# Corporate Social Responsibility in Higher Education

Eisa Amiri, Mokhtar Ranjbar, and Narjes Amiri

*Abstract*—The 21st century is characterized by unprecedented challenges and opportunities, arising from globalization, the desire for inclusive development and the imperatives of climate change. Drawing on the common understanding of corporate social responsibility (CSR), this paper points to the development of strategies and processes for exercising that responsibility in the context of higher education. The paper contains analyses of the scientific literature with an aim to find out theoretical position regarding social ethics and the essence of corporate social responsibility, values orientations typical of the organizational culture environment and other factors underlying cultural formation as well as the potential of the higher educational establishment in the development of the corporate social responsibility approach. The result proves the presence of significant relation between the category of honesty and corporate social responsibility. Corporate social responsibility is part of organizational culture and a value in the organizational culture environment. Condition for the development of social maturity is intelligence, unity of professionalism and social competence, and human relations. Honesty is the key provision for entrepreneurial success. Honesty ensures long term success. It is the sole way to make the company trustworthy. Trust is the capital that has to be sought. The necessity to facilitate the role of social responsibility in the society and entrepreneurship environment has to be placed at the top of the list of the tasks for higher educational institutions.

*Keywords*—Corporate social responsibility, Higher education, Organizational culture environment and Professionalism.

## I. INTRODUCTION

THE task of the higher education is to contribute to the social development and provide an increasing number of young people with opportunities to acquire quality first rate higher education and to become qualified, competitive professionals in the global context, whose competences meet the long term demands of the labor market. In the industrial society, the diploma or degree used to be a crucial precondition for permanent employment. However, nowadays the formal scope of knowledge is losing its significance. Analyzing and problem

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solving skills as well as the ability to apply the knowledge are a lot more important than the above. Consequently, higher educational establishments are expected to provide professionals with a lot more extensive knowledge and skills in the area of employment and human relations. Universities have to maintain the dialogue with the labor market. However, at the same time higher educational establishments have to be careful not to divert from their major mission - to ensure and provide the students with an opportunity to become an all-around educated professionals [1]. Nowadays, companies and organizations require a professional manager with analyzing and ideas generating skills. Professional skills of a manager and entrepreneur extend well beyond the economical information about the company (financial accounting, analyses, control and forecasts). The manager has to be capable, of making human resources related decisions, where apart from the economical and legal aspects, psychological, pedagogical, esthetic and social aspects have to be considered. The new management theories are increasingly focusing on the imperative of the corporate social responsibility [2]. Therefore higher educational establishments have to take on teaching corporate social responsibility to their students - prospective managers and entrepreneurs.

## II. CORPORATE SOCIAL RESPONSIBILITY

The Green Paper of the European Commission (July 2001) defines Corporate Social Responsibility (CSR) 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. CSR advantages for enterprises include:
- Contributes to creating and maintaining a high profile
- Guarantees strong relationships with stakeholders
- Creates a better, safer and more stimulating work environment
- Improves business management efficiency
- Protects from boycott actions
- Makes access to funding easier
- Allows benefiting from fiscal advantages and administrative facilitation
- Reduces enterprise risk contributes to increasing shareholder value in the markets where ethical indexes are adopted [3].

Persuading human society to lives in ways that protect basic values and to provide their capacity of sustainability for the needs and aspirations of current and future generations must be the mission for all people. CSR necessity is certainly a growing movement across the world. While most of its advocates recognize a continuing need for considerable outside assistance (public and private), community building's central theme is to

obliterate feelings of dependency and to replace them with attitudes of self-reliance, self-confidence, and responsibility, working hard to create new possibilities that enhance people's lives by transforming the way the world communicates. Along the way, to help make the world a little better, must be the main target for all scientists [4].

Societies often have a choice between different institutions serving similar purposes, and exercise it depending on costs and benefits of various alternatives. Such costs and benefits evolve over time and vary from one country to another, which could explain institutional change and diversity across the globe. One example of such selection from an "institutional menu" is corporate social responsibility (CSR) – a contemporary pattern of corporate behavior which requires companies to be guided not only by narrow financial objectives, but by broader societal interests in sustainable development, clean environment, ethical conduct, protection of social and economic rights etc [7]. Corporate social responsibility has become a standard practice in the modern world, and yet its purpose, rationales, mechanisms and outcomes are still intensely debated.

