

The Effect of Business Ethics Education on Business Students' CSR Perception: Evidence from Vietnam

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As prospective future business leaders, business student attitudes toward corporate social responsibility (CSR) is vital. Therefore, business schools and institutions have a responsibility to produce graduates who act in an ethical and socially responsible way when they practice business. Although business ethics courses are compulsorily required by both international accrediting organizations AACSB and ACBSP, the effectiveness of such courses is often questioned. This research uses survey data collected from business students of a private business university in Vietnam to provide empirical evidence on the effect of participation in business ethics classes on students' perceptions of CSR. The results show that after joining the course, students tend to have a higher level of general CSR perception. However, when assessing the two separate factors of CSR perception (i.e., perceptions of short-term versus long-term responsibilities), the effect of business ethics education on long-term responsibility perception is not significant, while the effect on short-term responsibility perception remains significant. The findings provide recommendations for business schools, accrediting organizations, and the students themselves to review and refine teaching syllabi and methodology so that the teaching and learning of business ethics at business schools could achieve a higher impact and create more authentic and sustainable values.

Keywords: CSR perception, Business ethics education, business education, ACBSP

INTRODUCTION

Unethical conduct has reached crisis proportions in business practices with a series of violation cases in finance, marketing, and information privacy related to corporations of all sizes and fields (Pan et al., 2020; Roulet, 2018; Vaiman et al., 2011; Yu et al., 2021). Considering that it could be too late to remind businesses about ethics and social responsibility when they have been in operation, it is emphasized that business schools and institutions have a responsibility to produce graduates who act in an ethical and responsible way and are committed to integrating socially and ethically acceptable operations when they practice business (Alonso-Almeida et al., 2015). Accrediting organizations such as the Association to Advance Collegiate Schools of Business (AACSB) International and the Accreditation Council for Business Schools and Program (ACBSP) both require business schools to teach a business ethics course at the graduate or undergraduate levels (AACSB International, 2004; Sikula, 1996).

Given the importance of managers as the key decision makers in an organization, business student attitudes towards CSR is vital because business students

are tomorrow's business leaders and managers (Albaum & Peterson, 2016; Hambrick & Mason, 1984; Haski-Leventhal et al., 2017). However, there is a knowledge gap in the level of CSR awareness and perception of business students. Moreover, although ethics instruction has become an accepted, or even required part of the business school curriculum at both the undergraduate and graduate levels, scholars, practitioners, and accreditors have questioned the effectiveness of business ethics courses at business schools, and research results found have been mixed (Floyd et al., 2013; Ugwuozor, 2020; Wang & Calvano, 2015). Most of existing studies on predictors of attitude toward CSR focus on students' personal characteristics such as gender (Eweje & Brunton, 2010; Hudson & Miller, 2005; Luthar & Karri, 2005), and age or educational level (Elias, 2004; Eweje & Brunton, 2010; Luthar & Karri, 2005), and professional experience (Elias 2004, Luthar & Karri 2005, Eweje & Brunton 2010). Little emphasis has been put on examining the effect of ethics education.

Particularly, in developing and emerging countries where business ethics issues were not taken seriously in both practice and education until recent years, research into attitudes to CSR-related topics in

education is still in its infancy (Ugwuozor, 2020). Taking the specific case of Vietnam, research on business ethics education and CSR attitudes of Vietnamese business students is very scarce. Existing studies have focused on the perceptions of Vietnamese students on specific aspects of CSR such as business ethics or sustainability rather than on broader CSR themes (Do & Sum, 2021).

There is, therefore, a need for a better understanding of business students' perception of CSR in the context of less developed countries, and more importantly, whether or not business ethics courses carried out at business education institutions are playing an effective role in improving such perception.

In order to fill in these gaps, this research is conducted by carrying out a survey targeting business students at a university in Vietnam with an aim to find out the level of perception of business ethics and corporate social responsibility among business students. It also seeks to examine the role of business ethics education in fostering students' CSR perception to highlight the role of institutions in preparing students with adequate awareness of social issues and their responsibility as future entrepreneurs in solving such issues before officially joining the real business world.

The results obtained by this research are expected to contribute to the existing literature in several ways. First, the study offers empirical statistics on the interest in CSR topics and the perception of CSR among business students. Going beyond a descriptive approach, the findings are also expected to shed light on the effectiveness of business institutions' efforts in organizing business ethics courses. The question of whether or not students' perceptions of CSR change following their participation in such courses will be investigated.

