THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY
ON UNIVERSITIES' REPUTATION
IN MOGADISHU-SOMALIA

Abokar Mohamed Jama', Abdulrahman Abdulle Ali and Fartun Kasim Salad

Faculty of Business and Accountancy, SIMAD University, Mogadishu-Somalia.

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Abstract

In this study, the research team studied the role of corporate social responsibility on universities' reputation in Mogadishu- Somalia; with the major objective of investigating The degree of corporate social responsibility in Banadir region universities, the level of universities' reputation in Banadir region universities and the relationship between CSR and reputation in Mogadishu, Somalia. Using purposive sampling, the research team selected 182 respondents in Mogadishu and SIMAD universities. The sample size was selected by using Slovene's formula. Descriptive and correlation design was used to come up with satisfactory conclusion. . Data was analyzed using descriptive statistics of mean and standard deviation. The findings of the study show that there is bi-directional relationship between corporate social responsibility (CSR) and universities reputation. The findings of the data gathered from the respondent also indicate that the degree of corporate social responsibility CSR of some selected universities in Banadir region is so good as well as their reputation.

Keywords: *CSR and Reputation*

INTRODUCTION

The concept of CSR has a long and varied history. It is possible to trace evidences of the business community's concern for society for centuries. Formal writings on CSR, or social responsibility (SR), however, are largely a product of the 20th century, especially the past 50 years. In addition, though it is possible to see ways of CSR thought and practice throughout the world, mostly in developed countries, formal writings have been the most understandable in the United States. In recent years, the continent of Europe has been captivated with CSR and has been strongly supporting the idea (Clark, 1939).

In UK corporate social responsibility CSR activities have a insignificant or negative impact on firm reputation for firms with low advertising intensity, which suggests that for these firms the costs sometimes be more important than the benefits. Conversely, a positive impact for firms with high advertising intensity. However,   the positive impact of advertising intensity reverses for firms with a poor prior reputation for being responsible citizens, as measured by Fortune's rating on the list of America's Most Admired Companies (Servaes, & Tamayo, 2012).

In malaysia, corrparate social responsibilty is not only doing business, building schools,and providing scholerships but provids organizations with better reputation , brand value, sales and customer loyality as well as Anwar's study (as cited in Shirley, Suan, Leng, Okoth and Ng Bee). CSR programs have a significant consequence on the reputations of companies. This perception was strongest in developing countries such as South Africa, Brazil and Mexico where, the researchers hypothesized; companies play a more important role in societal development. Still, more than 53 percent of the public in the United States saw a strong link between social responsibility and reputation (Mirvis et al. 2008).

In South Africa, two years ago it asked consumers a question about the linkage between corporate reputation and corporate social responsibility (CSR). In response to this general question, between 50 percent and 80 percent of the public agreed that CSR programs have a significant effect on the reputations of companies (Mirvis et al. 2008). The role of Somali Businesses towards CSR activities seems to have increased for the recently years, some of the significant activity of CSR in Somalia include ambulance service, firefighting vehicles and equipment of water supply for IDPs, sponsorships for hospitals, scholarships for students studying in local universities and institutions (Anas, 2011).

Normally, Corporate Social Responsibility (CSR) and Reputation, have been receiving increasing attention from academics, CSR is an important reputational driver and there was bi-directional relationship that links CSR to the Reputation of universities, In a building reputation as corporate social responsibility is doing well to get a positive reputation and avoiding doing bad activities are going downhill in their effect of reputation erosion(Minor and Morgan, n.d), McWilliams and Siegel (2001) emphasized that consumers consider socially responsible organizations to have a good reputation by continuously executing a series of plan of social responsibility. Such well CSR plans give a big impact to corporate reputation. A good reputation influences a positive consumer satisfaction.

Right now, the Banadir region universities provide corporate social responsibility such as community services in the form of training, workshops, seminars, discussions, social awareness, research and scholarships for students also participate peace building and helping for IDPs, victims of floods and droughts. Even though they provide this CSR still the reputation of some universities is seem les, this can be implied research by Mohamed and Affan (2012), highlighted that the Somali higher education is less quality, such as enough well

qualified lecturers, computer labs, class room facilities, conducive environment of learning, partnership with international associations.

