

TEACHING CORPORATE SOCIAL RESPONSIBILITY TO AMERICAN AND CHINESE MBA COHORTS: CONTRASTS AND SIMILARITIES IN DESIGN, DELIVERY, AND PERCEIVED IMPACT

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Abstract

To address increasing calls from stakeholders of all types, companies need to infuse social and environmental responsibility into their missions and strategies. More commonly referred to as Corporate Social Responsibility (CSR), these actions help a company ensure a more balanced approach toward meeting the needs of all stakeholders. City University of Seattle in collaboration with its Slovakian partner, Vysoka Skola Manazmentu, has designed a graduate-level course in its MBA that addresses the need for CSR to be included in an organization's corporate strategy and has delivered this course to cohorts in the USA and in its MBA program taught in Beijing, China. This paper addresses the commonalities and differences that were found between the American and Chinese students when teaching this CSR course. Specifically addressed are the design of the course, the materials that were selected, the ways that the course was delivered, and the perceived impact on the students. Also addressed are cultural differences and their implications for successfully teaching CSR in other international locations.

Keywords: Corporate Social Responsibility; Business Education; China; United States; Cultural Relevance

1 CORPORATE SOCIAL RESPONSIBILITY IN CHINA

Sustainable development and corporate social responsibility remain important issues both in business and the education of future business leaders. In order to address many of the pressing environmental and social problems that have been attributed to a traditional singular focus on corporate profits, business today must consider the needs of all of their stakeholders. In the developed west, this is leading to an increasing number of programs at the corporate and governmental level to implement and support environmentally and socially responsible leadership among organizations of all types and sizes. It is also leading to a number of business schools and, specifically, MBA programs that are teaching students the need to integrate sustainability and corporate social responsibility directly into an organization's strategy. It's clear that, in western developed nations, the economic benefits of responsible business are driving a slow and steady change in perspectives and behavior among established and future leaders.

But what about in the developing world and, specifically, China? To what extent have sustainability and corporate social responsibility established themselves in what has, in a very short time, become the world's largest market? And how have the differences between western and Chinese businesses, specifically with regards to the role of governmental control, impacted China's adoption of initiatives to support social responsibility?

According to Moon and Shen (2010) the liberalization or privatization of many state-owned enterprises in China unleashed a profit-oriented motive that was no longer tied to the social considerations that were part of these companies when they were fully controlled by the government. Through this profit-driven motive, a number of organizations became associated with environmental and social neglect. As the Chinese markets grew, their influence on environmental and social conditions also grew and, with little regulation to control these impacts, the reputations of Chinese companies suffered.

Furthermore, increased globalization has helped bring the issues of sustainability and corporate social responsibility to light among Chinese government and industry. Failure to properly address both social and environmental issues has, in recent years, been perceived by many to be a threat to China's position in the global economy (Levine, 2008). Companies have come to recognize that decisions regarding the adoption of social and environmental responsibility need to take into account the expectations of consumers, around the world. Even senior leaders within the Chinese government have recognized the need for better socially responsible practices and have encouraged businesses to grow in a sustainable manner so that their pursuit of profits do not negatively impact the Chinese people.

In an effort to regain favor with Chinese consumers and to secure their place within the global economy, Chinese companies are increasingly turning to practices aligned with corporate social responsibility. These practices reflect a new and emerging shift among Chinese companies and there are no centralized structures or standards (Scarlata, 2012), yet there appears to be dramatic growth in the number of companies who are willing to adopt CSR initiatives and describe them in their annual reports. Even several stock exchanges are requiring companies to follow a minimum set of requirements relative to social responsibility (Levine, 2009). Consumers are noticing and responding to these efforts of the more responsible companies. While CSR may be slowly catching on in China, with the majority of consumers not having a clear picture of its importance, those who are aware of it are making purchasing decisions that are influenced by the companies' CSR practices (Tian, Wang & Yang, 2011).

1.1 The Need for CSR in China

It is well documented, and easy for a visitor to China to observe, that several decades of industrial growth have led to increases in the pollution of both air and water. Perhaps the best documented concerns with China's pollution came about prior to the 2008 Olympics where concerns were raised regarding the quality of the air and its impact on athletes. Steps were taken to clear the air prior to the Olympics but, shortly after their conclusion, Chinese companies returned to their status quo and continued to produce increasing levels of pollution. Today, a visitor to China, Hong Kong, or several other major Chinese cities can directly witness the problems with air quality that are resulting, largely, from increased dependence on coal to drive industrial production.

