Education and Training

Requirement Analysis

State of art and identification of SME needs and CSR learning situation in Portugal

CECOA – Vocational Training Centre for the Trade

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EDITORIAL

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Education and Training

1. Introduction

This report is the first product conceived under the framework of the *"Sustainability and social responsibility through learning in SME" project*, a Transfer of Innovation project developed with support from the Leonardo da Vinci Programme, promoted by Kaunas University of Technology, Economics and Management Faculty (Lithuania) and having partners from Bulgaria, Cyprus, Germany, Latvia, Poland, Romania, Spain and Portugal. Portugal in this project is represented by CECOA - Centro de Formação Profissional para o Comércio e Afins (Vocational Training Centre for the Trade). The project started on October 2008 and will last until the end of September 2010.

The Project SOCIALSME aims to transfer and further improve an innovative methodology to develop a Corporate Social Responsibility (CSR) strategy within small and medium sized enterprises (SME's), using a balanced scorecard monitoring methodology and helping SME's to develop systematic learning activities.

The main goal of this report is to make the "state of the art" and the identification of SME needs and CSR learning situation in every partner country and to use this opportunity for identify and invite potential members of the national advisory board.

The national report follows the structure of the template provided by ISOB GmbH (the German partner). The data collected at national level will integrate the final report on the "CRS State of Art" allowing comparative and synthetic data from the different countries.

2. General situation toward the concept of CSR

In March 2000, the European Council approved the "Lisbon Agenda 2010", a strategy for economic, social and environmental renewal of the EU. Since then, new organisations dedicated to CSR appeared in the country and CSR experienced a significant boom. The topic is just emerging as an autonomous management discipline and remains a low priority for most business managers and owners.

According to the "*Corporate Social Responsibility, State of Art in Portugal 2004*" Report, in 2003 Portugal was ranked 21st in the "National Corporate Responsibility Index 2003" published by "Accountability", coming after the other 14 EU countries except Greece and just above Japan and the USA.

In 2004, social and environmental reports were almost non-existent in Portugal. The real impact of CSR policies and programmes was seldom measured and the business case of CSR was yet to be of general acceptance. At the same time, some of the large companies began to integrate CSR into their overall business strategies, playing a much more active role in this field and actually committing themselves beyond legal compliance in both environmental and social areas. In those companies, top management, human resources, marketing were the most common departments in charge of CSR.

According to the same report, Portugal lies at the end of the EU 15 in some important ratios like per capita income, productivity, education level, lifelong training and mortal labour accidents. In issues like education, it even comes behind all the new EU partners. Considering this particular situation, the internal dimension of CSR is even more important than in other EU countries.

3. How is CSR defined?

According to a study carried out by MORI on behalf of CSR Europe in mid 2000, the concept of CSR remains quite unfamiliar to common Portuguese citizens. However, 66% of them think companies should pay more attention to the subject. 20% would recommend a socially responsible company to others, 70% admit that a company's commitment to social responsibility might influence their buying decisions and one third would agree to pay more for an environmentally and socially responsible product.

According to the Observatory of European SMEs – European SME's social and environmental responsibility (2002), despite no commonly accepted definitions, CSR refers to the voluntary integration of social and environmental concerns in the businesses' daily operations and in their interaction with business stakeholders. So far, business environmental issues have received a great deal of public and policy attention, whereas business social activities have received less. Moreover, both perspectives have been dealt with in a rather 'isolated' way in relation to each other.

The "*Corporate Social Responsibility, State of Art in Portugal 2004*" Report accepted the definition of Corporate Social Responsibility (CSR) adopted by the European Commission in the Green Paper in which CSR is described "as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (2004).

Title: *Corporate Social Responsibility, State of Art in Portugal 2004*
Author: Gonçalo Rebelo Pinto
Edition: CECOA 2004
Information available at the link: http://www.cecoa.pt/site_ingles/projectos/transncio/CSR_english.htm

The SOCIALSME – Sustainability and social responsibility through learning in SME defines the CSR concept with a strong connection with the Life Long Learning. The CSR discussion is related to strategies often as a valid starting point for systematic life long learning policies within SME's. Under this context, it's expected that training providers, consultants and other facilitators of learning therefore have to develop competences in identifying and consulting CSR related problems and to relate them to the learning initiatives that have to take place to solve them.

4. Portuguese trends - most discussed and relevant topics

- **Certification and organizational sustainability**

According to BCSD Portugal, there is a higher interest in the promotion of skills, knowledge and competences addressed to the certification and to the introduction of organizational sustainability. This entity will organize, during 2009, a set of events about "Implementing the sustainability" in Portugal. Big companies and multinational companies have clearly understood the new trend: they have CSR as a mission toward their employees, consumers and the society as a whole. SME's and micro companies are dealing with the same group of socially sensitive consumers and more and more have to deal with this concept if they want to conquer the market and their relation with local communities.

