respect local ethics but also the economic status such as salaries. Moreover, when a business operates beyond its nation has to find a proper way to use CSR activities. It has been observed, that some corporations used to dump or sell expired products to less developed countries. As a consequence, the aforementioned practice had negative implications on the business' reputation (Wamitu, 2014).

Technology

The state of the art technology is also perceived as a burning issue. Internet evolution is related with the abuse of privacy and lack of security. Nowadays, hacking organization's archives is not a new phenomenon. A pertinent example could be the promotion of genetic engineering and cloning; since such practices are rather controversial (Wamitu, 2014).

The following diagram highlights the interaction among different but still crucial variables. The outer circle is the one that organizational stakeholders give more emphasis on, because it is associated with the shareholders and the local community. Unfortunately, managers usually do not pay close attention to the importance of the middle and the internal circle; that (both) outline the interaction with the external circle. The internal circle is the one that represents the internal environment of the business (Wamitu, 2014).



Source: Corporate Social Responsibility: Intentions and Practice, 2014
Figure 3: Interaction between internal and external environment

Environmental Issues

Other issues that should be taken into consideration are the environmental issues such as the waste disposal, deforestation, soil and acid rain degradation. Additionally, pandemics and other diseases are also an issue that asks for a solution and corporations can greatly contribute to the eradication of those phenomena (Wamitu, 2014).

Community Development

CSR is multidimensional. Community development is crucial; firstly, because it is related to community's involvement in donations that either can be given or received and secondly, to locally directed investments (Wamitu, 2014).

Employee Diversity

Employee diversity is another dimension of CSR analysis. Equal opportunities (internal and external) should be provided to the employees standards. Additional issues that should be raised are employee empowerment, employee growth and the flexibility of working hours. The latter goes hand in hand with family responsibilities that an employee may have. Organizations should comply with the CSR policies that enhance both professional and personal development of an employee. Moreover, organizations could ideally provide to employees platforms to express their ideas regarding business operation, in order to propose alternative actions for better outcomes. Last but not least, freedom of speech is of primary importance (Wamitu, 2014).

International Relationships

Market has some rules and characteristics that should be respected such as: consumers' protection, marketing practices like advertising and satisfaction of consumers. Furthermore, issues of accountability, annual reporting and disclosure have to be promoted from the corporation's behalf. Last but not least, a business should comply with international relationships, meaning that a company "*includes issues of human rights, employees and environmental standards, purchasing and contracts and community development*" (Wamitu, 2014).

Other aspects that should be taken into account:

Accountability, the environment and market place practices.

2.2.4. Arguments against CSR concept

In the past, there were various arguments against CSR especially during the 60's and '70s. In 1962 Milton Friedman argued that the main objective of a company is to maximize the profits for the shareholders and owners sake, thus no further activities are needed. A second argument pinpoints that corporations do not have the knowledge so as to deal with social activities, due to the fact that there is lack of expertise on those issues (Swaen, 2005). A third opposition outlines, that investing in CSR is not among the main objectives of the company. Another objection underlines that a company has as much power as it needs and no further activities can provide added advantages.

Finally yet importantly, a least known opposition underscores that by adopting CSR practices, the company will be less competitive at an international level (Carroll, 2010).

2.3. Strategic CSR

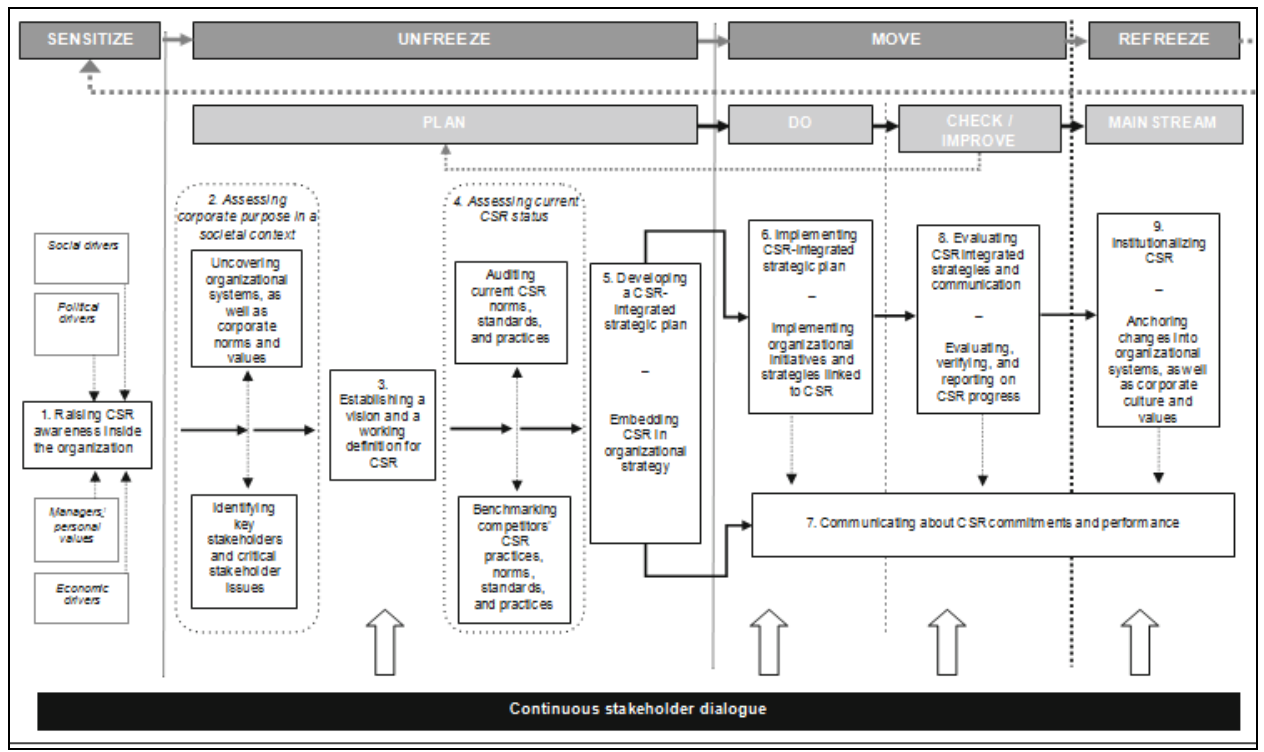
CSR is rather difficult field since every firm is required to follow suit the international standards and in the meanwhile to remain faithful to its initiative vision. Therefore, CSR has to create a layout under the prism of the corporation's vision. Corporation's values should also be reflected to CSR's activities (Brammer, 2012). It is crystal clear, that CSR's integration in any company is promptly correlated with: (a) the corporation's vision (b) social needs and requests (c) CSR activities (d) communication channels that can propagate the corporate social behavior towards society. In this chapter, focus will be given to two different models that underscore how CSR strategy and implementation can be applicable from the company's behalf. Secondly, the various types of managers will be examined and how the former can make ethical decisions. Moreover, we seek to provide an answer on company's decision to engage in CSR practices. In addition to that, the main difference between altruism and strategic CSR will be analyzed. Last but not least, we explore the kind of relation that can be found between CSR and the corporation's performance (Brammer, 2012).

2.3.1. Two models that apply CSR strategy

Lewin in 1951 proposed a three-stage model (unfreezing, moving, and refreezing) with the main aim the integration of CSR in the corporation's strategy. The first stage is called "unfreezing" where managers should make sure that all employees are familiar with the CSR concept. Additionally, opinions against CSR should be diminished. The main reason why employees or shareholders could be against CSR is either because there is fear of change or because a dominant opinion is that investments on CSR would lead to decreased profits. The second stage is the moving stage. Firms have to promote CSR values and consequently a CSR program. Last but not least, in the third stage, which is known as refreezing stage; CSR strategy should be implemented and new values should be shared among employees. Francois Maon proposes a fourth stage, named as sensitizing. In this stage, emphasis is given to management and the fact that managers have to be aware of sustainability issues (Maon, 2009).

Regardless the number of stages, the issue of designing and implementing CSR is a complex one. It is beyond doubt that, a well structured strategy is needed, where employees are fully aware of the CSR concept. On the contrary, lack of information or any misunderstanding could lead to an inappropriate strategy that could harm the firm (Maon, 2009).

On the other hand, Francois Maon suggests nine stages in order to form a firm's CSR strategy. An analysis and a figure of an integrative framework for designing and implementing CSR will be provided in the following lines.



Source: Designing and Implementing Corporate Social Responsibility: An Integrative Framework Grounded in Theory and Practice, 2009

Figure 4: Proposed integrative framework for designing and implementing CSR.

Step 1: Raising CSR awareness inside the organization

There are four key drivers that can influence the organizational sensitivity as far as the CSR and the organizational issues are concerned. The key drivers are: economic, social, political and individual. The first three are market-based and can be found when the firm's activities have societal impact. On the other hand, individual driver is value-based. As a result, the CEO not only should adjust ethical norms within the firm but also respect and promote employees' values in the workplace (Maon, 2009).

Regardless of the framework, nowadays CSR has to be integrated into the corporation's strategy. On the one hand, top-down framework pinpoints that top managers' awareness influences CSR strategy and implementation. On the other hand, in a bottom-up framework, employees ask their colleagues to adopt CSR practices (Du, Swaen, Lindgreen, 2013).

It could be argued that the managers' perception regarding the business and societal environment is of paramount importance. Their perception can determine whether and to what extent CSR activities can be adjustable and effective (Du, Swaen, Lindgreen, 2013). The alteration of the managerial perception can be either reactive or proactive. Managers can have a reactive perception when they are influenced by the pressure of the external environment; such as the media, protests made by communities or activists, NGO's. On the contrary, in a proactive perception personal values of either groups or individuals are gaining ground. As a result, CSR is

related to personal morality and values originated by employees and managers alike (Maon, 2009).

Step 2: Assessing corporate purpose in its societal context

CSR initiatives should reflect the values, motives, mission and vision of an organization. Moreover, corporate values are associated with proactive perceptions. As a result, the vision and main objectives of an organization are the ingredients in order to propose specific CSR activities. In the end, corporate values will be a sum of the corporation's vision, CSR context and the customers' needs and preferences. All things considered, a rather flexible and sustainable CSR program is suggested, where emphasis is given on the value of the activities and long run goals could be accomplished (Maon, 2009).

Step 3: Establishing a vision and a working definition for CSR

In this step it is required both managers and stakeholders form and provide a CSR definition. The aforementioned can occur when the internal values and norms are clarified and so are the stakeholders' needs. CSR should encourage a socially responsible vision in accordance with the stakeholders' anticipations and the long-term strategic goals that the corporation has set. Aiming to form a CSR definition compatible to contemporary needs, two key elements should be taken into consideration. First and foremost, the organization has to be committed to CSR context. Secondly, under the prism of a socially responsible vision emphasis should be given on the stakeholders' needs (Maon, 2009).

Top managers should provide proposals regarding the vision formulation. More precisely, the leader has to face a rather challenging issue; which is the creation of the corporation's vision (Du, Swaen, Lindgreen, 2013). The compatibility of the vision in a long period of time signifies that the leader is able to combine contemporary and future needs and to envisage the corporations' potentials over the course of its operation. Taking into account both external and internal environment, the vision has to be inspiring in order to be well communicated. Official documents, annual reports, brochures and posts via to social media that the corporation has, are considered to be channels of communication (Maon, 2009).

Step 4: Assessing current CSR status

To be begin with, CSR practices have to be in accordance with the CSR concept. There are two ways in order to closely examine whether a corporation has successfully integrated CSR context in its practices. On the one hand, Carroll's CSR definition reminds us the five dimensions that constitute the hallmark of CSR context: sustainability, societal dialogue, corporate governance, social and environmental issues. On the other hand, international standards can either confirm or not if corporation's practices honor CSR concept. Social auditing / inspecting confer trust through dialogue and cooperation among corporations and stakeholders (Maon, 2009). In our case, an energy corporation has to implement ISO 26000, the United Nations' seventeen Sustainable Development Goals and guidelines of Global Reporting Initiative (Du, Swaen, Lindgreen, 2013).

Step 5: Developing a CSR-integrated strategic plan

Corporations are used to form short and long-term strategies; but when it comes to CSR activities, three P’s should be incorporated. More precisely, Cramer in 2005 mentioned the three P’s, referring to planet, people and profit (Maon, 2009).

Step 6: Implementing the CSR-integrated strategic plan

The implementation of a successful CSR plan is also associated with the guidelines that are given by the national government and the international standards (Maon, 2009). The table below points out critical factors for the CSR process.

	Plan	Do	Check / Improve	Mainstream
CORPORATE LEVEL	<ul style="list-style-type: none"> o Connecting CSR vision and initiatives with organization’s core values and competencies o Formalizing CSR vision through official documents 	/	<ul style="list-style-type: none"> o Considering mistakes as an opportunity to learn and improve CSR programs and policies 	/
	<ul style="list-style-type: none"> o Getting key people’s commitment (directors, owners, senior managers) o Engaging participation of key stakeholders in the CSR process 			
ORGANIZATIONAL LEVEL	<ul style="list-style-type: none"> o Building upon existing organizational structures and process 	<ul style="list-style-type: none"> o Ensuring the organization has internal skills to make the transformation o Training of employees in CSR-related issues 	<ul style="list-style-type: none"> o Considering mistakes as an opportunity to learn and improve CSR programs and policies 	<ul style="list-style-type: none"> o Emphasizing relationships between new organizational behavior and success
	<ul style="list-style-type: none"> o Fostering the presence of moral / CSR champions o Thinking in terms of long-term engagement rather than quick fix solutions 			
MANAGERIAL LEVEL	/	<ul style="list-style-type: none"> o Creating enthusiasm and credibility around CSR (by providing regular updates on progress) 		<ul style="list-style-type: none"> o Rewarding people that create CSR successes
	<ul style="list-style-type: none"> o Recognizing the critical role of leadership 			

Source: Designing and Implementing Corporate Social Responsibility: An Integrative Framework Grounded in Theory and Practice, 2009.

Figure 5: Critical success factors in the CSR process.

Step 7: Communication about CSR commitments and performance

In this stage, the corporation has to constantly inform its internal environment regarding the CSR commitments, in order to enhance CSR awareness. Newsletters, annual reports, meeting and training of employees are considered to be internal communication means. Additionally, over the course of the moving stage employees should get informed over the process of CSR programme and the expectations that the corporation has. The main aim of the aforementioned statement is to avoid any misunderstanding. Moreover, top managers and the CSR team should provide all the necessary information so as knowledge to be enhanced among supervisory management and employees (Maon, 2009). In the process of the refreezing stage, it is required a company publicize and display the attaining of the CSR programs that are in accordance with the vision and the day-to-day corporation’s activities. In the refreezing stages newsletters, magazines are also necessary so as to demonstrate the accomplishments of CSR activities and to institutionalize the process. Therefore, a

smooth transition from refreezing to moving stage will occur, where constant information will be provided to both internal and external environment. It should be noted that external environment asks for an in depth information not only for reasons of transparency but also in order to be fully aware of the impact that CSR activities have over society and the environment. As a response to such demands, the corporation ought to make their CSR programs public, presenting the outcomes of those initiatives on either annual or on separate reports (Maon, 2009). To conclude, in this stage on the one hand, the corporation has to be able to communicate the expectation that has risen and on the other hand, to communicate the outcomes of CSR activities. CSR communication strategy is a complex aspect since it requires a continuous dialogue in order stakeholders' needs to be served (Maon, 2009).

Step 8: Evaluating CSR-integrated strategies and communication

The evolution of CSR activities could be achieved via measuring, verifying and examining whether and to what extent the goals of each activity have been reached. The evaluation process consists of establishing or re-examining initial goals. Conducting formal reviews, a transparent profile from the corporation's behalf is promoted. An in depth analysis provides a comparison to target standards and the corporation's performance contributes to the above-mentioned goal. It could be argued that there is a match between the performance and the expectations (Maon, 2009).

Step 9: Institutionalizing CSR

All things considered, nowadays CSR activities are perceived as integral part of corporation's strategy. Management of the firm and especially managers are in charged of the vision formulation and the promotion of CSR initiatives. Management plays a major role regarding CSR, due to the fact that it possesses all the human and financial resources of a firm (Maon, 2009). As a consequence, CSR initiatives can provide a competitive advantage and lead to the sustainable objectives that the firm has set (Maon, 2009). Other issues that are correlated to CSR are: company's size, other resources, revenues, the labour market and the industrial life circle. (Jariko, 2017)

2.3.2. Types of managers and how ethical decisions are made

It is difficult to say whether CSR provides a framework in order to deal with contemporary challenges or because of the latter, CSR field has been created. Globalization made firms to adopt a socially responsible behavior so as to preserve their good reputation and to avoid criticism. Decision-making is clearly correlated to ethical policy and guidelines that have been given from top managers. Schwartz in 2002 pinpointed that through "*trustworthiness, respect, responsibility, caring a citizenship, a corporation can implement a code of ethics and earn respect*" (Jariko, 2017).

A year later, Schartz and Carroll outlined that there are three ways that a corporation can take an ethical decision: (a) according to Conventional approach: "*companies need to act ethically while reflecting the difference between right and*

wrong”; (b) Consequential approach points out that decisions are made under the prism of promoting society’s welfare and overcoming egoism and unilateralism. Last but not least, (c) Deontologist approach argues that: “*of the ethical domain individuals are held responsible to clearly transcribe the rights and justices for their stakeholders* (Jariko, 2017).

The provided information of the aforementioned paragraph leads us to Carroll’s suggestion concerning the three different types of managers: immoral, amoral and moral decision-making. Immoral managers are those managers that are more loyal to their corporation’s interests than to society’s wellbeing (Du, Swaen, Lindgreen, 2013). Amoral managers are the ones that are less ethical oriented and are least concerned with other stakeholders. In the last category can be found the managers that Carroll believes that are ethical and demonstrate their professional conduct. In 2004, Carroll underlined that nowadays due to globalization companies should follow suit the regulations and international demands so as to meet the needs and the interests of the stakeholders. As a result corporations will preserve their fame and good name (Jariko, 2017).

2.3.3. Why corporations engage in CSR practices?

According to Bagnoli and Watts in 2003, firms decide to engage in strategic CSR for two reasons: firstly, because of the market's competition intensity; secondly, because of the consumers’ willingness to pay a higher price for a product that applies CSR. A growing body of studies has reportedly stated that there is an inverse relation between those two factors (McWilliams, 2006). When a market is rather competitive, then less public products are provided through strategic CSR. A competitive market implies that firms participating in it will have lower margin and as a result, they could not provide further social attributes or activity. On the other hand, when there is not strong competition and margins are bigger the ability of a firm to increase its contribution over society by providing additional social attributes and activities is higher (McWilliams, 2006).

2.3.4. What is the main difference between altruism and strategic CSR?

McWilliams and Siegel noted a positive relation between firm’s performance and strategic CSR. On the contrary, a negative relation was found between altruistic CSR and firm’s performance. To make it crystal clear, altruistic CSR has as objective social issue participation, while strategic CSR is the one that takes into consideration stakeholder management (McWilliams, 2006). An in depth analysis concerning different types of CSR activities is provided in the relative chapter.

