

## ***Corporate Social Responsibility Orientation in Hong Kong Graduate Labor Market***

Dr. Mike Kan, The Hong Kong Polytechnic University

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### ***Abstract***

Hong Kong, one of the financial hubs in the Far East and a gateway to Mainland China, is made up of a mix of people of different nationalities, thereby subject to different cultures around the world. This social-cultural environment provides an interesting context within which to explore corporate social responsibility's ('CSR') role in Hong Kong's graduate labor market. In terms of employer attractiveness, potential graduates' or graduates' consideration can include a variety of factors, such as prospective employers' products, organizational scale of operations, organizational culture, organizational reputation and image, and their ethical standards, which applicants may perceive as important. In recent years, corporate social responsibility has been increasingly regarded as important by both employers and employees. Hence it is possible that the CSR standards/performance of an organization may influence how the organization is going to be perceived by one of its key stakeholders —job applicants. That is the objective and topic of the present research.

***Keywords***—Employer Attractiveness, Graduate Labor Market, Corporate Social Responsibility

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## 1. INTRODUCTION

Hong Kong has been continuously subject to influences from foreign countries mainly through internationalization and globalization of business activities. Global and multi-national corporations have a long and firm standing in Hong Kong. This social-cultural environment provides an interesting context within which to explore corporate social responsibility's role in Hong Kong's graduate labour market.

In the job search of potential graduates or graduates, they will base their perceptions on an organization's internal and external factors, symbols, reputation, image and organizational culture. Meanwhile, applicants will also try to take into account their own corporate social responsibility orientation ('CSRO'). Employer attractiveness ('EA') can be considered as a match between the matching between these two categories of entity — prospective employers and prospective employees. In recent years, corporate social responsibility has been increasingly regarded as important by both employers and employees.

In the recent decades, increasing attention to CSR (Albinger & Freeman, 2000) [1], (Angelidis & Ibrahim, 2004) [2] has been observed. Some organizations consider CSR as a moral thing to do (Luce et al., 2001) [12], (Makower, 1994) [13], while others perceive it as a business necessity in the context of business performance and community expectations (Barnard, 1938) [4].

## 2. LITERATURE REVIEW

Research results generally show an organization's Corporate Social Performance ('CSP') does influence people's positive perception toward the organization. However, to date research has been conducted in the context of western countries. Students' CSRO, mainly in the Anglo-Saxon culture contexts, and relationships with different backgrounds or variables have been identified (McGinty and Reitsch, 1992) [14]. However, there is little research on senior-year undergraduates' CSRO, and the context of Hong Kong has to date been under-researched.

There had been a lack of consensus on what the CSR concept really means (Carroll, 1991a) [5], (Carroll, 1991b) [6]. Carroll's 4-domain framework/model of total organizational CSR (1991a) [5] has generally been accepted in management and social research. Based on the CSP model, Carroll (1991a) [5] operationalizes CSR by specifying it as consisting of four domains or faces of a corporate citizen (economic, legal, ethical, discretionary), showing the responsibilities that society expects businesses to assume.

The conceptual model is in the form of a pyramid (Carroll, 1991a) [5], shown respectively at Fig. 1. The layers or domains or categories in the pyramid are mutually non-exclusive, reflecting the respective responsibilities in decreasing order of implied attention, not importance. Carroll (1991a) [5] considers these four domains neither cumulative nor additive; the different domain sizes in either rectangular or pyramidal shape reflect 'relative magnitude' and an order of evolution; any given responsibility or action of business could have economic, legal, ethical, or discretionary motives embodied in it.

Carroll (1991a) [5] considers a CSR firm, or for CSR to be accepted as legitimate, should strive to make a profit, obey the law, be ethical, and be a good corporate citizen. The pyramid of CSR enables managers to see that the different types of obligations are in a constant but dynamic tension with each other, thus helping them make decisions which fulfill all its components at the same time.

