

The Current Treatment of Corporate Social Responsibility in Management Education: Is It Irrelevant to Progress Toward Corporate Sustainability?

Gordon Rands
Department of Management, Western Illinois University

Introduction

Corporate sustainability involves three essential elements: economic, environmental, and social sustainability: the “Triple Bottom Line” (Elkington, 1998). Economic sustainability entails engaging in activities profitably. Environmental sustainability entails operating in ways consistent with earth’s carrying capacity (Hart, 1997). But what does social sustainability consist of?

Elkington cites Tom Gladwin’s view that “socio-economic sustainability” involves such issues as “poverty alleviation, population stabilization, female empowerment, employment creation, human rights observance and opportunity” (cited in Elkington, 1998, p. 88). Elkington further identifies issues at the “economic/social” and “social/environmental shear zones” such as social impacts of investment, fair trade, business ethics, human and minority rights, stakeholder capitalism, environmental refugees, environmental literacy and training, environmental justice, carrying capacities for tourism, and intergenerational equity. Further indications of factors important to social sustainability are found in the sections of Agenda 21.

How will business executives and managers be introduced and sensitized to these issues, and learn to address them in a sustainable manner? Since the 1970s, courses have been required to address issues of business ethics, social responsibility, and business-government relationships in the curricula of US business undergraduate and MBA programs. At some universities this is done by asking instructors in the functional areas to incorporate issues pertaining to both ethics and the core subject into the course. At other schools, courses devoted to business and society or business ethics are required. At other schools such courses are offered but not required.

How well do these courses address the social responsibility issues that are critical to corporate sustainability? To answer this question the author reviewed several leading business and society textbooks in order to assess the text coverage of material that could be useful to students who would later in their careers encounter situations involving both social and environmental sustainability considerations in developing nations. This paper presents a summary of this review, discusses possible reasons for the generally unsatisfactory coverage of these topics, and offers suggestions for how to improve the coverage of these issues in business and society courses.

Business & Society Textbooks

A conversation with an editor at a textbook publisher with knowledge of the textbook field indicated that reliable figures are not available on the market share held by different texts. This individual indicated that it was his impression that the three leading texts were Business and Society: Corporate Strategy, Public Policy, Ethics (Post, Lawrence & Weber, 2002), Business,

Government, and Society: A Managerial Perspective (Steiner & Steiner, 2000), and Business & Society: Ethics and Stakeholder Management (Carroll & Buchholz, 2000). Each of these texts was examined, as well as three other texts: Business and Society: A Managerial Approach (Vernon, 1998), Business & Society: A Strategic Approach to Corporate Citizenship (McAlister, Ferrell & Ferrell), and Leading Corporate Citizens: Vision, Values, Value Added (Waddock). Of these last three texts, the first is the 6th edition of a text that was once among the market leaders, the second is a new general business and society text that appears to be aimed primarily at undergraduates, and the third is a new book that appears aimed at graduate students and that lacks many of the features of standard texts (e.g., chapter objectives, chapter summaries, discussion questions, comprehensive cases, and supplemental materials for instructors).

In addition, two books were briefly examined which focus on environmental sustainability issues and are aimed at courses other than the traditional business and society course. Environmental Management: Readings and Cases (Russo, 1999) is a book of readings and cases clearly aimed at business and the natural environment courses, edited by a management scholar who has also taught public policy and business and society courses. Technology, Humans and Society: Toward a Sustainable World is a text that includes readings but no teaching cases, authored by an engineer. The preface to this book does not state students among its intended audiences, but the publisher has engaged in some marketing of the book to university faculty for possible course adoption. The book appears to be most suited for a business and the natural environment course, or possibly for use in a science, technology and society course. These two books were included to assess whether books aimed at business and the environment courses differed in their coverage of social sustainability issues from those aimed at business and society courses.

