Current and Future Jesuit-Educated Managers’ Perceptions of Socially Responsible Business Practices

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Abstract

Jesuit business education differentiates itself by being grounded in the Ratio Studiorum (a compilation of central educational principles established on the foundation of the Constitutions of the Society of Jesus) and by employing Ignatian pedagogy (a method of instruction based on the Spiritual Exercises of Ignatius of Loyola). Jesuit business programs make a substantial commitment toward developing and implementing mission-based statements of purpose and distinction. Typically, these efforts emphasize the central importance of ethics within the curriculum, including specific principles such as social responsibility, sustainability, stewardship, and social justice. With this research, we focus on social responsibility because it is an emerging business philosophy that constitutes a central theme in the Jesuit business curriculum. As Jesuit business programs continue to emphasize social responsibility in the curriculum, it becomes imperative to evaluate the effects of this mission-driven effort on Jesuit-educated students. A logical first step would be to conduct descriptive research that analyzes how Jesuit-educated business students understand social responsibility.
responsibility. The objective of this study is to examine which socially responsible business practices are most important to Jesuit-educated business students, and how this order of importance may change as students advance from an undergraduate business program to a Master of Business Administration (MBA) program, and finally, in the workplace following graduation. We find that, as Jesuit-educated business students progress from undergraduate to MBA status, and then to MBA alumni, their social responsibility priorities seem to migrate from more abstract societal issues to concerns that might be more relevant to their own life situations. Implications of this research for Jesuit business schools and future research are discussed.

Introduction

The designation “Jesuit” is one of the most powerful brand names in higher education in the United States—a brand which, according to Laczniak, could evoke the same market power as that of Harvard, Stanford, or the Massachusetts Institute of Technology. According to the Ratio Studiorum (a compilation of central educational principles established on the foundation of the Constitutions of the Society of Jesus), studies at a Jesuit institution of higher learning should include: (1) education of the whole person, (2) a strong moral underpinning combined with enthusiasm for service and social justice, and (3) a quality curriculum designed to make students life-long learners who can not only earn a living but also introspectively and ethically examine the nature of their lives. Byron, S.J. summarizes the spirit of Jesuit business education as enhancing human life and advancing the common good. As Porth, Van Hise and Buller note, this foundation represents a potentially powerful point of differentiation from other universities.

According to the Association to Advance Collegiate Schools of Business (AACSB), 764 institutions in 52 countries and territories hold AACSB accreditation. Of these institutions, twenty-three are Jesuit institutions in the United States. These AACSB-accredited Jesuit business programs in the United States distinguish themselves by offering their students not just a standard business program but also by cultivating a Jesuit mission. The Jesuit business programs, according to Spitzer, include five themes: faith/spirituality, service, justice/social responsibility, business/professional ethics, and personal identity. Jesuit business education also differentiates itself academically by employing Ignatian pedagogy. This pedagogical approach combines the elements of context, experience, reflection, action and evaluation in a transformative way. Using a matched-pairs sample, Van Hise and Porco compared 26 U.S. Jesuit business schools to other religious and non-religious schools in terms of academic aspects of the educational process. The study found significant academic differences between the Jesuit business programs as a group and non-Jesuit programs. These differences pointed to advantages in the Jesuit programs derived from lower student-faculty ratios, a greater percentage of faculty with terminal degrees, a larger number of required core courses, and a concern for the Jesuit ideals in their mission statements. Nonetheless Van Hise and Porco’s research was focused primarily upon illuminating the academic distinctions of Jesuit business programs, rather than their mission-driven differences.

In addition to the focus on Ignatian pedagogy, Jesuit business programs make a substantial commitment toward developing and implementing mission-based statements of purpose and distinction. Typically, these efforts emphasize the central importance of ethics within the curriculum. As Porth, McCall, and DiAngelo note, Jesuit business programs have a solid premise on ethics, including specific principles such as social responsibility, sustainability, stewardship, and social justice. In this research, we focus on social responsibility because it is an emerging business philosophy that constitutes a central theme in the Jesuit business curriculum. The principle of social responsibility is congruent with the Ratio Studiorum (specifically, the principles of morality, service and social justice) and closely aligns with the spirit of Jesuit business education as enhancing human life and advancing the common good. As a philosophy that is considered vital in today’s diverse marketplace, socially responsible business practices are defined as an organization’s obligation to maximize its positive impact on markets, investors, and the firm while minimizing its negative impact on
virtually all other various publics and stakeholders.\(^{17}\)

As Jesuit business schools have demonstrated commitment to providing a unique educational experience robustly grounded in the concept of social responsibility, it becomes imperative to evaluate the effects of this mission-driven effort on Jesuit-educated students. A logical first step would be to conduct descriptive research that examines how Jesuit-educated business students understand social responsibility. Specifically, the objective of this research is to examine which socially responsible business practices are most important to Jesuit-educated business students, and how this order of importance may change as students advance from an undergraduate business program to a Master of Business Administration (MBA) program, and finally, in the workplace following graduation.

