

7. CSR 2019 Preliminary Survey

7.1. Background

As indicated in the previous Section, in the second quarter of 2019 a preliminary empirical survey on CSR-related practices was conducted in the long-established and stable Basque cluster policy region. The reason for having selected a survey lies in the fact that the majority of CSR research (over 52% of the studies) in SMEs uses surveys (Graafland, 2018; Bikefe, 2020). The survey was conducted following Freeman's stakeholder engagement model among Habic participating companies with the aim to start a broader discussion on how to successfully (a) raise CSR management awareness among SMEs, (b) support the industry in ramping up CSR implementation process, and (c) incorporate stakeholders' needs and reasonable expectations within the day-to-day business activities. An empirical survey following a research has been used because data collection was done through the cluster management organization in order to test the particular performance on CSR issues of the participating Habic companies (Patten & Newhart, 2018). Undertaking an empirical survey facilitates the validation of the existing CSR theories and concepts (Bikefe et al., 2020). In order to do so, it was firstly needed to better understand whether and how the different members were engaged with respect to CSR, and secondly, it was considered useful to explore innovative ideas on how to unfold a specific industry basis CSR collaborative implementation process within the industry. A mixed method of quantitative and qualitative research was selected because both approaches might be used in a given research project, with each approach contributing a different type of information (Patten & Newhart, 2018, p. 27). In the first part of the survey, a quantitative research method has been used, companies being asked about the challenges faced when implementing a CSR policy within their organization. In the second part of the survey qualitative research has been used because it is good for research on topics or in settings where little is known or few theories exist (Patten & Newhart, 2018. p. 22), as is the case for research on CSR initiatives through a cluster network model. Specifically the survey was undertaken with the aim of 1- understanding how Habic members envisioned SME-applied CSR, 2- defining the nature of the companies' identified stakeholders and their degree of engagement with them, 3- considering CSR capillarity amongst the members according to the companies' profile, 4- gaining an insight of SDG awareness and integration in the industry, 5- unfolding potential initiatives that could be articulated in CSR-related topics in the future through a cluster network model and 6- defining the role of Habic as the core driver to foster CSR implementation among the SMEs.

The key objective of the survey was to perform a descriptive analysis of Habic members starting point in respect to CSR engagement in order to later facilitate the accomplishment of a common sectorial CSR strategy.

The main findings of the survey conducted are the following:

- SMEs overall lack of awareness of what CSR embraces
- Customers, Employees, and Shareholders endorsed as the core stakeholders
- SMEs growing interest to lay out a collaborative CSR implementation methodology

The shortcomings of this study were acknowledged beforehand: reduced and unbalanced sample base; limited statistical analysis; and the use of a survey as the only research method (as opposed to a combinations of various research methods, such as interviews, focus groups sessions, or observation). However, the shortage of similar research in the industry ought to be considered, and it is better to have an imperfect evidence that could improve our understanding of the situation than no evidence at all (Abreu et al., 2005).

Next the key issues covered in the study are displayed.

7.2. Survey Methodology

An online questionnaire was sent out via the Habic intranet to 75 selected members and 60 responses were received (80% of the questionnaires sent).

To elaborate the survey, Freeman´s stakeholder engagement model was followed and accordingly a questionnaire focused on core issues that impact industry stakeholders was developed. As aforementioned, the survey intended to analyze the degree of Habic members CSR engagement by assessing the needs and reasonable expectations of their core stakeholders. The items identified in relation to each stakeholder were selected from various existing guidelines on CSR management in SMEs (Xertatu, 2003; Carmona et al., 2009).

A questionnaire was elaborated for the survey as this data collection method enables to (a) standardize the pattern of the survey, (b) gather the data relatively quickly from large numbers of respondents, (c) minimize the costs involved in the survey, (d) carry out a benchmarking analysis of the information compiled, (e) provide highly reliable person ability estimates, and (f) ease the survey analysis process. On the other hand, email surveys, Sheehan (2001) states, have an average rate of return of 24%, and with follow-up contact the response rate may increase up to 25%. In the case of this survey, the fact that the companies surveyed were already participants in the cluster and were previously selected, prompted the response rate to increase up to 80%.

