

# EXAMINING THE EFFECTIVENESS OF SOCIAL RESPONSIBILITY COURSES IN HIGHER EDUCATION

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## ABSTRACT

*Individual and corporate social responsibility has been gaining more and more attention over the last several years. We examine the effectiveness of incorporating social responsibility courses into the curriculum in higher education, with a specific look at Butler University. In general, the results indicate that implementing this type of curricular program is beneficial to the students but affects students differently based on their gender and age. Specifically, the results show that female students generally have a higher level of individual social responsibility than their male counterparts. The results also indicate that the students' level of social responsibility influence their perceptions of how responsible companies should behave for both societal and consumer welfare. We conclude that these courses encourage students to get involved with the community and teach them to become good citizens. This also has a carryover effect and remains with students as they graduate and become part of other communities.*

## INTRODUCTION

“Businesses cannot be successful when the society around them fails.” – Responsible Business Summit, London, May 2013

Corporate social responsibility represents the relationship between corporations and society. The importance of individual and corporate social responsibility to businesses and communities alike has long been established. There is now a deep-rooted belief in the business world that corporate social responsibility (CSR) is imperative for survival both nationally and globally. In fact, investors, customers, politicians, the government, and the community in general perceive companies that have a strategic approach to corporate social responsibility, and take it seriously, more favorably. On the other hand, companies that disregard CSR tend to be viewed negatively by consumers and the general public.

Individual social responsibility (ISR) is motivated by the desire to do good and help others. Most people believe that ISR says a lot about the type of person, how he/she is perceived by others, and maybe more importantly, how we perceive ourselves. Over the years, both ISR and CSR

have become integral to the success of organizations (both public and private), and the trend has not gone unnoticed by administrators in the academic sphere.

The Center for Citizenship and Community at Butler University in Indianapolis, Indiana has implemented an Indianapolis Community Requirement (ICR) into the core curriculum. According to the requirement, “all Butler University students entering in Fall 2010 or later must complete at least one ICR course before graduation. The ICR can be satisfied through designated courses in the core curriculum, in the student’s major, or taken as electives.” More specifically, the ICR dictates that students participate in a number of reciprocal community partnerships in which they can use their classroom knowledge with real experiences in the Indianapolis community.

The Center for Citizenship and Community (CCC) highlights the following benefits for students:<sup>1</sup>

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1 For a more detailed look at the work of the Center for Citizenship and Community and the ICR at Butler University, please visit <http://www.butler.edu/citizenship-community/indianapolis-community-requirement/>

- Reinforces skills learned in the classroom and demonstrates the relevance of academic work for their personal and professional development
- Broadens cultural competency and increases awareness of current societal issues as they relate to academic areas of interest
- Improves interpersonal skills
- Promotes student development and civic responsibility
- Widens networks and affiliations within the Indianapolis Community for references, internships, and job placement
- Furthers independent learning and problem-solving skills

The ICR courses play a key role in student development by endeavoring to augment students' understanding of personal and social responsibility, foster ethical behavior, encourage civic mindedness, develop intercultural skills, and enhance overall learning. Moreover, in light of recent corporate scandals, it is incumbent on academicians and university administrators to graduate more socially responsible individuals, as many have argued that these scandals may be directly attributed to a lack of individual and corporate social responsibility.

The CCC states the following about the ICR's impact on the community:

- Augments reciprocal partnerships within the Indianapolis community that build on the assets of university students and community members alike.
- Furnishes access to relevant university resources to meet community needs.
- Offers opportunity for families, children, and community-based organizations to foster today's generation to become tomorrow's volunteers and civic leaders.

Our study investigates how effective social responsibility courses are at translating into good individual and corporate social responsibility. In other words, can social responsibility be taught? Using the Butler University core curriculum, which requires students to take at least one social responsibility course (the ICR), we examine students' perceptions of individual and corporate social responsibility. This is important because of the steady movement in the corporate world towards individual and corporate social responsibility as a means of encouraging overall socially responsible behavior, the positive effects of which have already been documented in corporations and the wider society.

## LITERATURE REVIEW

Our study adds to the burgeoning literature on individual and corporate social responsibility. There has been much research on consumers' reactions to CSR, as well as the benefits, costs and limitations of socially responsible behavior. However, to the best of our knowledge, no one has looked at the effectiveness of including socially responsible courses into the university curriculum, in terms of the impact on students' perception of individual and corporate social responsibility. Given the current importance that is attached to ISR and CSR, both nationally and internationally, we believe this research is important to gauge the impact on our students.