Social Sustainability Issues

The first step in the analysis was to determine what social sustainability topics to look for in assessing text coverage in this area. A basic assumption of the author's is that social sustainability is most critical, and most difficult, for companies operating in less developed nations (LDCs) of the south, located primarily in Africa, south and southeast Asia, Latin America, and Oceania. The extent of poverty is greatest in such nations, the cultural distance from (primarily) northern managers is going to be greater, and traditional social responsibility concerns are less well developed than in richer nations of Europe, North America, northern Asia, and parts of Oceania. Three different documents or codes were considered for use the base for social sustainability issues: the United Nations Global Compact, the principles of the 1992 Rio Declaration, and Agenda 21, which also emerged from the 1992 Earth Summit. Because of their more comprehensive and well-developed nature, items from Agenda 21 were selected as the basis for the analysis.

Procedure

The procedure used was a simple one of simply skimming through the entirety of each text and looking for coverage of social sustainability topics. Topics addressed were noted on a simple checklist. While the focal interest of this paper is social sustainability issues, text coverage of environmental sustainability topics was also noted for comparative purposes. Coverage of the sustainability concerns addressed in Agenda 21 was further supplemented by developing a list of

topics covered in any of the texts that could be considered to be indicative of social or environmental sustainability concerns. Traditional social responsibility issues such as product quality, workplace safety, community relations, political involvement, etc. were not considered to be social sustainability topics if the coverage of these was directed toward their expression in northern nations, either in North America, Europe or northern Asia. Coverage of environmental issues was noted if the topic was one that has clear potential to affect global sustainability (e.g., global warming, ozone depletion, ocean resource degradation), or if examples or cases used to illustrate the issue were based in less developed nations.

Findings

Not surprisingly, the coverage of both social and environmental sustainability issues varied dramatically between the different texts. Two of the texts (McAlister, et. al.; Vernon) hardly addressed social sustainability issues at all, and one of these (McAlister) addressed environmental sustainability topics primarily using first world examples. Two of the business and society texts (Carroll & Buchholtz; Steiner and Steiner) addressed several specific topics in social sustainability and several environmental sustainability topics, but again, tended to use first world environmental examples. Finally, two of the texts (Post, et. al.; Waddock) addressed a large number of social sustainability concerns, as well as a large number of environmental sustainability topics. In the case of these two texts, a large percentage of the environmental topics were addressed using third world examples. Both of the environmentally oriented books mentioned sustainability extensively, and both called attention to the social component of sustainability. However, only one of these texts (Russo) gave very much attention to social sustainability issues; furthermore, fewer topics were addressed than in the two business and society textbooks that attended to these issues.

Due to the more general and traditional nature of the structure of the Post, et. al. book, it provides less extensive coverage of the social and environmental sustainability topics that it does address. The Waddock book goes into much greater depth about almost every topic it addresses. The tradeoff is that the Waddock text does not address some of the international social issues that the Post, et. al. text does, such as anti-Americanism, cooperation between national governments, and questionable marketing practices in LDCs. In addition, Waddock gives very little attention to traditional social issues, such as product quality, treatment of consumers, racial and gender discrimination and affirmative action, workplace privacy.

The social sustainability topic that was most widely covered was global codes of conduct (designed by either companies or NGOs) such as the Caux Round Table Principles. Other commonly addressed topics include corruption, bribery and the Foreign Corrupt Practices Act; human rights and abuse of workers in sweatshops; globalization, and differences between home and host country standards. Reporting on sustainability performance was also very widely addressed, but the focus in this area was generally on environmental rather than social reporting. This is reflective of the relative emphasis given to these two areas in current corporate practice, however.

Discussion

Clearly, the coverage of social and even environmental sustainability issues that will be faced by managers in multinational corporations, while apparently improving, is nowhere near adequate. Three particular problems seem to exist. First, most texts simply need to provide far more examples of how social issues relate to developing nations, rather than simply to other developed countries, or worse yet, merely to U.S. stakeholders. While some may argue that a totally internationalized text would be unrealistic, most business students are well aware of the need for greater preparation for the global setting, and view it as a plus when it comes to recruiting. Authors and publishers should therefore strive to make international rather than home country based cases the norm, and to make LDC based cases a substantial percentage of these international setting examples and cases.

