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# SOCIAL RESPONSIBILITY OF UNIVERSITIES: THE CASE OF THE FACULTY OF ECONOMICS AND MANAGEMENT, UNIVERSITY OF BIALYSTOK

#### Summary

Corporate social responsibility has been widely discussed and analyzed from the business perspective for several decades. The changes and challenges that universities have had to face during this time made them begin to undertake, with varying degrees of awareness, socially responsible actions.

The aim of the paper is to present the issue of university social responsibility and attempt to evaluate whether the activities undertaken by the Faculty of Economics and Management at the University of Bialystok can be regarded as socially responsible ones. The analysis of the actions taken by this institution leads to the conclusion that despite the lack of a formally developed concept of social responsibility, the Faculty engages in a number of pro-social activities.

Key words: higher education, corporate social responsibility (CSR), ISO 26 000, University social responsibility (USR)

JEL Classification: M14, I23

## 1. Introduction

The concept of corporate social responsibility dates back to the 19<sup>th</sup> century. Many experts claim that the origins of the idea may be related to the activities of nineteenth-century entrepreneur-philanthropists. The deliberations of A. Carnegie, who in 1933 in his book

The Gospel of Wealth [Carnegie, 1933], introduced the classical definition of social responsibility is considered to be the first theoretical basis of socially responsible activities. According to the author, the concept of social responsibility is composed of two principles: charity and stewardship. The principle of charity requires the more fortunate members of society to assist its less fortunate members, whereas the principle of stewardship emphasizes that property owners are only the stewards (caretakers) of their property and ought to use it for the common good.

However, the concept of social responsibility was fully developed after WWII. The publications of H.P. Bowen, F.W. Abrams and R. Eels in the 1950s and 1960s gave rise to a widespread theoretical debate on the meaning of this notion. In the 1980s, the stakeholder theory proposed by E. Freeman was accepted as the foundation of the idea of social responsibility. The stakeholder theory challenged the previously dominant shareholder theory (which holds that companies chiefly strive to satisfy the interests of the owners – shareholders), emphasizing that firms should take into consideration not only the interests of the owners, but also the aspirations, needs and demands of other groups, i.e. the so-called stakeholders.

In the last two decades of the 20<sup>th</sup> century, the idea of corporate social responsibility gained popularity, mainly in the United States of America. In the 21<sup>st</sup> century, it reached Europe and developed in both theoretical and practical terms. Attempts are also made to implement this concept in non-business areas and to promote it among non-business institutions.

The aim of this paper is to present one of the new concepts that emerged from the analysis of social responsibility, i.e. the notion of university social responsibility<sup>1</sup>. Another purpose is to identify the activities of the Faculty of Economics and Management at the University of Bialystok that can be classified as pro-social. The entire study is based on a literature review, as well as on the experiences and observations made by the authors, who have been working at the analyzed University for over twenty years. Moreover, strategic documents and interviews with the representatives of the Faculty's authorities are used.

# 2. From social awareness of companies to corporate social responsibility: the concept's evolution

Despite a relatively long history of the concept's development, it is difficult to find a single, universally accepted definition of corporate social responsibility. In the 1970s, D. Votaw claimed that social responsibility "means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behavior in an ethical sense; to still others,

<sup>&</sup>lt;sup>1</sup> It is a new idea and the works on it are conducted by both the representatives of scientific institutions and the Ministry of Development. a Since 26 September 2016 at the Ministry of Development there has functioned the Unit for Sustainable Development and Social Responsibility. Within the Unit there is a group for education and popularization of CSR. One of its subgroups "Educational tools for academic teachers/ in high schools/vocational schools" is working on the university responsibility card.

the meaning transmitted is that of "responsible for," in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for "legitimacy," in the context of "belonging" or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behavior on businessmen than on citizens at large" [Votaw, 1972, p. 25].

We will not focus here on the definition of the term. For reasons of clarity, only selected definitions of corporate social responsibility will be quoted. For example, H.P. Bowen believed that social responsibility is the commitment of business to run such a strategy, take such decisions and select such a mode of action that will be consistent with the goals and values cherished by society [Bowen, 1953, p. 6].

