



**People's Perspective of CSR in Pakistan**  
**What People Expect from the Corporate Sector in Pakistan**  
**A survey from 24 Cities of Pakistan**

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### ABSTRACT

Corporate social responsibility is now the legitimate concern for the future survival of the organizations. The companies that are aligned with corporate social responsibility in stake holder's perspective will be competitively ahead of their competitors. All past researches focus have been on the companies perspective, what they do and how they do? First time this research was from the perspective of the people of Pakistan, what they think and expect from the companies. The data was collected from all provinces of Pakistan, Punjab, Khyber Pakhtun Khawa(KPK), Sind, Baluchistan, federal city (Islamabad), Azad Jamu Kashmir (AJK), including 24 cities of provinces. Total 5000 questionnaire were sent through mail and email to the people of all communities and departments such as Universities, colleges, schools, hospitals, parks, villages, factories, departmental stores, food streets etc. Telephone calls and self administered approach were also used to collect data and total 3275 (66%) questionnaires were received and 167 were rejected due to non conformity to research. The data was analyzed from qualified 3108 (62%) questionnaires. The data of questionnaire on 16 codes of CSR depicts that the people of Pakistan rated education number one, employment number 2, healthcare number 3 and environment protection on number four the main issues. The companies that follow the hierarchy selected by the people of Pakistan, education, employment, healthcare and environment protection will be more successful than the companies which do not follow the hierarchy. The new business entrepreneurs can take the advantage right from the start of the business by investing in education, creating more employment opportunities, investing in health care related issues and protecting the environment from pollution. The research has set a prerequisite for the new entrepreneur while considering CSR priorities in Pakistan.

**Key words:** CSR, CSR Codes, Pakistan

### Academic Discipline And Sub-Disciplines

Corporate Social responsibility and Governance

### SUBJECT CLASSIFICATION

Management Sciences

### TYPE (METHOD/APPROACH)

Survey/Interview based study

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## INTRODUCTION

From last many years corporate social responsibility has been under much debate in the world. Many authors in their studies even proved the link among the companies success to the extent of practice of corporate social responsibility. Researches depict that the companies which practice more corporate social responsibility are more successful to those that do not. Now the question is this, is the 'CSR' same for the companies in all the countries which are different in geographically, culturally, economically, socially, ethically, morally, politically, religiously etc.? The previous researches focus remained on the practice of CSR by companies. Researcher felt that question must be asked by the people of Pakistan what actually they want to practice CSR by the companies. The main objective of the research was to find the priorities in CSR by the companies to practice according to the will of the people of Pakistan not what they want to exhibit in CSR in society.

CSR in Pakistan seems to focus on how much donations an organization contributes to health, environment and education programs etc but overlooks its obligations and commitments to the consumers. If corporations do not serve society and their consumers in letter and in spirit, then there will be a gradual breakdown of trust and respect for corporations and we will witness an "anti corporate" movement.

## LITERATURE VIEW

Corporate Social Responsibility (CSR) has been defined by many researchers but this definition conformed the research; ***the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large***. The expected work on CSR is still very slow but continues to steadily grow in importance (Gulyas, 2009; McGehee et al, 2009). There has been increased focus on CSR by various organizations along with academic attention (Renneboog et al, 2008; Nijof and Brujin, 2008). CSR is now a buzz word and there are various labels being used for CSR. In fact there is inconsistency in name, as the expressions "corporate social responsibility", "corporate social transparency", "corporate sustainability" and "social and environmental responsibility" are also in use for the same thought (Zappala, 2003). The idea of CSR contains three separate theoretical components. *Corporate* is a universal term that refers to a business organization and in general can be used for almost any form of a project. *Social* means societal elements such as group of people. The concept of *responsibility* is acceptance of impact of organizations on members of society.

"CSR is an understanding and managing a company's influence on society and all its stakeholders" (Zappala, 2003). Stakeholders have been defined and explained in different ways. Stakeholders are groups essential for the success and survival of an organization (Greenwood, 2001). Just displaying a plate of CSR in company does not guarantee the fulfillment of obligations of CSR as CSR desires dedication, long-term thinking and visualization from business managers so that the actual outcome could be achieved. We see the big corporations operating in the society but there are still too few trained managers (Faulkner, 1995). Research has explained about existence of correlation between CSR and corporate financial performance (Windsor, 2001; Hopkins, 2003; Orlizky, 2005) but there is lack of clarity about the form the relationship between business, government and the society. People wants keep on changing with the passage of time and Society and its needs develop rapidly whereas business lags behind (Schwartz, 2005). CSR will do well if it is incorporated across business rather than being concealed in the depths of a public affairs portfolio cost centre (Schwartz, 2005).