Davis and Blomstrom (1975) defined CSR as "the managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of organizations". Since then, other perspectives of CSR have come to the fore including a more encompassing view of CSR as proactive socially responsible behavior by organizations, as well as individuals (McGee, 1998). This includes, but is not limited to, ethical behavior by individuals or groups within an organization. We choose to use McGee's definition in this study; however, it must be noted that different people in different parts of the world can define corporate social responsibility differently, and we must be careful in using a broad brush to define corporate social responsibility (Campbell, 2007).

### Financial Performance and CSR

Prior research on the impact of CSR on financial performance has been mixed. McGuire et. al. (1988) found a positive relationship between CSR and financial performance, while Freedman and Jaggi (1982) found no relationship between CSR and financial performance. Still, others found mixed results (Coffey and Fryxell, 1991). Notwithstanding these results, Waddock and Graves (1997), in a widely respected study, presented a thorough multidimensional measure of CSR and found a positive relationship between an increase in CSR and an increase in company financial performance.

### Consumers' Perception and CSR

Research on CSR and consumers' perception of a company finds that there is a positive association between CSR and the consumers' perceptions of a company's products (Brown and Dacin, 1997). In other words, consumers view the products of companies with positive CSR more favorably than other companies viewed as having negative CSR, or no strategic CSR plan. Sen and Bhattacharya

(2001) investigate when, how and for whom specific CSR initiatives work. The authors find that both company-specific factors such as CSR issues and product quality, as well as individual-specific factors such as consumers' beliefs about CSR issues, impact consumers' responses to CSR. In addition, the authors conclude that CSR initiatives can sometimes negatively impact consumers' purchasing decisions.

### Individual Social Responsibility (ISR)

CSR has been talked about for many years now, but the impact of ISR on the communities and the global corporate environment is also becoming increasingly important. ISR has to do with persons becoming responsible in their actions that have a direct impact on the communities outside of their immediate group. ISR includes the engagement of each individual in the community where he/she currently lives, actively participates in its development and works together to solve community problems. One of the main objectives of ISR is to make the community a better place. Benabou and Tirole (2009) examine individuals' motivation for socially responsible behavior. They find that ISR is driven by intrinsic altruism, material incentives, and social or self-esteem concerns. In addition, the authors find these motives are mutually interdependent, and both policy makers and social activists must have a good understanding of these interactions to effectively influence individuals' desire to engage in socially responsible behaviors.

### ISR and CSR

Galaskiewicz (1991) examined the relationship between individual social responsibility and the impact on corporate social responsibility. The author established that managers who were members of clubs and/or organizations that are active in charitable giving activities were more likely to engage in positive ISR and CSR activities. This is because, much like the average Butler University student, they learn of the importance of socially responsible behavior through classes and various seminars. Moreover, the author surmises that there is a sense of peer pressure to conform to the acceptable social behaviors.

### ISR and CSR Education

Arlow (1991) investigated the personal characteristics in college students' evaluations of business ethics and corporate social responsibility. The author found that a student's undergraduate major impacts corporate social responsibility rather than business ethics alone. He also found that business students are no less ethical than nonbusiness students, and that female students are more ethical and

socially responsible than male students. The author concludes that there is a greater need to tailor the business ethics curriculum based on student characteristics.

Matten and Moon (2004) present the results of a survey on CSR education (teaching and research) in Europe. The basis for their survey was to try to identify whether business schools were making a concerted effort to incorporate social responsibility courses into the curriculum. The authors found that, in general, business schools are trying to find new ways to include ISR and CSR courses in the curriculum, but that this was a new and yet unproven process. The survey also showed that the most influential persons driving the CSR agenda are specific faculty members.

Our study is warranted as it will shed much needed light on the effectiveness of socially responsible courses. We will also endeavor to answer the following question: Can individual social responsibility be taught?

## DATA AND METHODOLOGY

To best address our research questions and understand the impact of a course about social responsibility on the student population, we designed a survey that was distributed to undergraduate students. The 124 student participants attend Butler University, a mid-sized University in the Midwestern United States, and ranged from freshmen to seniors in the College of Business (6 Freshmen, 25 Sophomores, 65 Juniors, and 28 Seniors participated). The survey featured a series of questions about the students' beliefs about their levels of individual and corporate social responsibility. In addition, questions were asked about their coursework and extracurricular activities that might have covered topics concerning social responsibility and ethics. Lastly, the participants were asked a series of questions about their demographic and psychographic characteristics. Specific information about the measures can be found in the following section.

