

Corporate Responsibility and Responsible Management Education in the Eyes of MBA Students

The MGSM – PRME MBA Global Student Survey

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Preface



I am pleased to bring to you this preliminary report on a study led by Macquarie Graduate School of Management (MGSM) in Australia and the United Nations-supported Principles for Responsible Management Education (PRME).

The survey was conducted in PRME Signatory Schools during November-December 2011 and focused on the students' attitudes and perceptions toward CSR and responsible management education.

I would like to thank Jonas Haertle and the PRME Secretariat at the UN Global Compact Office for their enthusiastic support and their tremendous help; the 48 signatory business schools who participated in this study; the 1,250 students who responded to the survey; and the Dean and the team at MGSM whose ongoing support made this study possible.

Dr Debbie Haski-Leventhal
MGSM, Australia, June 2012



The results of the report you are holding are very encouraging. They indicate that the students in PRME signatory schools have positive attitudes towards responsible management, and would like their schools to further introduce them to responsible management education. The data collected by Dr Debbie Haski-Leventhal provides evidence supporting what PRME has been working towards since the day it was established: that students, as well as other stakeholders, demonstrate social responsibility. It is our role, for PRME as an initiative and as education institutions to meet their expectations.

I would like to thank the 48 PRME signatory schools that participated in this study. Without them and their students, this study would not have been possible. I would like to take this opportunity to further encourage all signatory business schools to participate in the MGSM-PRME survey in the future, so we can get a broader view on the perspectives of students from around the world.

Jonas Haertle
Head, PRME Secretariat

Introduction

The growing trend of CSR (corporate social responsibility) shows that companies are beginning to understand the need to do more than make profit and to be part of a greater social solution. While many have corporate giving programs, few companies know how to achieve a substantial social impact. This is the reason that the United Nations has launched the Global Compact: to encourage companies to be socially responsible and act in alignment with principles on human rights, labour and the environment. As such, business schools have an important role to proactively educate current and future business leaders about responsible management. The United Nations-supported Principles for Responsible Management Education (PRME) was launched to inspire and champion responsible management education, research and thought leadership globally. Macquarie Graduate School of Management is an Australian business school whose mission is to develop leaders with a global mindset who create sustainable value and are good citizens. As such, MGSM and PRME collaborate to enhance evidence based discussion on responsible management education.

The aim of this study was to examine attitudes and perceptions towards responsible management and responsible management education among MBA students in various nations and cultures. We wanted to measure their attitudes and perceptions on CSR and to understand what can be done to enhance positive attitudes. The goal is to have an annual survey to measure trends in the following decade.

Literature review

In the last two decades we have seen the world change rapidly, with globalisation, technology, social media, the rise of consumers' awareness and actions for change, unethical behaviour by firms that led to disasters, and the recent global financial crisis which was also attributed to unethical behaviour of governments and firms. Some of these changes led to an ongoing discussion on the role of consumers, governments and firms. Gardiner and Lacy (2005) argued that business interest in social and environmental responsibility has been triggered by successive corporate scandals combined with enormous pressure from NGOs, policy-makers, consumers, and the media. Porter and Kramer (2011) agreed that "capitalism is under siege" and that the business sector must undergo some fundamental changes.

The business sector is presently shifting from the narrow view of business purpose (maximising value for shareholders) to a broader view, which is more socially responsible. While the journey before us is long, we can see examples of such transformation all around the world. One indication of this shift is the number of companies signing the UN Global Compact, which addresses the social responsibility of firms towards human rights, labour rights, the environment and anti-corruption.

Consequently, if the business sector is changing and consumers' awareness is on the rise, where does it leave business schools? What is the current role of those educating present and future business leaders? In this report we will cover the literature on corporate social responsibility (CSR) and the change that has occurred in some business schools around the globe in regard to responsible management education. We will then focus on one group of stakeholders: the business management students to describe their attitudes towards CSR and CSR education.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is not an easy term to define, as it is an umbrella term overlapping with some, and being synonymous with other, conceptions of business-society relations, such as sustainability, corporate citizenship and others (Matten & Crane, 2005). It has clearly been a dynamic phenomenon (Carroll, 1999) and therefore its definition is constantly evolving as

well. CSR encompasses the economic, legal, ethical and philanthropic expectations that society has of organisations at a given point in time (Carroll, 1991). CSR is also a view of the corporation and its role in society that assumes a responsibility among firms to pursue goals in addition to profit maximisation and a responsibility of the stakeholders to hold the firm responsible for its actions (Freeman, 1984).

While the literature on CSR is growing rapidly, Carroll's (1979) construct of CSR remains the most comprehensive and respected in the literature, and in textbooks used in business schools (e.g. Werther and Chandler, 2011). Carroll identified and analysed economic, legal, ethical, and philanthropic dimensions of corporate responsibility. In his view, corporations must maximise profits in order to survive and also comply with law, make fair and impartial decisions, satisfy social values, and make social contributions to improve societal welfare. Carroll (1991) later theorised a priority pyramid, with economic objectives to form the foundation, followed by legal and ethical goals, and philanthropic objectives at the top. Carroll explained philanthropy as the expectation that businesses contribute financial and human resources to improve the community quality of life. He posited that maximisation of profit, compliance with law, acting ethically with fairness, equity and impartiality, and making social or philanthropic contributions to society address the entire spectrum of obligations of business to society (Carroll, 1999).

