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CORPORATE SOCIAL RESPONSIBILITY IN BUSINESS COURSES: HOW CAN GENERATION Y LEARN?

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ABSTRACT

This paper deals with the teaching of Corporate Social Responsibility (CSR) in Business courses to Generation Y Business students in Australian universities. Generation Y students embody particular characteristics that may seem paradoxical, such as placing an increased emphasis on an improved materialistic lifestyle alongside green marketing or climate change issues. Generation Ys also highly value a balanced work-leisure environment but are comfortable with living on high levels of debt and expenses. The question then emerges: what is the most effective method of educating Generation Y Business students about CSR? A three-fold approach is proposed: a foundation of life-long learning about the theory and principles of how one goes about making intrinsic decisions in life and business, incorporating concepts of CSR into Business units, and then applying these concepts in Business Internships.

INTRODUCTION

An increasingly important trend in the business world is that of Corporate Social Responsibility (CSR) of companies towards their various stakeholders, including consumers, environment, community, employees, and shareholders, amongst others. Basu and Palazzo (2008) outline that there are now three main lines of inquiry into CSR in the academic literature, namely, shareholder driven inquiries, performance driven inquiries, and motivation driven inquiries. This paper deals with the third line of inquiry, in relationship to how to teach and motivate future employers and employees to engage in CSR. Specifically, this paper contributes to academic literature in outlining how Business schools may best, through their courses, educate and develop Generation Y students, who will form the next generation of corporate leaders, about CSR.

GENERATION Y

Generation Y includes persons born between 1977 and 1995 (Bartlett, 2004) but Paul (2001) states that it could include those born between 1982 and 2001. In 2008, a Generation Y person is aged between 13 to 30 years old based on Bartlett's calculations. Generation Ys (Gen Ys) have also been called Echo Boomers, Boomlets, iGen (Internet Generation) (Cameron, 2007), Millenials, New Millennials (Stein, 2007) or the Millennium Generation; they are the children of the Baby Boomers. At 72 million strong in the USA and nearly 26% of the USA population they comprise the largest segment or demographic group of consumers (Der Hovanesian, 1999). In Australia, the proportion is similar at 27% of the Australian population and 54 million consumers (estimated from AusStats, 2004). In 1999 Generation Y consumers spent USD\$153bn of their own money in the USA (J.L., 2000).

In relationship to marketing to Generation Y, this is a generation that values information provision and information provided by peers, as opposed to the selling of information; they

also value immediate solutions offered by a product (Stein, 2007). Although Generation Ys are notoriously fickle consumers who embrace fast changes, they are also brand and fashion conscious; they have a particular preference for marketing strategies utilising short attention spans, core brand values and a soft sell (Bartlett, 2004). This Net Generation uses e-mails, e-Commerce, and e-Finance, with 11% of 16 to 22 year old online consumers using comparison shopping sites every time they shop (Murray, 2000). They are also four times as likely as adults to have applied online for financial service products such as credit cards, insurance and mortgages (Murray, 2000).

Generation Ys are shaped by civic and hopeful perceptions along with the possession of grand ambitions (Marciniak, 2002). Generation Ys want to change the world through where they work and how they work and this includes launching private companies or entrepreneurial ventures to achieve this aim (Welch and Welch, 2007). Harwood (2002) states that they are globally and environmentally conscious; in a recent survey in the USA of Gen Ys, nearly half of the consumers revealed that they would not mind paying more for environmentally friendly services, products and brands due to their concern for the environment (*Chain Store Age*, 2007) and many feel that it is up to them to improve this world (Moeveg, 2007).

Generation Y is also the MTV generation and is chronically bored, possess short attention spans, disruptive behaviour, alongside a mistrust of authority and media; they cherish reality TV alongside a need for privacy (Paul, 2001). Generation Ys lead relatively quiet lives and enjoy going to movies, dining out, and watching television. Interestingly, they rarely participate in extreme sports such as bungy jumping, but prefer value-oriented activities (J.L., 2000). They are most savvy and informed consumers, looking for bargains and conducting well-researched online shopping transactions.

Other values of Generation Y include that of working or putting in effort when they believe in the cause or the value of that work. Lloyd (2007) states that while Gen Y employees will not do “grunt” work, they will indeed enlist in charity work and work that require long hours but are gratifying. In other words, Generation Y are motivated to work when they are shown the value of their work worthy of competing with their involvement in many social and community activities. Generation Y workers believe in choice, as well as in switching jobs to find that appropriate balance and value fit (Lloyd, 2007). The Families and Work Institute in New York, USA found that Generation Y workers are expected to change their jobs ten times during their careers (*Credit Union Magazine*, 2007).

