A REVIEW OF SOCIAL RESPONSIBLE ISSUES IN BUSINESS EDUCATION

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Abstract
Business has transformed the world in the last 100 years. Market dynamics, economic trends, policies, technological change and the expectations of the current and future stakeholders have created a highly dynamic business world. A company's ability to sustain global market trends and societal changes is a great challenge.

Business and society are mutually interdependent. Society depends on business for wealth creation, which leads to better quality of life, while business depends on society for an environment wherein it can meet its obligation to create that wealth.

While global companies have begun to integrate issues of 'Sustainability / Corporate Social & Environmental Responsibility' mantra into their governance process through research &development, product development, branding andbusiness process operations, understanding this integration is critical for students seeking jobs in global companies.

To compete and excel professionally, the budding professionals need to be equipped with not only the knowledge and skills to solve financial &technical problemsbut also social, ethical and environmental challenges faced by today's organizations. Business todayuniversally demands that the scope and reach of education need to focus and integrate concepts of social, ethical and environmental sustainability to next generation leaders.

Through exploration of literature, this paper envisages to analyze the demand and need for responsible business practice and management educationfor a sustainable societal well-being which has elicited a lot of debate.

Key Words:*Corporate Social Responsibility (CSR), EnvironmentalSustainability, Corporate Governance (CG), Corporate Social & Environmental Responsibility (CSER), Business Education.*

Introduction
"Social responsibility is not a question of charity; it's a question of enlightened self-interest. It's an issue of how we are going to keep our planet stable so that businesses sustain and survive." (James D.Wolfensohn, President, The World Bank, Transatlantic Business Dialogue, 2002.)

Today corporate social environmental responsibility (CSER)/sustainability are important global issues with serious challenges and have been accepted globally by all the organizations taking responsibility for the impact of their activities and operations on all their stakeholders inclusive of customers, employees, shareholders, community and the environment.

As 'Sustainability / CSER ' mantra is getting fast integrated into operations and business strategies of global companies, this demands specific skill sets, which are not currently appropriately institutionalized within the general curricula / business curricula of most institutions. Institutions need to prioritize in addressing such inconsistencies, as issues of 'Sustainability' are gaining momentum as a major source of value creation. The onus is on institutions to train and hone the prospective business leaders who will be expected to demonstrate competencies in the implementation of sustainable business practice.

Generally, the term 'Sustainability' is often used interchangeably with 'Corporate Social and Environmental Responsibility' (CSER), Corporate Social Responsibility (CSR) 'Corporate Citizenship', Business Ethics, Corporate Governance, Environmental Social Governance (ESG), and 'Social Impact'. These terms are often defined differently depending on context of usage. Some argue that social issues should be differentiated from environmental issues, while some consider social and environmental issues to be directly related. To avoid such confusion, the term 'sustainability' is used here encompassing both social impact (CSR issues) and environmental impact (Sustainability issues).

Emergence of CSR/CSER in Business & Society
With globalization and ecological issues, the perception of the role of corporate in the broader societal context has altered to be socially responsible. Today, the stakeholders (employees, community, suppliers and shareholders) are redefining the role of corporate taking into account its broader responsibility towards society and environment, beyond economic performance.

Research Paper
Impact Factor: 3.853
Refereed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

With this shift from economic to economic with social and environmental dimension, institutions and corporate are endorsing the term Corporate Social Responsibility (CSR) or Corporate Social Environmental Responsibility (CSER) or Sustainability.

'Sustainability' or CSER rests on three fundamental pillars: economic growth, ecological balance and social progress. To adopt socially responsible business practice is not only an ethical duty for a company, but also something that actually advantageously pays back. Environmental Social Governance helps companies to sustain and live up to their responsibilities in society as global citizens in a fast changing global economy. Thus, CSER / sustainability is presenting both as a major requirement and an opportunity for corporate to build their brand, value proposition and to contribute faster for a sustainable growth of our society.

Corporate Social Responsibility, though acclaimed recently, has been in practice in India from the time of Kautilya, where philosophers of pre-Christian era advocated ethical principles in business. CSR implies the way in which companies manage their business processes to produce an overall positive impact on society. According to World Business Council for Sustainable Development:"CorporateSocial Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, the local community and society at large".