### Measures

#### Individual Social Responsibility (ISR)

To measure the individual participant's feelings about socially responsible behavior and to assess their beliefs about their own moral behaviors, we measured the participant's moral identity using the Aquino and Reed (2002) scale, which includes 10 statements that participants respond to by indicating how strongly they agree or disagree with the statement. The scale represents two dimensions of moral identity – internalization and symbolization – which differ based on how the participants either internalize or outwardly express their moral identity. In our study, we

call these two dimensions Internalized Moral Identity (IMI) and Symbolic Moral Identity (SMI). In terms of the data analysis, the scores for the items on each dimension were averaged to create an index for the participant's internalization and symbolization of their moral identity.

### Corporate Social Responsibility (CSR)

To measure corporate social responsibility, we employ the two dimensions of the Turker (2009) CSR scale that deal with how a company is perceived by the general public. Specifically, the original scale consists of measures of four dimensions, two of which face the general public and examine (i) how individuals feel companies should benefit society and (ii) how they feel companies should benefit the consumer. The other two dimensions examine how a company presents itself to other audiences, including their employees and the federal government. We chose the two dimensions that represented the view the general public would have of a company since one of the goals of this project is to determine students' perceptions of CSR, and they would not be aware of how a company presents itself to their internal and governmental stakeholders. Specifically, these scale questions ask participants to respond with how strongly they agree or disagree with statements about how companies should act. For the data analysis of this measure, average scores were computed for each of the two dimensions of CSR.

### Data Analysis

Several types of analyses were performed on the survey data collected in order to test a model that connects participants' coursework to their perceptions of their own ISR and then connects this construct to their perceptions of CSR. Specifically, ANOVA tests were conducted to examine the effects of the ICR, Gender, and Age on each of the dimensions of ISR since the three factors are categorical variables. To examine the relationships between the ISR and CSR dimensions, we used regression analysis including Gender and Age of the respondents as independent variables. We expect that students who have already fulfilled their ICR at Butler University would have a higher perception of their ISR. In addition, this perception of ISR should be positively related to their perceptions of CSR. Moreover, we expect that the gender and age of the respondents would significantly affect the relationships between the class and the individual as well as corporate levels of social responsibility.

### Descriptive Statistics

Of the 124 student participants in the study, 42% of them had completed a class that required that they participate

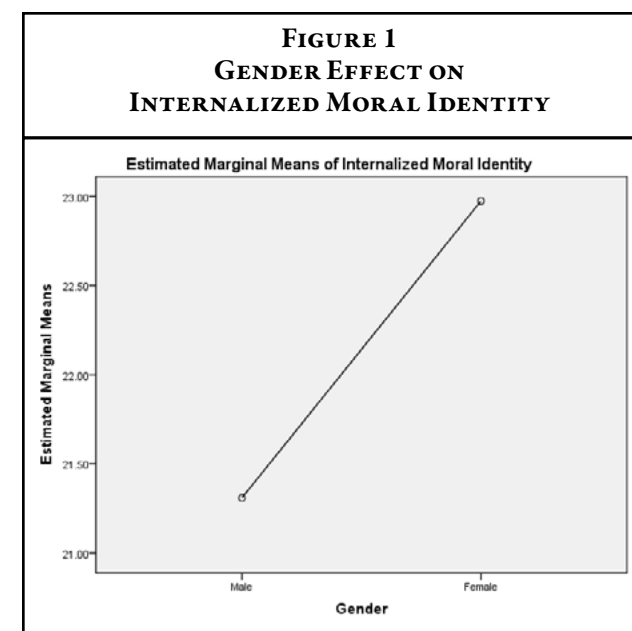
in some sort of service to the Indianapolis community, and thus fulfilled the ICR. The classes they took to fulfill this requirement ranged in topics and were offered by a variety of departments across the University. For example, some students took a class offered in the Accounting Department where they assisted members of the community with their tax paperwork, while others took a class in the Spanish Department where they helped Spanish-speaking members of the community learn English. Additionally, the students who participated in this study were almost evenly distributed between genders (44% male, 56% female).

Examining the scale measures, we find that the students had a relatively high level of individual social responsibility. Analyzing the two dimensions of ISR separately, we find that both dimensions were measured with an adequate level of reliability ( $\alpha$ IMI = 0.881;  $\alpha$ SMI = 0.790). Students were shown to have a higher level of internalized moral identity (Mean = 22.45; SD = 3.74; Max = 25.00). On the other hand, they seem to have a medium level of symbolic moral identity (Mean = 18.15; SD = 3.06; Max = 25.00). This indicates that the students, in general, have a high level of morals in what they think and feel; however, the level of morals that they express outwardly in what they wear and the activities they engage in is slightly lower.

