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A RESEARCH ON CORPORATE SOCIAL RESPONSIBILITY PERCEPTIONS OF MARITIME FACULTY STUDENTS*

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Abstract

Corporate Social Responsibility (CSR) concept has attracted considerable interest in recent years by researchers and practitioners. Due to an increased awareness of the need for CSR this study examines corporate social responsibility perceptions of maritime faculty students (MFS). MFS were chosen for this research since these students are usually employed by an international organization and have difficulties in interpreting ethical issues in a business context because of cultural differences. Owing to the multicultural nature of shipboard work, it is important for every seafarer to be ethically sensitive toward shared values and virtues worldwide. Self-reported data was collected through a structured questionnaire from 120 undergraduates in Maritime Faculty of Kocaeli University. Students consider that “legal responsibilities” as the most important CSR component, followed by the “economic responsibilities”, “ethical responsibilities” and “philanthropic responsibilities”. Furthermore, findings show that women gave higher priority than men to two components of CSR including “legal responsibilities” and “philanthropic responsibilities”.

Keywords: Corporate social responsibility, economic responsibilities, legal responsibilities, ethical responsibilities, philanthropic responsibilities

INTRODUCTION

While corporate social responsibility (CSR) is not a new idea, it has never been more remarkable on the corporate agenda than it is today. In contrast to Milton Friedman’s economic view of limiting CSR to increase its profits, increasing calls are coming from business associations (e.g. World Economic Forum (WEF), World Business Council for Sustainable Development (WBCSD)) to assume that business have wider responsibilities in the social arena. Scandals that have happened in recent years (Enron, WorldCom) indicate that it is important to understand and develop the perceptions of the role of business in society. Since today’s business students are tomorrow’s managers, their awareness about the social responsibilities of the businesses and their managers is essential. Understanding the prevailing CSR perception of marine business students will enable the maritime faculties of universities to better address CSR content.

Corporate Social Responsibility

The debate over the social responsibilities of have been discussed since Howard Rothman Bowen seminal book (1953) “The Social Responsibilities of the Businessman”. Bowen (1953) called for more accountability of business to society, building on Chester Barnard’s (1938) determination that formal organizations are the principal structural frameworks of society. Barnard is one of the first authors who wrote a manager need to analyze the economic, legal, moral, social, and physical elements

of the environment when making business decisions (Joyner and Payne, 2002; 301). Similarly Bowen argued that businessmen are responsible for the consequences of their decisions in a sphere somewhat wider than corporate financial performance, indicating the existence and importance of corporate social performance (Abe and Ruangkhitku; 2013; 69). The businessman should be fully accountable not only to his Board of Directors, his stockholders, and the tax collector, but also to workers, consumers, suppliers, the community and the general public” (Bowen, 1953, p. 159).

In recent years academics and business practitioners search the topic how CSR should be defined and implemented. Various approaches to CSR definitions has been developed, such as ‘shareholder approach’, which defines the social responsibility of business as to obey the law and maximize shareholder wealth (Friedman, 1962, 1970). On the other hand, Freeman (1984) emphasizes that organizations cannot only focus merely on the needs of shareholders but should also consider the interests of their other stakeholders that can be defined as any group or individual who can influence or be influenced by organizational activities. Clarkson (1995) contributed to stakeholder approach by separating stakeholders as primary (e.g. shareholders, employees, customers and suppliers, the government, local communities) and secondary stakeholders (they are in interaction with the company, but aren’t as crucial for the company as the primary stakeholders).

Carroll’s (1979, 1991) model which can be seen as one of the most widely accepted models of the CSR, indicates that CSR is a multi-dimensional construct consisting of four sets of responsibilities: economic, legal, ethical and philanthropic (discretionary) responsibilities. Economic responsibilities state that organizations will produce good and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations need to be efficient, profitable, and to keep shareholder interests in mind since all other business functions are predicated on this assumption. Legal responsibilities emphasize that a firm has to obey laws and regulations as a condition of operating. Ethical responsibilities represent the behavior and activities that are not part of the law, but that are expected or prohibited by society. Finally, philanthropic responsibility refers to the company’s voluntarily commitment to improve the quality of life and participate in social and ecological problem solving in society. People in a society expect that a company should do business as a “good corporate citizen” (Carroll, 1991, p. 42) by participating in activities that contribute and help the education, arts, culture, medicine, science, and community improvement (Ramasamy & Yeung, 2009; Seifert, Morris & Bartkus, 2004). The pyramid of CSR describes the four different components that should be fulfilled together and in parallel rather than within a sequence (Ramasamy & Yeung, 2009, p.120). It also provide framework how a business organization might engage in business decisions, actions, practices, and policies simultaneously (Carrol, & Buchholtz, 2008. p. 46).

It’s accepted by many researchers that Carroll’s Pyramid of CSR is broad enough to capture all components of CSR and therefore this study used Carroll’s CSR Pyramid as a framework for the analysis. Despite there are many studies on student’s perception of CSR, there is a lack of empirical research into maritime students’ attitudes toward CSR. Maritime transport and activities are fundamental to sustaining economic growth and spreading prosperity throughout the world, thereby fulfilling a critical social as well as an economic function (Haag et al., 2015, p.1). In this sense, studying CSR perceptions of Maritime Business Administration students who will become future managers and leaders is important.

Students Perception of CSR

Several researchers have provided empirical evidence relating student perceptions of CSR. For instance, Kraft (1991) examines the relative importance of social responsibility in identifying effectiveness long-term and short-term success among undergraduate students. The results indicate that students viewed social responsibility as relatively unimportant compared to other determinants associated with finance, marketing and personnel. However, Elias (2004) found that business students viewed corporate social responsibility to be more important to profitability and long-term success of the firm after media exposure to corporate scandals.

Moreover, Jeffrey (1993) examined college major as an explanatory variable in students’ ethical perceptions and that accounting majors exhibited higher ethical development compared to students majoring in other business disciplines. Achua examined (2008) 75 undergraduate business students’

CSR orientation and found 73% of respondents had a high CSR orientation and believed that companies' responsibility goes beyond an exclusive concern for their shareholders' interests. Moreover, Lindeman and Verkasalo (2005) claimed that business students regard ethical values and issues as a more source of concern rather to other discipline students.

Some researchers have found that demographic characteristics are important in shaping student perceptions of CSR (Arlow, 1991; Kraft, 1991; Kraft and Singhapakdi, 1995). Besides, many researchers found that gender played an important role in undergraduate students' attitude toward CSR and business ethics. For instance, Arlow (1991) found that females are more ethical and socially responsible than males. Similarly, Peterson et al. (2010) observed that females exhibit more ethical attitudes and also have higher ethical standards than men. Marquis and Lee (2013) investigated organizational structures and how they influence strategies over which corporate leaders have significant discretion. The authors found that women executive leaders, on average, contributed more charitable funds. Hatch and Stephen (2015) find that women have higher levels of Internalized Moral Identity than men. Moreover, they find that women believe that organizations should be more beneficial to society than men, which turns into into a higher quality of corporate social responsibility. Accordingly, we expect that that women exhibit greater sensitivity to corporate social responsibility than men. Thus, we hypothesize

H1: Compared to male students, female students show a higher concern for economic responsibilities.

H2: Compared to male students, female students show a higher concern for legal responsibilities.

H3: Compared to male students, female students show a higher concern for ethical responsibilities.

H4: Compared to male students, female students show a higher concern for philanthropic responsibilities

DATA ANALYSIS AND RESULTS

Sample and Data collection

A survey was distributed to 120 undergraduate students majoring in Maritime Business Administration in Kocaeli University to learn about their perception, understanding, and commitment to corporate social responsibility. The instrument consists of 20 statements covering all four components of Carroll's model and respondents record their agreement or disagreement with each statement on a five-point likert scale ranging from "Highly Unimportant" (1), through to "Highly Important" (5). The students were predominantly male (62,5%).

To test the reliability of the scales used in the study, Cronbach Alpha scores were calculated for each dimension of CSR. Furthermore, in order to identify the underlying structure of various measures exploratory factor analysis using principle components of factor extraction and varimax rotation techniques was performed. The results of factor analysis of the measurement items (Table 1) imply that measures used in this study have construct validity. The factor loadings and the Alpha reliabilities of the factors are presented in Table 1.

Table 1: Factor Loadings and Cronbach's Alpha

Variables	Factor loading	Cronbach Alpha
Economic Responsibilities	0.917,0.849,0.788, 0.771, 0.647	0.89
Legal Responsibilities	0,925, 0,900, 0.880,0.703,0.613	0.90
Ethical Responsibilities	0,862, 0,782, 0,705, 0,615, 0,507	0.76
Philanthropic Responsibilities	0.896, 0.807, 0.803, 0,756, 0,645	0.88

Table 2 shows the relative importance of the each CSR component according to the perceptions of maritime business administration students. According to the results of this study, students view "legal responsibilities" as the most important CSR component, followed by the "economic responsibilities",

“ethical responsibilities” and “philanthropic responsibilities” components.

Table 2: Mean Scores of CSR Components

Variables	N	Mean Score	Rank
Economic Responsibilities	120	4.05	2
Legal Responsibilities	120	4.45	1
Ethical Responsibilities	120	3.62	3
Philanthropic Responsibilities	120	3.27	4

Table 3 shows the t-test results which were conducted to test the hypotheses. Accordingly, findings show that women gave higher priority than men to two components of CSR including “legal responsibilities” and “philanthropic responsibilities”. Therefore H2 and H4 is accepted. However, there is no significant difference regarding to “ethical responsibilities” and “economic responsibilities” of the business.

Table 3: Results of the H1 Hypothesis Testing

Variables		N	Mean	t	p
R	Female	45	4,60	4,32	,642
	Male	75	4,03		
LR	Female	45	4,65	1,66	,000*
	Male	75	3,26		
ER	Female	45	3,95	3,46	,689
	Male	75	3,70		
PR	Female	45	4,12	2,02	,002**
	Male	75	3,10		

CONCLUSION

This study contribute to CSR literature by examining the relative importance of Carrol’s (1991) four-part conceptualization of CSR, through the lenses of maritime business administration students of Kocaeli University. The results show that students have a high appreciation of CSR because they value positively each component of CSR. Students consider that “legal responsibilities” as the most important CSR component, followed by the “economic responsibilities”, “ethical responsibilities” and “philanthropic responsibilities”. On the other hand, the theory of corporate social responsibility support that next to ensuring that company is profitable, it obeys all laws is the most important responsibility,

In line with previous researches, the results generally supported the hypothesis that women exhibit greater sensitivity to CSR than men. Although the generalizability of the results is limited by the small sample size, this conclusion is significant since one can conclude that when women continue to involve in business, firms probably would operate more socially responsible in business. Since today’s business students are tomorrow’s managers, the best way to get firms to behave in socially responsible ways is to increase their awareness about the social responsibilities of the businesses.

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