- **Volunteering of competences**

This topic was recently introduced in the national entrepreneurial context and emerges as a way to develop and foster social responsibilities strategies. The volunteering of competences means that through volunteering activities, the SME's collaborators will be able to transfer *know-how* from their personal competences to improve the organisation's performance. The volunteering activities will increase the knowledge and the employee's sensibility as well as the business advantages. The capacity to interact with different stakeholders is an essential element of the management models based on the sustainable management.

For more info: www.grace.pt/novo/ingles/default.htm

▪ **Micro credit initiatives**

In the world, there are more than 10 000 micro finance institutions with dimension and juridical status. In spite of the increasing number of those entities, some intuitions can not develop more because of the lack of experience and resources. Simultaneously, there are traditional banks or ex-NGO's which assumes that role and supports the perspective of the demand oriented to the profitability, provoking reactions in the system. Some national start-ups, some SME's business becomes possible because they benefit from micro credit initiatives and receive an initial financial investment. Those micro finance initiatives aim at promoting the accessibility to financial services as savings, insurance and funds transparency.

▪ **Info exclusion paradox**

Which is the role of the enterprises in the context of the info exclusion paradox? The entire sector is involved in volunteering activities. For example the "Connect the World" initiative delivers educative programs towards informatics literacy. However, recently, *The Economist* Magazine raises the question about the balance between the philanthropic versus the profitability focus of those actions. According to *The Economist* there is a reason to believe that it's possible to create profitable business, but its more efficient to think in a marked perspective – the niche of larger companies and not the NGO's world. In fact, the famous *bottom of the pyramid* perspective works! The NGO's actions can help enterprises to create partnerships, pilot projects and to learn about the populations needs. Nevertheless, the starting level is to increase the sustainable change and the innovation and not the profitability as a goal.

According to the SOCIALSME framework, the integrative learning strategy under a broader perspective of a sustainable, social responsibility business strategy will lead to a much more positive attitude of SME's towards learning and organizational development activities. The development of activities targeted to solve SME's info exclusion gaps, can be an example since the value of learning and improvement is directly demonstrated and related to the solution of specific problems felt by the companies and by their employees.

5. Specifics of SME's

According to the Observatory of European SMEs – European SME's social and environmental responsibility (2002), it is possible to identify a growing concern amongst SME's and the importance of the CSR issue, both from the social and the environmental perspective. In this sense, CSR behaviour and communication are increasingly becoming a market advantage for those SME's who are effectively addressing these activities. Obviously, the correct management of CSR can provide an extra edge to business leadership and business success, whereas mismanagement can undermine a firm's standing.

More recently, the "*Corporate Social Responsibility, State of Art in Portugal 2004*" Report, in Report 2002/No 4 of the Observatory of European SME's mentioned that two thirds of the Portuguese SME's actually practice some kind of external CSR, most of them in an informal way. Culture and sports were the main activities supported, followed by health and welfare. The most popular way of involvement was through donations, in cash or in kind, usually carried out on an ad-hoc or irregular basis. Portugal was the highest incidence of company donations among EU 15.

The document also refers that ethics and the improvement of the relationships with the community/public authorities were the main reasons for SME's to be externally socially. The main benefits identified were the improvement of the relationship with the community/public authorities (40%, the highest rate in all EU 15) and an increase in the customer loyalty, but many companies (36%) cannot identify concrete benefits. Existing barriers consist mainly in lack of awareness (especially among smaller companies), followed by lack of time and the idea that CSR external activities have no connection with the company business. Lack of money was also important for the smaller companies.

Attitude in general and lack of awareness in particular seem to be the common elements of both social and environmental aspects of CSR, especially at the SME's level. These points reinforce the importance of implementing an information campaign concerning CSR in Portugal as well as developing training materials on the subject and diffuse them amongst the public in general and the SME's managers in particular.

In 2006, another study was published in Portugal Responsabilidade Social nas PME – Casos em Portugal (*Social Responsability in SME's – Case Studies in Portugal*). It aims at diagnosing the social responsibilities practices in Portugal, disseminating best examples in the field, identifying networks and partnerships targeted to develop the social responsibility area and presenting tendencies and recommendations towards the future evolution of CSR in SME's.

The study was carried out in Portuguese SME's and started with the construction of the conceptual model, the SME's characterization, the application of questionnaires, the conception of case studies, the prospective analysis, the conclusions and recommendations. The universe of the study was Portuguese SME's. From the 2000 questionnaires sent by traditional mail, 235 persons participated in the study (11,75% level of return).

The data collected in this study suggested that there are similarities between the CSR practices in Portuguese SME's and the CRS practices in the other European SME's. The Portuguese SME's inquired confirm that CSR practices are still done in an informal and not structured way, with occasional occurrence and not integrated into the SME's business strategy (49% of the Portuguese SME's investigated don't integrate the CSR activities in their business strategy and 33% of the SME's promote CSR practices but only occasionally).