Carroll provides a "definition that is arguably the most commonly cited" [6], in his description of the Pyramid of Corporate Social Responsibility. Carroll suggests that CSR should embrace the entire range of business responsibilities, and should include four kinds of social responsibility: economic, legal, ethical and philanthropic. The Pyramid, depicted in Figure 1 below, rests on the foundation of economic responsibility, which requires the organization to "be profitable". Legal responsibility is next, where organizations must "obey the law" and "play by the rules of the game". The third Pyramid level addresses Ethical responsibilities, where organizations have an "obligation to do what is right, just and fair." The top level of the Pyramid concerns Philanthropic responsibilities, where organizations should "contribute resources to the community and improve the quality of life." Carroll suggests that organizations must address the lower levels of the Pyramid first before they can consider the upper levels [8].
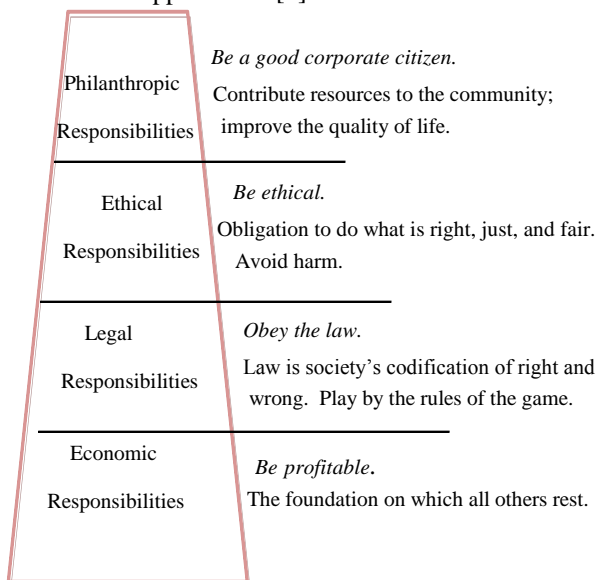


Fig. 1 Carroll's Pyramid of Corporate Social Responsibility[8]

Nowadays, under the conditions of the global economics, an educated and socially responsible manager is the major precondition for implementation of corporate social responsibility imperative. The manager has to be emotionally mature and capable of making ethically responsible decisions; he/she has to be familiar with the alternatives and possible solutions and has to represent appropriate value orientations. Teaching social responsibility approach of the prospective managers and employees as well as its further development is a crucial task.

A. Fundamental Principle for Corporate Social Responsibility

Each business entity should formulate a Corporate Social Responsibility policy to guide its strategic planning and provide a roadmap for its CSR initiatives, which should be an integral part of overall business policy and aligned with its business goals. The policy should be framed with the participation of various level executives and should be approved by the Board.

The CSR Policy should normally cover following core elements [1]:

1.  Care for all Stakeholders:

The companies should respect the interests of, and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. They should develop mechanism to actively engage with all stakeholders, inform them of inherent risks and mitigate them where they occur.

2.  Ethical functioning:

Their governance systems should be underpinned by Ethics, Transparency and Accountability. They should not engage in business practices that are abusive, unfair, corrupt or anti-competitive.

3.  Respect for Workers' Rights and Welfare:

Companies should provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of employees. They should provide all employees with access to training and development of necessary skills for career advancement, on an equal and non-discriminatory basis.

4.  Respect for Human Rights:

Companies should respect human rights for all and avoid complicity with human rights abuses by them.

5.  Respect for Environment:

Companies should take measures to check and prevent pollution; recycle, manage and reduce waste, should manage natural resources in a sustainable manner and ensure optimal use of resources like land and water, should proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies.

6.  Activities for Social and Inclusive Development:

Depending upon their core competency and business interest, companies should undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of their operations. These

could include: education, skill building for livelihood of people, health, cultural and social welfare etc., particularly targeting at disadvantaged sections of society.

