Managers' Perceptions & Actions towards Sustainable Development: Environmental & Social Practices in Greece

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Abstract: This study investigates the environmental and social practices in Greece. Particularly, it examines Greek managers' perceptions and practices towards corporate sustainable development (CSD). CEOs of medium- and large-sized firms are asked to rate the importance of each practice and to what extent does their organization implement this practice. The results revealed that there is a significant difference between managers' perceptions and the actual levels of CSD. Even though managers consider CSD practices as important, the levels of CSD are significantly lower. This means that Greek CEOs have to overcome barriers to achieve the CSD levels they are willing to.

Keywords - Corporate Sustainable Development, environmental practices, social practices, managers' perceptions, Greece.

1. INTRODUCTION

In Europe, over the past 15 years, governments, NGOs, and businesses are making efforts to implement environmental and social practices into their strategies to become more competitive in the international market (Metaxas & Tsavdaridou, 2012b). United Nations have set sustainable development goals and have developed appropriate indicators to measure the progress of each country towards these goals. According to the quarterly report of the European Sustainable Development Network in 2018 (Mulholland et al., 2018), Greece is about to reach the goals of the planet category (climate, biodiversity, oceans, and water); however, it has a significantly low performance on the categories associated with economy, gender equality, institutions, and education.

While environmental and social practices have stimulated the academic interest in recent years (Cacioppe et al., 2007), few studies have examined the difference between managers' perceptions and actions towards CSD. Although scholars have studied consumer (Hume, 2010; McDonald & Oates, 2006; Schubert et al., 2010), college student (Alonso-Almeida et al., 2015; Emanuel & Adams, 2011) and employee perceptions and attitudes (Newman et al., 2015) towards corporate social responsibility (CSR) and corporate sustainable development (CSD) practices, little is known about managers' perceptions and actions in the real world. For instance, Cacioppe et al. (2007) and Quah & Lee (2014) have examined managers' perceptions of CSR practices. Still, they did not study how these perceptions are aligned with their business actions.

The purpose of this paper is to explore how managers' perceptions of corporate sustainable development practices differ from the actual levels of CSD of the organizations they manage. The existing literature has focused either on perceptions or actions separately, without taking into account

how these two variables interact. Moreover, given the fact that cultural characteristics can determine the way that individuals perceive sustainability, this study explores the Greek context by examining managers of medium- and large-sized firms in Greece.

2. LITERATURE REVIEW

2.1 Corporate Sustainable Development

Despite the rapid development of social and environmental issues, many scholars and professionals remain confused about the concept of sustainable development (Amini & Bienstock, 2014; Hutchins & Sutherland, 2008; Montiel & Delgado-Ceballos, 2014). The most cited definition in academic literature (Ciegis et al., 2009; Dyllick & Hockerts, 2002), was given by the World Commission on the Environment and Development of the United Nations in 1987. According to this definition, sustainable development is "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

When the concept of sustainable development is applied to business entities, it turns to corporate sustainable development (Chassé & Courrent, 2018). Corporate sustainable development is a vague and dynamic concept that combines many dimensions at the same time (Lopez, Garcia & Rodriguez, 2007). According to Elkington (1994), there are three key dimensions of corporate sustainable development, environmental quality, social justice, and economic prosperity.

2.2 CSD in Greece

One critical factor that can affect CSD is the national culture, as cultural characteristics are those that determine the attitudes and values of the people who work in organizations (Deirmentzoglou et al., 2020; Hofstede et al.,

2010; McCarty & Shrum, 2001; Perry, 2012; Tata & Prasad, 2015; Trompenaars & Hampden-Turner, 2012). It has been found that differences between national cultures determine how ethical decisions are taken in business (Robertson & Geiger, 2011).

Although Europe adopts CSD strategies, two recent surveys by Gjolberg (2009) and Boulouta & Pitelis (2014) show that Greece is in the last position regarding its performance in sustainable development practices compared to other developed countries. Greek organizations are at an early stage in recognizing their social and environmental obligations; however, it seems that significant efforts and steps are taking place as more and more companies become members of the Greek CSR Network.