Based on these four aspects, Freeman (1984) proposed the stakeholder approach, which can help companies understand which stakeholders they are responsible for and how to prioritise these stakeholders on the four levels of social responsibility. Freeman defined stakeholders as any individual, group or institution who is affected, positively or negatively, by the achievement of an organisation's purpose. As such, a firm's stakeholders can include its employees, shareholders, suppliers, consumers, governments and the community. The discourse on CSR remained within these boundaries until in 2011, Porter and Kramer suggested a new paradigm for thinking of the relationship between the business sector and society. The authors suggested moving from CSR to CSV: creating shared value, which is not about businesses acting as charities, but rather businesses acting as businesses (with their knowledge, resources and tools) to create shared vision with the society in which they operate and to co-achieve this vision.

Responsible Management Education

Business schools have a responsibility to provide practitioners with training in the basics of ethics, which would ideally act as a catalyst to stimulate socially and ethically managed business organisations (Cornelius Wallace, & Tassabehji, 2007).

But this is not always the case. According to some, unless they fundamentally change, business schools are “no more than brain washing institutions educating their graduates only in relatively narrow shareholder value ideology” (Matten & Moon, 2004). In Europe, for example, the founder of the European Business Ethics Network has argued that “business ethics” has not necessarily been the most popular term under which business and society issues have been discussed throughout the last decades (van Luijk, 2001).

Several studies were conducted to examine the question of social responsibility education, and its components, especially ethics. While business students may need training in ethics and moral reasoning more than most other students (as they face ethical challenges and dilemmas in managing), they do not always receive such education, and if they do it is usually not mandatory. Although there is extensive research on CSR, it is usually not included in the business curricula (Gardiner & Lacy, 2005). Furthermore, a study of top business schools in the United States found that business school education not only fails to improve the moral character of students, but also potentially weakens it (Segon & Booth, 2009).

In 2003, Cowton and Cummins surveyed business ethics teaching in 105 UK institutions. They found that 58% of business schools taught business ethics, but it was only a core subject at 18 schools. Matten and Moon (2004) studied CSR education – including teaching and research – in Europe. They found that 47% of their respondents offered subjects in CSR, or related fields such as citizenship, governance and business ethics as optional subjects and 38% embedded the concepts in existing subjects. The authors argued that there was a “disappointingly low level of CSR scholarships”; that the main drivers of CSR have been individual faculty members; and that there will be a need for more institutionalised future drivers, particularly in the form of support from business stakeholders and inclusion in program accreditation and ranking systems. Cornelius, Wallace and Tassabehji

(2007) also found that if present, ethics was being taught in business schools either as a core mandatory programme or as a separate specialist ethics module, but not as a combination. A more recent study by Nicholson and De Moss (2009) showed that from the perspective of curriculum coordinators, there was a significant gap between current and normative levels of instruction on ethics and social responsibility in business school curricula. Social responsibility was rated lower than ethics by all department coordinators (Nicholson & DeMoss, 2009).

On the other hand, Christensen et al., (2007) investigated how the Financial Times top 50 Global MBA programs addressed the topics of ethics, CSR, and sustainability. They found that a high percentage (84%) of top MBA programs required an ethics or corporate social responsibility component in their curricula, many as a stand-alone course or a combined course of ethics and sustainability issues. A significant presence of centres and other forms of institutional support dedicated to these topics was also indicated (Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007). However, Nicholson and DeMoss (2009) argued that regardless of what is happening in the top 25 MBA programs, there is a trend toward less ethics education overall.

For organisations to embrace ethically and socially responsible thinking, the provision of social responsibility education needs to be 'proactive', with fundamental ethics programmes taught by committed and engaged business schools (Cornelius Wallace, & Tassabehji, 2007). According to Gardiner and Lacy (2005), The question is no longer whether CSR should have a place in the business curricula, but how it should be incorporated and what role business schools play within the wider "business in society" debate. Students, the marketplace, the community, government and civil society are increasingly demanding that business schools rethink their traditional role at three different levels. The focus has shifted from value preservation to value creation. There is a clear demand from business and students for research, education and training on CSR issues (Gardiner & Lacy, 2005).

To address this gap, a few initiatives have emerged in the last two decades. In 2007, United Nations-supported Principles for Responsible Management Education (PRME) was launched to inspire and champion responsible management education, research and thought leadership globally. The World Resources Institute in partnership with the Aspen Institute published the "Beyond Grey Pinstripes" survey, ranking full-time

MBA programs based on the integration of social, ethical, and environmental content into the curricula and faculty research (Aspen, 2003). Business schools accreditation bodies such as EQUIS, AACSB and AMBA have recently begun to address ethics and CSR aspects as well. For example, AACSB Standard 15 now calls for business undergraduate degree programs to include learning experiences in ethical understanding, and for undergraduate and Master's degree programs to include ethical responsibilities in organisations and society. Even students in business schools around the globe have founded their own organisation, Net Impact, to enhance social responsibility amongst MBA graduates.

In Europe, the Ethics Education Task Force (EETF) changed its accreditation requirement for the presence of ethics education within the MBA curriculum. The European Business Ethics Network (EBEN) hosts annual research conferences on business ethics; and The European Foundation for Management Development has taken on the key issues of global responsibility (Gardiner & Lacy, 2005).

Students as stakeholders

From a stakeholder perspective (any individual who is affected by the achievement of an organisation's purpose), students should be considered major stakeholders and to have their voice heard on the matter of CSR education. While we can tell from organisations such as Net Impact with 10,000 members that students have a growing interest in these issues, they are not often the focus of research in the debate around CSR education.

