

A Study of Orientation of Management Students of Punjab towards Corporate Social Responsibility

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ABSTRACT: The New Companies Act,2013 has made Corporate Social Responsibility (CSR) spend for a particular category of Companies mandatory, thus attaching more importance to the implementation of CSR that depends on the attitudes of Management students who are future managers. Their Orientation towards CSR determines the augmentation of CSR activities. This study is aimed at Orientation of Management Students towards CSR and finding differences in Orientation of Male and Female Management Students towards CSR. The findings indicate that Orientation of Management students is highest towards the Legal component. The results showed statistically significant differences in Orientation of Male and Female students towards CSR in regard to Economic, Ethical and Discretionary component. Orientation of Male students is higher towards the Economic component and Female students have shown higher Orientation towards the Ethical component. The study was conducted on total of 600 MBA students in two groups of 300 Male and Female each.

Key Words: Corporate Social Responsibility (CSR), Orientation, Economic, Legal, Ethical, Discretionary.

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I. INTRODUCTION

The last few decades witnessed numerous initiatives by Governments for social and economic development and to achieve Millennium Development Goals set by the UN in 2000 but factors like the global economic recession have created new challenges and people friendly growth oriented agendas have taken a back seat. In such a scenario the concept of Corporate Social Responsibility (CSR) has got prominence and it is imperative that there should be awareness among people particularly the youth and the corporate sector to carry forward the Government's agenda for social and economic development. Organizations must realize that government alone will not be able to get success in its endeavor to uplift the downtrodden of society and the efforts have to be supported by the Business Sector that depends on the society for the needed economic, human resource and skill related inputs for its existence and growth and thus definitely owes responsibility towards society, referred to as social responsibility.

Social Responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through its transparent and ethical behavior. It is consistent with sustainable development for the welfare of society also called Corporate Social Responsibility (CSR) used interchangeably with Business Ethics, Corporate Citizenship, Corporate Accountability, Sustainability, Corporate Responsibility, Responsible Business and Corporate Social Opportunity etc. It refers to strategies that organizations or firms employ to conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development.

The term CSR has been debated since the 1950's and the definition has been changing in meaning and practice from the classical view of philanthropy to business – society relationships and contribution of business to deal with societal issues. Bowen, H.R. (1953) referred CSR as the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of objectives and values of society. Rowe and Schhacter (1978) argued that the vagueness of the term has played a key role in corporations being hesitant to embrace CSR. Aupperle, K.E. in 1984 pointed that CSR can be seen as a value system, which is highly susceptible to particular ideas or ways of thinking. Archie Carroll (1979) said that the social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time. Carroll developed a CSR Pyramid (1991) "Pyramid of Corporate Social Responsibility to emphasize practice of CSR, and is the most well known and frequently quoted contribution in the field in which CSR phenomenon is divided into four stages of responsibilities- Economic Performance (i.e. to be profitable and retain a good competitive position) being the basis, followed by Legal Responsibilities (conforming with respective legislation), Ethical Responsibility (to do what is right, just

and fair avoiding and minimizing harm to stakeholders) and Philanthropic Responsibility (to contribute to the community).

I.1 Corporate Social Responsibility Orientation

Managers have discretion in choosing specific initiatives that they prefer to enact, so their own personal philosophy in decision-making regarding CSR becomes important. Wood, D.J. (1991) has claimed that CSR is one of the three basic areas of social issues research and Carroll's CSR framework posits four basic types of Corporate Social Responsibilities – Economic, Legal, Ethical and Discretionary that are the operational domains of managers and are discretionary to them. The basic orientation of individuals towards these responsibilities is referred to as the CSR Orientation (CSRO).

Carroll (1979) proposed that there was a clear ordering of priorities for the four components of responsibilities and relatively the importance of each responsibility was fairly consistent. The approximate weightings of the four CSR responsibilities: economic, legal, ethical, and philanthropic, were 4:3:2:1 respectively. Corporate Social Responsibility Orientation (CSRO) is an important concept as it reflects the areas considered most important by managers in decision making. Based on the work of Carroll (1979), Aupperle (1984) created an instrument to measure individual's CSRO i.e. what an individual or an organization believes as important. The relative importance of the four dimensions of CSR can be assessed through CSRO and is used to measure attitudes towards CSR. The CSR orientation (CSRO) of individual has been a topic of debate in the academic field (Burton, Farh and Hegarty, 2000) and has high significance as the voluntary decision makers within organizations decide the kind and level of involvement in CSR activities and these decisions are further influenced by individual attitudes of the managers.

