

AN INVESTIGATION ON TURKISH BUSINESS AND ECONOMICS STUDENTS' PERCEPTIONS OF CORPORATE SOCIAL RESPONSIBILITY

Assist. Prof. PhD Halil Emre AKBAŞ*

Lecturer-PhD Arzu ÖZSÖZGÜN ÇALIŞKAN**

Research Assistant – PhD Emel ESEN***

ABSTRACT

Corporate Social Responsibility (CSR) can be seen as one of the most popular themes in academic literature. This study primarily aims to investigate the CSR perceptions of Turkish business and economics students who are the future accountants of Turkey. In order to accomplish this purpose, a questionnaire was developed as a research instrument which was based on Carroll's (1979, 1991) framework. Results of the study indicate that Turkish business and economics students perceived "legal responsibilities" as the most important CSR component which was followed by "economic responsibilities", "ethical responsibilities", and "philanthropic responsibilities", respectively. The results of the study also indicate that there are significant differences between students in terms of their demographic characteristics such as gender, career choice, student's major or academic classification regarding to the importance of CSR components.

Key Words: Corporate Social Responsibility, Business and Economics Students

Jel Codes: M14, M40

* Yildiz Technical University, Faculty of Economics and Administrative Sciences, Business Administration Department, eakbas@yildiz.edu.tr

** Yildiz Technical University, Faculty of Economics and Administrative Sciences, Business Administration Department, ozsozgun@yildiz.edu.tr

*** Yildiz Technical University, Faculty of Economics and Administrative Sciences, Business Administration Department, emeloz@yildiz.edu.tr

TÜRK İŞLETME VE İKTİSAT ÖĞRENCİLERİNİN KURUMSAL SOSYAL SORUMLULUK GÖRÜŞLERİ ÜZERİNE BİR İNCELEME

ÖZET

Kurumsal Sosyal Sorumluluk (KSR), akademik yazında en popüler konulardan biri olarak görülebilir. Bu çalışma, temel olarak Türkiye'nin gelecekteki muhasebecileri olan Türk işletme ve iktisat öğrencilerinin KSR görüşlerinin incelenmesini amaçlamaktadır. Bu amacın gerçekleştirilebilmesi için araştırma aracı olarak Carroll'ın (1979, 1991) modeline dayanan bir anket geliştirilmiştir. Çalışmanın sonuçları; Türk işletme ve iktisat öğrencilerinin "yasal sorumlulukları" en önemli KSR unsuru olarak algıladıklarını ve bu unsurun sırasıyla "ekonomik sorumluluklar", "etik sorumluluklar" ve "gönüllü sorumluluklar" tarafından takip edildiğini göstermektedir. Çalışmanın sonuçları ayrıca cinsiyetleri, meslek tercihleri, bölümleri ve sınıfları açısından öğrenciler arasında önemli farklılıkların bulunduğunu göstermektedir.

Anahtar Kelimeler: Kurumsal Sosyal Sorumluluk, İşletme ve İktisat Öğrencileri

Jel Kodlar: M14, M40

1. INTRODUCTION

Companies, consumers, academicians, non-profit organizations, public sector organizations and policy makers have been paying an increasing attention to Corporate Social Responsibility (CSR) in recent years (Menz, 2010,117; Pivato, Misani&Tencati, 2008, 4; Kooskora, Hiller&Omar, 2005, 74; Zu and Song, 2009, 105). A great number of companies put in effort to integrate corporate social responsibility policies into all aspects of their business and direct more and more attention and resources to social problems far removed from their traditional objective of making profit by supplying goods and services (Kim and Kim, 2010, 485; Maon, Lindgreen&Swaen, 2008, 413;Kooskora, Hiller&Omar, 2005, 74;Ostlund, 1977, 35;Reverte, 2009, 351; Zu and Song, 2009, 105). Moreover, many articles and publications have been issued, research projects conducted and conferences and seminars organized dealt with this concept (Kooskora, Hiller&Omar, 2005, 74). Despite the fact that it is one of the most popular themes in the literature, it is possible to say that there is no consensus on what CSR means and what the key elements of this concept are (Spencer & Butler, 1987, 573;Turker, 2009, 412; Davis, 1973, 312;Riliang, 2007, 583;

Carroll, 1979, 497). Thus there is no universal definition of CSR (Whitehouse, 2006, 279, Godfrey & Hatch, 2007, 87; Arli&Lasmono, 2010, 47; Garriga and Mele, 2004, 51; Turker, 2009, 412; Panwar, Han&Hansen, 2010, 122). Votaw (1972, 25) stated that “CSR is something, but not always the same thing, to everybody”.