In contrast to their electronic savvy Generation Ys have relatively poor financial skills (e.g. the inability to balance their own chequebook or a budget), with unrealistic market expectations in relationship to financial planning (Der Hovanesian, 1999). This is the same generation that feels uncertain about their future financial situation (Moeveg, 2007) and are often crippled with credit card and educational expense related debt. That does not mean, however, that Generation Ys are simply absorbed in technology or are totally dissimilar from the other generations. Heaney (2007) and Brady (2007) found that Generation Ys require multichannel marketing and delivery channels in relationship to bank usage to include anything from Second Life, MySpace, ATMs and face-to-face tellers and investment advice. Heaney (2007) demonstrates not all Generation Ys are “online customers” as Generation Y consumers utilise high-end technology as well as human face-to-face transactions. This multifaceted method of transaction bucks the trend that Generation Y are the largest consumer segment of mobile data with a growth of 125% predicted per year for that segment

(Cameron, 2007); transactions such as micropayment (using credit through mobile phones) is expected, rather than wanted by this generation.

In relationship to learning preferences, Generation Ys have used computers since pre-kindergarten; lecturing and traditional training manuals are not very effective on these consumers (Allerton, 2001). They also value work for the internal growth opportunities provided by that workplace, and prefer networking for support and teamwork, rather than competing for larger pay packets (Twyford 2007). Similarly, Brady (2007) found that although Generation Y employees are opinionated, they require flexibility, balance (life and work), garner respect and require accessibility to mentors and their peers. These youngsters are looking for individual career paths, word-of-mouth referrals and a more meaningful sense of purpose in their life. A number of successful companies have found that this generation is eager to learn, including learning to be savvy concerning financial planning (Moeveg, 2007), how to be successful in their careers (Brady, 2007), how to succeed in their jobs, how to integrate well with the other generations, such as Baby Boomers (Lloyd, 2007) and how to develop long-term relationships with their employers and their product brands (Brady, 2007).

In summary, these 13 to 30 year old Generation Ys are imbued with a number of specific characteristics: they are out to change the world though expressing their preferences and value through work, lifestyle choices, and technology. While usage of digital technology has been inculcated from a young age, this generation is still learning about themselves, the environment, relationships, and financial responsibility, albeit in their own particular manner of shorter attention spans, mixing entertainment with education. The paradoxes, however remain: technology is indispensable, but it not the whole story. Generation Ys value relationships and personal interaction in their jobs as well as their transactions. Correspondingly, an ostentatious expression of individuality is crucial in developing their identity, as is the prevalence of choice and options; but teamwork and cohesion (e.g. mentoring) is also valued. Finally, the environment and climate change is a pressing issue to Generation Y; but this Generation also maintains the importance of an entertaining lifestyle and activities accentuated by technology gadgets.

CORPORATE SOCIAL RESPONSIBILITY

The ultimate goal of being socially responsible is to increase the welfare of humanity; Corporate Social Responsibility (CSR) can be defined as corporations assuming rights and obligations in developing values including that of protection, sustainability, acting responsibly and economically in respect of the environment (Gil Estallo, Giner de la Fuente and Griful-Miquela, 2007). The World Business Council for Sustainable Development (2007) defines Corporate Social Responsibility as the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families and the local community, and society at large. According to the Corporate Responsibility Index (2007), it is more than goodwill, community involvement or philanthropy: it is building meaningful relationships between a company and society. Diversity Australia (2007a) suggests that CSR strategies include community projects, employee volunteering, strategic giving, matched giving, community based partnerships and corporate foundation giving. The benefits of CSR include an enhanced brand, increased positive associations from consumers, and employee loyalty (Diversity Australia 2007b).

Protecting the brand is indeed a crucial factor for many, such as Coca-Cola, in deciding to be involved in CSR. *Marketing Week* (2007) described Coca-Cola's involvement in more than

US\$10 million investment pledges to the World Wildlife Fund for nature, through investigating claims on pesticides in India, and in preventing child abuse in Columbia. This Coca-Cola vignette serves to demonstrate that not only is CSR becoming part of the mainstream practice in the corporate world, it is also moving to become a strategic planning process that companies are proactively taking and is more than brand perceptions and public relations issues (Meisinger, 2007).