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The questionnaire was distributed to 75 Habic members (almost 75% of Habic associated companies), the target population sample compassed the industry complete value chain, and company size and position within the value chain was taken into consideration to show a representative balance of the CMO composition. Companies included, upstream, components and accessories manufacturing companies, commodity (end) products manufacturers, TC, education centers, and downstream, consultants, retail shops and a public institution.

The questionnaire administered was anonymous and addressed to the Owners or General Manager of the companies. To make the respondents feel at ease with the questionnaire distributed, technical vocabulary and complex grammatical constructions were avoided because as Wolfe & Smith (2007) posit, a questionnaire ought to be written in straightforward, easy-to-understand language so that the meaning of the item is unambiguous to respondents. In fact, preliminary semi-structured face-to-face interviews were conducted beforehand with a sample of representatives of 5 companies to review the language of the questionnaire

As Muñoz-Torres et al. (2009) point out, SMEs rarely use the language and the concept of CSR to describe their activities, hence a common understanding of CSR language needed to be established before the survey was conducted.

Then, the questionnaire was distributed in different timeframes between March 27th 2019 through July 25th 2019 to 75 Habic selected members.

60 completed questionnaires were received, that is, 80% of the total questionnaires sent. 80% of the questionnaires distributed to SMEs were responded, 75% in the case of MNC, 80% in the case TC and 100% in the case of public institutions (just one public institution was selected for the survey).

As far as the breakdown of the questionnaires by Habic member profile and due to the fact that SMEs represent over 90% of Habic members, 87% of the questionnaires were sent out to SME-based members, 5% to MNCs, 7% to TC/education centers, and the remaining 1% to the public institution.

The table below displays the total number of Habic members by company profile and the breakdown of questionnaires sent out and received by company profile.

Member	Member		% Members over		Questionnaire		
	Member	% / Total	Sent out	Received	Sent out	Received	%
SME	90	88%	87%	87%	65	52	80%
MNC	5	5%	5%	5%	4	3	75%
TC/Education	6	6%	7%	7%	5	4	80%
Public Institution	1	1%	1%	1%	1	1	100%
Total	102	100%	100%	100%	75	60	80%

Author: Own Source

In order for Habic to be able to implement a collaborative industry-oriented CSR strategy, it was firstly needed to (a) acknowledge companies' overall perception with respect to CSR practices and policies, (b) collect information about companies' awareness and engagement (if any) with their core stakeholders, and (c) analyze the needs and reasonable expectations of companies' stakeholders and how companies could meet them.

In regards to the content of the questionnaire different aspects were considered, (1) formal CSR tools identification, (2) core stakeholders categorization, (3) to whom it was addressed (participating companies), (4) means of conducting the survey (questionnaire) and (5) the pattern of the questionnaire (endorsement questions and mix of close and open-ended questions).

The estimated duration of the questionnaire completion was about 15 minutes. The answers were codified in a polychotomy manner (various options available) and the items had simple rating system (all the answers were worth the same value).

For the assessment of some items the Likert-scale method was used. As Nemoto & Beglar (2014) indicate, Likert-scale provides multiple categories from which respondents choose to indicate their opinions, attitudes, or feelings about a particular issue. In the questionnaire elaborated, three of the questions were categorized using a Likert-scale of endorsement from 1 (weaker) to 7 (stronger).

Three dimensions were considered for the questionnaire,

- 1- Company's Formal CSR Tools,
- 2- Stakeholders Engagement, broken down into 8 Stakeholders subdimensions (Owners/Shareholders, Employees, Customers, Suppliers, Society/Community, Public Institutions, Environment and Competitors), and
- 3- Outcomes & Proposals.

A total of 70 items were included in the questionnaire, 67 of them closed-ended questions, and 3 of them open-ended questions (in the Outcomes & Proposals dimension).

The questions had to do, as stated before, with companies' perceptions of the key issues addressed by their stakeholders, how companies embraced CSR, and, also, how companies defined their core stakeholders and engaged with them in CSR practices.

