

Analysing the Impact of Corporate Social Responsibility Approaches among the College Students - A Benchmark for Sustainable Development

Dr. S. Srividhya*, Dr. M. Vidya**

*Associate Professor, SRMIST, RAMAPURAM, Chennai

**Assistant Professor, the Tamilnadu Dr. Ambedkar Law University, Chennai.

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Abstract:

Business is a corporation or a system where the goods and services are sold for money. It also involves an activity that meets the needs and desires of the community as well. In this respect, CSR is not simply a part of activity for the new global corporation but is also increasingly a feature of new era of governance. In order to carry the study about CSR, the researcher believes that a both public and private college is needed for our country to become fully a developed one. Thus, to the best knowledge of the researcher it is necessary to have an in depth study on various approaches of CSR activities among the college students. Convenient sampling method has been chosen for data collection with 308 sample respondents from all over India. Frequencies were used to analyze the demographic profile. Correlation has been used to analyze the relationship between the approaches and the demographic profile and implementation. Structural equation modeling (SEM) has been framed to know the influence of various factors with the sustainable development. The cronbach's alpha Reliability statistics found out .932 of the total variables reliability. Inter consistency between the variables were also performed. The correlation shows that there is a significant relationship between demographic variables and the CSR approaches and implementation. The model clearly explains relationship between economic, legal, ethical philanthropic approaches of CSR and implementation of CSR practices towards sustainable development. Further model explains that there is a positive and significant relationship exists among the approaches of CSR and implementation of CSR practices towards sustainable development. This study lays a platform and provides a proper understanding between the college students and the surrounding community for its overall growth through its performance of sustainable activities among themselves.

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1. Introduction

Business is a corporation or a system where the goods and services are sold for money. By that way its ultimate goal is to earn profits for the benefit of the stakeholders who are acting behalf the activity is being conducted. It also involves an activity that meets the needs and desires of the community as well.

Corporate Social Responsibility (CSR) is a indispensable management concept whereby the companies integrate the societal and environmental care in their business operations and building up of their interrelations with their owners. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social

imperatives, while at the same time addressing the expectations of shareholders and stakeholders [1].

Business leaders of today express their companies' commitment to social development in their core business principles and practices. One such objective is working and creating the image of a concretized organization, one which practices social responsibility [2].

The CSR concept of responsibility and profitability towards the surroundings is also accepted now in private sectors. In this backdrop this current study understood why there is an necessary of call for educators to be focused and open-minded, and to involve the colleges on Corporate Social Responsibility (CSR) [3].

From the recent past the government shows a keen interest on CSR activities since the respective business efforts could help in meeting out the policy objectives on a voluntary basis. In this respect, CSR is not simply a part of activity for the new global corporation but is also increasingly a feature of new era of governance.

Need of the Study

This study portrays a meaningful discussion on corporate social responsibility of selected colleges in Chennai city. In order to know the various approaches of CSR activities among the college students in Chennai City the present research has been undertaken. The results of this study will provide valuable insights about corporate social responsibility in selected colleges in Chennai city. Since the respondents are college students, CSR becomes an interesting topic for study. In order to carry the study about CSR, the researcher believes that a both public and private college is needed for our country to become fully a developed one. Moreover, the citizens should not rely on government for everything. Now, it is the time for corporate to join a hand for the development of our country. Further, the researchers aims that since the students has their own potential towards learning the CSR from their

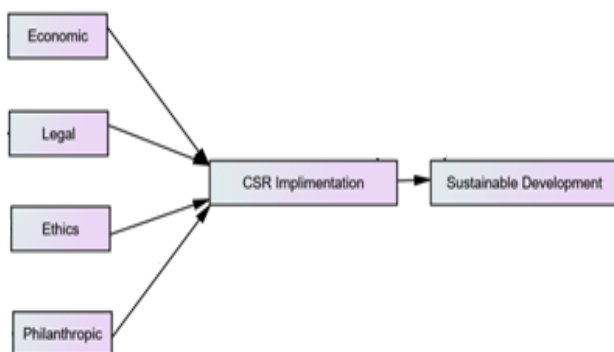
college period itself and it is most required that Colleges should not leave just teaching the concepts of CSR to their students but they should also make them to aware about the various approaches to implement CSR as part of their social role. Thus, to the best knowledge of the researcher it is necessary to have an in depth study on various approaches of CSR activities among the college students.

