

EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON EDUCATION

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Abstract

In the present age of globalization, the corporate gets involved in education for a number of strategic reasons like earning reputation; gaining goodwill among employees, investors, consumers, and other stakeholders; establishing of brand; responding to changing social expectation; increasing affluence; increasing consumer commitment; training focussed and educated workforce, arousing consumer awareness; accomplishing company mission, etc. The role of the government bodies in our education system cannot be ruled out, due to the fact that corporates are governed by government bodies. This paper investigates how Corporate Social Responsibility embraces both business enterprise and education and the role of government bodies is to ensure that corporates fulfil their responsibility. It will emphasize the features of corporate policy and the interrelationship among education, corporates and government bodies. In this paper with reference to the case study of Intel and Infosys which have partnership with cooperative education, the focus would be towards conducting academic research, more valuable study, investments in research, new management strategies, and spread of information and communication technology from school level onwards. The research paper would be beneficial for education systems, corporate, and government bodies as well as to the society at large. Special emphasis would be on the CSR synchronized approach and interrelationship between education system, corporate, and government bodies.

Introduction: Renaissance in Education through CSR

"CSR" stands for three words: 'corporate,' 'social,' and 'responsibility', and collectively they mean responsibility of the corporations towards the society.

Lord Holme and Richard Watts give us the following definition, "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (qtd. in Baker).

An increase in corporate social responsibility (CSR) has made companies realize the need for promoting social welfare along with profit making, thereby enhancing their status.

Emphasizing the importance of education Maimunah writes that the very idea of the Global Compact by the United Nations encourages a socially responsible attitude of companies towards human rights, labour and the environment. Education proactively educates current and future leaders about responsible management and inspires champions for responsible management of education, research and leadership globally, thereby developing leaders whose global mindset motivates creative sustainability (200-203).

The aim of this study was to examine attitudes and perceptions towards responsible management education among students in various nations and cultures, to measure their attitudes and perceptions on CSR and to understand what can be done to enhance positive attitudes.

Mathur shows how Indian companies like Tata and Birla have been practicing the CSR for decades before it became a popular practice playing a predominant role in addressing issues of education, health, environment and livelihood across the country. Recently notable efforts have also come from Infosys, Intel, Bharti Enterprises, ITC Welcome Group, Indian Oil Corporation and others. Their contribution towards empowering the lesser privileged of the social fabric in education, health, livelihood creation and skill development is exemplary. Furthering the cause, organizations like Bharat Petroleum Corporation Limited, Maruti Suzuki India Limited, and Hindustan Unilever Limited have adopted villages, focusing on holistic development, which emphasises providing sanitation facilities, building schools and residential communities providing better medical care, and helping the villagers become self-reliant in vocational and business skills (147). GlaxoSmithKline Pharmaceuticals' CSR programs focus on tribal villages, providing them medical check-up and treatment and organises health camps and health awareness programs. (Corporate Social Responsibility Rural Projects).

Many CSR initiatives are executed in partnership with nongovernmental organizations (NGOs) utilizing their expertise in tackling specific social problems of the local communities. For example, SAP India, in partnership with Hope Foundation, has been working on short- and long-term rebuilding initiatives for the tsunami victims and has also started The SAP Labs Centre of HOPE in Bangalore, a home for street children (Ramya).

Irina Bokova, Director General of UNESCO, emphasizes the importance of such initiatives aimed at the welfare of children. She writes, "We cannot afford to create a lost generation of children deprived of their chance for an education that might lift them out of poverty"(qtd. in Gao).

Definition of CSR

Though CSR has become a widely-accepted concept, scholars have not come up with a commonly-agreed definition of the word. Different scholars have defined it differently. For example, Matten and Crane define it in the following way: "Corporate Social Responsibility (CSR) is not an easy term to define, as it is an umbrella term overlapping with some, and being synonymous with other conceptions of business-society relations, such as sustainability, corporate citizenship and others (Matten 3)

CSR has clearly been a dynamic phenomenon (Carroll) and therefore its definition is constantly evolving as well (Haski 5). In Jamshedji Tata's words, "The clear definition of Corporate Social Responsibility is that the community is not just another stakeholder in our business but the very purpose of our existence" (Nadkarni).

None of the definitions of CSR is popularly accepted; for example, on the one hand MNCs assert sustainable development or sustainable business, and on the other hand several Indian companies talk about responsible business or Triple P (People, Planet, and Profit).

The following case study justifies the above-given definitions and their stand:

Intel Education as Corporate Social Responsibility

A report on Intel Education as Corporate Social Responsibility we find the following details about the company's mission:

- Intel strives to be a trusted partner to educators and governments worldwide.
- Their mission focuses on "success for all" including women, underrepresented minorities and those with little or no access to technology.
- In collaboration with The World Bank; the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the World Economic Forum Intel promotes economic development through 21st-century education. (Advancing the Education For All Agenda: A Report by the Broadband Commission Working Group on Education)
- Intel's two guiding principles are: strengthening communities and improving lives through technology by inspiring creativity and innovation in classroom teaching.
- Its World Ahead Program focuses on accessibility, connectivity and education of uncompromised technology for everyone, anywhere in the world.
- Its creation of 'Discover the PC Initiative' provides customised technology solutions to meet specific needs. Intel is partnering with public and private organisations to increase the availability of high-speed wireless Internet connectivity in communities, through WiMAX broadband deployments.