According to P. Kotler and N. Lee, social responsibility is based on the choice, made by a company, to adopt a responsible attitude to running business activity and using business resources in a way that will benefit the local community [Kotler, Lee, 2005, p. 307].

In the document Green Paper on Corporate Social Responsibility (2001), the European Commission admitted that social responsibility is a process by which companies manage their relationships with a variety of stakeholders who can have a real influence on their success in business activity [*Wiewj niż zysk*..., 2001, p. 268]. In 2011, the European Commission stated that social responsibility is the responsibility of companies for their influence on society [Commission Communication to the European Parliament..., p. 7].

All the aforementioned definitions emphasize that social responsibility, irrespective of how it is perceived, is ascribed to companies, i.e. entities that operate in order to gain profit, which ought to be shared with a group of stakeholders, and used to meet the justified demands of the stakeholders.

However, the development of the concept of corporate social responsibility and its popularity has prompted many scientists to discuss the possibility of extending the idea to other organizations, ones that do not operate for the purpose of profit-making and do not take profits (the question whether this is reasonable will not be discussed here). In order to increase the subject range of the concept, it was necessary to introduce a new definition. Such a definition was proposed by the International Organization for Standardization (ISO) in the standard ISO 26 000. In accordance with this standard, social responsibility is "responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- contributes to sustainable development, including health and the welfare of society;
- takes into account the expectations of stakeholders (individuals or groups interested in the organization's decisions or activities);
- is in compliance with applicable law and consistent with international norms of behavior;
- is integrated throughout the organization and practiced in its relationships."
  [ISO 26000 Guidance on social responsibility]

As can be observed, the standard does not use the word 'company', but 'organization'. Thus, it applies to all types of organizations, whether or not related to business. For example, it is also addressed at central and local government administration, as well as the third sector. Each organization can use this standard and comply with its principles. The standard is not subject to certification and constitutes the sum of practices and principles to be voluntarily adhered to by an organization. Under this approach to social responsibility (not corporate, but organizational responsibility), new spheres of reflection have appeared, regarding, for instance, social responsibility of administration, local authority, non-governmental organizations, as well as social responsibility of regions or universities.

The standard ISO 26 000 introduced a new classification of the fields of social responsibility. The previous division into the internal and external spheres of responsible actions (according to the groups of stakeholders at whom the activities are addressed) was substituted by the standard that promotes division depending on the character of the area to which the responsible activities refer.

Because of the diversity of issues associated with social responsibility, each organization can select ones that best correspond to the specific nature of its activity, ones in which the organization is most competent, while involvement in these issues will be reflected in the realization of the organization's mission.

The following issues are listed in ISO 26 000:

- Organizational governance encompassing the principles and standards related to broadly understood company management.
- 2. Human rights focused on respect for the rights and dignity of all people, and in particular, respect for civil, political, economic, social, and cultural rights.
- 3. Labor practices emphasis is on relations with employees and selected aspects of cooperation with subcontractors and suppliers.
- 4. The environment regards issues related to the reduction and adaptation of climate changes, as well as to the protection and regeneration of the natural environment.
- 5. Consumer issues regards attitudes to consumers, including especially fair marketing and contracting practices, as well as objective and reliable information.
- 6. Community involvement and development includes social dialogue and undertaking social investments in such spheres as education and culture, health, development, and access to technologies.
- 7. Fair operational practices regard fight against corruption, as well as responsible involvement in political activity, fair competition, promotion of social responsibility in the value chain, and respect for ownership rights [*ISO 26 000*].

# 3. The idea of university social responsibility (USR)

In order to properly understand the concept of university social responsibility, it needs to be remembered that, unlike companies, universities are not focused on maximizing benefits or minimizing risks. It may seem, therefore, that these entities are *per se* responsible and promoting the idea of social responsibility among them is not justified. However, the main purpose of a university (similarly to all market entities) is to satisfy the specific needs of the recipients of their services.

