

Volume 3-Number 1-2021-4

## **PLANTING THE SEEDS OF GRATITUDE FOR SUSTAINABLE CORPORATE SOCIAL RESPONSIBILITY AND THE QUALITY OF LIFE**

**ERNESTO O. CORDERO, Ph.D.**

*Bulacan State University, St Paul University/ University of Ottawa, Ontario, Canada*

**EMERLITA S. NAGUIAT, Ph.D.**

*St Paul University/ University of Ottawa, Ontario, Canada*

### **Abstract**

The study sought to determine the implementation of CSR activities and their effects on the beneficiaries' quality of life. A mixed-method type of research was used in this study, combining quantitative correlational and qualitative analysis. It utilized statistical tools such as frequency, percentage, mean, weighted mean, and regression analysis. The research instrument was standardized and adopted from the study of Kim, Uysal, and Sirgy (2012) entitled "How does tourism in a community impact the quality of life of community residents?" The interview used guide questions to direct the responses of the respondents. The study's subject is the 400 beneficiaries of the Pilipino Banana Growers and Exporters Association (PBGEA). The findings revealed that PBGEA's CSR activities regarding economic, social, cultural, and environmental were implemented to a moderate extent. On the other hand, the beneficiaries' quality of life regarding life satisfaction on various conditions, level of life satisfaction, and satisfaction level on health and safety were categorized as reasonably satisfied. The CSR factors such as economic, social, and cultural were not statistically significant to claim their influence on the community's quality of life. However, though environmental factors significantly influence the community's quality of life, the extent or magnitude of its influence cannot have a significant effect as its beta coefficient is at 0.65, indicating a weak effect.

Considering the findings and conclusions of the study, the following recommendations were suggested: 1. To give seminars on the preservation of the natural environment. 2. To conduct regular tree planting in the community to help reduce temperature, produce clean air, reduce greenhouse gasses, and prevent flooding and soil erosion. 3. To teach the community proper waste disposal at home through Green Alternatives, the Five R's Reduce, Reuse, Repair, Rot, Recycle. 4. To figure out program services that will change and expand the community/students' needs. 5. To conduct a workshop on CSR's goals and objectives to increase the level of awareness of the beneficiaries on the accurate picture of CSR in their lives, (6) For the administrators to apply the proposed strategic approaches in enhancing the CSR programs of PBGEA to their beneficiaries.

## Introduction

The company's Corporate Social Responsibility (CSR) is primarily to establish its social, environmental, and economic linkages. The primary purpose of CSR is to contribute in a meaningful way to the needs of society. Their shared value in a new reality and collaboration even to the most prominent competitors is increasingly prevalent. Likewise, it becomes systemic and significant in all industries and sectors.

The concept of CSR developed and conveyed from a philanthropic idea amid the fifties to an image that embraces sustainable development goals in the current time (Nehme, 2020). It is currently a vital part of the business that gets more popular; thus, establishments are more concerned about integrating social responsibilities into their business practice (Rezwan, Bakhti & Rahman, 2017).

In the Philippines, as reported by Cervantes (May 2020), Congress has approved the Philippine House Bill 6137 to institutionalize CSR in corporations' operations. In encouraging companies to engage in CSR, the bill seeks to enable all domestic and foreign business organizations established under Philippine

laws, to observe corporate social responsibility in the operations of their businesses in the country.

Also, CSR-related activities shall include charitable programs and projects, scientific research, youth, and sports development, cultural or educational promotion, services to veterans and senior citizens, social welfare, environmental sustainability, health development, disaster relief and assistance, socialized and low-cost housing, and employee and worker welfare (Cervantes, 2020).

CSR occurs when a business firm consciously and deliberately acts to enhance the social well-being of those whose lives are affected by the firm's financial operations. CSR signifies that it may be present in a wide variety of business and economic contexts, from the smallest and simplest firms to the largest and most complex companies and a broad range of diverse societies worldwide (Wasioleski and Weber, 2018).