The total number of SME's inquired referred that they practice some kind of CSR actions, however, the internal and the economic dimensions are the most predominant. Low levels of knowledge and awareness on the CSR topic seems to be also a conclusion from the study.

For the majority of the SME's inquired, CSR as a concept is still associated with compliance with legal regulations, nevertheless, as practice CSR is perceived as a very important resource for internal management. This duality is due to the fact that CSR practices are mainly compulsory: compulsory by law or by the rules imposed by the market. In a competitive context, the adoption of CSR measures reflect the need for increasing management efficiency (the relationship between the economic variables and the

orientation towards employees) and is also associated with ethical and citizenship issues not always assumed in a clear and conscious way.

According to the same study, the main reason for SME's to be socially responsible is the SME's clear conscience that CSR contributes to the efficiency of the management practices and to the economic performance improvement. According to the study authors, the CSR benefits are clearly perceived by this sample of Portuguese SME's and they are considered as a positive differentiation factor to promote the implementation of CSR practices.

Nevertheless, SME's stated their need to know best CSR practices and to participate in CSR training initiatives. The results also suggested that SME's claim for a higher involvement of the Public sector, through fiscal benefits and public support, since financial resources were considered as insufficient and one of the obstacles preventing a higher level of CSR practices implementation.

Motivations:	Workers satisfaction (70%)
	Costumers and consumers satisfaction (69%)
Benefits:	Reputation near costumers/consumers (78%)
	Workers motivation (75%)
	Quality (73%)
Obstacles:	Lack of Public support (41%)
	Not enough financial resources (42%)

- **Portuguese SME's profile**

The entities studied were mainly SME's, 73%. From those, 32% belong to the Lisbon region, 30% belong to the North region and 28% belong to the Centro region. Concerning the sector of activity, the SME's were from the industry (traditional sectors) and trade sector. Concerning the number of year of existence, 42% of SME's had between 20 to 49 years and 32% of SME's had between 10 to 19 years.

Title: *Responsabilidade Social nas PME – Casos em Portugal* (Social Responsability in SME's – Case Studies in Portugal)

Authors: Maria João Nicolau Santos, Ana Margarida Santos, Elisabete Nobre Pereira, José Luís de Almeida Silva

Edition: RH Editora, 2006

According to the results presented, there was no relationship between the CRS practices and the enterprises turnover or business markets. However, there was a statistic relationship between the CRS practices and the following items:

- *Certification* – the certification influenced the internal social dimension; the certification induced the development of practices oriented to the internal customers (workers) and to the environmental dimension;

- *SME's dimension* – the dimension influenced the SME's CSR practices addressed to the organizational change management, the health and safety at work, the community as well as the environmental CSR initiatives;

- *Years of activity* – this variable seems to be strongly connected with the SME's concerns keeping a sustainable relation between internal and external stakeholders. Concerning the CSR internal dimension, the implementation of performance appraisal systems and social extra-benefits, besides the mandatory social security system, were pointed out as common CSR practices among the SME's inquired;

- *Sector of activity* – this variable presents less influence regarding the CSR practices. Nevertheless, this variable influenced the development of consumers' education practices (economic dimension) and the recruitment and selection practices (internal social dimension).

- **CSR economic dimension**

Concerning the CSR's practices the results showed that the economic dimension is expressed by CSR practical outputs, associated with the business strategy, that's why costumers and suppliers are the most relevant stakeholders concerning the SME's CSR practices. Regarding the customers, 75% of the inquired SME's mentioned "Adjustment of the products/services to the customers need" as a relevant CSR concern and 61% mentioned the "Existence of a complaint treatment system". Concerning the products and services, 72% of the inquired SME's mentioned "Information about product/services application" and 65% mentioned "Safe use and products application" as relevant CSR concern. Finally, regarding the suppliers and commercial partners, 68% mentioned the "Payments according the contracts conditions" as a relevant CSR issue.

- **CSR internal social dimension**

About the internal social dimension, the results showed that:

Human resources management was related to:	- "Equal opportunities" (80%); - "Share objectives and responsibilities" (65%).
Workplace hygiene, health and staff security was related to:	- "Safety and health at work" (93%).
Employability **was related to the:**	- **"Training plan" (65%);** - **"Training needs assessment" (65%).**
Information and communication was related to:	- "Internal meetings" (87%); - "Information panels/internal newspapers" (56%).
Social services was related to:	- "Catering services" (62%); - "Social security complementary benefits" (40%).
Change management was related to:	- "Re-organization of work processes with employees participation" (58%); - "Participation and information about the process of change" (38%).