As far as the distribution of items by dimension, Company Formal CSR Tools dimension comprised 10 items (14% of the total items), in Stakeholder Engagement dimension 53 items were selected (76% of the total items), and in Outcomes & Proposals dimension 7 items were included (10% of the total items).

In the table below the items breakdown by dimension is displayed:

Dimensions	# Items	%
Company General Data	10	14%
Stakeholders	53	76%
Outcomes/proposals	7	10%
Total	70	100%

Author: Own Source

7.3. Dimensions Analysis

7.3.1. Company Formal CSR Tools Dimension Analysis

CSR as a tool for integrating business sustainability in the companies can be supported with various documentation and standardized management systems that are widely implemented in companies. However, CSR strategies within companies are not generally integrated globally. It is then necessary to integrate the management systems implemented with CSR strategies. The dimension allows us to identify the management systems implemented in the companies.

The survey was sent out to the Owners/General Managers of the companies, and they were mainly completed either by the General Managers (51%) or by the company owner (25%), meaning that sustainability topic is mainly dealt by top management. However, 80% of the companies reported that they had not set up a CSR defined policy. In the remaining 20% of the companies the CSR policy was primordially led by either the General Manager or by the HHRR Department.

Regarding SDG perception, on the one hand, 27% of the companies integrated SDG in their organizations, but on the other hand, 25% of the companies reported their lack of awareness about the SDG concept. It must be stated that the cluster management

organization ought to work in introducing the SDG concept to its participating companies as the SMEs are fundamental to the efforts to achieve global sustainable development (López-Pérez et al., 2017; United Nations, 2019; Bikefe et al., 2020).

41% of the companies established an internal code of conduct, whereas less than 5% of the companies, with the sole exception of the MNCs, issued a sustainability report or a compliance manual.

As far as environmental standards and quality formal management systems, which are usually pointed out as a relevant factor in the performance of CSR (Murillo & Lozano, 2006), most companies comply with Quality Management ISO 9000 International Certification and Environmental Management ISO14000 Certification, which focuses on supporting organizations to manage their environmental responsibilities (International Organization for Standardization, 2015). Thus, Heras & Arana argue (2010), ISO14001 standard, created within the European Union, is the environmental management system most used by European SMEs.

7.3.2. Stakeholders Dimension analysis

The Stakeholders dimension meant to a- categorize companies' core stakeholders, b- analyze companies' engagement with them and c- identify CSR practices pursued with them.

Although the term stakeholder is widespread among MNCs, in the case of the companies participating in the study they were hardly aware of the Stakeholder concept and its implications, therefore, in order to facilitate the completion of the survey, the questionnaire comprised already a list of the core stakeholders engaged in the industry and companies were asked to categorize their core stakeholders and disclose their level of engagement with each one of them. Additionally, for further clarification, stakeholders dimension was broken down in 8 subdimensions, below it is shown the items breakdown by subdimension:

Stakeholders Subdimensions	# Items	%
Employees	11	21%
Suppliers	9	17%
Customers	8	15%
Environment	8	15%
Society/Community	7	13%
Public Institution	4	8%
Owners/Shareholders	3	6%
Competitors	3	6%
Total	53	100%

Author: Own Source

61% of the respondents answered that core stakeholders were already identified by their company, and in relation to companies' core stakeholders' relevance, these were classified in two groups; (a) Employees, Customers and Owners/Shareholders were considered as very relevant stakeholders representing almost 60% of endorsement, and (b) Society/Community, Environment, Suppliers, and Public Institution as relevant stakeholders, representing the remaining 40% of endorsement. Customers were endorsed as the most relevant stakeholder, weighing 21% of the total endorsements. In the Table below endorsement given for each stakeholder category is shown:

Stakeholders Endorsement	
Customers	21%
Employees	20%
Owners/Shareholders	17%
Environment	11%
Society/Community	10%
Suppliers	10%
Public Institution	6%
Competitors	5%
Total	100%

Author: Own Source

In order to identify stakeholders' needs and reasonable expectations the most widely tool used by the companies is the interviews, followed by the questionnaires. Corporate web and social media are less frequently used. Other tools used by companies were listed, including focus groups, intranet/extranet, newsletters and mailings. Next an analysis on the main findings in each of the different Stakeholders subdimension is undertaken categorized by stakeholders' endorsement.