Infosys Foundation and Corporate Social Responsibility

The Sustainability Report of Infosys titled "Sustainability Report 2011-12: Infosys 3.0 – Growing Responsibly" gives the following description of their mission and activities:

- The Infosys Foundation established in 1996 highlights distribution of wealth as important as its legal and ethical creation as a nonprofit trust to support social initiatives to the cause of the destitute, rural poor, mentally challenged, and the economically disadvantaged sections of the society.
- It also helps preserve cultural forms and dying arts of India.
- Through its computers@Classrooms initiative, January 1999, it donated 2,567 computers to institutions across India in collaboration with Microsoft Corporation, which has donated relevant software.
- Infosys' Education & Research group takes pride in anchoring the Infosys Extension Program (IEP), the Infosys Fellowship Program, Rural Reach program, Catch Them Young and Train the Trainer.
- Its Development Centres (DCs), through several Corporate Social Responsibility (CSR) initiatives, are contributing for the welfare of underprivileged children through NGOs dedicated to community welfare.

Literature Review

The recent global financial crisis was the consequence of the unethical behaviour of governments and firms together with globalisation, and growth of technology. It led to an ongoing discussion, spearheaded by social media and rising consumers' awareness, on the role of consumers, governments and firms. Some of the influential participants of this debate are Gardiner, Lacy, Porter, Kramer, Matten and Moon. Gardiner and Lacy (2005) argued that business interest in social and environmental responsibility has been triggered by successive corporate scandals combined with enormous pressure from NGOs, policy-makers, consumers, and the media (Haski 5). On the other hand, Porter and Kramer (2011) agreed that "capitalism is under siege" and that the business sector must undergo some fundamental changes (Haski 5).

The business sector is presently shifting from the micro view of business purpose (maximising value for shareholders) to a macro view, which is more socially responsible. Justifying this shift is the number of companies signing the UN Global Compact, which addresses the social responsibility of firms towards human rights, labour rights, the environment and anti-corruption (D'Amato).

Education plays an important role in CSR. In CSR for Indian companies education is the priority followed by health (67.5%) and rural development and livelihoods (57.5%). (Linking Corporate Social Responsibility 10). In CSR for UK, of the 105 institutions surveyed by (Cowton and Cummins in 2003), 58% of business schools taught business ethics, but it was only a core subject at 18 schools (Analysis of Corporate Social Responsibility).

In CSR for Europe, Matten and Moon in 2004 found 47% respondents offered subjects in CSR, or related fields as citizenship, governance and business ethics as optional subjects and 38% embedded concepts in existing subjects. The authors concluded a "disappointingly low level of CSR scholarships," hinting at the need for more institutionalised future drivers, in the form of support from business stakeholders and inclusion in program accreditation and ranking systems (Karve 302).

Methodology

Greater awareness should be generated among corporations towards social responsibilities, to rise above mere philanthropy. Despite the worthwhile support an enormous amount still needs to be done through investments in health, education and knowledge management, thereby easing many social woes, particularly, poverty. Emphasizing the importance of eliminating poverty as a CSR, Saswati Chanda argues in a background paper "Corporate Social Responsibility, Education and Technology," published on the Web, "Operational environment of the companies should be thoroughly understood. For corporations in the developing and underdeveloped countries, bridging the divide (digital, economic, social or environmental) in order to eliminate poverty should be the essence of the social agenda."

Sunyoung Lee pays attention to the way industries have adapted to India's education system. Several industries, Lee claims, including IT, have overcome another major deficiency: India's education system. Indian companies have learnt to adapt to the country's poor public education and the limited skills integrating education (16)

Elements of CSR

Mohawkspike lists four elements of CSR:

- Cohesive self-interest – creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labour and communities are able to function well together.
- Social investment – contributing to physical infrastructure and social capital is a necessary part of doing business.
- Mutual reliability – business has low ratings of trust in public perception. There is increasing expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas.
- Business anticipations – globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.

Rising Demands of Society on Corporations

Reinhard et al. observe that the role of companies towards society has dramatically changed over the years. Traditional sharing of tasks between public and private sector has evolved new forms of cooperation. Three main trends are said to be responsible for the shift of paradigms: (Introducing Corporate Social Responsibility)

1. Reduced budgets have resulted in inability of governments to guarantee adequate education, health or insurance against poverty. As a result, countries lose a significant part of their capability to shape the social agenda (Habisch, 2003; Hansen & Schrader, 2005; Schrader, 2003). Hence funding higher education needs nongovernmental resources. Therefore, more and more universities (in the U.S.) have their own fundraising teams in place.
2. Increased profits of companies have enabled them to assume financial backbone responsibility in the globalized world, thereby increasing their capability to shape and influence national agendas (Schrader, 2003). Various multinational companies now post revenues that surpass the GDP of small or medium sized countries.
3. Rapid technological development makes stakeholders better informed, making corporate decisions and processes more public. This transparency leads to increased public sanctions risks following corporate misbehaviour, as well as possibilities to publish corporate good behaviour (Habisch, Wildner & Wenzel, 2008).