The economic crisis that began in 2010 in Greece is a factor that forces businesses to immediate action, along with responsibility and ethics, so that they can create a genuine relationship with society (Metaxas & Tsavdaridou, 2012a). In Giannarakis & Theotokas (2011) survey, the question arises whether, during economic crisis, actions to protect the environment and society are a threat (because of the high cost) to the survival of businesses. The two researchers conclude that the crisis allows companies to redefine their obligations and a threat to turn into an opportunity.

However, in a survey by Metaxas & Tsavdaridou (2010), which examined the application of environmental and social responsibility practices in Greece, Hungary, and Denmark, it appeared that while Denmark is leading such issues, Greece and Hungary do not systematically develop such practices in their strategy. In an overview of CSR in Greece by Skouloudis et al. (2011), it was revealed that only a few organizations are following a more ethical and sustainable pathway; while the degree of CSR is still moderate.

Metaxas & Tsavdaridou (2012b) conducted a survey in 46 Greek companies which revealed that 63% of the firms publish CSR reports, 41% report GRI guidelines, while 78% of the sample uses standards and certifications such as ISO 9001, ISO 14001 or SA8000 to demonstrate its social and environmental behaviour.

The Awareness and Social Behavior Index in Greece (cited in Maggina & Tsaklanganos, 2012) showed that the 40% of consumers are aware of the existence of companies that practice environmental and social practices. Moreover, the 80% of employees agree that such actions are an essential part of social life, while 35% of them claim that businesses apply these practices to improve their image. Nonetheless, 65% of employees are unaware that the company they work for is practising CSR.

According to Maggina & Tsaklanganos (2012), only 8.6% of the companies that publish their financial statements on the Athens Stock Exchange website adopt CSR practices. Moreover, a survey of 90 companies (members of the Greek CSR Network) has shown that Greek managers believe that

i) practices for the economy, the environment and society can provide a competitive advantage, that ii) these actions should be managed from an organized sector to the business and that iii) there should be a national agency that will evaluate each company (Pouliopoulos et al., 2012). The same survey also showed that while over 80% of businesses are taking action on the environment, society and workers, only 46% do the same for the market.

Metaxas & Tsavdaridou (2012a) conducted a comparative analysis of the three major energy companies in Greece and concluded that CSR is embedded in their business strategy. However, these companies do not systematically report CSR activities. Kavoura & Sahinidis (2015) examined the CSR performance of 26 Greek firms in the period of economic crisis. The results indicated that despite the economic crisis, the firms became more effective in their CSR practices, while there is a bidirectional influence process between the firms and society.

Harkiolakis (2015) presented five case studies of large firms in Greece regarding their CSR initiatives. These case studies showed that these firms act according to international standards, while also adopting their local social system. Moreover, Liapakis et al. (2015) examined the CSR in the Greek agri-food sector. Most of the Greek agri-food firms have started to develop social and environmental strategies.

Finally, Sardianou et al. (2017) found that education and age of Greek consumers' affect their awareness of the corporate environmental responsible activities. The findings revealed that women, the middle-aged and the highly educated people are more sensitive to these practices.

3. METHODOLOGY

3.1 Sample Selection

The questionnaires of this survey were administered to 1.150 CEOs of medium- large-sized companies in Greece. Dataset was derived from CEOs, as this type of executives has the most significant role in both the organization's decision-making and implementation processes (Wheelen et al., 2014). Thus, it is reasonable to assume that this population is valid for comparing perceptions and business practices. The number of managers who participated in the survey was 183 (response rate 15,9%); however, the total of completed questionnaires that were sufficiently useable was 128. The researchers rejected questionnaires of CEOs who have been working in their firm for less than three years.