However, continuing actions like this it may reduce the universities reputation, survival and adaptation in the social environment (Shattock, 2000). Therefore, this study investigated the role of corporate social responsibilities on Universities' reputation in Mogadishu, Somalia. To come up with satisfactory conclusion this study examined the degree of corporate social responsibility in the Banadir region Universities in Mogadishu, the level of universities' reputation in Banadir region in Mogadishu, Somalia. And the relationship between CSR and universities' reputation in Mogadishu, Somalia.

LITERATURE REVIEW

In general, Universities play a fundamental role due both to the impact of the incorporation of CSR into the design of their study and research programs, and its incorporation into universities´ mission, vision, and corporate strategy (Muijen, 2004). CSR is mainly promoted by large companies, mainly multinational enterprises, it is also important for other types of organizations such as universities (Leitão and Silva 2007). According to Dahanand Senol (2012)," Corporate Social Responsibility (CSR) becomes one of the highly preferred strategies by higher education institutions for gaining a good reputation and a competitive advantage" these two researchers analyze Istanbul Bilgi University, in the context of social responsibility practices and they find out in their study on major findings that are in order for an institution to be successful in CSR strategy, CSR actions has to be affected and must be supported by the management. Although another study (Leitão& Silva 2007), finds out that the universities are strategic action plan that has to be focused on the following action fields: teaching and

learning; research framework; and community integration. This is can be implied that there are contradictable views towards universities role in the society.

TO DETERMINE THE LEVEL REPUTATION IN UNIVERSITIES'

According to (Mohamad ,Abu Bakar & Abdul Rahman, 2007). Reputation is the main agenda of organizations include universities throughout corporate communication activities.

In globalization, reputation is seen as one of the element that being highlighted by organization. Publics look services that offered by the organization is in bundle package, The general rule in the higher education market in Malaysia is that prospective students will often attend a leading university because of its overall reputation, even though it may be relatively weak in the specific subject chosen. the globalization of business has finally been embraced by the higher education sector in which education is seen as a service that could be marketed worldwide,(Melewar and Sibel Akel ,2005). So, Universities and other institutions of higher education have to compete with each other to attract high quality students and academic staff at an international level and to enhance their reputation.

THE RELATIONSHIP BETWEEN CSR AND UNIVERSITIES' REPUTATION

The reputation is one of the main causes of the current attention of companies to CSR. McWilliams and Siegel (2001, p. 120) pointed out that positive CSR, "creates a reputation that a firm is reliable and honest". Similarly, Bhattacharya and Sen (2004) argued that CSR builds a tank of goodwill that organizations can represent upon in times of crisis.

Katamba (2010) highlighted that organizations perceived to have a strong CSR commitment often have an increased ability to attract and to retain employees which leads to reduced turnover, recruitment, and training costs. And he also argued that CSR and reputation are significantly and positively correlated and socially responsible companies have enhanced

brand image and reputation. Turban and Greening (1996); Fombrun and Shanley (1990) founded similar result and they highlighted that there is indeed much evidence that the reputation of a company is positively related to its CSR effort.

However, the long-term value of a reputation for CSR can only be preserved if a company's CSR activities are aligned with the values and goals of the organization (Porter and Kramer, 2006). Rayner (2001) argued that reputation is not only an indicator of past performance, but a future promise and having a good reputation means to have many opportunities and benefits, including: Attracting customers and creating consumer loyalty; Commanding a premium for services; Recruiting and retaining high quality employees; Creating barriers to entry for potential competitors; Providing an edge in competitive markets. Therefore, the most of the researchers have agreed with that the CSR and reputation are positively correlated.

DATA AND METHODOLOGY

This study was conducted and based on primary data through descriptive research and correlation designs. The target population of this study consisted of all Universities in Banadir region with selecting two universities namely MOGADISHU and SIMAD University, because these two universities are the oldest and largest universities in Mogadishu, Somalia, The total target population selected from these two universities mentioned above were 334 students who are currently studying last semester of Business and Accountancy because of their experience the service provided by their universities compared to other semesters. The target population of this study consisted of 334 respondents, the sample size of this study were 182 based on Slovene's formula.