2.3.5. What kind of relation can be found between CSR and the corporation’s performance?

The foresight of CSR depends on: research and development (R&D) spending, if advertising is intense, to what extend the product can be differentiated, consumer’s income, the tightness of the labor market. As a consequence, the ideal level of CSR

can be defined implementing a cost benefit analysis. The cost of adopting CSR practices can be calculated by managers. On the contrary, the benefits of the CSR activities over society cannot be easily measured because of the differentiation among the stakeholders' needs and preferences (McWilliams, 2006).

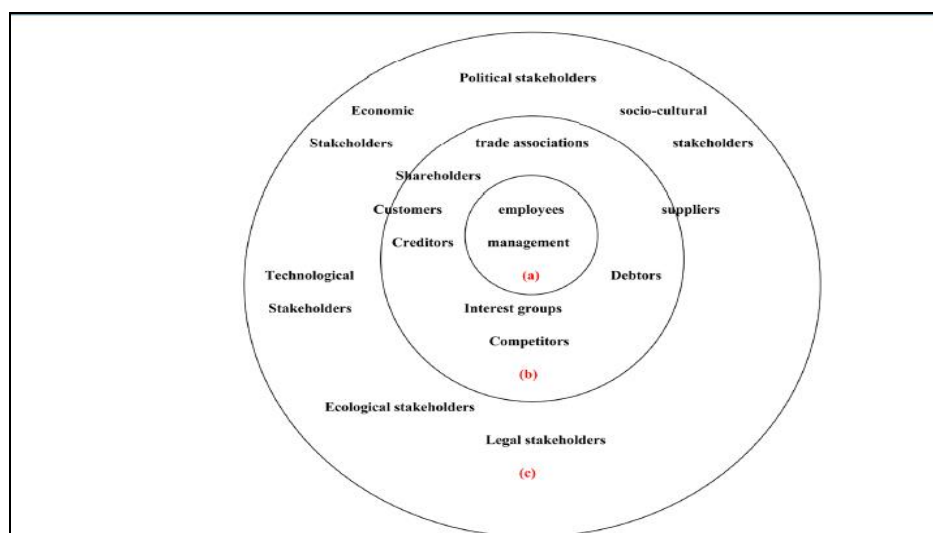
2.3.6. Conclusion

To sum up, strategic CSR refers to stakeholder management. CSR formulation requires an in depth analysis from the managers' behalf in order to combine the firm's vision with the society's needs in a CSR concept. The effectiveness of CSR strategy can be observed when a firm adopts CSR values and sets long-term goals that could confer added benefits not only towards the company but also towards society. The following chapters can be perceived as a continuation of strategic CSR. Stakeholders' and employees' significant power, CSR activities and CSR's benefits are crucial aspects for the firm's differentiation and survival.

2.4. The significant importance of stakeholders

2.4.1. Introduction

Nowadays stakeholders are perceived as a significant pressure group. The enhanced power of stakeholders is a result of their ability to evaluate products, services and any initiative that the corporation might take. It is undoubtedly that corporations depend on the stakeholders' opinion. The aforementioned statement also explains why managers should take into consideration stakeholders' needs before proposing and forming new corporate initiatives /programs (Gond, 2015). The following figure suggests how are perceived as key stakeholders.



Source: Corporate Social Responsibility: Intention and Practice, 2014
Figure 6: Key CSR Stakeholders

2.4.2. Two types of stakeholders

In 1983, E. Freeman pinpointed the significance of the stakeholders and introduced the Stakeholder Theory; according to which there are two types of stakeholders: primary and secondary. Primary stakeholders are those whose actions are of significant importance to the business operation. Their power signifies their ability to influence directly the management of the company. They can be the owners, the employees, unions, customers and suppliers. On the other hand, secondary stakeholders are those people who can possibly influence both the attitudes and perceptions of primary stakeholders. Still, the secondary stakeholders are not able to approach directly the company's managers (Baric, 2017). Despite the fact that the second group is not directly involved to the economic performance and activities of the firm, it can influence its performance. In the abovementioned group belong citizens, competitors, local community; the government (Martínez, 2016). As Clarkson in 1988 stated, the Stakeholder Theory argues that the main objective of any corporation is its survival. In addition to that, a corporation should also generate adequate wealth, value and to satisfy both their shareholders and primary stakeholders (Maon, 2009).

A strong relationship between stakeholders and the corporation confers to the latter having added advantages (Aguinis and Glavas, 2017). First and foremost, it should be argued that the competitiveness and the reputation of a corporation would be enhanced taking into consideration stakeholders' needs. As a consequence, stakeholders' demands will be a determining factor as far as the business operation and the business's goals are concerned. Furthermore, the aforementioned statement underscores opportunities and threats that can be created, while at the same time issues of survival and growth from the corporation's behalf might come up (Baric, 2017), (Aguinis and Glavas, 2017).

A prerequisite for the continuity of business operation is to promote a strong relationship with the stakeholders. The more competitive the corporation is the merrier loyal customers and employees are; since sustainability of business operation is rewarded (Baric, 2017). On the other hand, Carroll's definition regarding CSR, suggests that management should take into consideration corporation's legal responsibilities and its economic affordability in order to build a strong relationship with all types of stakeholders. Therefore, managers could form programs that could be effective and efficient since the needs of both internal and external stakeholders will have been met. The abovementioned state gives prominence to the strategic context of CSR; where managers have to combine corporation's capability and the stakeholders' needs (Baric, 2017).

2.4.3. Key factors that can affect the relationship between a company and its stakeholders

Ullmann in 1985 highlighted three key factors that can affect the relationship between the company and stakeholders: firstly, the power of the stakeholders, secondly, strategic orientation of management as far as the concept of CSR is concerned and finally, the financial results of the present and the past. The power that both external and internal stakeholders have is also related to the business's strategy while operating (Baric, 2017), (Aguinis and Glavas, 2017).

To conclude, CSR is a stakeholder oriented concept. It combines ethical understanding of the organizational responsibilities and business's activities have been formed in accordance to the societal and environmental needs. Frequently emphasis is given to external stakeholders but both types can play a significant role leading to positive reputation, satisfied consumers and employees that trust the firm (Baric, 2017).

2.5. The Crucial Role of Employees

2.5.1. Introduction

Taking into account the literature review employees are perceived as a powerful pressure group within the stakeholders. As it has already been stated CSR is a stakeholder oriented concept. The employees' perception regarding CSR play crucial role due to the fact that it is associated with the corporate image and reputation (Gond, 2015). The main aim of this sub-section is to examine the employees' behavior under the prism of the Social Identity Theory and the Social Exchange Theory. Employees' behavior will be examined under the lens of: person-organization fit, political and psychological factors, organizational justice; in order to interpret how they perceive and evaluate organizational behavior. It has been observed that employees' perception regarding CSR can trigger specific attitudes on the workplace. As a result, the financial, social, organizational and environmental performance of the firm can be affected (Gond, 2015).

2.5.2. Why employees are perceived as an important stakeholder group?

According to literature, there are three reasons that outline why organizations perceive employees as an important stakeholder group. Firstly, employees can act as agents that can force any firm to adopt and promote CSR initiatives and programs so as to have a socially responsible behavior. Secondly, environmental awareness is considered to be one of the topics that employees take into account regarding the firm's policies. Thirdly, employees are able to evaluate, judge and react to CSR programs and actions (Gond, 2015), (Esmaelinezhad, Singaravelloo and Boerhannoeddin, 2015). The employees' dynamic can be understood through the different ways that employees are examined. More precisely, when the conducted research is about the emergence of CSR, then employees are perceived as independent variable. When the main objective of the research is to find to what extend employees' are influenced by CSR, then employees are perceived as dependent variable. Last but not least, employees can be perceived as a mediating variable when the aim of the research is to find out the correlation between CSR influence and the corporate performance (Gond, 2015). Taking everything into consideration, it could be noted that despite the limited empirical evidence; the abovementioned information underscores that both employees and CSR concept is related to organizational behaviour and human resources management. The corporation's initiatives on the CSR sector could potentially enhance employees' commitment towards the corporation while corporate attractiveness could be promoted. It could be argued that CSR concept sets a framework and affects fields of organizational justice and organizational citizenship (Gond, 2015).

The following analysis is a micro CSR analysis since the subject of analysis is the individual. Social Identity Theory and Social Exchange Theory provide a framework within which employees evaluate business operation, corporate initiatives and programs or the administrative organization. The common point between CSR practices and employees attractiveness is that CSR sets a sum of norms of work in firms.

2.5.3. Social Identity Theory

Social Identity Theory outlines that people tend to identify with an organization when they perceive that: (a) it is highly prestigious and has an attractive image; and (b) organizational identity can enhance members' self-esteem. With the aim to develop and maintain a favourable sense of self-worth and self-esteem, people seek to join and stay with high-status organizations. Dutton and Dukerich in 1991 suggested that image perceptions influence employees who use organizational image to evaluate outsiders' perceptions (Gond, 2015), (Esmaeelinezhad, Singaravelloo and Boerhannoeddin, 2015).

Social Identity Theory suggests two main reasons why employees give emphasis on CSR initiatives. On the one hand, CSR initiatives might be fundamental for a company but at the same time they are distinctive. Employees can identify with a socially responsible company especially when the values of the company match with the values of the employee. On the other hand, the positive outcomes of CSR are resulted into good reputation and employees feel proud of belonging to such a company (Gond, 2015).

2.5.4. Social Exchange Theory

Social Exchange Theory provides an approach concerning the relationship between CSR and the employees. Gouldner cleverly stated in 1960 that what defines the examined relationship is reciprocity, "*a pattern of mutually contingent exchange of gratifications*". Philanthropic donations are used more as a tool to gain approval from society and the company's peers, rather than to really aid the recipients. It should be noted that regardless of the theory that CSR is examined within, a variety of activities (there is not a limitation on donations) is promoted. Social Exchange Theory can take various forms and is related to how an employee values CSR actions, motives and the resources of the former possess. Social exchange can take three different forms: negotiated exchange, reciprocal exchange, generalized exchange (Gond, 2015). The following table depicts the relationship between the social exchange and the level of Organizational Identification.

		Level of Organizational Identification	
		Low	High
Form of Social Exchange (Molm & Cook, 1995)	Negotiated	Cell 1 – SE/OI [a] Restricted and particularized Reciprocity [Low impact of CSR]	
	Reciprocal	Cell 2 – SE/OI [b] Relaxed norm of Reciprocity ‘Exchange-driven’ [Medium Impact of CSR]	Cell 3 – SE/OI [c] Relaxed norm Reciprocity – ‘Identity driven’ [Medium Impact of CSR]
	Generalized		Cell 4 – SE/OI [d] Generalized & Relaxed Reciprocity [High impact of CSR]

Horizon Arrow: CSR influence through identification

Vertical Arrow: CSR influence through social exchange

Source: Corporate Social Responsibility Influence on Employees, 2015

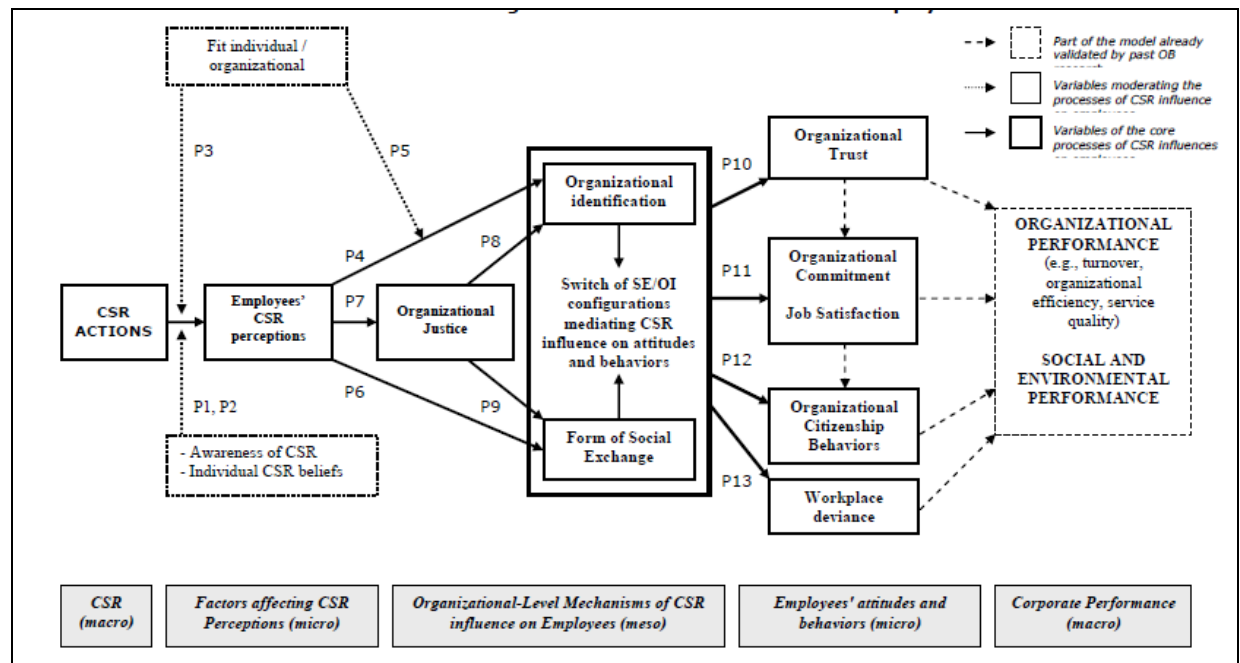
Figure 7: Configurations of Social Exchange and Organizational Identification (SE/OI)

2.5.5. The influence of CSR on Organizational Identification and Social Exchange

When employees are perceived as a stakeholder group that has the ability to evaluate CSR actions, then they can be influenced by the latter. This influence is associated with the attitudes and the behavior that employees will eventually adopt (Slack, Corlett and Morris, 2014). There are many authors that seek to analyze employees’ perception regarding CSR. Rupp in 2006 examined the aforementioned issue under the prism of organizational justice and sought to understand employees’ perception over the CSR’s motives. He suggested that there are three dimensions of the employees’ evaluation: (a) procedural CSR that is about social concerns regarding CSR actions, (b) distributive CSR that refers to CSR’s outcomes, (c) interactional CSR, which has to do with the treatment to individuals that are either inside or outside the organization (Gond, 2015), (Ellemers, Kingma, Van de Burg, Barreto, 2011).

Organizational identification provides a feeling of belonging and the meaning of membership can be understood (Ellemers, Kingma, Van de Burg, Barreto, 2011). On the other hand, when social exchange takes place then there is a commitment and

a sense of satisfaction. It is without any doubt that reciprocal exchanges lead to stronger relations; such as job satisfaction and organizational commitment (Gond, 2015). To conclude, not only Social Exchange Theory, that promotes justice in the firm and in society but also Organizational Identification that points out shared values play a major role for CSR. A simple explanation of the abovementioned argument is that both theories highlight CSR's ability to provide trust among employees' behavior and attitudes (Gond, 2015). The figure below provides a framework concerning the CSR influence on employees.



Source: Corporate Social Responsibility Influence on Employees, 2015
 Figure 8: CSR influences on Employees

2.5.6. Added theories that interpret employees' attraction to CSR

It is without any doubt that Social Identity Theory and Social Exchange Theory play a crucial role so as to examine employees' attraction to the CSR concept. There are also other theories, less popular that seek to examine whether and how an employee can be attracted by CSR activities. Signaling Theory (Rynes 1991) suggests that when an individual applies for a job, he/she might not be familiar with the business operation but CSR activities would be familiar to him/her. As a result, the applicant will apply for a job due to good working conditions and his/her professional development. The organization's reputation will be enhanced as well as its prestige among employees and future employees (Slack, Corlett and Morris, 2014). The theory pinpoints that advertisements can contribute so as to enhance the business' reputation (Rupp, 2015).

Relationship Management Theory outlines that an effective management can be beneficial for both company and its constituents, such as the employees. In order to achieve those enhanced benefits that the theory underscores trust, mutual control, commitment and satisfaction between the organization and the stakeholders are needed (Slack, Corlett and Morris, 2014). Researches state that CSR enhances the

relationship between organization and employees. CSR can be an effective management tool so as to build and promote trust. The legal dimension of CSR is related to commitment and satisfaction. The ethical dimension promotes trust, while the discretionary dimension can play a significant role to mutual control (Rupp, 2015), (Slack, Corlett and Morris, 2014).

Cognitive Categorization Theory “*works from the premise that individuals have cognitive schemas representing prototypes of certain organizations or leaders* (Lord & Maher 1991)”. When employees notice that value driven behaviors are adopted by managers or the business, they try to categorize them either as visionary or as autocratic. In the meanwhile, such behaviors can make clear whether a company is socially responsible or irresponsible. When a manager is perceived by the employees as visionary; meaning that he promotes CSR activities and values, then employees tend to be more committed to the business (Slack, Corlett and Morris, 2014). Last but not least, it has been observed greater performance from the business’ behalf (Rupp, 2015).

Engagement theory suggests that the more an employee integrates himself to his work the more motivated he/she will be. The main argument is that the employee should engage some of personality to his work so as to be productive. His interests, values are some of the factors that determine his personality and as a result, those ingredients can be beneficial to his productivity and effectiveness during his workplace experience. Moreover when an employee integrates his values to his work, further concerns related to well being, organizational and management processes can be expressed (Rupp,2015), (Wrzesniewski et al., 2013).

Theories of Justice have also been used as a tool providing a framework to examine how and to what extent CSR can meet the needs of an individual. Theories of justice argue that employees will not only observe but also will be influenced by the way organizational members treat the former and a third party. According to literature review there are three reasons why employees are rather interested in justice: (1) because of their need for belongingness, or to have a close relationship with others, (2) a moral driven need known also as meaningful existence and (3) because justice can be an instrumental tool in order employees to have a control over their environment (Wrzesniewski et al., 2013).

Jones and Rupp in 2014 parallel CSR with individuals’ concerns. They suggest that CSR can be interpreted also as Care-based, Self-based, Relationship-based concerns for both employees and corporations. For instance, a company seeks for further competitiveness due to its self -based concerns. Moreover, a firm applies for legitimacy due to relationship-based concerns, and finally, the company has a social responsibility due to its care-based concerns (Rupp,2015). On the other hand, Jones also argues that the CSR based concerns can be applicable for job seekers. Potential employees seek to work for a socially responsible firm. As a result, care based concern can be interpreted into perceived value fit, self -based concern could apply for expected treatment from the employee’s behalf, and relationship-based concern could refer to anticipated pride (Rupp,2015).

Level of analysis	Care-based concerns	Self-based concerns	Relationship-based concerns	Theory	Representative papers
Organizational	Stewardship	–	–	Stewardship	Davis et al. (1997)
	Social responsibility	Competitiveness	Legitimacy	Sustainability	Bansal & Roth (2000)
Multilevel	Moral	Instrumental	Relational	Justice	Aguilera et al. (2007)
Individual	Meaningful existence	Control	Belongingness	Justice	Rupp et al. (2011)
	Perceived value fit	Expected treatment	Anticipation of pride	Identification	Jones (2010)
	–	Control mutuality/competence/commitment	Shared trust	Relationship management	Dhanesh (2014)
	Organizational identification	–	Organizational trust	Social exchange/social identity	Farooq et al. (2013)
	Alignment of values	Safety for self-expression	Citizenship opportunities	Engagement	Glavas & Piderit (2009)
	Developmental	Transactional	Relational	Engagement	Mirvis (2012)
	Value fit	Expected treatment	Anticipated pride	Signaling theory	Jones et al. (2014)

Source: CSR: Psychological, Person-centric, and Progressing, 2015

Figure 9: Theories and representative studies applied to the study of CSR motive, organized by the C-S-R motive framework of Jones & Rupp

The above table sums Theories and representative studies applied to the study of CSR motive, organized by the CSR motive framework of Jones & Rupp in 2014.