7.3.2.1. Customer Analysis

Customers were considered the most important stakeholders for the companies, with an endorsement of 21%.

Companies remarked overwhelming (99%) their respect for the privacy and confidentiality of customers' private information, and 95% of the companies acknowledged following up on customers claims and carrying out checks on product-related quality problems.

However, less than 70% of the companies reported the disclosure of product and service-related information on sustainability, security and sanitary issues. Unfortunately, this is a very high % of non-compliance with product information disclosure, as companies ought to report on this type of information to their customers, especially when dealing with commodity (end) products targeted to professional and end/final users.

As for the communication tools used with their customers, 92% recognized to maintain close contact with them, and as for the channels used for communication purposes corporate web, satisfaction surveys, blogs and social media were highlighted.

Finally, regarding companies' CSR accountability towards their customers, only 30% of the companies acknowledged reporting on CSR activities, and when disclosed, the channels used are mailing, newsletters, social media, blogs and corporate web. These channels are known as formal communication channels, as opposed to the informal channels, that is, word of mouth from employees and customers endorsement, among others. It must be said that, in general, CSR communication among SMEs is low (O'Connor, Parcha, & Tulibaski, 2017; Parker, Bellucci, Zutshi, Torlina, & Fraunholz, 2015) due to fear of criticism, lack of proper management skills and scarce resources (Dincer & Dincer, 2010), which could be also the case of this survey. At any rate, in order to avoid criticism and any type of miscommunication SMEs should only report on verifiable claims and CSR practices (Bikefe et al., 2020).

7.3.2.2. Employees Analysis

As far as the Employee subdimension was concerned the questions had to do with women employment, inclusive employment, non-discrimination, part-time jobs, temporary employment agencies (TEA), freedom of association and collective bargain, training and channels established for employer-employee dialogue.

As for women employment, 43% of the companies admitted that in their companies, women labor represented less than 25% of the total labor, which is a very low %. This may be due to the fact that, historically, in traditional industrial sectors, men labor has outnumbered women labor, a scenario that should be reverted in the coming years.

On the other hand, part-time and TEA employment rates are rather low, as 83% of the companies admitted that part-time employment is less than 20% and 98% of the companies recognized that TEA employment represents less than 15% of the total employment. These figures imply that employee turnover is relatively low and that companies make an effort to maintain a stable workforce and quality employment. It is important for the companies to rely on well-trained and skilled workers in the industrial sector.

Employee training is considered an area of interest for the companies, as almost 70% of the companies devote more than 15 hours per year to employee training. The remaining 28% ought to review their training scheme and allocate more resources to employee training insofar employees need to keep abreast of technological developments. At the same time, ongoing employee training has a knock-on effect in furthering talent retention and employee motivation, hence companies should pay close attention to develop a proper employee training framework.

Regarding profit sharing for the employees, 44% of the companies have integrated this sort of remuneration in their salary scheme, which is considered to be a valuable motivation and participation tool for the employees in the company's objectives.

Employee-employer dialogue is highly considered, as almost 100% of the companies keep fluent communication channels with their employees and the channels used, by order of endorsement, are individual meetings, information panels, suggestion boxes, and surveys. In a second level of endorsement, other channels used are intranet/extranet and hotline telephone (mainly among MNCs). As for the individual meetings, the core communication channel recognized on the survey, it can be considered as a distinctive aspect of the SMEs, where frequent, close and direct relations between the owner/manager and the employees are often fluid and informal (Spence, 2007), as the specific context of the SMEs enhances closer communication and dialogue, and the reporting pattern is less structured.

Finally, less than 37% of the respondents admitted to pursue CSR initiatives among their employees, in many cases companies are just engaged in Business Social Action (BSA) or philanthropy, not embedding a CSR policy in the strategy of the company, therefore it would be necessary to 1- gradually implement a CSR policy, 2- integrate a BSA within the CSR policy and 3- promote it among their employees.