Universities do not operate in a vacuum; on the contrary, they maintain regular contact with the surrounding environment. The ability to meet the requirements of the environment, as M. Geryk [2012] remarks, is crucial for the image and development perspectives of these entities. On the one hand, constant dialogue with groups of stakeholders enables universities to become aware of the social expectations, find ways to satisfy them, and help them attain their objectives. On the other hand, it allows for successful neutralization of negative opinions regarding a given university. In view of the above, universities ought to strive towards more socially responsible modes of operation, sharing the responsibility with other sectors. According to L. Hasrouni-Beirut, universities, and business schools in particular, ought to consider strategic CSR as the key to survival in a competitive world [Hasrouni-Beirut, 2012, p. 56]. Experts claim that the social responsibility of non-profit organizations for which it has essentially become a matter of consistency between "the way of acting" and "the reason for existence" of an organization [Vidal et al., 2005].

What does university social responsibility actually involve? It is frequently defined by enumerating the obligations or activities that ought to be implemented by universities. According to M. Geryk, the term denotes management on the basis of a best practice code and shaping socially desired attitudes among stakeholders, especially among students. The concept of social responsibility should also be included in the mission and strategy of each university [Geryk, 2012].

According to Z. Adilov, social responsibility of a university ought to be associated with such goals as: ensuring high quality of education, transfer of knowledge into the economy with the aim of stimulating its growth, education of the future elites, implementing active social strategies addressed at students, lecturers and other university employees, and eliminating social barriers [Adilov, 2013, p. 25].

University social responsibility is also defined as a university's capacity for promotion and implementation of a set of general principles and specific values by using four key processes: management, education, research, and extension through supplying educational services, as well as by means of transfer of knowledge compliant with ethical principles, good governance, respect for the environment, social involvement and promotion of values [Giuffre, Ratto, 2014, pp. 231-238].

J. Reiser [2008] defines USR as "a policy of ethical quality of the performance of the university community (students, faculty employees and administrative employees) via the responsible management of the educational, cognitive, labour and environmental impacts produced by the university, in an interactive dialogue with society to promote sustainable human development" [Hopeniene et al., 2011, p. 29]. The author identifies four axes of socially responsible changes (Fig. 1) that make it possible to group and analyse actions undertaken as part of USR.

#### Social · Socially and responsibility environmentally of the scientific responsible and technical university life activity Knowledge Organization Participation Education Student preparation Communities towards of mutual a responsible learning toward citizenship for developement the Sustainable Developement

Four axes of socially-responsive university change

Source: [Reiser, 2008, quoted after: Hopeniene et al., 2011, p. 30].

In view of the above, it must be assumed that the main purposes of socially responsible universities include: education of students for the needs of business environment, conducting active research and development, and supporting local entrepreneurship [Boguski, 2008, pp. 54-64]. As regards educational services which are offered to students in a direct way and to employers in an indirect way, what happens is the expansion of knowledge, acquisition of new skills, and shaping of attitudes. In the social perspective, universities are perceived not only as places where students receive education, but also as venues where social ideas can be promoted. Various studies indicate that almost 90% of university stakeholders also expect to receive information on how these institutions support social initiatives and the pro-social activities in which they engage [Geryk, 2007, pp. 136-143].

There are researchers, like L. Giuffre and S.E. Ratto, who believe that higher education which caters only for personal development may not be accepted nowadays because social and cultural changes in the knowledge-based economy have also accelerated the evolution of processes taking place in organizations. The intellectual development of an individual must be related to sustainable development, combating poverty, as well as the questions of peace and human rights. Such an approach is supported by, e.g. UNESCO, which in 2009 expressed interest in the principles of university functioning that are related to living in society (e.g. dignity, freedom, citizenship,

FIGURE 1.

democracy, participation, mutually supportive coexistence, welfare and social fairness, sustainable development, acceptance and appreciation of diversity) and with the specific character of university's values (such as: involvement in truth seeking, honesty, perfection, interdependence and interdisciplinarity). In the face of global changes, higher education institutions need to meet the following obligations:

- to provide solid skills and education of citizens in the spirit of ethics and involvement in building peace, as well as protection of human rights and democratic values;
- to be socially responsible for better understanding of the multifaceted and interrelated changes in social, economic, scientific and cultural dimensions, as well as for improving society's ability to react to them and face global challenges.