Given the highlighted stature that CSR is now taking, it is imperative that Business students are well versed on what CSR is, be equipped with the capability of making decisions based on CSR tenets, and then implementing these actions. However, much of the research on CSR has been “to analyze CSR by examining CSR” (Basu and Palazzo, 2008), in other words, there is an overemphasis on the content of CSR activities. What this research article contributes to the CSR literature is not therefore to further examine what CSR is, but on how best to teach the next generation of leaders, Generation Y, how to make decisions which are socially responsible.

TEACHING CSR TO BUSINESS STUDENTS

Despite touting CSR in many a Business degree or course, the authors of this article feel that there are many gaps and shortcomings in educating business students to be fully cognizant with the tenets of CSR. Due to the complexity of the interaction between ethics, social and environmental variables in Business, it is not easy for students to fully understand the impact of CSR as there is a divergence between what managers value – and what values are used to guide their actions (*Journal of Corporate Citizenship*, 2004).

Increasingly, research is focusing on the internal convictions of an individual that guides CSR decision. CSR is inherently a multidimensional construct that is implemented across a multitude of dimensions and actions from a number of motivations (see e.g. Griffin and Mahon, 1997; Wood, 1991). Brammer, Williams and Zinkin (2007) found that the importance religious individuals attached to the economic responsibilities of business varied across different faiths. Buddhists showed a clear preference for ethical business behaviour compared to non-believers. In addition, religious individuals expected companies to be responsible to a greater extent than non-religious individuals in some areas of responsibility (Brammer et al., 2007). These findings are not surprising given suggestions that Business courses link religious traditions and business ethics with the work persona (Epstein, 2002). Indeed, Porter (2003) recommended that CSR is not a defensive method of avoiding scandals but is a proactive integration of the values of a company for social initiatives within a business’ strategic frame.

Ethics is the forerunner of CSR. A business that is ethical will also consider aspects of CSR as ethics is about companies taking responsibility for the social and environmental impact of their actions (Kotler, Adam, Brown and Armstrong (2003, p. 24). Companies that are ethical should also be socially responsible although CSR may cover a broader range of issues.

There are many ways that ethics can be taught in Business Ethics education. In the past few decades, there have been many advances in Business Ethics teaching. But there are also many detractors about whether Ethics can be taught. One view is that postgraduate students are adults and are too mature to be taught Ethics (Hindo, 2002). Another view is that Ethics cannot be taught as corporate scandals continue to happen (Berembeim, 2002).

There are a number of studies that support the teaching of Ethics during university years, in that there is room to develop students past their schooling or adolescent years; for example, DeHaan and Hanford (1997), and Williams, Yanchar, Jensen, and Lewis (2003) found that the moral development of high school students is significantly higher compared to that of primary school students. Rest (1979) also found that university education was positively associated with moral development. Fleckenstein (1997) believes that universities are appropriate institutions to foster the importance of ethics and can influence the ethical reasoning of their students.

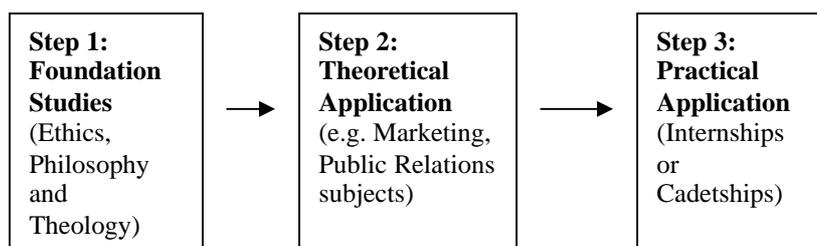
However, the context of teaching ethics is also equally important; Trevino (1986) states that ethical behaviour is comprised of a number of personal and situational factors, including moral development, norms, self-control and ethics training. Williams and Dewett (2005) see that this forms a chain or links between each variable – and considers that expectations are integral aspects in a business ethics education. The goals that Williams and Dewett (2005) state include awareness, moral development, and ability to handle complex issues. These expectations are then expounded in the sense that a student should be taught all three facets of ethics education so that ethics emanates from the “internal” loci of the individual (Trevino, 1986) as these are the individuals who accept personal responsibility. This internal loci seems to be accentuated upon when it was found that students who did community service projects had more concerns for social issues compared to students who did not (Weber and Glyptis, 2000). This is increasingly important as students relate more critically to immediate local and personally relevant issues (Williams and Dewett, 2005), and coupled with a learning of ethical issues that are typical in the industry, students should be able to “transfer” learning to actual situations.