7.3.2.3. Owners/Shareholders Analysis

In the Owners/Shareholders subdimension the questions are addressed with respect to (a) sustainable management in order to maximize Owners' profits, (b) communication, transparency and accountability towards the Owners, as well as (c) Owners' right to

vote assurance and shareholders representation in the corresponding boards. Affirmative answers to these questions represented over 75% of the answers provided by the companies.

7.3.2.4. Environment Analysis

As environmental-related issues have much relevance to the sector, companies' endorsement towards this stakeholder category is highlighted. 68% of the companies acknowledged to integrate an environmental management system in their companies' strategy.

As for circular economy, the level of involvement in this issue is relatively low and more proactive action is needed to boost circular economy practices among the companies, as only 36% of the companies recognized being engaged in circular economy practices. Regarding the PEFC/FSC environmental chain of custody certifications and the EPD, their use is not yet embedded within the companies as only 32% of them affirmed being certified.

Concerning environmental related issues dealing with the industrial process and companies' internal management systems, 64% of the companies indicated that they comply with emission management regulations (greenhouse effect gases, noise, waste,...) and toxic spills, and 65% indicated that they invest in energy efficiency enhancement and renewable energy facilities.

These replies demonstrate that companies pay closer attention to environmental related issues dealing with companies' economic impact management, either due to legal obligations or due to operating and productive cost savings.

7.3.2.5. Community/Society Analysis

This dimension emerged in fifth place of relevance, with a 10% endorsement. It seems contradictory that companies lacking a CSR policy rated the Community/Society stakeholder subdimension so high. However, industry-based SMEs are strongly rooted in their local ecosystem and are very closed bonded to their local community.

On the one hand, 88% of the companies acknowledged assigning less than 5% of their profits to social and NGOs, but on the other hand, it is remarkable that 40% of the companies acknowledged contributing to the wealth of the local environment, but it is needed for them to report properly and clearly on their social contributions to their community.

7.3.2.6. Suppliers Analysis

It is not considered a relevant stakeholder for companies (10% endorsement). 70% of the companies admitted that a supplier compliance manual has not been as yet developed, 90% of the companies have not set up a monitoring system to assess suppliers' Human Rights performance, 80% of the companies do not integrate CSR principles in the commercial contracts signed with their suppliers and 77% of the companies do not audit their suppliers in CSR, environment, quality and management related issues.

As for the communication with their suppliers, 83% of the companies confirmed that they make use of effective and efficient communication channels with their suppliers, such as individual meetings, forms, corporate web, meetings and trade shows.

Regarding the sustainability performance dealing with suppliers, 77% of the companies admitted that green private procurement (GPP) is not a requirement among their suppliers, and 60% of the companies promote agreements and contracts with local-based suppliers.

Contrary to what could have been expected, suppliers were not considered a relevant stakeholder in the survey, especially when, as Muñoz et al. posit, these (suppliers) along with customers and employees are the most influential groups for SMEs due to their short-term economic performance and dependency. Research indicates that SMEs perform more CSR activities with those three stakeholders with whom they have greater relationship (i.e., customers, employees, and suppliers), which influence the companies at a strategic level when it comes to company value creation (Aya & Sriramesh, 2014; Herrera Madueño, Larrán Jorge, Martínez Conesa, & Martínez-Martínez, 2016; Moneva & Hernández-Pajares, 2018). That is why this is definitively an area for cluster improvement, as one of Habic key objectives is to foster intra-sector collaboration and the cluster management organization ought to work with the companies for a transition from a supplier-customer relation towards a partnership model relationship.

7.3.2.7. Public Institutions and Competitor Analysis

As for the Public Institution and Competitors categories, the respondents did not endorse these stakeholders as relevant. As the companies' business operations hardly depend on their interaction with public institutions and the industry is not heavily regulated, companies do not link public institutions with stakeholder engagement. As for the competitors, as it will later be indicated, companies basically considered CSR as a method of establishing differences with their competitors and as a source provider for a more positive company visibility in increasingly complex markets facing strong competition (Murillo & Lozano, 2006). No other specific findings can be highlighted on these two stakeholders' categories.