*"The terms of the contract between Industry and society are changing. Now we are being asked to serve a wider range of human values and to accept an obligation to members of the public with whom we have no commercial transactions (Chewing et al., 1990, p.207, Lantos 2001).*

In many aspects, modern firms are supposed as public institutions rather than private businesses. It is expected from private organizations to execute public role to a certain extent. A private firm, to a certain extent, is expected to perform a public role and is accountable to fulfill more social responsibility than that of individuals (Miller and Ahrens, 1993).

Varying societal views impose pressure of change on its social elements. For survival, organizations have to become accustomed to these changes for continued existence. Now, firms are evaluated based on the vacuum between newly defined social expectations and the actual social performance. CSR guides organizations to conform to changing social expectations and also assure continuity of organizations.

Senior management can play an imperative role in successful execution of a CSR programme (Lerner and Fryxell, 1994; Vives, 2006). Recent surveys indicate that corporate social responsibility is increasingly an important factor in attracting and retaining a talented and diverse workforce (Globescan Inc 2005). Companies that account for the interests of their employees by offering good working conditions will achieve better performance in terms of quality and delivery, and, therefore, experience higher levels of productivity. For continued existence and survival of a business concern, creativity, innovation and learning process is essential. CSR is an important force to safeguard against expected environmental risks and to convert these into new opportunities. CSR is a very unique kind of practice. Business organizations function in a market of judgments and opinions. This judgment by stakeholders like customers, suppliers and wider society will affect on their productivity and ultimate success. CSR offers a way by which organizations can manage the attitudes of their stakeholders and can build their confidence for positive business relationships.

Companies which remain unable to manage their responsibilities to society are on a risk a whole from their stakeholders directly and indirectly both in the short run and long run. CSR is a concept related with internal decision making of the company. How an external observer perceive about absence or presence of CSR? What kind of views and judgments, stakeholders have about various industries? Research is going to explore all these aspects in detail here. To achieve the ultimate success in short span of time, companies have to consistent with the priorities of CSR set by the society they operate.



## METHODOLOGY

24 cities of Pakistan from all the 4 provinces, federal city Islamabad and the disputed territory between India and Pakistan Azad Jammu Kashmir were selected for the survey. The people for this survey were interviewed from all areas such as hospitals, colleges, universities, departmental stores, public parks, villages, factories, libraries etc. The questionnaire was developed on sixteen CSR codes which was based on protection of Environment, production of safer products, retirement benefit, health care policies, affordable products price, health related standards, work place conditions, job losses due to outsourcing, security of company data, manufacturing of ethical products, investment in education, ethical marketing, unemployment, reduction in executive pay, freer trading and others from 1-16 in Urdu and English language. The respondents had to prioritize the CSR code from one to sixteen which they thought was most important and their priority. The detailed description of questionnaire was given on a separate paper to fill it properly. Questionnaires were sent through emails, couriers, approached personally and through telephone. Total 5000 questionnaires were distributed and 3275 filled questionnaires were received back and 167 were rejected due to non conformity of the research. The total acceptable questionnaires were 3108. The mean was taken of 16 CSR codes. For the interpretation of data SPSS 17 was used.

## RESULTS AND ANALYSIS

The highest number of participation in this research remained from the age of 21-25 with a number of 1193 followed by the age of 36-40 with number of 553 and 26-30 with a number of 498. The higher respondent class belonged to younger generation. (Table-1)

The total participants in this research were 3108. The male were 2361 (76 %) and 747 (24 %) female. The female participation in this research remained encouraging. (Table-2).

Bachelor degree holders were the significant respondents in number of 946 (30.40%) followed by master degree holder with a number of 594 (19.10%) and MS/M.Phil degree holder with a number of 463 (14.90 %). The higher educated community contributed 64.40 % of the research. (Table 3)

Employed were the most respondents with a number of 1646 (53 %) followed by students 810 (26.10 %). (Table 4)

The major participation of the respondents remained from income level 21000-30000 followed by 10000 income level and 31000-40000 income level. (Table 5).

The data collected from the Punjab province was from 1225 (39.40 %) respondents Federal city 759(24.40 %), Khyber Pakhtukhawa(KPK) 616(19.80%) Sindh 316 (10.20%), and Azad Jammu Kashmir (AJK) 132 (4.20%).

Rawalpindi city remained on top with a respondent's number of 1420, Peshawar 294 and Lahore 246 respondents filled the questionnaire. Rahim Yar Khan and Badin were two cities where total 2, and 4 respondents replied. The highest number of participants from Rawalpindi was due to the convenience for the researcher to get data by approaching the universities, shopping centers and other institutions easily. (Table 7)

Follows is the ranking by the respondents.

