

The Social Responsibility of Business Regarding Education

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Abstract

In the context of globalization and accelerated digitalization, the corporate social responsibility is a powerful support factor in improving the education and competencies of the current and future workforce. On the one hand, this will bring social and economic benefits to staff in terms of their development and career. On the other hand, a highly educated and skilled workforce is a valuable asset for competitiveness, high productivity and economic growth. In addition, the involvement of the employers in curriculum development and partnerships with NGOs can contribute to higher efficiency of educational systems to the current needs of the modern business organizations. Therefore, this article seeks good examples and solutions of how the corporate social responsibility can be directed to achieving better educational results.

Keywords: education, corporate social responsibility, workforce, non-governmental organizations.

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Introduction

Globalization and the rapid digital shift are changing the world of business, as well as that of each individual. Competition is getting fiercer and people are facing the challenge of adapting to the new conditions. Employers and their workers, being "both sides of the work process, are as traditional in their relationships as they are different - bound and changed in content by the digital processes" (Andreeva, Yolova, 2020a:12). This clearly draws attention to the responsibility of employers for the effective management of their workforce and the assistance in its adaptation to the new requirements.

One of the means of adapting to change and achieving economic success is having a highly educated and skilled workforce. Socially responsible employers are beginning to rethink their behavior in search of better educational outcomes. The choice of such behavior is especially important and urgent in our country, where companies still do not show much enthusiasm for funding additional training in the workplace. The rapid spread of new technologies and the digitalisation of the economy in recent years have led to serious discrepancies between supply and demand in the labor market (Andreeva, Yolova, 2019). That is why on-the-job training is an important tool for providing qualified staff. Of particular concern is the fact that according to this indicator, the Global Competitiveness Report 2017-2018 of the World Economic Forum puts Bulgaria in 116th place in the world and in the last 28th place in the EU (Ministry of Finance, 2019:72). The feedback concerning the quality of the general education in our country is also alarming. In the same study, we rank 83rd in the world (and 26th in the EU, ahead only of Hungary and Croatia) in terms of the quality of the education system. (Ministry of Finance, 2019:66).

Therefore, in the new competitive environment, the willingness of businesses and the government to develop the human capital and to close the gaps between required and provided knowledge will lead to many benefits. Education will be more oriented to the specific requirements of the business, and the labor market will become more flexible. Labor productivity will increase and contribute to higher economic growth. Trained and competent employees will provide a competitive advantage to socially responsible companies. A decrease in staff turnover can also be expected, as the employees themselves, feeling more satisfied with the opportunity for training, additional education and further development, will be more dedicated to the company.

This article is based on the belief that businesses have opportunities to work together with educational institutions and the government to achieve better educational outcomes. Examples of

well-functioning cooperation and support in Bulgaria are provided as evidence. In this regard, the purpose of this article is to seek a solution as to how corporate social responsibility (CSR) can be directed to achieve better educational outcomes.

1. Redefining the role of business in education

There is still no single definition of the term “corporate social responsibility”. Various definitions are available in the EU CSR Strategy: of the World Business Council for Sustainable Development, of the Business for Social Responsibility organization, etc. In general, CSR can be defined as a commitment to improving public welfare through voluntary business practices and the use of corporate resources (Kotler & Ly, 2011:3). The key points in this definition are the voluntariness of the undertaken activities and the public orientation of the benefits. Thus, in order to be characterized as socially responsible, a company must have directed a certain financial resource or made a business commitment that has an ultimate social effect. An essential feature is the voluntary nature, which means that the implemented measures are aimed at pursuing standards that go beyond regulatory requirements.

Corporate social responsibility should not be equated with charity or sponsorship, as it is much more than donating funds to charitable causes. CSR is part of a comprehensive management approach to creating added value not only for the company but also for all stakeholders (Blagoycheva, 2016:271). Through its implementation, companies usually adopt approaches to provide some form of welfare for their employees or other external related parties. Thus, CSR can be seen as the production of an additional form of welfare by producers other than the state-owned ones (Blagoycheva, 2018). By nurturing human capital, they can create a value even for the society. There is even an opinion that the most successful CSR strategy for the company is to achieve synergy between its social and environmental activities and its business goals and values. (Porter и Kramer, 2011) in a way that meets the ethical norms and values of society (Serafimova, Todorov, 2011: 20). The focus of some of the socially responsible programs on the competencies of employees also leads to the building of a richer internal capacity of labor resources. The companies themselves realize that through corporate social responsibility they can win in the competition for talented employees (Bhattacharya, Sen и Korschun, 2008) and provide for the latter potential motivation for development (Branco and Rodrigues, 2006).

