



AWARENESS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AMONG TECHNICAL UNIVERSITY STUDENTS

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Abstract

The purpose of this study is to explore the level of awareness of CSR among final year management students in one of the Technical Universities in Ghana. The study purposively selected five students based on their academic performance and tested their knowledge and understanding of CSR. They were all tested on the same five structured questions. The questions were all open-ended allowing the students the opportunity to freely express their opinions. The responses obtained from the participants was analysed manually and classified into themes. The results revealed that all the students were very much aware of the CSR role of companies in the society. The results obtained imply that the students are more likely to embrace CSR in their working lives; and when given the opportunity to lead their organizations, they will readily undertake CSR programs.

Keywords: Benefits, companies, programs, society, stakeholders

INTRODUCTION

The world of business is full of uncertainties and companies are sometimes compelled to adopt all manner of strategies to survive. Awareness of CSR is therefore paramount as it serves as a check on businesses as they navigate their way through their challenges to success. Since management students of universities will soon enter the corporate world, it is very imperative to test their knowledge and understanding of CSR as the next generation of corporate leaders. Empirical evidence suggests that 81% of American customers look out for CSR programs of companies before patronizing their products or services in order support their cause (Cone, 2010). Companies can take advantage of this to maximize their returns on investments by making their customers aware of their CSR programs. But before customers can be made aware of CSR programs, they must have managers who have knowledge and understanding of CSR to be able to develop programs that will attract customers. It is imperative for future managers to understand the dichotomy of CSR. If directors spend more on CSR, they risk incurring the displeasure of shareholders when the profits declared at the end of year are small; on the other hand, spending on employees as part of CSR can contribute significantly to boosting morale thereby increasing productivity and profitability (Hinson and Ndhlovu, 2011). For the directors to focus solely on the shareholders could spell doom for the existence of a company. The essence of this research paper is therefore to ascertain the extent to which management students of tertiary institutions understand CSR.

LITERATURE REVIEW

CSR as a new concept is gaining grounds in the advanced economies but yet to be fully practiced in developing countries (Chapple and Moon, 2005). Free trade and globalization have made it imperative for developing countries to open their doors to multinational companies to come and operate. The activities of some of these multinational companies negatively affect the environment leaving the citizens with no option but to agitate. This situation has led to an increased pressure on multinationals by stakeholders to undertake CSR programs (Porter, 2005). Even though the costs of CSR programs are high, there are justifications for such investments. According to Porter (2005), enhanced corporate image, moral obligation, environmental sustainability and avoidance of the payment of fines are all good reasons for engaging in CSR. Awareness of these benefits is likely to motivate managers and directors to embrace CSR. Carroll, who believed that it is important for companies to undertake CSR programs, identified economic, legal, ethics and philanthropy as areas of concern for CSR (Carroll, 1979). This view negates Friedman's assertion that businesses exist to make profits for only shareholders and nothing else (Friedman, 1970). The notion that companies exist to satisfy

only shareholders persisted until the latter part of the twentieth century when the realization that communities and individuals directly or indirectly affected by the activities of companies must benefit from their profits (Freeman, 1984). It is also a truism that the governments of most developing countries cannot meet the developmental needs of their citizens; hence the need for companies to contribute through CSR to support the poor and vulnerable in the society (Friedman, Hudson, and Mackay, 2008). However, the greatest challenge to CSR is that there are many people in the world who have not yet understood CSR (Cone, 2010). It is therefore very important that awareness of CSR is created among graduates of tertiary institutions so that as future managers of companies they would support CSR programs.

METHODOLOGY

The study used the qualitative research approach. The researcher purposively selected five best students from the final year management class of the Bolgatanga Technical University whose cumulative grade point averages are between 3.5 and 4.0; and tested them with five structured open-ended questions. The responses were transcribed by the students themselves for analysis and presentation. Each participant was assigned a pseudonym; namely, Alpha, Beta, Charlie, Delta and Edge for purposes of anonymity; and to be able to develop patterns in their responses. The quotes from the responses of the participants were made verbatim without correcting the grammatical errors. The data obtained was analysed manually and classified into themes: understanding CSR, areas of concern for CSR, impact of CSR on companies and impact of CSR on society.

The following questions were asked on the themes:

1. What is your understanding of Corporate Social Responsibility (CSR)?
2. What are the various forms of Corporate Social Responsibility (CSR) practices?
3. What is the impact of Corporate Social Responsibility (CSR) on companies?
4. What is the impact of Corporate Social Responsibility (CSR) on society?

RESULTS

Understanding of CSR

With regards to understanding of CSR, the responses from the respondents showed that they all have sufficient knowledge about CSR. The following are quotes from the five (5) students that were tested:

“ is the continuous commitment of business organizations and other institutions to behave or conduct themselves ethically and contribute to economic development while

improving the quality of life of workers and their families as well as of the local community and society at large". **(Alpha)**

"..... aims at contributing to societal goals of a philanthropic supporting volunteering".

(Beta)

"..... aim to contribute to society goals of a philanthropic, activist or charitable nature by engaging in or supporting volunteering or ethically oriented practices". **(Charlie)**

"..... is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis".

