

## **SOCIAL RESPONSIBILITY OF UNIVERSITY: CASE STUDY OF PROJECT A.C.T.I.V.E**

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**Abstract.** Facing with global economic issues and changes, the risk and challenges of a growing, insecure and complex environment, a need arose for a new role and function of universities. The emphasis has been put on universities as socially responsible subjects in social and economic development of every country. Universities are becoming more and more important participants in the creation of sustainable social development, because connecting the learning process with economic activities can affect the creation of sustainable dynamics of economic and social development of the community in which the university works [Etzkowitz, 2002].

By carrying out project *A.C.T.I.V.E. – Activity and Creativity Through Ideas and Ventures = Employment*, J. J. Strossmayer University in Osijek – Faculty of Economics showed that they are capable of recognizing current issue within the community and to resolve these issues by undertaking taking proper measures. This way the University plays a significant role of brokering positive changes in our society.

The aim of this paper is to put emphasis onto social responsibility of the University in carrying out project A.C.T.I.V.E., the goal of which is to establish and improve prerequisites for employability and self-employability of young people in Osijek-Baranja County, especially college and high school graduates as well as inexperienced unemployed people.

**Key words:** social responsibility, socially responsible universities, project A.C.T.I.V.E., Osijek-Baranja County

### **INTRODUCTION**

Universities increasingly become the source of regional economic development. MacDonald [2013] points put that universities exist within a global economy that has become ultracompetitive and within a domestic environment that is often resource constrained. Facing with global economic issues and changes, the risk and challenges of a growing, insecure and complex environment, a need arose for a new role and

function of universities. The emphasis has been put on universities as socially responsible subjects in social and economic development of every country. According to Etzkowitz [2003], the role of universities in a knowledge-based society is multiplex, and the most important is participation in social and economic development – together with the existent role of teaching and research – comparable with a second academic revolution.

Hughes [2007] implies that young people today are faced with inexhaustible source of opportunities and choices on one, and changes, risk and challenges of a growing, insecure and complex environment on the other side. Since people are the main source and carriers of ideas, information, knowledge and skills, motivation and diversity of education opportunities are a key factor in the process of creating intellectual capital. Intellectual capital is the strategic basis of a modern society and economy. Purpose and strategic outcomes of universities must have a tangible impact on the prosperity of society.

By carrying out project *A.C.T.I.V.E. – Activity and creativity through ideas and ventures = employment*, J. J. Strossmayer University in Osijek – Faculty of Economics showed that they are capable of recognizing current issue within the community and to resolve these issues by undertaking proper measures. This way the University plays a significant role of brokering positive changes in our society.

## **SOCIAL RESPONSIBILITY – WHAT DOES IT MEAN?**

There are more and more businesses in Europe, as well as in the rest of the world, who promote their socially-responsible strategies aimed at solving certain economic and social issues, as well as protecting the environment, whilst positively affecting their future profit.

The Corporate Social Responsibility (CSR) concept is founded on a relationship between the business world and society as well as on the company behavior towards its stakeholders [Hicks 2007].

Corporate social responsibility can be defined as a concept in which companies voluntarily integrate care for society and environment with their business activities and their stock market policies (Pavić-Rogošić L. 2007). Social responsibility means putting ethical standards to work in all areas of community. Lamberton and Minor-Evans [2007] implies that being social responsible is acting ethically while understanding that your actions are part of the larger, interactive picture of the workplace, the community, and the world.

Furthermore, socially-responsible business is in accordance with the main note of EU Sustainable Development Strategy adopted in June 2001 by the Council of Europe in Gothenburg, Sweden, which implies that economic growth, social cohesion and environment protection should go hand in hand.

Universities are becoming more and more important participants in the creation of sustainable social development, because connecting the learning process with economic activities can affect the creation of sustainable dynamics of economic and social development of the community in which the university works [Etzkowitz 2002].

Unlike Wesheimers [2008] assertions that most educational institutions do not understand their role in creating “good citizens”, Faculty of Economics in Osijek surely recognized its part and contribution to economic development as well as the fact that the academic education alone is not enough. Adapting to market needs, Faculty of Economics in Osijek is developing programs which are in demand with a goal of increasing competitiveness, productivity and employment, and together with that ensuring a stable and sustainable economic growth, thus contributing to both the economy and society as a whole, and to the fact “that universities are capable of recognizing the changes and developments in their community and actively taking part in the development of culture where socially responsible behavior of all members of the society is the very basis of their existence.” [Perić 2012].

### OSIJEK-BARANJA COUNTY – SOCIAL AND ECONOMIC ASPECTS

Osijek-Baranja County is the fourth largest Croatian county by area, with total area of 4 152 km<sup>2</sup>. Figure 1 shows position of Osijek-Baranja County in the Republic of Croatia.



Fig. 1. Position of Osijek-Baranja County in the Republic of Croatia  
 Source: own study on the basis of [www.obz.hr](http://www.obz.hr) (accessed on 22 June 2014)

According to the 1991 Census, Osijek-Baranja County had a population of 367 193 people, which fell to 330 506 people in 2001 and 305 034 people in 2011, which leads to conclusion that the number of people living in this county has been on a continuous decline since the beginning of Homeland War in 1991. The reasons for this decline lie in the fact that this county records negative natural growth rate each year (-1 265 people in 2007 and -1 177 people in 2012), and that the migration rate for this county is also negative (-447 migration rate towards other counties in Croatia, -319 with foreign countries).

According to the Regional Competitiveness Index in 2010, Osijek-Baranja County ranks 13<sup>th</sup> out of 21 Croatian counties in total.

Within the County, there are 11 749 registered legal entities, with 6 052 active entities. Largest number of entities is registered in trade (wholesale and retail) sector and other services. In 2012, legal entities in Osijek-Baranja County registered total revenue of 22.6 billion Kuna, with most of it registered within processing (28%) and agricultural (25%) sector<sup>1</sup> – Figure 2. Besides food industry, other industries represented in the County include chemical, logging and paper industry, metal-processing, engineering, textile industry, building materials production and construction.

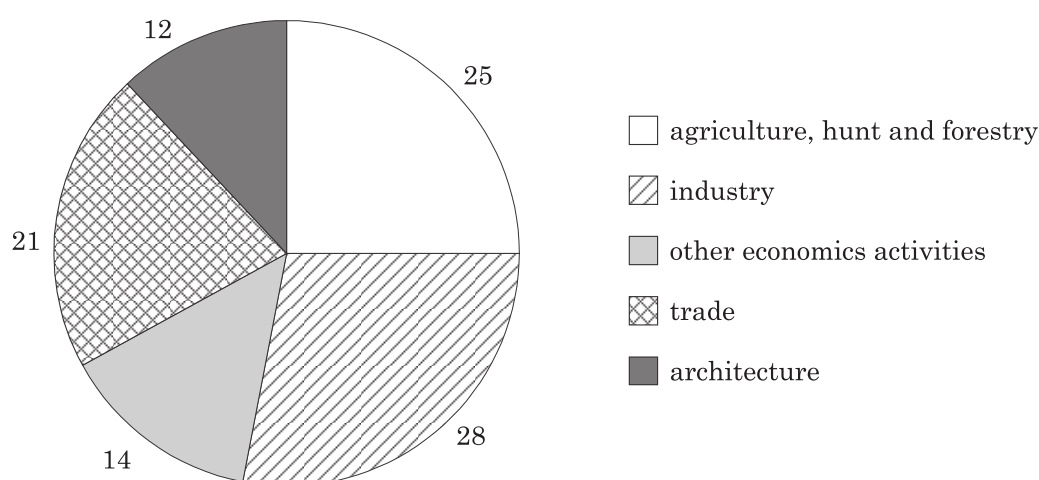


Fig. 2. Business revenues in Osijek-Baranja County in 2012, expressed in percentage according to respective industrial sector

Source: <http://www.hgk.hr/category/zk/osijek> (accessed on 17 June 2014)

According to FINA, the overall business result of economic entities in the County in 2012 was a loss of 1.316 billion Kuna, and the only companies that recorded profit came from agricultural, forestry and fishing sectors, while companies that produce food and beverages recorded losses. Compared with food and beverage sector, entities from agricultural, forestry and fishing sector also recorded higher long-term investments in 2012, higher number of new employees and higher average salaries. However, entities from these three sectors are also the only ones which recorded negative export-import balance in 2012.

<sup>1</sup> <http://www.hgk.hr/category/zk/osijek> (accessed on 17 June 2014)

Regarding livestock breeding industry, it is necessary to intensify production of milk and meat, which cannot meet the demands of domestic market.

Abundant with natural resources and tourist landmarks and festival, Osijek-Baranja County provides opportunity for developing various types of continental tourism – wine, eco, rural, hunting and fishing, excursion, health, cultural, cycling. Floodplain and swamp area of Kopački rit nature park has an area of 17.7 thousand hectares and it recorded 28 756 visitors in 2012. Bizovac Spa registered 127 thousand visitors in 2012, while State Lipizzaner Stud Farm in Đakovo recorded 15 157 visitors. Other important tourist sites include vineyards in Drenje, Feričanci, Dalj and Zmajevac, together with numerous wine routes (12 in total).<sup>2</sup> However, tourist capacities in the County are still poorly exploited, with total profits from tourism in Osijek-Baranja County in 2012 reaching only 129 million Kuna, which represents a share of just 0.6% of total profits recorded in the County.<sup>3</sup>

Osijek-Baranja County also records a high unemployment rate, with average annual rate reaching 32.1% in 2013.

Table 1. Average number of unemployed persons in Osijek-Baranja County according to level of education from 2011 till 2013.

Level of education	Average number of unemployed		
	2011	2012	2013
No formal education	2 483	3 000	2 962
Primary school	7 799	7 715	7 984
Vocational schools and other secondary schools with three-year program	10 384	10 844	11 612
Grammar school and other secondary schools with four-year program	9 501	10 041	11 050
Bachelor degree, lower academic degree	845	999	1 201
Higher academic degree, master's degree, doctoral degree	1 421	1 644	1 815
Osijek-Baranja County – total	33 474	34 243	36 624

Source: Croatian Employment Institute, Osijek Regional Office: Almanacs for 2011, 2012 and 2013

As shown in Table 1, the number of unemployed persons with secondary school and university degrees has increased during the monitored period, with total number of college-educated unemployed persons in 2013 increasing by 750 compared to 2011 (25% increase) and the number of unemployed persons with secondary education increasing by 2 777 during the same period (12%).

<sup>2</sup> [http://www.hgk.hr/wp-content/blogs.dir/1/files\\_mf/turizam\\_2013.pdf](http://www.hgk.hr/wp-content/blogs.dir/1/files_mf/turizam_2013.pdf) (accessed on 20 June 2014)

<sup>3</sup> [http://www.hgk.hr/wp-content/blogs.dir/1/files\\_mf/turizam\\_2013.pdf](http://www.hgk.hr/wp-content/blogs.dir/1/files_mf/turizam_2013.pdf) (accessed on 20 June 2014)

**CASE OF J.J. STROSSMAYER UNIVERSITY IN OSIJEK, FACULTY OF ECONOMICS IN OSIJEK – PROJECT A.C.T.I.V.E. – ACTIVITY AND CREATIVITY THROUGH IDEAS AND VENTURES = EMPLOYMENT**

Adapting to market needs, J.J. Strossmayer University in Osijek, Faculty of Economics in Osijek is participating in project *A.C.T.I.V.E. – Activity and Creativity Through Ideas and Ventures = Employment*, in cooperation with Center for Entrepreneurship, Osijek and Croatian Employers' Association, Osijek Regional Office, BIOS d.o.o. – business incubator in Osijek, four high schools, Osijek-Baranja County and Croatian Employment Institute, Osijek Regional Office.

Project *A.C.T.I.V.E. – Activity and Creativity Through Ideas and Ventures = Employment*, started in February 2014, has the main goal to improve prerequisites for employability and self-employability of young people in Osijek Baranja County, especially college and high school graduates as well as inexperienced unemployed people.

Specific goals of the project are:

a) to contribute to increase in employment and self-employment of young people in Slavonia and Baranja, through informing, counseling and education about the proactive approach to job market and self-employment, encouragement and development of entrepreneurial skills,

b) to create prerequisites for continuous assistance to young people – college and high school graduates in Osijek-Baranja County as well unemployed young people with no work experience with a goal of motivating, strengthening and assisting startup of new enterprises within the Student Incubator – business incubator for young people.

Besides that, this project has a goal of solving some other burning issues existing in Osijek-Baranja County, such as<sup>4</sup>:

- lack of communication and soft skills among young people (presentation skills, communication skills, preparing personal presentations etc.);
- insufficient level of education in the field of entrepreneurship;
- employers rarely hire young people with no work experience;
- insufficient informing of target groups concerning available jobs, possibilities for involvement in the work of civil society organizations, possibilities of involvement in periodical jobs, various forms of education;
- insufficient counselling of target groups concerning a proactive approach to the labor market.

Project area, Osijek-Baranja County, consists of 42 self-governing administrative units – seven cities and 35 municipalities.

To describe the main stakeholders of project and the project area we used the map shown below (Figure 2).

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<sup>4</sup> Project A.C.T.I.V.E. – Local employment development initiatives Grant application form, 2012. Project A.C.T.I.V.E is co-financed from EU funds under the tender „Local employment development initiatives.”



Fig. 3. Map of Osijek-Baranja County – project area

Source: own study on the basis of <http://geoportal.dgu.hr/viewer/> (accessed on 22 June 2014)

As shown by Figure 3 we used digital orthophoto map (DOP5) from Geoportal of State Geodetic Administration to describe the area of the project which is Osijek Baranja County<sup>5</sup> situated on eastern Croatia.

Geoportal of State Geodetic Administration represents the central point of access to spatial data and one of the fundamental elements of the National Spatial Data Infrastructure

Digital orthophoto map (DOP5) is the official state map and is produced at a scale of 1: 5,000 for the entire Croatian territory. Orthophoto map is a map sheet composed of one or more orthophoto images of a single scale with the loaded the grid, corresponding cartographic signs and supplemented outside the framework data.