Review of Literature

The presence of many stakeholders and the application of theories and concepts that have been successful in the business world in an effort to gain a larger share of this market have clearly demonstrated that educational institutes behave more and more as entrepreneurial educational institutes in the current knowledge economy (Ramachandran, 2010; Hemsley-Brown and Oplatka, 2010; Petruzzellis and Romanazzi, 2010). The growing concern of nowadays educational institutes to satisfy the needs of different stakeholders i.e. students, parents, employees, public and private companies, society and to deal with a profound ecological and social disruption has imposed them a greater social responsibility (Kunstler, 2006). Educational institutes are not only educational services providers, but also shapers of identity with major responsibilities to the nation and to the wider world (Sullivan, 2003). As educational institutes are facing some of the challenges corporations face, they both struggle for funds, good employees, reputation etc. In order to respond better to societal demands educational institutes can learn from the corporate experience. This is why "corporate models and managerialism are a part of emerging definitions of academic work" (Hammond and Churchman, 2008, p. 237). In essence, corporations are both economic organizations and social institutions (Drucker, 1972). Therefore, they have social responsibilities (SR) as educational institutes

have. A corporate social orientation requires ethical and social commitments, connections with stakeholders and consistency of behavior on a long term (Meehan, Meehan and Richards, 2006). For example, if a university decides to be more responsible and connected with the society, it must be prepared to create, develop and implement a successful social responsibility strategy. The third millennium university has to be “a place where people are taught to engage as critical and conscientious citizens” (Hinchcliff, 2006, p. 83). Based on the past studies and the requirement of the present study the following theoretical model has been presented below:

Theoretical model of the study:



Research Problem & Objective

The current study aims to provide the insight views and awareness among the college students with reference to the CSR implementation in the light of sustainable development which is quiet necessary in present day in terms of its communal development. In this back ground the following objectives has been framed:

1. To assess the various approaches of CSR with reference to the demographic profile of the college students.
2. To bring into sharp focus that the relationship between the CSR approaches with the CSR implementation.
3. To discuss the CSR approaches influence towards the sustainable development.

4. To propose a plan of action for further enhancement of CSR approaches in colleges leads to sustainable development.

Research Methodology

The present research has adopted a standaised questionnaire from Daan Aster study as cited in study of MsEmmamatalbo entitled “CSR approaches and implementation among Lyceum of Philippines University school” with suitable modification which are relevant for this study. Convenient sampling method has been chosen for data collection with 308 sample respondents from all over India. Frequencies were used to analyze the demographic profile. Correlation has been used to analyze the relationship between the approaches and the demographic profile and implementation. Structural equational modeling (SEM) has been framed to know the influence of various factors with the sustainable development.

Discussions

In this part a detailed analysis of the collected data has been attempted as per the objectives stated earlier. Hypotheses has been developed to test the objectives and based on the findings of the study; interpretations and conclusions were drawn and presented below.

Table No.1.Demographic Profile of the Respondents

Demographic Characteristics (n = 308)

Demographic Characteristics	Frequency (%)
Year of Study	
1st Year	28 (9.1)
2nd Year	36 (11.7)
3rd Year	89 (28.9)
4th Year	69 (22.4)

5th Year	86 (27.9)
Nature of the Study	
Full Time	234 (76.0)
Part Time	74 (24.0)

Source: Primary Data

The above table shows the demographic profile of the student respondents participated in this study regarding their year and nature of study. Among 308 respondents, majority of the respondents (76%) were doing their study in full time. Third (28.9%) and fifth (27.9%) year student respondents actively participated in this study compared to other year students.

Confirmatory factor analysis (CFA)

Confirmatory factor analysis is a multivariate technique to test (confirm) a

predetermined relation between observed variables to their underlying constructs (Anderson & Gerbing, 1988; Hair et al., 1998). This technique is usually used when the measurement models have a well-developed underlying theory for hypothesized patterns of loading (Hair et al., 1998). It is used to prove uni - dimensionality of the construct of the sample data. CFA was performed for the instrument measuring corporate social responsibility approaches, implementation and sustainable development by using analysis of moment structure (Amos 20) software to verify the factor structure of the variables. The statistical results of CFA carried out for corporate social responsibility approaches were presented in the following table.