*B. CSR Approaches at Higher Education*

Education has a strategic importance in the current era; meanwhile it can be viewed as a systematic strategy which is used to create desired changes in individual behavior in society for the benefit of all. At the same time education is liberating for the individual and creates life chances. Education produces basic properties and services for meeting the vital needs of a nation like health, security, education, defense, communication and cultural development [9].

The popular argument for higher education is based upon the creation of a potential for economic capital inherent in the acquisition of tertiary education, and this is considered to be sufficient justification in its own right. Universities are concerned however with a different type of capital which they jealously guard and this is intellectual capital [3]. Many within higher education would argue that one of the purposes of a university is to create intellectual capital. Indeed universities seek to appropriate ownership of this intellectual capital and one of the sources of dispute in universities is concerned with who owns this intellectual capital – academics or the universities as their employers [1]. This intellectual capital is seen as a source of economic capital in the future but considerably less attention is paid to imbuing students with such intellectual capital. Contemporary civilization levels intends academic levels of education and scientific policies that states Research - Development (R&D) studies must be gained and the sources / mental tendency must be increased to cover the increases in level improvement and necessities must be followed. Thus, accelerating in passing through to knowledge society is proposed. Essentially, R&D and manpower levels must be thought together by their qualitative and quantitative properties [9]. It is a necessity to bring a quality and CSR approach into this professional process that is turned into a life style that takes the happiness of all educators and learners who are the social partners of academic life as a base: essentially, the reality of all living beings having the basic right to find quality in every field of their life. Rising academic life quality is possible with the contribution, interaction and sharing of responsible academicians and managers to social life. Their responsibilities and basic necessities are given as wide spreading individual, team worker, institutional, national and universal dimensions, entering the period with stronger and pretentious targets, wide spreading this approach to social layers [9].

### III. ORGANIZATIONAL CULTURE ENVIRONMENT

The research on acquiring the corporate social responsibility approach is based on the following theoretically grounded assumption - the expression, activity, methods and strategy of corporate social responsibility of a particular company is determined by the particular company's corporate organizational culture environment. Responsibility to the staff, consumers, investors, government, associations and different interest groups, care for the well being of the community and entire society as

well as environment protection are the main areas of corporate social responsibility [7].

Organizational culture environment is the total of the social, tangible and intangible conditions of the organizational existence and activities as well as the mutual objective and individual attitudes and interchange determining the character of their existence and development [1]. External organizational environment, social conditions, particular personalities and their values orientations determine the development and character of the organizational culture environment development. On its part, organizational values system determines its strategy, structure and decision making. The manager, his/her personality, intellectual and emotional qualities as well as his/her will and values orientations have a crucial role in determining the character of the organizational culture environment [10].

Therefore, promotion of the corporate social responsibility, which is one of the sustainable development components crucial for managing acquiring of the corporate social responsibility approach, requires studies into the values orientations determining the organizational culture environment.



Fig. 2 Model of interaction of Corporate Social Responsibility [1]

We required the analyses of the corporate social responsibility approach, identification of the values orientations typical of the organizational culture environment and determining the management conditions of the prospective manager's professional and social competences formation in the higher educational establishment. For the purposes of the paper, based on Riga`s framework, nine values orientation scales were developed [1]. The first values orientation scale includes statements that describe employees as organizational success oriented. This type of orientation is characterized by a row of external features - facilitated buildings and premises, presence of international contacts and export.

The second values orientation scale includes statements that describe employees' orientation to efficient functional organizational culture: precisely defined decisions, delegating, performance, control, communication, incentive and loyalty. This means focus on providing employees with the sense of security.

The third values orientation scale includes statements that describe employees' orientation to availability of information, explanation of goals and assignments, their purposeful fulfillment as well as individual respect and admiration.

The fourth values orientation scale includes statements that describe employees' orientation to the necessity of improving knowledge as a condition for the development of professional competence and personal improvement.

The fifth values orientation scale includes statements that describe employees' orientation to reducing personal integrity as opposed to collectivism, orientation to common free time activities, and importance of the religious or national belonging.

The sixth values orientation scale includes the statements describing employees' orientation to professional qualities - knowledge, experience, incentive, purposefulness, discretion and work quality.