Archie Carroll in1991 describes CSR as a multi layered concept within a pyramid – economic, legal, ethical and philanthropic responsibilities. "True" social responsibility requires the meeting of all four levels consecutively in a pyramid, the model probably is the most accepted and established one. CSR shows the way forward for companies to contribute to the growth and welfare of the society while in return gains an opportunity to create a true competitive advantage and positive reputation for the business world. Pinkston& Carroll (1994) note that organizations are under increasing pressure to demonstrate good and accountable corporate responsibility.Smith, Porter & Kramer (2007) justify that companies have also realized that by including CSR strategies in business operations creates not only profit but also create value proposition such as corporate reputation and competitive advantage Friedman & Miles (2002) re-iterate, from the perspective of CSR practice, that organizations are seen as key drivers in the process of re-constructing a better world.

The concept CSR was in common parlance and supported by all sections of society. In 1977 less than half of the Fortune 500 firms mentioned CSR in their annual reports, but by 1990, approximately 90 percent of Fortune 500 firms embraced CSR as one of their organizational goals, and actively promoted their CSR activities in annual reports (Boli and Hartsuiker, 2001). Global leaders including HP, Shell, Johnson & Johnson, Proctor &Gamble etc., have acknowledged their social & environmental responsibilities and have developed processes of transparency of informing stakeholders of their responsible CSR practice through green audit reports, sustainability reports, production of qualitative products, engagements with the community, NGOs, responsible customer relations and responsible employee relations.

In line with CSR, corporate social and environmental responsibility (CSER) is gaining ground, which refers to the commitment of firms to contribute to both social and environmental objectives. Besides, CSER encompasses issues of regulatory compliance, accountability, voluntary initiatives, communication and transparency and institutionalization of environmental and social issues as noted by McIntosh (2003). Survey of Tata Energy Research Institute highlights concerns of environment pollution, poverty, quality of products, employee discrimination and other social issues which need more attention by companies as part of CSR. There is a growing recognition that responsible business practices, good governance, ethical conduct has a positive impact on ones' life as well on society wellbeing.CSER typically includes issues related to: business ethics, community development, human rights, environmental sustainability, corporate governance, Corporate Citizenship.

Bruntland Commission of the United Nations (1987)defines Environmental sustainability, as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. World Summit (2005) emphasized the reconciliation of environment, social & economic demands - the "three pillars" of sustainability. Environmental sustainability has emerged as a critical policy focus across the world.
Prime goal of any organization is to generate profits however organizations can at the same time contribute to environmental & social well-being by integrating CSR strategies into their business strategy (Wissen 2011)

Growing interest in social responsibility has ignited debates and research in areas of responsible practice and sustainability in business, society and education.

Literature Review – Responsible Education

As CSER as the binding philosophy are becoming more acceptable in business today, it is imperative to integrate socially responsible value issues into mainstream of management curriculum, as Business Schools which produce future managers and leaders need to inculcate and sensitize students with the values of CSER and corporate citizenship.

Kholberg(1976) states that Business Institutions have a crucial role to play by actively nurturing socially responsible business practices and instilling codes of good governance in business graduates and enable them to respect the rights of all stakeholders. White (1980) suggests that business schools are one of the best places to encourage this type of value development culture.

Buchholz(1989)identified a critical issue with management education; students are taught theories of management but are not necessarily exposed to the implications of their usage. MBA graduates act unethically because they were neither exposed to the ethical dilemmas nor to strategies for resolving such dilemmas that are part of business decision making. Business School students need training in ethics and moral reasoning more than most other students according to Trevino &Nelson (1999). Citing serious corporate scams and bankruptcies, post Enron, Wall J K (2002) states, professors at business schools have re-invigorated their ethics instruction. Efforts are thus required to integrate CSER based values into the mainstream of business education, where business schools and universities can promote new teaching models. Some business schools have started making efforts to produce more socially – sensitized MBA/PGDM programs, but the enthusiasm is still lacking. Pfeffer and Fong (2002) argue that business education has not been effective in teaching business ethics, no correlation with career success nor has little influence on management practices.