Any suspected or visible increases in air pollution can be substantiated through a number of measurements. China is now the world's largest emitter of air pollutants accounting for 22% of the world's total. (Berlinger & Lubin, 2012) The US emits 13% and the EU is responsible for 10%. Recent measurements of Chinese air particulates in four of its major cities showed that, on the Air Quality Index scale, these cities had air quality that was unhealthy or, in the case of Beijing, hazardous. By comparison, all four of the largest US cities had air quality indices in the good to moderate range with Los Angeles being the only city to fall outside of the "good" category. (Berlinger, 2012) In addition to the problems of air quality in Chinese cities, there have been a number of documented cases of where rivers and food sources have been polluted leading to the death of crops and livestock as well as large regional increases in cancer rates (Berlinger & Lubin, 2012; Flannery, 2009).

1.2 Teaching CSR in China

Questions remain, however, about the priority of CSR among Chinese residents. To what extent are they aware of the impact of their industrial sector on their environmental and social welfare? In a country with a widely dispersed population and a state-run media, how much information is being shared with citizens regarding the role of Chinese industry both domestically and abroad? And how well would any effort to share this information by outsiders be received?

It is with these questions in mind that faculty members from City University of Seattle and Vysoká Škola Manažmentu in Slovakia partnered to deliver a course on Corporate Social Responsibility to two cohorts of Chinese business students who were pursuing their MBA's through a program that was the product of a partnership between City University of Seattle (CityU) and the University of International Business and Economics (UIBE) in Beijing. This CSR course had been previously delivered to a number of

cohorts in the US through CityU's adult-focused, practitioner-oriented MBA program. But it was expected that the delivery of this course to Chinese students would require a number of changes to its design and delivery as well as to the expectations for how the content would be received.

The sections that follow describe the American version of the CSR course and contrast this with the Chinese course, its delivery, and the perceived impact that it had on the Chinese students.

2 THE AMERICAN CSR COURSE

In a 2011 article describing a unique approach to including sustainable development into an MBA curriculum, Kirstein and Diamond described their five-phase approach. These phases included 1) creating a sense of urgency, 2) identifying a need for action, 3) establishing a position, 4) linking to social justice and 5) answering a call to action. The primary goal of this course was to introduce students to the need for sustainable development practices by first underscoring the severity of the environmental problems facing the world then guiding students in their pursuit of viable solutions that aligned with continued economic growth. The final focus of the course was to highlight the social benefits of sustainable business practices.

The American students were enrolled in an MBA program and had chosen to specialize their degrees in Sustainable Business; they were enrolled in the CSR course voluntarily. In most cases, students began the course with a strong understanding of the concepts of sustainability and this is largely what motivated their choice of degree specialization. The course was delivered fully online in a ten-week format with students expected to participate in weekly discussion board activities that supplemented the content being covered in the both the texts and the assessments.

For texts, this course utilized four commercially available books covering different topics of sustainability. The first was *The Necessary Revolution* (2008) by Senge, Smith, Kurschwitz, Laur and Schley, which was used to highlight the severity of the problems that had been created by traditional business models. To further highlight the need for action, the second book in the course was Flannery's *Now or Never* (2009). To shift the students' attention toward the consideration of solutions, the third book in the course was McDonough and Braungart's (2002) *Cradle to Cradle* followed by the final text, Dumaine's *The Plot to Save the Planet* (2008), which highlighted a number of companies that had made a difference through the adoption of sustainable business practices. In later versions of the course, the Dumaine book was replaced with Esty and Winston's *Green to Gold* (2009).

The assignments of the course followed the same progression as the books. In the first assignment, students were to identify a key environmental issue, describe its current impact, and provide a synopsis of what the experts believed would happen if nothing was done to address the issue. The second assessment had students analyzing an argument that advocated for or against action relative to an environmental issue. The third assessment asked students to identify the ways in which social justice is positively impacted by sustainable development practices and the final assessment was a call to action where students described how they were going to apply the lessons learned in the course in a real-world situation. In addition to the assessments, the weekly online discussions supplemented the content being covered in the assessments and the books.