II. EMERGENCE & SIGNIFICANCE

Despite CSR being an organizational issue, its foundations are based on the individual and are influenced by specific orientations. Management students are future Managers and thus it is important to study their Orientation towards CSR for its successful implementation. The concept of Corporate Social Responsibility has undergone tremendous changes in the last couple of decades in terms of its acceptance and implementation because of the initiatives taken by the Governments in various countries. India made a leap towards this direction by making CSR spend, that was earlier only voluntary, mandatory as stated in Clause 135 of The Companies Act 2013 . It directs companies (for a specified turnover /net worth / profit) to spend 2 % of their average net profits of last 3 financial years for CSR activities and report reasons in case of non compliance. This mandate has made the concept more important in legal terms and it becomes imperative to create awareness about CSR for its successful implementation. Information, guidance, direction and reference to CSR is required.

The successful implementation of CSR is possible only if people dealing with it and responsible for implementing it are positively inclined and have the required Orientation towards CSR. It is thus important to know how much importance our present and future beholders attach to CSR and how important they think is Social Responsibility.

Burton, Farh and Hegarty (2000) carried out a cross-cultural comparison of CSRO by surveying 165 US and 157 Hong Kong business students and found that Hong Kong students put more emphasis on economic and less emphasis on legal and ethical responsibilities than their U.S. American counterparts. While both groups showed similar scores for discretionary responsibilities, Hong-Kong students considered non-economic responsibilities overall less important than U.S. students.

Ibrahim, and Angelidis, (2004) found that female directors exhibit a stronger Orientation towards the discretionary component of CSR in contrast to male board members, who are more concerned about economic performance; and that there are no significant differences between two genders with respect to both legal and ethical Orientation.

As the Companies Act has paved way for CSR in India by laying down a set of legislative rules for ensuring practice of CSR by Companies, thus implementation of CSR and developing strategies for the same is the need of the hour and this, to a large extent, depends on the individuals involved in the process and is determined by their attitudes towards CSR. Though CSR has gained prominence among different disciplines of academics but there is still a lack of consensus on what the concept is all about, what it entails and why and how it should be embraced. This study highlights the fact that the concept of CSR definitely needs more attention in terms of clarifying what all is included in it and how it can be realistically practiced.

The study focuses on the fact that today's business students can be regarded as tomorrow's corporate decision makers who will be responsible for the kinds of business practices and values that are considered good and appropriate in society. It is perceived that as the research on Orientation of students towards CSR is found to be limited in the Indian context and the idea is still in the emergence phase, this study will hold relevance and augmentation for implementation. Thus, Orientation of Management students as the potential future Business

leaders towards CSR determines better implementation of the concept and becomes essential in the current scenario and an interesting problem for the present study.

II.1 Objectives

1. To study and measure Orientation of Management students towards Corporate Social Responsibility
2. To find out differences if any in Orientation of Male and Female Management students towards Corporate Social Responsibility.

II.2 Hypothesis

1. There is no significant difference in Orientation of Male and Female Management students towards CSR.

III. METHODOLOGY AND PROCEDURE

The study was conducted on 600 MBA students of selected Universities of Punjab, in two groups of 300 Male and 300 Female respectively. The type of Research chosen for the present study is Descriptive research and Survey method was used to collect data from the chosen sample. Corporate Social Responsibility Orientation Scale by Aupperle (1984) was used to measure CSR Orientation of MBA students towards Ethical, Legal, Economic and Discretionary responsibilities. The scale was administered on the selected group of 300 male and 300 female students in the selected Universities of Punjab.

After collection of data, scoring was done and the obtained scores were processed statistically for interpretations. The research used Descriptive statistics such as Mean, Median, Standard Deviation, Skewness and Kurtosis to study the general nature of scores pertaining to CSR Orientation of students. After studying the general nature of scores and ensuring normalcy of data for the groups, t-test was employed to find out gender differences in Orientation of Male and Female Group. It was the first time that the students were sensitized and informed about CSR.

III.1 Analysis and Interpretation of Results

The findings after statistical processing of scores for Economic, Legal, Ethical and Discretionary components of Orientation of Management Students towards CSR have been presented in the Tables 1.1 and 1.2. The results have been analyzed for the present study for interpretation.

