

HIGHER EDUCATION INSTITUTIONS AND SOCIAL PERFORMANCE: EVIDENCE FROM PUBLIC AND PRIVATE UNIVERSITIES

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ABSTRACT

The paper proposes that universities should make social responsibility part of their triple bottom lines – economic, environment and social. The aim of the paper is to examine public and private universities' approach to social responsibilities in a developing country. 10 years of annual reports from 2000–2009 were obtained and scrutinised into social performance categories proposed by Puukka (2008): promotion of well-being; promotion of know-how; promotion of ownership and community involvement. The findings show that the two universities have responded differently to social responsibility. The more traditional public university which struggled to preserve its organizational identity focused its social responsibilities internally (towards existing students and staff) rather than towards the outside communities. It is interesting to note that the private university employed a very distinctive strategy by using social responsibility platforms to not only preserve its legitimacy but actually as part of its response to the ever-changing demands and pressures. These findings revealed that social responsibility was important to universities for survival, or at least for enhancing their legitimacy.

Keywords: Universities; Higher Education; Globalization; Social Performance; Challenges.

1. INTRODUCTION

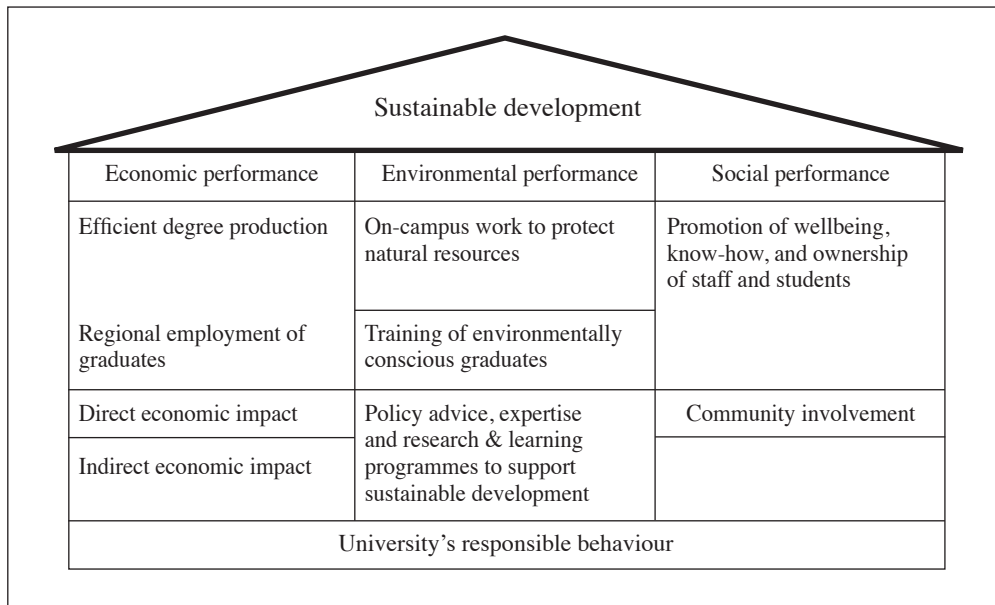
Gone are the days when universities can depend entirely on government funding. In Malaysia, for instance, institutions of higher learning are under pressure to restructure and seek diverse sources of revenue instead of relying on state funding (Lee, 2004). Increasing globalization means that both public and private universities have to compete for local and international students by enhancing their international reputation and ranking. Universities have to be innovative and creative in their marketing strategies and entrepreneurial skills. Corporate social responsibility (CSR) has recently been conceived as a marketing tool but is yet to be proven in the higher education industry. Leitão and Silva (2007) highlighted that the literature

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does not cover the importance of adopting a social responsibility strategy within universities. Some argue that universities should not be burdened with such responsibilities since the very reason for their existence is to meet the needs of the community at large. With the challenges at hand, it is interesting to examine whether universities will limit their social responsibilities. Do they view CSR as complementary to their “actual” social responsibility of producing knowledge workers for the country or as part of their marketing strategy?