RESULTS

DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDETNS

Gender	Frequency	Percent
Male	128	73.1
Female	54	26.9
Total	182	100.0

The respondents were asked to specify their gender (Table 1). Seventy three point one percent (73.1%) of the respondents were male and twenty six point four percent (26.4) of the respondents were female this showing that most of the respondents considered as male. This result shows that the most students in the Banadir region universities are male. Due to traditional factor that caused to be less the number of female in education field.

Marital status	Frequency	Percent
Married	133	29.7
Single	49	70.3
Total	182	100.0

The respondents were asked to specify their marital status (Table 2). Twenty nine point seven (29.7%) of the respondents were married and seventy point three (70.3) represent were single so the majority of the respondents are single. And the minority of the respondent was married. Because of the most students in the universities are dependent on their parents that is why the most students are single.

Age	Frequency	Percent
Less than 20	34	18.7
21-30	135	74.2
31-40	11	6.0
41-50	2	1.1
More than 51	0	0.0
Total	182	100.0

Table 3 illustrates that Ages of the respondents, the ages of 20-30 years seventy four point two (74.2%), eighteen point seven (18.7%) of less than 20years, and six percent (6%) of 31-40 years, one point one percent (1.1%) of 41-50. Thus, this result indicates that the majorities of the respondents are aged among 20-30 years. Due to the age of secondary graduated students mostly are above eighteen years old.

Educational	Frequency	Percent
Diploma	2	1.1
Bachelor	180	98.9
Master	0	0.0
Total	182	100.0

The respondents were asked to specify their educational level (Table 4). one point one (1.1%) of Diploma level, ninety-eight point nine (98.9%) were bachelor degree, were master's degree level and secondary level were not exist. Based on these results illustrate that the most respondent of this study were involve bachelor degree. Because of the respondents of this study were students who involved in bachelor degree.

Experience	Frequency	Percent
One year	61	33.5
Two year	70	38.5
Three year	39	21.4
Four year	12	6.6
Total	182	100.0

Finally the table 5 pointed out that thirty-three point five (33.5%) of respondents have one year experience, and also 38.5% of respondents have two year experience, 21.4% have three years experience, and the respondents have four years experienced with 6.6% and four years above of experience not exist. Finally, experience of the respondents, the majority of them was between one year and two year experience. Because of the most of the students are busy for their education.

DATA PRESENTATION AND ANALYSIS

The first objective of this study was to investigate the degree of corporate social responsibility (CSR) in universities in the Banadir region, respondents were necessary to indicate the size to which they agree with each of the item by written the number that best expresses their perceptions. The results are summarized in the following table.

Table 6 the degree of corporate social responsibility in Banadir region universities

Social Responsibility	Mean	Std. deviation	Interpretation
This university has a CSR mission statement & values showing vision of corporate responsibility	3.01	.889	Very good
This university provides activities to encourage environmental research	2.68	.990	Very good

This university there is a manager responsible for corporate responsibility issues	2.63	1.079	Very good
This educational institution applies an environmental standard like ISO	2.45	1.027	Fair
This university gives attention to the needs and rights of its customers	2.66	1.047	Very good
This university has an anti discrimination policy in recruiting, promoting and training.	2.72	1.053	Very good
This university contributes to projects for the local community.	2.70	1.056	Very good
This university provides scholarships for the student over past two year.	2.76	1.017	Very good
This university tries to have a continuing dialogue with stakeholders of the educational institution on social responsibility issues.	2.52	1.044	Fair
Mean index	**2.68**	**1.02**	**Very good**

Sources: primary data 2013

The above table 4.6 presented that the universities have a CSR mission statement & values showing vision of corporate responsibility was scored highly mean 3.01and standard deviation .889. The results specify that the some selected universities for this study have corporate social responsibility mission statements and values showing vision of corporate responsibility and universities are very good at aiming to participate in some socially responsible activities.

Universities provide activities to encourage environmental research, was also scored highly mean 2.68 while standard deviation was .990. The findings indicate that the universities participate activists those encourage environmental research which are very good. Because of the universities are the main research institutions in the country.