Another way in which to inculcate ethics into a student is through experiential learning methods as suggested by Fleckenstein (1997) where students have a “service-learning pedagogy” or a project where students get a hands-on feel of what Business Ethics entails. However, there are many gaps between what managers say they value and what values are used by managers to guide their actions (Scott and Gough, 2003). In other words – what is it that actually guides these managers and their actions?

THE CSR EDUCATION PARADIGM

It is therefore proposed that an effective manner of inculcating CSR concepts to Generation Y business students is through a three step learning process. The “CSR Education Paradigm” in Diagram 1 below demonstrates that students are exposed to CSR education concepts and applications three times: as Foundation Studies, through Theoretical Application, and through Practical Application.

Diagram 1: The CSR Education Paradigm



In **Foundation Studies**, students learn the three main core subjects underlying liberal education: Ethics, Philosophy and Theology. Ethics provides the basis of CSR and then students are exposed to two other subjects that coalesce ethical concepts with their personal beliefs of their humanity through Theology and Philosophy studies. Ethics concerns values of humanity, Philosophy deals with the nature of humanity, and Theology concerns studying the foundations of one's faith. It is proposed in this paper that these three subjects provide a Foundation for CSR concepts and thinking from which Generation Y can draw upon.

Providing a basis or Foundation for thinking and analysis is particularly relevant in Business studies where students have to think "on their feet" and at the best of times, there are no precedents as to how to act or react in particular situations. In addition, Darryl (2004) feels that the advent of the private sector should not dilute liberal arts studies which pursue knowledge for its own sake. In other words, the "thinking student" makes for a good corporate citizen. Professional education, training schools, and the commoditization of education because of pressure from the government and the private sector (Darryl, 2004) should not detract from educational traditions of the ability of a student to think for her/himself. This is particularly relevant for Generation Y students who are inclined to make quick decisions, who need to consider choices and options in life, and who are eager to learn.

In **Theoretical Application**, students undertake subjects or units pertaining to their major area of study, e.g. their marketing major, or their public relations major but apply CSR concepts to these areas of study. Ideally, Foundation Studies should precede the major area of study so that students can apply and transfer the concepts from Philosophy, Ethics and Theology into their chosen areas of Business studies. For example, in marketing to children, what are the ethical concepts that come into play? What decision-making paradigms can be used when a company is faced with a public relations challenges in relationship to a hospital's stance on euthanasia? Again, Generation Y students will benefit from this aspect of analysis and application as it is their chosen area of study; given that a Generation Y person can change their careers ten times in their life, it is imperative that the students learn how to apply foundation concepts to any particular area of specialization. Integrating CSR into a major area of study takes into account Stewart, Felicetti and Kuehn's (1996) findings that students prefer integrating Ethics into their Business courses as opposed to Ethics being a separate component. This aspect of CSR application concerns the concepts of cognition (thinking) and linguistic (reasons) in Basu and Palazzo's (2008) process model of organizational CSR learning.

In **Practical Application**, students apply their CSR values and theoretical understanding in a real-life context. It is proposed in this paper that Business Internships are an ideal mode through which CSR concepts can be studied and analyzed in real life. This practical application step gives students an opportunity to see CSR concepts "in action" and to test the challenge of implementing CSR concepts in an organizational context. This third step brings into play the third aspect of Basu and Palazzo's (2008) process model of organizational CSR learning, the conative or behavioural aspect. In relationship to Generation Y, the generation of boredom, online clicks, mobile phone payments, and short attention spans, this opportunity provides a guided, yet invigorating manner in which to finally see theory in action.

CONCLUSION AND FUTURE RESEARCH

The **CSR Education Paradigm** proposed makes an attempt to integrate the learning preferences and characteristics of Generation Y in the learning and teaching of CSR concepts and applications in Business courses. Taking into account prior research into Generation Y's

needs, as well as research into the teaching of ethics and CSR in Business courses, the Paradigm proposes a three-step approach. In other words, there is no one best way to learn about CSR, particularly given the multifaceted nature of CSR and the unpredictability of conducting business. Generation Y therefore get to learn about CSR from many angles to transfer these concepts across many situations and industries.

Future research should focus on testing the efficacy of this Paradigm, alongside the qualitative and quantitative responses of the students. Different Business courses may be investigated to compare and contrast the model's application, as well as different levels of Business courses. Finding educational institutions and Business courses that implement all three steps of the paradigm will, however, prove to be a challenge.

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