Social performance (along with economic and environmental performance) is part of the “triple bottom line” of sustainability in higher education institutions, as recommended by Puukka (2008, Figure 1). She argued that implementing comprehensive sustainability policies and reporting on their economic, social and environmental outcomes is one way of making higher education institutions more accountable to their regional stakeholders and more responsive to the needs arising from the region. However, most existing research in CSR fails to take into account how universities cope with the development of CSR (Ahmad, 2012).

Figure 1: Triple bottom line of sustainability in higher education institutions



Source: Puukka, 2008

This paper provides an analysis of the evolution of social responsibility in times of stiff competition. The main premise is that social responsibility should not be sacrificed in the face of competition but rather must be intensified as part of an organization’s marketing strategies to attract more students and to remain sustainable in the market. This paper is divided into five sections. The next sections provide the literature review and the research method. The following section the results of the analysis of the challenges faced by and social performance of Malaysian private and public universities, before the paper concludes.

2. LITERATURE REVIEW

In Malaysia, higher education covers all post-secondary education leading to the award of certificates, diplomas and degrees. Previously, public universities dominated the higher education sector, but the passing of the Private Higher Educational Institutions Act 1996 liberalized the sector and private higher education institutions are now allowed to confer degrees. Foreign universities are also allowed to set up branch campuses in the country. The statistics for universities and students in Malaysia are as in Table 1.

Table 1: Facts and Figures of Higher Education in Malaysia

<i>No. of universities</i>	Public	Private
Pre-1970*	1	-
2013#	20	29
<i>No. of students in private institutions</i>		
1990 [Ⓚ]		35,600
2000 [Ⓚ]		203,000
2009*		450,000
<i>No. of international students</i>		
1997 [@]		5,635
1999 [@]		22,849
2005 [^]		33,903 (private institutions)
2006 [^]		38,900(private institutions)
2009 [#]		80,750

Notes: *Arokiasamy (2010), #Ministry of Higher Education (2013), & Tan (2002), @Education Quarterly (2001), ^Bank Negara Malaysia (2006).

According to Kantanen (2004, p.2), the role of education is crucial in social development and economic growth and recently cultural shifts are forcing teachers, scientist and policy makers to reflect on their purpose and function in society. Whilst UK Universities may not be accountable to shareholders or driven only by the profit motive, they are increasingly operating as if those were their chief considerations (Brown, 2009, p.479). Competition between universities and polytechnics, massification and globalization of higher education and financial constraint are just some the reasons for this new trend.

Social responsibilities have to certain extent influence how universities operate worldwide. In Sweden, the service element, interaction with the society, was written in the Universities Act in 1998 (Virtanen, 2002). In Finland, the Universities Act has been amended and one of the changes is to strengthen universities' social role where universities are expected to engage and interact with the rest of society and to promote the social impact of their research findings (Kantanen, 2004). In the United States, a coalition of universities known as Campus Compact committed to helping students develop valuable skills through participation in

public and community service (Colby, Ehrlich, Beaumont, Rosner & Stephens, 2000). Closer to the region, Sinhaneti (2011) reported that the Ministry of Higher Education expects that Thai higher institutions to play active role in the Asian region and in the world and pay more attention to societal development and communities.

Universities can provide the platform for community services as universities build bridges internationally, serve as national gateways for the sharing and dissemination of knowledge, and influence society through the ideas and values shaped by the humanities and liberal arts (Plantan, 2002, p.65). However, Teune and Plantan (2001) found that universities' community outreach initiatives depend on whether they were integrated into the institutional mission or relied upon the activities of university staff acting on their own initiative. The mission statements frequently made references to preparing students for full participation in the global society with democratic values and civic engagement are often considered implicit to the university's mission (Plantan, 2002, 67). Pollock, Horn, Costanza, and Sayre (2009) insisted that "complex and ineffective governance, traditional disciplinary boundaries, and the lack of a shared vision at academic institutions often hinder university's progress toward leading the world to a more sustainable and desirable future".

The idea of CSR begins with Bowen's work in 1953 and since then evolving. Its proponents believe that CSR can lead to significant transformations in how individual corporations conduct their business (Brown, 2009). According to Bhattacharya and Sen (2004), consumers are found to have a favourable attitude towards companies that engage in CSR. As for businesses, they can expect for improved financial performance and profitability; reduced operating costs; long-term sustainability for companies and their employees; increased staff commitment and involvement; enhanced capacity to innovate; good relations with government and communities; better risk and crisis management; enhanced reputation and brand value; and the development of closer links with customers and greater awareness of their needs (Bevan, Isles, Emery and Hoskins, 2004). Reputation assurance is one of the major drivers of CSR (Ward, Borregaard and Kapelus, 2002) in addition to social license to operate, sustaining key aspects of business, and improving business as a whole. Bronn and Vrioni (2001) argued that "having a pro-social agenda means having a powerful marketing tool that can build brand image and brand equity sector". Scott and Lane (2000) outlined three mechanisms used by organizations to prompt stakeholders' cognitive elaboration of an organizational identity: (a) presenting organizational images in communications, (b) making stakeholders' affiliation with the organization more public, and (c) increasing interactions with the organization and/or among stakeholders. Therefore, marketing communications can trigger enhanced stakeholder identification by including CSR images in organizational communications (Maignan and Ferrell, 2004, p.14). As for universities, establishing identity and maintaining their reputation in competitive marketplace can be very important drivers for CSR.

Reputation and legitimacy arguments maintain that firms may strengthen their legitimacy and enhance their reputation by engaging in CSR activities (Carroll and Shabana, 2010, p.99). Suchman (1995, p. 574) defines legitimacy as 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed

system of norms, values, beliefs, and definitions'. Cause marketing is an example of a CSR activity important for developing reputation and legitimacy (Carroll and Shabana, 2010). Cause marketing is a strategy where, in addition to emphasizing product advantages, product benefits are linked to appeals for charitable giving (Smith and Alcron 1991) to illustrate that they can, *mutually*, pursue their profitability goals and meet the needs of the different stakeholders in society. As such, CSR is seen as a masked Public Relation (PR) exercise on social responsibility practices. Some consumers are tolerant of the idea that while CSR initiatives benefit a cause, part of the motivation behind such initiatives may include furthering the company's bottom line (Bhattacharya and Sen, 2004) and brand image (Middlemiss, 2003 and Bronn and Vroni, 2001). With lack of any specific law obliging universities to consider social responsibilities as their core policies, it is not clear what motivates universities to commit to their social responsibilities (Nejati, Shafaei, Salamzadeh and Daraei, 2011).

As for businesses, there are four different categories of CSR (Carroll, 1979). 'The social responsibility of business encompasses the economic, legal, ethical, and discretionary [later referred to as philanthropic] expectations that society has of organizations at a given point in time' (Carroll 1979, p. 500, 1991, p. 283). This definition acknowledges the organization's economic responsibility as a factor to be considered in CSR. As Friedman (1962) argued, 'there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud'. Carroll contended that the economic and legal responsibilities are 'required', the ethical responsibilities are 'expected', and the discretionary/philanthropic responsibilities are 'desired'.

According to Carroll and Shabana (2010), if business is to have a healthy climate in which to function in the future, it must take actions now that will ensure its long-term viability and competitiveness. Porter and Kramer (2002, p.59) maintain that a business may gain competitive advantages through its philanthropic activities when such activities are directed at causes where there is a 'convergence of interests' between the economic gains and the social benefits. Also, if a firm's social responsibility strategy, genuinely and carefully conceived it should be unique... and this uniqueness may serve as a basis for setting the firm apart from its competitors and accordingly, its competitive advantage (Smith, 2003, p.67). Tokarski (1999, p. 34) defines this as a strategic philanthropy, 'the process by which contributions are targeted to serve direct business interests while also servicing beneficiary organizations'. This strategy helps companies to gain a competitive advantage and in turn improved its bottom line (Seifert, Morris and Bartkus, 2004). Corporate philanthropy, in this case, is used as a means of advancing corporate interests (Carroll and Shabana, 2010) to attract consumers, investors and employees (Smith, 2003). For universities, the ability to attract and retain students has become the main priority. While CSR can be useful for universities to explore how they operate within profoundly new circumstances and understanding the impacts that they have upon the broader society within which they are located (Brown, 2009), universities can also use this concept as part of its marketing strategy vital for its survival in stiff competition for students and funding. Nonetheless, there is an obvious gap in the literature on how universities have actually used CSR as strategic philanthropy to attract more students and to remain sustainable in the market.

3. RESEARCH METHOD

Our samples are two universities – one public (Sigma) and one private (Gamma). Universities from these different contexts would normally respond differently to their challenges and this might influence their social performance (see Nejadi, Shafaei, Salamzadeh and Daraei, 2011). Social performance disclosures were collected from their annual reports from the years 2000 to 2009. A decade of disclosures can provide useful insights into changes in social performance over time. Since both universities did not produce separate CSR reports during the years studied, the data were obtained solely from the annual reports.

Annual reports and CSR reports have been the primary tool in analysing social performance reporting in the social accounting literature (Hossain and Reaz, 2007; Sobhani, Amran, and Zainuddin, 2009) as they are more accessible to researchers and are provided on a regular basis (Othman and Ameer, 2010). Annual reports comprise a robust source for longitudinal studies and can provide insight into strategies and identity changes over time (Barr, Stimpert and Huff, 1992, p. 22). In the public sector, an annual report is a mass medium of communication (Parker, 1982) and a means of discharging government bodies' accountability to the public (Boyne and Law, 1991; Patton, 1992).

The annual reports for 2000 to 2009 of both universities were screened and examined to identify statements relevant to challenges and social performance information. The social performance indicators cover: promotion of wellbeing, know-how, ownership of staff and students, and community involvement, as proposed by Puukka (2008) (Figure 1). Since both universities are in the same country, we assume that they face similar challenges in terms of regulations and pressures from the stakeholders, as mentioned in Section 2.

Two coders were involved in analyzing the data and the other one (third coder) verified the results. At the first stage, a random annual report was selected from Beta University to be coded by the first and second coder. The coders identified and listed the statements of CSR activities in the annual reports. These activities are then coded as either, activities for promotion of wellbeing (WEL), know-how (KNH), ownership of staff and students (OWN), or community involvement (COM) categories for each universities, following Puukka (2008). The third coder checked the results from both first and second coders and highlighted the passages for which the coders had some differences. All doubts were discussed with the third coder until a mutually satisfactory code could be assigned.

In the second stage, a random annual report was selected from Gamma University to be coded by the first and second coders. The procedures in the first stage were repeated again and the third coder checked if there were any significant differences between the first coder and second coder. At this stage, the three coders were satisfied with the results. The first coder was assigned to do coding for Beta University and the first coder was assigned to do coding for Gamma University. Any doubts and queries were discussed with the third coder as the principal researcher for this project.

4. RESULTS

This section analyses a decade of annual reports of Sigma University and Gamma University to examine the challenges faced by these universities and how these challenges have actually shaped their approach to social responsibility.

4.1. *Background of Sigma and Gamma*

Sigma University (Sigma) is a public university. It was a training college in 1956 and was upgraded to an institute of higher learning in 1967 to produce trained manpower at professional and semi-professional levels. In 1999 it saw a major restructuring exercise in various aspects of its operation but it remained focused on academic excellence, innovation, socio-economic goals, worldwide accreditation, globalization and new technologies to further contribute to the industry and national development.

In contrast, Gamma University (Gamma) is a private university that has undergone various phases of expansion from a single institution to a group via a series of exercises, including consolidation and re-branding. In 2006, it streamlined its operations and consolidated into six large campuses operating under a single “Gamma” brand name. Gamma was upgraded to university college status in 2008 enabling it to introduce new and innovative programmes in medical sciences, pharmacy, optometry, dentistry, and others. The group is known for its adult part-time learning market and postgraduate programmes with flexible features, made possible through collaborative arrangements with overseas institutions.

In order to assess how these two different universities responded to the challenges facing the sector and at the same time tried to embody good social behaviour beyond their main business of knowledge creation and sharing, we first examined the challenges faced by the universities (as disclosed in the annual reports) and then we tracked their social performance in terms of wellbeing, ownership and know-how promotion for their staff (e.g. reward policies, motivational incentives) and students (support services, web-based learning), and community involvement in terms of building and maintaining good relations with stakeholders such as community services and collaborations.

4.2. *Social Performance*

4.2.1. *Promotion of wellbeing*

(a) *Staff*

In 2000, *Sigma University* procured a range of new software and hardware (p. 29). In 2005, the university installed wireless information and communications technology (ICT) in a few strategic locations for its campus users (p. 26). In 2006, a financial accounting information system, including a payroll and procurement system, was implemented (p. 50). The staff were able to print or reprint their payslips online. Starting in 2006, the university announced

its initiative in paying staff for untaken annual leave, and giving gratuities to contract staff who finished the contract term in the following year as short-term benefits (p. 92). All these initiatives placed emphasis on the IT infrastructure to help staff have better access and facilities to perform their jobs effectively and efficiently. In 2008, the university increased the staff promotion from 8 to 13 cycles a year (p. 49), meaning that staff did not have to wait long if they wanted to apply for promotion as the cycles were more frequent. In 2004, *Gamma University* introduced a performance-rewarding culture at all levels of management, which was concerned with the development of employees' assets, skills and capabilities in order to motivate them to grow in tandem with the long-term vision and objectives of the university. In 2005, this was extended to all levels.

(b) *Students*

In 2000, Sigma University built ten new hostels to accommodate 28,000 students (p. 17), while in 2001, the annual report revealed that the university had upgraded the infrastructure and facilities for the learning environment. The student affairs department became a "one-stop agency" for health, financial assistance, counselling and welfare (p. 53). The department also took pro-active initiatives by facilitating tenancy arrangements for non-resident students (p.54). Non-resident students were those that rented houses outside the campus area. Normally hostels were provided to new students, while senior students would have to rent houses on their own. By arranging the tenancy, the university relieved students of having to deal with landlords themselves. Sports facilities were upgraded to include lawn ball, netball court, wall-climbing facilities, and air-conditioning for the sports complex (p. 54).

In 2002, the university improved its teaching and learning facilities by introducing technology-enabled classrooms and laboratories, for example (p. 39). In 2005, in addition to infrastructure and sports facilities, the student affairs department introduced development and leadership modules to develop the students' "soft skills" and was focused on reshaping their personality. The library also provided a 24-hour section that could accommodate 80 students to study on campus, and one seminar room which could accommodate 100 people for workshops, training and briefings (p. 26). In 2008, the university introduced outcome-based education in phases that would be fully implemented in 2009 (p. 49) to improve the learning experience of the students. In 2009, Sigma used its trust fund to build a mosque and buy a few buses for its students' use (p. 258). It also bought 46 units of terrace houses to help accommodate the increased number of students (p. 262).

In 2002, Gamma spent over RM 9 million to upgrade the facilities and equipment and expand the physical infrastructure of the colleges and centres. Gamma also launched a WebCT online support platform, to give students online access to the study materials to complement their face-to-face learning. Gamma also provided comfortable and secure student hostels near to the campus (p. 45). In 2006, the university offered scholarships to the needy with the hope of raising the quality of life and providing more opportunities for outstanding students to pursue tertiary education. This was in response to the government's call to raise the capacity for knowledge and innovation and nurture a "first class mentality".

Table 2: Promotion of Wellbeing of Sigma & Gamma

Year	Staff		Student	
	Sigma	Gamma	Sigma	Gamma
2000	New software, personal computers, printers, etc.		New hostels	
2001			Upgrade infrastructure for conducive learning environment. “One-stop agency” for health, financial assistance, etc. Tenancy arrangements for non-resident students. Upgraded sport facilities.	
2002				Upgraded facilities and physical infrastructure. Launched a WebCT online support platform.
2004		Launched performance-rewarding culture.		
2005	Wireless ICT	Fostered rewarding performance culture.	Students’ development and leadership modules. Renovation of 24-hour section in library.	
2006	New payroll and procurement system. Cash payment and gratuities for untaken leave.			Scholarships for the needy
2008	Increased staff promotion cycles		Outcome-based education	
2009			Built a mosque. Bought buses. Bought houses for students’ accommodation.	

4.2.2. Promotion of ownership

(a) Staff.

In 2004, *Sigma University* further upgraded its information system (p. 38). The system enabled staff to update their details, register for courses, and apply for leave, training and development online. No initiative was reported for the promotion of ownership among staff in *Gamma University* during the period of study.

(b) Students.

The students in *Sigma University* were introduced to the concept of “empowerment” in management and leadership as part of their co-curriculum activities (p. 53) in 2001. In 2006, modules were implemented for students to register for hostel accommodation and voting purposes (p. 51). The Convojobshop was also introduced to arrange interviews for graduating students with potential employers. In 2009, the student athletes received incentives for their achievements. A new project to train students for entrepreneurship was also introduced (p. 43). In *Gamma University*, students were introduced to a new module called the Career Exploratory Programme that would refer students in their penultimate semester for internships or job attachments with selected companies in 2001. Leadership and character-building programmes for the students were initiated to prepare them for their working lives.

Table 3: Promotion of Ownership

Year	Staff		Student	
	Sigma	Gamma	Sigma	Gamma
2001			Introduced the concept of empowerment as part of co-curriculum activities	Introduced Career Exploratory Programme
2004	Upgraded staff resource information system			
2006			Students’ resource information system Launched Convojobshop	
2009			Provided incentives for student athletes Entrepreneurship projects	

4.2.3. Promotion of know-how

(a) Staff.

No activity was reported on promotion of know-how activities for staff in *Sigma University*. However, in *Gamma University* a new 10-acre flagship campus equipped with full-fledged

academic, research and recreational facilities in 2004. In 2007, the annual report stated that the staff were encouraged to pursue masters or doctorate degrees with partner universities.

(b) *Students.*

For the first time, *Sigma University* sponsored students to participate in the British Invention Show in 2008. This initiative helped to expose students at postgraduate levels to show-case their research work so that they could get valuable feedback at the invention show. In 2002, Gamma University set up four additional training centres to cater for the increasing demand for training and self-development courses. These centres were mainly located in smaller towns to make education and training accessible to their residents. In 2004, students went for orientation to inculcate an excellence-based culture, as directed by the government to create professionals with multiple skills, communication abilities and a broader knowledge of current global demands. In 2007, the campus was equipped with state-of-the-art facilities to provide a range of academic courses, particularly in niche areas such as nursing, pharmacy, medical and health sciences and bio-technology.

Table 4: Promotion of Know-How

Year	Staff		Student	
	Sigma	Gamma	Sigma	Gamma
2002				Training centres for new students in smaller towns
2004		New campus with full-fledged academic, research and recreational facilities		Excellence-based culture orientation
2007		Working with partner universities for staff Masters and Doctoral degrees		state-of-the-art facilities
2008			Sponsored students to British Invention Show	

4.3. *Community Involvement*

In 2000, *Sigma* university built campuses in the main cities to give better access to the local students to enrol into programmes at all levels such as certificates, pre-diploma, diploma and degree on a full-time or part-time basis (p. 26). Existing students were also involved in various community initiatives such as the Foster Child Project, Academic Mission, Road Safety Campaign, Cleanliness Campaign, sports and recreational activities and motivational programmes (p. 33). In 2006, the students launched a competition with the theme of “drug

haters". Teams had to design their own performance including the lyrics. This type of programme was aimed at attracting youth to participate in healthy activities and motivating them to keep away from drugs.

In 2000, Gamma University expanded its base to provide education for all ages, spanning from early childhood education, pre-university to university and adult education as well as other specialized niche educational programmes (p. 7). In 2002, the Junior Journalist Programme was an outreach programme to foster goodwill with the secondary schools in both East and Peninsular Malaysia. Over 900 students from 90 secondary schools attended two-day journalism workshops, conducted in collaboration with the *New Straits Times and Education Quarterly* (p. 51). Gamma also supported a number of initiatives to support disadvantaged citizens and provide education to the underprivileged. (p. 51). Students actively participated in a number of events to help the deaf, the blind and the disabled community (p. 51).

2006 was the first year that Gamma mentioned corporate social responsibility in its annual report. It said:

we believe that we should be leading the way in demonstrating Corporate Social Responsibility (CSR).. Our obligation to the community is an integral part of our business strategy along with growth, profits, productivity and having a team or winners. We will continue to work responsibly and contribute positively to the academic and skills development of the community. The progress in CSR will deliver competitive advantage which will contribute to the Group's long-term success. (Gamma University Annual Report 2006, page 17)

In April 2006, Gamma entered into a contract with the Youth & Sports Ministry to train a large number of youths who had been unable to obtain a place in the government training centres each year. In the same month, Gamma also entered into a contract with Kumpulan Darul Ehsan Berhad, the investment arm for the State of Selangor for the setting up of the Centre for Environmental Protection and Information. This contract entailed training, education and certification on environmental and sustainable development, amongst other areas. Gamma also undertook another innovative project in collaboration with 8TV on reality shows that carried important social messages for job seekers and prospective students. In 2007, Gamma gave out over RM10 million-worth of scholarships, bursaries and promotion of charity, sports and other nation-building initiatives.

In 2008, Gamma arranged a carnival for charities and dental inspection for the orphanage. Among the scholarship funds which Gamma initiated or participated in a range of funds that offered the top scorers and the needy a chance to pursue tertiary education. Gamma also supported The Technical Resource and Internship Network (TRAIN) programme to provide vocational training skills to help less academically inclined students to secure jobs. Eligible trainees enjoyed scholarships, subsidised fees, as well as private and government loans. In 2009, free tuition in Mathematics and English were given to 100 secondary school students. An outreach project for the homeless was also initiated and free entrepreneurship seminars offered to small and medium entrepreneurs.

Table 5: Community Involvement

Year	Sigma	Gamma
2000	City campuses Foster child project Academic mission Road safety campaign Cleanliness campaign Sports & recreational programmes Motivational programmes	Education for all ages
2002		Junior Journalist Programme Contributor to Star Education Funds and the MAPCU Education Funds
2006	Drug-hate performance competition	Youth training programmes with the Youth & Sports Ministry Set up Centre for Environmental Protection and Information 8TV reality shows
2007		Contribution to scholarships, bursaries and promotion of charity, sports and other nation-building initiatives
2008		Charities carnival and dental inspection for the orphanage Scholarships for top performers in schools. Supported The Technical Resource and Internship Network (TRAIN)
2009		Free tuitions in Mathematics and English to secondary school students Outreach project for homeless Free entrepreneurship seminar

5. DISCUSSION

CSR is often seen by critics as little more than a public relations exercise designed to give the appearance of social responsibility while in reality doing nothing to change corporate priorities or operating practices. In spite of the challenges faced by both universities, it was interesting to examine whether they exploited CSR to deal with the challenges and at the same time become more socially responsible. Since the role of research and the broad educational needs of society are less important to private sector institutions (Johnstone et al., 1998), what would be the main motivation behind their adoption of social responsibility? The study has been inspired by the work of Puukka (2008) who reported the findings from the OECD study on “Supporting the Contribution of Higher Education Institutions to Regional Development”. The project engaged fourteen regions across twelve countries in 2004-2007. Puukka (2008) looked into sustainable development of and by universities and other higher education institutions and highlighted what the “Triple Bottom Line” approach meant in higher education. He concluded that while many higher education institutions and regions were working to address a wide range of sustainability issues, in most cases sustainability was

understood in its narrow sense, encompassing environmental sustainability only (instead of economic, social and environmental).

According to Puukka (2008), the social responsibility of higher education institutions refers to the wellbeing of staff and students, and good relations with stakeholders. As such, the social performance of the higher education institutions should reflect the activities that promote wellbeing, knowhow and ownership of staff and students and community involvement (and good practices in stakeholder co-operation). Previous research has largely focused on community involvement (external stakeholders) as compared to social responsibilities towards internal stakeholders. For example, in Malaysia, the only study on CSR in universities was conducted by Ahmad (2012) who examined the university social responsibility initiatives of 14 public and private higher learning institutions using survey questionnaires of 150 students. The research concluded that in order to encourage high levels of participation from students in CSR activities, students must be well-informed and exposed to the benefits of CSR initiatives. However, the motivation for social responsibilities or social performance of the universities (particularly towards the internal stakeholders) was not addressed. This is the main contribution of this paper. However, in absence of similar studies testing the social performance indicators of universities as proposed by Puukka (2008), limited discussion could be offered in relation to current findings to past studies or literature review. The following discussion centred on the two indicators: Promotion of wellbeing, knowhow and ownership of staff and students and community involvement.