Table 1.1: Frequency Distribution of Test Scores for Total Group for Economic, Ethical, Legal and Discretionary Components of Orientation of Management students towards CSR

Component	N	Mean	Median	SD	Skewness	Kurtosis
Economic Orientation	600	52.485	53	9.445	-0.207	-0.549
Legal Orientation	600	52.518	52	7.5158	0.201	0.6
Ethical Orientation	600	50.065	50	8.5009	-0.082	0.256
Discretionary Orientation	600	44.918	46	8.5133	-0.933	2.13

Table 1.1 shows the values of Mean, Median, and SD of Management students. The Legal Orientation of Management Students towards CSR is the highest followed by Economic and Ethical Orientation and Discretionary Orientation the lowest

Table 1.2: Mean Difference between Scores of Male and Female Group for the Economic, Ethical, Legal and Discretionary Components of Orientation of Management students towards CSR

Component	Group	N	Mean	Std. Deviation	Mean Difference	Standard Error Difference	T-ratio
Economic Orientation	Males	300	53.27	9.651			2.041*
	Females	300	51.7	9.1836	1.57	0.7692	
Legal Orientation	Males	300	52.643	4.8533			0.407
	Females	300	52.393	9.4645	0.25	0.6141	
Ethical Orientation	Males	300	47.583	6.6987			-7.471**
	Females	300	52.547	9.3563	-4.9633	0.6644	

Discretionary Orientation	Males	300	46.503	7.0519			4.638**
	Females	300	43.333	9.5091	3.17	0.6835	

* Significant at 0.05 level of confidence

** Significant at 0.01 level of confidence

The results presented in Table 1.2 indicated significant differences between Male Group and Female Group for Economic Orientation, Ethical Orientation and Discretionary Orientation. The t-values obtained for Economic Orientation 2.041 is significant at 0.05 level of confidence and t-values for Ethical Orientation and Discretionary Orientation -7.471 and 4.638 respectively that are significant at 0.01 level of confidence. However no significant difference was observed for Legal Orientation.

IV. RESULTS AND CONCLUSIONS

The selection of MBA students as sample was to find out mind sets of the youth in the state of Punjab. The observations and the findings thus draw us to the fact that the concept is remotely being thought about in colleges and universities.

The high Legal and Economic Orientation of Management students towards CSR depicted in the results of the present study may be attributed to the mindsets that Social Responsibility needs to be done for the purpose of legal compliance. The low Ethical and Discretionary Orientation of Management Students depict that youth attaches less value to Ethical reasons for carrying out socially responsible practices and attaches least importance to Social Responsibility on a voluntary basis. This may be due to the propagation of profit making values and marketing strategies prevalent in the society.

The Male Group and Female Group of Management students differed significantly for components Economic, Ethical and Discretionary Orientation towards CSR in the study. However no significant difference was observed for Legal Orientation. Male Group of Management students showed higher Orientation for Economic, Legal and Discretionary components of Orientation towards CSR whereas Female Group showed higher Orientation for the Ethical component.

The higher Orientation of Male Group towards Economic component of Orientation of CSR shows inclination of male youth towards profit making that is true in other previous researches. McDonald and Scott (1997) also reported that female students had a stronger Orientation than male students towards Discretionary and Ethical corporate actions and that males students held a stronger Economic Orientation than females.

The higher Orientation of Male Group towards Discretionary component of Orientation towards CSR reflects a shift in attitudes of Male Youth towards responsible citizenship and reflects the importance they attach to it. Higher Orientation of Female Group towards Ethical Component may be due to the fact that females are more inclined to values and ethics. No significant difference between Male and Female Group in regard to Legal Orientation may be due to increasing awareness of Youth towards Laws and legal practices emphasized by society as important. Massaline (2011) also found no significant difference between males and females with respect to the economic, discretionary, and legal CSR components. Females were found to be more strongly oriented to the ethical component than males.

V. EDUCATIONAL IMPLICATIONS

The study emphasizes the need of creating awareness regarding the concept of CSR in youth specifically Management students by including it in the curriculum. Importance of Ethics and Voluntary Social Responsibility Practices should be highlighted through various techniques in Education so that the Concept of CSR is imbibed by the youth and positive Orientation towards the concept is developed. It can be transferred to other states for initiating CSR activities in a formulated way.

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