INFLUENCE OF MANAGERS’ DEMOGRAPHIC CHARACTERISTICS ON CSR PRACTICES IN THE RESTAURANT INDUSTRY: THE CASE OF SLOVENIA

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Abstract
Purpose – The objective of this study is to investigate how restaurant managers’ demographic characteristics influence Corporate Social Responsibility (CSR) practices in the restaurant industry.

Design/Methodology/Approach – In order to analyze the influence of managers’ demographic characteristics on CSR practices, industry specific practices relevant to the Slovenian restaurant industry were identified: regular financial assistance to activities and projects of the local community, employment of local staff, cooperation with local producers, active separation of all types of waste, active recycling, active energy saving, and payment of liabilities towards suppliers on time. The quantitative research focuses on the correlation between managers’ demographics and CSR practices. Data were collected through quantitative field research by applying a structured self administered questionnaire.

Findings – Research results show that the main reason for acting responsibly is related to managers’ years of age, experience, and level of education. The most obvious finding to emerge from this study is that all demographic variables included in the research have a statistically significant influence in explaining restaurants’ CSR behaviour. The most strongly influenced CSR practice is “Payment of liabilities”. This practice is driven by managers’ age, years of experience, and level of education. By understanding both, managers’ demographic characteristics and their influence on CSR practices, it is now possible to more successfully implement CSR policies in the restaurant industry. It is suggested that future studies focus on the analysis of CSR practices and managers’ psychographic characteristics.

Originality – This is the very first study to analyse the influence of managers’ demographic characteristics on CSR engagement in the restaurant industry.

Keywords Corporate social responsibility, demographic characteristics, restaurant industry, Slovenia, sustainable management

INTRODUCTION

Restaurant industry presents an important sector of the Slovene national economy. Statistical and financial data show that tourism and restaurant industry share directly represents 3.5% of national GDP and employs 3.9% of the economically active population in the country (SURS 2016; WTTC 2015). Restaurant industry in Slovenia has a number of industry specific characteristics: the vast majority of restaurants are small and medium sized enterprises (SMEs), restaurants are mostly family run business, the average number of full-time employees is 4.7 per restaurant, and the
tradition of entrepreneurship is not more than 20 years of activity (AJPES 2016; Kukanja 2015). In addition, restaurant industry significantly boosts businesses that are losing their competitive advantage on international marketplace (particularly agriculture and food production) and has a multiplier effect on many economic activities in the country (e.g., transport, trade etc.) (SURS 2016). Despite its considerable economic importance, restaurant industry has also a significant impact on natural environment and society. Therefore, it is especially important to have more information about Corporate Social Responsibility (CSR) activities in the industry, if we really want to know if any transformation towards sustainability is taking place.

The literature has reviewed CSR practices extensively for the large manufacturing enterprises (Egri and Herman 2000; Epstein and Buhovac 2014; Hooghiemstra 2000; Ioannou and Serafeim 2015; Jamali 2008; Juščius and Snieška 2015; Rahman and Post 2012; Seifert et al. 2004), yet there is little evidence from the service sector (Kang et al. 2010; Lee and Heo 2009; Tzschentke et al. 2008b), and even less for restaurant businesses (Chou et al. 2012; Hu et al. 2010; Perramon et al. 2014). Further examination reveals that since 2005 a considerable amount of literature (Dodds and Joppe 2005; Golob and Bartlett 2007; Holcomb et al. 2007; Lee and Heo 2009; Martinez et al. 2014; Medrado and Jackson 2015; Reverte 2015) has grown up around the theme of promoting general and strategic guidelines for implementing CSR practices in tourism industry. This issue was also recognised by the European (EU) Commission, which in 2011 launched the EU agenda for action to support this approach. The review forum held in February, 2015 showed that CSR should be seen as part of the modern model of business excellence, in particular for SMEs. While EU debate about the best strategies for successful CSR implementation in SMEs continues (EU Commission 2016), no study has determined the significance of managers' demographic characteristics on CSR practices in the restaurant industry. Recently, several studies (Huang 2013; Huimin and Ryan, 2011; Kukanja et al. 2016; Le et al. 2015) in the field of service sector have reported a positive correlation between managers' demographic characteristics and managerial styles. Therefore, it would be of academic (theoretical) and practical (managerial) significance to summarize the results of different studies and to empirically investigate the importance of demographic factors on CSR practices in the restaurant industry. This view is also supported by Huang (2013), who states that applying CEO demographic variables to CSR performance is still a rarity in academic research. To fill this research gap, the current study analyses the influence of restaurant managers' demographic characteristics on restaurant enterprises in Slovenia to accept responsibility towards sustainable management. More specifically, research construct clarification is mainly related to our main research question: How do different managers' demographic characteristics influence CSR practices in the restaurant industry? Answering these research question calls for a literature review inquiry into recent research on CSR. Based on literature review, industry-specific CSR practices were identified and discussed in groups of experts. In the second part of the study, the influence of managers' demographics on CSR practices was empirically tested.
1. LITERATURE REVIEW

According to Garay and Font (2012) CSR is a complex concept broadly defined as the active and (sometimes) voluntary contribution of enterprise to environmental, social and economic improvement. This concept has evolved largely with the historical development of the notion about the role of an enterprise in relation to the broader society and environment (De Bakker et al. 2005). Several authors (De Grosbois 2012; Esty 2007; Swift 2001) state that the concept of responsibility from an institution towards different social stakeholders (employees, customers, public administration, community involvement etc.) has gradually overcome the traditional “capitalist conservatism” of a corporation having financial (profit-making) responsibility only for its shareholders. During the past 30 years, much more information has become available on CSR and consequently there are plenty of CSR definitions (De Bakker et al. 2005).