Over the past three years, this course has been well-received. This is evident in course evaluations and student comments, which have referred to the course and instructors as "inspiring." But the impact of the course is perhaps most evident in the quality of the work that students produced that indicated a high level of engagement in the content of the course. The call to action assignment is where students have been able to culminate and apply what they have learned throughout the course and these papers have generally provided an excellent source of feedback regarding the value of the course.

3 THE CHINESE CSR COURSE

In 2010, CityU entered into a partnership with UIBE to offer its MBA program to English-speaking Chinese students. Prior to this partnership, City University had a 12-year history of teaching MBA students, in partnership with another Chinese institution, primarily to executives in the Chinese airline industry. CityU has hundreds of MBA alumni through its years of activity in China.

The UIBE MBA students took many of the same courses as CityU's American and European students. They completed the same 12-course core program before beginning their 4-course specialization. There was one key difference in that the degree specialization for the Chinese students was decided for them. It was a focus on global management and it included, as a mandatory course, the same CSR course that had been offered to the American students on a voluntary basis.

Prior to the delivery of the CSR course to the first Chinese cohort, it became clear that a number of aspects of the course needed to change to accommodate the needs and expectations of the Chinese students. These changes impacted nearly every aspect of the course including the design of the course, its delivery, the textbook, the assessments, and the activities that the students participated in. The one area that did not change was the course outcomes, which, because they are tied to both program and institutional outcomes, could not be modified. The challenge was to adjust many aspects of the course without compromising the students' ability to meet the original intended outcomes. The differences in the aspects of the Chinese courses are described in the sections that follow.

3.1 Students

The MBA program in China is marketed to working professionals and executives. The majority of the students in the two cohorts, who completed the CSR course, were mid-level employees many of whom worked for multinational corporations with a presence in China. Most students were not at the executive level and did not have budgetary or leadership responsibilities, yet nearly all had work experience. Students were recruited from many areas in and around Beijing and some students had to travel significant distances from other cities and provinces to attend the classes that were conducted on weekends. Some students had families that impacted the time they were able to dedicate to their studies.

Perhaps the most differentiating factor for the Chinese students was their ability to speak and understand English. All courses in CityU's Chinese MBA program are taught exclusively in English and students must provide proof of English proficiency as a condition of admission. And while many were able to pass the TOEFL, IELTS, or other tests, this proved to be an insufficient indicator in regard to their ability to understand much the complexity of the topics discussed in the CSR course. The anticipation of language barriers impacted both the design and delivery of the course.

Decisions regarding cases and textbooks were partly driven by a need to use materials that were easy to read and understand. Students requested copies of all materials including presentations before classes so that they could translate them in advance and not have to do it in class. Also, additional time needed to be allocated to team projects and individual presentations to allow for translation. Language, more than any other factor, accounted for the differences between the US and Chinese CSR courses.

A final factor that was a concern with the Chinese cohorts was a cultural difference in the expectations of the Chinese students. Given the more traditional nature of Chinese higher education, there was a concern that the Chinese students would be expecting a professor to lecture for the majority of the course and any other approach might compromise the perceived academic integrity of both the professor and the course. This concern turned out to be unfounded as the Chinese students were very open to a more progressive approach and seemed to thrive in the numerous group activities that were a part of the course. The other cultural difference that was anticipated and observed in one of the cohorts was an increase in power distance, where students needed to be encouraged to speak out in class. However, once they understood that the western instructors appreciated their contributions, power distance was less of an obstacle to multi-level interactions throughout the entire class.

3.2 Delivery Format

The Chinese CSR course, as is the case with every course in the Chinese MBA, is taught on two consecutive weekends. This is to accommodate the western instructors who travel to Beijing to teach these classes. This format requires long days of instruction in order to cover the full 30 hours of contact time required by university standards. Each MBA class was introduced on the first day by a Chinese-speaking instructor, who spent a few hours introducing the course and the content that was to be covered. When this was finished, the western instructor took over and completed the class in a live format. No work was completed online as online education still lacks credibility in many Chinese universities.

Given the need to fill four long days with instruction and activities, the course was planned using a lecture – activity – report format where new topics were introduced through lectures and then students were broken into teams to engage in an activity intended to reinforce the content of the lectures. At the end of the activity, representatives from each team were asked to report on the products that the team created. The activities included assessments of CSR policies for multinational companies, discussion of CSR policies among Chinese companies, and an opportunity to assess and modify the business practices of a fictitious company to make them more environmentally and socially responsible. During some of the in-class activities, students completed assignments that met part of the requirements for the course.