Second, CSR perception is not only assessed from a general approach but rather, underlying factors inherent in the conceptualization of CSR would be separated using the factor analysis technique. Given the complex nature and multi-dimensionality of corporate social responsibility, a nuanced approach is necessary to explore further insightful findings about the impact of ethics education on students' perception of different aspects of social responsibility.

Last but not least, the research is conducted at an ACBSP-accredited institution in Vietnam, contributing to advancing the nascent understanding of the topic in the context of developing countries. The results obtained, therefore, could provide insightful findings

and helpful recommendations for institutions and accreditors to improve the business education curriculum toward a more socially responsible and sustainable orientation.

THEORETICAL BACKGROUND

CSR in students' perception

Nowadays, businesses' responsibility goes beyond the mere goal of satisfying stockholder benefit to the objective of creating the maximum possible value for other groups of stakeholder including customers, suppliers, employees, and financiers, etc. (Freeman, 1984, 2001). CSR, therefore, has been highlighted as an important strategy for firms to build up and maintain relationship with the key stakeholders whose satisfaction and loyalty play a critical role in the company's survival, either directly in terms of an impact on the income, or indirectly in terms of an improved reputation or the reduction of the risks related to stakeholders' behavior.

As prospective managers, business students and their views on ethics and social responsibility are important matters (Haski-Leventhal et al., 2017). Since attitude and perception needs a process of nurture and cultivation to form and mature, education on CSR issues for future business leaders should be emphasized along with business and managerial skills. As such, it is universities' responsibility to foster students' concern about ethical and CSR-related issues, thus helping to shape students' attitudes toward CSR in a way that will later be useful for them when they apply for a job (Matten & Moon, 2004).

The role of education in improving students' perception

Delivering business ethics courses is the most visible and deliberate approach for business schools to educate students about business ethics (Ugwuozor, 2020). It is the most direct method to implanting CSR values in students, making them aware of and building up their own opinion and philosophy on the matter (Okechukwu Ugwuozor & Otu, 2019; Tormo-Carbó et al., 2016). Previous evidence shows that exposure to ethics in the curriculum has a significant impact on student perceptions of CSR (Luthar & Karri, 2005). Ethics courses are recommended to be integrated into the curriculum to ensure that business students, as future managers, will be socially responsible and ethically sensitive (Mitroff, 2004).

Meanwhile, mixed results have been found on the effect of business ethics courses on making authentic and sustainable improvement in students' CSR perception and practices. Authors show that exposure to ethics classes is often short-lived, therefore, could generate insignificant influence (Fitzpatrick & Cheng, 2014; Tanner & Cudd, 2010; Tormo-Carbó et al., 2019). It is also noted that business schools focus their classroom teaching on emphasizing "the short-term share price while neglecting research, development, the reputation of the firm and the future of the business and the community" (Cavanagh, 2009, p. 20).

METHODOLOGY

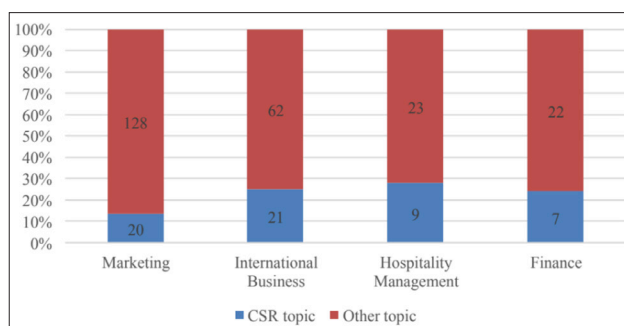
Study 1: Interest in CSR topic among first-year students

This sub-study is designed as descriptive research to examine the interest in corporate social responsibility among business students. The secondary data was obtained from teachers teaching the course Principle of Marketing during the Spring and Summer Semester of 2022. The sample includes 295 first-year students of four business majors (i.e., Marketing, Finance, International Business, and Hospitality Management) at a private university in Hanoi, Vietnam. An assignment was given to the students to figure out their interest in CSR-related topics. To be specific, the students were assigned four

different topics to write an essay and were guided that they would be free to choose one of the four topics. One of the topics regards corporate social responsibility in marketing. The level of difficulty is similar among the topic questions. All the questions were attached with detailed guidelines to minimize confounding factors that could bias students' selection. The students' choice of topic, i.e., whether or not they choose the CSR topic, would indicate their interest in corporate social responsibility.

Figure 1

The results of the students' selection by majors



According to Figure 1, the rate of students selecting the CSR topic for the essay is relatively low (lower than 30%). Notably, students of Marketing major seem to be less aware of (or interested in) CSR matters or willing to discuss it in their essays. The other three majors have a similar percentage of students choosing to share their opinion about CSR in the essay.