In 1999 Carroll wrote a literature review on CSR definitions and in another research, Dahlsrud (2008) counted almost 40 CSR definitions. According to Dahlsrud (2008) the majority of definitions refer to five CSR components (also referred to as CSR dimensions) – voluntariness, stakeholder, social, economic, and environmental dimension. This view was also supported by Turker (2009) who identified a five dimensional structure of CSR, which includes CSR to society, stakeholders, employees, customers, and government. However, other authors (De Grosbois 2012; Holcomb et al. 2007; Tsai et al. 2012) questioned the usefulness of such a generalized (five dimensional) approach to CSR. According to authors (ibid.) there are several industry specific CSR dimensions (e.g. environment, human resources, local community, employees, production etc.). Collectively, these studies outline a critical role for an industry tailored approach towards CSR. According to Barney (2001) the popularity of CSR in the business arena can easily be explained by the stakeholder theory. Stakeholder theory was put forward in the 1980s to explain the interaction of the enterprise with different stakeholders’ groups (Freeman and Reed 1983). Barney (2001) states that a key justification for adopting specific CSR practices still lies in the simple fact that the company is responding to different stakeholders’ interests.

Academics have developed two explanations for this rational choice-making process. First is the Resource Based View (RBV) (Branco and Rodrigues 2006). A resource-based view of a firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Hooley and Greenley 2005). According to RBV a firm’s sustainable competitive advantage is reached by a virtue of unique resources being rare, valuable, inimitable, non-tradable, and non-substitutable (also referred to as VRIN characteristics) (Vivas López 2005). A firm may therefore reach a sustainable competitive advantage through unique resources which it holds, and these resources cannot be easily bought, transferred, or copied (heterogeneity of assets). RBV highlights the fact that not all resources of a firm may contribute to a firm’s sustainable competitive advantage. Although several authors (Kraaijenbrink et al. 2010; Priem and Butler 2001; Tywoniak 2007) have criticized RBV, Barney states (2001) that it undoubtedly offers a useful and practical managerial framework to gain sustainable competitive advantage. In terms of CSR, RBV approach
suggests that creating a competitive advantage can be gained by implementing CSR practices that cannot be easily imitated by competitors. Elements within the framework of CSR include the adaptation of products and manufacturing processes to address social values (such as eliminating excess packaging), valuing human resources (such as personal development training and Occupational Health & Safety programmes), improving environmental performance through recycling and pollution abatement (such as emission reductions), and supporting community organisations (by sponsoring local sporting clubs).

The second explanation for the rational choice-making process is the Transaction Cost Economics approach (TCE). TCE is a central theory in the field of business strategy. It addresses questions about why firms exist in the first place (i.e. to minimize transaction costs), how firms define their boundaries, and how they ought to govern their business operations. According to Williamson (2005) economic transactions do not refer only to the obvious cases of buying and selling, but also to day-to-day emotional interactions, informal gift exchanges, etc. Significant determinants of TCE are frequency, asset specificity, uncertainty, limited rationality, and opportunistic behaviour. In terms of CSR, this concept may help us to better explain firms’ rational business behaviour. The decision to exchange resources with the external environment could be reflected by different factors (e.g. environmental uncertainty, opportunism, risk, bounded rationality, core company assets etc.). All of these factors might potentially affect the external transaction cost. Therefore, it may very well be more economic to avoid these activities (e.g. green certificate) or to maintain them in-house (e.g. cost of external supervision). On the contrary, if companies assess their environmental activities as a business opportunity (e.g. donations to local community, cooperation with local producers etc.) they might choose to exchange their resources with the environment. This approach also implies that firms that satisfy stakeholders’ demands (or accurately signal their willingness to cooperate) can often avoid higher costs that result from more formalized contractual compliance mechanisms (e.g. government regulations, union contracts, fiscal obligations etc.) (Aragón-Correa et al. 2008; Williamson 2005). Since 2004, a considerable amount of literature has grown up around the theme of explaining the relationship between CSR and corporate financial performance (Bartkus 2004; Carmona-Moreno et al. 2004; Claver et al. 2007; Garriga and Melé 2004; Inoue and Lee 2011; Ioannou and Serafeim 2015; Kang et al. 2010; Lee and Park 2009; Seifert et al. 2008). According to Kang et al. (2010) in most studies research results determined a positive relationship between CSR activities and companies’ financial performance. De Bakker et al. (2005) conducted a bibliometric analysis of the 30 years of research and theory on CSR and corporate social performance. According to authors (ibid.) most CSR studies are descriptive and repetitive, without examining the underlying factors (e.g. demographic characteristics, motivational factors etc.) affecting the implementation and usage of different CSR practices.