Many companies identify themselves as socially responsible, as they organize initiatives aimed at improving the well-being of their human capital (Porter and Kramer, 2006). Some of these initiatives are focused on improving staff competencies, organizing courses and on-the-job training. This means a serious financial investment by businesses, but the end result is beneficial for both parties. Such professional development, in addition to improving the situation of workers, also leads to higher efficiency of the organization of the production process and the bottom line.

The mission of education is to acquire a certain set of knowledge and skills that will lay the foundation for further career development of each person. The responsibility for the organization and quality of education is primarily with the respective national government. But the ever-faster development of the economy, globalization and digitalisation lead to the need for staff specialized in certain fields. Technology is evolving and changing rapidly. Its implementation and use requires workers with special skills to be able to manage these processes. The need for a specific qualification comes to the fore. The development of educational programs is sometimes more inert and may lag behind in the race. At the same time, it is still a rare practice for businesses to offer specific education to complement basic education (McKenzie and Woodruff, 2013). There are criticisms in the public space that educational institutions have produced workers whose skills and competencies are not suitable for a desirable career. And in some industries and regions, this can lead to stagnation in the development of companies for which skilled workers are badly needed.

A paradoxical example is the situation of unemployment in the United States in 2018. According to official statistics 6.3 million people were unemployed in the United States in April

2018 (U.S. Bureau of Labor Statistics, 2018a). At the same time, 6.6 million jobs remained vacant due to a lack of skilled workers (U.S. Bureau of Labor Statistics, 2018b). According to surveys of employers, 39% say that skills shortages are the leading cause of vacancies. (CISCO, 2015, p. 2). Obviously, a large proportion of people are unable to participate in the digital economy due to lack of access to relevant training programs.

The existing deficit in education cannot be covered if the large business is not included in the scheme. Moreover, the business can be a key player in dealing with the unmet needs of narrow specialists (Camilleri, 2016). Large companies have the necessary economic power and connections with the government sector to take joint action to improve educational outcomes and expand the resources of future competent employees. Big business is gradually turning to CSR programs aimed at actively supporting various areas of education.

Such CSR programs can also be challenged in response to the preferences of current and future employees, who are already more knowledgeable, informed and aware of their power. The commitment of the workforce to employers no longer depends only on expected wages and financial benefits (Wan Yusoff, Kian & Idris, 2014). Employees look for opportunities for progress (Kehoe and Wright, 2013), self-confidence stemming from the position held, job satisfaction and work-life balance.

The established reputation of a socially responsible company and the mentioned events are reasonable preconditions for a company to be sought as an employer by better and more responsible employees. As early as the 1960s, a study concluded that the amount of salary was only one of the motivating factors for a job. The rest are achievement, recognition, responsibility, progress, personal growth and the work itself (Herzberg, Mausner & Snyderman, 1959). In 2008, a survey of about 180,000 students in 28 countries found that for 22% of respondents in the United States and 20% of European respondents, one of the most important factors determining the choice of an ideal employer was whether he applied the principles of CSR. (Brekke & Nyborg, 2008).

A more recent survey among millennials in the United States shows what their preferences are for choosing an employer (Cognizant, 2015). Among the main factors are: ability to influence the business (23%), a clear path to progress (20%) and personal development (16%). The choice of a company to apply for depends on: buy-in to the mission / vision of the organization (38%) and, again, a clear path for advancement (28%). It is obvious that the respondents, in addition to the expected salaries, bonuses and benefits, also assess the opportunities for growth and development.

These factors redefine the role of business in education as a driver for increasing human capital. Corporate social responsibility can be seen as an opportunity to link a company's economic success with progress for society as a whole. For example, the Association of Industrial Capital in Bulgaria warns that in some of the sectors that currently have the largest contribution to the country's GDP there is a shortage of qualified personnel (AICB, 2019) and that the only solution to the problem is to increase business's involvement in education. This activity can manifest itself in several ways.

First of all, companies can build partnerships with universities or other local educational institutions to conduct on-site specialized training, courses or other events to improve the skills of employees and workers.

Secondly, in order to secure the necessary labor force, businesses can turn to free labor resources. It is not uncommon for the labor market to lack sufficiently trained staff. Most job seekers have no qualifications or have one for which there is no demand. In order to attract such people to work, it is necessary to provide them with opportunities to train for the necessary profession and achieve the corresponding realization. The Employment Agency in Bulgaria annually signs contracts with its social partners for the implementation of projects under the National Employment Action Plan. In 2020, these projects will provide an opportunity for 6,857 unemployed people to participate in training for the acquisition of professional qualifications and key competencies, and at least 42% of them or 2,910 people will be included in internships and

employment thereafter. (MLSP, 2020). Among the social partners of the Agency are the Association of Industrial Capital in Bulgaria, the Bulgarian Chamber of Commerce, the Bulgarian Chamber of Commerce and Industry, the Union for Economic Initiative, the Confederation of Employers and Industrialists in Bulgaria and others.