Nicholson & DeMoss (2009) asked why business schools do not change their curricula to become more socially responsible and answered that in market-driven MBA programs, curriculum size (i.e. the number of required courses) is cut to make a program more competitive (i.e. allow students to complete the curriculum faster), with the ethics course as one of the casualties. Another reason is that business schools believe that their stakeholders (including students) are indifferent to the subject matter beyond superficial inclusion or review (Nicholson & DeMoss, 2009). Furthermore, some studies demonstrated unethical perceptions and attitudes among students. For example, Kidwell (2001) found that students see the line between right and wrong as increasingly blurry and that they expect managers to

engage in unethical behavior. Feldman and Thompson (1990) asked students to indicate the importance they attach to Carroll's four dimensions of responsibility. Not only did profit come first and philanthropy far behind the other three aspects, the authors also noticed a change during the course of studying MBA. Sophomores placed a greater emphasis on the discretionary/philanthropic dimension than others. In other words, the business schools weakened the social responsibility levels of their students. Males were more economically oriented than females, who scored higher on the philanthropic dimension, but towards the end of their studies, the gender difference became smaller.

In their study, Luthar and Karri (2005) asked students if ethics is good business and if it yields higher performance and market position for the firm. It was found that students saw a significant disconnect between ethics and professional performance or rewards (i.e. it does not pay to be good). However, exposure to ethics in the curriculum had a significant impact on student perceptions of what should be the ideal linkages between organisational ethical practices and business outcomes. Gender based differences were found with female students having a higher expectation of what should be the "ethics practices and business outcomes" link.

Some more recent studies indicate a change occurring in students' attitudes, particularly among females. Sleeper et al. (2006) found that business students, particularly women, are indeed interested in CSR education. A substantial sample of business students reacted very positively to business school education on corporate conduct affecting social issues. Female students exhibited significantly higher scores, reflecting a stronger tendency among women than men to agree that business schools should address social issues in their curricula. The authors further found a strong but non-cumulative relationship between donating, volunteering and organisational membership of respondents and their propensity to believe that social issues are appropriate content for business courses (Sleeper et al., 2006).

In 2009, Segon and Booth studied attitudes of part time MBA students on Business Ethics and Social Responsibility. The majority of respondents (73.5%) identified business ethics as a fundamental requirement for good business and a civil society. However, just under half of the respondents agreed that ethical concepts could be taught as a managerial capability, while others thought it should be acquired

elsewhere (Segon & Booth, 2009). In 2008, Net Impact and ASPEN conducted a study on attitudes of business students towards responsible management education, finding that in general students expressed positive attitudes towards sustainability content in their curricula (UN PRME, 2011).

International study on students' CSR perspectives

Based on the literature review, it is clear that there is lack of studies on perspectives and attitudes towards responsible management of a very important stakeholder group: the business management students. The few studies that have focused on this group have yielded mixed results with some showing students are indifferent to responsible management, while others demonstrate a growing interest in CSR, especially among women.

Furthermore, there is no international study on the subject, as most studies in CSR education are North American. While CSR education has been a subject of discussion in business and academia in North America for quite a long time the debate in Europe has gained momentum fairly recently (Matten & Moon, 2004). There are some serious differences in the way CSR is perceived and acted upon in various parts of the world. For example, Maignan and Ralston (2002) found that while 53% of U.S. companies mention CSR explicitly on their websites, only 29% of French and 25% of Dutch companies do the same. In other parts of the world, developed and developing, the picture can be completely different.

Therefore, the purpose of this study is to capture the attitudes and perceptions of MBA students around the world towards CSR and responsible management education.

Method

The data was collected through an online survey in English. An invitation to participate in the study was sent by the UN PRME secretariat to all 450 signatory schools around the globe. 48 (10.6%) signatory schools accepted the invitation and sent a letter to their students inviting them to respond to the survey. The schools were located in five continents (see Appendix A): Europe (25 schools), North America (6), Latin America (6), Australia (5), Asia (3), Africa (2) and one international school (1). In total, 1,250 students answered the survey.

The online questionnaire was based on the literature review, previous studies and our knowledge of CSR. It took about ten minutes to answer, and included 22 items that were grouped as follows:

1. Background questions (age, gender, country of origin, country of business school, working status) and questions about the student's MBA program (specialisation, stage and full-time or part-time);
2. Current community involvement by the students (volunteering and donating money);
3. Knowledge of UN Global Compact and PRME;
4. Attitudes towards responsible management education; and
5. Attitudes towards responsible management.

Some of the sub-questionnaires used in this study were taken from previous studies (Rashid & Ibrahim, 2002; UN PRME, 2011) and others were constructed based on the literature. Some of the items are in Likert scale format using a five- point response scale, from 1 = strongly disagree to 5 = strongly agree. The survey was revised and sent to all signatory schools after a small pilot study with a sample of 40 students to examine items for ambiguity and other possible problems. The data was collected online and was analysed.