The seventh values orientation scale includes statements that describe employees' orientation to competitive products and services, which is possible to reach by extensive knowledge in market economy, sufficient resources, highly motivated staff and demanding management.

The eight values orientation scale includes statements that describe employees' orientation to positive, respectable-, friendly management and appropriate qualities of the manager. On the whole, this creates free, democratic and mutually beneficial environment and comfortable conditions in the organization.

The ninth values orientation' scale includes statements that describe employees' orientation to mutual assistance, which is determined by human and friendly interpersonal relations between the manager and the subordinates as well as among the employees. A structural model of nine values orientations describing organizational culture environment has been developed (Fig. 3).



Fig. 3 Structural model of nine values orientation describing Organizational Culture Environment [1]

## IV. CONCLUSION

Universities are the most important academic and educational organizations. For an university however the objectives of equipping students for their future life and thereby benefiting society must not be forgotten in the drive for marketing. The science of behavior and cultural analysis has much to offer to organizations and movements interested in social justice and human rights, who are "acting to save the world" [2]. Behavior analysts are strongly encouraged to work with and join the following networks, and to contribute what they know in respectful ways to these efforts. Ethical leadership is difficult. Hopes for building sustainable communities—socially, culturally, and physically—most are founded on learning to think and dialogue systemically. The Applied Ethics & Policy Integration Model provides a framework bringing together the remarkable work that has been done in ethics and policy toward that end. Scientists are the heart of the Universities and are the key their studies to this competitive success in a global world. Their energy, intelligence and knowledge of networks are what differentiate from the other competitors [3].

In the world, value education is gaining increasing significance. Opinions are present that in the future, value education in universities will become as important as the native language or mathematics [9]. Values enable us to look deeper into our lives. On the level of values, facts, concepts, laws and norms are related to the personal attitude to phenomena. This attitude also includes emotional experience, interests, personal internal world with motives and confidence, with the choice of subject - what to prefer and what to give up. Corporate social responsibility develops under the conditions of adequate personal and society benefiting values orientation [8]. However, the process of the CSR development should not be left without supervision. Personal experience might create one sided opinion about life; therefore, personal experience is not enough. It should be supplemented by the positive experience of history and society taught in general and higher education study courses and organizational staff trainings. Honesty is the key provision for entrepreneurial success. Honesty ensures long term success. It is the sole way to make the company trustworthy. Trust is the capital that has to be sought. The necessity to facilitate the role of social responsibility in the society and entrepreneurship environment has to be placed at the top of the list of the tasks for higher educational institutions. The above assignment is closely related with two other tasks: 1) to develop understanding of the issues of ethics among students; 2) to facilitate development of moral obligations and attitude to personal responsibility [5].

## V. PRACTICAL RECOMMENDATIONS

Based on the results of this paper, the practical recommendations for acquiring CSR in higher education are provided:

- Different enterprises have different cultures, and different corporate cultures reflect different values, different ethics and different lifestyles. Determined pursuit of corporate values and different goals, the strategic choice of CSR position is different. Therefore, the incorporation of CSR in universities cannot be accomplished by means of a compliance strategy only. Rather, it needs to be supplemented by a strategy aimed at stimulating a transformation process on the corporate culture level.

- For answer to the environmental changes and acquiring CSR, universities need study programs that would improve education and provide extended knowledge of the global students. The practical implementation of the program focuses on group

work and development of different independent projects that would be subjected to group discussion, involvement of students in the university research projects, seminars by foreign guest lecturers. Study courses would interpret the general theoretical ideas with the help of particular professional activity and practice related case studies. The course includes lectures, seminars, practical tests, consultations, independent research and context related tests. The studies largely integrate techniques and methods that facilitate the development of the analytical, critical, problematic, systemic and creative thinking, promote team work skills, business communication, including cross cultural communication, presentation and other skills.

- The strategic planning in universities about CSR be done until the students acquire knowledge about the role of the corporate social responsibility in providing a successful, sustainable and efficient operational environment and developing the productivity of university. Students should learn the methods and strategies necessary for implementation of the corporate social responsibility practices, and they can apply the principles of the social responsibility in the definition of corporate missions, values, organizational culture and planning.

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