2.5.7. The benefits of CSR as interpreted by incumbent employees and general employees

The CSR concept interferes also to the organizational structure of the corporation. First and foremost, the incumbent employees take into consideration CSR because it is associated with the prestige and the external image of the organization. Employees are proud of working for an organization that its CSR programs have given a socially responsible image to the firm. As a result, their self esteem increases because they are identified as part of a socially valuable firm. Promotion of well being, great working conditions, sharing knowledge, excellent CSR initiatives are some of the aspects that make employees committed to the organization that they work for (Saeidi, 2018). A combination of good reputation and social responsible behavior can be an added reason for job seekers to apply for a job (Gond, 2015).

2.5.8. Other factors that influence employees' behavior

P-O fit

P-O fit known as person organization fit is another factor that can determine to what extent there is engagement between the employee's and the corporation's values (Gond, 2015). More precisely, person-organization (P-O) fit refers to the adoptability between organizations and people and occurs when: “(a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or(c) both”. As a consequence, the shared values between the two parties signify employee's satisfaction and commitment. Additionally, p-o fit is associated with the corporate image and attractiveness especially for potential candidates.

Political factors

Political beliefs are among the factors that could potentially influence employee's behaviour. First and foremost, employees should be familiar beforehand with the CSR initiatives in order to be influenced by CSR programs; otherwise they are not going to be affected. Therefore, employees should be aware of CSR and CSR orientation so as to decide whether or not there is a fit between the corporations' values and the individual's values (Gond, 2015). Political attitudes can also determine the employees' perception regarding the examined issue. If an employee does not support CSR's actions then it is unlikely either to be positively influenced or supportive. On the other hand, when an employee is familiar and agrees with CSR activities then he / she will be influenced and he/she will be in favor of such initiatives and programs. The more supportive the employee is, the greater CSR's influence over him/her will be. As a result, employee's perception regarding CSR will be formed accordingly (Gond, 2015).

It has been observed that employee's political attitudes play a vital role with regard to his /her perception on the CSR concept. Tetlock in 2000 argues that the different models of CSR management originate from political attitudes and beliefs. The political attitudes that an employee may have, also reflect how they perceive and evaluate either CSR activities or initiatives. Employees that are not supportive to CSR activities are unlikely to be positively influenced by any type of CSR activity. On the other hand, an employee that supports, encourages and adopts the CSR behaviour is going to be positively affected. The aforementioned outlines that there is a strong link between the personal orientations concerning CSR and to what extent CSR can be influential towards employees' perceptions (Gond, 2015).

Psychological factors

Employees' perception regarding CSR has been examined also through psychological factors that can determine employee's behavior and attitudes. The interaction between organizational psychology and CSR is also of primary importance and should be included in our analysis. The outcome of such relationship points out matters of job seeking, satisfaction and organizational citizenship behaviors (Gond, 2015).

Organizational psychology is part of micro CSR research. It is referred to the fundamental psychology on the workplace environment, where productivity should be promoted. Organizational psychology can be examined when answering three

questions: 1) Does the firm have responsibilities and duties towards society or is it only about making profit? 2) Is CSR normative (meaning that it is as much a part of the corporation's duties to engage in CSR as it is a moral obligation) or instrumental (meaning that it is in corporation's interest to engage in CSR)? 3) Is CSR beneficial for both firm and society (Glavas, 2016)?

On the other hand, if employees are interested in CSR and feel that they contribute to a greater purpose then they are willing to spend more time even part of their leisure time so as to propose additional CSR initiatives. The above-mentioned state underscores that when the workplace conditions are great then the creativity potentials of employees are enhanced during the working time. Despite the fact that a great part of the employees' life is spent on the workplace, they are not showing their whole selves on their job. The above-mentioned statement outlines the need of further research regarding the employees' psychology and why, when and under what circumstances an employee is or can be attracted by the CSR concept (Glavas, 2016).

Organizational Justice

Organization justice refers to how an individual perceives personally fairness and it is considered as a crucial dimension of the employee analysis. A socially responsible organization is the one that takes into consideration the social and environmental problems. It is also dedicated to provide an ethical and friendly environment with fair wages, no discrimination policies and a state of the art working conditions (Wrzesniewski et al., 2013).

When employees feel safe, well-treated and are perceived as a valuable member of the company that they work for; then their perception of justice is enhanced due to the fact that CSR meets their needs. Justice is an important tool for the employees so as to evaluate the organizational performance and actions. In the name of justice employees are willing to do sacrifices due to the fact that in the organization no discrimination policies would be promoted. Justice can be defined as the right way to treat a human being. The aforementioned argument highlights the main reason why employees give emphasis on justice and use it as a tool of evaluation for any corporation's activity. Furthermore, justice is related to how well the employees are personally treated or how their coworkers are treated. As a consequence, the employees' judgment can be affected by the abovementioned issues. Justice can have different sources such as organization, supervisor, coworkers, and customers (Gond, 2015) (Slack, 2014).

2.5.9. How employees evaluate CSR as individuals

On the other hand, it should be noted that employees are also individuals. In this subsection a sum of theories that outline the way individuals perceive and evaluate CSR activities will be presented (Benabou,2009).

Individuals have on their own the need to contribute and give to others. For instance, such actions could be: giving to charities, investing in socially responsibility funds, promoting /buying products that are produced in a more environmental friendly way (green products) and donating their blood. The aforementioned activities underline a variety of motivations that those actions might have. In addition to that, motivation may be an outcome of intrinsic altruism, material incentives social and

self-esteem concerns. Intrinsic altruism refers on doing good in order to help. Material incentives refer to giving to charities so as to have lower taxation. Social and self-esteem concerns seek to answer on how others see you and how do you see and consider yourself in the society (Benabou, 2009). Decision making is related to the different pay offs that an individual has. When an individual can have a greater pay off acting more selfish and without being known in society then he/she will act accordingly. If the individual and his actions are known publicly then he/she will choose differently so as not to destroy his social image (Benabou, 2009), (Rupp, 2015).

CSR influence over individuals is gaining ground in the industrial/organizational psychology or organizational behavior (IOOB). The abovementioned phenomenon could be also examined under the lens of micro CSR that is also known as psychological study. Psychological study seeks to investigate whether and to what extend CSR can affect individuals (Rupp, 2015). The table below informs us regarding the research that has been made concerning the relationship between CSR and employees.

Outcomes of CSR	Moderators of CSR effects	Mediators of CSR effects
Conceptual papers		
LMX (Mallory & Rupp 2014)	Awareness (Bhattacharya et al. 2008, Mallory & Rupp 2014) Management support for CSR (Mallory & Rupp 2014) Effective social accounts (Rupp et al. 2006)	LMX (Mallory & Rupp 2014)
Empirical papers		
<i>Performance</i>	Type of CSR (Backhaus et al. 2002)	<i>Perceptions of trust</i>
Organizational citizenship behaviors (De Gilder et al. 2005, Hansen et al. 2011, Jones 2010, Lin et al. 2010, Rupp et al. 2013b)	<i>Management attitudes</i>	Followers' perceptions of visionary leadership (Sully de Luque et al. 2008) Organizational reputation (Behrend et al. 2009)
Employee engagement (Caligiuri et al. 2013, Glavas & Piderit 2009, Rupp et al. 2013a)	Equity sensitivity of supervisors (Mudrack et al. 1999) Supervisor commitment to ethics (Muller & Kolk 2010)	Organizational trust (Farooq et al. 2013)
In-role performance/effort (Bartel 2001, Jones 2010) Employee creative involvement (Glavas & Piderit 2009)	<i>Organizational justice</i>	Organizational justice (De Roeck et al. 2014)
Improved employee relations (Agle et al. 1999, Bartel 2001, Glavas & Piderit 2009)	First-party justice and moral identity (Rupp et al. 2013b)	Organizational identity (Carmeli et al. 2007, De Roeck et al. 2014, Farooq et al. 2013, Jones 2010)
<i>Organizational attitudes</i>	<i>Individual differences</i>	<i>Other perceptions of the firm</i>
Employee identification with the organization (Bartel 2001, Carmeli et al. 2007, Kim et al. 2010) Job satisfaction (De Roeck et al. 2014, Dhanesh 2014)	Values (Evans & Davis 2011, Gully et al. 2013, Tsai et al. 2014) Exchange ideology (Jones 2010) Minority race and gender status (Backhaus et al. 2002)	Organizational pride (Jones 2010)
Organizational commitment (Brammer et al. 2007, De Gilder et al. 2005, Dhanesh 2014, Farooq et al. 2013, Hofman & Newman	Individualistic orientation (Hofman & Newman	Organizational attraction (Gully et al. 2013)
		Perceived person-organization fit (Gully et al.

2014, Maignan & Ferrell 2004, Stites & Michael 2011, Turker 2009)	2014, Rupp et al. 2013a) Feminine orientation (Hofman & Newman 2014)	2013)
<i>Organizational attraction</i>		
Organizational attractiveness (Backhaus et al. 2002) Job pursuit intentions (Albinger & Freeman 2000, Behrend et al. 2009, Evans & Davis 2011, Greening & Turban 2000, Gully et al. 2013, Montgomery & Ramus 2003, Rupp et al. 2013b, Sen et al. 2006, Turban & Greening 1997, Tsai et al. 2014)		
Professional development (Caligiuri et al. 2013) Intention to stay (Jones 2010)		
Corporate social irresponsibility (Ormiston & Wong 2013)		

Source: CSR: Psychological, Person-centric, and Progressing, 2015

Figure 10: *Employee-level outcomes of CSR, and moderators and mediators of the CSR-outcome relationships*

Research has shown that even if there is a relationship between CSR and the corporate citizenship performance there is not a clear-cut answer whether or not the financial gains are worth the investment. The added value created by CSR is the one that contributes so as to have a link between CSR and social performance (Rupp, 2015).

2.5.10. Conclusion

To conclude, up to date there are two competing theoretical models that seek to investigate employees' perception regarding CSR: (1) the Stakeholder based model and (2) the Justice based model. It is without any doubt that Carroll's CSR definition provides the framework within which both theories can be developed.

The main suggestion is that CSR should be integrated into human resources and the management policies; having as a main objective to positively influence corporation's performance. Last but not least, CSR may contribute to job satisfaction, personal development, and positive attitude over the course of working hours.

2.6. International standards

2.6.1. Introduction

It has been already stated that the CSR field has not been regulated into full extend yet. The lack of legislation requires companies either to follow suit of a framework that is frequently blurry or to implement on their own some directions. The aforementioned phenomenon is also associated with the fact that there is not one accepted definition as far as the CSR concept is concerned. Initiatives that have been taken by both the European Union (E. U) and the United Nations (U. N) play a significant role and could determine the actions that are to come.

In this chapter, we seek to provide answers to the following questions:(a) How did we get to CSR implementation on international lever? (b) How CSR dynamics can be understood? (c) What are the European's Union's and United Nation's initiatives regarding the examined issue? (d) Are there any other initiatives that have been taken by other international organizations? (e)What are the international standards that set the new more targeted goals on the CSR field? Last but not least: (f) What kind of relationship can be formed between the existing international framework and Human Resources Management?

2.6.2. How did we get to CSR implementation on international lever?

The aim of the first section of this chapter is to answer why and how institutions are formed (Brammer, 2012). To begin with, the need of institutions is associated with the greater need of society to have a specific framework that could deal with issues that tackle society. Institutions are a sum of historical struggles that led to their formation. Issues of sustainability, corporate citizenship, business ethics, proliferation and branding initiatives are some of the factors that make CSR concept rather popular nowadays. The culture differentiation and the variety of needs are the answer to how CSR is formed. For instance, in United States of America it was more difficult for the unions to have a collective voice while in Germany the unions were able to do so and ask for initiatives that would help the workplace (Maon, 2009).

As Stephen Brammer stated: “*CSR is still highly contested terrain—how much corporations ('C') should set the agenda, what standards for social ('S') responsibility are acceptable and to whom the company is ultimately responsible ('R')*” (Brammer, 2012). The answers to these questions not only shape the governance of companies, but define “*the wider boundaries between business and society, private and public*”. It could be argued that through CSR businesses are able to define their relationship with the environment so as to operate.

On the one hand, CSR is associated with informal institutions such as: ethics, religious norms, customary practices and the culture of the country that the firm operates; given that the CSR is a sum of initiatives that will provide sustainability and better life standard. On the other hand, businesses are continuously influenced by formal institutions such as: the national laws, business associations, trade unions, NGO's and without any doubt international organizations. For all the abovementioned reasons CSR has gained the momentum of the last decades (Maon, 2009).

There are also other authors that such as Herrmann that highlighted CSR's contribution towards multinational firms. On the basis of the E. U. definition, Herrmann suggests that multinational firms indeed understand and should accept their moral responsibilities towards society and its problems. According to her statements among the emerging social issues that multinational firms have to deal with through CSR are: *“inequities in wealth, environmental degradation and unfair labour practices that are endemic of globalization”*. Furthermore, she suggested that a solution to all those issues is setting standards, enforcing the law in order to eradicate abuses and promote the creation of binding legal obligations (Jariko, 2017).

Last but not least, another dimension of CSR institutionalization process is the NGO's role and how empowered they are. Nowadays NGO's play significant role concerning the promotion of CSR initiatives. It has been observed that NGO's that are dedicated to the issues that CSR encloses can play an advisory role when companies either form or implement their CSR strategy. NGO's can be characterized as channels of shared knowledge and seek for deepening institutionalization on the CSR field (Golob, 2017).

2.6.3. What are the European Union's and United Nation's initiatives regarding the examined issue?

European Initiatives

To begin with, because of the integrated European market a CSR framework is referred in more or less in all the European treaties. The main objective of the abovementioned statement is either to diminish or to avoid any discrimination; since nowadays member-states share the same currency (Martínez, 2016). European Union through its official web site outlines three main reasons why CSR concept should be promoted. First and foremost, it is suggested that enterprises could have access to capital, cost savings, enhanced customer relationships, innovation and could reap the benefits of both HR management and risk management. Secondly, European economy could be benefited due to the fact that CSR concept promotes innovation and sustainability. Last but not least, it is in the interest of the European society to reap CSR's benefits promoting a cohesive society on the basis of a sustainable economic system (Internal Market, Industry Entrepreneurship and SMEs – European Commission, 2019).

Literature and the official web site of the European Union provide us a definition of the examined issue: *“Corporate Social Responsibility (CSR) has been defined by the European Commission as the process of integration into business activities about the social, environmental, ethical and human concerns of their interest groups with a double aim: (1) to maximize the value creation of these groups; and (2) to identify, prevent and mitigate the adverse effects of organizational actions on the environment.”*(Martínez, 2017). Taking everything into consideration, the European definition outlines the need to create value for both external and internal stakeholders while social responsible behavior should be institutionalized so as to meet the needs of society (Martínez, 2017). Corporate social responsibility can be a respond to any environmental or institutional pressure. In the meanwhile it should be stated that, employees have a key role on the CSR and organizational strategy. More precisely, they have always been considered as important internal stakeholders. Last

but not least, through CSR strategy employees could be satisfied via the added value that they can potentially gain (Martínez, 2017).

On the other hand, it should not be forgotten, that in 2001 European Commission promoted the Green Book. Nowadays it is perceived as a manuscript for both entrepreneurs and managers in order to promote responsible behavior. Additionally, it encourages innovative practices and greater transparency on the basis that partnerships could be promoted and all actors may have a decisive role. Moreover, Management and Audit Scheme (EMAS) is another European initiative (Golob, 2017) and is considered as a premium management instrument developed by the European Commission. Its main objective is to improve the environmental performance of any organization (Ec.europa.eu, 2019). In 2015 European Commission adopted the United Nation's guiding Principles for Business and Human Rights. The protection and respect of human rights and the eradication of business-related abuses made the E.U. to adopt the abovementioned initiatives (Internal Market, Industry Entrepreneurship and SMEs – European Commission, 2019).

Last but foremost, E. U. has set specific energy goals for the years to come. More precisely, E.U. sets long term energy targets for 2020, 2030, 2050 where emphasis is given to renewable energy and energy security (Energy-European Commission, 2019).

United Nations

In 2000 United Nations promoted the 10 Principles of Global Compact (Martínez, 2016). The aforementioned initiative suggests the fundamental responsibilities in a wide range of issues; from human rights, labor, and environment to anti-corruption. The main idea behind the Global Compact is that a responsible corporation should always keep in mind that specific values and principles should be honored.

According to Global Compact, regardless the operation location a wide spectrum of issues should be promoted due to the correlation among human rights, environment and labor. Furthermore, it is argued that when the Global Compact is integrated into the corporation's strategy a socially responsible profile is adopted and a long-term success in the examined field could be ensured (Retrieved from Unglobalcompact.org, 2019). As reported on the official web site of the United Nations The Ten Principles of Global Compact are derived from : “the *Universal Declaration of Human Rights*, the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*, the *Rio Declaration on Environment and Development*, and the *United Nations Convention Against Corruption*” (Retrieved from <https://www.unglobalcompact.org/what-is-gc/mission/principles>).

At this point of the research it should be stated that nowadays, United Nations also promote a list of seventeen (17) Sustainable Development Goals that should be reached until 2030. In the following lines the sustainable Development Goals will be noted: 1) No Poverty, 2) Zero Hunger, 3) Good Health and Well-being, 4) Quality Education, 5) Gender Equality, 6) Clean Water and Sanitation, 7) Affordable and Clean Energy, 8) Decent Work and Economic Growth, 9) Industry, Innovation and Infrastructure, 10) Reduce inequalities, 11) Sustainable Cities and Communities, 12) Responsible Production and Consumption, 13) Climate Action, 14) Life below water, 15) Life on land, 16) Peace, Justice and Strong Institutions, 17) Partnership for the Goals (Retrieved from <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>). The abovementioned action outlines the United Nation's active

role, suggesting specific targets that should be incorporated to any corporations' strategy.

2.6.4. Other international initiatives that promote CSR in business management

The Organization for economic co-operation and development (OECD)

OECD introduced the Guidelines for Multinational Enterprises in 1976 but it has been upgraded ever since. The main goal of this initiative is to obey the law, observe the internationally recognized standards, to honour business ethics and last but not least to reach society's expectations (Retrieved from <http://www.oecd.org/corporate/mne/2011update.htm>).

International Labour Organization

Tripartite Declaration of the International Labour Organization concerning Multinational Enterprises and Social Policy provides guidelines to enterprises either multinationals or national. It is crucial we underline that it is referred to areas such as employment, training, working conditions and industrial relations. The examined initiative is in accordance with international labour standards (Oecd.rg, 2019).

Committee for economic development

Committee for Economic Development known as CED in 1971 outlined the importance of having a socially responsible behavior and to obtain sustainability. CED proposes and promotes three functions so as a company to behave responsibly: (1) the internal function of an economic nature aimed at the distribution of products and services that will generate jobs and income to society; (2) intermediate function, that meets the expectations, values and social priorities of stakeholders, (3) an external function which has as an objective to decrease the environmental imbalances (Martínez, 2016), (Committee for Economic Development of The Conference Board, 2019).