Participants

Of the 1,250 MBA and Masters of Business students who answered the survey, 60.4% were males. There was an over-representation of Australians in the survey (30.7%) followed by students who were originally from France (9.2%), China (8.1%),

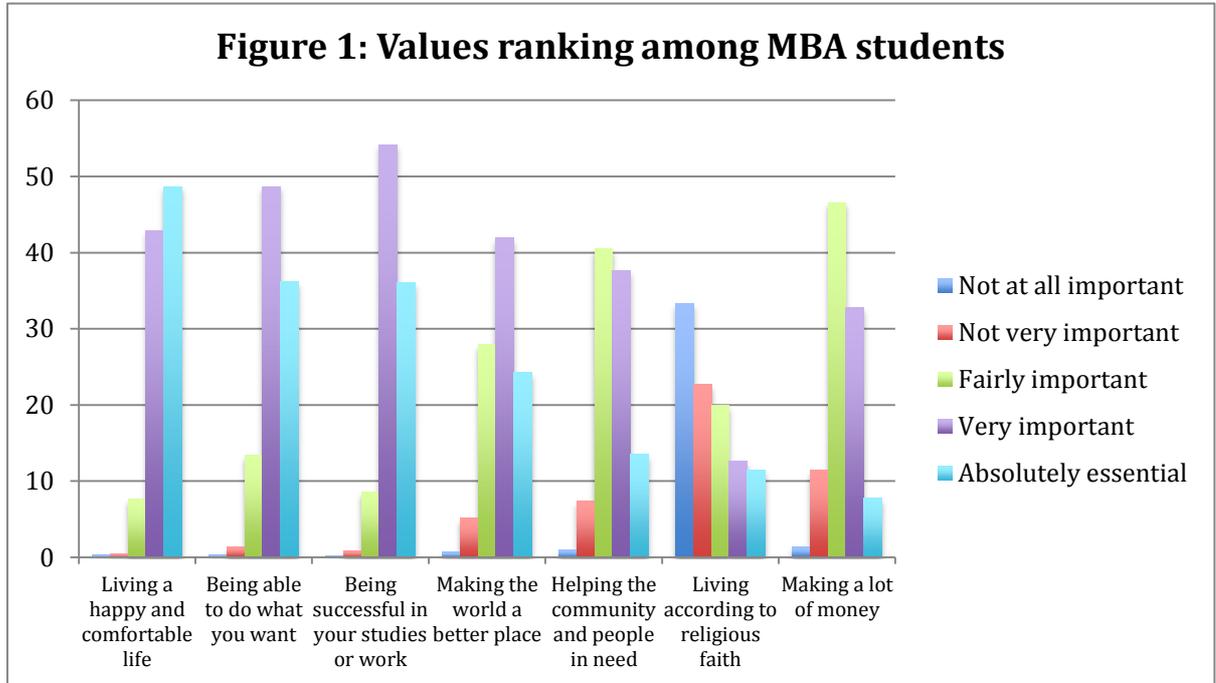
US (7.8%) UK (5.2%) India (2.7%), Argentina (2.4%) and the rest were divided between 75 other countries. Similar results appeared for the location of their academic institute: 38% were studying in Australia, 10.2% in the UK, 9.6% in France, 8.5% in China and 7.5% studied in the US.

Nearly one-third of participants (29.5%) were enrolled in a full time MBA and one-third (29.3%) a part time MBA. One in four (25.5%) was studying a Master's degree and 11% an Executive MBA, or other (4.7%). Over one-third of participants (36.2%) were within the first year of their studies; 28.2% were midway through, and 35.6% were going to graduate soon. Students were asked to choose the focus of their MBA and were able to choose more than one option. 42.8% were studying a general MBA, 18.9% focused on organisational behaviour and human resources; 25.3% finance and accounting; 16.8% marketing; 13.3% strategy and supply chains; 10.4% international business management. Other fields of studies yielded less than 10% each. One third of the students (33.4%) were studying full time, the remainder were working full time (54.9%), or part time (11.7%). Of those working, more than half (57.4%) were working in a managerial or executive position.

We also asked participants about their community work and values ("how important the following items are to you"). More than one third of the students (35.6%) indicated they volunteered (defined in the survey as "providing unpaid services out of one's free will") with 11.9% volunteering 1-4 hours each month, 16.3% volunteering for 5-10 monthly hours; and the remainder (7.4%) volunteering for more than 10 hours a month. Participants were further asked to estimate how much money they give to charity every month in US Dollars. Nearly one-half (49.7%) indicated they give some level of donations, with 14.2% giving less than \$US10 a month, 21.8% giving \$US1-\$US50 each month, and the balance donating over \$US50 with a handful of people (16 people in total, or 1.2%) indicating very high levels of giving (\$US1000-\$US15,000).

As for their values, students were asked to answer how important each of the following is to them: Making a lot of money; Helping the community and people in need; Being successful in their studies or work; Making the world a better place; Living a happy, comfortable life; Being able to do what they want; and Living according to their religious faith.

Figure 1 shows how students ranked the items according to the amount of people who said it was absolutely essential. Interestingly, although these are business students, “making a lot of money” ranked last as “absolutely essential”, but first as “fairly important”.