# 4. Socially responsible activity of the Faculty of Economics and Management, University of Bialystok (UwB)

Research into university social responsibility mainly focuses on analyzing the operation of individual entities, identifying actual activities and the benefits that they have brought. In the literature, one can observe numerous examples of universities that became involved in socially responsible activities. Among those mentioned as examples are: the University of Manchester, the University of Toronto, or the University of Buenos Aires.

In this paper, the analyzed institution is the Faculty of Economics and Management at the University of Bialystok. The University of Bialystok so far has not emphasized the socially responsible character of its activities. The same can be said of its individual faculties – including the Faculty of Economics and Management (FEM). And yet, it turns out that the Faculty can boast a number of activities that are consistent with the concept of university social responsibility.

The following analysis of the pro-social activity of the FEM, uses the key spheres of social responsibility listed in the ISO 26 000 standard as reference points. As regards the first sphere (organizational governance), few manifestations of social responsibility can be observed. The Faculty has not developed its own ethical code, does not prepare social reports, and so far has not implemented any standards related to social responsibility.

Another sphere of the Faculty's social responsibility concerns human rights. These are vital in many aspects of the institution's activity, but the most important ones include respect for the dignity of other people and combat against all forms of discrimination. In this regard, numerous attempts have been made to create conditions which would in no way reduce access to the services offered by the Faculty, irrespective of the character of students', e.g. physical disabilities. Examples of these activities include projects improving the mobility of students in wheelchairs (a lift, a ramp), providing the library with necessary technical equipment for the visually impaired, benches for handicapped students in lecture halls, or separate parking spots for the disabled in the staff car park. These activities cannot be said to have considerably increased the share of disabled students

enrolling at the Faculty, but for those who are studying, they were a welcome reduction of barriers.

Still another area of the social responsibility of a university concerns labor practices. The creation of a reward system can be regarded as a manifestation of socially responsible practices. The Faculty was the first at the UwB to introduce a formalized and standardized reward system for all the employees, comprising all the forms of activity and also reducing discretion. Within the framework of social responsibility, emphasis is laid upon ensuring development opportunities for the employees. The Faculty employees can participate in various training programs addressed at improving professional competences (public performance skills, communication with groups, or applying for grants). The reward system is a way of encouraging employees to make contact with foreign scientific institutions. The socially responsible activities taking place at the University also include integration events revolving around science (conferences, seminars) and social relations (Christmas meetings, Faculty days). To sum up, it should be said that the activities regarding the staff members take a broader perspective of the development of the Faculty's employees.

The sphere of the natural environment does not seem a subject of active interest on the part of the Faculty. The only environmentally-friendly change has been partial transfer from traditional paper communication to electronic communication.

Fair operational practices comprise current activities undertaken in the spirit of respect for other market participants. In this sphere, transparency of purchase procedures to reduce the possibility of corruption was observed. Additionally, in its external communications, the Faculty does not resort to 'black PR' tactics, i.e. it does not denigrate or discredit competitors. On the contrary, the Faculty focuses on its own strong suits and builds its competitive advantage around the accomplished assets.

The Faculty's activities promoting social responsibility include introducing a subject entitled 'Corporate Social Responsibility' into the curriculum of the Management degree course. Additionally, the Faculty used to have a CSR Ambassador (a student transferring knowledge regarding CSR into his/her social environment). As can be seen, so far not much has been done in this field and the scope for improvement is considerable.

Relations with the recipients of its services are a key aspect for each organization. In the case of a university, it is students who are the most important category of clients. The Faculty makes it a priority to improve the possibilities of these stakeholders as regards both access to information concerning undertaken actions and expressing their opinions. For this purpose, the Faculty makes use of an active internet website and the social networking site Facebook. An important role in this aspect is also played by USOSweb, i.e. an electronic index, whose introduction was first suggested by the Faculty of Economics and Management (presently this option is obligatory at all the UwB faculties). The instrument enables instantaneous reciprocal communication between students and teachers.

The Faculty's students have the opportunity to engage in additional scientific activities within the frameworks of eight scientific groups. The institution supports students both in a financial and organizational way.