Crane (2004) cites a study of top business schools in the US that found business school education not only fails to improve the moral character of students but potentially weakens it. He further remarks that in recent years, the ethical content in business education is limited to the extent expected of ranking agencies such as American Assembly of Collegiate Schools of Business (AACSB International) or Association of MBA's of United Kingdom (AMBA).

Powers and Vogel (1980) justify that teaching of business ethics is not to resolve moral dilemmas, but help manager to develop competencies for moral and social judgment in business contexts, ability to integrate broader social issues holistically. Dunfee& Robertson (1988) emphasize the inclusion of such subjects in management programs, to orient students with a perspective of what ethics and social responsibility mean in business practice, and convince students that ethical issues are an important part of the business functions of finance, marketing and management.

Matten& Moon (2004) identifying the increased role of CSER in European organizations, raise issues on providing CSER skills to graduates through Business education. In their survey on European Business Schools, they found that 47% of their respondents offered subjects on CSER or related fields such as citizenship, governance, business ethics etc., as optional subjects and 38% embedded the concepts in existing subjects and modules. 27% included CSER in compulsory modules while 20% use other CSR teaching activities such as seminars, special events, conferences etc.,

Aspen BSP's survey of 15 Business schools in 2007, about the attitude of MBA students towards the relationship between business and society, reveals that business students are concerned about the primary responsibilities of a company. In addition to citing shareholder maximization and satisfying customer needs, creating value for the community in which they operate is also stressed. 26% MBA students of 2007 have expressed more interest in finding a job that offers potential to contribute to society compared to 15% in 2002. Study also shows that the business schools and companies have not convinced the students that environmental and social responsibility contributes to corporate financial success.

A survey conducted in Great Britain in 2002 noted that 80% of respondents felt big companies have a moral responsibility towards society. A survey conducted in 2001 by "Burson-Marsteller" on managers in top companies' show that 89% of them felt that CSR will influence every major decision in the future.

Urgency to address issues of social and environmental sustainability is triggered by successive corporate scandals combined with external pressures from NGOs, policy makers, consumers and the media. With the business world gaining benefits of CSER, there is a need for business schools to include these issues as part of the business curriculum. Gardiner & Lacy (2005) arguethat despite increasing demand from business community for such specialist knowledge, with a few exceptions, business education has been unable to address the issue due to lack of understanding of the debate and its strategic value within the core MBA curriculum.

AACSB responded to this issue by setting up an ethics education page. Business schools have a responsibility to acquaint their students with the ethical theories, tools, and cases. Studies show that demand for such subjects related to values & sustainability in MBA is neither on par nor in career decisions of students. Despite the fact that, professionals from both business and academics support the inclusion of CSER or Business ethics as part of MBA curriculum, as argued by Freeman business leaders need to be more vocal in their support for the inclusion of such important content. Undoubtedly, some B Schools have been training students on Ethics and CSER through innovative methodologies.

Need for issues of sustainability & CSER in Education

Education is the foundation for development and success in any economy.In particular, Management Education plays a pivotal role in today's global business environment, through its cutting edge ideas, theories and knowledge essential to the success of 21st century business. Knowledge derived through research in various management disciplines has achieved organizational success and adding diverse areas of inquiry, leadership and vision that continue to elevate individuals, organizations and societies.

Despite such laurels, it is highly unfortunate and regrettable to note that from family to society, from government establishments to private organizations, breach of trust- ethical violations have become the order of the day domestically and globally rampantly affecting the sustainability of ecological, social and economic governance. Not only in the organizations and corporations, but sadly such breaches are rampant even in our colleges and universities. Adversely, it is argued that institutions specially the management institutions teach students to manipulate results or bend the rules, policies and procedures to make up for favorable numbers.

Needless to say, few professionals have been immune to public embarrassment and accusations from business, bureaucracy and politics domestically and internationally reflecting through series of scandals such as Enron, Worldcom, Bofors, Sathyam, 2G Scam, factors responsible for global financialturmoil, corruption, kickbacks, the ongoing manipulations at Universities etc., and many more still continuing affecting the value orientations of sustainable development of business and society.

'To get to the bottom of the recent wave of corporate scandals, start with what is being taught in business schools,' stated SumantraGhoshal, renowned scholar-researcher in management. Concepts and issues related to corporate social responsibility and sustainability certainly are voiced but not yet become rooted in the mainstream of management education.