Digital orthophoto map on Croatian territory systematically drafted since year 2000. The entire Croatian territory is covered with 10,945 sheets DOP5. The surface of one sheet covers an area of 600 hectares. The basic product on which the production DOP5 are aerial images taken under the relevant product data sheet. Digital orthophoto map used for administrative purposes, particularly for the urban and rural planning<sup>6</sup>.

<sup>5</sup> Osječko baranjska županija

<sup>6</sup> <http://geoportal.dgu.hr/podaci-i-servisi/dof5/> (accessed on 22 June 2014)

Main stakeholders of the project are<sup>7</sup> {Projekt A.C.T.I.V.E... 2012}:

- final year students of J.J. Strossmayer University in Osijek and high school final year pupils who will be, due to project implementation, ready and more competitive for labour market i.e. employment or self-employment;
- unemployed young persons without any work experience;
- entrepreneurs in Osijek-Baranja county who will have better possibility of greater and easier access to quality workforce with skills they need the most.

Till May 2014 were held 14 workshops for 210 students and unemployed young people without work experience. In the same period, 28 workshops were held for 226 students of high schools. Workshop topics were “Recognition of entrepreneurial opportunities”, “From idea to entrepreneurial venture”, “From idea to business venture”, “Labour market empowerment” and “Social entrepreneurship” with the same aim to increase competences and soft skills of students and unemployed young people without work experience, but students of high schools too.

Every workshop was methodologically divided into theoretical and practical part. In the practical part of each workshop entrepreneurs and guest lecturers have shared their own entrepreneurial experiences with participants.

## CONCLUSION

Since people are the main source and carriers of ideas, information, knowledge and skills, motivation and diversity of education opportunities are a key factor in the process of creating intellectual capital. Intellectual capital is the strategic basis of a modern society and economy.

By analyzing data on unemployed persons in respect to their level of education for Osijek-Baranja County from 2011 till 2013, one can conclude that the number of unemployed persons is growing larger each year. The main goal of project A.C.T.I.V.E. is to establish and improve prerequisites for employability and self-employability of young people in Osijek-Baranja County, especially college and high school graduates as well as inexperienced unemployed people. By doing that, it will also represent corporate social responsibility policy of J.J. Strossmayer University in Osijek, whose main goal is to achieve sustainable regional development.

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<sup>7</sup> Project A.C.T.I.V.E. – Local employment development initiatives Grant application form, 2012. Project A.C.T.I.V.E is co-financed from EU funds under the tender „Local employment development initiatives.”



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## ODPOWIEDZIALNOŚĆ SPOŁECZNA UNIWERSYTETU. STUDIUM PRZYPADKU – PROJEKT A.C.T.I.V.E.

**Streszczenie.** W obliczu globalnych problemów gospodarczych i zmian oraz ryzyka i wyzwań rosnącej niepewności i złożoności otaczającego środowiska, pojawiła się potrzeba nowej roli i funkcji uniwersytetów. Uniwersytety, jako społeczne podmioty, obciążono odpowiedzialnością za rozwój społeczno-gospodarczy każdego kraju. Stają się one coraz ważniejszym podmiotem w tworzeniu zrównoważonego rozwoju społecznego, ponieważ łącząc procesy dydaktyczne z działalnością gospodarczą mogą mieć wpływ na tworzenie zrównoważonej ekonomii i zrównoważonego społeczeństwa w regionie występowania. [Etzkowitz 2002].

Inicjując projekt A.C.T.I.V.E. (*Activity and Creativity Through Ideas and Ventures = Employment*), – aktywność i kreatywność poprzez pomysły i przedsięwzięcia = zatrudnienie na Wydziale Ekonomii, JJ Strossmayer Uniwersytet w Osijeku wykazano, że uniwersytety są zdolne do rozpoznawania aktualnych problemów w społeczności i do ich rozwiązywania przez podjęcie odpowiednich kroków. W ten sposób JJ Strossmayer Uniwersytet odgrywa znaczącą rolę, pośrednicząc w tworzeniu pozytywnych zmian w społeczeństwie.

W pracy przedstawiono rolę odpowiedzialności społecznej uniwersytetu poprzez prowadzenie projektu A.C.T.I.V.E., którego celem jest stworzenie i poprawa warunków aktywności zawodowej, w tym samozatrudnienia młodych ludzi w regionie Osijek-Baranja. Projekt otwarty jest zwłaszcza na absolwentach uczelni i szkół średnich, jak i na niedoświadczonych bezrobotnych.

**Słowa kluczowe:** odpowiedzialność społeczna, odpowiedzialność społeczna uniwersytetów, Projekt A.C.T.I.V.E., region Osijek-Baranja

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