**Ranking of CSR Codes by Respondents**

Ranking	CSR Codes	N	Mean
1	Education sector	3108	3.61
2	Employment	3108	5.24
3	Healthcare	3108	5.67
4	Environment	3108	6.22
5	Affordable products	3108	6.60
6	Safer products	3108	7.79
7	HRS	3108	8.08
8	WPC	3108	8.43
9	Job losses	3108	8.81
10	Security data	3103	9.50
11	Retirement benefits	3107	9.70
12	Ethical marketing	3108	10.33
13	Executive pay	3108	10.63
14	Freer trade	3108	10.91
15	Ethical Products	3108	11.71
16	Others	3108	13.64

The response of the respondents from 1-16 the mean was taken and the lowest mean value was ranked as number one and subsequently number 2 and 3. According to research the number one priority was given by the respondents to education Sector as priority number one.

### 1-Education Sector

The question was that 'companies should invest in education sector' was ranked number one by the people of Pakistan. People think that education can change the life of their children both morally and financially. The problem of getting job can be solved if companies educate the children of their employees or the society by setting up own schools, sponsoring the children of employees or society or donating for school, colleges or universities. People think education is expensive in the country and a worker of middle class or labourer cannot afford. The uneducated children not only become burden on the shoulder of parents but also on society. The uneducated children involve in unethical activities e.g. theft, addiction to





narcotics and in violence etc. They are the easy target for terrorist activities and trained against the state for negative activities... According to people point of view education can play a pivotal role in improving society's norms.

#### **2-Employment**

The question was that 'companies should increase employment'. People of Pakistan ranked 2 to employment. People think the unemployment is a serious cause of concern because the unemployment is increasing day by day. The insecurity, law and order situation, power scarcity, devaluation of currency, high price of input cost, downsizing and the distrust of the foreign investors in the country are the major causes of unemployment in the country. People think companies should increase employment to reduce the poverty in the country that actually is a serious cause of crimes.

#### **3-Health Care**

The question was that 'companies should provide health care related facilities.' Health care related issues are very common in Pakistan particularly in poor people. The health related treatment is very expensive and even unaffordable when the intensity of disease is somewhat more. People think if companies provide the health facilities to employees and set up some hospitals or dispensaries for the community in which they are operating will definitely help the people.

#### **4-Environment**

The question was that 'companies should not pollute the environment'. Environment is one of the most debatable issues of the world. Media has played a major role in creating awareness regarding this issue. People think that companies should avoid polluting environment and installing treatment plants to purify the wastages from harmful substances and gases. Polluted environment is the major reason of respiratory diseases and the non curable disease like cancer.

#### **5-Affordable Products**

The question was that 'companies should produce affordable products'. Affordable products were ranked 5. From last few years the prices of commodities are at peak and it is difficult for people to purchase the goods on existing income. People think that companies should opt the latest technology to produce goods at affordable price and give some subsidy so that the affordability of the products could be ensured.

#### **6-Safer Products**

Question was that 'companies should produce safer products'. The safer products were ranked 6. The major problem in the country is the weakness in check and balance on quality of products. The majority of the food products are substandard that lead to many side effects. People think that companies should produce the safer products both for human beings and environment.

#### **7-Health Related Standards (HRS)**

The question was that 'Companies should follow the health related standards'. HRS was ranked 7. People think the companies should follow the health related standards for workers. Workers should be provided all safety and security measures on work place. The machinery and the equipments must be safer from all toxins and hazards.

#### **8-Work place Conditions (WPC)**

Question was that 'companies should provide good workplace conditions'. WPC was ranked 8. Good Workplace conditions improve the worker's productivity and efficiency that benefit both the company and the worker in terms of monetary benefits. People think the workplace conditions should be improved.

#### **9-Job Losses Due to Outsourcing**

Question was that 'Companies should avoid the job losses due to outsourcing.' Job losses was ranked 9. Mostly companies outsource to reduce expense due to which they reduce the number of employees. People think companies should improve the in house capability of production and avoid outsourcing and job losses.

#### **10-Security of Data**

Question was that 'companies should take some measures to secure company data' Security of Data was ranked 10. Companies secrets are in the data they have. People think that companies should secure their data from competitors. If the data of the company is insecure then it can be copied that lead to the problem for the company as well as for the employees. The competitor may get the advantage of it to copy the existing plans and the secret of the market share and ultimately penetrate in the market.

#### **11-Retirement Benefits**

The question was that 'Companies should provide the retirement benefit'. Retirement benefit was ranked 11. The retirement and benefit was ranked below because now the turnover in the companies is very high. Mostly workers for more salary and benefit switch to other companies. People think if even companies provide the retirement benefit will not benefit the workers on short term basis and now no one Wait.

#### **12-Ethical Marketing**

The question was that 'companies should promote their products with ethical Marketing'. Ethical Marketing was ranked 12. Ethical marketing is low priority compared to others because the other issues were more important.

