

# An Educational Intervention on Chinese Business Students' Orientation Towards Corporate Social Responsibility

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**Abstract.** A one-day educational intervention with multiple activities was developed and operationalized with a sample of Chinese business students in Hong Kong, China. Its effectiveness in influencing students' corporate social responsibility orientation (CSRO) was measured with a Chinese version of a forced choice scale using Economic, Legal, Ethical, and Discretionary (Philanthropy) dimensions by Carroll (1979, 1991). A repeated measures multivariate analysis of variance (MANOVA) showed significant differences in the Legal and Discretionary dimensions between the post-test Experimental (X) group (N=82) and Control (C) group (N=83); in the Legal, Ethical, and Discretionary dimensions within the pre-post X group. Such significant differences may be explained by the content of the activities, especially the service learning component. Overall, the intervention appeared effective in influencing students' CSRO within a Chinese context. Since it was designed upon Western CSR literature, its applicability goes beyond the Chinese community.

**Keywords:** CSR education, teaching and learning CSR, CSR orientation.

## 1. Introduction

It is common practice for businesses to have codes of ethics, internal audit, compliance programmes, and ethics training. Despite all of these efforts, unethical behaviours still exist and adversely influence our society (Bazerman and Tenbrunsel 2011). Behind the corporate veils, business decision-makers are the ones that define corporate ethicality. As business students are future decision-makers, their sense of ethicality can directly affect our social well-being. Unfortunately, business graduates seem to somewhat fail to acquire sound business ethics from their education (Sigurjonsson *et al.* 2015); whether they have

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the ethical capacity to safeguard us from corporate misconduct remains questionable. Holland and Albrecht (2013) surveyed 211 international scholars and identified the eight most important issues for the subject of business ethics (BE), of which, ranked first is BE education. Apparently, business schools have the duty to nurture students with higher ethicality. Such a view is also endorsed by accreditation bodies like the American Association of Collegiate Schools of Business (AACSB) which requires business programme curricula to develop students' skills and knowledge in their "ethical understanding and reasoning" (AACSB, 2013, pp. 31-32). And, intriguingly, students themselves are also supportive to ethics education (Coleman *et al.* 2015).

Similar to any growing economy, China also faces the problem of corporate misdeeds. With the current scale and momentum of economic growth in China, there are always potential threats from inappropriate risk-taking behaviours by businesses. Yin and Zhang (2012) found that Chinese companies tend to adopt managerial discretion in making decisions on corporate social responsibility (CSR). This reinforces the importance of BE education for Chinese business students. BE itself is a broad topic that, at times, may become rather philosophical and elusive. Following the same vein of what good businesses can do to society, CSR translates BE into solid practices. Since BE and CSR share some common conceptual characteristics, the term CSR will be used in what follows to apply to BE or *vice versa*.

Griseri (2002) discerned that "if business ethics is to be a force for change in business activity then it needs to be targeted at attitudes" (p. 390). In other words, if BE education can develop students' ethical attitude, it would give them a better chance in making compatible decisions. By the same token, CSR education that aims at positively influencing students' CSR orientation (CSRO) can then enhance their propensity to be more socially responsible. Learning stimuli are useful in illiciting changes in the ethical attitudes of students' CSR (Weber and Glyptis 2000), but studies that assess the effectiveness of CSR educational activities in developing students' CSRO appear to be limited (Kleinrichert *et al.* 2013).

So, the aim of this study was to assess the effectiveness of a CSR-themed educational intervention in influencing some Chinese business students' CSRO in Hong Kong, China. Using Carroll's (1979, 1991) CSR framework, we hypothesised that the intervention would be effective in influencing the participants' orientation towards the four CSR variables of Economic, Legal, Ethical, and Discretionary (i.e. CSRO). The following sections comprise the literature review. Then Section 2.1. explains the CSR definitive framework and the measurement scale used. Section 2.2. is an overview of CSR education in Mainland China and Hong Kong, and Section 2.3. explains the academic grounds of CSR educational activities. Section 3 details the intervention, the research objectives, and the hypotheses. Section 4 includes the research method and variables, participants' profiles, and data collection procedures. This is followed

by Section 5, the results, Section 6, the discussion, Section 7, the implications on CSR education, and Section 8, the conclusion.