3.2 Research Instrument

In this paper, perceptions and actions towards CSD were measured based on Chow & Chen's (2012) three-dimensional model of CSD. According to this model, CSD can be represented by three dimensions, economic, environmental and social, while each dimension can be

measured by five items (7-point Likert scale). Chow & Chen's framework indicators were selected as they are empirically derived and match perfectly with these proposed in previous studies (e.g., Bansal, 2005; Chan, 2005).

The participants were asked to complete the questionnaire according to what extent has their organization implemented a specific sustainable-oriented practice (e.g., "To what extent does your company sell the waste product for revenue"), and to the importance of each practice according to their opinion (e.g., "On your opinion, how important is for an organization to sell the waste product for revenue?"). Thus, each question was answered twice, for the manager's perception and the organization's level of the particular practice.

4. RESULTS

The total of completed questionnaires that were sufficiently usable was 128. The descriptive analysis revealed that 104 (81.3%) of the respondents were male, and 24 (18.7%) were female CEOs. As it concerns age, 14 (10.9%) managers were 25-34 years old; 27 (21.1%) were 35-44 years old; 41 (32%) were 45-54 years old; 32 (25%) were 55-64 years old, and 14 (11%) respondents were over 65 years old. In terms of education, 11 (8.6%) managers had a high school diploma; 45 (35.2%) had a bachelor's degree; 63 (49.2%) had a master degree, and 9 (7%) had a Ph.D. Regarding the number of years that CEOs held this position in their organization, a total number of 16 (12.5%) respondents were CEOs in their organization for 3 to 5 years; 28 (21.9%) were CEOs for 6 to 9 years; 25 (19.5%) were CEOs for 10 to 14 years, and a total of 59 (46.1%) respondents were CEOs for more than 15 years.

Among the 128 organizations, 74 (57.8%) were medium-sized, and 54 (42.2%) were large-sized. Considering the industry, 33 (25.8%) firms operated in commerce; 39 (30.5%) firms operated in the construction industry; 20 (15.6%) operated in the food and beverage industry; 4 (3.1%) firms were banks and investment companies; and 32 (25%) organizations provided other services. A total number of 12 (9.4%) firms operated for 1 to 10 years; 60 (46.8%) operated for 11 to 50 years, and 56 (43.8%) operated for more than 50 years.

Both CSD of Greek firms and managers' perceptions towards CSD practices were measured. The levels of CSD (M=5.0, SD=1.37) indicated an intermediate score in the 7-point Likert scale, while managers' perceptions (M=5.6, SD=1.22) showed a higher score than the levels of CSD (Table 1).

Table 1: Means and standard deviations

Variable (Actions)	M	SD	Variable (Perceptions)	M	SD
ECON1(A)	3.76	2.08	ECON1(P)	4.47	1.85
ECON2(A)	5.48	1.16	ECON2(P)	5.90	1.08
ECON3(A)	4.98	1.41	ECON3(P)	5.73	1.22
ECON4(A)	3.64	1.70	ECON4(P)	4.75	1.70
ECON5(A)	5.98	0.91	ECON5(P)	6.30	0.80
ENV1(A)	5.13	1.23	ENV1(P)	5.89	1.037
ENV2(A)	5.35	1.09	ENV2(P)	6.00	1.07
ENV3(A)	5.17	1.27	ENV3(P)	5.70	1.16
ENV4(A)	5.70	0.99	ENV4(P)	6.19	1.01
ENV5(A)	4.92	1.33	ENV5(P)	5.74	1.25
SOC1(A)	5.99	0.94	SOC1(P)	6.30	0.80
SOC2(A)	5.13	1.52	SOC2(P)	5.59	1.26
SOC3(A)	5.39	1.40	SOC3(P)	5.55	1.22
SOC4(A)	4.34	1.66	SOC4(P)	4.94	1.57
SOC5(A)	4.11	1.86	SOC5(P)	4.94	1.38

A dependent t-test was used for every CSD practice to examine the difference in the manager's perceptions towards CSD and actual levels of CSD in their organization. All the pairs of dependent t-tests showed that there is a significant difference between the means ($p < 0.05$). Managers perceptions regarding CSD practices are significantly higher (M=0.6, SD=0.96) than the levels of CSD in their organizations (Table 2). This means that even though managers believe that CSD practices are essential for an organization, the levels of CSD practices in their organization are not as high as expected.