These statistics highlight a moderately low level of CSR awareness and interest among first-year business students. Considering the fact that at this stage, students have just finished their basic education and entered undergraduate education in business majors, the awareness of social issues, including business ethics and corporate social responsibility is still limited. This could be attributed to the theoretical orientation of basic education which restricts students from being exposed to as well as expressing their independent opinion on social matters.

Given the significance of social issues in general and in business particularly, this result raises a necessity for further investigation on the CSR perception among business students at the later stage in the business program, and the role of business schools in improving this perception. Therefore, I continued with the second sub-study to further investigate the research question.

Study 2: The effect of business ethics education on students' CSR perception

This study seeks to examine the effect of business ethics education on business students' CSR perception. A survey is conducted with 184 students in the 3rd and 4th year of their business major program. The data was collected directly in class, followed by a reliability check, factor analysis, and regression analysis.

Background of business ethics course at FPT university

At FPT University, Business ethics is a compulsory course for all majors (i.e., marketing, international business, finance, and hospitality) in business programs. The course is taken by students in their last semester, after almost all the specialized courses related to their majors have been passed.

The course lasts for ten weeks with a total duration length of 45 hours. 60% of the curriculum time is spent on theoretical lectures. The total of ten chapters cover important topics in business ethics

and corporate social responsibility including but not limited to the fundamentals of philosophical ethics and its relations to business, ethical leadership and business culture, classical theories of CSR, ethics in marketing and finance, etc.

Data collection

Data used for the analysis is obtained from a survey conducted with students at a private university in Vietnam from August to November 2022. The students major in different business subjects including marketing, international business, and finance. Students who have or have not participated in the Business ethics course were involved. The questionnaire was delivered directly to the students in class. Students were allowed to stay anonymous when answering the questions. The final sample contains 184 observations.

Measures

Participation in Business ethics course

The participation in the Business ethics course is captured by a dummy which is equal to 0 if the student has not joined the Business ethics class, and 1 if they have participated in the class (either passed or not).

CSR perception

I learn from Kolodinsky et al. (2010), Saxena and Mishra (2017), and Ham, Pap, and Stimac (2019) to obtain CSR measure using Singhapakdi et al.'s (1996) 13-item instrument on the perceived role of ethics and social responsibility (PRESOR). Participants were asked to provide their responses to indicate the extent to which they agree with the given item using a 5-point Likert scale, with "1" for "Strongly Disagree" and "5" for "Strongly Agree." The scale's reliability is 0.717.

Control variables

Several students' individual factors including gender, major, GPA, and work experience are included in the model in order to control for their effects on the dependent variables. Details of the variables and measurement are presented in Table 1.

Table 1

Variables and measures

Variable	Label	Measure
Participation in business ethics course	BUE dummy	Dummy variable, equal to 1 if the student has participated in business ethics course, and 0 otherwise
CSR perception	CSR perception	13 items adopted from Singhapakdi et al.'s (1996)
	CSR1	Social responsibility and profitability can be compatible.
	CSR2	To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility.
	CSR3	Good ethics is often good business.
	CSR4	If survival of business enterprise is at stake, then ethics and social responsibility must be ignored.
	CSR5	Being ethical and socially responsible is the most important thing a firm can do.
	CSR6	A firm's first priority should be employee morale.
	CSR7	Overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.
	CSR8	The ethics and social responsibility of a firm is essential to its long-term profitability.
	CSR9	Business has a social responsibility beyond making a profit.
	CSR10	Business ethics and social responsibility are critical to the survival of the business enterprise.
	CSR11	If the stockholders are unhappy, nothing else matters.
	CSR12	The most important concern for a firm is making a profit, even if it means bending or breaking the rules.
CSR13	Efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsible.	
Gender	Gender	1 if gender is female, and 0 if gender is male
Major	Major dummies	Two dummies created for International business and Finance majors. Marketing major is used as reference.
Working experience	Experience dummy	Two dummies created for working experience of less than 6 months and from 6 months to 1 year. Experience of more than 1 year is used as reference.