Surprisingly, till 2001 CSR practices were also neglected by European politicians. Only in 2001 the European Union (EU) officially recognized the importance of CSR and in the same year the European Commission (EU Commission) issued a discussion document (also referred to as the EU Green paper on CSR) with the aim of launching a wide debate on this subject at national and international level. According to this document (the Green paper) CSR activities importantly influence national economies.
Direct impacts arise from a better working environment, whilst indirect impact mostly arise from the growing attention of consumers. In addition, the EU Commission officially recognized internal (human resource management, health and safety at work, adaptation to change and management of environmental impacts and natural resources), and external (local communities, business partners, suppliers and consumers, human rights and global environmental concerns) dimensions of CSR (Bassan et al. 2005; Kurek and Rachwal 2011). In 2011, the EU Commission has put forward a new and simpler official EU definition of CSR. CSR is defined as “the responsibility of enterprises for their impacts on society” (EU Commission 2016). According to the Commission, companies can become socially responsible by following the law, integrating social, environmental, ethical, consumer and human rights concerns into their business operations and core strategy in close cooperation with their stakeholders. While a variety of CSR theories and definitions have been suggested, this paper is based on the official EU definition, as Slovenia is an EU member state (EU Commission 2016).

However, to date there is still no general agreement about a uniformed reporting system on CSR activities (Dagilienne 2015). In 2015 the KPMG International (a global network of professional firms providing Audit, Tax, and Advisory services) conducted a comparative international study on CSR reporting practices (KPMG 2016). The study investigated a reporting system of 4,500 companies in 45 countries. Results show that 73 percent of companies report on CSR and 56 percent of companies include CSR information in annual. According to the study, legislative is the main driver for CSR reporting (KPMG 2016). Although there have been several attempts to uniform the CSR reporting system (Dhaliwal et al. 2012) one of the most well-known international initiatives is the Global Reporting Initiative (GRI). GRI promotes the use of sustainability reporting and has developed a sustainability reporting framework that is widely used around the world (Golob and Bartlett 2007, GRI 2016). In 2013 GRI released their fourth generation of guidelines – G4 Sustainability Reporting Guidelines. The guidelines propose three categories of reporting: economic, environmental and social categories (Fernandez-Feijoo et al. 2014). CSR reporting is on the rise as more and more stakeholders demand the information on company’s CSR activities (De Grosbois 2012). In 2014, the Council of the EU has adopted a directive on disclosure of non-financial information and diversity information. In Slovenia the Companies Act in its article 70 states that a company should include information regarding environmental and workers protection into their annual report (IRDO 2015). Restaurant facilities in Slovenia are mostly family run SMEs (Kukanja 2015) and therefore restaurant owners don’t have to report on their CSR practices.

To date, the issue of CSR in the restaurant industry has received scant attention in scientific literature. Previously presented studies primarily recognised the importance of CSR in large manufacturing enterprises and within the hotel (lodging) sector. To date, research findings into CSR in hotel industry have confirmed that if hotel organizations adopt and integrate CSR into their organizational strategies, they can facilitate innovativeness (Čivre and Gomezelj Omerzel 2015; Calveras 2015); increase and/or improve their organizational competitiveness (Kang et al. 2015; Garay and Font 2012) and brand image (Tingchi et al. 2014); boost employees' and customers' loyalty (Garcia de Leaniz and Rodriguez Del Bosque Rodriguez 2015; Lee 2016); conserve
environments (Rahman and Post, 2012), while at the same time contributing to solving problems in society that may arise (Smith and Ong 2015). According to Chen (2015) travellers are progressively more concerned with how tourist companies make their money and are expecting businesses to engage in responsible activities. Hsieh (2012) states that hotel industry lags behind environmentally sensitive sectors (e.g. electricity, transportation, pharmaceutical companies) in implementing environmental efforts. According to author (ibid.) the hotel industry still has a long way to go in terms of environmental endeavours. In the next section, academic contributions focusing on restaurant SMEs are presented.

1.1. CSR practices in the Restaurant Industry

To date, there are relatively few studies in the area of CSR practices in the restaurant industry (Hu et al. 2010; Revell and Blackburn 2007). According to El Dief and Font (2010) tourism researchers analysed reasons for implementing CSR practices at two levels – the organizational and individual one. The organizational level aims to explain motives for CSR engagement through organizational reasons which are often related to companies’ business motives and/or financial pragmatism (e.g. market competitiveness, easier access to financial support etc.) (Cheng et al. 2014; Hooghiemstra 2000), and organizational and ethnic values (e.g. family or Eco-friendly company). On the other hand, the individual level aims to explains reasons for CSR behaviour based on managers’ personal values and beliefs (e.g. managers’ environmental awareness) (Ayuso 2006; Revel and Blackburn 2007).

1.2. Organizational approaches towards CSR

CSR management systems introduce different operational “mechanisms” which help to improve company’s environmental performance. This operational practices involve systematic modifications in production systems and are industry-specific (Carmona-Moreno et al. 2004). According to Garay and Font (2012) the most commonly used organizational approaches to CSR engagement are related to the concepts of competitiveness, legitimacy, and altruism. Competitiveness aims to explain firm’s environmental behaviour as a result of believing that environmental protection may favour the development of some valuable business capabilities (e.g. continuous innovation) and/or financial opportunities (Branco and Rodrigues 2006; Juščius and Snieška 2015), the legitimacy approach views CSR as a manner of bondage with commonly accepted social norms and values (e.g. not serving alcohol to minors, disturbing public peace with loud music etc.) (Bramwell and Alletorp 2001; Cheyne and Barnett 2001; Lim et al. 2012), and finally, organizational altruism aims to explain enterprises’ behaviour as the “doing the right” environmental friendly business (e.g. recycling, buying local products, in-house production etc.) (Ayuso 2006; El Dief and Font 2010; Rivera and De Leon 2005; Tzschantke et al. 2004). De Grosbois (2012) and Tsai et al. (2012) state that there are also other (less tangible) organisational approaches towards CSR, which are most often related to local community, human resources, and marketplace policies. According to these authors (ibid.) the underlying reasons associated with these approaches have rarely been investigated.
1.3. Individual approaches towards CSR

