INVESTIGATION ON EFFECT OF CSR ON PERFORMANCE QUALITY: A CASE STUDY OF EFFAT UNIVERSITY, JEDDAH, KINGDOM OF SAUDI ARABIA

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ABSTRACT

This study aimed to determine the relationship between corporate social responsibility (CSR), internal quality performance (IQP) which was operational performance and external quality performance (EQP) which was organizational performance of EFFAT University in Jeddah, Saudi Arabia. This study had used mixed method and tools had been used to gather data. The primary data was collected through interview and questionnaire the secondary data was collected through previous study, technical journals, newspapers, books, research publication and report. The interview was semi-structured to gain feedback and comments on the study findings. The sample size were 150 employees which selected through simple random sampling. Furthermore, the study was used SPSS program to analyse the data. The result indicated that there was positive relationship between CSR and internal quality performance (IQP). Besides, there also positive relationship between CSR and EQP and between internal quality performance and external quality performance.

INTRODUCTION

Quality management is considered as a one of the operations management disciplines and responsibilities. Although, operations management plays a main role in managing the organizational performance. The organization have provided less attention in being socially responsible within its operation management through managing their operation management through managing their operation interactions and impact on the public health, safety and environment [1].

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The corporate social responsibility (CSR) become common in the 1960s which had been narrowly construed and used indiscriminately to cover legal and moral responsibilities [2]. CSR is form of corporate self-regulation integrated into a business model [3]. Corporate social responsibility has been categorized into three areas such as economics, social and environmental [4]. The organizations have played a exclusive and fundamental economic function in society, actively provide in goods and services distribution and generation of wealth and employment [5]. CSR is defined as measurement, identification, monitoring and reporting of the social and economic effects of an organization on the society [2]. However, there is no definition of CSR and changing over time [6,7]. Companies have a variety of underlying factors that influence their engagement in corporate social responsibility [8].

In Saudi Arabia, CSR is a newly arrived concept for business culture and considered as infancy [9]. In addition, CSR becomes an issue of concern for most companies and consequence of the Saudi government encouragement to the companies become more socially responsible. The companies in Saudi companies are socially responsible by nature driven by Islamic beliefs without strategic framework.

The CSR values are existing in the Islamic religion values and their values go hand by hand with each other [9]. CSR literature has examined the correlation between religiosity and CSR which suggesting that religiosity influences individual preferences, managerial attitudes and decision-making [10]. An instance of Islamic values that is similar to CSR which Muslims are required to be responsible human being toward their life and world.

This study aimed to determine the relationship between corporate social responsibility (CSR), internal quality performance (IQP) which was operational performance and external quality performance (EQP) which was organizational performance of EFFAT University in Jeddah, Saudi Arabia.

METHODOLOGY
In general, the study aimed to determine effect of CSR toward quality performance in higher educational institutions and EFFAT University was selected for this study. There were three hypotheses based on study mentioned in the literature.

The first hypothesis assumed there was positive relationship between CSR and internal quality performance in EFFAT University. This study was determined internal quality performance of EFFAT University was affected by adopted and practiced CSR in terms of five dimensions such as education improvement, safety and health care in the community, environmental excellence resource conservation and community services. In addition, internal quality performance such as defect rates, reprocessing rate, productivity rate, cost rate, scrap rate and another metric.

Furthermore, second hypothesis proposed that there was positive relationship between CSR and external quality performance in EFFAT University. This study was determined external quality performance of EFFAT University was

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affected by adopted and practiced CSR in term of CSR. External quality performance was measured by customers satisfaction, profitability, competitive market position and share.

The third hypothesis proposed that there was positive relationship between internal and external quality performance in higher education institution and EFFAT University. Furthermore, this study was determined the result of internal quality management practices such as defect rates, rework rate, productivity rate and other internal quality performance metrics affected external quality performance of EFFAT University such as customer satisfactions, competitive position in higher education sector, its reputations, demand from external stakeholders and profitability.

There were three basic methods or approaches such as qualitative, quantitative and mixed. This study used a mixed method which consisted qualitative and quantitative research methods. This mixed method had been used to collect and analyse the data, test the samples and hypotheses.

This study used mixed method which to differentiate quantitative and qualitative tools. For the qualitative method, literature review and in-depth interview tools had been used while qualitative method had used questionnaire tool. The primary data was collected through interview and questionnaire. Meanwhile, secondary data was collected through previous study, technical journals, newspapers, books, research publication and report. The interview was semi-structured to gain feedback and comments on the study findings.