Cone global study on CSR

Cone global study, known also as Cone Communications CSR Study pinpoints consumers' belief concerning sustainability, social justice and their consumptions patterns (Golob,2017), (Committee for Economic Development of the Conference Board, 2019).

All in all, over the course of the last decades numerous initiatives have been taken at an international level. United Nations' Global Compact, the Green Book and the OECD's guidelines are the most important initiatives that could define terms such as sustainability. It could be argued that when examining the European CSR definition or the United Nations' goals, questions regarding Human Resources Management may arise. For instance, how and to what extend could Human Resources Management contribute to the CSR concept?

On the other hand, even if a CSR framework has been set, there is always room for improvement. Hence some international standards are required since they

give guidelines to strengthen CSR initiatives. In the following lines some major international standards will be analyzed such as: Global Reporting Initiative, ISO 26000, ISO 50001, ISO 9001:2015. Finally, the potential contribution of Human Resources on the examined field will be examined (Martínez, 2017).

2.6.5. What are the international standards that set the new more targeted goals on the CSR field?

ISO 26000-Social Responsibility

International Organization for Standardization suggests that ISO 26000 can act as guidance to organizations in order to have a socially responsible behavior, where welfare and health of society will be promoted (ISO, 2019).

ISO 50001 - Energy management

By adopting ISO 50001 companies can reduce costs, conserve resources, develop renewable energy sources and contribute to reducing global warming (ISO, 2019).

ISO 9001:2015 Quality Management

Using ISO 9001:2015 ensures that customers will get consistent, high quality products and services, which in turn would provide added benefits to any business (ISO, 2019).

ISO 14001:2015: Environmental management systems - Requirements with guidance for use

As the official web site informs us, ISO 14001:2015 “*is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability*”(ISO, 2019).

Global Reporting Initiative (GRI)

This initiative has as its main goal to help governments, businesses and other organizations to share their knowledge and experiences as far as the sustainability issues are concerned. GRI incorporates three aspects: (a) multi-stakeholders input that acts as consensus taking into consideration stakeholders’ interest (from business, civil society and labor); (b) a record of use and endorsement; where an increased number of corporations use GRI reporting. As a result, an upgraded database is formed and efficient assumptions could be made. The more the reporting the better a strategy formulation can take place. The aforementioned statement leads us to the third GRI’s characteristic which refers to (c) governmental references and activities. Furthermore, sustainable reporting standards are used and are associated with other international actions such as the UN Working Group on Business & Human Rights.

The GRI’s contribution can be understood when taking into consideration the increased number of companies that decide to report their corporate responsibility performance. The afore-mentioned phenomenon underscores the fact that companies

perceive such activity as a necessity and not as a “*voluntary commitment*”. Such an outcome might be associated with either the national regulation or the competitive pressure that the companies have and the competitions that exists among them (Golob, 2017).

At this point it is imperative we provide some general information concerning GRI. First and foremost, GRI is an independent non profit organization that has as a main aim to be self-efficient. It was funded by various organizations from businesses to companies and supporters. Last but not least, the organization has shared development costs, meaning that the expenses for GRI’s upgrade are shared among many users and contributors (Globalreporting.org, 2019).

On the other hand, European Union through the European Communication Monitor argues that the increase of the corporate reporting outlines the need of a company to deal with the stakeholders’ demands. Additionally, due to corporate reporting further transparency can be achieved concerning business practices. Last but not least, E.U. suggests that the evolution of digital media in a highly connected society on its own set new norms and asks for an efficacious reformation of the communication channels (Golob, 2017).

2.6.6. What kind of relationship can be formed between the existed international framework and the Human Resources Management (HRM)?

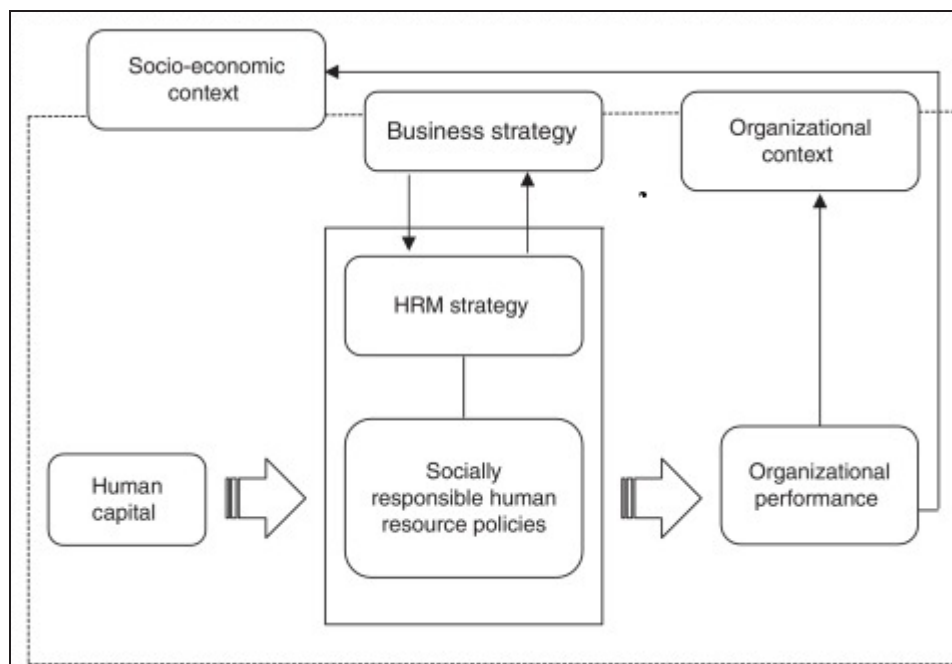
Given the theoretical background of both international initiatives and standards, it is crystal clear that CSR dynamics are as much originated as associated with human resource management. E.U’s and U.N’s CSR definition highlight human resources’ importance, employees’ added value and society’s needs. Literature informs us about the significant contribution that the field of human resource management has over the creation of a stable and efficient framework. As a consequence, CSR can be also interpreted under the prism of human resource management. Global Reporting Initiative (GRI) and ISO 26000 are perceived as crucial tools for the aforementioned cause. In the following lines an integrative model of Socially Responsible Human Resource Management will be analyzed, introduced by Martin Alcazar (Martínez, 2017).

Martin Alcazar suggests an integrated model of HR on the premises of four frameworks; Universalistic, contingency, configurational and contextual. According to the universalistic perspective of the integrative model of socially responsible resource management there are some universal recipes in the management of human capital that all firms can implement. A characteristic of this perspective is that SR - HRM has to seek for efficient human resource policies and practices regardless the country, other variables and or context. The aforementioned issue is the main drawback of the universalistic foundation. As Delery and Dory stated the lack of unity between the relevant variables, such as the technology that a company may possess, investments, and a coherent framework (Martínez, 2017).

The contingency perspective seems to be more efficient since factors such as the environment and other external variables are taken into consideration and can provide a further explanation regarding the relationship between the social responsible behavior and both internal variables (the structure, technology, size, business strategy) and external variables (organizational environment) so as to have a consistent socially responsible system (Martínez, 2017). Configurational approach tries to define a coherent system for socially responsible human resource policies. Emphasis is given

on internal and external variables. As a result, further patterns can be formed, such as behavioral patterns in HRM that could improve company's organizational performance (Martínez, 2017). The contextual aspect has been examined by numerous authors but emphasis will be given to socioeconomic context (legal, political, institutional, social, economic, environmental framework cultural aspect, trade union, educational systems) and organizational context (working environment, company size, technology, innovation, interests of certain groups). Those two aspects are taken into account by numerous firms and corporation but also institutions (Martínez, 2017).

The following table cleverly depicts the System of Socially Responsible HRM and how human capital can contribute to both organizational performance and the socio-economic requirements (Martínez, 2017).



Source: Socially responsible human resource policies and practices: Academic and professional validation,2017

Figure11: System of Socially Responsible HRM.

Taking into consideration the information given regarding GRI and ISO 26000 there are several social responsible patterns as far as human resources policies and practices are concerned. Policies that have as an objective the enhancement of employment, management of labour relations, occupational health, safety at work, training and education, diversity and equal opportunities, equal remuneration for women and men. In addition to that, it seems that ISO 26000 has formed after an international consensus among CSR experts on CSR. If the standard is applied correctly then seven key areas are certified (organizational governance, human rights, labor practices environment, fair operating practices, consumer issues and active development, and community participation). ISO 26000 in the category of human management underlines two human resource policies: firstly, the work conditions and the social protection, and secondly, the social dialogue (Martínez, 2017).

All things considered, it could be argued that there is a great correlation among aspects of implementing an international framework; meaning international standards and the management of human resources. The basis of the aforementioned statement is that a consistent and continuous collaboration between the two aspects is required in order contemporary needs to be served (Martínez, 2017).

2.6.7. Conclusion

To sum up, an international effort to create an international framework that will be commonly accepted pinpoints the need of states, companies and citizens; for CSR to become a medium that could provide solutions to social inequalities and environmental problems. The E.U's and U.N's. actions point out the active role that they seek to play for the aforementioned goals. The multiple needs of society lead towards a need for an international protection framework. International standards should incorporate shared knowledge and experience, leading to goal-implementation that could be achievable by any company. A CSR framework can be formed taking into account cultural roots and society's needs. In the meanwhile, standard formulation is related to resources (human, financial, natural resources) that a company possess. Last but not least, NGOs' contribution should not be forgotten; providing useful feedback as far as issues of corporate social behavior, sustainability and eradication of inequalities are concerned.

2.7. CSR Activities

2.7.1. Introduction

CSR activities are of paramount importance. They reflect the main goals and objectives of the corporation's CSR strategy. Additionally, through CSR activities, firm's contribution towards society can be evaluated and tested. There are different types of CSR activities, but all of them are strongly correlated to a sustainable and responsible profile from the corporation's behalf. CSR activities are putting in practice CSR strategy (Peloza and Shang, 2011). In this section a variety of issues will be analyzed: first and foremost, the different types of CSR activities, secondly, the relationship between CSR activities and the corporation's financial performance. Furthermore, CSR practices are associated with marketing outcomes and the corporation's value and image. To conclude, CSR activities are associated with management's decisions, CSR strategy, stakeholders' reaction, corporate image. On the contrary, it should be noted that different types of CSR activities might surround a great deal of controversy raising questions regarding corporation's incentives (Peloza and Shang, 2011).

Keywords for CSR activities could be perceived: sustainability, corporate social responsibility, corporate social performance, green marketing, caused related marketing, philanthropy, positive /negative CSR activities.

Numerous authors tried to examine the main cause of CSR activities. In 2007 Campbell argued that CSR activities and practices should be implemented taking into consideration distinct contemporary needs in different eras and areas. Otherwise they might be interpreted negatively from the community's and stakeholders' behalf. Godfrey, a year later, pointed out that the diversity of CSR programs can be translated into insurance in case of a negative event. On the contrary, Barnett in 2007 outlined that CSR is composed of definite firm's investments and he refers to the former as activities (Peloza, 2010).

Anguinis in 2011 stated that CSR is the "*context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance*" (Aguinis, 2011). It is undoubted that stakeholders' preferences play a crucial role to any CSR activity that may occur. Stakeholder theory provides the necessary framework suggesting that CSR has as its main goal to fulfill the organizational obligations of both the internal and the external stakeholders. To date there are some researches that insinuate the relationship that can be found between CSR and business's financial performance. In addition to that, a company should take into consideration how, through marketing, consumers' needs and preferences can be met. The putative purpose of CSR is that it can meliorate the human misery. Unfortunately, up to date neither research nor CSR programs that are in progress, have found an appropriate way to fully measure, evaluate or examine the advantages of CSR initiatives and how much did they last (Rupp,2015).

2.7.2. Why corporations engage in CSR practices?

A question that could rationally be posed is why corporations engage in CSR practices. Murray and Vogel in 1997 argued that CSR should be promoted by the firm due to the fact that a successful CSR strategy will lead to firm's positive financial performance. Hence, it is suggested that CSR could be perceived as an exchange process. Firms offer something in value to society and in turn the company anticipates both approval and support. Having as an objective to preserve CSR's continuity and its benefits; it is of primary importance to sustain the value for both sides. As a result, a beneficial exchange between two parties can be achieved (Peloza and Shang, 2011).

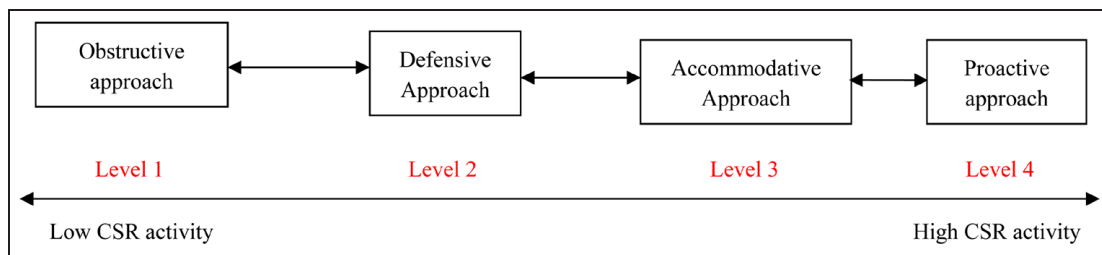
On the other hand, when Zeithaml tried to answer the abovementioned question in 1988, he made a reference to product's quality and price. He compared CSR with product quality and price, suggesting that both (price and quality) can be affected by the perceived value. Therefore, this value, which will be analyzed in the following lines, can define whether consumers or other types of stakeholders will seek for the product (Peloza, 2010).

On the other hand, as it has already been stated on strategic CSR section; market's intensity and consumers' willingness to pay more for a product that honors CSR concept are the main reasons to engage in strategic CSR (McWilliams, 2006).

To sum up, corporations decide to adopt CSR practices because they confer an enhanced exchange relationship with community, high quality products and added value for both the products and the firm as a whole (Peloza, 2010).

2.7.3. Four different ways for an organization to approach CSR field

There are four different ways that an organization can approach CSR field. The different approaches underscore whether an organization is strongly correlated to CSR activities or not. The first approach is Obstructive approach. It suggests that it is not necessary the business follow suit with its legal obligation neither to act in a socially responsible way. On the contrary, business should act unethically and illegally. The second category that can be characterized also as the second level of CSR is the Defensive approach. According to Defensive approach, managers are willing to follow suit with the law but they do not make any further effort to what CSR dictates. The maximization of the stakeholders' interest can remain the same concerning business implement and the rule of law (Wamitu, 2014). The third category is the Accommodative approach, which refers to organizations that support CSR and try to balance the different interests of stakeholders and shareholders. It is argued that the business should act ethically and legally. The choices that are going to be taken should be in accordance with the stakeholders' needs (Wamitu, 2014). The last category is the Proactive approach, which outlines that the business not only takes into consideration stakeholders' needs but seeks to utilize its resources in a way that the majority of the needs can be met. Furthermore, the business in this category attempts to understand society's needs and to form its own strategy to implement. The organization appears to have its own stakeholders that are perceived either as groups or as individuals. Taking into account what Post, Lawrence and Weber, noted once, stakeholders can be affected by organization's decisions, policies, programs, activities and actions (Wamitu, 2014). The following table depicts the aforementioned information. The intensity of CSR activities determines how a company approaches CSR's concept.



Source: Corporate Social Responsibility: Intentions and Practice, 2014
 Figure 12: Approaches to CSR Activities

As a consequence, it could be noted that CSR activities can be categorized in three broad categories: Philanthropy, Business practices, or Product-related (Peloza, 2011).

2.7.4. Three broad categories of CSR activities

Philanthropy is a dominant category of CSR activities. In the first place we find a form of philanthropy that it is also known as caused related marketing. A caused related marketing philanthropy is when charity donations are found and are related to a commercial exchange (Peloza and Shang, 2011). In the second place, we find donations of cash, where no further explanation is given regarding how the support was provided. Donations of cash are different from the first category due to the fact that there is not any relation to sales. Moreover, a term of community involvement is used in order philanthropic activities to be described. Less references regarding philanthropy have been found concerning employee volunteerism, promotion of social issue, licensing, event sponsorship, customer donations. To conclude, donating is the first and most commonly known category of CSR. The positive outcomes of this type of activities are social status and impression management. As it has already been noted different types of donations may have distinct impact on stakeholders. As a result, a variety of CSR activities will enhance company's reputation, despite the fact that the outcomes of those activities cannot either be measured or be questioned (David, Kline and Dai, 2005).

The second category refers to activities that are related to business practices such as environmental protection. That type of practices enhances firm's reputation. Moreover, stakeholders evaluate positively such initiatives due to the environmental conscious orientation of the firm and the responsibility that the former has towards the community.

The third category refers to the product quality such as organic products, biodegradability.

2.7.5. Types of CSR activities

From the strategic management's point of view and taking into consideration what Waddock and Graves (1997) have stated, CSR can be understood as inputs (of financial investments towards CSR), internal behaviors and processes (meaning actions within the organization) and outputs (behaviors outside the firm). In 2007

Brammer under the prism of Human Resources (HR) tried to analyze CSR and suggested that there are actions for internal members (internal CSR) and other actions that can affect external stakeholders who can be defined as external CSR (Rupp,2015), (David, Kline and Dai, 2005). Types of CSR according to the internal versus external designation are demonstrated on the following table.

Internal CSR	External CSR
Employee training	Activism
Continuing education programs	Philanthropic giving
Safe working environments	Community development programs
Diversity policies and practices	Volunteerism initiatives
Daycare programs	Environmental sustainability programs
Ethical labor practices	Economic development efforts

Source: Corporate Social Responsibility: Psychological, Person-Centric, and Progressing, 2015

Figure 13: Types of CSR according to the internal versus external designation

As a consequence, when the CSR concept is adopted, a relationship with stakeholders is built and promoted. Managers have an active role in finding ways so as financial returns could to be gained through CSR. In the meanwhile, one of their concerns is social and environmental impact of corporation’s activities because they are associated with stakeholders’ perceptions (Peloza, 2011).

2.7.6. Value definition

It has been stated numerous times that engaging in CSR practices could lead to added value for both corporation and its products and services. As a consequence, it is imperative we provide a definition of value and we note that stakeholders’ reaction is strongly related to the added value that could potentially confer.

Holbrook in 2006 sought to examine whether CSR activities can create value for stakeholders. He defined value *“as an interactive relativistic preference experience. Value is interactive because it can be created only when a firm and stakeholder come together. Value is based in preference because people judge corporate actions as good/bad, positive/negative, or favourable/ unfavourable. Finally, value is relativistic because individuals evaluate it differently.”* (Peloza, 2010). He took as an example organic foods in order to examine whether value exists directly for the self or requires some relevant other (Peloza, 2011). In the vertical axis of the following table we find two categories: self-oriented and other oriented dichotomy. On the horizontal axis there is a division between extrinsic and intrinsic (Peloza, 2011). The aforementioned dichotomy defines *“whether value is created when CSR activities serve as a means to an end, or are prized for their own sake.”* (Peloza, 2011). CSR activities in quadrant 1 are perceived as instrumental. There are added benefits for both products and services while some form of social or environmental good is promoted. In our case, organic food is rather preferable and free from pesticides (Peloza, 2011). In the second quadrant CSR activities provide

value and are related to status that an environmental conscious behaviour confers. In quadrant 3 we find products that confer added joy to consumers, having simplicity as their main characteristic (Peloza, 2011). Last but not least, in quadrant 4, value is an outcome of honouring the environment and contributing to a general good cause. Other-oriented intrinsic value is an assumption that outlines how CSR activities could create value for the stakeholders' stake. Holbrook suggested that in quadrant 4 a variety of CSR activities could be found such as “*everything from ‘green’ consumption to charitable donations*”. To sum up, we argue that CSR activities could enclose all types of value that were referred (Peloza, 2011).