Thirdly, employers can help improve the efficiency of education systems by intervening in several ways in training future staff in secondary and higher education. Linking education to employment requires standards and curricula that go beyond general education and meet the needs of the industry. For the development and provision of such curricula it is necessary to build significant relationships with teachers in various fields. Moreover, businesses can provide qualified professionals to train teachers to work with new technologies (especially in the IT sector), which will bring the educational process to a higher level.

And fourthly, companies can target outstanding students, providing them with financial support to complete their education. In some cases, this is accompanied by the conclusion of a post-graduation employment contract, but may also be gratuitous. A good example in this direction is the scholarship program of the Actavis plant in Dupnitsa. The company provides scholarships for students in the last year of full-time bachelor's or master's degree programs in subjects applicable in the field of pharmaceutical production. (ACTAVIS BULGARIA, 2020). The company provides a one-year tuition fee and a monthly scholarship for students in the amount of BGN 200 to 300. In addition, students are given the opportunity to study and acquire practical skills in an international company. An obligatory condition under the program is the conclusion of an employment contract after successful graduation.

In 2019, KCM Group (a company for the production of non-ferrous metals) invested over BGN 25,000 in seven talented students from various engineering specialties: metallurgy, mechanical engineering, electrical equipment, electronics, automation, chemistry and physics. The company granted them monthly scholarships of BGN 400 for one year. The scholarship is not tied to an employment contract, but is a form of support for education in engineering and technology, chemistry, physics and biology. (KCM Group, 2020).

Many other forms of cooperation and support can be found - work on joint projects, experts taking the role of lecturers, funding of training equipment, inspirational seminars, practical trainings, organization of international internships, etc. But in any case, in order to cover the discrepancy in the sought-after and proposed competencies of the workforce, businesses must take the position of an initiator in education, partnering with teachers, politicians and various civil society institutions.

2. Socially responsible cooperation between the different stakeholders

Adopting a corporate social responsibility policy is a means of sharing values. If the business combines efforts with the government, educational institutions and non-governmental organizations, the positive effect can be multiplied. Each of these institutions has advantages and opportunities in certain areas, so the cooperation between them will provide an opportunity to complement each other's activities and overcome some shortcomings in the independent action. Creating a common framework requires a change in the way of thinking and behaving for each of the participants in the partnership.

National governments remain responsible for providing basic education (Andreeva, Yolova, 2020b). In their portfolio is the development of curricula and control (Dimitrova, 2020) over the results achieved in the education process. But the business's engagement in educational programs gets its economic return through skilled workers. Moreover, the goals of education are based on certain socio-economic, cultural and ideological factors, which means that they will vary depending on the leading powers. In any case, trainees must acquire the knowledge, skills and competences necessary for their future individual development, civic position and professional career.

Businesses can build fruitful regional cooperation with educational institutions, governments and non-governmental organizations in creating quality educational products. The reasons for such cooperation are that the education system cannot respond quickly enough to innovations in the development of technology and the changing demands on the workforce. Better suitability for employment and personal development of individuals in the new dynamic conditions require the development of key competencies in them from early childhood and then throughout their working lives. Successful personal development of the workforce is already associated with language and social skills, learning skills, entrepreneurial vision and creativity. And globalization and digitalization require solid knowledge in technology, math, artificial intelligence, climate change, etc. In order to meet this whole range of requirements for future personalities, actions of cooperation between institutions from different sectors are needed: public, private, civic and scientific. In this regard, the said sectors face the challenge of highlighting common interests and allocating roles for action. Within the skills to be cultivated, education must also be accompanied by such priorities as opportunities for learning and job mobility, rapid adaptation to employment conditions and, where necessary, flexibility and adaptation to job change.

To meet all these complex requirements it takes a constant exchange of information between the three parties and the establishment of coordinated working mechanisms. There are several problems in this regard:

- the necessary legal regulation of this type of activities is currently non-existent, which complicates the process. Clearly, government intervention is needed to create incentives to support mutually beneficial cooperation;
- the business is not yet keen on serious participation in the educational process. Corporate social responsibility is applied mainly by large companies that are affiliates of foreign institutions;
- employers in Bulgaria are known to complain that the resource of graduates that applies for work with them does not meet the criteria they set. At the same time, contracts to support students against commitments for work later are rare, i.e. the business itself in most cases is not willing to invest, at the same time requiring a quality product;
- the educational system itself, due to its inertia and insufficient financial security, cannot cope independently with the increased requirements to it. Education left to itself does not have the necessary capacity to produce a quality that meets all the requirements of business.