Regarding their perceptions of corporate social responsibility, we find that students have a relatively high level of corporate social responsibility as well. Again, both dimensions of CSR seemed to be measured with adequate levels of reliability ( $\alpha$ Social = 0.915;  $\alpha$ Consumer = 0.840). Specifically, students had a relatively high perception of how much benefit to society the company should provide (Mean = 25.60; SD = 4.01; Max = 30.00). Additionally, they have a relatively high perception of how much benefit to the customer a company should provide (Mean = 13.47; SD = 1.84; Max = 15.00).

### RESULTS

In order to test the model proposed in this research, we conducted a series of analyses examining the relationships between the ICR, ISR and CSR. First, we examined the effect of the ICR on the two components of ISR, Internalized Moral Identity (IMI) and Symbolic Moral Identity (SMI), by conducting a MANOVA with the ICR Requirement, Age, and Gender as independent variables. The results indicate that there is a significant effect of Gender ( $F(1,96) = 4.007, p < 0.05$ ) and the interaction between the ICR, Gender, and Age ( $F(1,96) = 4.577, p < 0.05$ ) on the individual's IMI. Upon further examination, we find that female students have a significantly higher level of IMI than their male counterparts (See Figure 1).

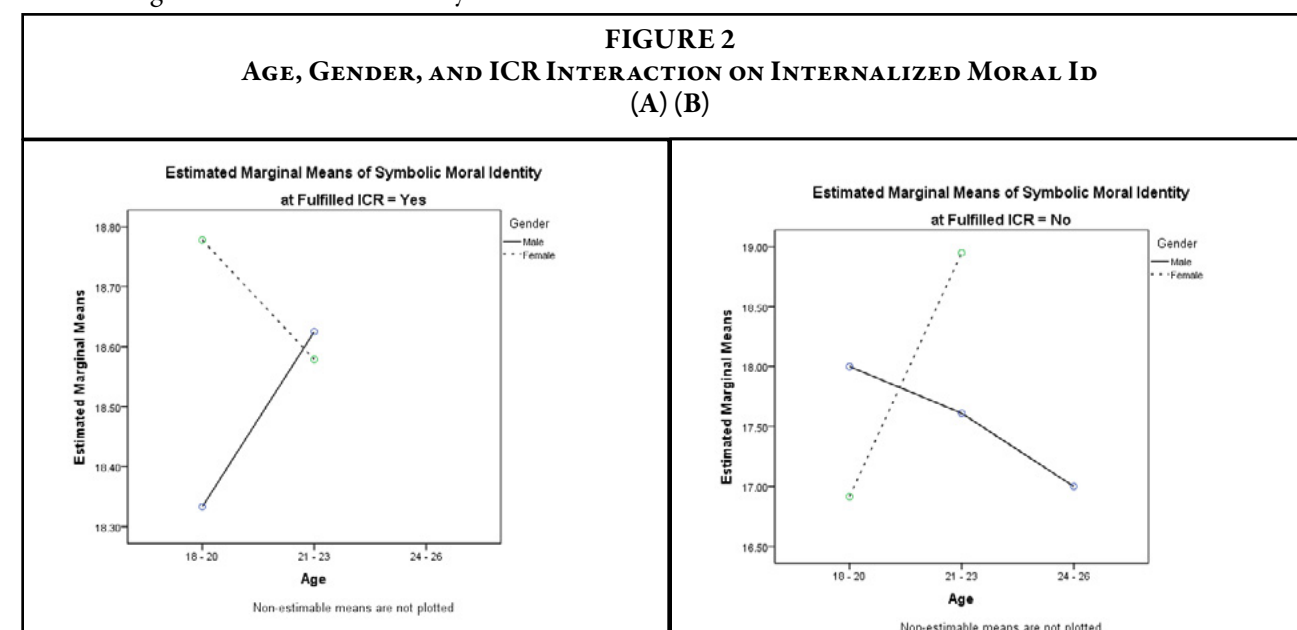


In addition, we found a significant three-way interaction between Age, Gender, and the ICR on the IMI of the respondent. Specifically, when students have taken the ICR, there is no difference in the female students' IMI at different ages. However, for the male students who have taken the ICR, their IMI level is significantly higher when they are between the ages of 21 and 23 than when they are between the ages of 18 and 20 ( $t(13) = 4.10, p < 0.002$ ; see Figure 2A). This suggests that it takes male students longer to internalize the benefits of the ICR.