Findings

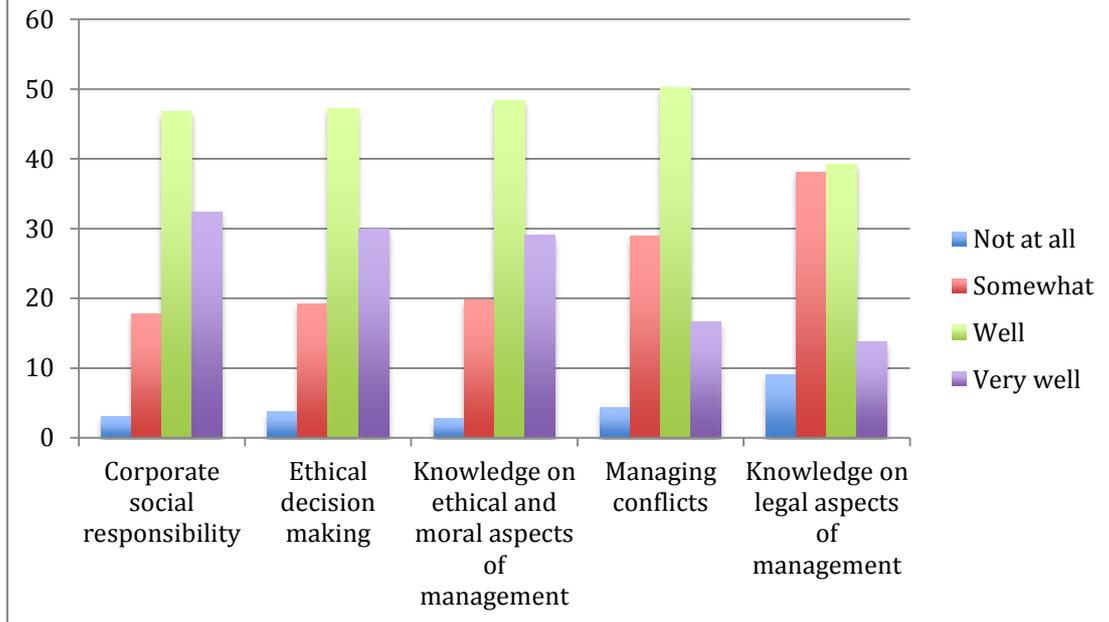
Responsible Management Education

The aim of the survey was to examine MBA students' attitudes and perceptions on CSR and responsible management education. It was important to know how many had heard of the UN Global Compact and PRME.

Only 13.4% of students who participated in this survey had heard of the Global Compact in their current MBA program. An additional 11.5% had heard about it elsewhere, bringing the total awareness level to 24.9%. Given these students are from PRME signatory schools, this level of awareness can be considered quite low. When asked if their academic institution was committed to the Principles of Responsible Management Education, the awareness rate was a lot higher (65.6%); but it is be noted that respondents were reminded they belong to a signatory school in their invitation to participate. There were significant differences in regard to these two questions and certain background variables, especially the MBA stage and whether students studying full time or part time. For example, awareness to the Global Compact was much higher among full time MBAs (22.9% had heard of it in their current MBA program and 9.6% elsewhere, bringing the awareness level to 32.5% vs. 24.9% in general; $X^2=58.15$, $df=12$, $P<0.00$). Similarly, while 73.2% of full time MBA students knew that their school is committed to PRME, only 63.9% of part-time students and 59.4% of Master's degree students knew it ($X^2=28.42$, $df=8$, $P<0.00$). 16.3% of students who would graduate soon had heard of the Global Compact in their current MBA program, compared to only 11.4% of students who had just started ($X^2=10.83$, $df=6$, $P<0.5$). This demonstrates that the schools do have a meaningful role in introducing these initiatives during the course of the MBA studies.

Figure 2 demonstrates how well the students felt that their academic institutions prepare them towards several aspects of responsible management. While most agreed that they are being well prepared on aspects of corporate social responsibility and ethics, the results indicate there is room for improvement on managing conflicts and the legal aspects of management.

Figure 2: Responsible Management Preparedness of Business Schools



Students were then asked if their MBA curriculum should include more content related to social responsibility. 16.8% responded “yes, definitely”, an additional 32.3% said “yes, to some degree” (total of 49.1% agreement). However, 35.8% said no, they have a sufficient level of content. Only 2.8% said “no, they are not interested in this content” and 12.3% were “unsure”. This means that half the students believe there should be some curriculum changes towards responsible management.

We have asked the students how their school can most effectively change the curriculum towards responsible management education. Respondents were asked to tick “agree” or “disagree” to eight optional changes. Table 1 shows the levels of agreement to each of the proposed changes towards responsible management education. Most students (85.1%) agreed that bringing in experts and leaders as guest speakers on these topics is the most effective way. Only a quarter (25.5%) of respondents thought that no changes are required. As Table 1 shows, there are significant differences (to various levels) between these items according to gender, as females tended to agree more than males that many of these changes should be made. There are some significant differences also according to MBA program type (full MBA versus part time MBA) and according to studies stage, but they do not create a consistent picture as the gender.

Table 1: Effective changes to the curriculum

	Level of agreement in general	Gender		Program type		Stage of studies		
		Among males	Among Females	Full time MBA	Part time MBA	First year	Midway through	Graduating soon
Bring in experts and leaders as guest speakers on these topics	85.1%	81.6%***	90%***	83.6%	84.6%	84.4%*	81.9%*	88.5%*
Encourage professors to introduce more applicable case studies in classes	80.4%	85.8%***	76.8%***	80.1%	79.6%	82.8%	77.8%	79.6%
Educate recruiters on the importance of these themes in the MBA curriculum	72.6%	74.7%*	71.3%*	72.6%	70.4%	74.9%	70.0%	72.8%
Integrate social and environmental themes into the core curriculum	70.7%	74.7%**	67.8%**	65.3%*	71.7%*	69.9%	70.6%	70.5%
Provide students with internships related to corporate responsibility / sustainability	68.6%	74.3%***	64.9%***	74.0%**	66.3%**	71.8%	61.9%	71.7%
Create a concentration on sustainability and corporate social responsibility	59.4%	64.0%**	56.3%**	54.6%	56.5%	60.8%	56.6%	58.8%
Increase the number of electives that focus on social and environmental themes	55.6%	62.4%***	50.9%***	50.8%**	55.9%**	59.5%**	48.6%**	55.8%**
No changes are required	25.5%	22.7%*	27.6%*	23.8%	27.5%	25.5%	26.7%	24.1%

N=1236 * significant at the .05 level; ** significant at the .005 level; *** significant at the .001 level

In addition, non-working students and students in their twenties, agreed significantly more than others that schools should provide students with internships related to corporate responsibility and sustainability.

