

The Corporate Social Responsibility as a Means for Transforming Rural Community

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Abstract: This paper presents a case study of a Corporate Social Responsibility Program, managed by a big corporate firm in Malaysia. The program involved a rural community from Northern Malaysia and the focus of the program is to transform the socio economic status of village folks through education. The data of this study was collected through questionnaires and interviews. The respondents for the questionnaires were village folks, while the interviewees were key persons involved in administering and managing the program. One of the major challenges of village folks from the area understudied was the low academic performance among their children. However, the findings indicated that the academic performance of the students from the village had tremendously improved since the implementation of the CSR program. The successful factors of the program were identified based on the feedbacks given by the respondents. The implications of the study were also discussed.

Keywords: Corporate Social Responsibility, Malaysia, rural, socio economic

Back ground of the case study

The Corporate Social Responsibility (CSR) Program investigated in this study was started in 1995. It is funded and managed by a single large corporation in Malaysia, the aim of which is to transform the mindset of the rural community through education. It is a long term program with the ultimate goal of providing the rural community with a better socioeconomic status in the long run. In other words, the program aims to uphold the socioeconomic status of the rural community through the improvement of education performance among school children from the area. Although the program has received wide media coverage and appreciation, no adequate effort has been put to study the implementation and the impact of the program thoroughly. In the 20 years of the program's implementation, it has experienced a variety of changes and progress. The program was conceived by the mind of a brilliant corporate figure with the vision to help those in need. It is now considered a great success and has the potential to be an example for others to follow. Therefore, the program deserves attention from researchers, not only to enrich the literature on CSR but also to encourage other business firms and communities to engage in CSR activities.

Research Objective

This study aims to evaluate the impact of the CSR Program and identify the factors that influence the results of the Program.

Research Significance

The findings of this study provide evidence on the impact of the CSR program in transforming a rural community through education. The identification success factors of the program, discussed in this paper, are beneficial for scholars in developing an understanding the framework of the determinant of a successful CSR program. In addition, the findings of this study are also useful for other parties who are interested in being an active player in the implementation of a CSR program for a rural community.

Corporate Social Responsibility: The Factor and the Impact

Corporate Social Responsibility (CSR) has various definitions due to the variation of the purpose of CSR. Among the purpose of CSR is fulfilling an obligation to a community, building corporate reputation and social development (Hamidu et al. 2015). The recent literature on CSR indicates that many researchers are interested in studying the impact of CSR on business performance, both using financial measures such as profitability and non-financial measures such as reputation. However, the early stage of development of CSR indicated that the practice of CSR was very much associated with religious practice, communal responsibility and social obligation. In other words, the practice of CSR aims to have an impact on society without having much consideration on the impact of CSR on business performance.

There are many factors that have been identified as factors for CSR practices. While some firms practice CSR on a voluntary basis, other firms implement it due to the push of factors such as government intervention (Bhatia, 2012). The framework of CSR practices also differ among firms. The framework of linking CSR practices and business performance has received wide attention among scholars (Wingard & Vorster, 2001). In contrast, the CSR practices among developing countries are still closely associated with philanthropic action (Jamali & Mirshak, 2007). In short, the drivers of CSR practices, as suggested in the literature, can be classified into two main perspectives, namely the moral and the strategic (Dhanesh, 2015). As such, Dhanesh (2015) concluded that the Indian philosophy of *Dharma* is considered important when discussing CSR from the perspectives of culture in India.

Methodology

In order to achieve the objective of the study, these four resources were used: written documents, field observations, interviews and questionnaires. Data resources and their purposes are shown in Table 1.

Table 1: Data resources and purposes

No	Data Resource	Purpose
1.	Written Document	To analyze documents related to its early history involving the implementation, recognition, and the development of such programs.
2.	Field Observation	To evaluate the environment and activities during fieldwork, analyze the significant characteristics in the environment of the fieldwork.
3.	Interview	Identify the background and the main characters in the Program, value the respondent's experience and their views on the program, and verify the researcher's early outcome, based on the written documents and observations made in the field.
4.	Questionnaire	Analyze the profile of the villagers and their views on the Program.

Findings

This section reports the findings of the study.