A broader research perspective has been adopted by Garay and Smith (2012) and Revell and Blackburn (2007). Authors argue that CSR research in restaurant SMEs is limited by managers’ environmental behaviour and some industry specific limitations, such as the lack of structured decision-making process and information control, financial instability, greater financial risk exposure, importance of owners’ values, and a strong identification between owners and their enterprises. According to Tzschentke et al. (2008b) only few scholars have considered this distinctive features in their studies (studies are presented below).

Early studies of CSR engagement in tourism SMEs identified the introduction of simple measures usually related to cost benefits, which didn’t need a systematic approach to CSR management. Surveys, such as those conducted by Brown (1996), Donovan and McElligott (2000), Kirk (1995), Knowles et al. (1999), and Thomson and Smith (1991) have shown that environmental actions were mostly driven by economic reasons, while Tzschentke et al. (2004) reported the importance of managers’ ethical and social reasons alongside economic ones. As noted by Tzschentke et al. (2004) and Sampaio (2009) SMEs couldn’t identify their CSR benefits as they didn’t have any methods for monitoring them. In her study, De Grosbois (2012) came to the conclusion that a large number of entrepreneurs had recognized the importance of CSR, but only few managers were able to disclose which activities had been taken in order to achieve CSR goals. This view was also supported by Revell and Blackburn (2007) who wrote, that even when UK restaurateurs were confronted with potential business benefits from CSR practices, they were reluctant to accept that the benefits promoted would be anyhow achievable. One of the most surprising aspect of the presented studies lies is in the fact that generally positive environmental attitudes were rarely translated into concrete actions. These finding corroborate the idea of McKeiver and Gadenne (2005) and Schaper (2002) who suggested, that managers that are less financially oriented found to be less willing to adopt CSR, whereas those willing to introduce CSR, also had some financial expectations from adopting them. Conversely, Tzschentke et al. (2008b) reported that the decision to become environmentally friendly was primarily influenced by the development process of pro-environmental beliefs and socio-cultural values of business owners. Authors conclude that if financial barriers are anyhow eliminated, managers are most likely to implement CSR practices (Tzschentke et al. 2008b, 127-128).

A broader perspective has been adopted by Sampaio (2009) who argues that owners’ views, self-efficacy beliefs, and mastery goal orientation were critical in guiding the level and type of environmental practices chosen for adoption. This view was also supported by Revel and Blackburn (2007) and Carlsen et al. (2001). According to these authors managers’ individual values and beliefs, and not the business case, are crucial for implementing CSR practices. Similarly, Chou et al. (2012) found that restaurant managers’ attitude and perceived behavioural control have a positive effect on their behavioural intention to adopt CSR practices, while the social influence in this view is insignificant. In another major research, Sanchez-Gutierrez et al. (2011) found that CSR practices in the restaurant industry are highly influenced by organizational knowledge management. In another study, Revell and Blackburn (2007) used a
qualitative research approach to analyse reasons for implementing CSR practices in the UK restaurant sector. The findings from 40 in-depth interviews with SMEs’ owners show that despite a concerted attempt by policy-makers to portray “eco-efficiency” measures as cost reducing, most owner-managers of small firms view environmental measures as a resource that is too expensive to undertake.

The studies presented thus far provide evidence that managers’ attitude towards CSR has a critical role for implementing CSR policies. In view of all that has been mentioned so far, one may suppose that managers’ demographic characteristics might also have a significant influence on CSR practices in the restaurant industry. Although no study investigated the correlation between managers’ demographic characteristics and CSR practices, a study conducted by Hu et al. (2010) demonstrated that customers’ demographic variables play a significant role in the perception of green restaurants.

2. METHODOLOGY

2.1. Instrument design

In order to better understand the influence of managers’ demographic characteristics on CSR practices, a literature review on CSR was needed. Based on the literature review (De Grosbois, D. 2012; DiPietro et al. 2013; Dutta et al. 2008; EU Commission 2016; Fernandez-Feijoo et al. 2014; Golob and Bartlett 2007; GRI 2016; Hsieh 2012; Hu et al. 2010; Jamali 2008; Jones et al. 2016; Perramon et al. 2014; Rahman and Post 2012; Revell and Blackburn 2007, Sanchez-Gutierrez et al. 2011; Scanlon 2007; Tingchi et al. 2014), 28 CSR indicators belonging to four major CSR dimensions (local community, environment, marketplace policy, and human resources) were identified. Special attention was paid to indicators included in the GRI’s - G4 sustainability reporting guidelines (46 general guiding aspects of CSR included in three categories – economic, environmental, and social) and the EU Awareness raising questionnaire for CSR (26 generic questions included in four CSR dimensions - local community, environment, marketplace policy, and human resources) (EU Commission 2016; GRI 2016). The EU self-assessment questionnaire was launched by the EU Commission in order to raise SMEs general business awareness on CSR topics (EU Commission 2016). When considering which indicators should be included in the questionnaire, we tried to take into consideration all CSR dimensions that had been identified through literature review. Interestingly, the majority of identified CSR indicators were repetitive. This findings corroborate the idea of Ferus-Comelo (2014), who suggested that tourism industry CSR reporting has yet to move beyond “traditional philanthropy” to embrace all contemporary principles of CSR which should also include corporate transparency, multi-stakeholder engagement, and community empowerment.