	Extrinsic	Intrinsic
Self-oriented	1 Efficiency or excellence • Organics are free from pesticide residues	3 Play or aesthetics • One can appreciate the simplicity of the product (e.g., “slow” food)
Other-oriented	2 Status or esteem • Organics are a way to represent to others one’s concern for the environment	4 Ethics or spirituality • Organics are a way to contribute to environmental conservation

Source: How can corporate social responsibility activities create value for stakeholders? A systematic review, 2011

Figure 14: Adaptation of Holbrook’s value model to organic foods

All things considered, it is without any doubt that CSR activities have an impact towards society. It would be interesting to examine how stakeholders respond and how consumers view value through different forms of CSR. To begin with, stakeholders’ response (towards CSR activities) will be in accordance to the impact that CSR activities have caused. Stakeholders could award or punish the company taking into account CSR programs and initiatives. It should be underlined that the different practices of CSR have also different impact on firm’s economic performance. More precisely, CSR initiatives impact differently the firm’s value. When CSR is about donations and charity then the financial performance of the firm is affected. On the contrary, firm’s financial performance is not highly related to other types of CSR activities that promote for instance, environmental awareness (Peloza, 2011).

It should be noted that not all consumers have the same criteria in order either to examine or to evaluate CSR activities. There is a variety of CSR activities that little or no emphasis is given either to environmental or to social issues. The aforementioned state underscores firstly, that some corporations prefer to save money than to invest in environmental conservation; and secondly, that CSR activities may provide a self oriented value to consumers. Schuler and Cording in 2006 provided us with a typology of consumers and different categories that might exist. They pinpointed that consumers can be either self-oriented (self-enhancement) or other-oriented (self-transcendent). Consumers of the first category carry an egoistic point of view of the world, while in the second category consumers are interested in the welfare of others and of nature. Golob two years later took the research further, suggesting that self-enhancement consumers view in a positive way the economic dimension (meaning profit) of CSR that Carroll mentioned. On the contrary self-transcendent consumers perceive economic dimension negatively while their expectations are greater concerning the legal, ethical and philanthropic responsibilities that corporations have (Peloza, 2011).

2.7.7. The relationship between firm's and social performance

To begin with, literature refers to the relationship between the firm's financial performance and the strategic CSR. The wide field of CSR is the main reason why it cannot be interpreted or measured. Management's literature shed a light to the relation between the firm's performance and social performance. Apart from the aforementioned aspects other variables that should be taken into account are: the role and needs of employees, customers, governments, suppliers, taxpayers, community groups.

<i>Author(s)</i>	<i>Methodology</i>	<i>Nature of CSR event/action</i>	<i>Key results</i>
Abowd et al. (1990)	Event study	Human resource decisions	No consistent pattern of increased or decreased stock price
Worrell et al. (1991)	Event study	Layoff programmes	Investors react negatively to layoff announcements, especially when they are due to financial distress
Clinebell and Clinebell (1994)	Event study	Plant closures	Longer periods of advance notice of plant closings result in greater losses in shareholder wealth
Posnikoff (1997)	Event study	Divestment from South Africa	Divestment enhanced shareholder value
Wright and Ferris (1997)	Event study	Divestment from South Africa	Divestment had a negative effect on shareholder value
Teoh et al. (1999)	Event study	Divestment from South Africa	Divestment had a neutral effect on shareholder value
Aupperle et al. (1985)	Regression analysis	An overall firm-level index of CSR	There is a neutral relation between CSR and profitability
McGuire et al. (1988)	Regression analysis	An overall firm-level index of CSR	Prior profitability was more closely related to CSR than was subsequent performance
Russo and Fouts (1997)	Regression analysis	Environmental performance	There is a positive relation between environmental performance and financial performance
Waddock and Graves (1997)	Regression analysis	An overall firm-level index of CSR-KLD data	CSR results in an improvement in firm performance
McWilliams and Siegel (2000)	Regression analysis	An overall firm-level index of CSR-KLD data	There is a neutral relation between CSR and profitability
Hillman and Keim (2001)	Regression analysis	'Social issues' CSR and 'stakeholder management' CSR-KLD data	'Stakeholder management' CSR is positively correlated with shareholder wealth creation (market value added); 'social issues' CSR is not

Source: Corporate Social Responsibility: Strategic Implications, 2006
Figure 15: Selected empirical papers on CSR

The table above provides a sample of researches that took place so as CSR to be measured. The findings outline the negative, positive or even the neutral relation between CSR and the firm's performance. The lack of specific and clear founding is associated with the numerous definitions of CSR that provides an expanded field of

the corporate responsible activities. When there is not a crystal clear definition it is quite difficult to define or even measure CSR.

On the other hand, it should be noted that CSR activities and their impact on society cannot be measure when taking as an indicator the stock price of the firm. The stock price can only be related to the financial stakeholders while CSR activities affect non financial stakeholders.

The vast majority of literature review points up that the main objective of measuring CSR is to understand the relationship between the former and the corporate social performance. McWilliams and Siegel suggested that R&D and advertising expenditure should also be included in the equation, due to the fact that both R&D and advertising can be related to the corporate performance.

2.8. CSR Benefits

2.8.1. Benefits of CSR

CSR field can be characterized as attractive. Its main objective is to remind at any company that apart from making profit, there are also other responsibilities towards society and environment that should be served.

Over the course of the last decade, CSR's benefits have been understood. It is crucial any company integrate CSR on its strategy. Nowadays, firm's survival is highly correlated with the CSR content, due to the fact that both environmental and social problems are not considered as of secondary importance (Saeidi, 2018). Companies seek to highlight their corporate social behaviour not only through advertising and marketing but also via international standards that could ensure good reputation and survival on the market (Saeidi, 2018).

Adopting a CSR profile for a long period of time demonstrates that the firm is loyal towards CSR principles. The aforementioned statement signifies that the company is trustworthy, securing fervent support from the consumers' behalf. Furthermore, the firm is perceived as socially aware on the stakeholders' consciousness and seeks to provide solutions to problems that tackle society. It is crystal clear, that through CSR, a company can be legitimate and at the same time its reputation can be enhanced. Legitimacy has been properly defined by Sushman in 1995 as *"a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions"* (Carroll, 2010).

Premium quality for both products and services could lead to a corporate image that can be characterized by trust and awareness; providing also a competitive advantage (Saeidi, 2018). More precisely, a competitive advantage can be gained through a strong relationship between company and consumers; where the mutual trust plays a dominant role. In addition to that, consumers will be willing to pay more for a product that is produced according to international standards (Baric, 2017). As a consequence, consumers' readiness to pay extra for products and services produced by a socially responsible business would provide a competitive advantage by differentiating the former from its rivals (Baric, 2017) and becoming a leader of its sector.

Numerous authors have made a reference to competitive advantage, from Husted and Salazar in 2006 to Porter and Kramer in 2011. Their main argument is that firms have thought of CSR benefits and whether a competitive advantage can be gained before engaging in CSR projects (Saeidi, 2018). Therefore, companies are challenged to transform any threat into opportunity as far as socially and environmental oriented projects are concerned (Saeidi, 2018). Sayadeh P.S. pinpoints that the determinant factors of having a competitive advantage are: *"corporate image, quality of products or services, market position, growth of the company, market leadership, differentiation and diversity"* (Saeidi, 2018).

Employees' satisfaction could lead to an enhanced corporation's profile. Under the prism of good working conditions, employees not only feel valuable but also that their work is appreciated. They feel as valuable as respected while working. As a result, a corporation with good record to employees' relations is the one that can be trustworthy and have a good reputation. Up to date, a growing body of studies seek to answer whether there is a positive relation between employees' performance and

acceptable work behaviours, which are in accordance with the CSR content (Saeidi, 2018), (Carroll, 2010).

Singhapakdi took Thailand as an example, pointing out those employees, who are in favour of CSR concept; were positively influenced by the quality working conditions. Moreover, Farooq examined the relationship of CSR and knowledge sharing behaviours among employees (Carroll, 2010). The results highlight that CSR play a crucial role considering employees' organizational identification and learning to share knowledge (Saeidi, 2018).

On the other hand, N. Smith suggests that due to a socially responsible image a firm can be more attractive to potential applicants. Research concludes that employees show their preference working for a company that acts responsible (Carroll, 2010). Last but not least, CSR practices can draw in investors to invest in a prestigious company that it is fully supported and respected by society (Carroll, 2010).

Taking into consideration Carroll's CSR definition it is imperative we underline the importance of the philanthropic activities. In addition to that, philanthropy can provide a competitive advantage to a firm (Carroll, 2010). The basis of the aforementioned statement is that philanthropy seeks to combine society's needs and stakeholders' expectations.

It is a necessity firms collaborate with dedicated NGO's on social and environmental issues (Carroll, 2010). Furthermore, donations should be made directly to the group that is in need, in order to avoid scepticism and misunderstanding from the stakeholders' behalf. Moreover, philanthropic activities should follow suit international standards (Maon, 2009). It is crucial we underline that a firm should first and foremost be able to ensure for the products' safety and high quality and afterwards to promote philanthropic actions.

Corporate philanthropy can enhance firm's reputation and at the same time can be used as a tool of legitimization (Carroll, 2010). Kamens in 1985 pointed out that some corporations prefer to adopt corporate philanthropy due to the fact that it does not comply with specific norms. He also expressed the opinion that corporations invest in philanthropy in order to maintain consumers' trust (Carroll, 2010).

To conclude, it is without any doubt that opinions for and against corporation's decision to engage in CSR are accepted. In the meanwhile it is imperative we mention that corporate social reporting can also be perceived as a tool in order stakeholders form their opinion. An annual report encloses all the necessary information concerning the company's performance at any level (economic, environmental, social) (Carroll, 2010).

In the following lines, three additional issues will be analyzed. First and foremost, a theoretical perspective on CSR and firm's decision to engage in it will be examined. Secondly, we seek to answer on how managers evaluate CSR's advantages taking into account the social risk. Last but not least, some models that may measure CSR benefits will be mentioned.

2.8.2. Theoretical perspective on CSR and firm's decision to engage in it.

As it has already been mentioned there are numerous theories that explain why companies decide to engage in CSR. The vast majority highlights the managers' role when a firm adopts CSR practices (McWilliams, 2006).

To begin with, Agency Theory suggests that managers perceive CSR as an instrumental tool to advance their career or their “personal *agendas*”. Furthermore, according to Freeman and Stakeholder Theory managers have to meet the needs and satisfy “*a variety of constituents*”; such as workers, customers, suppliers, local community organizations (McWilliams, 2006). Freeman argued that emphasis should not only be given to stockholders’ and the owners’ demands and needs. Stakeholder theory points out that also other groups of society should be taken into account, since they can be supportive towards company’s activities ((McWilliams, 2006). The expansion of the stakeholder theory was made by Donaldson and Preston in 1995 that made a reference to moral and ethical dimension of CSR.

Stewardship theory introduced by Donaldson and Davis, states that managers promote CSR due to the fact that they are under the pressure to “*do the right thing*”. Furthermore, Jones examined in 1995 both Institutional and Classical Economic Theory under the prism of CSR (McWilliams, 2006). He stated that companies pursue to be honest, trustworthy, and ethical by promoting recurrent transactions with stakeholders because the returns of such behavior are to be higher.

The Strategic Leadership Theory suggests a positive correlation between companies and their leaders that have decided to engage in CSR activities. Specifically, it is argued that leaders would employ CSR activities in a strategic way (McWilliams, 2006). Investing in strategic CSR, then such a decision can be examined under the prism of the Resource-Based-View-Of-the-Firm (RBV), introduced by Wernerfelt in 1984 and in 1991 was advanced by Barney. According to the RBV, companies are “*bundles by heterogeneous resources and capabilities that are imperfectly mobile across firms*”. Barney argues that a competitive advantage can be gained if those resources, capabilities are not only precious, rare and difficult to be imitated but also difficult to be substituted, then a source of sustainable advantage can be gained.

Hart in 1995 put in practice RBV to corporate social responsibility and gave emphasis on the environmental dimension of social responsibility (McWilliams, 2006). Two years later, in 1997 Russo and Fouts tested the aforementioned theory and found out that companies that invested in the environmental performance had greater financial performance and continued to apply RBV.

In 2001 Mc Williams and Siegel tested the RBV, when they examined two companies that produce the same product. When one of the two added social attribute to the product several shareholders and consumers perceived this decision positively. The main objective of this examination was to dictate that through a cost-benefit analysis managers could determine to what extent the resources can be devoted to CSR activities (McWilliams, 2006).

Finally, yet importantly, it is crucial we note that strategic implications on CSR can be observed when firms apply RBV. First and foremost, even if CSR is an integral element of a business, it can differentiate the strategy of the former from its rivals. A second strategic implication on the firm perspective is that RBV is applicable to CSR in terms of generating a sum of predictions concerning “*patterns of investment in CSR across firms and industries*”. For instance, there is a positive relation among CSR activities, advertising and R&D (McWilliams, 2006).

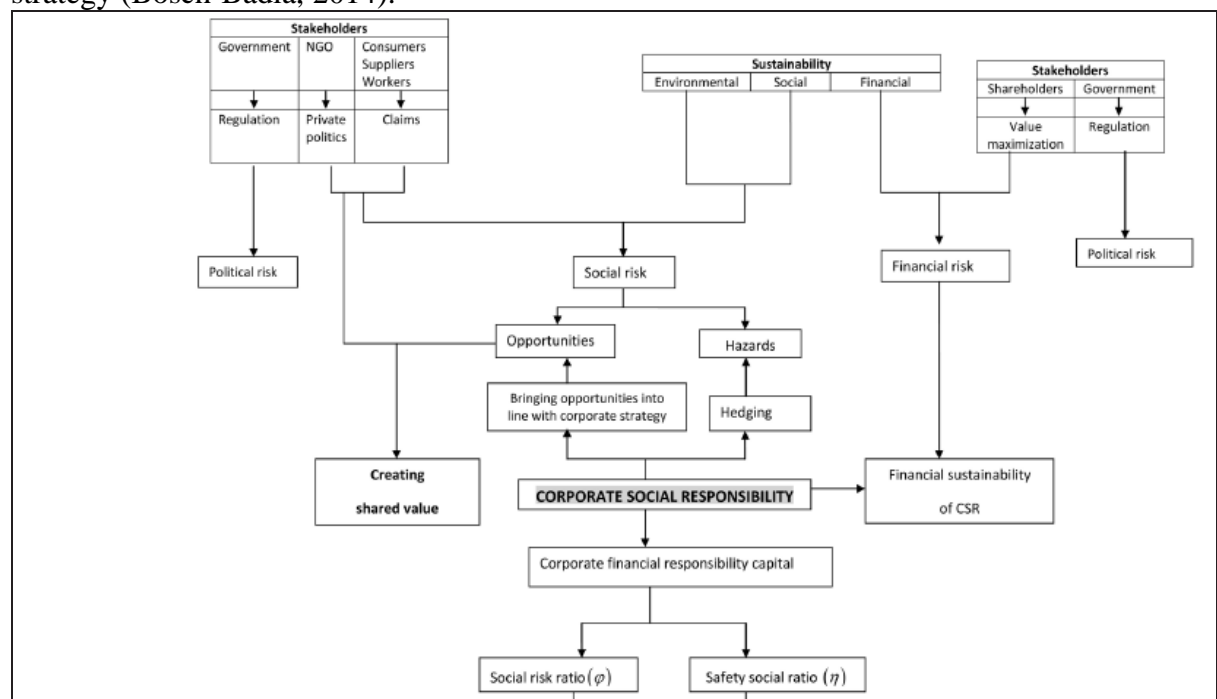
2.8.3. How managers evaluate CSR's advantages taking into account social risk?

In the following lines the managers' role will be analyzed under the prism of CSR benefits. On the one hand, managers play a dominant role as far as social risk is considered. On the other hand, managers when decide to engage in CSR practices might promote cause marketing.

Previous chapters highlight managers' significant role. To begin with, financial risk refers to managers' capability to ensure for both projects' and firm's financial sustainability. On the contrary, managers should take into consideration social and environmental sustainability (Bosch-Badia, 2014).

The sum of hazards, generated by environmental and social sustainability is defined as social risk. Therefore, a combination of corporate ethics and social risk could provide a definition of CSR context. It is without any doubt that a two fold analysis is required when examining the management of social risk. Firstly, it is suggested, a methodical examination of social and environmental sustainability of ordinary corporate decisions. Secondly, the effectiveness of CSR decisions can be determined by: (a) the extend that the corporate know-how is used and (b) the potential shared value that can be created due to the stakeholders' participation. Social risk might be perceived as an answer towards unexpected hazards (Bosch-Badia, 2014).

To sum up, risk and especially social risk can be either evaluated as a source of hazards or as a source of opportunities; supposing ethics are taken into account for an effective management formulation. *“As Bernstein says, the thinkers on risk from Pascal to Markowitz have transformed the perception of risk from chance of loss into opportunity for gain, from fate and original design to sophisticated, probability-based forecasts of the future, and from helplessness to choice. Social risk is a force that leads to transform self-interest into shared value”* (Bosch-Badia, 2014). The following risk conceptual map depicts all the variables that could form firm's CSR strategy (Bosch-Badia, 2014).



Source: Corporate Social Responsibility from the Viewpoint of Social Risk, 2014

Figure 16: Corporate social responsibility from the viewpoint of risk conceptual map

Cause Marketing

The main reason why cause marketing is recorded in this chapter is because of the enhanced reputation that can provide to a firm. The abovementioned statement was also supported in 1991 by Smith and Alcron (Bosch-Badia, 2014). Cause marketing, is a practice according to which not only the advantages of a product are promoted but also the former is related to a charitable giving. Cause marketing creates purchasing incentives but in the meanwhile firm's image is ameliorated. Moreover, cause marketing pinpoints company's ability to mutually meet its profitability goals and society's needs and expectations. For instance, General Mills Inc. suggested that part of the profits of a specific product would be donated for good cause (Bosch-Badia, 2014). As a result, \$1.5 million were donated in order to fight against breast cancer (Bosch-Badia, 2014). Another example, which underscores the consumers' power, is the RED initiative in 2009. The main objective of such action is to fight against AIDS (RED, 2019).

2.8.4. Proposed models that may measure CSR benefits

In this section, some exceptional attempts will be referred concerning CSR benefits and how can be measured (Bosch-Badia, 2014).

To begin with, Srivastava, Mcinish, Wood and Capraro have examined the relationship between reputation scores and the value of common stocks. Ponzi, Fombrun and Gardberg have created a model to measure corporate reputation. Bekefi and Epstein have developed a method for incorporating the impact of both social and political risk into investment analysis. Soprano, Crosland, Piacenza and Ruspatini deliberate the measurement of reputational risk and introduced a method for the calculation of Reputational-Capital-at-Risk, similar to Value-at-Risk, which connects reputational risks to common stocks volatility. Additionally, it should be noted that CSR capital is defined as the market value of present social image the corporation has (Bosch-Badia, 2014). Last but not least, it is imperative we highlight that even if literature make reference to the above mentioned models, no further information are given regarding their efficiency.