A total of 71 main activities related to the program have been identified. The activities were implemented in the period between the 4th of May 1995 and March 2015. The activities can be classified into four main stages, namely: Planning, Community Activities, School Activities, and Achievement. The four main stages can also be categorized as input, process, and output as illustrated in Figure 1:

Figure 1: Relationship between input, process, and output



The **Planning** phase is an important form of input in the implementation of the program. Although the idea came through the mind of a corporate figure, initial research has been done before the program officially started. The initial study was conducted on May 17th 1995 by a group comprising staff members from FIRM A, carefully selected by the firm's owner. As the program progressed, a reevaluation was conducted between June and August 2004 for the first time in 10 years. The following study was conducted between November 2014 and May 2015, 10 years after the first. This paper suggests that the planning phase was important input in implementing the program.

Table 2: Main Studies on the Program

Year	Study
1995	Initial Studies – pre execution
2004	Reevaluation
2015	Evaluation

The Community Activities and Educational Activities at SCHOOL A were both the main component of the program. Activities involving students and teachers of SCHOOL A were given priorities, corresponding with the program's main objective, transforming the community of VILLAGE S through education.

Although the number of activities involving the adult community in the 20 year period are relatively low, the number only refers to those activities conducted directly under the program. It does not include other organizers such as the public and private agencies. One of the activities conducted includes a field trip to other states, the national exemplary village of 1995 that involves 44 villagers. A field trip to the International Agriculture Food Exhibition was also conducted on 2010.

Welfare activities such as medical checkups for the residents were conducted in collaboration with the Rotary Club. Activities that involved media partners with the villagers were also conducted.

Educational activities at SCHOOL A was a more dominant activity suitable with the goal of the program, which was to highlight the important aspects of education. Part of the activities included an adoption program that took place outside of SCHOOL A, such as in Lembah Klang. Other motivational and academic excellence programs were conducted in a resort, and higher institutions.

The educational activities for the student of SCHOOL A can be classified into motivational activities, academic excellence activities, field trips such as the one to Kuala Lumpur, and sports. Based on the teacher's observations, they found that the program helps boost the student's performance in public examination while improving their self-confidence and character.

The **Input** and **Process** involved in the program produced a good **Outcome**. The Program are awarded with various recognitions even by the leaders of the country. In 1996, the Prime Minister of Malaysia paid a visit to the village,

while in 1998 the Minister of Education at that time also visited the village, followed by the Minister of Youth and Sports in 1999.

Other than visits from public figures, SCHOOL A also has a number of awards to its name as shown in Table 3.

Table 3: SCHOOL A- List of Excellences

Year	Achievement
2004	Ranked as the 12 th Best School in the 2003 UPSR examination in the State and received special award from the State's Director of Education
2007	Awarded it first place for overall achievement for the UPSR 2006 examination and a certification of appreciation in the category of schools with less than 50 pupils by the Education District Office.
2012	The school's archery team won second place at the District Archery Tournament
2013	Awarded the Special Award (Increase in Passing Percentage) for the 2013 UPSR examination by the District Education Office

Source – Internal Report

After further evaluation on the list of 71 activities conducted under the program for 20 years, this study classified the activities into three phases, namely the input, process, and output. An analysis on the interview scripts was also carried out. Analysis on the documents and interviews indicates the five critical factors involved in the Program, namely **Planning, Teamwork, Committed Leadership, Continuous Effort, and Volunteerism**. These critical factors are established at every level of the program, the input, process and the output phase.

Analysis on documents and field observation enables researchers to identify the tangible elements for the five critical factors. However, the process of identifying the intangible elements requires a more prudent analysis and critique. This element can be identified through the feedback given by the respondents. Table 4 summarizes the implementation of the program based on the tangible and intangible elements that exist in the critical factors contributing to the three main stages; the input, process, and the output

Table 4 : Model of the Program

Stage	INPUT PROCESS OUTPUT				
	Planning	Teamwork	Committed Leadership	Continuous Effort	Volunteerism
Tangible	Document of initial study, Official launching ceremony	Formal Committee of the KAKS Program, plan with mutual understandings	Amount of time and cost	Periodic meeting, performance audit	No money incentives
Intangible	Vision and leader's desire	Good informal relationship	Willingness to contribute, core value	Service beyond time and title	Personal character of those involved

Performance of the Program

Performance of SCHOOL A in a major public examination for primary schools in Malaysia (UPSR) is the main measure of the program. Based on the examination performance achieved since the program started, the program was considered a success and has gained the merit to be a reference point by others. The program has also successfully tackled the issue of student dropouts. Table 5 shows a disintegrating number of Year 6 pupils before the implementation of the program. The program has successfully reduced the number of student dropouts of Year 6 pupils and enabled SCHOOL A to have a better focus on academic excellence.