7.3.3. Outcomes & Proposals

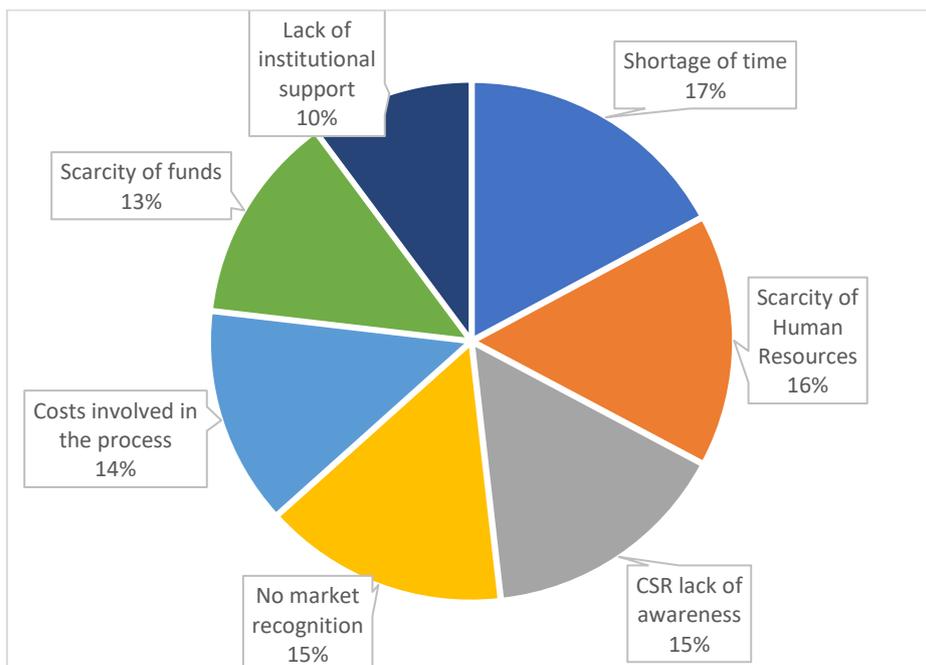
Next, an analysis on the third dimension is performed, this dimension deals with the proposals addressed by the companies for potential CSR policy implementation within the industry.

First, companies were asked about the drawbacks when implementing a CSR policy within their organization. No single specific difficulty was highlighted, as 6 different challenges made up 90% of the drawbacks listed, with very similar endorsement. For instance, shortage of time (17%) was considered the primary drawback, closely followed by the scarcity of skilled human resources (16%), then overall lack of awareness in CSR implementation process, the lack of market recognition for CSR practices which entails the perception by the SMEs of very few short-term benefits, the scarcity of financial resources for implementation, and lastly, the lack of institutional support -only 8% of SMEs receive some form of public support, (Perrini, 2006)- were highlighted by the companies as the main drawbacks identified when pursuing the implementation of a CSR policy within their organizations. Figure 2 shows the main difficulties that companies face when intending to implement a CSR strategy:

Figure 2

Difficulties when Implementing CSR Policies

Source: Own author



Companies were questioned about their eagerness to implement a CSR policy within their organizations, and 55% of them replied that they envision CSR as a key driver to boosting their competitiveness. This represents a very high % of endorsement provided the lack of overall awareness of CSR principles, and proves the interest within the industry to work on a CSR implementation policy.

CSR is regarded by the companies as a catalyzer to enhancing corporate image and mainlining a good reputation as well as a driver for company overall sales improvement, enabling the companies to differentiate themselves from their competitors (Okpara & Idowu, 2013). Likewise, companies believe that CSR reinforces their leadership on sustainability management.

Other areas of interest for the companies have to do with fostering closer engagement with their stakeholders, reducing operating costs and gaining in management efficiency (especially in internal processes).