With the backdrop of volatile global economy, the recent financial flux in the U S markets, declining stock price, closure of large enterprises, layoffs, resulting in high unemployment and loss of savings etc., scholars have implied that the free markets are the reasons for such crisis which could have been averted. The free markets have failed to propel sustainable business operations for the societal wellbeing. The other reasons include greed of top management, their concern for short term profit, disregard for sustainable business practice and questionable ethical business practice.

Such crisis in global business calls for change in the role of business practice and management education. While global business organizations are challenged to adapt and integrate the concepts of globalization, social responsibility, environment, financial sustainability, corporate governance, nonetheless, institutions are challenged to adapt these concepts and prepare the students to assume these responsibilities in the interest of societal well-being. Therefore, it is just pertinent for educational institutions to instill the values of principles of responsible management in educational programs so that such crisis situations can be averted.

Transforming Education for socially responsible Business &Society:Way Forward

Education operations integrate with both industry and societal interests. Therefore there is an intense pressure and the demand from all stakeholders for educational institutions including management education for responsible education practices which will contribute to the welfare of all stakeholders including business and society while at the same time will create long term value proposition for the educational institutional as well.

Atakan&Eker (2007) points out that most Universities focus on only teaching social responsibility in terms of CSR initiatives without getting involved practically with their communities. But with individual commitment from the educators if these CSR initiatives are responsibly and practically applied at the operational level and in academia will not only benefit the well – being of society and business but will add reputation and value proposition for the institution as well in the long run.

Against this backdrop, to encourage global businesses to adapt sustainable and socially responsible business practices, United Nations Global Compact has initiated 10 principles in the areas of human rights, labor, environment and anticorruption. UN Compact has given a call to businesses to drive towards sustainable practice in corporate citizenship, stability in global financial markets, environmental protection and societal well-being. To drive these initiatives, Principles For Responsible Management Education was unveiled at the July 2007 UN Global Compact Leaders Summit with the objective of providing a framework for educational institutions to advance education   towards the cause of corporate social & environmental responsibility. Such initiatives are to drive management institutions to prepare future business leaders with responsibility to contribute to society and create stable, competitive and sustainable business environment globally for societal well-being. The onus of challenge is on the management institutions to prepare the students for global business leadership of value for social and environmental stability.

The Principles for Responsible Management Education (PRME), initiated by the United Nations Global Compact is a global platform giving a clarion call for management institutions and Universities globally to fill the gap and to adapt institutional strategies, curricula, teaching methodologies and research to the new business opportunities and challenges. In response to this many institutions globally are under the signatory of PRME and institutionalizing the six principles of responsible management education.

In response to the PRME call, large numbers of institutions have begun to embrace innovative strategies to engage students in the challenge of providing responsible leadership. Since the momentum is still slow, there is an urgency for educators to renew and revitalize their commitment to the core factors of ethical, environmental and social responsibility at both individual and business corporate levels to prepare, hone, mentor and nurture the right leaders for the 21st century through value based socially responsible education for the well-being of a stable society.
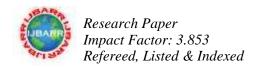
Conclusion
New opportunities and challenges centered on environmental and economic realities, the new business models with changing attitudes have opened up new career opportunities for those seeking to pursue work that directly reflects their personal values.

Globalization has transformed the nature of academia. Keeping with stakeholders expectations, institutions have moved ahead as not only centers of knowledge but play a key role in addressing the socio-economic and environmental issues of the world by promoting sustainable solutions.

Emphasizing the significance of Sustainability / Corporate Social &Environmental Responsibility which is essential for today's organizations, business schools, engineering institutions, and institutions of higher learning have a key responsibility in equipping our future professional managers and leaders with the emerging trends of sustainability through management skills, contemporary and futuristic cutting edge business knowledge, socially responsible attitude to face the challenges of dynamic global business world. Arguably, with the call for urgency for such value based approaches in business and society, we find a paradigm shift in Management Education –Socially Responsible Management Education. With this backdrop, higher education including business education has a crucial responsibility to prepare responsible work force and citizens for the global sustainable business environment.

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