Although there are many contradictory definitions of CSR, it won't be wrong to say that single dimensional measures of CSR has been replaced by multi-dimensional measures with the emergence of stakeholder theory which is often taken as a modern perspective on CSR (Mishra & Suar, 2010, 572; Narwal& Sharma, 2008, 163). Under this theory, CSR reflects a multi-dimensional perspective, which includes environmental issues and extends to include social issues. According to this point of view, companies should not only be responsible to their shareholders, additionally they have some responsibilities to society as a whole, since they operate within society. Therefore, in the context of stakeholder model, the term responsibility extends from purely financial goals to environmental and social goals (Tsoi, 2010, 392).

Consistent with this perspective Carroll's (1979, 1991) model which can be seen as one of the most widely accepted and operationalized models of the modern CSR, maintains that CSR is a multi-dimensional construct consisting of four sets of responsibilities: economic, legal, ethical and philanthropic (discretionary) responsibilities (Carroll, 1979, 499; Carroll, 1991, 40; Arli&Lasmono, 2010, 46; Ramasamy&Yeung, 2009, 120; Kooskora, Hiller&Omair, 2005, 76; Maignan, 2001, 59; Xu& Yang, 2010, 326; Riliang, 2007, 583; Snider, Hill & Martin, 2003, 176). Economic responsibilities state that firms have to be productive and profitable and meet consumer needs. Since all other business functions are predicated on this assumption, this group of responsibilities represents the fundamental responsibilities of firms. Legal responsibilities emphasize that a firm has to obey the law and operate within the legal framework of society while fulfilling its economic responsibilities. This component may include compliance with various state and local legal regulations including workers safety, environmental standards, tax laws and competition laws. Ethical responsibilities represent that a firm has to follow socially established ethical standards. Finally, according to the last component, the philanthropic responsibilities, a firm has to serve to improve the quality of life by attempting to help other people and contribute to well-being of society (Ramasamy&Yeung, 2009, 120; Maignan, 2001, 59; Lindgreen, Swaen& Johnston, 2009, 304; Ri-

liang, 2007, 583; Snider, Hill & Martin, 2003, 176). By means of representing the four components of total CSR in a pyramid form with the more basic responsibilities –economic and legal- at the base, while more advanced ones –ethical and philanthropic- are at the pinnacle, Carroll (1991) suggested that each of these responsibilities should be fulfilled together and in parallel rather than within a sequence (Ramasamy&Yeung, 2009, 120;Cooke& He, 2010, 356).

Despite definitional issues, the recent accounting scandals resulting bankruptcies such as Enron and WorldCom highlighted the importance of CSR especially in the area of accounting, since accountants play a crucial role in firms in areas which are closely related to CSR such as reporting, transparency, ethics, compliance with legal regulations, communication with stakeholders ((Elias, 2004, 267; Albu et.al, 2011, 221).

This study primarily aims to investigate the CSR perceptions of Turkish business and economics students. Since Carroll’s conceptualization is broad enough to capture all components of CSR (Ramasamy&Yeung, 2009, 120;Riliang, 2007, 583), we used this framework in our study. In this context, the following research questions were addressed in the present study:

- 1) What is the most important CSR component and what is the relative importance of each component according to the perceptions of Turkish business students?
- 2) Is there any significant difference in terms of demographic variables such as gender, career choice, student’s major or academic classification regarding to the CSR components?

The rest of the paper is structured as follow. The next section presents hypotheses of the study while third section outlines the research methodology. Section four provides the results of the study. Finally, some concluding remarks are presented in the fifth section.

2. HYPOTHESES

In order to find answers to the research questions of the present study, the following hypotheses were developed:

H1: There is no significant difference between the importance placed on CSR components by male and female students.

H2: There is no significant difference between the importance placed on CSR component by students who chose accounting as a career and other students.