2.8.5. Conclusion

To conclude, CSR benefits are concrete. Taking into consideration both social risk and CSR benefits returns; managers will have to engage in CSR practices. Issues of trust, legitimacy, firm's survival, state of the art products and services, competitive advantage and enhanced reputation are nowadays associated with CSR concept. Last in order but not in importance, a sum of theories and an effort of numerous authors to point out CSR advantages demonstrate that CSR is and will be a useful tool for both society and companies.

2.9. Communicating CSR

2.9.1. Introduction

Communicating CSR vision and projects is rather difficult task. It is imperative we take into consideration the implementation of strategic CSR, the context of the messages that are to be communicated, the channels of communication, the stakeholders' reaction to any message and last but not least the skepticism that might arise due to a CSR program (Pondar, 2008).

2.9.2. Why a corporation engages in CSR?

In almost all chapters of this research we seek to shed a light to reasons that a corporation decides to engage in CSR and CSR activities. There is a slight differentiation concerning the answer since the question that is posed is examined on a different basis. Therefore, a company can minimize the risk of socially irresponsible practices by promoting a variety of CSR programs. In addition to that CSR can reassure both external stakeholders and customers for the company's socially responsible behaviour (Pondar, 2008).

2.9.3. New communication channels / Internet & social network

The market is increasingly demanding and so are the consumers. New technologies have set new goals and opportunities while at the same time a new framework is promoted. Both Internet and social media play a crucial role, because through them firm's main goals and objectives can be spread and become known. It is undoubted, that a new way of communication is promoted and as a consequence, a new type of relationship can be build between the company and the consumers. If communication is good then the reputation of the firm is not at stake. Nowadays, websites and social networks are part of everyday life and can determine the reputation, the fame even the profits of a company (Baric, 2017).

Internet is the most powerful medium so as to communicate any message. Companies perceive such a medium as one of the proper ways to communicate their initiatives and activities. In 2004 Brønn, stated "*today the internet is the primary medium for firms operating in the international arena to communicate their practices, but it seems that there are....many firms in need of assistance*". In addition to that, Internet has been characterized as "*the medium of media*" because it combines all types of communication.

Nowadays, corporations provide a specific e-mail address in case of communication. Stakeholders can also express their opinion even if the corporation does not answer. Apart from the provided e-mail address and the official social media, there are also other alternative but still interactive options for communicating such as forums and chat rooms (Moreno, 2009). Internet is perceived as a contemporary tool to communicate CSR. Users can express their opinion on any aspect and issue while dialogue enhances CSR practices. As a consequence, the interaction between users

can reshape CSR strategies because they notice mistakes that have been made from the corporation's behalf (Pondar, 2008). A company in order to avoid any reformation of its CSR strategy has to make sure from the beginning that supply chain is functioning well.

On the other hand, another dimension of CSR communication is the crucial role that managers have concerning the examined issue. Social networks might be new channels of communication but they are unpredictable, meaning that any post can either harm or benefit the company. It cannot be denied that communicating socially responsible activities firm's reputation will be enhanced. More precisely, having good reputation signifies first and foremost that, the firm could easily compete with other firms operating on the same field. Moreover, a firm's products and services will have a "leading" role and will be related to socially responsible behavior and activities (Baric, 2017), (Dutot, Lacalle Galvez and Versailles, 2016).

2.9.4. Key communication channels

The following are considered as key communication channels: websites, social networks and advertising. These channels give the opportunity to users and consumers to communicate in real time with firms and express their opinion regarding the corporation's strategy and activities. Therefore, users' criticism over CSR activities could eventually recreate a firm's strategy, as it has been already stated. Both Internet and social platforms provide a new way to promote and share the initiatives that have been taken; either to ask for help or for participation. As a consequence, stakeholders can be transformed from passive to powerful creators of new strategy, enhancing firm's reputation (Baric, 2017).

2.9.5. Credibility Concerns

Numerous information sources nowadays, make it ever harder to communicate a message to stakeholders. Issues of credibility may arise while corporations have to promote promptly their objectives and goals. Managers have to face a demanding audience and include in their message the vision, the objectives and the potential outcomes of the initiatives (Swaen, 2005).

Over the course of the last decade new communication channels such Internet and social media have promoted a new alternative way of communication, where a strong relationship with stakeholders can be built. In the meanwhile, due to those channels, issues of credibility have come to the surface (Bosco, 2017). In the following lines stakeholders' scepticism and the disadvantages of social networks will be analyzed (Swaen, 2005).

To begin with, even if CSR practices are rather popular, it has been observed that communicating CSR initiatives is quite difficult aspect. Firms that promote their CSR are the ones that have been criticized the most and both consumers and customers are skeptical towards CSR initiatives (Carroll, 2010). The aforementioned state outlines the main reason why some companies prefer not to promote their actions on this field.

Consumers have always been critical towards information sources. In addition to that, tests from Hovland and Weiss have shown that consumers' attitude has been changed tremendously and as a result, the message will be evaluated according to whether the source is credible or not. The issue of defining a credible source is a

complex one. Nevertheless, it has been observed that when information comes from a credible source, man should be more skeptical. For instance, when the information comes from the company then consumers should be rather skeptical and carefully examine the company's incentives for acting accordingly. On the other hand, when the source is consumer controlled the impact will be greater than if it was communicated via the company (Swaen, 2005). In order to enhance the aforementioned argument, it should be noted that Shuili Du has also observed that a credible CSR communication can be the one that does not come from a corporation's channel. He states: *"there is likely to be a trade-off between the controllability and credibility of CSR communication; the less controllable the communicator is, the more credible it is, and vice versa"*. On the other hand, a neutral channel is the one that can promote in a more efficient way a CSR message (Carroll, 2010).

Stakeholders' scepticism bears a paradox when it comes to their behaviour and demands. More precisely, stakeholders and especially consumers seek to be fully informed regarding corporation's practices. At the same time they also seem to be rather skeptical when a corporation promotes its CSR programs (Carroll, 2010).

Stakeholders' attribution could be divided into two categories: extrinsic and intrinsic. Extrinsic (attribution) refers to a company that seems to have as its main goal the increase of its profits. On the other hand, intrinsic refers to a company that seems to have a genuine concern for the focal issue. It is crystal clear that, when stakeholders perceive corporation's actions as intrinsic, positive inferences are made and a favorable attribution towards the latter is gained (Carroll, 2010).

To sum up, in order to define a source as credible it is necessary we examine the incentives of the former (Swaen, 2005). Consumers will always be skeptical towards corporations since they are the ones that promote specific initiatives. As a result, their incentives would be under examination. There are incidents that made authors such as Swaen and Vanhamme in 2003 but also Sherif and Hovland in 1961 to conclude that when a company acts responsibly for a specific period of time and afterwards stops such a behavior, then its reputation will be affected and it will be a recipient of negative judgment (Swaen, 2005).

2.9.6. Advantages and Disadvantages of Social Networks

It is without any doubt that digital technologies are generally perceived as a means of communication providing pluralism and an added option for users to express themselves (Golob, 2017). Corporations use social media so as to communicate CSR activities and their results. Through social media corporations can be aware of the community's needs and expectations. Among the advantages of social media is enhanced reputation, public support, and promoting a relationship between corporation and society that can be interpreted into legitimacy and good public relations from the firm's behalf (Cho, 2016).

Unfortunately, apart from the benefits that Internet and social platforms may nowadays offer, digital technologies can be transformed into a field of conflict. It has been observed that some users are not interested in CSR's benefits but only in their own self interest (Cho, 2016). Furthermore, a new phenomenon has come up, known as fake news and can either misguidance or misinform stakeholders and social media users (Golob, 2010).

Taking everything into consideration, it should be admitted that message formulation and communication is a triggering aspect. In the following section, all the

necessary message components will be presented. As it has already been stated in the chapter of strategy formulation communicating CSR vision and activities is part of the strategic CSR so as either to avoid or the diminish criticism.

2.9.7. Message formulation

Step 3 of strategy formulation has as its main objective to provide a CSR definition and to establish a corporate vision. An in depth analysis of the third step can be found on the chapter referring to strategic CSR. The abovementioned could only be achieved when the firm has elucidated its vision and stakeholders' needs can be met and served via a long term strategic goals. Therefore, a company through its top management should declare an inspiring socially responsible vision that remains committed to CSR values and that honours CSR norms and standards. (Maon, 2009).

First and foremost, corporations should find ways to inform society regarding CSR. The initial challenge of any corporation is to manage to inform stakeholders and afterwards to maintain their positive attitude toward the corporation (Dawkins, 2005). Communicating CSR activities is a difficult task. It is imperative managers be able to answer what is going to be communicated; meaning the context of the message, how it is going to be communicated; meaning through what channels. If a manager is able to answer to the aforementioned questions then he/she would be able to form an effective CSR commutation plan. Taking into account the addressed social problems, managers will eventually decide which strategy will be implemented since a corporation cannot deal with all the social issues (Du, 2010).

2.9.8. What to communicate: message content

There are four aspects that should be addressed concerning message's content: CSR impact, CSR commitment, CSR motives to CSR fit.

CSR commitment

The first issue that should be examined in the message context is the CSR commitment (Du, 2010). There are different ways from the corporation's behalf to be committed to a social cause: from donations, R&D to human capital (employee, volunteering). A company can give emphasis on one or more than one social issues but it is crucial remain committed to a social cause. Durability is a key factor that can differentiate the corporation's activities from its competitors. Durability refers to a period of time that a corporation invest in special causes and how consistent can be to such cause. To conclude, CSR commitment consists of the amount of input that will be given, durability and the continuous support that this social cause may have (Du, 2010).

CSR impact

Another dimension of message's context is the CSR impact, where emphasis is given to the output side of CSR. A corporation that promotes continuously specific social causes should take into consideration the outcomes of CSR activities. Pampers for instance, promoted a specific vaccination to African women that were pregnant so

as to overcome the problem of newborn tetanus. The initiative “one pack equals to one vaccine” outlines a purposeful effort to overcome a social issue. A well organized promotion of CSR activities underscores the corporation’s commitment on the CSR field and the willingness of the former to provide solutions to social issues. It has been observed that stakeholders perceive positively any initiative that shows a long term commitment (Du, 2010). The basis of the aforementioned statement is that long-term commitment is believed to be associated with genuine concerns, leading to an increase for both societal and community’s welfare. On the contrary, short-term campaigns are evaluated as actions that have as an only cause the increase of profits. To sum up, corporation’s communication policy should emphasize on the long-term commitment to CSR values and to avoid to brag about CSR activities (Du, 2010).

CSR motives

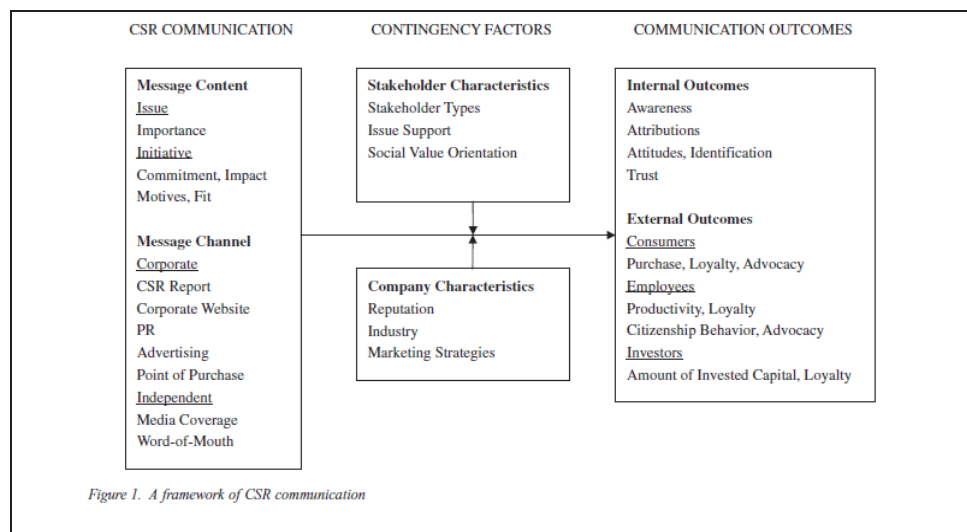
Part of CSR communication is CSR motives. A combination of CSR impact and CSR motives can lead to CSR communication. The main objective regarding communicating CSR messages is to reduce the skepticism from the consumers’ behalf. Some of the questions that can be posed are: (1) should a corporation relate CSR activities with the business or not? (2) Should all CSR activities be presented as an altruistic motive? As far as the above-mentioned questions are concerned, it seems that there is a clear cut answer (Du, 2010). The corporation should not deny the relation between CSR programs and the business’s interests, due to the fact that if they are denied or even promoted in another way then stakeholders’ skepticism will be enhanced leading to negative outcomes. A corporation should acknowledge the relationship between itself and CSR actions, pointing out that both parties will be benefited (Du, 2010).

CSR fit

The dominant belief among stakeholders outlines that CSR activities should be correlated to the core corporate activities and a fit between CSR activities and corporation’s main objectives should always be found. Frequently, stakeholders anticipate that corporations seek to eradicate social problems that are related to business operation (Du, 2010). Gilbert’s two-stage model points out consumers’ crucial role. They test and evaluate whether or not there is a great fit between CSR activities and the core activities of company. More precisely, consumers under the prism of intrinsic or extrinsic attributions and other alternative contextual factors, such as competitive pressure, financial motivations will decide about the CSR fit. To conclude, in case of great CSR fit, the company should highlight the compatibility between the firm’s business and the social issue (Du, 2010).

On the contrary, when there is a lack of CSR fit then the company should promote the idea of taking social initiatives in order to enhance the former. It should be noted that, Bloom made a research and concluded that under specific circumstances a favorable stakeholders’ reaction is possible even if there is low fit. He argues that companies with low fit differentiate themselves from the rivals and could be perceived as sincere as far as the corporation’s motives are concerned. As a result, CSR communication will be effective (Du, 2010). There is a belief that all CSR activities should be correlated to the core corporate activities but such a belief is weak since the main objective of a company is to remain committed to its proposals so as to

overcome any social issues (Du, 2010). The following table depicts the abovementioned information, suggesting a framework of CSR communication.



Source: Maximizing Business Returns to Corporate Social Responsibility (CSR):The Role of CSR Communication

Figure 17: A framework of CSR communication

2.9.9. Where to communicate: message channels

Another dimension of CSR communication is the message channels. There is a variety of channels through which CSR initiatives can be communicated. Among the most commonly and conventionally known message channels are: annual corporate reports, press releases, official website, TV commercials, magazines or billboard advertisements, the product packaging that can communicate CSR activities. It is without any doubt that the traditional way to communicate CSR activities is advertisement (Du, 2010). As it has already been noted, channels of communication play a significant role because they might increase stakeholders' skepticism. A company can control and monitor CSR messages through its channels, such as the official website. On the contrary, the firm cannot influence how its CSR activities will be presented via other communication channels, like television. Finally yet importantly, social media are also valuable regarding CSR communication (Du, 2010).

On the other hand, employees as a significant stakeholder group can positively contribute to communicate CSR activities. When employees are fully informed regarding CSR they can later influence society due to the fact that they are part of the value chain. As a consequence, employees are familiar with CSR initiatives and the benefits that provide (Du, 2010). It seems that they can be transformed into responsible ambassadors if communication CSR started from internal to external environment (Pondar, 2008). Additionally, satisfied consumers could also be ideal ambassadors for CSR communication by expressing their opinion on blogs, social media, web sites (Du, 2010).

2.9.10. Moderators of communication effectiveness: company-specific factors

According to CSR literature, a successful CSR communication via company-controlled communication channels can be defined by CSR positioning and corporate reputation. The basis of the aforementioned statement argues that company-controlled message channels are fully aware of company's specific knowledge structures (Du, 2010).

Corporate reputation

Corporate reputation can be gained through product quality, innovation, investment value, people management (Dutot, 2016). High credibility confers good reputation and as a consequence, CSR initiatives can be positively perceived. Otherwise, a company with less good reputation might receive less favorable criticism regarding its CSR activities (Du, 2010).

CSR positioning

CSR positioning is a significant factor that can determine CSR communication. According to Du in 2007, corporate social responsibility positioning alludes to "*the extent to which a company relies on its CSR activities to position itself, relative to the competition, in the minds of consumers*". Furthermore, an effective CSR communication is also related to company's dedication on CSR concept and the fact that is not superficially engaged to CSR activities. As a result, stakeholders would be favorably inclined towards not only company's CSR message but also the authenticity of the company's attempt to fully integrate CSR practices (Du, 2010), (Isenmann, 2006).

All things considered, a company should find out all the moderators in order to adopt an effective CSR communication strategy. In the following lines the mediators of communication effectiveness from the company's behalf will be highlighted (Du, 2010).

Stakeholder type

First and foremost, the different types of stakeholders signify their preferences towards the variety of communication channels. As stakeholders they can be considered legislators, business press, investors, NGO's, consumers and employees. A corporation from its behalf has to tailor its activities so as to comply with the needs of any and all of the stakeholders' groups. According to Dawkins in 2004, there are two types of stakeholders: (1) opinion -leader audiences, that refers to the business press, investors, NGO'S, (2) the general public, that refers to consumers and local community (Du, 2010).

Opinion leader audiences are more likely to look for the annual report in order to have a comprehensive picture of the CSR record. In this category is also included think - tanks and commentators. The main aim of this type of stakeholders is to get fully informed and to find hard evidence regarding CSR activities, and their results by analyzing indicators, benchmarks and trends that can be found on CSR reports (Du, 2010). It is without any doubt that an in depth information should be provided to all stakeholders and especially towards the first category. As a result "*a company should stay in line to "leading reporting standards such as the Global Reporting*

Initiative and Accountability's reporting standard," (Du, 2010). Furthermore, mainstream investors are more interested in the maximization of the shareholders value and the business case of CSR. In order to have a crystal clear view they analyze "*customer equity, employee retention, corporate governance and risk management*".

On the other hand, consumers and the local community as it has already been stated will not seek to be informed regarding CSR through reports. It is more often to get informed by independent channels of communication, such as editorial coverage, television, the press or through the corporate communication channels that can be "*high-profile cause marketing campaigns, advertising or point of purchase communication (e.g. printing CSR information on the product's label itself)*" (Du, 2010).

Issue support

Communication effectiveness might be affected by the stakeholders' motivation to CSR information. The effectiveness of CSR communication can be affected by (a) how any initiative could be presented or promoted and (b) whether and to what extent CSR initiatives are associated with the stakeholders' motivations and interests. Research has pointed out that information can be categorized either as self relevant or non relevant. The issue support outlines not only the stakeholders' general needs but also their personal needs. Consequently, stakeholders would deem such initiatives as important if there is convergence between their needs and the CSR initiatives (Du, 2010). Hence, when individuals are aware of social issues they would provide greater support to any CSR activity. An alternative way to enhance the issue support is to promote the engagement of the stakeholders with an initiative, by selecting and supporting a non-profit organization. Gap, for instance, for a six-month period had announced that part of its profits would be given to non-profit organizations so as to support good causes; from eradication of aids to fight the child hunger. In that way, the effectiveness of Gap in the field of CSR was enhanced and without any doubt this has also resulted to good reputation (Du, 2010).