There is a manager responsible for corporate responsibility issues, this question had scored highly mean 2.63 and its standard deviation was 1.079. The result show the selected universities have a manager assigned to issues about corporate social responsibility that is very good matter in universities. Because of they want to provide special attention to society issues.

The educational institution applies an environmental standard like ISO so this question was scored a mean 2.45 and its standard deviation was 1.027. This result shows that the some selected Banadir region universities did not applies an environmental standard like ISO over the past three years. Due to lack of awareness of the importance of ISO, that is why the universities did not apply the ISO.

Question five and six concerned with whether the universities give attention to the needs and rights of its customers and whether those universities have an anti discrimination policy in recruiting, promoting and training. The results show a mean of 2.66 and 2.72 respectively and standard deviation of 1.047 and 1.053 respectively. Which implies those universities gave attention   rights of its customers and have anti discrimination policy in recruiting. This result may enhance the image of the universities.

Universities contribute to projects for local comities, this question was scored a mean 2.70 and standard deviation of 1.053. The findings point out that the universities in Banadir region provide projects for local community to participate social welfare. Because they strive to gain comparative advantage other universities.

In objective one last two questions eight and nine for the questionnaire we asked the respondents whether universities provide scholarships for students over past two years and whether they try to have a continuing dialogue with their stakeholders, these two questions

were scored a mean 2.76 and 2.52 and standard deviation of 1.056 and 1.017 respectively. The first result highlight over past two years some selected universities provided scholarships for the students, however, the second result emphasis that universities did not have a dialogue programs with stakeholders of the educational institution on social responsibility issues. This result shows that the universities focused on the education side rather than dialogue programs.

Table 7 the level of reputation in Banadir region universities

Reputation	Mean	Std. deviation	Interpretation
Society have a good feeling about this university	3.05	.859	Very good
Stakeholders trust this universities	2.75	.974	Very good
This university offers more reliable services to public to get good reputation	2.84	1.026	Very good
Students are satisfied for the services provided by this university	2.58	.976	Fair
Students want to joint to socially responsible university	2.74	1.124	Very good
This university looks like a educational institution that would attract good employees	2.71	1.045	Very good
This educational institution has a strong record of reputation	2.75	1.714	Very good
This university has a respectful brand name in the society	2.68	1.029	Very good
The most important factor you take into account when making judgment about a university is social responsibility	2.68	1.001	Very good
Mean index	**2.75**	**1.08**	**Very good**

Sources: primary data 2013

The first three questions in table 4.7 were asked the respondents. The first question examined that the society have a good feeling about these universities; second question stakeholders trust these universities and the last question examined that the universities offers more reliable services to public to get good reputation. The results show a mean of 3.05, 2.75, 2.84 respectively and standard deviation of .859, .974, and 1.026 in the same way. The result shows the respondents agree that the society have a good feeling and trust these universities in addition that they offer more reliable services to public to get good reputation. This result indicates universities have good reputation in the community.

The second three questions in table 4.7 were asked the respondents as follows: first question were asked that the students are satisfied for the services provided by these universities; second question were asked that the students want to joint to socially responsible universities the third question were asked these universities looks like an educational institution that would attract good employees. The results show a mean of 2.58, 2.74, 2.71respectively and standard deviation of .859, .974, and 1.026 in the same way. The result indicates the services that provide these universities did not satisfied the students; however, the students prefer to join the universities those provide social responsibility, and finally they answered these universities can attract good employees. This result shows that universities have not adequate facilities to satisfy their students e.g high speed internet, equipped labs and update curriculums.

The last three questions in table 4.3 Q1 This educational institution has a strong record of reputation with mean of **2.75** and standard deviation 1.714 and Q2 This university has a respectful brand name in the society with mean of 2.68 and standard deviation was 1.029, and the last third question was the most important factor you take into account when making judgment about a university is social responsibility with mean of 2.68 and standard deviation

was 1.001, the mean index of the total questions was 2.75 and standard deviation was 1.08, so this result specify that these universities have good morale and strong reputation in the Banadir region universities, and also these universities have well-known brand names in the societies in Banadir region, and the most important factor that the students making judgment about these universities are social responsibility that they provide in the society at large.

MAJOR FINDINGS

This division discusses the research results and findings derived from questionnaires from students in last semester of Business and Accountancy in Mogadishu and SIMAD universities in Banadir region - Somalia. The main objectives of this study were to investigate the degree of corporate social responsibility in universities and determine the leval reputation in Bandir region universities.

To achieve those stated objectives; Data were collected from students in the last semester in Business and Accountancy in Mogadishu and SIMAD universities. The research team adopted 18 questions from previous studies the data were analyzed using 4-point scale.

The degree of corporate social responsibility in Banadir region universities

The first objective of this study was investigate the degree of corporate social responsibility in Banadir region universities, the based on some selected universities in Banadir region, the researchers were asked 9 questions about corporate social responsibility these questions had scored mean index 2.68 and standard deviation of 1.02 this result show the degree of corporate social responsibility in Banadir region universities is very good. Although, the result of this question " these educational institutions applies an environmental standard like ISO" shows

that the some selected universities did not applies an environmental standard like ISO and it's good to apply this standard.

The level of reputation in Banadir region universities

The second objective of this study was to determine the level of reputation in Banadir region universities, in the same way of objective one the research team were asked the responent nine questions about the level of reputation in Banadir region universitie; so, the result of these questions was scored a mean index of 2.75 and standard deviation of 1.08. this shows the some selected universities have good reputation in community at large, however the result of question four "Are students satisfied for the services provided by these universities " indicate that the student are less satisfied.

The relationship between corporate social responsibility CSR and universities reputation in Banadir region

Table 8 correlation

		CSR	RE
CSR	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	182	
RE	Pearson Correlation	.430**	1
	Sig. (2-tailed)	.000	
	N	182	182

**. Correlation is significant at the 0.01 level (2-tailed).

From table 4.8 above, the correlation (r) between CSR and reputation is significant at $r=.43$ and $p<0.01$. This shows a positive relationship between the two variables. This means a

positive change in CSR interventions brings about a positive change in reputation. Therefore, CSR and reputation are positively correlated. So that this result shows that the corporate social responsibility that the universities provide had major influence on their reputation, so that other universities that did not get a good reputation in the society should participate the corporate social responsibility to get good reputation.

DISCUSSIONS

The main objective of this study was to investigate the relationship between corporate social responsibility CSR and universities reputation in Banadir region, degree of corporate social responsibility in Banadir region universities, and the level of reputation in Banadir region universities. The findings of this study were CSR and reputation are positively correlated and consistent with the results of (katamba, 2010; McWilliams & Siegel 200; Minor Morgan, n.d; Turban & Greening 1996; Fombrun & Shanley 1990; Dahan & Senol; Bhattacharya & Sen, 2004). The findings of this study also in agreement with the conclusion of (Porter & Kramer, 2006; Rayner, 2001). On the other hand, Fuente & Quedevo (2007). Found another result of the link between CSR and reputation. They argue that CSR express in the past time and reputation describes in the future time.

The first and second objectives of this study examined degree of corporate social responsibility and the level of reputation in Banadir region universities. The findings of the data gathered from the respondent indicate, the degree of corporate social responsibility CSR of some selected universities in Banadir region is so good as well as their reputation.

CONCLUSIONS

The main purpose of this study was to investigate the role of corporate social responsibility on universities' reputation. The findings of the study indicated that there is bi-directional relationship between corporate social responsibility (CSR) and universities reputation. This means a positive change in CSR interventions brings about a positive change in reputation and vice verses. The findings of the data gathered from the respondent also indicate that the degree of corporate social responsibility CSR of some selected universities in Banadir region is so good as well as their reputation.

RECOMMENDATIONS

From the above conclusions, the research team makes the following recommendations:

1. Since the CSR contributes towards universities' reputation they should continue a certain minimum degree of engagement to some social goals.

2. The universities should make an effort to have a continuing dialogue programs with various stockholders (community, workers, students, etc).

3. In terms of students satisfaction the universities should improve their educational facilities such as internet speed, labs, library and curriculums.

4. Finally the researchers suggested that more research should be done in the newly universities in Banadir region, since this study focused on the oldest and largest universities in Banadir region-Somalia.

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