In Carroll's (1991a) [5] model/framework, he defines CSR as the ways organizations can meet the economic, legal, ethical, and discretionary needs/expectations of their stakeholders in society. Carroll (1998) [7] refers these as the four faces (components) of a corporate citizen, suggesting that organizations which can be considered socially responsible must meet society's needs as reflected through these four faces. Carroll (1991a) [5] later changed the 'discretionary' responsibility to 'philanthropic' responsibility. There has been support of the view that CSR is a contingent construct influenced by circumstances and the actors involved (Carroll, 1991a) [5] are:

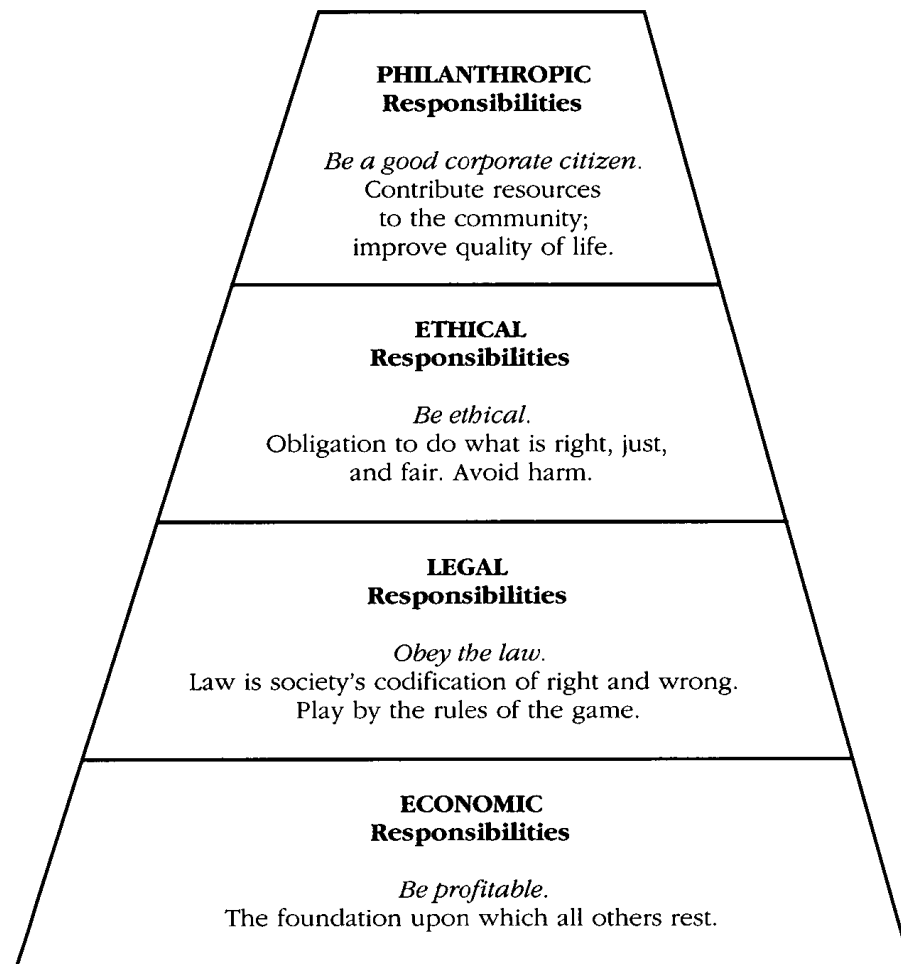


Fig. 1  
The pyramid of total corporate social responsibility (Carroll, 1991a)

## **Economic Responsibilities**

The business institution is the basic economic unit in society. It has a responsibility to produce goods and services that society wants and to sell them at a profit. This responsibility is the first and foremost for a business. Some characteristics of this responsibility include: maximizing earnings per share; maximizing and sustaining profitability; high level of operating efficiency (Carroll, 1991a) [5]. Aupperle (1982) [3] also considers that organizations, if not economically viable, cannot be expected to be good social performers.