Last but not least, it should be noted that a corporation should before launching any initiative to make a research regarding the interactions that this initiative might provoke. The aforementioned can be done with the marketing contribution. Initiatives should reflect the primary concerns of the stakeholders and how they can be solved. However, companies should pay attention when selecting a hot issue and take into consideration CSR fit, since stakeholders perceive more positively any activity that is relevant to the business core, supposing that it has a greater impact (Du, 2010).

Social value orientation

Van Lange provides us a definition of social value orientation suggesting that is "*as an individual's 'stable preferences for certain patterns of outcomes for oneself and others,'*". CSR communication can also be affected by the examined issue due to stakeholders' urge to be familiar with CSR information.

Typology is divided to three categories of social value orientation: prosocial, individualistic and competitive. Prosocials seek for equality (Du, 2010). They are inclined to maximize outcomes for both themselves and others. In the meanwhile prosocials seek to minimize differences between outcomes for themselves and others. Individualists are interested only in the maximization of their own outcomes without

taking into account others' interests. Last but not least, competitors ask for the maximization of their own outcome in proportion to the outcome of other's. Competitors try to obtain a relative advantage over others. The abovementioned categories have been noted in order to underline the wide range of social behaviors. More precisely, compared to individualists and competitors, prosocials seem to be more prone to a sustainable behavior (Du, 2010). For instance, prosocials might be the ones that frequently use public transports than their own car. To conclude, they are expected to provide greater support towards companies that take social initiatives. As a result, prosocials would be more enthusiastic as far CSR communication is concerned.

At this point of the research a clarification should be made. In the literature a segment of individuals can also be found as “*CSR activists*” that use ethical criteria as a tool to evaluate corporation's performance and investigate in dept company's CSR activities (Du, 2010). Research reveals the existence of a wide spectrum of consumers. The opponents of CSR activities suggest that the solely purpose of CSR engagement is to maximize shareholders' profits. On the other hand, activists and proponents, argue that CSR activities should be supported. More precisely, CSR activities can contribute so as social issues to be solved. Once again, it is expected that communicating CSR would be more effective towards supporters and prosocials rather than towards individualists, disbelievers or competitors (Du, 2010).

2.9.11. Three added Theoretical frameworks of communicating CSR

Angeles Moreno and Paul Capriotti extended research of communicating CSR. They suggest that there are three theoretical frameworks that should be examined, when it comes to communicating CSR practices: “(1) *the move towards sustainable development in the delimitation of CSR issues, (2) the evaluation and control of corporate performance, (3) and the search for an effective means of communication about CSR with different stakeholders.*” (Moreno, 2009).

Delimitation of CSR issues: the evolution of concepts of sustainable development

As far as the evolution of concepts regarding sustainable development is concerned there are two schools of thoughts that seek to define CSR (Moreno, 2009). Fiedman in 1970 and Lewitt in 1958 argued that an organization has as an obligation the maximization of profits. Moreover, a company has to obtain to the rule of law and honor at the minimum level local ethics. A second school of thought which is represented by Andrews (1973), Carroll (1999), Davis and Blomstrom (1975), Epstein (1987) and McGuire (1963) – suggests that a corporation beyond its obligation to increase its profits has added responsibilities towards the society at large. The prevalence of the second school of thought underscores that indeed, a corporation has to use some of its resources back to society (Moreno, 2009). As a result, not only stockholders are to be benefited by the business operation but also society. Moreover, the second school of thought outlines that there are also economic, legal and ethical responsibilities from the corporation's behalf. Carroll's model of 1999 dominates. At the same time, corporations are also perceived as political institutions and their obligations are extended to various public issues.

The concept of corporate citizenship (CC) is also of primary importance. There is a correlation between corporate citizenship and the stakeholder theory, when

CSR is examined. As Waddock (Waddock, 2004) explains, CC represents “*the strategies and operating practices a company develops in operationalizing its relationships with and impacts on stakeholders and the natural environment*”. Furthermore, Herrmann in 2004 suggested that sustainable development (SD) should be considered as another CSR’s dimension. He argues that sustainable development gives emphasis on three issues: (a) human (b) employees’ rights and (c) environment. Four years later, Heremann stated that “*a well-implemented and strongly enforced CSR policy is key to sustainable development. CSR is a comprehensive notion that takes into account economic, social, and environmental concerns and, at the same time, protects the interests of all stakeholders by requiring greater transparency*”. It is crystal clear that concepts of corporate development and sustainability are dimensions of CSR and complete a part of it (Moreno, 2009).

Evaluation and control of responsible corporate performance

It has been observed that NGO’s and supranational agencies are rather prepared regarding the communication of CSR practices. Some may argue that corporate citizenship, CSR and sustainable development can be used as tool to influence stakeholders’ perceptions. Therefore, corporation’s enhanced reputation and acceptance from society’s behalf could be achieved. Especially in the United States CSR has been perceived as a significant tool for corporations to communicate their practices towards society (Moreno, 2009). Up to date, corporations had to look after how the messages are being communicated, due to the fact that the public can be rather skeptical when a corporation seeks to integrate social affairs.

It can be argued that CSR “*is symbolic medium of public communication system*”. U.N. and E.U perceive CSR as an important factor regarding sustainability. Even if a CSR definition is provided by both the E.U. and the U.N. yet, they are still not able to regulate CSR to full extend. As a consequence, corporations promote self regulation, which provides them added freedom due to a lack of legislation (Moreno, 2009).

Self regulation first and foremost, suggests that apart from legislation’s absence no specific guidelines had been set concerning the implementation of CSR activities. Secondly, added power is provided to corporations since they regulate and implement decisions that have been taken by them. As a result, the drawback of such situation is that corporation not only regulated, but also defines CSR and the role of sustainable development, while the state’s power decreases (Moreno, 2009). Self regulation requires a renegotiation of the social contract between society and the corporation. Leaving it to corporations to decide whether and to what extent they can contribute through CSR towards society, implies that state-regulation has lost its place and power. Civil institutions should act so as to promote specific definition, practices and a framework within corporations should act. Last but not least, NGO’s and supra-state bodies have to contribute to CSR agenda. On the other hand, corporate citizenship confers a paradox. More specifically, a corporation is responsible for social and environmental disruption but at the same time has to fight against it so as to eliminate such issues (Moreno, 2009).

It is imperative we highlight that the aforementioned phenomenon used to describe a long period of time. Fortunately, nowadays things have become better taking into consideration the U.N’s goals and the E.U’s energy targets, but there is always room for improvement (Moreno, 2009).

Effective communication of responsible behaviour and the use of the web

It has been observed that even if corporations have managed to engage in CSR practices, they have not found the way to properly communicate their initiatives. As Dawkins in 2004 pinpoints “*communication... remains the missing link in the practice of corporate responsibility*” (Moreno, 2009).

It is without any doubt that communicating CSR initiatives and generally corporation’s activities are nowadays of primary importance. Internet is a medium through which stakeholders can quickly be informed. The structure of the web site plays a significant role in order to communicate corporation’s objectives. It would be wise to structure a web site where general information can be easily found in specific section (Moreno, 2009). When users are moving towards more important information more details have to be given. There are six categories when establishing a web site “*hierarchical level, number of pages, annexed documents, sections, communication resources and feedback.*” (Moreno, 2009). The hierarchy of information refers to web construction and whether the most important information can easily be found in the homepage. A section of CC, CSR, SD, is of paramount importance so as to facilitate the users to get informed in such issues (Moreno, 2009).

Up to date, two ways of communication on web between corporations and stakeholders have been found. The first type, suggests low level of interaction. Stakeholders can be informed regarding the corporation and any type of activities that may be promoted (Moreno, 2009). As a consequence, stakeholders can influence corporation’s image. On the other hand, the second type of communication argues that high level of interaction can be a key factor so as to build a strong relationship with the stakeholders. More precisely, stakeholders will be able to communicate, evaluate any practice and suggest further initiatives so as society's needs to be met. The corporation from its behalf would be able to interact, communicate, evaluate any suggestion, showing that any suggestion is welcomed (Moreno, 2009).

The power of web sites can be found in its own characteristics. First and foremost web sites are the medium with the higher influence, permitting shareholders to communicate directly with the corporation and providing easy access to information (Moreno, 2009).

2.9.12. Conclusion

To conclude, the field of communication is rather challenging since the corporation should cover any type of communication, from annual reports to posts on digital media. The abovementioned state requires following suit of the international standards, to demonstrate in a proper way any corporate activity in order to avoid criticism, stakeholders’ scepticism and bad reputation. It is without any doubt, that the formulation of the CSR agenda has to honour the cultural roots taking into consideration social issues. The variety of communication channels signifies contemporary demands but also the different types of stakeholders that should be pleased. As a consequence, each corporation should take the abovementioned information into account so as to implement an effective and efficient CSR communicating program.

3. Hellenic Petroleum under the prism of CSR

The main objective of this master thesis research is to investigate and explain the role that CSR has towards society. On the one hand, we sought to provide the CSR framework in order to examine thoroughly HELPE's CSR activities. The company's web site provides adequate information so as to understand what kind of CSR actions is preferable. Having discussed all the CSR actions with Mrs. Varthaliti we realized how CSR is perceived by HELPE group.

Firstly, it is of primary importance we highlight that HELPE is not retail but a wholesale company. The aforementioned information plays a crucial role since the type of a company can specify CSR actions. Therefore, HELPE as a wholesale company seeks to provide help towards society and no marketing incentives could be found to any of its actions. More precisely, a wholesale company does not seek to better its relationship with consumers (B2C) because by default there is not such relationship. Mrs. Varthaliti points out that local community's support is a prerequisite in order to operate. The abovementioned statement is also called "social operating license". Meaning, first and foremost, that refineries' operation is associated with the community's acceptance.

It is without any doubt that HELPE's business strategy can be clearly understood when taking into account that group's existence is correlated with refineries' operation; where the latter is also related to local community. The interdependence among those three factors plus the fact that the company is a wholesale company underscores that CSR sector and activities are not perceived as a marketing tool.

3.1. Interview with Mrs. Varthaliti responsible for the group's CSR formulation and activities

In the following lines, an interview with Mrs. Varthaliti will be presented. Mrs. Varthaliti highlights that in order to examine group's CSR activities we should always bear in mind that business operation is of primary importance.

1) Considering the context in which the definition of CSR is shaped, it is highlighted that CSR is an integral part of the company's existence. In what way the abovementioned statement can be understood in case of HELPE and what kind of relationship can be found between CSR and the company's strategic planning?

First and foremost, it is imperative we keep in mind that HELPE is a wholesale company and as a result, its CSR program does not enclose marketing incentives. Moreover, HELPE in order to support any CSR action must ensure the so called "social operating license". If the abovementioned has been achieved then CSR activities can be initiated. Moreover when taking into account business's financial performance, it is highlighted the amount of money that has been invested or has been turned back to society due to the business operation. According to group's report 1.7 billion € distributed to society through various activities. HELPE's main objective is to create value throughout the various activities that take place. The below diagram depicts group's contribution towards society.

Financial Performance

Turnover

-18% in financial costs

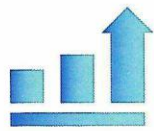
€7,995 million

-18%

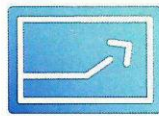
Adjusted EBITDA at €834 million (marking a new historical high)

€7.61 share price (representing a significant 72% increase)

€372 million in net profits



€834 m.



€7.61



€372

Value Creation

The Group's aim is to generate value from all of its business activities and for all stakeholders. This added value - the social product - is addressed to all social partners and contributes to the wider economic development of the country. Meanwhile, respect for the environment and mankind contributes to preserving the company's reputation and provides a "social operating license". The identification of material aspects determined by our ongoing dialogue with our social partners ensures that society's substantial briefing and participation, and contributes to further economic development.

Social product distribution
€1.7 billion



€1.7 bil.

€55 paid directly to the Greek State through direct taxes and insurance contributions

€55 m.

€224 million paid to staff (salaries and additional benefits)

€224 m.

€4.79 million distributed through CSR initiatives

€4.79 m.

€1.3 billion in indirect taxes collected and delivered to the Greek State

€1.3 bil.

€501 million distributed to local and international suppliers



€501 m.



€2 m.

€107 million paid to shareholders via dividends



€107 m.

287 employment opportunities created in Greece and overseas with 56 of these being created in local communities



287

2) Despite the fact that there are numerous definitions, we conclude that there are three characteristics that have not changed throughout the CSR formulation: (a) focus on stakeholders, (b) the voluntary component, (c) a wide range of activities (environment, society, economy). How would you classify those elements?

HELPE as a wholesale group of companies does not emphasize on marketing purposes. The main aim is to fully operate all the company's refineries. Precisely, refineries located in Aspropyrgos, in Eleusis and one at Thessaloniki. Under the prism of the company's mission and in respect to sustainable development, society, environment and economy can be benefited. It is also necessary we highlight that strategic planning has been reformed in order to serve the goals of sustainable development by promoting renewable energy sources. The afore-mentioned, is also known as energy reformation taking into consideration technological advances. Furthermore, an in dept analysis can be interpreted when considering the below diagram, which highlights the interaction between HELPE and different stakeholders groups.

The diagram sheds light to the various stakeholders and the means of communication. It is a necessity we understand that no extinction is made concerning the various groups of stakeholders that are equally considered to be important. HELPE as a group of companies tries to analyze every three years the needs of each stakeholder group. Mrs. Varthaliti explains that it is not an issue of giving emphasis on a specific group. On the contrary, substantial surveys take place with the main objective to interpret society's needs. Precisely, HELPE through focus groups interview those people that seem to represent all types of stakeholders. Furthermore, an electronic survey takes place where 400 people participate in it. Finally yet importantly, HELPE interviews people that live and work where the three refineries operate. Meaning six municipalities in Aspropyrgos and Eleusina and two municipalities in Thessaloniki.

Our commitment to regularly taking into account the expectations and needs of our Stakeholders - which interact with our activities within and beyond the boundaries of our facilities - is illustrated in the diagram below.

Stakeholder Category	Means of communication/Participation Methods	Communication Frequency
Employees	2 way communication, scheduled meetings, events/speeches, publications.	Periodic
	Intranet (internal communication network), employee suggestion box*.	Daily
	Satisfaction surveys.	Periodic
Customers and Consumers	Satisfaction surveys, loyalty surveys, specific surveys via questionnaires for acceptability of new products/services, focus-groups.	Monthly, Quarterly, Annual and on a case-by-case basis
	Customer helpline, dialogue, marketing company websites, social media, newsletters, portals, android & IOS applications.	Daily
Petrol Station Managers	Satisfaction surveys.	Monthly, Quarterly
	Training, employee performance, dialogue.	Weekly
Suppliers and Partners	Meetings, dialogue.	Daily
	Supplier registration questionnaire.	Periodic
Shareholders, Investors, Capital Markets and Other Capital Providers	Road shows, meetings.	Periodic
	General meetings, publications (annual, half yearly and quarterly reports, see. www.helpo.gr/en/Investor Relations).	Annual, Biannual
Media and social media	Dialogue, press/press releases, see. www.helpo.gr/en/Information Centre .	Daily
	Public debates.	Periodic
Wider Society (Bodies, NGOs, etc.)	Dialogue, opinion polls and collaborations (See. www.helpo.gr/en/Corporate Responsibility).	Daily
	Public debates.	Periodic
Local Society (Bodies, NGOs, etc. of neighbouring Municipalities)	Debates, opinion surveys, newsletters, collaborations (See. www.helpo.gr/en/Corporate Responsibility).	Periodic
	2 way communication.	Daily
State & Regulatory Authorities	Meetings, participations, consultations.	Periodic
Business Community	Dialogue, public debates, collaborations.	Periodic
Scientific /Academic Community	Dialogue, partnerships and collaborations, public debates.	Periodic

*The Employee Suggestion Box (See. [http://sustainabilityreport2017.helpo.gr/en/sustainability-standards-and-verification/GRI-Standards/ indicators 102-21 and 103-1](http://sustainabilityreport2017.helpo.gr/en/sustainability-standards-and-verification/GRI-Standards/indicators%20102-21%20and%20103-1)) is a particularly useful and pioneering internal communication tool as it offers the opportunity for anonymous questioning, suggestions and, in general, dialogue to take place between all levels of employees with Management. During 2017, 11 suggestions and 3 complaints were submitted. All of the suggestions were thoroughly examined, 5 were resolved (as well as a further 1 pending from 2016), 4 do not need to be solved, while 5 are presently being examined.

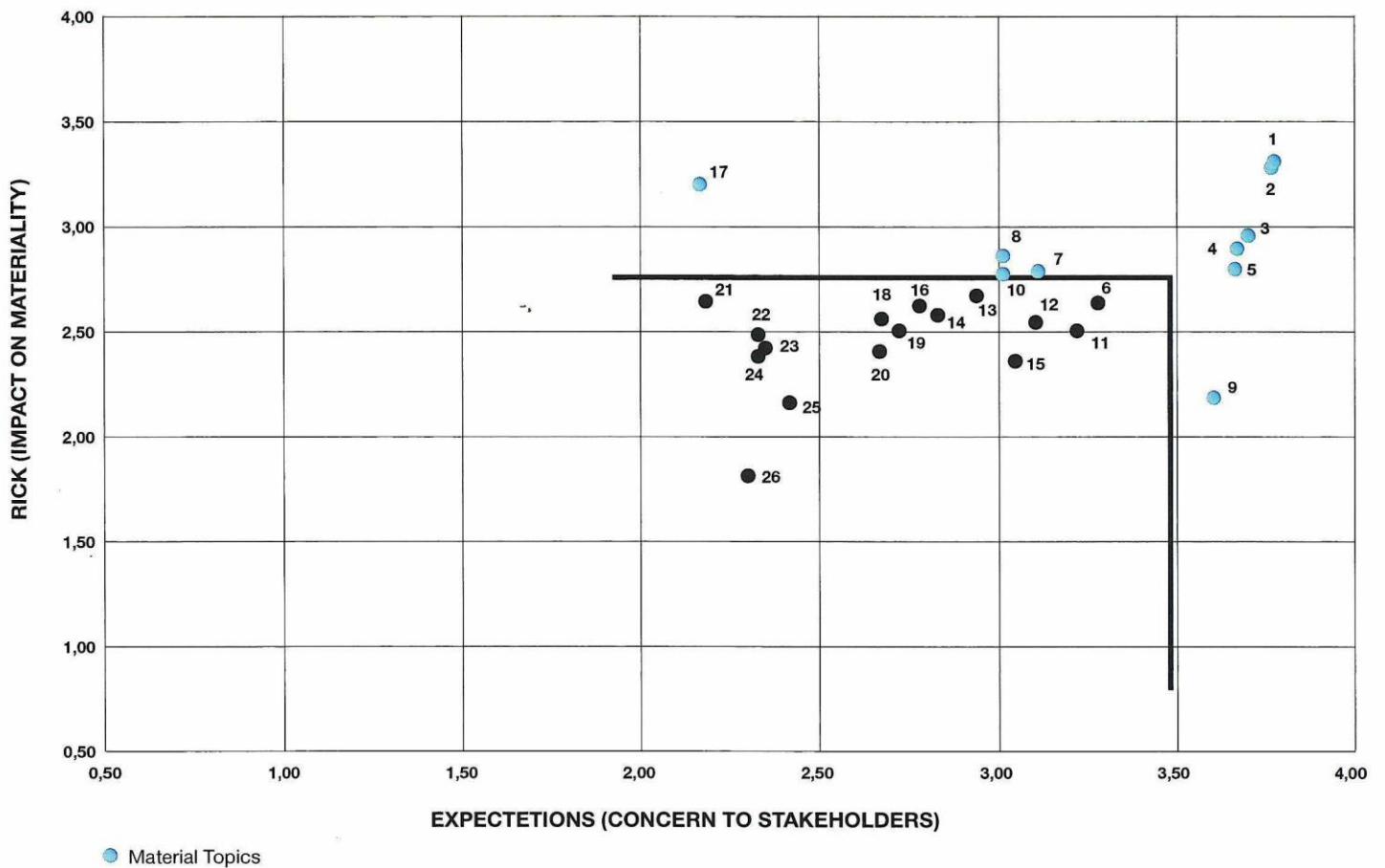
3) CSR used to be associated with the company's financial performance. Nowadays CSR is also related to marketing. How can a company avoid any misunderstanding or negative criticism, when CSR practices become known?