#### **13-Executive Pay**

Question was that 'Companies should show the executive pay'. Executive pay was ranked 13. People don't take it under consideration about the executive pay. People are concerned about their important issues and executive pay remains on low priority.

#### **14-Freer Trade**

Question was that 'Companies should allow freer trade to other companies'. Freer trade was ranked 14. People don't take it seriously about the freer trade of other companies.

#### **15-Ethical Products**

Question was that 'Companies should promote products ethically'. Ethical product promotion was ranked 15. People don't prioritize and give it due consideration of promoting products ethically or unethically.

#### **16-Others**

The other mix opinion of the people was ranked 16 that show the least priority and consideration.



## CONCLUSION

CSR is now the legitimate concern for the companies for sustainable growth. The research depicts that now the companies should think from the people's perspective. What companies think about CSR is no doubt important but not more than the people think about the companies should do. We have been studying about the companies doing CSR and getting the benefit both financially and morally but if they opt the CSR priorities that people want would definitely get more mileage as they are doing. The research showed that the number one priority of the companies should be to invest in education sector, secondly increase employment, thirdly health related issues and fourthly the environmental issues. The companies that follow the hierarchy of the above sequence of CSR codes would definitely be ahead of those that do not. The newly launched companies can get the benefit right from the beginning by investing in education, providing employment, solving health related issues and protecting the environment. As we see that in advanced countries the focus is on environmental protection and the healthcare issues because they have overcome the education related problems but in Pakistan the education has been the least priority due to which it was given number one priority by the people of Pakistan. These priorities may change with due course after achieving the goals of education and employment. The research will work as the prerequisite for the new entrepreneur.

## ANNEXURE

**Table 1 Age Distribution**

Age	Frequency	Percent	Cumulative Percent
Below 20	185	6.0	6.0
21-25	1193	38.4	44.3
26-30	498	16.0	60.4
31-35	305	9.8	70.2
36-40	553	17.8	88.0
above 41	374	12.0	100.0
Total	3108	100.0	

**Table 2 Gender**

Gender	Frequency	Percent	Cumulative Percent
Male	2361	76.0	76.0
Female	747	24.0	100.0
Total	3108	100.0	

**Table 3 Education**

Education	Frequency	Percent	Cumulative Percent
Below Primary	85	2.7	2.7
Middle	147	4.7	7.5
SSE	109	3.5	11.0
HSSE	591	19.0	30.0
Bachelor	946	30.4	60.4
Master	594	19.1	79.6
MS/M.Phil	463	14.9	94.5
PhD	172	5.5	100.0
Total	3108	100.0	

**Table 4 Job Type**

Job Type	Frequency	Percent	Cumulative Percent
Employed	1646	53.0	53.0
Unemployed	418	13.4	66.4
Own Business	234	7.5	73.9
Student	810	26.1	100.0
Total	3108	100.0	

**Table 5 Income Level**

Income Level	Frequency	Percent	Cumulative Percent
Below 10000	498	16.0	16.1
11000-20000	253	8.1	24.2



	21000-30000	1380	44.4	68.7
	31000-40000	433	13.9	82.7
	41000-50000	190	6.1	88.8
	above 50000	347	11.2	100.0
	Total	3108	100.0	

**Table 6 Province**

	Province	Frequency	Percent	Cumulative Percent
	Punjab	1225	39.4	39.4
	KPK	616	19.8	59.2
	Federal	759	24.4	83.7
	Sind	316	10.2	93.8
	Baluchistan	60	1.9	95.8
	AJK	132	4.2	100.0
	Total	3108	100.0	

**Table 7 Cities**

	Cities	Frequency	Percent	Cumulative Percent
	Rawalpindi	1420	45.7	45.7
	Gujrat	70	2.3	47.9
	Gujranwala	18	.6	48.5
	Sialkot	45	1.4	50.0
	Lahore	246	7.9	57.9
	Kasur	37	1.2	59.1
	Faisalabad	122	3.9	63.0
	Sargodha	25	.8	63.8
	Multan	99	3.2	67.0
	Peshawar	294	9.5	76.4
	Mardan	78	2.5	79.0
	Swat	138	4.4	83.4
	Kohat	34	1.1	84.5
	Karachi	52	1.7	86.2
	Badin	4	.1	86.3
	Hyderabad	74	2.4	88.7
	Sukhar	67	2.2	90.8
	Nawab Shah	55	1.8	92.6
	Dharki	61	2.0	94.6
	Rahim yar khan	2	.1	94.6
	Quetta	28	.9	95.5
	Jafarabad	31	1.0	96.5
	AJK Muzafarabad	27	.9	97.4
	Mir Pur AJK	81	2.6	100.0
	Total	3108	100.0	

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## Authors' Biography



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