A second problem is that in one of the texts that provides the most coverage of LDC oriented social sustainability topics (Post, et. al), the discussions are too brief. This is a common problem in a book that is designed for use in a course dealing with such a broad field. Since the field is so broad, a text must appeal to enough of the seemingly idiosyncratic interests of the various faculty teaching the course. As a result, depth is sacrificed for breadth. Authors and publishers can address this problem by providing more extensive supplemental materials, particularly web based materials that can be accessed by students, in order to permit and encourage instructors to deepen student exposure to those topics that they choose to address.

Third, material in business and society texts, even the text reviewed that focused the most on, and dug the deepest into, social sustainability topics (Waddock), is simply too oriented toward strategy and policy questions. The relevance of the entire business and society course is sometimes questioned by students because so much of the orientation is toward strategic- rather than operational-level decisions, and they realize that they will probably not be in positions to significantly influence the formulation of corporate strategy for many years. This emphasis on the strategic perspective is not surprising for four reasons.

First, many more of the U.S. faculty who teach business and society have gone through doctoral programs emphasizing strategy than through doctoral programs emphasizing organizational behavior or human resources, and a strategic orientation thus comes more naturally to them – and to those scholars who write textbooks. Second, far more information is publicly available about how companies have addressed strategic level issues than operational level issues. Third, most students, whether undergraduate or graduate, have had relatively little exposure to social and environmental issues affecting business, other than as consumers or as observers of the media. Thus it is easier for students to understand the general dimensions of an issue, and how these could affect media coverage and corporate reputation, than it is to understand the issue in enough detail – and the organization itself in enough detail – to grasp its operational implications. Fourth, few students feel comfortable with their understanding of the local context and culture in developing nations. Finally, adequately developing in students an appreciation of the context in which operational level details are made is much more difficult and time consuming, both in case writing and case teaching. All these factors result in students who may be taking managerial assignments in developing nations having given little consideration to the actual implementation of social sustainability policy in a developing country context.

What could be done to address this? One of the keys would be for companies with ample operating experience in developing countries to work with case and textbook authors in order to help develop more cases that focus on implementation of social sustainability practices. Second, authors and textbook editors need to recognize this bias and make concerted efforts to overcome it. Third, authors and publishers need to provide more extensive and effective teaching aids to faculty with respect to operational level cases. Since most of the faculty teaching these courses come from a strategic orientation, this need is particularly great. Valuable supplements would include more detailed teaching notes and suggestions, as well as more case-based videos and web sites that place significant emphasis on operational-level issues.

In all of these areas of needed improvement companies that recognize the need for addressing the social side of sustainability issues in developing nations can play a significant role in helping improve the preparation of students to deal effectively with these issues as they enter corporations and serve in developing nations. Pointing out the need to publishers and authors, suggesting case ideas, providing time and materials, and sharing resources such as company video footage, and allowing increased researcher access can advance the training of future managers who can help corporations grapple successfully with the need for socially sustainable actions.

References:

Carroll, Archie & Ann Buchholtz. 2000. Business & Society: Ethics and Stakeholder Management, 4th Ed. Cincinnati, OH: South-Western.

Dorff, Richard C. 2001. Technology, Humans and Society: Toward a Sustainable World. San Diego: Academic Press.

Elkington, John. 1998. Cannibals With Forks: The Triple Bottom Line of 21st Century Business. Gabriola Island, BC, Canada: New Society Publishers.

Hart, Stuart. 1997. Beyond Greening: Strategies for a Sustainable World, *Harvard Business Review*, January–February, 1997, pp. 66-76.

McAlister, Debbie Thorne, O.C. Ferrell & Linda Ferrell. 2003. Business & Society: A Strategic Approach to Corporate Citizenship. Boston: Houghton Mifflin.

Post, James, Ann Lawrence, & James Weber. 2002. Business and Society: Corporate Strategy, Public Policy, Ethics, 10th Ed. New York: McGraw-Hill.

Russo, Michael V. (Ed.) 1999. Environmental Management: Readings and Cases. Boston: Houghton Mifflin.

Steiner, George & John Steiner. 2000. Business, Government, and Society: A Managerial Perspective, 9th Ed. New York: McGraw-Hill.

Vernon, Heidi. 1998. Business and Society: A Managerial Approach, 6th Ed. New York: McGraw-Hill.

Waddock, Sandra. 2002. Leading Corporate Citizens: Vision, Values, Value Added. New York: