

CORPORATE SOCIAL RESPONSIBILITY IMPACT ON THE PERFORMANCE OF PRIVATE SECTOR EDUCATION

KHAN, S.^{1*} – ALI, I.²

¹ *Department of Management Sciences, National University of Modern Languages Peshawar
Campus, Khyber Pakhtunkhwa, Pakistan.*

² *Department of Computing & Technology, Abasyn University, Khyber Pakhtunkhwa, Pakistan.*

**Corresponding author
e-mail: sajidakhanutk[at]gmail.com*

(Received 29th April 2023; accepted 18th September 2023)

Abstract. Private-sector educational entities require strong corporate strategies. To be effective in a globally competitive world, the Corporate Social Responsibility Approach must be embraced. This research examined corporate social responsibility in the district of Peshawar, Khyber Pakhtunkhwa, and its effect on secondary schools in the private sector. Primary nature research and data were collected through a five-point Likert scale questionnaire distributed to private sector high school teachers to get the data about the impact of corporate social responsibility on organizations' performance. The questionnaire was fielded to private sector secondary school teachers in order to get data about the impact of corporate social responsibility on the performance of secondary schools. The population of the study was 184 registered private sector secondary schools (140 boys and 44 girls) which included 900 teachers (who taught to class 10th students during the session 2017-18) in district Peshawar. A sample of 280 teachers (140 male and 140 female) in 70 private sector secondary schools (35 for boys and 35 for girls) were selected through equal allocation sampling formula. Mean, Standard Deviation and t-test were applied for analyzing the data. The Pearson's correlation r was used to evaluate the variable effects. The result from the data indicated that all the four aspects of CSR have positive significant impact on the performance of secondary schools.

Keywords: *corporate social responsibility, secondary schools, district Peshawar, Khyber Pakhtunkhwa*

Introduction

Corporate Social Responsibility (CSR) has become an interesting topic in the current competitive environment for all educational organizations. Within their corporate goals, CSR strategies have been given priority by educational institutions in the private sector in general. Therefore, beyond studying in the classroom, they focus their attention on organizational performance. Through following these methods, they are coordinating and striving to discover opportunities to move their focus beyond classroom learning to their institutional performance. The education sector is perceived to be the most financially beneficial entity to allow corporate social responsibility to be elevated. Now a day, many private educational companies understand and acknowledge the pivotal role of corporate social responsibility and its contribution to society as a necessary and mandatory part of their business strategy. The strategies are useful in defining and achieving various stakeholders' business priorities and community demands. These strategies were of great global importance and popularity, especially in solving the numerous socioeconomic problems faced by conservative nations (Asrar-ul-Haq et al., 2017). Corporate social responsibility is characterized as a mechanism that makes the organizations accountable to the interests of society while attaining the profits of their investors (CORE Coalition, 2012). This refers to a voluntary action taken in the

competitive business climate by business organizations to meet their corporate interests and social demands (Department of Business, 2009). It points out some regulatory measures to create a favorable environment for organizations to voluntarily fulfill their legal responsibilities for society's benefits (EEA, 2011). Organizations embrace CSR strategies to profit making and improving society through their business activities (Yunus and Weber, 2009).

Freeman and Hasnaoui (2011) stated that CSR is a type of self-regulatory system that makes all stakeholders and society responsible for their business. It has changed its traditional meaning from pure obedience to law to socio-economic contribution to society's growth. McWilliams and Siegel (2001) stated it has been defined as a type of action for the welfare of society while at the same time achieving its organizational interests and is required by law. Garavan and McGuire (2010) have reported that corporate social responsibility leads to improving workers' lives, their families, shareholders, and the world as a whole. Consequently, it has shifted its traditional meaning from mere obedience to law to socio-economic commitment to the development of society. Sousa Filho et al. (2010) reported that CSR refers to an organization and all its stakeholders' ethical relationship and intelligibility. Kramer and Porter (2006) explored that it helps formulate corporate goals and preserve the cultural and environmental assets needed for the society's future generations. This leads to a reduction in society's social issues and appreciation of diversity. Therefore, it proposes a way for organizations to play an active role in society's welfare. It provides opportunities for organizations in the global competitive business environment to achieve positive image and reputation. Carroll (1979) defined CSR as a total of four components, i.e. economic, legal, ethical, and discretionary. He said monetary responsibility relates to the duty of the companies to manufacture goods and services in compliance with society's demands. The legal responsibility is defined as a sense of commitments of organization with its operational rules and regulations. The ethical responsibility concern organizations to take care of societal interests beyond the law required. The discretionary responsibility refers to the organizations' approach of fulfilling extra responsibilities over and above the expectations of society.

This study focuses on the effect of Corporate Social Responsibility practices on the performance of private sector secondary schools of district Peshawar, Khyber Pakhtunkhwa. These strategies are means for improving and maintaining the organizational reputation and producing a positive impact on society. Institutions, especially private ones are needed to take into account two main aspects for their sustainable development. The first one is the quality of the management system. It refers to the improvement of the organizational image through the adoption of CSR. The second one is the nature and quality of such strategies that have a positive impact on all the stakeholders of society. The objectives of the study are: (1) to investigate the use of corporate social responsibility approaches in private sector secondary schools of district Peshawar; (2) to find out the relationship between corporate social responsibility and the performance of private sector secondary schools of district Peshawar; (3) to compare male and female teachers' perceptions regarding advantages of corporate social responsibility practices for private sector secondary schools of district Peshawar; and (4) to make recommendations for adoption of corporate social responsibility approaches in the network of private sector secondary schools.

Literature review

Dahlsrud (2008) summarized CSR in five organizational dimensions i.e. stakeholders, voluntariness, environmental, social and economics needed for the improvement of organizational practices. The Maignan and Ferrell (2000) categorized CSR in these four components such as economic, legal, ethical and social obligatory responsibilities of organizations towards their stakeholders. Galbreath (2010) stated that economic responsibility means the formulation of such economic strategies which are helpful in earning profits and covering expenditure. Legal responsibility refers to pursuing legal rules and regulations for fulfilling corporate economic mission according to a legal agenda. Ethical responsibility denotes to include moral rules in the strategies of organizations which are valued by society. While discretionary responsibility means adoption of such business activities which are not obligatory but valued and expected as a sign of motivation by stakeholders. The concept of corporate social responsibility (CSR) got its origin in 1950 and USA was its mother country but it was well established in early 1970s. At this duration, US were confronted with many social problems such as unemployment, poverty, environmental pollution and a big fall in the prices of dollar. Corporate Social Responsibility got significant value in diverse groups striving for revolution in the businesses. With the advent of 1980s to 2000 time duration, organizations seriously felt the utmost need of recognizing and accepting social responsibility. CSR mainly concerns for the creation of money profits for the welfare of all the stakeholders consisting of shareholders, employees, customers, environment and society (Thirumuru et al., 2015).

In the new era of globalization and competition among educational organizations, many private sector educational organizations are willing for adaption of business-minded approach for their survival in the competitive education industry (Gumport 2000; Gioia and Thomas, 1996). By adopting business-minded approach, some organizations are recognizing the influential rule of Corporate Social Responsibility strategies in their corporate identity, image, advantage and brand reputation (Atakan and Eker, 2007; Stensaker, 2007; Kramer and Porter, 2006, Melewar and Akel, 2005). The basic agenda of an organization is based on three main qualities i.e. identity, image and reputation and its distinctive attributes are guided by the CSR strategies. Private sector educational organizations are willingly engaging with corporate social responsibility strategies for taking competitive advantage. Branco and Rodrigues (2006) explained that private sector organizations are adopting corporate social responsibility for gaining benefits in the competitive business environment. Hart (1995) documented that mostly organizations are following CSR strategies for generating a resource for their competitive advantage.

This study was guided by the hypothesis: (1) H01-There is no significant relationship between the four components of corporate social responsibility and performance of private sector secondary schools of district Peshawar; and (2) H02-There is no significant difference between male and female teachers' perceptions regarding advantages of corporate social responsibility practices for employees and students of private sector secondary schools of district Peshawar.

Materials and Methods

This study used quantitative research practice and descriptive design. The purpose of the study was to investigate corporate social responsibility in relation to private sector secondary schools of District Peshawar, Khyber Pakhtunkhwa. The researcher obtained

a list of all registered private sector secondary schools of district Peshawar from the Board of Intermediate & Secondary Education. The Principals of such schools helped the researcher by providing the class timetable of the teachers. With the permission of the honorable Principals, the researcher randomly fielded 280 questionnaires to the selected teachers. The performance of private sector secondary schools was measured by the percentage of the selected schools class 10th students' annual examination result of 2018 (Akhtar et al., 2016).

Population and sampling

All the 900 teachers (710 male and 190 female teachers who taught to class 10th students during session 2017-2018) in 184 private sector secondary schools (140 boys and 44 girls) of district Peshawar constituted population of the study. A sample of 300 teachers (20% of population) from 60 private sector secondary schools was selected through equal allocation sampling formula. The sample size was justified on the basis of rule of thumb of Gay and Airasian (2002).

Analysis and interpretation of data

The collected data were analyzed on the basis of the following five point Likert scale as; Strongly Disagree 1, Disagree 2, Undecided 3, Agree 4, and Strongly Agree 5. Software SPSS version-20 was used for the analysis of data. Frequencies, Percentages, Mean, Standard Deviation, t-test and Pearson's Correlation r were used.

Results and Discussion

The *Table 1* shows the views of the private school teachers on the use of corporate social responsibility practices in their schools (*Figure 1*). Statement 1 indicates that 69% of the employees are saying that Economic Strategies of CSR are given high importance in their schools. Statement 2 denotes that 64% of the employees are admitting that Legal Strategies of CSR are used with high significance in their institutions. Statement 3 signifies that 51% of employees are of the view that Ethical Responsibility of CSR is valued in their schools. Statement 4 indicates that 57 % of employees disagree with the statement that Discretionary Responsibility is admired in their schools. Statement 1 shows that employees are Strongly Agree that Economic Responsibility of CSR are followed in their schools. Statement 2 indicates that the employees Strongly Agree as Legal Strategies of CSR are used in their school. Statement 3 illustrates that employees are Agree about the statement of the use of Ethical Responsibility of CSR in their schools. Statement 4 denotes that employees are Disagree with the wording that Discretionary Strategy is used in their schools. *Table 2* shows correlation between Corporate Social Responsibility and private sector secondary schools' performance (*Figure 1*). Statement 1 shows that there exists positive very high correlation between Economic Responsibility of CSR and performance of secondary schools in private sector with correlation coefficient value 0.97, Hence it leads to the rejection of null hypothesis. Statement 2 signifies that there exists very high positive correlation between Legal Responsibility of CSR and schools' performance with correlation coefficient value 0.92 and it leads to the rejection of null hypothesis. Statement 3 indicates that there found moderate positive correlation between Ethical Responsibility of CSR and private sector schools' performance with correlation

coefficient value 0.55. The hypothesis of no correlation between the two categories is rejected by the results. Statement 4 denotes that there seen low positive correlation between Discretionary Responsibility of CSR and educational institutions performance with correlation coefficient value 0.38. Thus it leads to the rejection of null hypothesis. Statement 1 shows that there exists positive very high correlation between Economic Responsibility and institutional Performance. Statement 2 demonstrates that there shown positive very high correlation between Legal Responsibility and institutional performance. Statement 3 depicts that there found moderate positive correlation between Ethical Responsibility and private sector educational organizations' performance. Statement 4 displays that there seen low positive correlation between Discretionary Responsibility and performance of schools.

Table 1. Employees views regarding the use of corporate social responsibility in schools (N=280).

No.	Statement	Frequency (N) (Percentage, %)				
		SDA	DA	U	A	SA
1	Economic responsibility	13 (4)	19 (7)	19 (7)	36 (13)	193 (69)
2	Legal responsibility	3 (1)	26 (9)	3 (1)	68 (25)	180 (64)
3	Ethical responsibility	5 (2)	40 (13)	1 (1)	142 (51)	92 (33)
4	Discretionary responsibility	10 (3.6)	159 (57)	7 (2.5)	85 (30)	19 (6.8)

Note: SDA=Strongly Disagree; DA=Disagree; U=Undecided; A=Agree; SA=Strongly Agree.

Table 2. Correlation between corporate social responsibility and private sector educational organizations' performance.

No.	Statements	Co-efficient
1	Economic responsibility and organization performance	0.97
2	Legal responsibility and organization performance	0.92
3	Ethical responsibility and organization performance	0.55
4	Discretionary responsibility and organization performance	0.38

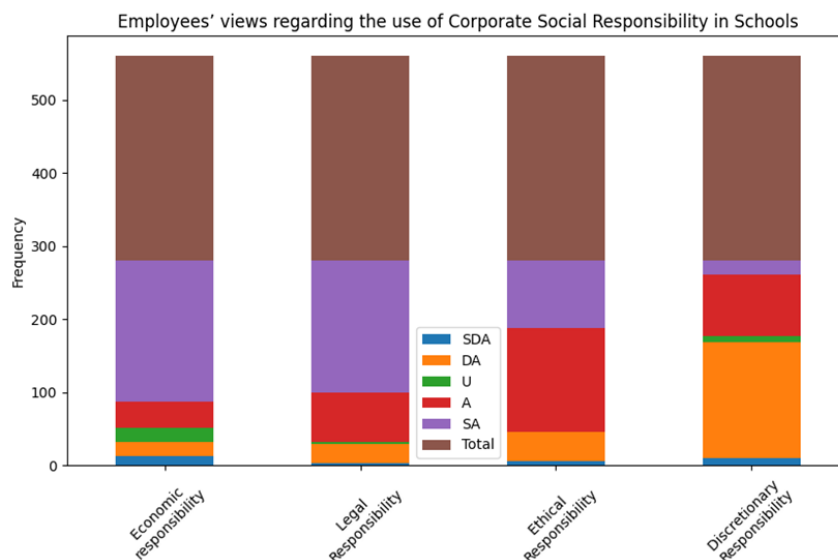


Figure 1. *Employees’ view regarding the use of corporate social responsibility in schools (in figure).*

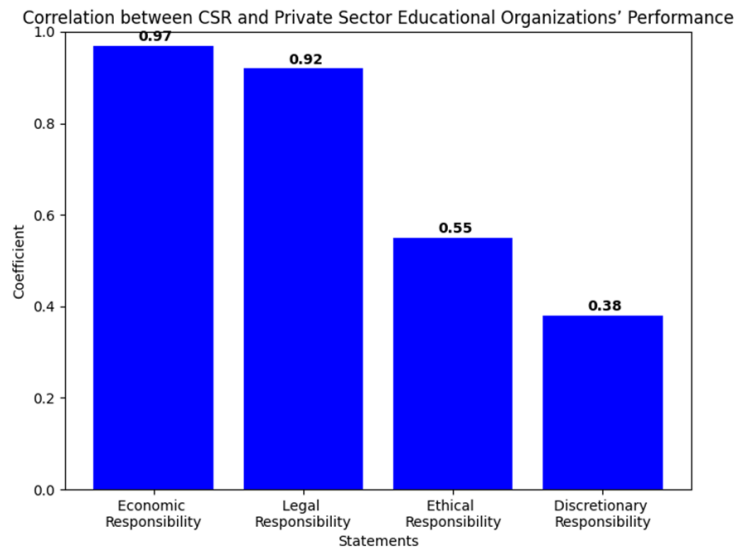


Figure 2. *Correlation between corporate social responsibility and private sector educational organizations’ performance (in figure).*

Table 3 indicates the mean standard deviation t- value and p-value of both categories. Statement 1 shows that mean of male teachers is 4.32 and the standard deviation is 1.25. While female teachers have a Mean of 4.16 and a Standard Deviation of 1.49, the t-value is 0.98 and the p-value is 0.31. Since the p-value is greater than 0.05, so the null hypothesis of no significant difference between males and females regarding the advantage of Economic Responsibility of CSR for schools cannot be rejected. Statement 2 indicates Mean of male teachers is 4.14 and Standard Deviation 1.45, while Mean of female teachers is 4.09 and Standard Deviation 1.56 with t-value 0.40 and p-value is 0.69, as p value is greater than 0.05, so there is no significant difference between male and female regarding Legal Responsibility of CSR. Thus the null hypothesis of cannot be rejected. Statement 3 denotes male teachers have Mean 4.06 and Standard Deviation 1.49. While female teachers have Mean 4.09 and Standard Deviation 1.43, since p-value is greater than 0.05, so there is no significant difference between male and female regarding usefulness of Ethical Responsibility of CSR for institutions and the null hypothesis can't be rejected.” Statement 4 shows Mean of male teachers is 3.54 and Standard Deviation 1.85, while Mean of female teachers is 3.76 and Standard Deviation 1.76 with t-value 1.03 and p-value is 0.30. Since p value is greater than 0.05, so the null hypothesis of no significant difference between male and female regarding importance of Discretionary Responsibility of CSR for schools cannot be rejected. It indicates that there exists no significant difference between male and female employees’ views regarding advantages of Corporate Social Responsibility (CSR) approaches for their schools. Both male and female employees have probably same views on the usefulness of Corporate Social Responsibility practices for their institutions. It indicates that there is no significant difference between male and female employees’ views regarding the use of Economic, Legal, Ethical and Discretionary Strategies of Corporate Social Responsibility in their schools. Thus the null hypothesis of no significant difference

between male and female views on the use of Corporate Social Responsibility strategies in their schools cannot be rejected. Probably both the gender has same views regarding advantages of CSR for their schools.

Table 3. Comparison between male and female teachers' view regarding the use of corporate social responsibility in schools.

No	Statements	Category	Mean	S.D.	t-value	P
1	Economic responsibility	Male	4.32	1.25	0.98	0.31
		Female	4.16	1.49		
2	Legal responsibility	Male	4.14	1.45	0.40	0.69
		Female	4.09	1.56		
3	Ethical responsibility	Male	4.06	1.49	0.21	0.84
		Female	4.09	1.43		
4	Discretionary responsibility	Male	3.54	1.85	1.03	0.30
		Female	3.76	1.76		

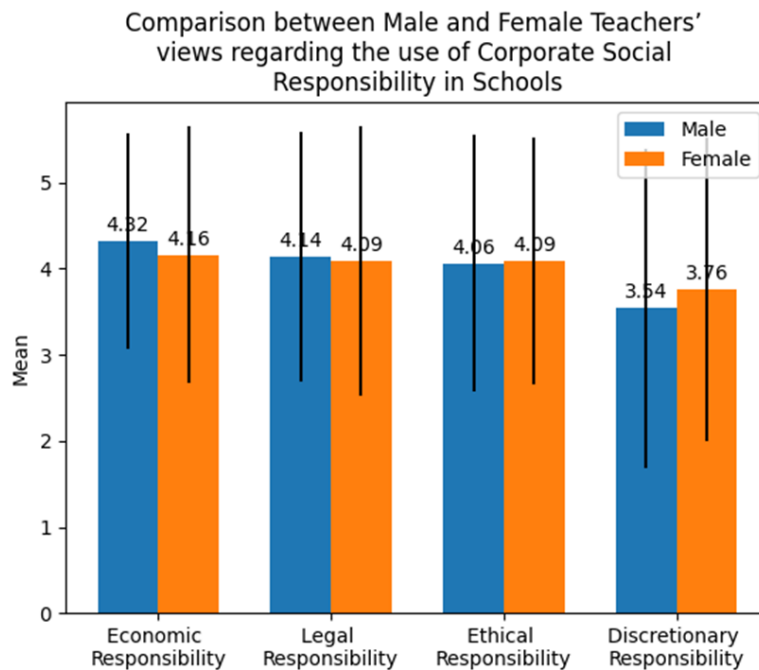


Figure 3. Comparison between male and female teachers' view regarding the use of corporate social responsibility in schools (in figure).

Conclusion

In conclusion, the findings of the study indicate that the two statements Economic Strategies and Legal Strategies of CSR are highly valued and followed in their schools. The third Statement Ethical Strategies of CSR is also positively valued and obeyed in their schools. The fourth Discretionary Strategies are used in their schools but with a very little importance. Next, it is positively high correlation between Economic Responsibility and Legal Responsibility of CSR and performance of schools, while there exists moderate positive correlation between Ethical Responsibility of CSR and Private Sector institutional performance. On the other hand, there exists low positive correlation between “Discretionary Responsibility of CSR and schools’ performance.

Lastly, both male and female employees have probably same views on the use of Corporate Social Responsibility (CSR) strategies in their schools.

In recommendation from this study, there appears due need that secondary school heads of private schools should make optimal use of the discretionary powers for solutions of problems. These schools are required to organize community service program frequently in order to satisfy investors' expectations and society demands. These institutions should engage in charitable activities by donating a certain share of their profits to charitable causes. The schools should provide free school uniforms, notebooks and other stationary material to poor students, and also should organize health care camps for students and poor reduction seminars in society.

Acknowledgement

We would like to thank the participants for their involvement in the study and our colleagues.

Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

REFERENCES

- [1] Akhtar, T., Shah, R., Ghazi, S.R., Khalil, Y.K. (2016): Morale as predictor of secondary school teachers' performance: A Study of the Schools of Khyber Pakhtunkhwa. – *The Dialogue* 11(4): 388-400.
- [2] Asrar-ul-Haq, M., Kuchinke, K.P., Iqbal, A. (2017): The relationship between corporate social responsibility, job satisfaction, and organizational commitment: Case of Pakistani higher education. – *Journal of Cleaner Production* 142: 2352-2363.
- [3] Atakan, M.S., Eker, T. (2007): Corporate identity of a socially responsible university-a case from the Turkish higher education sector. – *Journal of Business Ethics* 76(1): 55-68.
- [4] Branco, M.C., Rodrigues, L.L. (2006): Corporate social responsibility and resource based perspectives. – *Journal of Business Ethics* 69(2): 111-132.
- [5] Carroll, A.B. (1979): A Three Dimensional Model of Corporate Social Performance. – *Academy of Management Review* 4(4): 497-505.
- [6] Corporate Responsibility (CORE) Coalition (2012): Why the UK needs a commission for business, human rights and the environment. – *Corporate Responsibility Coalition* 6p.
- [7] Dahlsrud, A. (2008): How corporate social responsibility is defined: an analysis of 37 definitions. – *Corporate Social Responsibility and Environmental Management* 15(1): 1-13.
- [8] Department of Business (2009): Corporate responsibility report, London: HM Government. – *Business Enterprise & Regulatory Reform* 262p.
- [9] European Environment Agency (EEA) (2011): Communication from the commission to the European Parliament, the council, the European Economic and Social Committee and the Committee of the Regions. – *European Environment Agency Web Portal*. Retrieved from: <https://www.eea.europa.eu/policy-documents/communication-from-the-commission-to-1>
- [10] Freeman, I., Hasnaoui, A. (2011): The meaning of corporate social responsibility: The vision of four nations. – *Journal of Business Ethics* 100: 419-443.

- [11] Galbreath, J. (2010): How does Corporate Social Responsibility benefit Firms? Evidence from Australia. – *European Business Review* 22(4): 411-431.
- [12] Garavan, T.N., McGuire, D. (2010): Human resource development and society: Human resource development's role in embedding corporate social responsibility, sustainability, and ethics in organizations. – *Advances in Developing Human Resources* 12(5): 487-507.
- [13] Gay, L.R., Airasian, P. (2002): Educational research London: Competencies for analysis and applications. – Pearson College Division 624p.
- [14] Gioia, D.A., Thomas, J.B. (1996): Institutional identity, image and issue interpretation. – *Administrative Science Quarterly* 41(3): 370-403.
- [15] Gumpert, P.J. (2000): Academic restructuring: Organizational change and institutional imperatives. – *Higher Education* 39(1): 67-91.
- [16] Hart, S.L. (1995): A Natural-Resource-Based view of the firm. – *Academic Management Review* 20(4): 986-1014.
- [17] Kramer, M.R., Porter, M.E. (2006): Strategy and society: The link between competitive advantage and corporate social responsibility. – *Harvard Business Review* 84(12): 78-92.
- [18] Maignan, I., Ferrell, O.C. (2000): Measuring Corporate Citizenship in two Countries; The Case of the United States and France. – *Journal of Business Ethics* 23(3): 283-297.
- [19] McWilliams, A., Siegel, D. (2001): Corporate social responsibility: A theory of the firm perspective. – *Academy of Management Review* 26(1): 117-127.
- [20] Melewar, T.C., Akel, S. (2005): The Role of Corporate Identity in the Higher Education Sector A Case Study. – *Corporate Communications: An International Journal* 10 (1): 41-57.
- [21] Sousa Filho, J.M.D., Wanderley, L.S.O., Gómez, C.P., Farache, F. (2010): Strategic corporate social responsibility management for competitive advantage. – *BAR-Brazilian Administration Review* 7(3): 294-309.
- [22] Stensaker, B. (2007): The relationship between branding and organisational change. – *Higher Education Management and Policy* 19(1): 1-17.
- [23] Thirumuru, M.P., Thirukkovela, T.V.K., Kumar, V. (2015): Corporate Social Responsibility in Education: A Case Study of Hetero Group. – In 4th Int'l Conference on Research in Humanities, Sociology & Corporate Social Responsibility (RHSCSR'15) 4p.
- [24] Yunus, M., Weber, K. (2009): Creating a world without poverty: Social business and the future of capitalism. – New York: Public Affairs 320p.