Cfa Model Fit Values For Corporate Social Responsibility Approaches

Dimensions	GFI	AGFI	CFI	RMSEA	ECVI	RMR	CMIN/ df
CSR APPROACHES, CSR IMPLEMENTATION AND SUSTAINABLE DEVELOPMENT	0.901	0.859	0.927	0.075	1.400	0.031	2.731

Confirmatory factor analysis was performed for the corporate social responsibility approaches, implementation and sustainable development consists of 28 statements under six dimensions namely, economic, legal, ethical, philanthropic, CSR implementation and sustainable development. Anderson and Gerbing (1988) suggest that the disturbing indicator, or indicators, can be deleted from the model. Within the identified dimensions 10 items was dropped due to cross loadings with other statements. Remaining 18 items were finalized and applied to this study. The GFI for the corporate social responsibility approaches, implementation and sustainable development shows 0.901 and AGFI, CFI was 0.859 & 0.927 respectively indicating a reasonably good fit. The RMSEA value 0.075, which is within the range, indicating a better

model fit. The ECVI value is 1.400 which is positive and the RMR value is closer to 0 (0.031) indicating a reasonable fit to the model. The χ^2 ratio value of this model is 2.731 indicating a reasonably good fit.

Reliability Analysis

The reliability analysis results for the confirmed factors were presented below.

Reliability Statistics	
Cronbach's Alpha	N of Items
0.628	3 (ECONOMIC)
0.821	3 (LEGAL)
0.744	3 (ETHICAL)
0.855	4 (PHILANTHROPIC)
0.755	2 (CSR IMPLEMENTATION)

0.787	3 (SUSTAINABLE DEVELOPMENT)
0.932	Total 18 Items

The cronbach's alpha Reliability statistics found out .932 of the total variables reliability. Inter consistency between the variables were also performed.

Null Hypothesis: There is no significant relationship between demographic variables and the CSR approaches, implementation.

Research hypothesis: There is a significant relationship between demographic variables and the CSR approaches, implementation.

Correlation Between Age and Approaches of CSR

Correlation Between Age and Approaches of CSR

	Nature of study	Year of study	Economic approach	Legal	Ethical	Philanthropic	CSR implementation
Nature of study	1	0.386**	0.305**	0.230**	0.297**	0.315**	0.138**
Year of study		1	0.253**	0.281**	0.375**	0.345**	0.212**
Economic approach			1	0.657**	0.599**	0.676**	0.652**
Legal				1	0.730**	0.658**	0.678**
Ethical					1	0.567**	0.674**
Philanthropic						1	0.684**
CSR implementation							1

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

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The correlation coefficient between nature of study and economic approach is 0.305, which indicate 30.1 percentage positive relationships between nature of study and economic approach and is significant at 1% level and also similarly the other factors are positively correlated with nature of study. The correlation coefficient between respondent's year of study and the CSR approaches, sustainable development shows

positive correlation at 1% significant level. Hence the null hypothesis rejected and it is proved that there is a significant relationship between demographic variables and the CSR approaches and implementation.

Structural Equation Modelling

Null Hypothesis: There is no positive significant relationship between the corporate social responsibility approaches, CSR implementation and sustainable development

Research Hypothesis: There is a positive significant relationship between corporate social responsibility approaches, CSR implementation and sustainable development

In order to understand the relationship among the variables, under investigation the research scholar has proposed model, explaining about the relationship among the corporate social responsibility approaches, CSR implementation and sustainable development.

A few alternative models were tried and this model offered best theoretical and empirical fit. AMOS software is used to develop this model. In AMOS graphics, the observed variables are represented with rectangles and linear equation are represented with arrows from the independent variable to the dependent variable. AMOS graphics also represents the results from analysis in a visual frame work that is very easy to understand. The initial step in model development is a specification of model as a path diagram and model must include a residual error term (e) as an ellipse which indicate latent or immeasurable variable. The path diagram specification of the model also highlights that the predictor variables are co-related in the model. To perform the AMOS analysis and also to find a mediatory relationship between dependent and independent variable, the predictor variables are entered in set of variables according to predetermined order that may infer some casual or potentially mediating

relationship between predictors and the dependent variable (Meyer et al, 2006).

The variables used in the structural equation model are

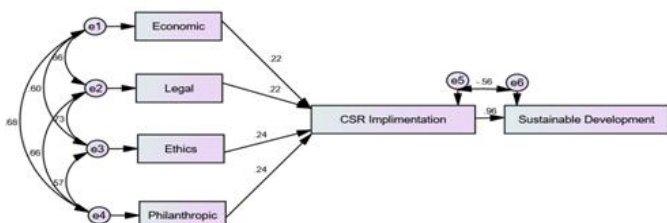
I. Observed, endogenous variables

1. Economic approach
2. Legal approach
3. Ethical approach
4. Philanthropic approach
5. CSR implementation
6. Sustainable development