7.3.3.1. Open-ended Questions Analysis

As Likert-scale method cannot provide a complete picture of companies CSR commitment, an open-ended question-approach was used to overcome numerical data Likert-scale limitations (Nemoto & Beglar) in order to obtain a more well-rounded understanding of CSR situation within the industry. Specifically, open-ended questions have allowed us to learn more about companies' initial perception of CSR and their engagement with their core stakeholders.

As far as the open-ended questions dealing with the outcomes that a CSR implementation model would have on the companies is concerned, companies indicated that (a) sales increase, (b) corporate image reinforcement and (c) company reputation enhancement would be the most positive outcomes objectives on CSR related issues for them. This proves that CSR is regarded nowadays by the companies as a tool for brand positioning, with an evident market and customers-oriented approach rather than an internal processes management improvement tool or stakeholders' closer engagement enabler.

Consequently, it is necessary to work on a broader scope on CSR, looking beyond customers and employees and approach CSR on a more holistic manner further engaging other core stakeholders. In the open ended-questions section, companies also acknowledged interest in learning from other companies' experiences and practices in CSR related initiatives.

In the second part of the survey, regarding the qualitative open ended-questions section dealing with the issue of how the CMO could support the SMEs in ramping up their CSR implementation process, companies' answers show a wide range of different proposals, which are next clustered according to the topics broached:

- Establish a specific CSR working group. With the approval of the United Nations-led Sustainable Development Goals (SDGs) at the end of 2015 (Szennay et al., 2019) and with the proposed CSR working group creation, Habic Environmental working group has been in 2019 renamed as the SDG & Sustainability working group, wherein, in addition to the former exclusive-environmental topics already addressed, CSR-related issues are also being introduced to the companies. An SDG-oriented working philosophy is being put into place to comply with a sustainable business development. The aim of this redirected working group is to pursue learning and collaborative CSR-related initiatives (Habic, 2020).
- Identify common CSR challenges. The CMO could help the companies keep abreast of CSR related issues and advise its members on CSR initiatives undertaken by non-Habic same-industry companies that are relevant for the sector CSR positioning. SMEs need to know more about the potential benefits of CSR practices and benchmark them with their peers.
- Develop a CSR comprehensive manual. Companies propose the making of an in-depth document on CSR implementation and its strategic relevance for the companies in order to raise companies' core stakeholders' awareness on CSR related topics. The companies acknowledge being keen to learn from existing methodologies in the CSR implementation process but at the same time also recognize being confused about what exactly constitutes CSR, hence developing a common language for CSR understanding becomes crucial.
- Organize CSR-related workshops. Companies show interest in learning from other companies' experiences and practices in CSR related initiatives, especially from companies within the same CMO. Workshops should include training courses with CSR experts and ought to be also addressed to the companies' core stakeholders and deal with CSR key topics, such as stakeholder communication, sustainability reporting, and accountability with the aim of encompassing an overarching CSR perspective.
- Lead specific and easy-to-do CSR initiatives. Undertaking a CSR coordinated joint-action initiative would further the companies' visualization of what CSR entails. CMOs should work with the companies in identifying such CSR activities that could be carried out jointly and at the same time further social capital building on CSR related practices. A way to foster this social capital creation is to organize

factory-visits to companies to learn first-hand how their peers engage in CSR management.

- Take on a CSR implementation expert. It is proposed that due to the lack of CSR-skilled human resources identified in the sector, the CMO could lead an initiative to collectively take on a CSR expert to provide assistance to the group as a whole and make the SMEs realize the opportunities that CSR offers for greater market access, cost savings, productivity and innovation.

This case study on CSR performance in SMEs has been conducted with a CMO with the aim of identifying the contributions of a cluster network model approach to CSR joint-initiatives development among SMEs. The proposals addressed by the companies illustrate that a CMO can indeed act as an enabling agent in order to coordinate and foster an SME based collaborative CSR implementation process in the industry. A cluster network model could be considered the only feasible way to correctly unfold a CSR industry-related strategy among SMEs.