Attitudes towards responsible management

To assess students' attitudes towards responsible management and CSR, we presented them with three sub-questionnaires on attitudes towards CSR.

The first one was: "If you were a corporate CEO how important would each factor be to your business?" Students were given a list of nine items and were asked to rate them from 1 (not at all important) to 5 (very important). Table 2 shows how the students ranked each item, according to their level of perceived importance.

Table 2: Importance of items to CEOs (%)

	Not at all important	Of very little importance	Somewhat important	Important	Very important
Consumer satisfaction	0.1	0.2	1.7	24.5	73.5
The economy and financial markets	0	0.8	4.9	35.8	58.4
Making profit to share holders	0.3	1.6	8.3	41.7	48.1
The community we operate within	0.6	2.6	13.9	45.6	37.4
Energy consumption and sources of energy	0.6	1.8	17.8	47.2	32.6
Environmental concerns and climate change	0.8	3.5	20.9	45.3	29.5
Local and national peace and the reduction of violence	2.6	8.9	24.6	37.1	26.8
Employer supported volunteering and giving	1.9	7.6	32.3	41.4	16.8
Philanthropy and donating to charity	2.2	8.2	36.7	38.8	14.1

N=1236 * significant at the .05 level; ** significant at the .005 level; *** significant at the .001 level

Table 2 demonstrates that 73.5% agreed that consumer satisfaction should be the most important item for CEOs, with “the economy and financial markets” ranked second, and “making profit” third. The fourth item that ranked “very important” was the community. Environmental issues ranked 5th and 6th. Interestingly many students thought that as CEOs they should care about local and national peace and the reduction of violence (26.8% said it was very important and 37.1% said it was important, totalling 63.9%). However, while the community was deemed very important, CSR practices such as philanthropy or corporate volunteering ranked in the last two places.

Some of these items yielded significantly different levels of agreements according to some background variables. Many differed significantly according to country, but with the wide spread of respondents between countries it is difficult to portray a clear picture of this distribution. Full MBA students agreed more than others that the economy and financial markets are very important; “making profit to shareholders” and “the community we operate within” were related to the stage of study (people who were about to graduate attached higher importance to the community than people who just started their MBA), and age differences led to different results on the local and national peace question.

The most dramatic differences were found according to gender and items that are related to social responsibility. Females attached higher importance to environmental issues. While 85.5% of females agreed that energy consumption should be important or very important to CEOs, only 76.4% of males thought so ($X^2=19.67$, $df=4$, $P<0.00$). Similarly, 79.2% of females thought that environmental concerns and climate change should be important or very important to CEOs, compared to 72% of males ($X^2=13.5$, $df=4$, $P<0.05$). Two thirds of females (66.7%) agreed that employer-supported volunteering and giving were important compared to 52.6% of males ($X^2=27.74$, $df=4$, $P<0.00$). Even greater differences were found in regard to philanthropy and donating to charity (63.3% of females versus 46.2% of males, $X^2=37.14$, $df=4$, $P<0.00$). Finally, while 85.8% of females agreed that local and national peace and the reduction of violence should be important or very important, only 61.6% of males did ($X^2=18.56$, $df=4$, $P<0.00$).

The second CSR questionnaire that was presented to the participants of this survey asked: “In your opinion, what are the primary responsibilities of a business company?” Students were given a list of nine items and had to choose whether they considered each a primary responsibility, a secondary responsibility or not a responsibility. Table 3 shows how the students ranked these items according to primary responsibilities ranking.

Table 3: Companies’ responsibilities (%)

	Primary responsibility	Secondary responsibility	Not a responsibility
Satisfy customer needs	92.6	7.2	.2
Produce useful and high-quality goods/services	88.7	10.3	1.0
Comply with all laws and regulations	86.7	12.6	.7
Invest in the growth and well-being of employees	79.3	20.1	.6
Maximise value for shareholders	71.2	26.6	2.2
Offer equal opportunity employment	66.1	30.6	3.3
Create value for the local community in which it operates	58.1	39.2	2.7
Enhance environmental conditions	36.1	58.9	5.0
Enhance peace and reduce violence	20.6	48.7	30.7

N=1236 * significant at the .05 level; ** significant at the .005 level; *** significant at the .001 level

Similarly to the responses to the previous question, students agreed that the primary responsibility of a company is to first of all satisfy customer needs and then to produce high quality services. The item “complying with law and regulation” ranked third while maximising value for shareholders only ranked fifth. While ethical issues such as fair employment ranked sixth, and all CSR issues ranked in the last three, it is remarkable to see how many students perceive them to be the primary responsibility of a company. In fact, only 5% of respondents thought that enhancing environmental conditions was *not* a responsibility and only 2% thought that companies have no responsibility

towards creating value for the community. Although 30% of students did not perceive peace as a company's responsibility, the remainder agreed that at some level, companies should also take responsibility over this issue.