In the next step several indicators had to be excluded from the study, as they don’t reflect practices relevant to Slovenian restaurant industry (restaurant industry characteristics are summarized in the introductory chapter). The excluded indicators and dimensions are: indicators belonging to CSR dimension “human resources” (this dimension is based on employees’ satisfaction measurement and can’t be measured through managers’ responses); indicators referring to internal auditing system and code
of business conduct (restaurants are mostly family run SMEs with an average of 4.7 employees per facility); child and/or forced labour, non-discrimination and gender equality, suppliers’ human rights assessment (Slovenia as a EU member state has strict labour standards); indicators referring to health and safety management systems (EU legislation and strict safety standards are in force - e.g. HACCP, allergen information rules, compulsory product labelling etc.); indicators referring to anti-corruption, anti-competitive behaviour and freedom of investment.

In the second phase the selected indicators were presented to five academics (three restaurant industry experts and two CSR experts) from two faculties – the Faculty of Tourism Studies – Turistica in Portorož and the Faculty of Tourism and Hospitality management in Opatija, and six representatives of the Slovene restaurant industry. Academics from both faculties were already involved in a joint working EU project entitled Benchmarking of Croatian and Slovenian hotel sector: instrument to increase competitiveness and entrepreneurship development, whilst the restaurant industry experts were invited to cooperate in the research. We discussed the proposed indicators with both, academics and practitioners, who gave us very useful feedback and helped us to strengthen the content validity of the study. Primarily, we had considered some limitations that referred to the number of indicators. We had proposed numerous indicators in order to fully embrace all identified dimensions of CSR (28 indicators), but according to academics and practitioners the reasonable number would be seven industry specific indicators, which reflect three CSR dimensions relevant to the Slovenian restaurant industry (selected indicators are presented in Table 1). The main concern of practitioners was the length und understability of the questionnaire (managers’ feedback), while academics helped us to adjust questions to the key objective of the study (scholars’ feedback). This view is also supported by Hsieh (2012) who conducted a content analysis of hotels’ environmental management policies and practices. Author (ibid.) found that top five major environmental components (focus areas) in hotel industry refer only to energy management, environmental education, water conservation, waste management, and green supply and purchase.

Table 1: Indicators for measuring CSR activities

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>INDICATOR</th>
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<tbody>
<tr>
<td>Local community</td>
<td>Regular financial assistance to activities and projects of the local community (sponsoring of local sports clubs, charitable contributions, etc.)</td>
</tr>
<tr>
<td></td>
<td>The majority of the staff comes from the local community</td>
</tr>
<tr>
<td></td>
<td>Cooperation with Slovenian producers</td>
</tr>
<tr>
<td></td>
<td>* the proportion (%) of Slovenian products in total purchasing</td>
</tr>
<tr>
<td>Environment</td>
<td>Active separation of all types of waste</td>
</tr>
<tr>
<td></td>
<td>Active recyclement (re-use within the company, for example wastewater, paper etc.)</td>
</tr>
<tr>
<td></td>
<td>Active energy savement in all operating areas (electricity, heating, cooling etc.)</td>
</tr>
</tbody>
</table>
Our research used the above mentioned practices to develop three major categories of CSR. Dimensions “local community” and “environment” are covered with three indicators, while the “marketplace policy” dimension is covered with one indicator. The questionnaire is therefore composed of 7 statements (indicators) and three CSR dimensions. A five point Likert-type ordinal scale, ranging from 1 (never used) to 5 (always used) was used to assess the actual usage of different CSR practices, as previously done by Rettab et al. (2009).

As the selection of specific practices in a given industry is crucial (Yoon and Hwang 1995), some practices were adequately adjusted to meet the specifics of Slovenian restaurant SMEs (e.g. Cooperation with Slovenian producers), as previously suggested by Font et al. (2008). The studies presented thus far provide evidence that that enterprises’ characteristics and management variables have a significant impact on the ability and willingness to engage in CSR. Management variables included in the study are gender (Deng et al. 2006), age (Rivera and De Leon 2005), years of experience (Kukanja, 2015), and educational level (Rivera and De Leon 2005). The selected enterprise variables are ownership structure (Getz and Petersen 2005; Tzschentke et al. 2008b), category – type of the restaurant facility (Rivera 2002), and size (Aragón-Correa et al. 2008; González-Benito and González-Benito 2006). In the second part of the analysis we analysed if there are statistically significant differences between the usage of different CSR practises, respondents’ demographic characteristics and restaurant attributes (restaurant characteristics). Our data was not normally distributed, so we had to use the nonparametric tests.