As part of their course participation, students were asked to prepare and present a case study presentation where they selected a company and addressed a few key points about that company's CSR policies. This activity, more than the others, was where some students struggled while other excelled and the main factor that determined the difference was the students' English abilities. Those with more advanced English were able to deliver well-planned and organized presentations even if the English was, at times, a bit challenged. Those with weaker English skills tended to copy much of their content from a company's web site and then attempt to read that content, word for word, to the class.

3.3 Textbook and Materials

Another key difference between the American and Chinese classes had to do with the textbooks and materials that were selected for each cohort. Whereas the American students had easy access to commercially available books, this was not the case with the Chinese and this necessitated a change to a single textbook that could be purchased by Chinese students. The text that was selected was Werther and Chandler's (2011) *Strategic Corporate Social Responsibility*, which argued that successful leaders needed to insert concerns for CSR into the vision, mission and strategy of their companies and that only by considering CSR at the highest levels of an organization can that organization properly consider the needs of all of its stakeholders. The text came with supporting materials, including case studies as well as PowerPoint presentations for each chapter that were useful when presenting the material to the Chinese students.

In support of the concepts covered in the Werther and Chandler text, material was drawn from *The Necessary Revolution* (Senge, et al., 2008), *Cradle to Cradle* (McDonough and Braungart, 2002), *Now or Never* (Flannery, 2009) and Wilhelm's (2009) *Return on Sustainability*. The material from these sources was delivered through PowerPoint presentations as it was impractical for students to access the materials on their own. Additional sources of information regarding sustainability were the presentations found on the website of 350.org, which were used to present global challenges and responses to the problem of climate change.

3.4 Assessments and Activities

As was the case with the American course, the Chinese students were to complete four assignments during their CSR class. The difference is that two of these activities were completed in class. The four activities included:

- Issue and Impacts Paper – Students were to select an issue related to CSR and address a number of key points regarding the severity of the issue and the likely outcome if nothing was done to address the issue. This was an individual activity.
- Strategy presentation – Students were to select a company and present an analysis of that company's CSR policies. This was also an individual activity that was conducted in class.
- Creation of a CSR strategy – Students were given cases that described a company and its current practices. They were to identify ways that the company could improve its activities and policies in regard to CSR. This was a group activity that was conducted in class.
- Improvements to a company's CSR position – Students were to analyze the CSR position of a selected company and write a paper in which they suggested ways that the company could improve its CSR position over the next five years. This was an individual paper that was submitted after the end of the class.

In addition to the in-class graded activities, there were a number of other in-class activities intended to help students understand the positions of the authors whose books were listed above. While these were not graded activities, the material that the students learned through these activities appeared in their presentations and written work.

3.5 Challenges

The delivery of the Chinese CSR course presented a few challenges. The biggest of these challenges was the students' command of English, which varied widely. All aspects of the course needed to be adjusted to ensure that the largest number of students in each cohort would be able to understand the content of the course. Lectures had to be delivered slowly in plain, clear English. PowerPoint presentations had to be adjusted and provided in advance. Assignment descriptions had to be written out in detail and distributed to all students in advance. Despite the many steps that were taken to help students understand the course, it was clear that some students lacked sufficient English skills to fully engage in the course and its activities. These students generally sat in the back of the class, did not contribute unless they had to, and, when presenting as a part of a group, they remained silent and let their classmates speak for them.

Another challenge came from the widely varying levels of engagement that students demonstrated in class. Some students, who were highly engaged, sat in the front of the class and were usually the first to participate in discussions or volunteer to present. The level of engagement seemed to be highly correlated with English skills. It was important for the instructors to take steps to try to bring up the levels of engagement of those who seemed to be participating in the class only by being in attendance.

Additionally, despite the fact that most students had years of work experience, many seemed to lack basic presentation skills. Some read from documents. Others pasted content of documents into PowerPoint and read the words on the slide. A short lecture on presentation skills seemed to make a substantial difference in the presentations of many of the more English fluent students.

A significant challenge with plagiarism appeared early in the course. It was evident that the students' attitudes towards plagiarism were different than what the course and the university allowed for. A number of students copied sections of web sites from the companies that they were analyzing and presented them without proper citations. Whether a cultural difference or not, this required a fairly lengthy explanation of the need for original work and how to cite sources properly in APA format, which is what the university requires. In the final set of assignments, substantial improvement was seen yet some students continued to plagiarize and their grades suffered because of it.