Hence numbers of variable in the SEM are

Number of variables in the model:	12
Number of observed and endogenous variables:	6
Number of unobserved and exogenous variables:	6

STRUCTURAL EQUATION MODEL FOR CSR APPROACHES, CSR IMPLEMENTATION AND SUSTAINABLE DEVELOPMENT



Variables in The Structural Equation Model Analysis

Variables		Unstandardised Co-efficients	Standardised Co-efficients	S.E.	C.R.	P
CSR Implementation	<--- Economic	.20778	.22234	.04133	5.02787	***
	<--- Legal	.17376	.21643	.03962	4.38530	***
	<--- Ethical	.27526	.23527	.05233	5.25964	***
	<--- Philanthropic	.20223	.24063	.03677	5.50039	***
Sustainable development	<--- CSR Implementation	.69930	.95649	.04114	16.99713	***

Note: *** denotes significant at 1% level

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From the above table the coefficient of economic approach is 0.207 represents the partial effect of economic approach on CSR implementation. The estimated positive sign implies that such effect is positive that CSR implementation would increase by every unit increase in economic approach of CSR and this coefficient value is significant at 1% level. The coefficient of other CSR approaches legal, ethical and philanthropic is 0.173, 0.275, and 0.20 represents the partial effect on corporate social responsibility implementation respectively. The estimated positive sign implies that such effect is positive that each and every approach of CSR would increase by every unit increase in implementation of corporate social responsibility and this coefficient value is significant at 1% level.

The coefficient CSR implementation is 0.699 represents the partial effect of CSR implementation on sustainable development. The estimated positive sign implies that such effect is positive that sustainable development would increase by every unit increase in CSR implementation and this coefficient value is significant at 1% level.

Model Fit Summary

Chi-square value	CMIN/DF	GFI	AGFI	CFI	ECVI	RMSEA
9.5026	2.781	0.991	0.927	0.995	0.1666	0.07617

The fitness measures of the model shows that CMIN/DF value less than 3 indicates better fit to the model. The GFI and CFI value is 0.991, 0.995 indicating a perfect model fit and the AGFI value (0.937) is also closer to one indicating acceptable model fit. The RMSEA value is smaller (.0761) indicating better model. Expected cross validation index (ECVI) is an estimate of how well one can apply the result obtained from one sample that can be generalized to another sample. The values generated always remain positive and closer to zero. The value of ECVI in this model is 0.1444 indicating the model can be

generalized for other samples. Further relationships between these variables are as follows.

1. Economic, legal, ethical and philanthropic approaches of corporate social responsibility have a positive relationship towards implementation of CSR practices with the correlation of 0.22, 0.21, 0.23 and 0.24.
2. Implementation of CSR practices has a very strong positive relationship towards sustainable development with the correlation of 0.956.

The model clearly explains relationship between economic, legal, ethical philanthropic approaches of CSR and implementation of CSR practices towards sustainable development.

Further model explains that there is a positive and significant relationship exists among the approaches of CSR and implementation of CSR practices towards sustainable development. Hence, the null hypothesis is rejected.

Managerial implication

This study lays a platform and provides a proper understanding between the college students and the surrounding community for its overall growth through its performance of sustainable activities among themselves. It's also ultimately results in performing and promoting of CSR activities from the college point of view. It's quite sure that this study will be a base for undertaking CSR activities into the educational perspective as well.

Students have involved in all specific CSR areas: environment, honesty and quality assurance in relation with the beneficiaries of provided services, the relation with the community. Thus, as regards the environmental protection actions, students took part to actions for trees planting, parks fitting and cleaning, or waste recycling. Actions have also mentioned aimed at helping those in need: disabled children,

needy people. In the area of procedures honesty and quality assurance, there has been noticed the students' involvement in professional training workshops, labour mediation services, professional groups and university fairs. As regards the relationship between undergraduate college and the community it is most likely that those who are informed of the provided opportunities to take part in community activities., The hypothesis analyzing the relationship between the knowledge over the carried out CSR activities and the improvement suggestions from students is also validated by the data provided by the questionnaire-based research.

Conclusion

This study has been undertaken on a specific time frame and plays a vital role for now days in its terms of application. The data has been collected and analyzed carefully for the purpose of a meaning full conclusion. Moreover to the best of the knowledge of the researcher this is the first study which covers the approaches of CSR and sustainable development into one arena.

Limitation

This study has been undertaken only to the limited class of population ie students. This data has been collected through online survey method. Period of research has been restricted to a short period of study, so the results cannot be generalized to all class of respondents.

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