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- **CSR external social dimension**

About the external social dimension, the results showed that:

Sponsoring and donations was related to:	- "Attribution of donations" (62%) - "Sponsoring sports events" (56%)
Solidary employment was related to:	- "Apprenticeship offers and scholarship support" (50%)
Cooperation and partnerships was related to:	- "Partnerships with other organizations" (28%)
Social cohesion was related to:	- "Participation in education, training and employment, environmental and urban rehabilitation activities" (12%) - "Allowing employees to participate in volunteering activities" (8%)

- **CSR Environmental dimension**

About the environmental dimension, the results showed that:

Environmental system was related to:	- "Workers awareness" (62%) - "Maintenance of acclimatisation system" (51%)
Pollution and solid waste was related to:	- "Recycling" (75%) - "Solid waste segregation" (64%)

- **CSR networks and recommendations**

The creation of CSR networks and partnerships was recommended as a very important factor to promote a higher dimension of the social responsibility practices in SME's. The results of the study pointed out the following recommendations and strategic actions: to prepare and systematize information; to develop awareness and education programs; to conceive tools to monitor and evaluate practices; to develop regulations and legislative measures and the inter-institutional cooperation among entities. The community intervention and the capacity to involve the society (organization level); the increase knowledge and workers satisfaction (individual level) and the balance between working and private life, the equal opportunities, the employment and the training improvement

(community level) were also essential steps defined by the authors, in order to foster the promotion of CSR practices in Portuguese SME's.

6. Websites

International websites

http://conventions.coe.int/Default.asp

www.corporateregister.com

www.csreurope.org

www.bpdweb.org

www.iisd.ca

www.wbcsd.ch

www.transparency.de/English.1222.0.html

www.corporateregister.com

www.eti.org.uk

www.eftafairtrade.org

www.globalreporting.org/Home

www.accountability.org.uk

www.uksif.org

www.sustainability-index.com

www.eco-label.com/portuguese

www.ftse4good.com

www.sirigroup.org

www.eurofound.eu.int

www.eco-label.com

www.eogs.dk/sw21252.asp

www.ethos.org.br

www.europa.eu.int/comm/eurostat

www.sdchronos.org

www.transparency.org

www.wbcsd.org

www.unglobalcompact.org

www.unep.org

National websites

www.act.gov.pt

www.bcsdportugal.org

www.cecoa.pt/projectos/transncio/respons_social.htm

www.cite.gov.pt

www.grace.pt

www.iambiente.pt

www.apenergia.pt

www.dgge.pt

www.inag.pt

www.ineti.pt

www.p3e-portugal.com

www.iapmei.pt/iapmei-art-02.php?id=209&temaid=26

www.ine.pt

www.rseportugal.eu

7. Institutions and CSR programs

RSE Portugal

The Association RSE Portugal aims at disseminating best practices in the field of social responsibility promoted by companies with good visibility in Portugal. The RSE Portugal assembles a set of Portuguese enterprises, as well as individual associates, coming from the entrepreneurial and academic world. The RSE Portugal belongs to a network of European institutions linked to the CSR Europe. CSR Europe is considered by the European Commission a privileged contact in the field of social responsibility and involves an increasing number of large enterprises with the mission to promote CSR in their counties and in Europe.

For more info: www.rseportugal.eu

BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável

The Entrepreneur Council for Sustainable Development is an association created in October 2001. Nowadays, this association is composed by 33 national enterprises and its mission is to transfer the principles from WBCSD – *World Business Council for Sustainable Development*, to the national level. The main mission of BCSD is to promote the entrepreneur leadership as a factor of change towards the Sustainable Development and to promote the eco-efficiency, the innovation and the social responsibility.

This association promotes training courses about corporate social responsibility. One example is the workshop about "*How to involve and to communicate*" targeted to stakeholders. The workshop aims at providing strategies to identify the stakeholders' needs and to manage their interests and personal agendas.

For more info: www.bcsdportugal.org

GRACE

Born from the corporate world in 2000, and essentially dedicated to the corporate world, GRACE Association aims to disseminate socially responsible business practices. GRACE is recognised as a privileged setting for the reflection and promotion of the Corporate Social Responsibility topic, as well as for the creation and sharing of good practices in this area.

GRACE's mission is to promote the concept of CSR and citizenship, to create awareness amongst companies and to help them manage their businesses in a society responsible manner, working towards a fair and sustainable society.

GRACE maintains an international partnership with the ETHOS Institute (www.ethos.org.br) which also works in the corporate social responsibility area, in Brazil.

For more info: www.grace.pt

CECOA – Vocational Training Centre for the Trade

CECOA offers a training course about corporate social responsibility targeted to SME's owners, manager and consultants. The course was developed under the Leonardo da Vinci CSR/SME Project, promoted by CECOA and offers a 28 hours programme with the discussion of practical cases and the possibility to attend a study visit to a Portuguese company with CSR good practices and experience. Beside the training course, other products from the project are available:

- A CSR "State of the Art" Report Portugal 2004;
- A CSR Glossary;
- A Practical Guide to organize a study visit to a socially responsible company.