In line with the previous question, certain background variables and CSR variables were significantly related, but the strongest differences appeared to be according to gender. For example, 76.6% of females agreed that offering equal opportunity employment was a primary responsibility, compared with only 58.9% of males ($X^2=39.89$, $df=2$, $P<0.00$). 84.4% of females saw the investment in employees' wellbeing as primary responsibility, but only 76.1% of males did ($X^2=12.59$, $df=2$, $P<0.05$). Females also perceived peace as a primary responsibility, more so than males (23.4% vs. 18.8%, $X^2=7.06$, $df=2$, $P<0.05$) with similar results on "creating value for the local community" (63.5% of females vs. 54.5% of males, $X^2=8.64$, $df=2$, $P<0.05$). On the other hand, 74.5% of males agreed that "maximising value for shareholders" is a primary responsibility, compared to only 65.8% of females ($X^2=9.17$, $df=2$, $P<0.01$).

Finally, the third question on responsible management included eleven statements on social responsibility, both positive and negative, and the students were asked to state their level of agreement with each of them, from 1 (strongly disagree) to 5 (strongly agree). Table 4 shows the percentages of agreement at each level, according to the items mostly agreed to. The right column also shows significant differences according to gender.

Five items demonstrated significant differences according to gender, with females consistently showing more a positive attitude towards CSR than males.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Gender differences
A business that wishes to capture a favourable public image will have to show that it is responsible	0.2	2.5	9.9	51.1	36.3	***
A company that embraces corporate sustainability and social responsibility can obtain a competitive advantage over a company that does not	0.5	3.1	11.8	48.7	35.9	
Responsible corporate behaviour can be in the best economic interest of the shareholders	0.6	3	11.8	49.6	35	
Efficient production of goods and services is no longer the only thing society expects from business	0.8	4.6	9.8	51.7	33.1	
Involvement by business in improving its community's quality of life will also improve long run profitability	0.4	2	14.8	52.3	30.5	**
Corporations are social institutions and as such must live up to society's standards	0.9	4.5	20	54.1	20.5	**
Business leaders are trained to manage economic institutions (companies) and not to work effectively on social issues	5.2	23.4	24.8	36.6	10	**
Corporate responsibility is only done for PR reasons	14.7	33.5	29.6	17.5	4.7	
Corporate responsibility, when it reduces shareholders' equity, amounts to theft. Managers are appropriating and then giving away money which belongs to shareholders	21	36.9	27.5	12.3	2.4	
Involvement in corporate responsible activities threatens business by diverting time and money away from its primary business purpose	14.6	43.9	24.9	14.6	2.1	**
Business already has too much social power and should not engage in social activities that might give it more	15.2	48.6	23	11.3	2	

N=1236 * significant at the .05 level; ** significant at the .005 level; *** significant at the .001 level

Discussion

In this preliminary report on the MGSM-PRME global survey, we have shown that MBA students, at least in PRME signatory schools, demonstrate social awareness and positive attitudes towards CSR and responsible management education. They demonstrated strong social values, with “making a lot of money” ranked coming last in the absolutely essential category. While the general awareness of the students to the UN Global Compact can be improved, many of them were aware that their school is committed to the PRME principles, and reported that their school is preparing them well on issues of social responsibility, such as corporate social responsibility and ethical decision making, while there is some room for improvement on teaching conflict management and legal aspects of management. The best way to improve responsible teaching education, according to the respondents of this survey, is to bring experts and leaders as guest speakers.

Through their responses to the three questions on attitudes towards CSR, the students demonstrated that they think positively about CSR. They see firms as responsible to a lot more than making profit for their shareholders. Various social aspects, including the community and peace, were perceived as high priority and responsibility. When it came to specific CSR practices, however, such as philanthropy or corporate volunteering, the students ranked them relatively low. Perhaps they perceive other ways to demonstrate social responsibility as more effective.

There were significant differences according to gender, when females consistently demonstrated more positive attitudes towards responsible management. This aligns with previous studies (Feldman & Thompson, 1990; Luthar & Karri, 2005; Sleeper et al., 2006;), reflecting a stronger tendency among women than men to value social and ethical issues (Sleeper et al., 2006). As workplaces and business schools shift towards gender equality, such perceptions can become more widespread in the business sector.

Another important variable was the exposure of the students to the business school’s curricula. It was found that in some cases full time MBA students and students towards the end of their degree experience higher awareness and positive attitudes towards responsible management and CSR education. This actually contradicts some older studies showing that

business schools can have a negative effect on students' ethical views (e.g. Thompson, 1990), turning them into narrow minded profit makers (Matten & Moon, 2004).

The students in PRME signatory schools do not ascribe to the narrow view of Milton Friedman (1970) according to which the only responsibility of a business is to make a profit to its shareholders. Further, they do not agree that the only responsibility of business schools is to teach how to make profit. But interestingly students do not necessarily agree with Carroll's pyramid of a firm's responsibility either (economic responsibilities first, legal second, ethical third and philanthropic last). They portray another set of priorities, and while the students were not asked directly on these priorities, from their answers we can conclude that they prioritise legal aspects before profit. Further, in general, students agreed that the highest priority should be given to consumer satisfaction. While consumers are important for revenue generation, they can also be perceived as important stakeholders that are not the shareholders (Freeman, 1984) and demonstrate a multi stakeholder perspective.