The population was employees of EFFAT University with total population of 300 employees. The sample size were 150 employees which selected through simple random sampling. The data was analysed with SPSS program.

RESULT AND DISCUSSION

The coefficient of alpha had ranges in value from 0 to 0 and acceptable reliability coefficient was 0.65. In Table 1, CSR had acceptable level of reliability (Cronbach's alpha>0.65).

Table 1. Reliability Test For CSR

| Variable	Cronbach's alpha
CSR	0.874

In Table 2, internal quality performance (IQP) had good level of reliability (Cronbach's alpha > 0.8).

Table 2. Reliability Test For Internal Quality Performance (IQP)

Variable	Cronbach's alpha
Internal quality performance	0.893

In Table 3, external quality performance (EQP) had good level of reliability (Cronbach's alpha >0.9).

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Table 3. Reliability Test For EQP

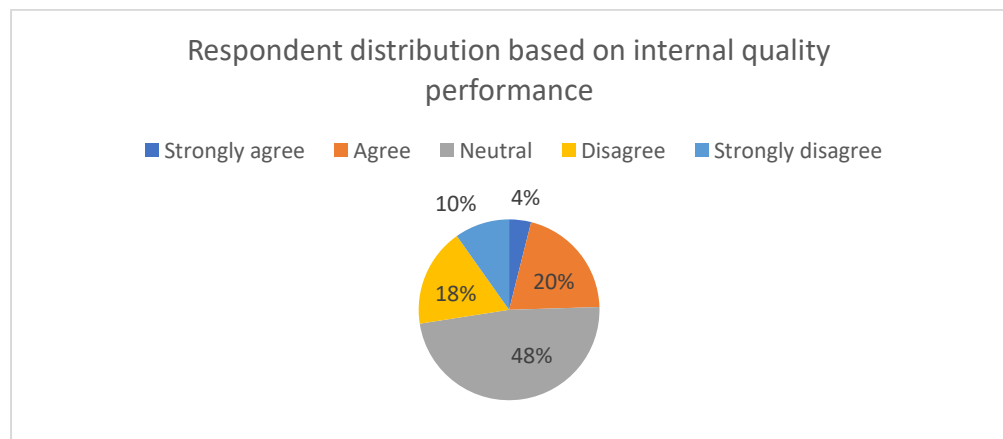| Variable	Cronbach's alpha
External quality performance (EQP)	0.893

Overall, all variables had Cronbach's alpha score more than 0.65 which meant the reliability was high.

In Figure 1, there were 34% of the respondents felt neutral and 4% of the respondents felt strongly agree on corporate social responsibility. Meanwhile, 11% of the respondents agreed and 39% of the respondents disagreed on corporate social responsibility.
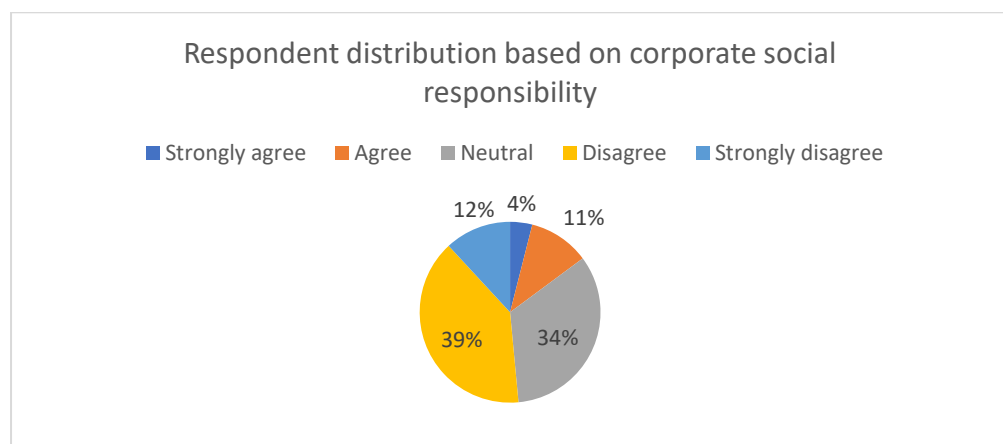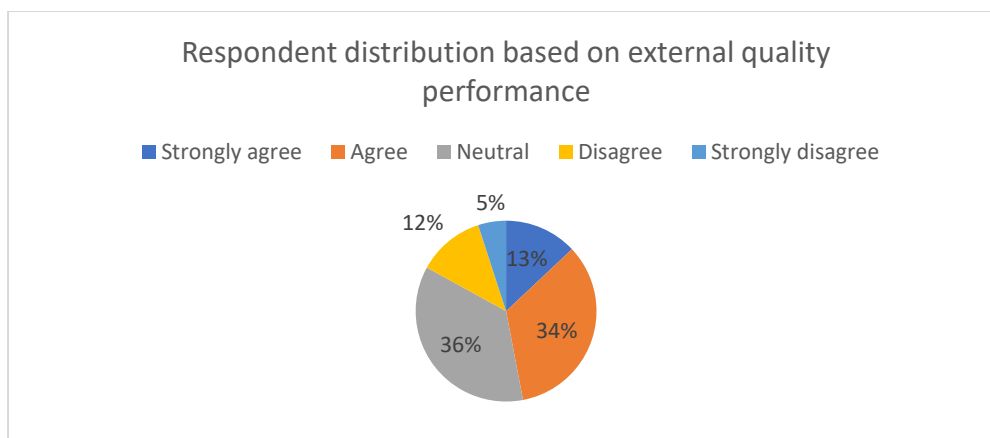