For more info: www.cecoa.pt/projectos/transncio/respons_social.htm

ISCTE – Business School INDEG Graduate

This Graduate School offers a specialization about Entrepreneurial Sustainability and Competitiveness aims:

- To provide general and specific information about entrepreneurial sustainability;
- To acquire knowledge about how to implement good practices and entrepreneurial sustainable strategies;
- To identify management and normative systems as well as the appropriate tools;
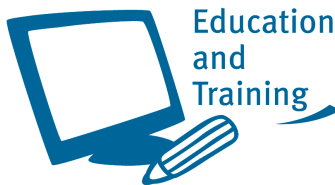
- To analyse and explore entrepreneurial data and to create indicators and suitable models;
- To promote the exchange of ideas through the resolution and discussion of practical cases.

For more info: http://indeg.iscte.pt/cursos/especializacao/gestao/sustentabilidade

UFP – Universidade Fernando Pessoa

Fernando Pessoa University offers a course about corporate social responsibility with 32 hours. The course main objectives are:

- To recognise the importance of social responsibility in the entrepreneurial context;
- To identify the main tools of CSR;
- To integrate the concept of CSR in the organization management system;
- To understand and implement the requirements of the SA 8000 standard.

For more info: www.ufp.pt

SDCHRONOS E-learning tutorial

Chronos in an e-learning tutorial on sustainable development that was developed by the University of Cambridge Programme for Sustainability Leadership and the World Business Council for Sustainable Development. Chronos was designed to raise awareness and provide employees with an introduction to the subject of sustainable development. It draws on the experience of many of the world's largest companies and it aimed at a general audience rather than environmental specialists. The Portuguese version was presented on the 29 of September 2008.

For   more   info: www.bcsdportugal.org/content/index.php?action=articlesDetailFo&rec=1104   or www.sdchronos.org.

Sair da Casca

Sair da Casca was the 1st Portuguese consultancy company to emerge in the CSR field and aims at place the person in the heart of the sustainable strategies. Sair da Casca also considers enterprises as essential elements of a sustainable development strategy mainly through costs reduction, promotion of innovation, reaching different target-groups and improvement of the global risk management.

For more info: www.sairdacasca.com

IAPMEI – Instituto de Apoio às Pequenas e Médias Empresas e à Inovação

IAPMEI is a public Portuguese Organization aiming at supporting the SME's and their innovation processes. In Portugal, IAPMEI is the main instrument of the economical and political policies targeted to SME's of the industry, trade, services and construction sectors. Between October, 2005 and September, 2007, IAPMEI promoted the "Being a Social Responsible SME Initiative", financed under the EQUAL framework, aiming at adopting and valorising the social responsibility practices targeted to SME's. One of the actions was to develop and test an intervention methodology, near a set of SME's, which involves individuals and organizations and which conduct to organizational and management changes and practices as well as to increase a social responsible culture inside SME's.

For more info: www.iapmei.pt/iapmei-art-02.php?id=209&temaid=26

RSO Matrix Project

The RSO Matrix Project is a national result of the European Union's EQUAL Initiative. It aimed to raise awareness about social responsibility in Portugal and put it into practice as part of an attempt to involve not just large groups, but ALL those who have not been fully affected by the concept of social responsibility.

The project's main objective was based on the creation of a national network for social responsibility in organizations (RSO), which was nourished by socially responsible products

useful and efficient for those who use them and represents political, economic, social and employment activities at the national level.

For more info: http://siteprojectrsomatrix.googlepages.com/

8. Conferences

National conferences organized annually by AIP – Associação Industrial Portuguesa about the thematic of social responsibility and organization sustainability.
For more info: www.forumrso.aip.pt/programa.asp

BCSD Portugal also organizes national conferences and workshops about CSR. See for example, the conference organized by the association: www.bcsdportugal.org/content/index.php?action=articlesDetailFo&rec=97&tpPage=Print

ETHOS Conference, an International conference aims at stimulating and divulgating the CSR field in 2009. For more info: www.ethos.org.br/ci2009/.

The Corporate Social Responsibility and Governance Conference 2009. For more info: http://www.csrconferences.com/.

9. Regulations

According to the "*Corporate Social Responsibility, State of Art in Portugal 2004*" Report, in 2003 the Labour Code (Act nº 99/2003, dated August 27), which went into force in December 1, the legislation related with corporate social responsibility was quite wide. The Labour Code presented few aspects within training, health and safety at work, labour accidents. For example, the Article 2 of the Code referred the total or partial transposition to the Portuguese legislation of a list of European Directives as:

- 75/117/EC – Equal payment between men and women ;
- 76/207/EC – Equal treatment between men and women in the access to employment, training and working conditions (changed by Directive 2002/73); 92/85/EC – 92/85/EC – Protection of working women in pregnancy and maternity;
- 94/33/EC – Protection of young workers;

- 94/45/ EC – Workers representation committee in companies operating at EU scale;
- 96/34/EC - Parental leave;
- 97/80/EC – Burden of the proof in actions regarding gender discrimination;
- 97/81/EC – Part-time labour;
- 98/59/EC – Collective dismissal;
- 99/70/EC – Limited duration contracts;
- 2000/43/EC – Non-discrimination at work on the ground of race or ethnical reasons;
- 2000/78/EC – General framework for equal treatment in professional activity;
- 2001/23/EC – Protection of the workers in processes of company or establishment transfer.