Table 5: Number of Year 6 pupils before the Program

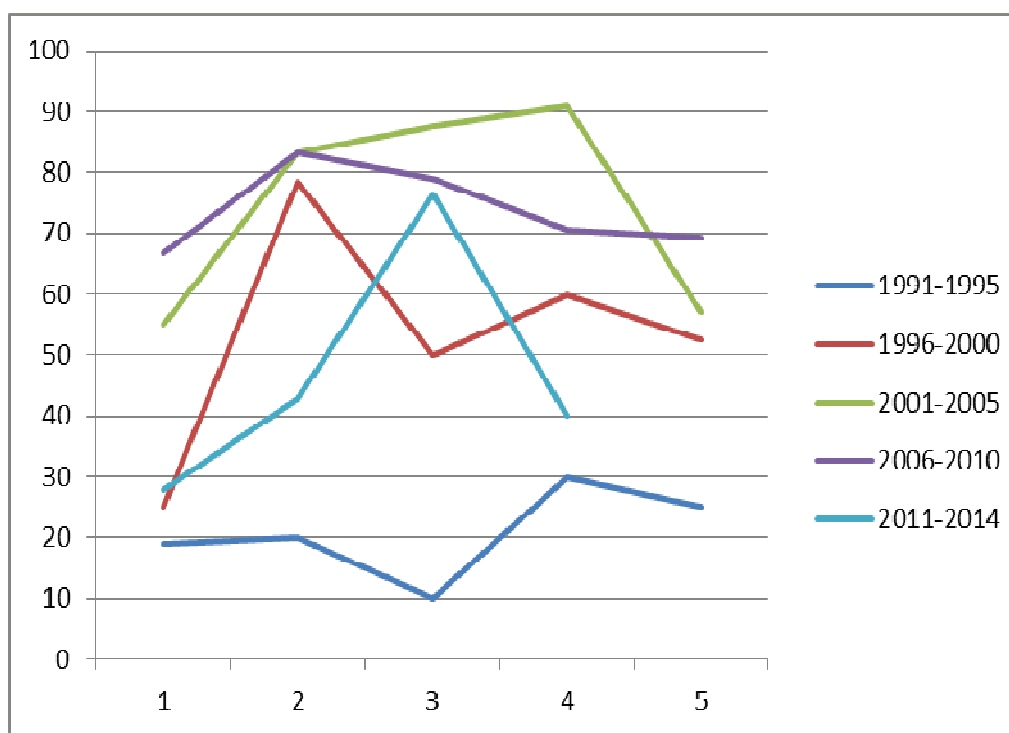
Year	1991	1992	1993	1994	1995
Number of pupil	17	15	11	11	5

Source: UPSR 2011 Postmortem Report

The selection of UPSR results as the reference point for evaluating the Program is based on the fact that almost all UPSR candidates at SCHOOL A are from Kampong S. After finishing primary school, students further their education outside of the area, resulting in better results in PMR (Form Three) and SPM (Form Five) at other schools in another areas. However the examination results of students at secondary schools are less appropriate as a measure to value the success of the program. Secondary school tends to gather students from a larger area and follows different various programs conducted by other institutions.

Figure 2 shows the improvement in UPSR performance from year 1991 until 2014. Although the UPSR performance varies, the results are always better than before the implementation of the program. (refer charts from the year 1991-1995 before the Program was implemented)

Figure 2: UPSR Performance –SCHOOL A



Source: Generated based on the report of the Program

The program investigated in this study is considered a success based on the UPSR performance and academic advancement of the children of VILLAGE S. Academic performance post primary school is measured based on the increase in the number of students that were able to further their studies at boarding schools and universities because of their good results.

Table 6 shows the summation of academic performance by the ex-students of SCHOOL A that were able to further their studies to the secondary and tertiary institutions from year 1998-2006 (8 year). The achievement in these 8 years is by far better than before the program was implemented, which were 2 graduates in the space of 40 years (1955 until 1995).