According to Addullah et al. (2019), a business that practices CSR considers the current and future business operations on the environmental impact, the community, and society. Hence, even small, and mid-sized companies are searching for ways to embed social good within their companies. CSR activities uplift the performance of the firms.

Philippine Banana Growers and Exporters Association (PBGEA) is one of the business industries established and is practicing CSR for so long will determine its commitment through its effects

on their respective communities. Regarding the stated information on the PBGEA, as indicated in the DTI-Exporters Manual Bureau (May 2017) and founded in 1974 as a nonstock corporation.

CSR efforts in the concept of Shared Value align with underlying corporate objectives to achieve better outcomes for the community and company. A company can then solve societal challenges while gaining a social license to operate and higher profitability. Thus, companies often contribute to community development.

Henceforth, many communities in this province are enjoying the shared values given by PGBEA to practice their CSR Companies typically contribute to various social investment initiatives such as health care, education, economic welfare, infrastructure development, and environmental protection (Parasibu et al.).

## **Objectives of the Study**

To determine the characteristics of beneficiaries

To ascertain the extent of implementation of the CSR program of PBGEA, Inc.

To establish the quality of life of the beneficiaries

To define the effects of CSR on the quality of life of the beneficiaries

To identify the challenges encountered by the implementers and beneficiaries in providing and availing of the program

## **Methods**

The study is a mixed methods type of research. Mixed methods combine qualitative and quantitative research elements to answer complex questions (Tashakkori and Creswell 2007). This research integrates qualitative and quantitative data within a single study (Halcomb and Hickman, 2015). The study used quantitative correlational in determining the characteristics, quality of life, and implementation effects on the beneficiaries' quality of life. Activities in the Philippine Banana Growers and Exporters Association correlate with seeing the beneficiaries' quality of life. Furthermore, the qualitative analysis identifies the challenges encountered in implementing its CSR activities and validated them by the program's availing.

The study respondents are the 400 beneficiaries of the PBGEA programs using simple random sampling and 20 informants.

The instrument used in this study is a validated questionnaire used by Kim, Uysal, and Sirgy (2012).

## Results and Discussions

The study aimed to determine the extent of the implementation of the CSR activities and their effects on the quality of life of beneficiaries of the Pilipino Banana Growers Association, Inc.

### ***As regards the characteristics of the beneficiaries***

The subjects were 400 banana growers comprised mainly of female respondents with 86%, with only 12% males. Of their ethnicity, more than half (51%) of the respondents are Mindanaons, followed by the Lumads with 21%, while the Visayans and Luzon ethnic group consisted of the remaining 17% and 10%, respectively. More than half of these respondents live in the community for more than eight years or more. The 25% had been in the village for >8-13years, 19% for >13 years-18years, and 18% for more than 18 years.

41% of the respondents are high school undergraduate in terms of school completion, and 27% completed their high school. The 14% had only completed their elementary, while the 4% are elementary undergraduate. Only 8% of the respondents went to college but were not able to complete their tertiary schooling.

*Of the work status*, the respondents with part-time work are equally distributed with those with a full-time job, having both 33%. However, 34% of the respondents did not indicate their work status. Half of the 400 respondents have 4-6 household members, a specific number of Filipino households. The 28% have 1-3 members only, while approximately 22% have a more significant number of 7 or more members.

In terms of *household income*, almost all respondent households earn less than P20,000, which is lower than the average Filipino family income of P22,000 per month.

Half of the homes earn P10,000 or less while those with incomes >P10,000-P13,000 and >P13,000-PP16,000 approximately comprise the 35% (distributed with 17% and 16.5%, respectively). Meanwhile, those with P16,000 to P19,000 household income consists of approximately 14%, and only about 4% have an income higher than P19,000 or more.

All respondents seem to disagree about their perceptions of the contributions of the income they received from CSR. Approximately 41% of the respondents perceived that CSR's revenue contributed somewhat or a little. In comparison, about 38% believe that CSR's income contributes a lot or almost all. Twenty-one percent (21%) felt that none of their income is coming from the CSR.