In terms of promotion of well-being, during the years studied the Sigma University was more focused in providing facilities to its staff in terms of ICT and offering more opportunities for staff to apply for promotion. Unlike Gamma University, Sigma University did not reveal much information in relation to its promotion exercise. Gamma University made it explicit in the annual report about its performance-rewarding culture at all levels in assuring its staff that they would be rewarded for performing regardless of their positions in the organisation. Puukka (2008) claimed that investing in people promotes loyalty and productivity. When asked about CSR functions in universities, 48% of respondents in Ahmad (2012)'s study agreed that development of human capital is an important function.

In addition to students' accommodation upgrading facilities and welfare services, both Gamma and Sigma Universities had both upgraded their teaching and learning facilities. In 2002, Sigma University introduced technology-enabled classrooms and laboratories and Gamma University launched a WebCT online support for its students. These features were fairly important in order to attract the new generation to enrol with the universities. Both universities also offered soft skills modules such as leadership and management and facilitated students for their internship with potential employers. According to Puukka (2008), student support services and work-based learning opportunities may improve learning outcomes, enhance learning experience and reduce the dropout rates. Staff and students were also exposed to research culture in both universities. Starting 2007, Gamma University encouraged its staff to pursue their studies at master's and doctoral levels while Sigma University had started sponsoring students to showcase their research products at the international invention show in 2008.

Close collaboration with local stakeholders helps the universities diversify their funding sources and may provide research themes and work-based learning opportunities (Puukka, 2008). Both Sigma and Gamma Universities' students had participated actively in various community projects since the year 2000. CSR can socially contribute to the university and its students (Ahmad, 2012). However, Gamma University were more focused to the community that it had targeted as the potential students. Most of the activities were tailored for school children as part of outreach programmes. Gamma also offered new programmes for youths who did not get a place in government training institutes and offered scholarships for bright school children and youths to study in Gamma University. This is not unusual as Ahmad (2012) noted that most of the respondents in her study defined CSR as behaviour and actions that are for profit, but are intended to benefit individuals and the wider community.

6. CONCLUSION AND LIMITATIONS OF STUDY

The findings of this research show that the two universities responded differently to the challenges and focused on different aspects of social responsibility. The public university chose to maintain its image and status and change slowly without jeopardizing its core identity and reason for its existence. Its social responsibilities were focused on existing members – staff and students. Although public universities might appear to be less efficient at disclosing their social responsibility performance, they are still superior at satisfying public demand for quality education, at least in Malaysia. On the other hand, the private university employed a very different strategy, using social responsibility platforms as part of its response to the ever-changing demands and pressures. Community involvement, such as free tuition and scholarships, was targeted at schoolchildren and formed part of the university's marketing initiatives. It managed to recruit more students in spite of intense competition in the market. Thus, the focus was more on the outside communities. Although their focuses were different, the findings reveal that social responsibility was important to both universities as part of their survival strategies.

The major limitation of this study is the comparison of only one university in each sector. However, because the intention was to study the development of social performance reporting, we have instead managed to extend the breadth of the study to ten years instead of conducting a cross-sectional study. We do acknowledge that the findings might not be generalizable to the whole population of public and private universities in Malaysia. We also have not studied the effectiveness of these social responsibility practices from the lens of the stakeholders. We relied on annual reports as the medium of communication, but it is possible that public universities might not see their annual reports as important in communicating their social responsibility performance, therefore they might have left out critical information. Future studies could look at the development of institutions in a similar context – public or private – and include more samples to be studied. A gap between what the stakeholders want and what the universities are currently reporting could also be an interesting avenue for research.

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