### 2.2. Research process and sample description

Our empirical research was conducted during a six-month period, from January to June 2015. The research was performed by students of the Faculty of tourism studies–Turistica under strict supervision of lecturers in different restaurant settings in Slovenia. According to the official (national) classification the following types of restaurants were included in the research – restaurants and inns (I56.101), and snack bars and similar (I56.102). In 2014, there were 2,169 restaurants and inns, and 1,213 snack bars operating in the field of F&B service activities (I56) (SURS 2016). Other types of facilities (e.g. Coffee shops, Bars etc.) were omitted from research as their offerings primarily base on beverages. Based on convenience sampling a total of 200 restaurants were included in the study representing 5.9% of the population in Slovenia (SURS 2016). The number of restaurants by type included in the study (128 restaurants and inns, and 72 snack bars) corresponds to the share (composition) of the total restaurant population, representing 5.9% of each restaurant type. The study was conducted by direct interviews with restaurant managers regardless of their current level of CSR engagement, as previously conducted by Garay and Font (2012). Prior to
data collection, the participants received an explanation of the project. Some managers refused to participate for a variety of reasons. Out of a total of 215 collected questionnaires, the final analysis is therefore based on 200 valid questionnaires. The first part of the questionnaire measured managers’ usage of CSR practices on a five point Likert-type ordinal scale ranging from 1 (never used) to 5 (always), while with the second part of the questionnaire sociodemographic data about respondents and general information on restaurants were collected.

In the next step, descriptive statistics analysis was used to analyse respondents’ and restaurants’ characteristics. The SPSS program was used for the analysis of the results. The table below illustrates some of the main sociodemographic characteristics of respondents.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency (s)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>69</td>
<td>34.5</td>
</tr>
<tr>
<td>Male</td>
<td>131</td>
<td>65.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-25</td>
<td>16</td>
<td>8.0</td>
</tr>
<tr>
<td>26-35</td>
<td>50</td>
<td>25.0</td>
</tr>
<tr>
<td>36-45</td>
<td>51</td>
<td>25.5</td>
</tr>
<tr>
<td>46-55</td>
<td>64</td>
<td>32.0</td>
</tr>
<tr>
<td>more than 55</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td>Years of experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-10</td>
<td>52</td>
<td>26.0</td>
</tr>
<tr>
<td>11-20</td>
<td>47</td>
<td>23.5</td>
</tr>
<tr>
<td>21-30</td>
<td>61</td>
<td>30.5</td>
</tr>
<tr>
<td>more than 31</td>
<td>40</td>
<td>20.0</td>
</tr>
<tr>
<td>Level of education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school</td>
<td>21</td>
<td>10.5</td>
</tr>
<tr>
<td>Vocational or secondary</td>
<td>100</td>
<td>50.0</td>
</tr>
<tr>
<td>Higher education</td>
<td>79</td>
<td>39.5</td>
</tr>
<tr>
<td>Ownership structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>119</td>
<td>40.5</td>
</tr>
<tr>
<td>Owner and manager</td>
<td>81</td>
<td>59.5</td>
</tr>
</tbody>
</table>

As can be seen from the table (above), the majority of respondents were male (65.5%), while female respondents represented a little over one third (34.5%) of the collected sample. The highest proportion of respondents fell into the 46-55 years age group (32.0%), followed by 36-45 and 26-35 years age group (25.5% and 25.0%, respectively). As far as years of experience (career) in the industry are concerned, the highest proportion of respondents fell into the 21-30 years group (30.5%), followed by 0-10 years group (26%). The highest number of managers had completed secondary or vocational school (50.0%), 10.5% of respondents had acquired elementary school education, and 39.5% of managers had obtained a higher education. The ownership
analysis reveals that the majority of respondents (59.5%) owned and managed restaurant facilities, while 40.5% of respondents were employed as restaurant managers. The vast majority of restaurants (76.2%) had 10 workers or less, and only 23.8% of restaurants had more than 10 employees. The collected sample closely reflects the profile of restaurant industry in Slovenia in terms of the number of employees. In 2014, 96% of all F&B facilities in Slovenia had less than 10 employees (SURS 2016).

2.3. Analysis and findings

The next section was concerned with the evaluation of the usage of different CSR practices and their correlation to managers’ demographic characteristics. The results (see Table 3) show that all practices were evaluated relatively highly. Among the seven CSR practices the highest-rated practice was “active separation of all types of waste” (mean 4.34), whilst the lowest usage is related to “active recycling within the company” (mean value 3.51). According to the value of standard deviation we can assume, that respondents were quite unanimous when it comes to active separation of waste.

Table 3: Usage of CSR practices

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Std. dev. (ơ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our facility is active in the separation of all types of waste</td>
<td>4.34</td>
<td>1.039</td>
</tr>
<tr>
<td>Our facility on time (within the contractual time limits) pays liabilities towards suppliers</td>
<td>4.30</td>
<td>.919</td>
</tr>
<tr>
<td>Our facility cooperates with the Slovenian producers</td>
<td>4.14</td>
<td>.886</td>
</tr>
<tr>
<td>Our facility employs people from the local area</td>
<td>3.90</td>
<td>1.173</td>
</tr>
<tr>
<td>Our facility is active in energy savings (electricity, heating / cooling)</td>
<td>3.85</td>
<td>1.138</td>
</tr>
<tr>
<td>Our facility regularly provides financial assistance in the activities and projects of the local community (sponsoring of local sports clubs, charitable contributions, etc.)</td>
<td>3.61</td>
<td>1.202</td>
</tr>
<tr>
<td>Our facility is active in recycling (re-use within the company, for example wastewater, paper)</td>
<td>3.51</td>
<td>1.389</td>
</tr>
</tbody>
</table>
In the next section of the study we tested if there are any statistical significant correlations between the usage of CSR practices and managers' demographic characteristics. Results (data histograms) revealed a negatively skewed distribution. Therefore, a nonparametric measure – the Spearman rank-order correlation was calculated (several ordinal variables – age, level of education, and years of professional experience were included in the questionnaire). The results of the analysis are presented in Table 4. Apart managers' demographic characteristics we also checked if there are any statistical significant correlations between CSR practices and restaurant attributes (control variables) - restaurant type, size, and ownership structure. Interestingly, analysis results show that restaurant attributes are not correlated to CSR practices.