(Delta)

"..... is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders". **(Edge)**

Areas of concern for CSR

All five (5) respondents were able to identify at least one of the five (5) areas of concern for CSR; namely ethical, economic, environmental, philanthropic and legal.

Ethical responsibility- Three (3) out of the five (5) respondents were able to identify ethics as one of the areas of CSR.

"..... obligations which are right, fair and just". **(Alpha)**

"..... obligations which are right, just and fair". **(Charlie)**

"..... Obligations that are right, Just and fair". **(Delta)**

Economic responsibility

With regards to economic responsibility, three (3) respondents construed it as:

"..... fair compensation of employees, reasonable return to investors, goods at fair prices to customers". **(Alpha)**

"..... reasonable return to investors, fair compensation to employees, pricing goods at fair prices to customers, etc". **(Charlie)**

"..... reasonable return to investors". **(Delta)**

Environmental responsibility- Surprising, only one (1) out of the five (5) respondents was able to identify environmental sustainability as one of the areas for CSR. This is somewhat alarming considering the level of environmental degradation in Ghana especially the Upper East Region which is the home region of the University.

"..... environmental conservation". **(Beta)**

Philanthropy responsibility- Only two (2) of the respondents were able to identify philanthropy as one of the areas of responsibility for CSR.

"Being involved in the community". **(Beta)**

“Love of fellow human being”. **(Delta)**

Legal responsibility- Just like the philanthropy, only two (2) of the five (5) were able to mention legal as one of the areas of CSR.

“..... that businesses abide by the rules of the game”. **(Charlie)**

“..... that businesses abide by the law of the land”. **(Delta)**

Impact of CSR on companies

With regards to the impact of CSR companies, each of the five (5) participants exhibited some understanding of the impact of CSR on companies. The responses included customer satisfaction and retention, goodwill, ability to attract and retain qualified staff as well as job satisfaction.

Customer satisfaction and retention- Two (2) out of the five (5) respondents were able to mention the following:

“..... enable customer satisfaction and customer retention”. **(Alpha)**

“..... have happier and more satisfied employees”. **(Edge)**

Goodwill- Again two (2) of the respondents were able identify goodwill as one of the benefits of CSR on companies.

“..... a reputation or goodwill for being socially responsible”. **(Alpha)**

“..... enhances public trust”. **(Charlie)**

Ability to attract and retain qualified staff- Three (3) out of the five (5) recognized ability to attract and retain qualified staff as one of the ways CSR can have an impact on companies.

“..... impacts on a company’s ability to attract top talent and affects employees’ satisfaction levels and retention”. **(Beta)**

“..... makes an organization more attractive for employees”. **(Charlie)**

“..... ability to attract top talent staff”. **(Delta)**

Job satisfaction- Two (2) respondents identified job satisfaction as one of the benefits of CSR to companies.

“..... more engaged employees”. **(Charlie)**

“..... affects employees’ job satisfaction levels and retention rates”. **(Delta)**

Impact of CSR on the society

Each participant was able to pinpoint at least one benefit of CSR to the society. The benefits according to the participants included infrastructural development, charity, good corporate citizenship, improvement in standard of living and protection of the environment.

“..... it helps raise the living standards of the people, enable cordial relationship between the society and the company”. **(Alpha)**

“Societal development by taking social initiatives such as investing in education programs , making financial contributions to charitable projects”. **(Beata)**

“..... investing in the poor and street children”. **(Charlie)**

“..... contribute to society and its people through charity.....”. **(Delta)**

“..... helps to protect the environment”. **(Edge)**

DISCUSSION

Each respondent was able to demonstrate some level of understanding of CSR. They were also able to identify at least one area of concern for CSR. The areas identified include economic, ethics, environmental, ethics, legal and philanthropy. With regards to the impact of CSR on companies, the majority of the participants recognized customer satisfaction and repeat business, attraction and retention of qualified staff, goodwill and job satisfaction as likely benefits to be derived from CSR. All five respondents were able to mention at least one of the following; enhanced corporate image, moral obligation, environmental sustainability and compliance with regulations as good reasons for companies to engage in CSR. The paradox of globalization has further broadened the scope of CSR; therefore managers are not limited to only CSR issues in their host countries but must have knowledge of what is happening across the globe (Soheli, 2012). The study showed that the respondents understood companies as entities which exist to create value for all stakeholders and not only shareholders. Overall, Charlie appeared to have much better knowledge and understanding of CSR than all the other participants; while Alpha appeared to be the least informed about CSR.

CONCLUSION

The findings of this study revealed that all five (5) respondents had very good knowledge and understanding of CSR. They were also able identify specific areas of concern for CSR; as well as the benefits of CSR to companies in particular and society in general. This gives hope to advocates of CSR that in the near future there will be managers of industries who will readily accept demands from society to initiate CSR programs to address their concerns. Invariably, awareness of CSR programs of industries can generate more business opportunities through increased patronage of goods and services. The findings are encouraging since developing countries appeared not to be actively promoting good corporate governance; if graduates in universities are able to learn and understand CSR, it will go a long to promote good corporate governance in developing countries. The study has uncovered a scope for further studies in

wide range of areas such as; the impact of CSR on performance management; and the influence of CSR on the political behaviour of companies. These areas if studied will further highlight the importance of having companies engaging in CSR.

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