RESULTS

Descriptive statistics

Table 2

A description of the data

	Before BUE			After BUE		
	Frequency	Mean	Standard Deviation	Frequency	Mean	Standard Deviation
Gender						
Male	34			28		
Female	31			25		
Major						
Marketing	80			61		
International Business	18			5		
Finance	11			9		
Work experience						
Less than 6 month	89			48		
6 months- Less than 1 year	13			26		
1 year and more	7			6		
GPA		7.910	6.797		7.170	1.680
CSR perception		3.5131	0.447		3.591	0.526
CSR – Long-term perception		4.0631	0.561		4.035	0.589
CSR – Short-term perception		2.633	0.909		2.88	0.852

Factor analysis

Exploratory factor analysis (EFA) was performed for the CSR construct to identify the underlying factors measured by the 13 observed variables (items) (Field, 2013). Table 3 presents results obtained from the exploratory, principal components factor analysis employing a varimax rotation. Accordingly, the items of the factors, items' factor loadings, and Cronbach's α coefficients for the newly identified factors of CSR perception are shown. Loadings for items less than .4 or items with cross-loadings were removed (Churchill, 1979). The scale reliability of each factor was then assessed using Cronbach's α reliability coefficient.

EFA returned a two-factor solution for CSR perception (Table 3). The factors accounted for 49.4% of the variance. The first factor measures the importance of ethics and social responsibility, while the second factor indicates respondents' emphasis on profitability and short-term gains. As suggested by Do & Sum (2021) and Singhapakdi et al. (1996), the two factors are named CSR - Long-term perception and CSR-Short-term perception.

In terms of reliability, the Cronbach coefficients for the two factors are .805 and .807, respectively, meeting the requirement for a minimum threshold level of 0.5 for acceptable reliability for newly developed constructs (Nunnally, 1978). Therefore, the items in Table 3 reliably estimate their respective constructs.

Table 3

Factor analysis

Variable	Factor	Item	Loading	
CSR perception	Cronbach = 0805	CSR3	.529	
		CSR5	.691	
		CSR6	.575	
		CSR7	.636	
		CSR8	.724	
		CSR9	.766	
		CSR10	.692	
		CSR – Short-term perception	CSR2	.800
		CSR12	.839	
		CSR13	.772	

Regression analysis

Multiple regression was conducted to analyze the relationships between CSR perception constructs and the predictors including the focal predictor – the BUE dummy. Results of regression analysis with CSR general perception, CSR – long-term, and CSR – short-term perceptions are presented in Table 4 – Model 1, 2, and 3, respectively.

Table 4

Regression analysis

	CSR perception Model 1	CSR-Long- term Model 2	CSR-Short- term Model 3
Control			
variables			
Gender	-.004	-.039	.053
dummies			
Major	-.125	-.089	-.117
dummy_IB			
Major	-.154	-.101	-.238
dummy_Fin			
GPA	-.002	-.006	.004
Experience	-.158	-.465*	.333
dummy_			
Less6m			
Experience	-.088	-.361	.348
dummy_			
Less1y			
Independent			
variables			
BUE dummy	.199**	.043	.448***
R squared	.072	.052	.080
Observation	184	184	184

Note: *p<0.1, **p<0.05, ***p<0.01

As shown in Table 4 - Model 1, the participation in business ethics course (BUE dummy) is positively and significantly related to students' general CSR perception ($\beta=0.199$, $p<0.05$). However, the effect of business ethics education on CSR – long-term perception is not statistically significant ($\beta=0.043$, $p>0.1$) (Table 4 – Model 2). The effect of business ethics course on CSR – short-term education, on the other hand, is positive and statistically significant ($\beta=0.448$, $p<0.01$) (Table 4 – Model 3)

DISCUSSION

The results from surveys conducted in an ACBSP-accredited business institution indicate a moderately low level of interest in and awareness of corporate social responsibility among freshman university students studying business majors. Moreover, the findings also show that business ethics courses provided by the institution do significantly contribute to improving students' general CSR perception. However, when taking a more nuanced look at the different dimensions inherent in the CSR concept, the analysis reveals that the university's efforts in educating business ethics only affect the students' perception of the short-term responsibility (i.e., the responsibility for maximizing and protecting shareholders' profit) while the effect on the long-term responsibility (i.e., the commitment to ethics and social benefit) is not significant.

The findings obtained from this research contribute to the current discussion on the effectiveness of business ethics education with empirical evidence in the context of a developing country. The result is consistent with previous findings in confirming the effect of business ethics classes, while it provides insightful new applications for developing economy contexts where attention and commitment to business ethics and social responsibilities are not as strong as it is in more developed countries. The findings, therefore, call for more attention from stakeholders including business institutions, accrediting organizations, and the students themselves to review and refine the business ethics teaching syllabus and methodology to achieve a higher impact and create more authentic and sustainable values.

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