CORPORATE SUSTAINABILITY INFORMATION AND TRAINING IN EUROPE

SITUATION ANALYSIS ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES ON SMEs - 2011

Executive Summary

Lithuania

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Introduction

This executive summary is based on the national report of situation analysis on corporate social responsibility (CSR) activities in Lithuania conceived under the framework of the „Corporate Sustainability Information and Training in Europe (CSI)" project.

The CSI project aims at encouraging small and medium sized enterprises (SMEs) to incorporate social responsibility (SR) into their business practice by offering support and practical guidance and by developing innovative approaches enabling the implementation of the new international standard ISO 26000, Guidance on social responsibility.

The main goal of this executive summary, based on desk research (literature study) and results of the interviews from SMEs and Vocational Education and Training (VET) institutions is to identify briefly the existing SMEs activities, practices and to determine current needs and problems as well as the existing training materials in the field of SR.

1. Situation analysis of current CSR training offer

During the research of Lithuanian high school degree programs, it was ascertained that the individual CSR or CSR training modules discipline, integrated into other modules, are taught at the main universities in Lithuania, mostly in master's studies programs. However, not all educational institutions give the same meaning on these subjects. Sometimes the topic of the subject is replaced by the content, which the lecturers are able to teach. Moreover, the disciplines related to CSR are often not mandatory subject of study area or they are treated just as a currently fashionable subject.

Lithuanian colleges have less chance of setting up CSR teaching disciplines than the universities since there is a lack of suitably qualified college teachers working in this field. Current situation shows that there are less colleges which are oriented to disciplines of CSR than universities.

With regard to the growing interest in SR in companies, the number of firms that train and issue certificates in Lithuania have increased substantially. These companies are engaged in SMEs and large enterprises consulting, training and certification on workers' ethical, environmental and social responsibility issues.

CSR training materials for different target groups in the seminars and lectures are introduced in the oral manner and in written training manuals. Students are taught CSR-related courses in the form of information presentation or written material. Training companies analogically organize seminars for executives and SMEs representatives on CSR principles and implementation system, often by sharing additional printed material. During the lectures and seminars, the principles and strategies to facilitate the implementation of SR activities in the company are taught. After the course, companies' representatives consolidate the obtained theoretical knowledge in practice, carrying out the activities in accordance with CSR implementation guide. Students consolidate their knowledge by preparing written work or taking examinations.

2. Analysis of needs of competences on CSR from SMEs' and VET institutions' perspective.

According to the workplan within the CSI project, 10 SMEs representatives as well as 4 VET representatives were interviewed.

2.1. SMEs' perspective

In the case of SMEs, there are 9 enterprises from various sectors of industrial activities. In order to get more presentable results, one company was chosen not from industrial area, but from service sector.

According to the results of interviews, only 4 from 10 SMEs have Social Responsibility policy, however all of them have Environment Protection policy. The majority of the respondents understand the SR as investing in occupational health and safety as well as in observing human rights, half respondents mentioned investing in the human resources and taking care of environmental issues. It is interesting that no one of the interviewees realize SR as charity activities. The half of the respondents stated that SR is not a priority area in the company. 4 companies revealed they carry out SR initiatives within the enterprise, whereas 2 companies spread them across the supply chain. Every respondent from those companies declares that they carry out these initiatives due to awareness and ethical consciousness of the company. These initiatives are especially strongly related with such areas of SR as human rights and labour practices. Respondents from those enterprises, which stated as not carrying out social responsibility initiatives, mainly emphasized the lack of top management commitment as well as lack of know-how. Despite all the lacks and uncertainties, the majority of respondents pointed that their companies considered working on SR issues. However, the analysis about the training on SR in companies was really disappointing. Only one company have had some experience in such trainings.

The analysis of the respondents' answers shows that the most relevant CSR principle seems to be respect for the rule of law as well as respect for human rights. Accountability and ethical behavior were marked as also very important. 7 from 10 respondents stated that their companies point out the main stakeholders, however they are mostly simply informed about the companies' CSR efforts. However, it emerged that almost all of the enterprises interviewed didn't count on specific knowledge and skills to integrate SR in their companies' activities. None of the companies use any training materials or tools for CSR implementation. The analysis showed that the most relevant CSR subjects are technology development and access, organizational governance issues, as well as prevention of pollution. In the case of the results on training needs, the majority of respondents especially appointed technology development and access as well as organizational governance issues, prevention of pollution, consumer service, support and dispute resolution as the most relevant issues. In the case of the methods of training on CSR, which would be useful for the enterprises, the majority of respondents stated training guides, a half of them also mentioned computer/virtual training material. Interestingly, only two companies would like to have personal trainer on CSR.

2.2. VET institutions perspective

In the case of VET institutions, there are 4 organizations involved in this survey - 3 departments from 2 different universities as well as 1 private business vocational training institution.

All the respondents from separate educational institutions, which were interviewed, stated the presence of courses or training offer on specific subjects related to SR. Half of the respondents noted that these training offers prevail as the stand-alone courses. The majority of training offers are shorter than 10 hours and their content are equally theoretical and practical. The target groups of these offers are mainly students in the case of all universities, only the business vocational training institution offers social accountability seminar for companies' representatives. The main areas included in all these training offers are organizational governance issues. All of the respondents stated that the didactic material, which are used for trainings are usually self-made or free-access text materials. Other training resources are guides, video and computer/virtual materials as well as various scientific articles. In the case of advantages and disadvantages, associated with the didactic resources used, it was stated that training material of the seminar helps to form a clear view about CSR, though it seems to be too universal and too concise to attain more specific purposes. The other respondent stated that the virtual didactic resources help to show fair operating practices of the companies more visibly, however there are not enough such type of training resources. Every respondent acknowledges the demand for other didactic resources, especially for CDs, training guides and computer/virtual training materials.

3. <u>Gap analysis on CSR training offer and identified needs on SMEs</u>

Although the CSR-based training disciplines are taught at all the main universities and colleges in Lithuania and there is a growing interest on SR in the companies, there are some gaps identified:

- ❑ the disciplines, related to CSR, are often not mandatory subject of study area or they are included only formally;
- ❑ frequently, the topic of the subject is replaced by the content, which the lecturers are able to teach due to a lack of suitably qualified personnel working in this field;
- ❑ the training resources often are too universal and too concise to attain more specific purposes and there are not enough didactic materials suitable to show practical examples on CSR;
- ❑ the didactic materials, which are used for trainings, usually are self-made or free-access text materials and there are not enough such types of didactic resources as CDs, training guides and computer/virtual training materials.

For many SMEs, CSR is still a new concept. There is the deficit of top management commitment as well as the lack of know-how in the enterprises, which are not carrying out SR initiatives. In general, there is a lack of information about SR's profit for company and employees. In the

case of training on SR, the majority of SMEs don't count on specific knowledge and skills to integrate CSR in their activities. Similarly, none of the companies use any training materials or tools for CSR implementation. Generally, the identified needs on SMEs include:

- ❑ training offers, especially training guides and computer/virtual training material in such CSR areas as technology development and access, organizational governance issues, prevention of pollution, consumer service, support and dispute resolution;
- ❑ easily accessed and simple to understand and to apply training materials that could ensure deep knowledge on CSR;
- ❑ training materials on CSR, specially adapted not only for the top management of the company, but primarily for the employees, on purpose to raise their consciousness.

4. Recommendations

According to the results of situation analysis in Lithuania, the recommendations for the development of training materials on CSR are the following:

- ❑ the training resources for companies should be not too universal and suitable to attain more specific purposes, especially in the case of SMEs, and they should include comprehensive information about SR's profit for company and employees;
- ❑ they should include such SR areas as technology development and access as well as the organizational governance issues, prevention of pollution, consumer service, support and dispute resolution;
- ❑ the most likely useful methods for training on CSR for SMEs are training guides as well as computer/virtual training material, however there is not large demand for the personal trainer;
- ❑ all training materials need to be easily accessed and simple to understand and to apply and must offer such kind of training that could ensure deep knowledge on CSR;
- ❑ also, training materials on CSR should be specially adapted not only for the top management of the company, but primarily for the employees, on purpose to raise their consciousness.

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Glossary of Abbreviations

CSR	Corporate Social Responsibility
SME	Small and Medium Enterprise
VET	Vocational and Educational Training
NGO	Non Government Organisation
NACE	Nomenclature générale des Activités économiques dans les Communautés Européennes
UNDP	United Nations Development Programme
ISO	International Organization for Standardization
OHSAS	Occupational Health and Safety Assessment Series
SA	Social Accountability (Standard)
BSCI	Business Social Compliance Initiative