A final challenge came during one of the in-class activities where students had to be present in order to participate and contribute. Some students chose to leave class early on the afternoon that the groups were meeting and presenting and, since this was a graded activity, they were not able to earn the points associated with a significant class activity. This was an inherent, yet unexpected, challenge that came with in-class graded group activities.

4 LESSONS LEARNED

As indicated above both of the western instructors for the two Chinese CSR cohorts entered into the process without a clear understanding of the extent to which the Chinese students would be aware of or open to information regarding their country's policies toward Corporate Social Responsibility. However, it did not take long to realize that the students knew a great deal about CSR and about the policies of the companies that they worked for. The students seemed to be highly engaged in the material and it was evident that they were aware of China's place in the economic world as well as the impact that domestic companies were having on the environment, which is evident nearly daily in the air quality problems that can be seen in large cities like Beijing.

Because of a high level of engagement with the material, students seemed to understand and retain the importance of including CSR as part of an organizational strategy. The Program Director of the Chinese MBA program indicated that, months later, as students were assembling and presenting their final business plans that many included the need for CSR in the strategies that they were creating.

Another lesson that was learned throughout the course had to do with the impacts of cultural differences between American and Chinese students. Some cultural differences impacted the course more than expected while other seemed to be less important. The initial expectation of the western instructors was that the Chinese students would expect a much more traditional style of education with lectures and final exams. This was not the case. Students in both cohorts seemed to accept and prefer the more progressive style in which this course was delivered. However, one aspect that seemed to present a challenge to student engagement was a general cultural approach that students collectively held toward power distance and hierarchy. While most students were employed with some in management positions, it became clear that corporate cultures and management in China are different than those in the west and this limited the perceived, and likely real, levels of impact that the students felt they could have on their companies at this stage of their careers. It seemed that students were interested in learning about CSR so that they could use it in the future when they achieve a level of authority that granted them the power they would need to lead change efforts.

Lastly, as indicated above, English proficiency and plagiarism presented two of the biggest challenges in the course and the western instructors learned a number of strategies for dealing with both issues. Plain, concise English and a clear set of expectations for acceptable student behavior are necessary conditions for all students in the university's Chinese MBA program and while instructors are encouraged to plan for both challenges, it is only through direct experience that all of the nuances of these problems present themselves.

5 PERCEIVED VALUE

Through the experience of teaching the Chinese CSR courses, it became clear that there were a number of benefits both for the students and the instructors. Through their work and their participation in the group activities, it was clear that the Chinese students:

- Were able to recognize, evaluate, and link environmental and social problems to economic activities, especially at local and national level
- Were able to view the theories of CSR within the context of their own current work environments
- Were able to incorporate CSR into organizational strategies they were planning through their MBA coursework
- Began to discover ways that they could introduce CSR despite the differences in the cultural approach to power distance

For the western instructors, the benefits were that they were able to:

- Overcome language barriers by using different learning styles to deliver instruction on CSR theory

- Discover the strengths of a “learning by doing” process even in a country that largely embraces a more traditional educational style
- Explore different techniques to overcome culturally-based power distance and hierarchy

The Chinese CSR course is scheduled to run again in the fall of 2013 and despite a relatively high level of success with the first two cohorts, a few changes will be made to the course to ensure higher levels of relevance and retention. All primary and supplementary materials will be distributed to students well in advance of the class. Presentation materials will be reviewed to ensure they use clear and simple English. Supplementary materials will continue to be used but more group activities may be planned to provide more “learning by doing” opportunities. Lastly, it will be important to search for ways that the Chinese MBA students can apply the global lessons of environmental and social responsibility to their own local communities and a focus of future courses will be to help the students find ways to implement what they have learned at a local level.

From an instructor’s perspective, it is important to realize that Chinese business students are quite aware of CSR as they see the impacts of the failure of local companies to follow socially responsible policies on a daily basis. While many of these students may not rank high enough on the corporate or even social hierarchy to impact real change, there is still value in educating even a small sample of China’s future business leaders on ways to run companies that respect the needs of all stakeholders. As the largest polluting nation in the world attempts to deal with the impact of its industrial sector, business students, who have studied CSR as part of their graduate business education, may find a more useful place for their knowledge and experience in the companies that will make up China’s future economy.

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