Due to the extremely wide field of implementation, educational institutions can offer a broader educational base that young people can step on and subsequently upgrade their skills. And in order to meet the business needs of quality education for young people, it is crucial to build specific skills and knowledge. Therefore, the only logical step is to work together, and for education to be able to rely on the voluntary mechanisms of corporate social responsibility of businesses and the enthusiasm of NGOs. In this regard, NGOs can act as a mediator to create better links between education and the labor market. Businesses can offer ideas and funding, and NGOs can catalyze them at the level of education, offering innovative elements. It can be said that non-governmental organizations are the driving force in this regard. They are the ones who can identify a specific problem, carry out the necessary research, formulate the needs of other stakeholders and propose innovative solutions.

In Bulgaria there are already successful cooperation agreements, involving corporations, educational institutions and non-governmental organizations. In 2014, Samsung Bulgaria and Junior Achievement realized the first smart classroom in Bulgaria (Computer World). In 2020, nearly 1,000 schools in the country will be using the free online learning platform Smart Classroom. Smart Classroom is a learning process conducted in a fully digital environment. The jointly implemented idea is based on the programs Training Company and Skills for Success of Junior Achievement Bulgaria and aims to develop teamwork and various entrepreneurial skills in young people in a rapidly evolving IT environment.

Siemens Bulgaria organizes professional training for its employees in such areas as management, leadership skills, finance, etc., as well as specialized technical and product training. In 2018, about 280 million euros were invested in such trainings. At the same time, within the Siemens Automation Cooperates with Education program of the operational direction Digital Industry, Siemens Bulgaria has established a partnership with the technical universities in the country and with some secondary vocational schools with a technical profile. Each year, internship is provided for about 30 promising pupils or students in Germany for dual vocational training (technicians in electrical engineering / electronics or mechatronics). After successfully completing the internship, students return and start their career in a local Siemens office (Siemens Bulgaria, 2020).

These examples prove that the partnership between the institutions is a successful opportunity to improve education in Bulgaria. NGOs can provide significant support to socially responsible companies to take and implement educational initiatives that share value and meet local needs in the region or throughout the country. And corporate social responsibility programs can link the economic success of the business to the country's social progress.

In order to realize these good intentions in Bulgaria, however, it is necessary to expand the circle of companies that want to engage in this area in the long run. Perhaps the government itself should commit itself to more seriously engaging in educationally responsible corporate behavior. This can be done by using various incentives (tax relief or subsidies for certain activities related to the educational process) or by introducing regulations on specific activities that require socially responsible behavior. A very important factor is the correct communication and two-way information between the government and the parties that have engaged in educational activities. Only thus can adequate training be achieved, providing the future workforce with the knowledge and skills required by the business.

Conclusion

The search for solutions for good CSR practices in the field of education can increase the attractiveness of a company in any industry and will ensure the provision of qualified staff. Observing the trends on a European scale and the available practices, it can be assumed that in Bulgaria the application of good CSR practices will be expanding with each passing year. This, of course, does not mean that businesses, in need of skilled labor, must take over some of the main functions of the state related to vocational education, neither is this to say that the inclusion of the business will release the state from its commitments in education. Providing a skilled workforce to meet the needs of the national economy and maintaining the balance of the labor market remain priorities of the state. The commitments of the socially responsible business are of a complementary rather than a substitute nature. In this case, employers appear as social partners and as stakeholders in the production of qualified personnel. The business itself can become a key player in the development of curricula in schools or universities, as well as in providing resources (financial, material or technological) to promote more vocational training. The active participation of the business in the development of education is beneficial not only for the economic advancement of the country, but also for the public welfare in general. But it is also in the interest of the private sector, as more skilled human capital creates profitable opportunities: operational efficiency, cost savings and retention of talented employees.

The approach of corporate social responsibility, in combination with the innovative activities of non-governmental organizations can lead to the construction of new business models and intersectoral cooperation. The created shared value will result in benefits not only for business institutions and staff, but also for the greater efficiency of educational institutions. And the partnership between business and education largely ensures the good realization of the workforce and the creation of an environment for the development of innovative ideas. In times of rapidly changing economic, political and technological environment, joint action is even more needed to meet the challenges of the future.

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