Figure 1. Respondent Distribution Based On Corporate Social Responsibility.

In Figure 2, 48% of the respondents felt neutral and 18% of the respondents disagreed on internal quality performance. In addition, 10% of the respondents were strongly disagreed and 20% of the respondents agreed on internal quality performance.

Figure 2. Respondent Distribution Based On Internal Quality Performance.

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In Figure 3, 5% of the respondents were strongly disagreed and 12% of the respondents disagreed on external quality performance. In addition, 36% of the respondents felt neutral and 34% of the respondents agreed and 13% of the respondents were strongly agreed on external quality performance.

Figure 3. Respondent Distribution Based On External Quality Performance.

Table 4 represented correlation matrix between variables and Pearson's correlation values. There was correlation between variable CSR and IQP, CSR and EQP and IQP and EQP were 0.707, 1.000, 0.761. These results showed significant positive correlation between the variables.

Table 4. Correlation Matrix For Variables Under Study

		CSR	IQP	EQP
CSR	Pearson correlation	1	0.707**	0.635**
	Sig. (2-tailed)		0.000	0.000
	N	70	70	70
IQP	Pearson correlation	0.707**	1	0.761*
	Sig. (2-tailed)	0.000		0.000
	N	70	70	70
EQP	Pearson correlation	0.635**	0.761**	1
	Sig. (2-tailed)	0.000	0.000	
	N	70	70	70

A simple linear model is fitted between CSR as independent variable and internal quality performance as dependent variable. In Table 5, the analysis found model coefficient of determination (R square) equal 50% which meant model explained 50% of the variance in internal quality performance or that 50% of the variation in the latter variable had explained due to variation in

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CSR. In addition, overall statistical significance of the model revealed model was significant with p-value=0.000<0.005.

Table 5. Model Summary

Variable	R^2	Beta coefficient	Significant
CSR	0.500	0.707	0.000

Dependent variable: IQP
$R^2 = 50\%$

For second hypothesis, a simple linear model is fitted between CSR as independent variable and external quality performance as dependent variable. In Table 6, the result found model coefficient of determination (R square) equals 40% which meant model explained 40% of the variance in external quality performance or that 40% of the variation in the latter variable had explained due to variation in CSR. In addition, overall statistical significance of the model revealed that model was significant with p-value=0.000.

Table 6. Model Summary

Variable	R^2	Beta coefficient	Significant
CSR	0.403	0.635	0.000

Dependent variable: EQP
$R^2 = 40\%$

In Table 7, a simple linear model is fitted between internal quality performance as independent variable and external quality performance as dependent variable. The result found model coefficient of determination (R square) equal to 58% which meant model explained 58% of the variance in external quality performance or that 58% of the variation in latter variable had explained due to variation in internal quality performance. Overall statistical significance of model revealed that model was significant with p-value= 0.000.

Table 7. Model Summary

Variable	R^2	Beta coefficient	Significant
IQP	0.580	0.761	0.000

CONCLUSION
In conclusion, there was positive relationship between CSR and internal quality performance, CSR and external quality performance, internal quality performance and external quality performance. The study is recommended the EFFAT University quality assurance to practice CSR into its upcoming goals for better quality performance internally and externally.

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