As evidence of the FEM's concern for the climate and atmosphere at the institution can serve the annual Faculty Days, which have both a recreational and integrational character. The popularity of this event is a touchstone for the identity of both students and academic staff. In an effort to make the conditions of studying more attractive, a place named *Kreatornia* was created, whose aim is to provide space whose ambience would be different from that of a stereotypical, formalized university and ensure instead a climate of freedom, creative exchange of views, and inspiring leisure pursuits.

The most important socially responsible activities for students include constant updating of the study curricula and improvement of the education quality. In this field, the FEM has also undertaken additional activities by offering students the possibility to participate in foreign exchange schemes under the Erasmus program, becoming involved in projects aiming at facilitating students' contact with science at an international level, e.g. the project "inkuBATor wiedzy", within the framework of which lectures by authorities in economics, including Noble Prize winners, are held. Another event, "Meetings with economics" ("Spotkania z ekonomią"), involves a series of lectures by eminent Polish economists, businessmen, and scientists. The new strategy of the FEM includes the project "Laboratory for FEM brand marks" ("Kuźnia marek WEiZ"), designed to support the best students of the Faculty in obtaining practical occupational competences thanks to cooperation with the local business community.

The last sphere regards social involvement and development of local community. In this field, the FEM has embarked on a number of activities. Several initiatives have been addressed at young stakeholders, for instance, Economic Children's University (Ekonomiczny Uniwersytet Dziecięcy – EUD) and Young Economist's Academy (Akademia Młodego Ekonomisty – AME), which offer a series of lectures for pupils (in the case of EUD, also for parents) connected with broadly understood knowledge of economics and the participants' self-development. Another scheme catering for young people is the Faculty's participation in the Festival of Science and Art (Festiwal Nauki i Sztuki), which allows for presentation of the most interesting areas of economic research in an attractive manner.

The Faculty's social responsibility for the local community is also reflected in the fact that it offers postgraduate studies that provide a chance for the improvement of qualifications and competences. Presently, 15 postgraduate courses are held at the Faculty. A similar role is played by the Club of the Austrian Economic School, which provides an open forum for the exchange of opinions regarding economics from the perspective of liberal thought.

Additionally, the Faculty is involved in charity. It cooperates with "Droga" Association and participates in the 'Noble Box Project' ("Szlachetna Paczka"). The Faculty's employees also take part in sport events aiming at providing aid for those in need. As an example can serve the increasingly popular Eletrum Ekiden relay race, which supports the Foundation "Pomóż Im". This wide-ranging involvement in relations with the local community is inspired by grassroots initiatives of the employees with the approval of and practical support from the Faculty authorities.

## 5. Conclusion

Corporate social responsibility as an idea of supporting company stakeholders, especially in the context of improving their functioning in society, is undoubtedly praiseworthy. Obviously, the range of these activities is frequently constrained by the scarcity of funds, but the very involvement a laudable and worthy thing. As an environment with the necessary resources, the business sector could achieve the most in this field. It does not mean that other organizations ought not to undertake such activities, at least to a limited extent. For instance, the higher education environment could unite not only academic staff but also large groups of young people who might offer support in this regard.

The analysis of the functioning of the Faculty of Economics and Management justifies the claim that a number of the undertaken activities can be regarded as socially responsible ones. However, it needs to be emphasized that a majority of the activities have had a reactive character as they are embarked on in response to social demand. Additionally, it appears that there was no full awareness that they were examples of pro-social activity. Therefore, it is advisable that the idea of USR be promoted at the Faculty so that socially responsible activities are no longer accidental, but conscious policies compatible with the institution's strategy and mission.

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Urszula Gołaszewska-Kaczan, PhD, Professor of the University of Bialystok – development of the research concept, carrying out the research, developing results, data collection and literature analysis, preparation of the introductory section (theoretical), formulation of the summary – 50%

Anna Grześ, PhD – development of the research concept, carrying out the research, developing results, data collection and literature analysis, preparation of the introductory section (theoretical), formulation of the summary -50%

Marek Kruk, PhD – development of the research concept, carrying out the research, developing results, data collection and literature analysis, preparation of the introductory section (theoretical), formulation of the summary -50%

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