More recently, in 12 of February 2009, the Law n.º 7/2009 approved the revision of the Labour Code and introduced some new measures aiming at reinforcing the flexibility, the adaptability and the competitiveness/productivity. Those changes aimed at simplifying the relationship between workers/employers/public administration and fosters the conciliation between the professional and the personal life. In terms of adaptability, for example, the new law offers the possibility to adapt the work time schedule to as individual worker or to a group of workers. The new law also creates conditions for geographic and functional flexibility and allows new forms of retribution (awards attribution, accommodation, subsistence allowances, etc). Another innovation is the fact that both parents may benefit from the parental leave and the period was increased in 30 days.

The Law n.º 7/2009 regulates the safety, hygiene and health rules, establishes general principles and describes the obligations of employer and employee, the workers consultation process and the training obligations on this area. The employer has to provide hygiene, safety and health services at work for all.

The Law regulates also about labour accidents procedures, students – workers benefits and the access to vocational training activities. The new Law maintain the establishment of employer and Government obligation to promote training to young people entering the active life and the general principles of professional training, its goals and the minimum requirements for lifelong training: a minimum 10% of the workers with unlimited time contracts should have at least 35 hours of training per year. This diploma also determines "personality rights", equality and non-discrimination in general and gender equality

provisions, protection of maternity and paternity, labour regime of minors, reduced capacity workers, impaired or chronicle disease workers, student workers and foreign workers.

10.   Certification

According to the "*Corporate Social Responsibility, State of Art in Portugal 2004*" Report, company certifications arrived in Portugal at the early 90's, initially only in the Quality field.

- By the end of 2003, more than 3000 companies had an ISO 9001 certificate. Environment certifications like ISO 14001 arrived in the late 90's, and other standards followed later. Among them, EMAS (Eco Management Auditing Scheme), OHSAS 18001 (Occupational Health and Safety Assessment Series), HACCP (Hazard Analysis and Critical Control Points) - mainly used in the food industry - and SA 8000 (Social Accountability).

APCER, Associação Portuguesa de Certificação offers certification of Social Responsibility Management Systems, in accordance with the SA 8000 standard, established by SAI (Social Accountability International). Up to now, APCER certified 18 enterprises according to the SA 8000 standard. APCER represents around 85% to 90% of the certified companies. Through an audit process performed by an external organization, APCER strive to assure that audited businesses abide by laws and ethical principles throughout their organization, especially in the area of production (the workplace).

The certification of a Social Responsibility Management System seeks to increase the competitiveness of any organization voluntarily guaranteeing the ethical component of its productive processes, taking into account national legislation and by complying with all regulations dealing with:

- Child Labor,
- Slave Labor,
- Health & Safety,
- Freedom of Association and the Right to Collective Bargaining,
- Discrimination,

- Workplace Disciplinary Procedures,
- Working Hours,
- Wages,
- Management Systems.

Among other advantages, the implementation and consequent APCER Certification of this type of management system fosters:

- Satisfying all interested parties,
- Increased process efficiency and effectiveness,
- Cost reduction,
- Increasing productivity and competitiveness,
- Contributing towards sustainable development,
- The practice of good business ethics.

11.   Interviewing Portuguese experts

- **Who is who in the CSR field in Portugal?**

Under the SOCIALSME framework, CECOA invited Ana Neves, Gonçalo Rebelo Pinto and Margarida Santos to present their arguments, theoretical and practical affiliation regarding CSR. Those experts developed a consistent work in the field of social responsibility and can provide us different angles and perspectives of CSR according to their expertise and expectations.

Name: Ana Neves

Field of expertise: knowledge management, organizational change, social networks and organizational learning.

Ana Neves is founder of knowman (http://www.knowman.pt), a consulting company specialised in knowledge management, organisational learning, social networks and cultural change.

She also manages KMOL, a website about knowledge management, organizational learning and social networks.

Ana Neves is also a potential member of the SOCIALSME advisory board since she presents a long expertise in the field of communities of practices and she is responsible for the animation of the portal dedicated to explore the topic of social responsibility as well as other topics related.

For more info: http://kmol.online.pt/ and http://kmol.online.pt/?s=responsabilidade+social

Name: Gonçalo Rebelo Pinto

Field of expertise: corporate social responsibility

Gonçalo Rebelo Pinto is a senior consultant and partner of the RSO Consultores.