There is no specific budget concerning CSR activities. Furthermore, company's financial results never determine the budget of CSR actions. It is imperative we underline the fact that CSR actions have always been supported and promoted, while lately CSR activities were increased due to the society's needs and demands.

4) The vast majority confuses CSR with public relations, due to ignorance or lack of information. How does HELPE through its actions prevent such a view?

Primarily, it should be noted that nowadays the term of public relations is not valid. Unfortunately, we cannot deny that some people confuse public relations with the CSR concept while it seems quite difficult to overcome such perception. As a result, HELPE seeks to promote beneficial actions to a wide range of society's needs. Materiality assessments pointed out twenty six topics that employees are concerned about. Precisely, regulatory compliance, leaks and oil spills, employee health, safety and well being, air quality, fighting corruption and business ethics, value creation and distribution to stakeholders, energy and climate change, waste and circular economy, employment, product safety, quality and product accessibility, supporting local and wider community, responsible products, anti-competitive behavior, biodiversity, human rights in the workplace, crude and natural gas inventories, continuous operation & preparedness for emergency situations, raw materials and materials, innovation services, water consumption, personal data protection, employee education and training, indirect economic effects, transparent supply chain, responsible marketing, diversity and equal opportunities. The below materiality matrix provides us further information regarding issues of sustainable development interviewing social stakeholders. Moreover, interviews were taken to directors. In 2016 an issue of readiness took place in case of emergency because a year earlier an accident occurred, and employees lost their life.

Graphical presentation of the Material Topics (Materiality Matrix)



Hierarchy of Sustainable Development Topics

- | | | |
|---|--|---------------------------------------|
| 1. Regulatory Compliance | 11. Supporting local and wider community | 22. Employee Education and Training |
| 2. Leaks and Oil Spills | 12. Responsible Products | 23. Indirect Economic Effects |
| 3. Employee Health, Safety and Well-being | 13. Anti-Competitive Behaviour | 24. Transparent Supply Chain |
| 4. Air Quality | 14. Biodiversity | 25. Responsible Marketing |
| 5. Fighting Corruption and Business Ethics | 15. Human Rights in the Workplace | 26. Diversity and Equal Opportunities |
| 6. Value Creation and Distribution to Stakeholders | 16. Crude and Natural Gas Inventories | |
| 7. Energy and Climate Change | 17. Continuous Operation & Preparedness for Emergency Situations | |
| 8. Waste and Circular Economy | 18. Raw Materials and Materials | |
| 9. Employment | 19. Innovation in Services | |
| 10. Product Safety, Quality and Product Accessibility | 20. Water Consumption | |
| | 21. Personal Data Protection | |

5) The previous decade emphasis was given on philanthropy and the ethical dimension that CSR encompasses. Nowadays CSR seems to be business and result oriented concept. How does HELPE link every CSR action to the operation of the company?

CSR concept encloses issues of culture, sports, education, and environment. Consequently, it is not a necessary to link every CSR activity with the energy sector.

6) Consumers' criteria differ but still price plays a decisive role. In case of HELPE is there any link between CSR activities and cause marketing practice?

There is no such action since HELPE is a wholesale company. Moreover, HELPE formulate its CSR strategy under the prism of the "social operating license", which is not related to cause marketing practice. Neither in the case of EKO cause marketing practice is put in practice.

7) Has HELPE reformed its strategy concerning CSR activities due to the economic crisis?

Over the course of the economic crisis CSR budget has been increased. Emphasis was given to quality of education such as seminars, internships and support to post graduate programs.

8) There is a perception that when charity is adopted as a practice then a vicious circle is observed between charity and the company's competitive advantage. In the meanwhile, a widespread argument suggests that "*companies promote such actions in order to enhance their reputation and not to benefit society*". What are the criteria in order to put in practice a CSR action?

HELPE's main goal is to ensure refineries operation. The main objective is to enhance "social operating license". The aforementioned is perceived as a landmark for the company. On the other hand, crucial issues such as the economic and the refugee crisis changed CSR priorities since the main goal of CSR actions is to deliver and fulfill the societal needs.

9) How CSR values are promoted within the company?

Society's needs determine CSR activities and actions that will be taken. Materiality assessments suggest to the company all the necessary information concerning the needs. It is imperative we note that over the course of the economic crisis, issues that arose were related to household income and household's needs in general. In the meantime, HELPE contributed to the incidents of the wildfire in Mati and the floods in Mandra in order to alleviate the pain and help those citizens in need.

10) Does HELPE perceive employees as a mean to promote the social corporate profile? How does that happen?

CSR activities are promoted among employees through Internet, the publication of Panorama, which is a hand out that is available every two months. CSR engagement with employees is also achieved through brochures on sponsored events.

HELPE considers employees as part of CSR actions. It is necessary we note that employees voluntary help in Chios and in hot spots during the European migrant - refugee crisis. Furthermore, in a marathon event HELPE donate 10 euros per kilometer to various NGO's.

11) Social exchange Theory argues that the company promotes CSR actions, considering its interests and not the social good. Supposing that there is a smidgen of truth in it, would HELPE support actions where collaborations with rival companies would be a prerequisite so as to meet society's needs or not?

The aforementioned perception seems to be applicable at retail sector and not at wholesale where HELPE operates and the market can be characterized almost as monopoly.

HELPE collaborates with other companies such as Papastratos and Titan cement with the main objective to meet society's needs. Moreover, HELPE *"supports initiatives and actions that promote the concept of Corporate Social Responsibility. Since 2005, HELLENIC PETROLEUM has been an active member of the Hellenic Network for CSR and a member of CSR Europe."* Furthermore, HELPE is a member of CSR Hellas, and CSR Europe where there is collaboration among companies on an international level. Finally, HELPE participated in the third conference of sustainable development.

12) CSR addresses to society. How would you prioritize stakeholders and why? (Employees, NGOs, Suppliers, Shareholders, Partners)

The variety of CSR actions is associated with the idea that is not necessary company combine its CSR actions with the core of its activities. It has been already stated that groups are treated equally. Priority is given when one group is in need. Last but not least, CSR activities that could be linked with the energy sector are those that are correlated with education (internships, collaboration with universities for post graduate studies). CSR actions that stand out are: the support provided to athletes that participate either to European or international championships, the support to Eleusis that is going to be the European Capital of Culture in 2021. Also an assessment took place in order to suggest ways to restore Eleusis' archeological site. On the other hand, photovoltaic systems were installed in ten schools in Thriasio, Irakleia and in Thessaloniki, while Thermaic Gulf's clearance also took place.

13) Communicating CSR actions plays a key role in shaping a strong relationship with society. How social media are perceived from the Group's behalf when it comes to CSR promotion or when information should be provided regarding CSR activities towards society?

All groups of stakeholders are perceived as equally important. As far as the social media and the official site there is always room for improvement. The official website plays a crucial role, while our LinkedIn page is also perceived as a mean of communication. Finally, it should be noted that the new logo is a way to promote CSR initiatives and to make public initiatives zooming in young people.

14) When a CSR activity is to take place, is it a priority to announce it after its implementation and completion or beforehand so that more interest is to be shown?

Depending on the activity a relevant cascade is followed. When the activity refers to education; press releases and advertisements on radio stations are preferred.

15) How did CSR actions become known to countries where the company operates?

In case of Cyprus CSR programs and especially those that were about education became known through advertising and banners. CSR activities have also been promoted via newspapers and radio stations. Respectively, activities become known through the advertisements that published JUGOPETROL AD, EKO BULGARIA EAD, EKO SERBIA A.D. In all cases, activities seek to promote Group's main objective, which can be clearly understood through its vision: *"to be innovative, extroverted and competitive regional Group that will pioneer in the energy transformation that is taking place in the international environment in the context of Sustainable development "*.

16) It has been observed that there are two ways of communication: (a) through the official website, where information and communication is mainly promoted; (b) via social media where there is continuous information and interaction with stakeholders. In case of Hellenic Petroleum, which channel of communication plays a significant role concerning CSR?

There are many ways to communicate CSR actions; before doing so, it should be noted that all promotions are in accordance with the national legislation. HELPE's new logo is promoted and can be seen frequently in sites as banner. Through the new logo the group seeks society to get familiarized with the group's activities. Furthermore, advertisements are also found in newspapers and magazines. In conferences there are also stands that advertise CSR program. It is without any doubt that social media play a major role regarding information and are perceived as a tool to promote the CSR actions. The group has its own Facebook page, Twitter and a strong LinkedIn account; but still HELPE gives emphasis on its website, which is updated with all the actions that the groups takes regardless the topic.

17) Would you prefer a legal framework that would be better suited?

There is always room for improvement. In the meantime, a specific legislation indicates how CSR actions have to be done and promoted. Moreover, the group must publish on an annual basis a GRI report (global reporting initiative) aiming to present its goals and its corporate profile following the norms and guidance that are given on an international level. However, in case of HELPE annual financial results, do not affect CSR activities.

18) Which is the evaluation process for CSR activities? Do you use as a tool any blueprint?

When a CSR program comes to its end a questionnaire is given to all participants. There are different blueprints according to the actions. For instance, SROI (Social Return on Investment) - appraise the action over society. For example, HELPE ensured to provide heat to some schools and warrants to families that are in need.

19) The official website points out the use of IOS and Android apps. Would you be interested in creating an application that could be used either for educational reasons or as a mean to promote charitable activities corresponding to OPAP's application?

It could be an option but it is imperative we highlight that HELPE is a wholesale company and as a result, it is not interested in marketing practices.

20) The company has a rather active CSR sector but is not widely known, like the one that Papastratos, Piraeus Bank (with its 9 museums and even productions in Cosmote TV), Sklavenitis, Cosmote have. How could the aforementioned statement be interpreted?

HELPE as a wholesale company should pay attention to its CSR activities in order to avoid any misunderstanding. The abovementioned companies suggest CSR activities that enclose marketing incentives. That is the main reason why we stand skeptical towards the idea of the suggested application. On the other hand, it could be perceived as an extension of our awarded CSR action "Energy for life travels".

3.2 PROPOSALS

3.2.1 HELPEnergy /Digital Game

HELPE, as a wholesale company possess the biggest share at the energy sector and perceives CSR activities as a way to enhance its relationship with local community. The main objective is to generate power-energy having the local community as a proponent to any activity. The company suggests that the only prerequisite in order to operate is to have local community's support.

The so-called "community license" underscores shareholders' influence over the company and society at large. Considering the aforementioned statement, we propose the creation of a digital game. The game could be combined with the awarded programs that already exist, having as a main objective user to be familiarized with the energy sector. Additionally, the proposed game-application can be used either for educational purposes as part of CSR activity or as a mean to raise money for good causes. The game will contribute in order users to become aware of energy consumption and its environmental impact. Therefore, HELPE is to be perceived as an energy company that takes advantage of its leading position in order to meet society's needs while honoring environment. The acronym HELPE refers to Hellenic

Petroleum but at first glance HELPE seems to enclose the word “HELP”. Consequently, through the game the Group can be recorded to society’s consciousness as an energy company that is not only interested in making profit but also as a group that promotes sustainable energy consumption following suit international standards. As a result, the game’s name will be HELPEnergy emphasizing on the help that is provided to society by the Group. Additional issues that are to be promoted are: energy significance, understanding the danger that energy encloses when it is produced, the increased needs of the energy market, RES importance.

The game consists of three levels. Each level would present different landmarks of energy sector. Therefore, the player would be aware of all types of energy and their usefulness.

In the beginning, some money and land will be provided to the player. The player has to cultivate his land and make alliances with other players in order to expand and become the leader of the game. Furthermore, over the course of the game the player will have to manage to run energy facilities that would determine his/her performance on the game. The player’s strategy and decision making would be associated with the contribution that his/hers actions might have towards society, whether and to what extent the former would be satisfied. Additionally, he/she will be also responsible for society’s needs and therefore for energy production and consumption. In the meantime, extensive energy production will be linked to society’s approval; highlighting once again society’s role regarding business existence, operation and profitability.

At the first level, the player builds up a refinery in order to meet society’s needs. Enhanced burning coal, leads to environmental problems and society’s backlash.

At the second level, the player must deal with massive energy production and consumption. Having as a main objective to meet society’s needs, collaborating with other players would be a necessity. The afore-mentioned action underlines land’s restricted capacity despite the increased needs. In the meanwhile, the player will have to upgrade the refinery and his/her power plant. Since he will face an accident in the refinery, precaution measures should be taken because energy production is highly correlated with safety issues. The collaboration among players of different levels would play a decisive role to teams’ performance, in order to win the game.

On the other hand, the application can be used as a mean to raise money for good purposes. Taking as an example OPAP’s initiative to provide an application through which money can be collected; the suggested game can be used also in such way. Precisely, one of the game’s levels can be provided as an application to all stakeholders to contribute to a good cause. The level that could be uploaded would be the one that points the negative effects when consuming specific energy products and the fact that renewable energy sources seem to be an alternative option. Furthermore, when the game is used for good causes and due to the fact that only one level will be provided, the player will have to meet specific goals so as HELPE donates money to the announced cause. The level should set five goals that have to be met. In total the player through the application will donate up to five euros.

In the third level, purchase of petroleum products will be a necessity while natural gas will also be promoted. The player will have to increase energy production via RES. Additionally, he /she will face an attack at the refineries and consequently, his fame will be damaged.

Overall, through the proposed application users are to be aware of energy sector and the great impact that has on our life. In the meanwhile, Group's contribution towards society will be enhanced through a game that can be easily downloaded.

HELPE's CSR program will become widely known while the proposed application would combine education with society's support. Each level would outline the means that people used to have in order to make ends meet. The afore-mentioned form of the game could be useful for educational purposes and it is also suggested as a CSR activity that can be promoted either to Greek schools or schools of abroad where the Group operates.

3.2.2. Museum

It could not be argued that HELPE's contribution towards society is tremendous. Taking into consideration all the issues that were discussed during the master program on our visit at company's headquarters. CSR activities are not widely known to Greek society despite their significance.

On the other hand, many companies in Greek territory give emphasis on their CSR actions and promote such activities as much as possible. Companies that operate either in the sector of gambling and games, super market brands or banks. The afore-mentioned categories have as a great ally advertisement so to publish their CSR initiatives. It is high time HELPE public their CSR contribution since it is of great significance. Considering that part of company's shares are possessed by the Greek public sector, corporation's image could be enhanced due to the fact that the vast majority of the CSR activities are related to students internships, sponsoring Olympic Greek athletes or helping non-governmental organizations that provide help to people with disabilities.

Taking as an example Piraeus Bank and its social corporate image; a museum is suggested. It could be used also as a cultural center. Precisely, such facility could be used for many different reasons such as for events, lectures, awards, CSR activities that take place in the capital. In the meantime, students and participants will have the opportunity to familiarize with the business's activities. Moreover, in a place where culture and energy sector can be met, participants will eventually combine business's activities with a corporate social profile that might exist but it is not known. The proposed facility could be considered as an extension to HELPE ACADEMY. The facility could provide information concerning CSR activities, a historic preview of the company and the contribution of the latter towards society and groups of society that are in need.

3.2.3 Message Communication

Considering literature's suggestions it could be argued that in order to avoid skepticism, HELPE should public CSR activities on social media by re-posting CSR activities that have been shared by those that have been benefited.

4. Conclusion

To conclude, it is without any doubt that the concept of CSR is rather difficult to be either understood or to be interpreted. On the one hand, literature argues that CSR could be perceived as a tool, providing a competitive advantage, contributing to

business's positive image throughout CSR activities. On the other hand, lack of information usually leads to misunderstanding. Opponents of the examined concept highlight that making profit is the main concern of any business.

Our research had as a main objective to examine the CSR concept. We also sought to understand to what extent CSR activities could be beneficial towards society; taking as an example Hellenic Petroleum. In the following lines, an analysis of what was conducted will be given.

Taking into consideration both literature and the interview with Mrs. Varthaliti is could be argued that HELPE act in accordance to CSR norms. Precisely, CSR idea has been adjusted so to fit into society's needs. At first CSR used to be associated with philanthropy while nowadays it is more business and result oriented concept (Baric, 2007). HELPE's CSR vision is in accordance to the aforementioned statement since the group makes reference to the "social operating license". It seems that there is a mutual relationship that determines business's existence and stakeholders' needs. Furthermore, it could be argued that HELPE's CSR effectiveness derives from the fact that some activities have continuity; signifying group's consistency towards society's needs. As a result, group's employees feel that they contribute to a greater cause when seeing CSR results and their impact. The added value created by CSR contributes to have a link between the former and the social performance.

Carroll argues that corporations apart from making profit have added responsibilities towards society. In our case study HELPE, possessing the biggest share in the Greek energy market indeed, applies to a very large extend CSR concept when it comes to various stakeholders' needs, CSR formulation and communication. Additionally, the group remains loyal to its vision and does not take into account what Walton states regarding the risks and costs that CSR encloses. On the contrary, CSR activities are enhanced regardless group's economic performance.

To sum up, Hellenic Petroleum has been chosen for our case study because is a wholesale energy company that plays significant role at the Greek market. The company applies CSR concept and acts in accordance to sustainable development, prevention, precaution principles and polluter pays principle. Moreover, it has been stated that refineries operations are correlated with respect and collaboration with the local community. As a result, company's main concern is to build and sustain a good relationship with local community in order to reap the benefit of the business operation. Additionally, HELPE as a wholesale company signifies that it is not necessary to adopt marketing to enhance market position or to attract more customers and as a result, no suspicious incentives could be found. The above mentioned argument played decisive role when new proposal had to be presented from our side. Yet, the innocence between HELPE and society derives from the fact that the former has acknowledged the relationship between itself –via CSR – and the society, pointing out that both sides are benefited. Nevertheless, the examination of CSR under the prism of the energy sector helped us understand in dept how energy companies act; emphasizing on the relationship between business operation and community's support. The fact that CSR has not been fully regulated by both E.U. and U.N. suggests that HELPE will not only have to deal with the idea that "CSR is a symbolic medium of public communication system" but also to examine the upcoming challenges such as the climate change so as to avoid skepticism and continue to have an effective CSR action.

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