## **Legal Responsibilities**

Carroll (1991a) [5] puts down some characteristics of this type of responsibility: performing consistent with expectations of government and law; be a law-abiding corporate citizen; producing goods at least meeting minimum legal requirements. Businesses are expected to operate subject to certain ground rules, i.e. laws and regulations, while fulfilling their economic mission and not harming others, as a partial fulfillment of the “social contract” (Rose, 2006) [15]. A law-abiding organization and its management can give the public a social responsible perception (Davis, 1973) [9].

## **Ethical Responsibilities**

These ethical behaviors are ill-defined, yet society has expectations of business over and above legal requirements. There are additional behaviors and activities that are not necessarily codified into law but nevertheless are expected of business by society’s members. However, there has been continuing debates on what is and is not ethical (Carroll, 1991a) [5].

Davenport (2000) [8] suggests organizations can meet these needs by adhering to a set of ‘rigorous standards’. Actually meeting ethical standards by organizations has long been recognized as important for corporate sustainability and survival, for example, after outbreaks of ethical failing and questionable or abusive practices by corporations, executives, and corporate directors (Kok et al., 2001) [10]

## **Discretionary or Philanthropic Responsibilities**

Carroll (1991a) [5] considers these kinds of responsibilities are ones which society does not have a clear-cut message for business. He presents some characteristics of this category of responsibility: involving in activities consistent with philanthropic and charitable expectations of society; assisting fine and performing arts; assisting private and public educational institutions; assisting community projects to enhance quality of life. They are left to individual judgment and choice. A business is considered unethical per se if it does not participate in these activities.

### **3. RESEARCH METHODOLOGY**

#### **3.1. Research Design**

The research design is qualitative in the form of focus-group interviews (audio-taped) to inductively and holistically understand participants' experiences, attitudes, feelings, beliefs, opinion via a qualitative survey questionnaire carrying several leadings relating to the research topic. The interview last about an hour. During the whole process, the researcher was the facilitator.

#### **3.2. Sampling**

The participants were gathered based on purposely sampling, full-time and part-time mode students in their senior years, gender (roughly equally split), either studied an ethics course or not, with business or business (industry-oriented) majors. Data thus collected was used to identify the pertinent factors the research participants (i.e. the students) have in making employment-choices.

#### **3.3. Data Analysis**

Audio-taped focus-group discussions were transcribed verbatim in Chinese; then coding was conducted before translating into English selected coded transcripts of participants' direct quotes or key/relevant views and responses identified in the transcriptions; followed by categorizing, coding data and inputting them into NVivo 9 software. This software facilitates organizing and content-analysing responses and views from the focus-group interview discussions and phone-interviews. The software also enables nodes to be reorganized to identify themes as they emerged. Thus subtle connections and patterns were identified. Integrated with the researcher's interaction with the data, insights and sensitization, thereby emergent categories and themes were subsequently derived. The researcher tried to accurately grasp the participants/respondents' meanings in words said during the transcription and translation processes. The language used carried the unique cultural meaning of special terms

### **4. FINDINGS**

Evidence shows employment-attractive organizations as contrasted to bad ones should assume the 4 types of responsibilities in Carroll's definitional CSR model/construct (1991a) [ ], they are: economic, legal, ethical, and voluntary/discretionary responsibilities. No particular priority or magnitude in assuming these responsibilities has been specified. Most of the participants considered a significant attribute signifying bad CSR — if an organization or a business tycoon monopolizes or controls markets thus adversely affecting people's society's well-being, though law-compliant, it is bad in corporate social responsibility, and participants would find these organization unattractive in terms of employment.

Carroll's 4-domain framework (1991a)[5] does not exactly apply to the participants, in either their negative or positive employment-choice decisions in Hong Kong graduate labour market. Participants made sense by having their own set of employment-influencing factors,

## **5. Future Research**

Some possible future research areas/questions include:

- comparing undergraduates from different countries
- researching minority subpopulations and CSRO
- creating measurement instruments of CSRO

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