H3: There is no significant difference between the importance placed on CSR component by students who studied in business administration and economics.

H4: There is no significant difference between the importance placed on CSR component by students who studied in freshman, in sophomore, in junior and in senior.

3. RESEARCH METHODOLOGY

A questionnaire which was based on Carroll's (1979, 1991) framework was used as a research instrument to be answered by Turkish students. The questionnaire consisted of two sections. The first section included general information such as gender, career choice, students' major and academic classification. The second part of the questionnaire dealt with the perceptions of the students about the importance of the each CSR component (economic, legal, ethical and philanthropic). In order to cover all four components of Carroll's model, the respondents were asked to rate the importance twenty statements which were developed by Carroll (1979) (Examples of items for economic responsibility as "The primary goal of companies is to make as much profit as possible"; for legal responsibility as "Companies must operate strictly within the legal framework of the society"; for ethical responsibility as "Socially responsible companies always do what is right, fair and just" and for philanthropic responsibility as "Companies should contribute resources to the community". A five-point likert scale ranging from "Highly Unimportant" (1), through to "Highly Important" (5) was used in this part of the questionnaire. Convenience sampling method was used for the reason of convenience and accessibility of the participants from accounting professions. Convenience sampling is an acceptable method through which a representative sample is secured (Altunışık et al, 2007, 132).

Descriptive statistics and reliability analyses were conducted for economic, legal, ethical and philanthropic responsibilities to perform in the research. Analysis of variance (ANOVA) and t-tests were undertaken to the hypotheses mentioned above.

4. RESULTS AND DISCUSSIONS

4.1. Descriptive Profile of the Respondents

A total of 345 usable questionnaires were received. A summary of the descriptive profile of the respondents is presented in Table I. The students

were predominantly male (52%). Most of the respondents (69%) consider non-accounting career and sophomore (33%).

Table 1: Demographic Variables

Gender	Female	Male		
N	166	179		
(%)	48.1	51.9		
Career Choice	Accounting	Non-accounting		
N	109	236		
(%)	31.6	68.4		
Students' Major	Business	Economics		
N	168	177		
(%)	48.7	51.3		
Academic Classification	Freshman	Sophomore	Junior	Senior
N	73	113	79	80
(%)	21.2	32.8	22.9	23.2

4.2. Reliability Analysis

For the reliability analysis of the scale used in this study, the most frequently used Cronbach alpha coefficient was examined. As Cronbach alpha coefficient of the scale in this study was higher than the commonly accepted .70 as shown in Table 2. Cronbach alpha value of economic responsibility as 0,804; legal responsibility as 0,805; ethical responsibility as 0,794 and philanthropic responsibility as 0,768 was found.

Table 2: Reliability Analysis of Variables

Variables	N	Cronbach Alpha
Economic Responsibilities	345	,804
Legal Responsibilities	345	,805
Ethical Responsibilities	345	,794
Philanthropic Responsibilities	345	,768

4.3. Turkish Business Students' Perceptions of CSR

Table 3 shows the relative importance of the each CSR component according to the perceptions of Turkish business students. It shows that Turkish business students ranked the component of "economic responsibilities" as the most important CSR component, followed by the "legal responsibilities", "ethical responsibilities" and "philanthropic responsibilities" components.

Table 3: Mean Scores of CSR Components

Variables	N	Mean Score	Rank
Economic Responsibilities	345	4.0371	2
Legal Responsibilities	345	4.0655	1
Ethical Responsibilities	345	3.8870	3
Philanthropic Responsibilities	345	3.6330	4

Table 4 shows the t-test results which were conducted to test H1 hypothesis. The results indicated that while the component of “legal responsibilities” with the mean score of 4, 0735 was the most important CSR dimension for female students, the component of “economic responsibilities” with the mean score of 4, 0034 was the most important dimension for male students. On the other hand, “philanthropic responsibilities” was the least important CSR dimension for both female and male students with the mean scores of 3, 8012 and 3, 4771 respectively. The t-test results show that only the component of “philanthropic responsibilities” ($p=, 000$) was significantly different between female and male students at the 5% level. By comparing mean values it can be said that, female students placed more importance to this component. In contrast there was no statistically significant difference in terms of gender regarding to the importance of “economic responsibilities” ($p=0.386$), “legal responsibilities” ($p=0.69$) and “ethical responsibilities” ($p=0.753$) students at the 5% significance level. Therefore we can conclude that H1 hypothesis is rejected for the “philanthropic responsibilities” component while it is accepted for the “economic responsibilities”, “legal responsibilities” and “ethical responsibilities” components.