### ***As regards the extent of implementation of the CSR programs***

*In terms of Economic*. The highest mean value is 3.14, which the extent of implementing CSR's benefits to the community outweighs its costs. It indicates that this item concerning the

economic things was felt most by beneficiaries being implemented in their communities, yet to a *moderate extent*. The company owners see CSR engagement as a necessity for business, not least for its economic interest. Thus, the community people enjoy the company's benefits in terms of economic good enough to increase the living satisfaction of beneficiaries.

Even though the lowest mean is a 2.87 rating, one of the most important aspects of CSR is that it creates various jobs for the residents in the community. Still, the company was able to develop multiple occupations for its beneficiaries. Giving jobs to people living in the community can still consider CSR implementation a success and benefit the community even to a moderate extent.

The study's findings are similar to Kim, Usal, and Sirgy (2013), which viewed economic impact as having a positive economic force. Concerning the positive economic impact of tourism, the evidence suggests tourism helps improve the standard of living. Regarding the study's result in terms of economic, it stated that the beneficiaries of PBGEA felt economic things.

*In terms of Social.* The beneficiaries assessed them also to be implemented at a "moderate extent," with a weighted mean of 3.01. The CSR has resulted in unpleasant overcrowding for residents, and increased CSR provides more recreational opportunities for residents. A "moderate extent," "these social factors mainly felt in their communities "moderate extent," both are obtaining a mean of 3.08. The first highest indicator states that CSR's presence gives beneficiaries space for living in the community even to make them crowded, which only shows that the community enjoys its benefits; otherwise, they will leave the place. Furthermore, this increase in CSR provides more recreational opportunities to the beneficiaries simply because the company knew what to offer to people who have a lesser chance of making their lives enjoyable due to limited sources. In contrast, the least felt among the social aspects (6) CSR is a significant reason for the variety of community services with 2.96. Perhaps, the company is giving only the most suitable community services where the beneficiaries will enjoy and improve their quality of life.

Likewise, Kim, Uysal, and Sirgy (2012) found that positive perceptions of tourism's social impact significantly influenced community life satisfaction. However, satisfaction with community life did not considerably influence life satisfaction. Matthew and Sreejesh (2017) also analyzed that regarding sustainability and quality of life, the emphasis should be on implementing effective social programs/schemes, empowerment of the socially and economically backward community, and residents' engagement in tourism-related activities.

*In terms of Cultural.* Like in economic and social factors, CSR implementation based on cultural benefits was also evaluated by the communities to moderate with a mean of 2.92. Of the cultural aspects, the commercial demand of CSR causes changes in the style and forms of

traditional arts and crafts got the highest mean of 3.05. It states that the style and arrangements of traditional arts and crafts are changing. It is acceptable that the people in the community are standard, which embraces their cultural skills. Hence, through the commercialization of CSR, their traditional arts are shifted.

In contrast, beneficiaries desire to meet CSR from as many countries as possible to learn about their cultures. It means that the people in the community wanted to preserve their cultures just like in the other countries. Also, Kim, Uysal, and Sirgy (2012) found that positive perceptions of the cultural impact had a statistically significant influence on emotional well-being, such as satisfaction with leisure and cultural life.

*In terms of Environmental.* The extent of CSR implementation based on environmental factors was also described by the communities as implemented to a "moderate extent" with a mean of 2.99. The CSR, which produces large quantities of waste products, gained the highest mean of 3.07 interpreted as "moderate extent." Simultaneously, the most negligible factor is the CSR has contributed to preserving the natural environment and protecting the wildlife in the community. The highest indicator states that due to the many activities done by the company's CSR, it turned to have a vast amount of waste products that barely destruct the environment. Which also like the minor item where the natural environment and the wildlife community are less protected.

An adverse perception of environmental impact on adding large quantities of waste products or destroying the landscape's beauty by littering is a significant predictor of satisfaction with health and safety. Nkemngu's (2015) study regarding development negatively impacts littering, waste of water and other resources, and pollution. Thus, the environment preservation and enhancements provide sufficient resources to meet community residents' needs.

Assessing CSR's overall implementation in the communities, the beneficiaries evaluated them moderately, with a mean of 2.98. Of the CSR factors, the beneficiaries' economic and social factors are being felt mostly, having obtained a mean of 3.01, though it can still be interpreted as moderately implemented. Meanwhile, the beneficiaries' environmental and cultural factors are the least felt, with a mean of 2.99 and 2.98. But always, these means can be interpreted as enforced to a moderate extent.

CSR is the business's commitment to contribute to sustainable economic development, working with employees, their families, and the local community and society.

Ultimately it improves the quality of life's well-being in ways that are both good for business and good for development (Axelfelt, 2014). It can positively impact corporate performance in the long term (Lankoski, Smith, and Van Wassenhove, 2016).

Economics sees the firm as a private entity operating in a market, tasked with generating goods and services, including wealth generation, and in the process, necessarily consigning social costs to the public at large (Sheehy, 2014). As stated in the study of Kim, Usal, and Sirgy (2013), the economy has an impact and has been viewed as a positive economic force, both positively and negatively.

However, the beneficiaries' economic CSR activities result only to a moderate extent of implementation as perceived by the beneficiaries. It means that the stated predictors of economic are enjoyed only by the beneficiaries on an average amount.

Social responsibility means that individuals and companies must act in the best interests of their environment and society as a whole (Ganti, 2020). Yet, in the social aspect of CSR, beneficiaries experienced it only in a moderate way.

The cultural elements make companies believe they are obligated to conduct CSR activities such as philanthropic value, goodwill, responsibility, and charity

(White and Alkandari, 2019). Beneficiaries of PBGEA experience the cultural aspect of CSR to a moderate extent of implementation.

Among the four CSR elements, this one got the lowest overall mean of 2.92. Perhaps the beneficiaries living in this community belong to different ethnic groups. Like Mulamin's (2017) findings, he proved in his research that not all companies had implemented CSR programs well in terms of cultural aspects.

Lastly, Melykh and Melykh (2016) found that ecological certification among companies from the

economic sector produces industrial goods regarding the environmental part of CSR.

Similarly, the present study established a belief that CSR activities affect just moderately the environment.

### ***As regards the quality of life of the beneficiaries.***

*In terms of the Level of Satisfaction in Various Living Conditions.* The assessments of beneficiaries' quality of life regarding the level of satisfaction on various living conditions found as "satisfactory" with a mean rating of 3.00. That indicates the contentment of these beneficiaries with the quality of their life in a different aspect.

The beneficiaries' level of satisfaction in various living conditions was rated "satisfactory." However, the influx of CSR from worldwide into their community and (8) the community environment conditions such as air, water, land, where the beneficiaries are primarily

reasonably satisfied having obtained the highest means among the items considered. These items have a mean of 3.11 and 3.10, respectively.

The first indicator states that the invasion of CSR in their place makes their life satisfying because they benefited a lot from the company's CSR. Alongside the community's environment, they make their lives comfortable because they enjoy clean air, clean water, and land to stand in their houses, making their lives more satisfying. On the other hand, the beneficiaries' current job's income got the lowest mean of 2.81, but still assessed as "satisfactory," which means that their income is insufficient to support their needs, but they are satisfied.

*In terms of the Level of Life Satisfaction.* The beneficiaries' quality of life was "satisfactory" with a mean value of 3.02. The beneficiaries' satisfaction with the availability of religious services in their community has obtained the highest mean of 3.13, among the items listed on life satisfaction. Getting the least mean among the things under life satisfaction is the beneficiaries' belief that they are particularly happy with how we preserve culture in my community, with a mean of 2.91 that can still be considered "satisfactory" among the beneficiaries.

The first statement signifies that their faith is given much emphasis, which is most important to them. Though these people have different beliefs, the community gave due respect to each of them, making their lives satisfying. On the second statement, the community people gave the least rating on how the community preserves culture, as stated in the previous discussion. Due to the commercialization of CRS, the cultural arts are being changed.

*In terms of the Level of Satisfaction on Health and Safety.* Of their level of satisfaction with their health and safety, the beneficiaries were satisfied, obtaining an overall mean rating of 3.02. The leading source of their satisfaction for their health and safety was their health, condition with a mean value of 3.14 interpreted as "satisfactory." They rated least on their health and safety, was social status with the lowest mean value of 2.89 but still interpreted as "satisfactory."

This is almost true for everyone; health is wealth and is considered the most important to everyone. A healthy individual has a most satisfying life than those with money but suffering from illness. On the contrary, social status in this community is not that important or not given much satisfactory recognition. The people living here are mostly simple living people. Thus, social status is of no significance to them.

Assessing the overall satisfaction on their quality of life, the beneficiaries are primarily fairly satisfied, with a mean of 3.01. They are satisfied with their life, including their health and safety and their living in various conditions. Aivazian (2016) indicated that quality of life could measure personally and community-wide, determining which factors make a list. The beneficiaries of PBGEA measured their quality of life in a fairly satisfied manner.

***As regards the effects of CSR on the quality of life of the beneficiaries.***

From the indicators of the extent of CSR implementation, the environmental factor showed a significant effect on the beneficiaries' quality of life based on the significant *t* value of .029, which is significant at a .05 level of significance.

As an inferential statistic, regression analysis relates the *p*-values that determine the observable relationships in the sample in the bigger population. There are no direct or indirect correlations or associations between the independent and the shifts in the dependent variables altogether. Therefore, the conclusion is insufficient evidence to conclude that there is an effect at the population level (Frost, Jim; 2018). The data predicts that the hypothesis that there is a null relationship/ correlation. Thus, a change in the independent variable is associated with a change within the parameters of the dependent variable. The *p*-value

(probability value) is a quantitative measure to report the result of statistical hypothesis testing. For a given study, it helps in measuring the probability of the observed result (or more extreme), assuming the null hypothesis(*H*<sub>0</sub>) is true, based on a significance level [typical values used for alpha = (0.05, 0.01, 0.001)]. (*p* < alpha). It is recommended to set the alpha before starting the test.

The regression results show that the predictor variables are statistically significant because their *p*-values equal 0.000. On the other hand, East is not statistically significant because its *p*-value (0.092) is greater than the usual significance level of 0.05. The *t*-value is computed for a *t*-test, and a *t*-test is a statistical test to measure the difference in means(averages) of one or two population distributions, just like the one done in this study.

**Table 1.** Extent of CSR implementation

Model	Standardized Coefficient Beta	t	Sig.	Remarks
Economic	.046	.911	.363	Not Significant
Social	.091	1.814	.070	Not Significant
Cultural	.048	.954	.341	Not Significant
Environmental	.110	2.197	.029	Significant at 0.05 level of significance
R <sup>2</sup> = .025      F = 2.49				Sig F=.043

The data also revealed that the extent of CSR implementation in terms of economic, social, and cultural showed no significant effect on the beneficiaries' quality of life.

However, when taken jointly, the extent of CSR implementation in terms of economic, social, cultural, and environmental factors showed combined significant effects on the beneficiaries' quality of life as shown on the Significant *F* value of .043. Furthermore, the *r*-square of 0.025 represents the CSR's total variation to explain its influence on the community's quality of life which refers to the environmental aspect of the CSR activities.

The study's findings support Sila and Cek (2017) research, which found that environmental performance had a positive effect on economic performance to a lesser extent. Still, the effect size is much smaller than that of social accounts. They further suggest that managers should focus on environmental practices and particularly social practices to improve economic performance. Such strategic use of CSR could create competitive advantages.

Thus, quality of life can be developed by encouraging employment practices that provide opportunities for socially and economically backward people, supporting enterprises' development by disadvantaged people, and endorsing industry/business partners' compulsory spending (Kim et al., 2013).

***As regards the challenges encountered by the implementers and beneficiaries in providing and availing the program.***

Three well-known personalities, the professors and a research director from Ateneo de Davao University and the University of Mindanao, validated the questionnaires. Another two prominent scholars from Manila were consulted, verify, and validated the questionnaires. Likewise, the language translations from the L1 to L2 were done by major Ph.D. linguistics in the province. The researcher and the local dialect interpreter, and a recorder run a Focus Group Discussion (FGD) to around twenty (20) banana planters/ growers in two sessions. The set FGD followed the usual routine of handling or running the session, such as the topic of discussion, set of questions, another assigned note-taker, pre-selected (randomized) invitees, and secured consents from the heads in the community.

It was also an opportunity to introduce themselves individually and consequently break the formal session open. *Ang matag napili nga partisipante gipangutana ang ilang mga rason kung unsa ang ilang nakita nga hinungdanon sa pagpadagan sa mga kalihokan sa CSR sa ilang lugar ug gipaambit kung unsa ang ilang masulti o mahibal-an nga mga bentaha / disbentaha sa adunay mga kalihokan sa CSR.* (Each selected participant was asked their reasons what they see as significant in the conduct of CSR activities in their place and shared what they can say or perceived are the advantages/ disadvantages of having CSR activities). Final transcription and translation were confirmed/ done by a Ph.D. Linguistic professor from Philippine Women's College and a native of Davao City after the submitted drafts. Following the best-practice language translation process that involves transcribing and completing the recorded discussion during the FGD.

After completing the text to be translated, an initial translation was subjected to review the accuracy of the translation. After counterchecking, the integrity from the transcribed and audio files refines the translation wording—adjustments to adapt to the actual or true meaning of the transcriptions as expressed in the FGD.

The following local narratives in verbatim extrapolated from their responses. The participants' responses varied and overlapped, but most reactions are positives as against negative responses.

Most participants expressed CSR satisfaction as helpful, and they derived benefits- nine (9) respondents.

It also includes satisfaction on services- four (4), being happy five (5), being active- three (3), and same or no effect in their lives is five (5) or almost 25% of the respondents. The majority, almost in unison, was so attached to the environmental concerns. They always included their take or stand in the protection and preservation of their community.

## References

Abdullah, A. Yaacob, M.R, Ismail, M., Zakaria, M., Abdullah, Z., & Radyi, Z. (2017). Corporate Engagement with the Community: Building Relationships Through CSR. *Journal of Engineering and Applied Sciences* 12 (6): 1538-1542, 2017 ISSN: 1816-949X © Medwell Journals, 2017

Cervantes, Mikee (May 2020). Corporate Social Responsibility Bill gets the nod. Philippines News Agency. Retrieved from: <https://www.pna.gov.ph/articles/1103485>

Halcomb, E. J., & Hickman, L. (2015). Mixed methods research.

Nehme, Mohamad (2020). CSR and Innovation: An Integrative Role for Maintaining Sustainability. Proceedings of the 3rd International Scientific and Practical Conference «Competitiveness Model of Innovative Development of Ukraine's Economy,» Kropyvnytskyi, April 14, 2020

Pasaribu, S.I., Vanclay, F., and Zhao, Y. (2019). Challenges to Implementing Socially-Sustainable Community Development in Oil Palm and Forestry Operations in Indonesia. *Land* 2020, 9, 61; doi:10.3390/land9030061 <https://www.mdpi.com/journal/land>

Philippine Exporters' Directory (May 9, 2017) Directory of Philippine Exporters. Published by Export Marketing Bureau (DTI-EMB).

Rezwan, S., Bakhti, B. & Rahman, R. ( 2017). Sustainable National Development Through Combining CSR Activities with Academic Projects. Rajapaksha.Upendra et al. (eds), 2017, "Design that cares - an interdisciplinary approach to making built environments efficient and meaningful": *Proceedings of the 10th International Conference of Faculty of Architecture Research Unit (FARU), University of Moratuwa, Sri Lanka, December 08-09, Colombo* pp. 000–000. ©

Tashakkori, A., & Creswell, J. W. (2007). The new era of mixed methods.

Wasieleski, D.M. and Weber, J. *Business and Society 360*. Emerald Publishing Limited Howard House, Wagon Lane, Bingley BD16 1WA, UK First edition 2018 Copyright r 2018 Emerald Publishing Limited