On the other hand, when the ICR has not been fulfilled, our study exhibits a different pattern of results. The results show that again women have a relatively constant level of

ISR at the ages of 18-20 and at 21-23 without having taken a class to fulfill their ICR. However, for the male students who have not taken the ICR Class, their level of ISR steadily declines over the age groups and shows a marginally significant difference between the ages of 18-20 and 24-26 ( $t(7) = 2.00, p = 0.08$ ; see Figure 2B). This suggests that male students should probably be encouraged to take the ICR early in their college career to achieve maximum benefits. When analyzing the second dimension of ISR, we find that there are no significant main or interactive effects of any of the three independent variables.

In the second phase of the analysis, we examined the relationships between the students' level of ISR and the impact on their perceptions of CSR. In order to examine these relationships, two sets of regressions were conducted with the ISR Dimensions (IMI and SMI), Age, and Gender as independent variables and each of the dimensions of CSR (the social and consumer benefits of the organization), as the dependent variables. In the first regression, looking at the factors that affect the social benefit of the organization, we find that the two dimensions of ISR (IMI and SMI) and Gender have significant effects. However, age does not significantly affect the perceived social benefit of an organization. All three of these significant factors have positive beta coefficients indicating that as each of the independent variables increases, so does the social dimension of CSR. Therefore, as students' internalized moral identity increases this causes an increase in their perceived social benefit of a company or organization ( $\beta = 0.235, p = 0.01$ ). In addition, as students' symbolic moral identity increases so does their perception of the social benefit of a company ( $\beta = 0.371, p < 0.01$ ). Lastly, female students



have a higher perception of the social benefit of a company or organization than male students ( $\beta = 0.228, p < 0.01$ ).

Next, we analyzed the effects of these factors on the second dimension of CSR, the consumer benefit of the organization. According to the results, only the two dimensions of ISR both have significant positive effects on the perceived consumer benefit of a company. As such as each of the ISR dimensions increases, so does the perceived benefit of a company to consumers ( $\beta_{IMI} = 0.375, p < 0.01$ ;  $\beta_{SMI} = 0.217, p < 0.05$ ). However, in this analysis, gender and age do not have significant effects on the consumer benefit dimensions of CSR. A graphical summary of the model test results is presented in Figure 3.

### CONCLUSION

The social responsibility of individuals and companies has been gaining attention over the last several years both at a national and international level. When individuals make decisions to buy one product over another, they often look at what the companies are doing to benefit societal welfare. Moreover, the level of corporate social responsibility as well as individual social responsibility has been shown to have a positive impact on the overall reputation of companies.

Given this trend, more universities are beginning to incorporate course work into their curriculum that either emphasizes social responsibility and ethics, or requires students to get out into the community for service as an essential component of the curriculum. Butler University in Indianapolis, Indiana is a university that has imple-

mented an Indianapolis Community Requirement (ICR) into the curriculum so that students are required at some point during their studies to engage with the community as part of a course for which they receive credit. This can be fulfilled in a variety of ways and has been implemented across campus by all departments.

In this study, we examine the effects of incorporating this type of program and requirement into the Butler University curriculum. In order to look at the effects of the ICR, we surveyed a set of undergraduate students enrolled for various amounts of time at the university, ensuring that some of the students had completed their ICR and some had not. We then measured their level of individual and corporate social responsibility. In general, the results seem to indicate that implementing this type of curricular program is beneficial to the students, but seems to affect students differently based on their gender and age.

Our results provide an inside look at how students who have completed the ICR perceive their own level of individual social responsibility as well as how they perceive the social and consumer benefits of an organization. Specifically, we find that female students generally have a higher level of individual social responsibility than their male counterparts. In addition, when examining the effect of the ICR on how the student's internalize their level of social responsibility, we find a significant interaction between gender, age, and the ICR. As such, we surmise that male and female students who have taken an ICR class internalize the effects of the class at different ages. However, they do not always take those internalized values and characteristics and express them outwardly via the clothes they wear, the things they read, and the activities in which they participate. This is important because it implies that we cannot simply look at the outward appearance of our students and judge their level of social responsibility.

Our study also indicates that students' level of social responsibility remain with them and impact their perceptions of how responsible companies should be for both societal and consumer welfare. Moreover, we find that both dimensions of ISR (IMI and SMI) have a positive effect on the perceptions of how companies should benefit consumers and society. We also find that female students have a higher level of perception of how much a company should provide a social benefit than male students.

We conclude that including this type of program/coursework into the curriculum is beneficial to all students. Not only do they get involved with the community and learn to become good citizens, but also the benefits of the coursework remain with them as they graduate and become a part of other communities. Therefore, we surmise that there is a positive impact on students' ISR and CSR levels, and prior research has demonstrated that these per-

ceptions and beliefs are usually enduring. Maybe we can teach social responsibility after all.

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