CSR in Building Tomorrow's Education Enterprise

Ask what technology can do for education, and a 'never-before-possible' future unfolds: pervasive classrooms, faster learning, systemized result and performance tracking for students, educators, and management, e-learning for regulation and prevention of disruption.

Challenges and Opportunities

- Realizing the promise of virtual colleges: New technologies, changing attitudes and student profiles, have broken barriers integrating everyone, that is, parents and faculty, to third-party information providers and regulators.

- Staying ahead: Social media, instructional design, and collaborative platforms are ways to stay ahead in this learning revolution.
- Student mobility: Globalization of higher education has mobilized learning internationally, creating new business models, increased acquisitions from private institutions, international partnerships, and the opening of overseas 'branch campuses'.
- Satisfying the new 'avatar' of students: The new generation of students come with endless expectations, demands of digital learning and corporate-savvy mind sets. Institutions providing this edge, and more, will keep their classrooms full.
- Increased regulation: The call for more accountability in terms of student success and employability has changed core institutional processes in student management, administration, and marketing. New metrics and tracking mechanisms can help demonstrate proof of 'value addition'.

Business Value Deliverance to Educational Enterprises

Internal learning and experience in business and technology of education gives clients differentiated solutions and services to support business as well as mitigate the risks of a changing learning environment.

CSR is aligned to strategic thrust areas in education, caters to a new breed of students, and works with institutions to understand IT funding, retaining talent, and leveraging the latest in consumer and enterprise technology.

Measurable Business Value Addition: (Infosys)

1. Business Transformation: Cross-leverage of experience with Fortune 500 clients, to enable institutions in building learning enterprises. Leading educational institutions around the globe find technology priorities mirrored in our digital content management, enterprise mobility, security, and disaster recovery. Infosys partnering with educational institutions has set up joint innovation labs with key clients to help evaluate, prototype, test, and deploy leading-edge business and technology models impacting education.
2. Efficient Operations: Through Global Delivery Model release of resources and funding from existing operations for clients to redeploy in core strategic areas. Also improvement of service delivery to clients focusing on performance management and continuous improvement—providing scalability in resource planning and improving planning and estimation, at lower cost and faster time-to-market.
3. Maintenance and support services: Best practices and technology strengths to ensure applications stability and flexibility for future needs.

Conclusion & Practical Implications

Bearing in mind the above mentioned data, a seemingly strong argument can be made that schools should maintain and increase CSR coverage. Haski gives four such arguments:

1. Colleges should not only react to the growing awareness and demand of students, but also have a proactive role in responsible management education, in both teaching and research.
2. CSR and ethics can not only be embedded in core units/subjects, but also be taught as a separate core subject. Wide research on CSR and business ethics is to be included in the curricula. Business schools

should have an important role in enhancing research on CSR and CSR education, through various actions such as research centres, recruiting faculty who focus on CSR issues and offer PhD programs in the subject.

3. The business sector can be a great supporter of colleges worldwide, providing managers with tools and education, supporting partners and sponsoring schools. They can help prepare graduates with wide ethical knowledge and work with business schools on common research projects and internship.
4. Students with positive attitudes towards CSR will motivate the educators to include social and ethical management issues and courses in the curriculum (Haski 24-25).

The concept of CSR is now firmly rooted on the global business agenda. In order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies.

Transparency and dialogue can help make a business appear more trustworthy, and push up standards of other organizations at the same time.

International Institute for Sustainable Development in its Website titled "Corporate Social Responsibility" lists some of the positive outcomes that can arise when businesses adopt a policy of social responsibility. They are classified into three categories:

1. Company benefits

- Improved financial performance
- Lower operating costs
- Enhanced brand image and reputation
- Increased sales and customer loyalty
- Greater productivity and quality
- More ability to attract and retain employees
- Reduced regulatory oversight
- Access to capital
- Workforce diversity
- Product safety and decreased liability

2. Benefits to the community and the general public

- Charitable contributions
- Employee volunteer programs
- Corporate involvement in community education, employment and homelessness programs
- Product safety and quality

3. Environmental benefits

- Greater material recyclability
- Better product durability and functionality
- Greater use of renewable resources
- Integration of environmental management tools into business plans, including life-cycle
- Assessment and costing, environmental management standards, and eco-labelling

"Nevertheless," the International Institute for Sustainable Development laments, "many companies continue to overlook CSR in the supply chain..." To resolve this, the institute suggests, "While governments can impose embargoes and penalties on offending companies, the organizations themselves can make a commitment to sustainability by being more discerning in their choice of suppliers." This will constitute a positive action in the direction of a transition from theory to concrete action.

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