Table 4: Results of the H1 Hypothesis Testing

		N	Mean	Std. Deviation	t	p
Economic Responsibilities	Female	166	4,0735	,65701	,868	,386
	Male	179	4,0034	,83907		
Legal Responsibilities	Female	166	4,1373	,72625	1,822	,069
	Male	179	3,9989	,68548		
Ethical Responsibilities	Female	166	3,9000	,71138	,315	,753
	Male	179	3,8749	,76466		
Philanthropic Responsibilities	Female	166	3,8012	,68313	4,066	,000*
	Male	179	3,4771	,78874		

Table 5 shows the result of the test of the H2 hypothesis, that there is no significant difference in terms of students’ career choice regarding to the CSR components. The results indicated that the component of “legal

responsibilities” was the most important CSR dimension for both accounting and non-accounting students with the mean scores of 4.1743 and 4.0153 respectively. Again for both groups “philanthropic responsibilities” was the least important CSR component for (with mean scores of 3.5798 and 3.6576 respectively). According to t-test results there was no statistically significantly different in terms of students’ major to importance of “economic responsibilities” (p=0.063), “legal responsibilities” (p=0.52), “ethical responsibilities” (p= 0,675) and “philanthropic responsibilities” (p=0.753) students at the 5% level. We therefore conclude that H2 hypothesis is accepted for the all components of CSR.

Table 5: Results of the H2 Hypothesis Testing

		N	Mean	Std. Deviation	t	p
Economic Responsibilities	Accounting	109	4,1486	,67297	1,867	,063
	Non-Accounting	236	3,9856	,78840		
Legal Responsibilities	Accounting	109	4,1743	,63134	1,948	0,52
	Non-Accounting	236	4,0153	,73625		
Ethical Responsibilities	Accounting	109	3,8624	,82897	-,419	,675
	Non-Accounting	236	3,8983	,69441		
Philanthropic Responsibilities	Accounting	109	3,5798	,84369	-,888	,375
	Non-Accounting	236	3,6576	,71297		

Table 6 shows results of t-test that were performed in order to test the H3 hypothesis. According to test results there was no significant difference in terms of students’ major regarding to the importance of “economic responsibilities” (p=0.171), “legal responsibilities” (p=0.301), “ethical responsibilities” (p=0.750) and “philanthropic responsibilities” (p=0.803). Therefore, we can conclude that for all components of CSR, H3 hypothesis is accepted.

Table 6: Results of the H3 Hypothesis Testing

		N	Mean	Std. Deviation	F	p
Economic Responsibilities	Business	177	4,0915	,71126	3,838	,171
	Economics	168	3,9798	,79989		
Legal Responsibilities	Business	177	4,1040	,64811	,610	,301
	Economics	168	4,0250	,76548		
Ethical Responsibilities	Business	177	3,8746	,73072	,297	,750
	Economics	168	3,9000	,74865		
Philanthropic Responsibilities	Business	177	3,6429	,76006	0,01	,803
	Economics	168	3,6226	,75452		

Table 7 shows the result of the test of the H4 hypothesis. One-way ANOVA

tests were performed in order to test the H4 hypothesis, that there is no significant difference in terms of students' academic classification regarding to the importance of CSR components. According to results there was no significant difference between the importance placed on "economic responsibilities" ($p=0,812$), "legal responsibilities" ($p=0.730$), "ethical responsibilities" ($p=0.080$) and "philanthropic responsibilities" ($p=0.594$) components by the four groups of students. On the other hand the results reveal that there were statistically significant differences between the importance placed on "economic responsibilities" ($p=0.033$) and "philanthropic responsibilities" ($p=0.003$). Based upon these results we can conclude that H4 hypothesis is accepted.

Table 7: Results of the H4 Hypothesis Testing

		N	Mean	Std. Deviation	F-value	p-value
Economic Responsibilities	Freshman	73	4,0164	,71161	,319	,812
	Sophomore	113	4,0018	,73217		
	Junior	79	4,1063	,73856		
	Senior	80	4,0375	,85216		
Legal Responsibilities	Freshman	73	4,0603	,72701	,432	,730
	Sophomore	113	4,0460	,71913		
	Junior	79	4,1418	,65723		
	Senior	80	4,0225	,72914		
Ethical Responsibilities	Freshman	73	3,8329	,74378	2,268	,080
	Sophomore	113	3,800	,75640		
	Junior	79	4,0684	,64838		
	Senior	80	3,8800	,77335		
Philanthropic Responsibilities	Freshman	73	3,6055	,72186	,632	,594
	Sophomore	113	3,7097	,77873		
	Junior	79	3,6152	,78888		
	Senior	80	3,5675	,72667		

5. CONCLUSION

Corporate social responsibility is seen as the one of the most popular and controversial topics in the academic literature. Especially recent accounting scandals highlighted the importance of CSR in the area of accounting. Therefore this study specifically investigated the CSR perceptions Turkish business and economics students who represent the future accountants of Turkey. This study was carried out among 345 students in order to examine students' perceptions of corporate social responsibility and its components. The findings of the study increase our understanding in the relative importance of each component of CSR by analyzing the perceptions of business and economics students in a developing country, Turkey.

According to the results of the study, Turkish business and economics students perceived “legal responsibilities” as the most important CSR component which was followed by “economic responsibilities”, “ethical responsibilities”, and “philanthropic responsibilities”, respectively. Additionally, the findings of the study emphasizes that the demographic characteristics of the students have impacts on their perceptions of CSR. The results indicated that while the component of “legal responsibilities” with the mean score of 4, 0735 was the most important CSR dimension for female students, the component of “economic responsibilities” with the mean score of 4, 0034 was the most important dimension for male students. We found that female students perceived the “philanthropic responsibilities” component more important than male students. In contrast, students’ major and academic classification has no impact on their perceptions of CSR.

The findings of the study may get researchers’ attention to the point that they should become aware of the importance of corporate social responsibility. One of the limitations of this study is the findings of the study cannot be generalized; it can only be evaluated in the limits of its sample.

REFERENCES

- Albu, N., N.C.Albu,, M.M. Gırbina and M.I. Sandu.2011. The Implications of Corporate Social Responsibility on the Accounting Profession: The Case of Romania. *The AMFITEATRU Economic*, 13, 29, 221-234.
- Altunışık, R., R. Coşkun, S. Bayraktaroğlu and E. Yıldırım.2007.*SosyalBilimlerdeAraştırmaYöntemleri*. 5. Baskı. Sakarya: SakaryaYayıncılık.
- Arli, D. I. andH. K. Lasmono. 2010. Consumers’ perception of corporate socialresponsibilityin a developing country.*International Journal of Consumer Studies*, 34, 1, 46-51.
- Carroll, A.B. 1979. A Three-dimensional Conceptual Model of Corporate Performance.*Academy of Management Review*, 4, 4, 497-505.
- Carroll, A.B. 1991. ThePyramidofCorporateSocialResponsibility: Toward the Moral Management ofOrganizationalStakeholders.*Business Horizons*, 34, 4, 39-48.
- Cooke, F. L. and Q. He.2010. Corporate Social Responsibility and HRM in China: A Study of Textile and Apparel Enterprises. *Asia Pacific Business Review*, 16, 3, 355-376.
- Davis, K. 1973. The Case for and Against Business Assumption of Social

- Responsibilities. *Academy of Management Journal*, 16, 2, 312-322.
- Elias, R. Z. 2004. An Examination of Business Students' Perception of Corporate Social Responsibilities Before and After Bankruptcies. *Journal of Business Ethics*, 52, 3, 267-281.
- Garriga, E. and D.N. Mele. 2004. Corporate Social Responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53, 1-2, 51-71.
- Godfrey, P.C. and N.W. Hatch. 2007. Researching Corporate Social Responsibility: An Agenda for the 21st Century. *Journal of Business Ethics*, 70, 1, 87-98.
- Kim, Y. and S.-Y. Kim. 2010. The Influence of Cultural Values on Perceptions of Corporate Social Responsibility: Application of Hofstede's Dimensions to Korean Public Relations Practitioners. *Journal of Business Ethics*, 91, 4, 485-500.
- Kooskora, M., T. Hiller, and K. Omair. 2005. Perceptions of Corporate Social Responsibility among Estonian Business Organisations. *EBS Review*, 20, 74-87.
- Lindgreen, A., V. Swaen and W. Johnston. 2009. Corporate Social Responsibility: An Empirical Investigation of U.S. Organizations. *Journal of Business Ethics*, 2, 85, 303-323.
- Maignan, I. 2001. Consumers' Perceptions of Corporate Social Responsibilities: A Cross-Cultural Comparison. *Journal of Business Ethics*, 30, 1, 57-72.
- Maon, F., A. Lindgreen and V. Swaen. 2008. Thinking of the Organization as a System: The Role of Managerial Perceptions in Developing a Corporate Social Responsibility Strategic Agenda. *Systems Research & Behavioral Science*, 25, 3, 413-426.
- Menz, K.-M. 2010. Corporate Social Responsibility: Is it Rewarded by the Corporate Bond Market? A Critical Note. *Journal of Business Ethics*, 96, 1, 117-134.
- Mishra, S. and D. Suar. 2010. Does Corporate Social Responsibility Influence Firm Performance of Indian Companies? *Journal of Business Ethics*, 95, 4, 571-601.
- Narwal, M. and T. Sharma. 2008. Perceptions of Corporate Social Responsibility in India: an Empirical Study. *Journal of Knowledge Globalization*, 1, 1, 61-79.
- Ostlund, L. E. 1977. Attitudes of Managers Toward Corporate Social Responsibility. *California Management Review*, 19, 4, 35-49.

- Panwar R., X.O. Han and E. Hansen.2010.A demographic examination of societal views regarding Corporate SocialResponsibility in the US forest products industry.*Forest Policy and Economics*, 12, 2, 121-128.
- Pivato S., N. Misaniand A. Tencati.2008. The Impact of Corporate Social Responsibility on Consumer Trust: The Case of Organic Food. *Business Ethics-A European Review*, 17, 1, 3-12.
- Ramasamy, B. and M. Yeung.2009.Chinese Consumers' Perception of Corporate SocialResponsibility (CSR).*Journal of Business Ethics*, 1, 88, 119-132.
- Reverte, C. 2009. Determinants of Corporate Social Responsibility Disclosure Ratings by Spanish Listed Firms.*Journal Of Business Ethics*,88, 2, 351-366.
- Riliang. Q. 2007. Effects of Government Regulations, Market Orientation and Ownership Structure on Corporate SocialResponsibility in China: An Empirical Study.*International Journal of Management*, 24, 3, 582-591.
- Snider J., R.P. Hill and D. Martin.2003. Corporate SocialResponsibility in the 21st century: A view from the world's most successful firms. *Journal of Business Ethics*, 48, 2, 175-187.
- Spencer, B. A., andJr. J.K.Butler. 1987.Measuring the Relative Importances of SocialResponsibility Components: A Decision Modeling Approach.*Journal of Business Ethics*, 6, 7, 573-577.
- Tsoi, J. 2010. Stakeholders' Perceptions and Future Scenarios to Improve Corporate Social Responsibility in Hong-Kong and Mainland China.*Journal of Business Ethics*, 91, 3, 391-404.
- Turker, D. 2009.Measuring Corporate SocialResponsibility: A Scale Development Study.*Journal of Business Ethics*, 85, 4,411-427.
- Votaw, D. 1972. Genius Becomes Rare: A Comment on the Doctrine of Social Responsibility Pt 1. *California Management Review*, 15, 2, 25-31.
- Whitehouse, L. 2006. Corporate SocialResponsibility: Views from the frontline. *Journal of Business Ethics*, 63, 3, 279-296.
- Xu, S. and R. Yang.2010.Indigenous Characteristics of Chinese Corporate SocialResponsibilityConceptual Paradigm.*Journal of Business Ethics*, 93, 2, 321-333.
- Zu, L. and L. Song.2009. Determinants of Managerial Values on Corporate SocialResponsibility: Evidence from China.*Journal of Business Ethics*, 1, 88, 105-117.