Table 4: Spearman's rank correlation

<table>
<thead>
<tr>
<th></th>
<th>Payment of liabilities</th>
<th>Separation of waste</th>
<th>Recyclement</th>
<th>Energy savings</th>
<th>Financial assistance</th>
<th>Employment of local people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Spearman’s rho</td>
<td>-.191**</td>
<td>-.095</td>
<td>.086</td>
<td>.056</td>
<td>-.005</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.007</td>
<td>.181</td>
<td>.224</td>
<td>.434</td>
<td>.939</td>
</tr>
<tr>
<td>Education</td>
<td>Spearman’s rho</td>
<td>.352**</td>
<td>.401**</td>
<td>.397**</td>
<td>.445**</td>
<td>.151</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.032</td>
</tr>
<tr>
<td>Experience</td>
<td>Spearman’s rho</td>
<td>-.235**</td>
<td>-.118</td>
<td>-.042</td>
<td>-.050</td>
<td>.067</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.096</td>
<td>.556</td>
<td>.482</td>
<td>.347</td>
</tr>
</tbody>
</table>

Legend: ** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

In table above (Table 4), statistically significant correlations are bolded. Analysis results reveal a weak positive correlation between the level of education and the following CSR practices: “on-time payments to suppliers”, “separation of waste”, “recyclement”, and “energy savings”. What is interesting in this data is a very weak negative correlation (-.006) between the practice “employment of local people” and managers' education. Although the correlation coefficients give no indication of the direction of causality, further statistical analysis showed that as the level of education increases, the frequency (usage) of specific CSR practises also increases. This results support the idea of the EU Commission (2016), which suggests that the issue of CSR awareness should be targeted through education.
What is interesting in this data is the weak negative correlation (-0.235) between years of managers’ work experience and the variable “on-time payments to suppliers”. Based on the results presented in table above we can assume, that managers that are more experienced less often on time pay liabilities towards suppliers. A possible explanation for this might be that educated young managers try to behave professionally, but as they are gaining experience, they adopt to the business environment and undertake bad business practices. These findings are rather disappointing, as payment defaults present one of the major economic problems in Slovene economy (Prelič and Prostor 2014). A weak positive correlation (.376) was found between years of managers’ work experience and the CSR practice “employment of people from the local area”. This results are quite encouraging as it can be assumed, that experienced restaurant managers are more aware of the importance of employing labour force from the local area.

As far as respondents’ years of age is concerned, we can observe a weak and negative correlation (-0.191) between age and the CSR practice “payment of liabilities” and a weak positive correlation (.368) between age and CSR practice “employment of local people”. A possible explanation for these results may be the lack of individual social responsibility among young managers towards the local community and/or their open-minded (liberal) view on employment relationships. The combination of these findings provide further support for the conceptual premise that managers’ age and years of experience significantly influence their attitude towards the employment of local labour force. Although restaurant are mostly family run businesses (see Table 2) it seems that restaurateurs prefer to employ local labour force rather than workers from other Slovene regions or the EU labour market. However, more research on this topic needs to be undertaken before managers’ behavioural intention to employ local labour force is more clearly understood. The final paragraph, therefore, moves on to discussion of the findings. The following table (Table 5) shows the correlation matrix between restaurant managers’ demographic characteristics and CSR practices.

<table>
<thead>
<tr>
<th>CSR</th>
<th>DEMOGRAPHICS</th>
<th>AGE</th>
<th>EXPERIENCE</th>
<th>EDUCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assistance to local community</td>
<td></td>
<td></td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Employment of local people</td>
<td></td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Cooperation with Slovenian producers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Separation of waste</td>
<td></td>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Recyclement</td>
<td></td>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Energy savings</td>
<td></td>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Payment of liabilities</td>
<td>-</td>
<td>-</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>

Legend: + = statistically significant positive correlation; - = statistically significant negative correlation
From the table above we can see that managers’ demographic characteristics play an important role in restaurants’ behaviour towards the adoption of CSR practices. This table is quite revealing in several ways. First, unlike the other tables it clearly presents the relationships between all seven CSR practices and managers’ demographic characteristics. As shown in table above (Table 5) a positive correlation was found between three demographic variables and at least one CSR practice. Secondly, it reveals that only one CSR practice “cooperation with Slovenian producers” is not affected by demographic characteristics whilst all other practices are influenced by managers’ demographics. Thirdly, it can be seen that the most important demographic characteristic is “education”. This variable has a statistically significant impact on the majority of CSR practices (five out of seven). These findings suggest that managers’ demographic characteristics undoubtedly play a significant role in restaurants’ responsible business behaviour. Finally, the most influenced CSR practice is “payment of liabilities”. This practice is influenced by all three demographic characteristics. Taken together, these results provide important insights into the correlation between the adoption of CSR behaviour and managers’ demographic characteristics.

3. DISCUSSION

This study shows the influence of managers’ demographic characteristics on CSR engagement in the restaurant industry. The reason for CSR engagement is driven by different demographic characteristics. The most influenced CSR practice is “payment of liabilities”. This practice is driven by managers’ age, experience, and education level. The most obvious finding to emerge from the analysis is that three managers’ demographic variables have a statistically significant importance in explaining restaurants’ CSR behaviour. Some of the issues emerging from this finding relate specifically to the uses of different CSR practices. One unanticipated finding was that the CSR practice “cooperation with Slovenian producers” is not influenced by any demographic variable and that the CSR practice “active recycling” in influenced only by education.

It is interesting to note that among the seven CSR practices, the lowest-rated practice was “active recycling within the company”. Surprisingly, this practice is influenced only by one demographic variable - education. These findings are rather disappointing. However, more research on this topic needs to be undertaken before the association between CSR behaviour and education is more clearly understood.

Previous studies (Ayuso 2006; Kasim 2007; Tzschentke et al. 2004) have reported that cutting operational costs and minimizing resources are the most common CSR practices. Contrary to expectations, this study has confirmed a statistically positive correlation between “the most resource-based” variable of the study – “active energy savings” and only one demographic variable (level of education). According to these data, we can infer that in general demographic characteristics don’t play a significant role in managers’ decision to cut operational costs. Yet this study goes further in reporting some relevant industry specific CSR practices, such as “cooperation with Slovenian producers”. This is relevant because most literature (Revell et al. 2010; Tilley 2000) has emphasized the importance of environmental issues for national
economies, but also because the findings of the current study do not support the correlation between the decision to cooperate with local producers and managers’ demographics. It can therefore be assumed that the decision to buy from local producers is mostly driven by managers’ cost saving motivation. Price and other market based instruments (e.g. discounts etc.) seem to be crucial in determining restaurant managers’ willingness to cooperate with local producers.

This study also reveals a previously unreported positive correlation between CSR dimension “local community” and managers’ demographic characteristics “years of age and experience” which results in restaurants’ social impact towards the community. Especially older and more experienced managers seem to recognise the advantage of employing local labour force. This CSR practice supports the idea that the perception of the “good management” also results in a company’s better financial results (Holcomb et al. 2007). Nevertheless, the presented results can also be interpreted as a pragmatic (and cheap) method for hiring labour force or they can also be partially explained by the large proportion of family run restaurant SMEs, who may not always have other staff rather than (local) family members.

CONCLUSION

This paper contributes to the understanding of CSR practices in the restaurant industry. Most literature has analysed large manufacturing enterprises while both, the tourism sector and restaurant industry, have received scarce attention. This study presents the correlation between managers’ demographic characteristics and CSR practices in restaurant SMEs. The identified practices are implemented through different operational mechanisms and they embrace three main CSR dimensions for the restaurant industry – environment, local community, and marketplace policy. Responsibility actions, practices, and measures are becoming more and more important for restaurant enterprises. The results of this study indicate that the vast majority of restaurants included in the study reported the introduction of different CSR activities. One of the more significant findings to emerge from this study is that CSR practices in the restaurant industry (especially the environmental ones) still remain in their early operational stages – the lowest usage is related to “active recycling within the company”. The principal theoretical implication of this study is that managers’ demographic characteristics significantly influence CSR practices in the restaurant industry. This study has also shown that restaurant attributes (ownership structure, category – type of the restaurant facility, and size) do not affect restaurants’ CSR behaviour. While restaurant SMEs have fewer skills and opportunities to implement CSR initiatives in comparison to larger (manufacturing) companies, managers’ demographic characteristics can facilitate the introduction of such measures. Taken together, these results suggest that restaurant managers’ demographics play an important role in restaurants’ CSR behaviour. Emphasis in future studies and CSR strategies should therefore be placed on improving CSR planning and management for restaurant SMEs.
Several questions remain unanswered at present. The most important limitation of this study lies in the fact that it is based on organizational and operational variables. Therefore, only the environmental, social, and partially economic aspects of CSR were analysed. Further research, analysing the self-reported practices with site-based audits coupled with managers’ interviews is needed, in order to better understand the underlying reasons and motivations for managers’ answers. Furthermore, what is not clear from this data is up to which extent the reported CSR practices were explicitly taken for moral reasons (research was conducted by an academic institution), habit, convenience, and/or other unexplained variables. The study also lacks of an adequate review of altruistic reasons for implementing CSR, such as an in-depth analysis of managers’ values and lifestyle (Ayuso 2006; Rivera and De Leon 2005; Sampaio 2009; Tzschentke et al. 2008b); analysis of the main motivators behind CSR behaviour – e.g. cost-reduction (Nicolau 2008), image (Aragón-Correa et al. 2008), legitimation reasons (González-Benito and González-Benito 2006), stakeholder pressure (Ayuso 2007); and analysis of managers’ capabilities for implementing CSR (Tzschentke et al. 2008a).

To address these limitations, a variety of further studies are needed, amongst them an international longitudinal study analysing the impact of specific government interventions, sustainability learning processes, and comparative studies between restaurants in more and less developed tourist destinations. Furthermore, future research should analyse if restaurant managers from developed countries are more aware of CSR issues in comparison to their colleagues from underdeveloped countries. Future studies can collect data by multiple means, such as interviewing managers of restaurants, analysing their marketing communication activities, and other related documents. This information could provide further valuable explanations for the changing behaviour of restaurants’ towards conducting businesses in a more responsible manner.

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