7.4. Survey Conclusions

As a result of the study, no single reason is identified for SMEs not having implemented a CSR strategy, but different reasons could account for SMEs failure in performing a proper CSR strategy. Accordingly, we can conclude that the main findings of the survey conducted are as follows:

- As for the Stakeholders dimension analysis, the responses proved that companies are fully engaged with Customers, Employees and Owners/Shareholders Stakeholders categories, but companies ought to consider as well further management with their suppliers, community and competitors stakeholders category, as these are very relevant for the industry SMEs. For instance, industry's suppliers remain a core actor for incorporating quality within the value chain that can further industry's technological and commercial skills improvement. In the case of the Employee Stakeholder category, it is very relevant to unfold a training scheme in order to boost employees' skills as well as to attract talent to the sector. It is argued by Davies & Crane (2010) that SMEs acting responsible retain talent more effectively, attract better and more qualified applicants.
- CSR joint-initiatives and actions can be channeled by the CMO through the newly created SDG & Sustainability working group. This group ought to stand for developing an easy CSR implementation methodology and for standardizing a

uniform language for CSR with the aim of implementing a sectorial CSR comprehensive manual.

- Even though SMEs are at an incipient stage of CSR strategy development and that CSR concept is not always clearly understood, they show growing interest in laying out a collaborative CSR approach through a cluster network approach. As aforementioned, CMOs facilitation function of strengthening cooperation and trust through social capital building may facilitate a collaborative CSR approach among the SMEs.
- The CMO is considered by the SMES as the key driver for collective industry action in ramping up CSR. As discussed, CMOs have a clear role of facilitating collaborative practices among their members with the aim of boosting the competitiveness of their members and that of the industry as a whole by enhancing cooperation initiatives.
- Due to the overall lack of awareness of CSR practices in the industry, any CSR implementation process with SMEs involved in this sector entails a collaborative approach and a coordinated joint-action. Instead of an individual approach to CSR, when SMEs come together and promote coordinated joint-initiatives, the collective “grandness” of the SMEs is more relevant, whereby their contribution to CSR overall performance improves.

Upon the study undertaken on Habic members’ CSR commitment the main conclusion to be drawn from the survey, as indicated, is that the industry shows growing interest in CSR implementation but individual action is difficult to accomplish. Hence a collective cluster network model is needed to spur companies into action. Over 55% of the companies interviewed show great interest in pursuing CSR initiatives and envision the value in implementing a CSR policy within their organizations as a key driver to boosting their competitiveness. Likewise, CMO support is also positively valued as a driver for CSR collective implementation.

Performing this industry CSR implementation strategy through the CMO can result in a useful tool for individual SMEs as it may serve to

- unify relevant CSR criteria
- create a common industry CSR-easy-to-understand language
- share among Basque SMEs their experiences and initiatives on CSR practices.

The main shortcomings of this nonexperimental study were acknowledged beforehand: reduced and unbalanced sample base; limited statistical analysis; and the use of a survey as the only research method. However, the shortage of similar empirical research in the industry ought to be considered, and it is better to have imperfect evidence that could improve our understanding of the situation than no evidence at all

(Abreu, David, & Crowther, 2005). The evidence obtained can improve our understanding of how to adopt a CSR strategy in SMEs through a cluster network model.

The next steps to be taken ought to include the identification of common CSR related challenges and consequently to deploy a sectorial implementation CSR initiative, wherein the role of the CMO is key as a node and coordinator of the different joint initiatives to be taken. The particular challenges faced by the SMEs in implementing and sustaining CSR can be partly minimized by being part of the CMO. The fact that the cluster management organization support is also positively valued by the companies as a driver for CSR collective implementation will ease the tasks that are needed to undertake for further analysis.

Finally, and considering further steps to be taken in CSR oriented practices, it is considered necessary for the CMO to elaborate a CSR implementation manual model addressed to industrial SMEs with the aim of enabling individual SMEs to move forward on CSR ongoing learning initiatives, encouraging Basque SMEs to undertake more sophisticated CSR practices to better identify their stakeholders' needs and reasonable expectations, and ensuring organizational accountability towards their stakeholders on sustainability related issues. Additionally, upon the survey undertaken, a thorough analysis on stakeholder engagement could be addressed to further SMEs undertaking with their key stakeholders.