Table 2: Paired Samples t-Test

Pairs	Paired Differences			t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Pair ECON1	-0.71	1.31	0.12	-6.135	127	0.000
Pair ECON2	-0.41	0.75	0.07	-6.263	127	0.000
Pair ECON3	-0.75	1.06	0.09	-8.025	127	0.000

Pair ECON4	-1.11	1.60	0.14	-7.852	127	0.000
Pair ECON5	-0.32	0.66	0.06	-5.464	127	0.000
Pair ENV1	-0.77	1.16	0.10	-7.466	127	0.000
Pair ENV2	-0.65	1.09	0.09	-6.724	127	0.000
Pair ENV3	-0.53	1.25	0.11	-4.815	127	0.000
Pair ENV4	-0.49	0.99	0.09	-5.636	127	0.000
Pair ENV5	-0.82	0.99	0.09	-9.360	127	0.000
Pair SOC1	-0.31	0.57	0.05	-6.058	127	0.000
Pair SOC2	-0.45	0.89	0.08	-5.728	127	0.000
Pair SOC3	-0.16	0.93	0.08	-1.998	127	0.048
Pair SOC4	-0.59	0.97	0.09	-6.943	127	0.000
Pair SOC5	-0.83	1.33	0.12	-7.020	127	0.000

5. CONCLUSION AND DISCUSSION

This paper examined sustainable-oriented practices in Greek firms. During the last years, Greek firms have started to recognize their social and environmental obligations, while making significant efforts and steps towards this direction. The economic crisis in Greece can be a factor that forces businesses to immediate action, without neglecting responsibility and ethics, so that they can create a genuine relationship with the state and society. The current literature indicated that despite the economic crisis, the large firms became more effective in their CSR practices and acted according to international standards (Harkiolakis, 2015; Kavoura & Sahinidis, 2015).

Nevertheless, there is much room for development and improvement as Greece has a lot of barriers to overcome. Most of the firms operating in Greece are SMEs while lacking the resources and experience to implement a sustainable development strategy. This type of companies tends to focus on routine decisions and seek short-term profit, ignoring issues related to environment and society (Skouloudis et al., 2011). Moreover, the public sector in Greece is strongly bureaucratic, and this delays the adoption of new management techniques and a sustainable-oriented culture (Philippidou et al. 2004; Zeppou & Sotirakou, 2003). In addition, Greek firms face issues of corruption and bribery (Tsakarestou, 2004), and they also try to avoid tax payment (Skouloudis et al., 2011). These facts leave no room for ethical conduct and morality.

Moreover, this paper examined the difference between a manager's perceptions and practices towards corporate sustainable development. The Greek CEOs of medium and large-sized firms rated CSD practices as very important (M=5.6, SD=1.22) for a firm; however, the statistical analysis revealed that the levels of CSD are significantly lower compared to managers' perceptions. This means that Greek CEOs might face some obstacles in implementing CSD initiatives. Results showed that Greek firms find it difficult to connect with the government over their interest (M=3.64, SD=1.7). The government should facilitate firms to develop environmental and social practices into their business strategy. Another problem that Greek large firms should overcome is their resistance to change. Greek managers should proceed by adopting dynamic changes, implement innovative practices and exhibit more confidence in other individuals.

One significant limitation of this study is that it was conducted in a period of economic crisis. The economic situation in Greece may have affected the levels of CSD. Moreover, in this study, CSD practices were examined based on Chow & Chen's framework. Future studies could examine more practices regarding the environment and society.

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