Table 6: Summary of Academic Performance (1998-2006)

Number of VILLAGE S students doing the SPM (Public exam for FORM 5)	Breakdown of Secondary School entrances	Breakdown of Post-secondary Education entrances	Quotes from 1995 Research Report
122 students	16 students (13.1%) went to boarding school	12 students (9.8%) went to the University	Between 1955 and 1995, there were only 2 university graduates
	106 students (87.9%) went to normal secondary school	12 students (9.8%) went to College/Institutes	

Source: Internal Report

The selection of UPSR results as a milestone in measuring the success of the program does not mean that FIRM A has abandoned other criteria of nurturing competent personalities among the students. A good UPSR result also can be related to the achievement in transforming the community to be more positive and committed towards education, including those conducted by the school. We can confirm this through the feedback from teachers at SCHOOL A.

'So far, the parents have shown great effort and response; for example during the Headmaster's retirement ceremony last year, the parents have been heavily involved. They are keen to give opinions, are committed and willing to work'. Teacher R, 17th January 2015

Other than that, the success of the program in improving UPSR results can be portrayed through their ability to solve problems outside of the school. Quoting the program proposal, the report admitted that academic performance is related to these three factors

- Environmental Factors that are not mentally stimulating, thus their academic performance
- The financial burden of the families limits the ability of the students to fulfill their academic needs
- The mind set of parents and students

Therefore, this paper hypothesizes that a better UPSR result is a direct consequence of better conditions involving the three factors.

Not only are the academic performance improved, the program has also changed the character of the students, as shown in the following respond:

'The kids here usually will not join a football tournament [before the Program] due to the lack of self-esteem, lack of facilities, and other schools will normally be equipped with football boots, so when we got the idea to request them from FIRM A and they complied, we could have 22 pairs of boots if there were 22 players, and the teachers were excited as well, and training sessions were conducted in the evening and extra classes with books provided by FIRM A, when there were classes we can see their passion to attend school and keeps on improving the following years, if there were co-curriculum activities at SCHOOL A would be sure to participate. Before that it was never the case because of their lack of self belief.– Teacher R, 17th January 2015

Descriptive analysis

This section reports on the results of questionnaires distributed to the community. The total respondents are 80 people, representing 80 households. Based on Table 7, the total female respondents are 61 and 19 males out of the total 80. Male respondents are of the highest number in the category of 55-58 year olds, while the female respondents are the highest number in the 35-39 year-old category. The distribution of the respondent according to

their gender is not part of the data collection plan. The date however describes the respondents that were able to comply during the distribution process

Table 7 : Respondent Demography According to Age and Gender

Age Group	Gender	
	Male	Female
15-19	1	1
20-24	0	2
25-29	0	4
30-34	1	8
35-39	0	10
40-44	0	6
45-49	2	5
50-54	4	6
55-59	7	5
60-64	3	9
65-69	0	0
70-74	0	2
75>	1	3
Total	19	61

Table 8 : Number of Respondent According to Households

Number of Respondents	Number of Household(s)
4	1
4	2
14	3
15	4
11	5
8	6
15	7
7	8
2	9

Table 8 shows the number of households for each respondent. A total of 4 respondents lives alone, 2 with the highest number of household at 9 persons. A large majority of the respondents have a total of 4 to 7 household members with a total of 15 respondents.

FIRM A plays a critical role in the educational aspect of the children of VILLAGE S, as almost all parents in the community only have a secondary education certificate. The parent's educational qualification reflects their knowledge of their children's educational importance and learning strategy. Table 9 shows that only four of either the mother or fathers have received tertiary education.

Table 9: Parent's Educational Qualification

Educational Qualification	Father	Mother
Primary School	22	26
Secondary School	37	39
College/ polytechnic	2	1
University	1	0
Others	62	66

Conclusion

The CSR Program investigated in this paper has achieved its goal of transforming the socio-economics of the rural community through education. The model revealed in this study has vast potential to be replicated by other firms or groups for other community groups. However, the replication process is expected to be a daunting task, due to various elements involved in the implementation of a successful CSR program. Therefore, for those parties interested in implementing a CSR program, and for those who have decided to use the program presented in this paper as an example, there are a few challenges that need to be highlighted. Among others, the model developed in this paper contains tangible and intangible elements, and both are equally critical. The tangible elements include written proposals, pre-implementation research, activities, and a work structure. The intangible elements include values, informal relationships between the program committee members and the culture of the villagers.

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