Practical implications

If these indications that business students want to learn more of the needs and benefits of corporate contributions to social problems are representative, a seemingly strong argument can be made that schools should maintain and increase CSR coverage. For this to happen, at least four groups of players need to be involved.

1. **Business schools** should not only react to the growing awareness and demand of students, but also have a proactive role in responsible management education, in both teaching and research. CSR and ethics can be embedded in core units/subjects, but also be taught as a separate core subject. The wide research on CSR and business ethics needs to be included in the curricula. Furthermore, business schools can have an important role in enhancing research on CSR and CSR education, through various actions such as having research centres, recruiting faculty who focus on CSR issues and offer PhD programs in the subject.
2. **The business sector** has been a great supporter of business schools around the world. Business schools provide managers with tools and education; and the business sector supports, partners and sponsors the schools. The shift that is

occurring in the business sector towards CSR may also find its way into this partnership, as firms start looking for graduates with wide ethical knowledge and co-work with business schools on mutual research projects and internship. More encouragement of the business sector towards this shift would be valuable.

3. **The students** with their positive attitudes towards CSR will draw the demand from the suppliers of their management education to include social and ethical management issues and courses. They act upon their attitudes and values by searching for schools that teach responsible management and by creating their own organisations such as Net Impact.
4. **The third party** initiatives mentioned in this report and most importantly the **UN PRME** have a role in creating a network of schools that exemplify responsible management, creating evidence-based knowledge and tools, showcasing schools that lead the way, and introducing opportunities for dialogue and information sharing.

Further research

While the findings of this study can contribute to the understanding of CSR and CSR education from the point of view of MBA students, it has some limitations, in particular its sample. The sample only represents students in PRME Signatory Schools, which can explain the tendency towards more positive attitudes among participants. Participation was fully voluntary, and it is possible that there is a bias towards more positive attitudes, as students who valued this subject may be more likely to respond to the survey. Furthermore, as this was an Australian study, schools from Australia and Australian students tended to answer the survey more than others, and North American schools less so. The study needs to be replicated in more schools and in more regions around the globe. As the plan is to run the survey annually to study the changes and trends that occur, MGSM will strive to achieve a more representative sample in the future. Finally, in the future a direct question on Carroll's pyramid would be included to allow a better comparison.

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Appendix A: list of participating schools

International (1)

1. United International Business Schools

Australia (5)

1. Macquarie Graduate School of Management (MGSM), NSW
2. University of Wollongong, NSW
3. UTS Business School, NSW
4. Australian School of Business, University of New South Wales, NSW
5. Monash University, Victoria

Asia (3)

1. Nagoya University of Commerce and Business (NUCB) Graduate School, Nagoya, Japan
2. China Europe International Business School (CEIBS), Hong Kong, China
3. University of Dubai, Dubai, UAE

Europe (25)

1. Sabanci University, Faculty of Management, Istanbul, Turkey
2. TSM Business School, Enschede, Netherlands
3. EM Strasbourg Business School, Alsace, France
4. SKEMA Business School, Lille, France
5. Groupe ESC Clermont Graduate School of Management, Clermont-Ferrand, France
6. ESSEC Business School, Cergy-Pontoise, France
7. International Institute of Business (IIB), Kyiv, Ukraine
8. Frankfurt School of Finance & Management, Frankfurt, Germany
9. Pforzheim University Business School, Pforzheim, Germany
10. HSBA Hamburg School of Business Administration, Hamburg, Germany
11. London South Bank University, London, UK
12. Portsmouth Business School, University of Portsmouth, Portsmouth, UK
13. London Business School, London, UK
14. Aston Business School, University of Aston, Birmingham, UK
15. University of Leicester, School of Management, Leicester, UK
16. Manchester Metropolitan University Business School, Manchester, UK
17. Stirling Management School, University of Stirling, Stirling, UK
18. University of Hertfordshire Business School, Hatfield, UK
19. University of Huddersfield Business School, Huddersfield, UK
20. Sheffield University Management School, Sheffield, UK
21. Kemmy Business School, University of Limerick, Ireland
22. Nebrija Business School, Universidad Nebrija, Nebrija, Spain
23. Ciudad Universitaria, Madrid, Spain
24. Studienleitung MSc in Business Administration, Switzerland
25. European University, Montreux, Switzerland

Africa (2)

1. Graduate School of Business, University of Cape Town, South Africa
2. Etisalat Corporate Social Responsibility Center, Lagos Business School, Nigeria

North America (6)

1. College of Business, Illinois State University, IL, US
2. Donahue Graduate School of Business, Duquesne University, Pittsburgh, PA, US
3. John F. Donahue Graduate School of Business, Duquesne University, Pittsburgh, PA, US
4. Bentley University, Waltham, MA, US
5. Case Western Reserve University, Cleveland, OH, US
6. St. John's University, New York, NY, US

Latin America (6)

1. IAE Business School, Universidad Austral, Pilar, Buenos Aires, Argentina
2. Escuela de Negocios, Pontificia Universidad Católica Argentina (PUCA), Buenos Aires, Argentina
3. EGADE Business School, Tecnológico de Monterrey University System, Nuevo León, Mexico
4. Facultad de Economía y Negocios, Universidad Anáhuac México Norte, Huixquilucan, Mexico
5. FIA - Fundação Instituto de Administração, São Paulo, Brazil
6. Universidad ESAN, Surco, Lima, Peru