For more info: www.rso.pt

Name: Margarida Santos

Field of expertise: organizational innovation, corporate social responsibility and networks.

Education
and
Training

Margarida Santos is also a potential member of the SOCIALSME advisory board since she is open to suggest, to help to identify SME's needs and to counsel the preparation of the testing phase.

- **Panel of opinions – experts point of view**

Question 1

Experts	What are the most pressing problems SME's faces right now?
Ana Neves	SME's need to find ways of getting to know their clients better in order to identify opportunities. What are the products/services they like and dislike? How would clients like to improve them? What are our competitors? However, despite the amount of data available about clients and their habits and preferences, it is still tricky to derive this kind of information. Clients are becoming increasingly savy and are learning how to "cheat" the system. Also, SME's are fighting an unfair battle against big companies when it comes to marketing and advertising. The smaller companies cannot afford the big campaigns, the big launches, etc.. They have to compete with the uniqueness, their personalised service, their reliability, their availability. In many Portuguese SME's, many staff members are about to retire. This means a big risk of key knowledge walking out of the door.
Gonçalo Rebelo Pinto	First of all, being able to maintain the current level of employment in a moment of crisis. In some cases, training, in others, health and safety at work. Financing may be crucial in the short term, but survival is only possible if the business is competitive.
Margarida Santos	Nowadays, some challenges of SME's are: maintenance and/or reinforcement of sales and clients orders; costs reduction; to secure the financial commitments; to keep the level of employment; to increase the productivity and to reinforce the competitiveness.

Question 2

Experts	What are SME's main resources?
Ana Neves	Social networks have always been the best way of spreading the word. That obviously applies to spreading the word about a company, a product,

	a service, a brand. It is important for SME's to identify relevant social networks, the ones that include members of their target market.
	SME's can then use these social networks to circulate relevant information about their offerings, to tap into ideas shared in the "wild" (where they are a lot more sincere than they would be in a survey scenario, for instance) and to understand their clients (their language, their priorities, etc.).
	Although being a big company can be a plus to some extend, it also has its drawbacks. By being small/medium, companies can be slicker, more flexible and therefore adapt to change more quickly. They can also involve more their workforce, getting more different areas to work together: it's when different disciplines are brought together that real innovation takes place.
	They are also less likely to be buried in bureaucratic requirements that hinder more than help activity, innovation and risk taking.
Gonçalo Rebelo Pinto	Flexibility and proximity to its clients and markets.
Margarida Santos	In the actual crises scenario, some windows of opportunity emerge in SME's focused on competitive factors related to *imaterial* resources (for ex. knowledge incorporation, experience, cooperation, training); to bet on the innovation, not only in processes, but mainly in the organizational management, implicating first of all a behaviour change and a change in the relations with *stakeholders* and others interesting parties.
	In parallel, SME's benefit from the proximity and the privilege relation with the markets where they work, an advantage to reinforce. The SME's dimension also allows higher flexibility in terms of satisfaction of their clients needs.

Question 3

Experts	**How does that affect SME's stakeholders (workers, customers, communities)?**
Ana Neves	If SME's were to embrace existing social networks, or pro-actively encourage and support the creation of some, they could create a very deep level of support and engagement from their target population. They would certainly be in a much better position to understand them and, therefore, offer services/products a lot more aligned to real needs and more likely to satisfy their customers.

	Customers would also feel part of a bigger picture, active participants of the process of creation. This generates strong associations to the brand/product/organization. For company workers, having the opportunity to learn in more detail about the people they are working for is likely to increase their commitment, their loyalty and their willingness to perform well. This, obviously, is extremely likely to impact bottom line results.
Gonçalo Rebelo Pinto	(Problems) Workers - unemployment, unpaid wages, hazardous working conditions, insufficient training; Customers - lower levels of service and quality; Communities - dislocation of factories, public health.
Margarida Santos	Workers – insecurity; work precariousness and fragility in labour relations; conciliation of the family life with the professional and personal life. Costumers - passing from mass consumption to personalised consumption, with quality criteria and oriented towards "socially responsible" products. Communities – the territorial implementation of SME's foster the involvement of enterprises with communities, and this goes through, in many cases, sponsoring and donations allocated to local projects, which, in crisis periods, can be reduced.

Question 4

Experts	**How do SME's deal with this impact on others? Is there an explicit strategy for that? (Training policy, community, involvement policy...)?**
Ana Neves	Tapping into or creating social networks is not a matter to be taken lightly and should always be part of a strategy. A strategy of marketing, competitive intelligence, innovation... whatever, it just needs to be approached from a strategic angle. This is so that the objectives for doing this are clear internally and externally. Jumping into these opportunities too early might mean the organization is not ready to use the outcomes and may have lost an opportunity. Jumping too late might be a waste of resources on something no longer able to have an impact or influence decisions. Both would mean that the clients would not see their fingerprint on the organizational offering and may, as a result, be less willing to contribute and engage next time.

Gonçalo Rebelo Pinto	I don't think there is a common frame for these subjects.
	Company mission is to produce wealth and they cannot give back to society what they don't have.
	When survival is at risk, urgency sometimes overtakes logic and concern with others tends to be forgotten.
	Community involvement tends to happen when companies play a major role on local communities.
Margarida Santos	The generality of national SME's have social responsibility as a "compulsory" strategy; they do not include the social responsible activities in the enterprise strategy, and when they do that, it's occasionally. The direct involvement of SME's with global sustainability, anchored in the long term perspective, still do not constitute part of the business SME's strategy, at a national level.

Question 5

Experts	Are there policies to deal with special staff groups like workers with disabilities, senior employees, employees with special needs?
Ana Neves	Not sure this applies within the context of my previous answers.
Gonçalo Rebelo Pinto	I also don't think there is a common frame for these subjects. It depends mostly on the CEO and HR manager profile and sensitivity to the subject. I believe that, in most cases, decisions are made based on concrete situations that arise.
Margarida Santos	At a governmental level exists a set of measures targeted do specific groups as: the National Plan for Equality, Citizenship and Gender (2007/2010), the Plan for the Integration of Migrants (2007/2009) and the Plan for the Integration of Persons with Disabilities (2007/2009). In parallel, there are some measures aiming at creating and/or maintaining employment and avoiding layoffs:
	- New Opportunities Initiative - investment in education and training and improvement of the qualifications of the Portuguese population (www.novasoportunidades.gov.pt, www.anq.gov.pt);
	- Special initiative for investment and employment – support the maintenance and the return to the labour market (special measures with the social security system), promote the employment of the young, and enlarge the social protection system (www.emprego2009.gov.pt).
	In some situations, SME's with relation with different stakeholders are

	themselves *promoters of the integration for specific groups.*

Question 6

Experts	**What is the situation of training? Are you (are SME's) able to attract enough qualified staff and/or candidates of training?**
Ana Neves	Social networks have existed since the beginning of Humanity. However, only recently the power of social networks has been considered in the organizational context. There are increasingly more people consulting and offering training on communities of practice (a special case of social networks) and there are increasingly more people reflecting and bringing to the organization some technical tools to support social network activity. However, training or consultancy on how to make the most of social networks to market one's products, support innovation, reduce time-to-market, get to know one's clients, etc. is still hard to come by.
Gonçalo Rebelo Pinto	We have no problem on that subject.
Margarida Santos	In the domain of training and HR development its clear the SME's efforts on continuing training initiatives: some SME's conceive "training plans" and make "training needs diagnosis", however, those practices present low impact. Its still reduced the number of enterprises which foster and encourage workers to develop competences. The training is still focused on conventional forms, instead of other alternatives, as "the exchange of experience among colleagues" or the "education activities".

Question 7

Experts	**On a scale of 1 (not important) to 5 (very important): how important do you think activities in the areas discussed are?**
Ana Neves	4
Gonçalo Rebelo Pinto	3
Margarida Santos	4 The central areas to develop can the areas which are less valorised in the SME's framework as: - The SME's capacity to manage the organizational change; – Practices of senior employment and mechanisms which allow older workers to transfer knowledge and professional experience to young professionals;

	– The conciliation between the professional and the personal life, through "flexible schedule" and teleworking; – To promote cooperation and to establish partnerships (for ex. with other SME's, with school and universities, NGO's, public entities); – Practices of social cohesion related to release human resources to participate in volunteering activities.

Question 8

Experts	On a scale of 1 (not important) to 5 (very important): how pressing do you think is the need for activities in this field?
Ana Neves	4
Gonçalo Rebelo Pinto	3
Margarida Santos	4 The pressing activities coming from: – The need to "know best CSR practices" which illustrate the CSR; advantages related to the SME's competitiveness; – The existence of fiscal supporting measures; – Training programs; – To share experiences through networking and partnership. – Public fundings.

Question 9

Experts	Would you be interested to get involved in cooperative efforts in these fields?
Ana Neves	Potentially yes. I would like to know more about the work you are doing, your objectives and guiding principles.
Gonçalo Rebelo Pinto	Maybe. It depends on the nature of the cooperation efforts.
Margarida Santos	It depends of the nature and type of cooperation.

12.   Conclusions

In Portugal, the incorporation and implementation of CSR initiatives and measures are increasing; however, there are some areas which demand further development:

- Fighting against the limited understanding of the ways in which SME's owner/managers' perceived CSR and suggesting strategies which influence their enterprises' involvement in CSR activities;

- Training of consultants, human resources managers and supervisors about the advantages of CSR;

- Implementing CSR under the framework of life long learning and aligning with improvement of the internal CSR dimension.

13.   Reference documents

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