## 2. Literature Review

### 2.1. The CSR Framework and Measurement Scale

Dahlsrud (2008) extracted 37 definitions on CSR from the literature and condensed them into five dimensions, including the social and economic dimensions. In fact, if businesses want to keep on rewarding shareholders and employees, providing goods/service to customers, and at the same time, contributing to philanthropy, they have to be financially sound, making economic performance part of CSR variables. Carroll (1979, 1991) suggested a CSR framework with four constructs that also encompassed both the economic and social aspects, namely: Economic (provide goods and services that aim to make profit), Legal (abide by the law), Ethical (engage in socially commendable behaviours that exceed legal requirements), and Discretionary or Philanthropy (taking part in charitable activities). In fact, Carroll's framework determines the CSR constructs (Baden 2016) that provides a unified definition (Agudelo *et al.* 2019) and a core CSR theory (Spence 2016). Ramasamy and Yeung (2009) applied this framework to Chinese consumers in Hong Kong and Shanghai, and found that the Chinese were able to differentiate the four CSR dimensions of Economic, Legal, Ethical, and Discretionary, supporting their suitability in this study.

Using Carroll's CSR constructs, Aupperle (1982) initiated, then Aupperle *et al.* (1983) enhanced an ipsative scale (called E-CSRO in this study) that can assess a person's CSRO. This scale had been used and tested in a number of studies (Burton *et al.* 2000; Edmonson and Carroll 1999; Ibrahim and Angelidis 1995; O'Neill *et al.* 1989; Pinkston and Carroll 1996; Ehie 2016; Maignan and Ferrell 2003; Smith *et al.* 2001; Strong and Meyer 1992; Swanson 1995). Unlike many scales which usually measure the *absolute* scores (or level of importance) of each measurement variable one-by-one, the forced-choice design of the E-CSRO enables respondents to rate the *relative* scores of the four CSR variables of Economic, Legal, Ethical, and Discretionary simultaneously when faced with the same business situation. This echoes the business reality that CSR options actually have to compete for limited resources, and the fulfilment of one option is likely carried out at the expense of the others (Burton *et al.* 2000). For example, when a business favours financial returns, more resources are probably directed towards economic achievement, leaving less for philanthropy. Section 4.1. below will further explain how the scale operates.

## 2.2. An Overview of CSR Education in Mainland China and Hong Kong

Owing to wars and political turmoil in the twentieth century, China's normal foreign trade had been much disrupted for a long period of time. Up to the 1980s, China was still largely a planned economy dominated by state-owned enterprises. When relatively stable social conditions emerged in the 1980s, China began to adopt an open-door economic policy. Since then, the number of private enterprises and multi-national corporations has grown steadily in China and a market economy has taken shape running in parallel with the state economy (Hou and Li 2014).

By the turn of the twentieth century, China had already become an important partner in global business. In 2001, it joined the World Trade Organization (WTO) and Chinese businesses had to align with international trade practices. Among which were CSR practices that covered areas such as codes of conduct, corporate audits on environmental impacts, and supply chain and vendor compliance programmes on labour rights. Chinese businesses began to see the value of meeting Western-centric CSR expectations (Yin and Zhang 2012) and by 2009, 86% of China's larger businesses had self-reported an account of what they have done on CSR on their websites (Hofman *et al.* 2017). Gradually, Chinese businesses have moved from an awareness of CSR (Wu 2013) towards its compliance (Egels-Zandén 2014). One evidence of this is China's strong engagement in the International Standards Organization including the ISO 26000 on CSR standards (Ho 2013). External pressure has, indeed, expedited the development of CSR in China but concomitantly, internal societal expectation on CSR has also grown. Very often, the central government is the major initiator in bringing forth CSR swiftly, especially through legal means (Moon and Shen 2010). For instance, heavy penalties have been imposed recently on internet giants including Alibaba and Tencent, due to their anti-competitive behaviours such as preventing merchants from selling goods in another on-line platform, keeping exclusive music licensing rights, and using data and algorithms in market manipulation.

While China's business sector was busy aligning itself with international trade rules that had encouraged the development of CSR, CSR education underwent a comparable growth path in the higher education sector. Since the 1990s, Chinese business schools began to launch business programmes that were more akin to the Western style. Zhou *et al.* (2009) offer a glimpse of the development of MBA programmes *vis-à-vis* CSR courses in China. In 1991, China began to host MBA programmes and by 2004, the number of programmes rose from 9 to 97. At that time, CSR/BE courses were not officially required as part of the curriculum. As a matter of fact, only about one third of the MBA programmes had CSR/BE in the curriculum, out of which, less than half offered this as a compulsory course. The common pedagogies used were writing-based assignments, reading, discussions, experience sharing by students/guests, and case studies (Zhou 2008). The need to acquire international accreditation and