We do not propose a priori expectations and test formal hypotheses in this research. Our objective is to generate preliminary insights that will inform future systematic research and hypothesis generation regarding the influence of the mission-driven business curriculum on Jesuit-educated business students. The next section describes our sample and methodology. We then discuss our findings and their implications for Jesuit business schools. Limitations of our study and future research directions are also discussed.

**Method**

Our first step was to identify a suitable measure that assesses the importance placed on various socially responsible business activities. A review of the literature revealed scales that measure customers’ or managers’ perceptions of social responsibility, and scales that evaluate company performance on social responsibility. Perceptions of social responsibility are typically evaluated by asking respondents to rate the degree to which various company practices, initiatives, and activities can be considered characteristic of social responsibility.\(^{18}\) Performance is typically evaluated by having respondents rate the extent to which a brand, company, or organization engages in various socially responsible practices, initiatives, and activities.\(^{19}\)

Our review of the literature did not uncover an already developed scale that measures the relative importance of various socially responsible business practices. Therefore, we created a new measure specifically for this research. We identified a list of socially responsible business activities based on multiple Jesuit sources. First, we consulted a position document created by the Pontifical Council for Justice and Peace entitled “Vocation of the Business Leader: A Reflection.” According to this document, good business decisions should be rooted in the foundational principles of human dignity, service to the common good with an eye to underserved populations, and a vision of business as a community of persons.\(^{20}\) This translates into the practical principles of:

- Producing goods and services that meet genuine human needs while taking responsibility for the social and environmental costs of production;
- Organizing productive and meaningful work that recognizes the human dignity of employees; and
- Encouraging the wise stewardship of resources (capital, human, and environmental) in order to create both profit and well-being.\(^{21}\)

Of course, it makes little sense to develop and encourage socially responsible business practices when the products to be sold are manufactured in irresponsible or detrimental ways. As Pope Pius XI wrote in 1931, “It is a scandal when dead matter comes forth from the factory ennobled, while men there are corrupted and degraded.”\(^{22}\) Thus, socially responsible business activities must ensure that the workers involved in making and distributing the goods and services are provided with positive, supportive, and just working environments. Similar concerns can be expressed with regard to justice and compassion in the treatment of animals.

After compiling an initial list of prospective socially responsible business practices, we conducted focus groups comprising undergraduate and graduate students at four Jesuit business schools: Loyola Marymount University, Loyola University Chicago, Loyola University New Orleans, and the University of San Francisco. Focus group participants were asked to
review our initial list and add or delete practices from the list based on their own views of what constitutes socially responsible business. Additional feedback, suggestions, and examples of socially responsible business activities were solicited from academics, students, and alumni at the same four Jesuit business schools. After reviewing the focus group findings and all other suggestions and feedback, we finalized a list of ten socially responsible business practices (see Table 1). Note that the students and alumni who contributed to identifying these ten practices did not participate in the main study.

**Table 1: Socially Responsible Business Practices**

<table>
<thead>
<tr>
<th>The organization:</th>
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<tbody>
<tr>
<td>1) Engages in environmentally friendly/sustainable operations</td>
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<tr>
<td>2) Provides good working conditions for employees</td>
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<tr>
<td>3) Does not discriminate in employment</td>
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<tr>
<td>4) Promotes consumer well-being</td>
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<td>5) Does not exploit vulnerable consumers</td>
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<td>6) Does not encourage over-consumption</td>
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<td>7) Avoids planned obsolescence</td>
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<td>8) Sources from local suppliers</td>
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<td>9) Sponsors local community events</td>
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<td>10) Does not harm animals</td>
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</table>

The sample for the main study included 240 undergraduate business students, MBA students, and MBA alumni from the same four Jesuit business schools (Loyola Marymount University, Loyola University Chicago, Loyola University New Orleans and the University of San Francisco). Undergraduate and MBA students were invited to participate in the study by their instructors; MBA alumni were contacted by the alumni offices at the four business schools. Participation in the study was voluntary.

Respondents completed an online survey asking them to rank the ten socially responsible business practices according to their importance to the participant. The instructions read: “Below is a list of company practices that can be considered socially responsible. Please rank these in order to reflect what you consider to be the most important to you (rank 1) to the least important to you (rank 10).” We collected rank data in order to compel participants to explicitly reveal their priorities. This ranking question forced respondents to carefully weigh the various practices in relative terms, eliminating the
posibility that a social desirability bias might lead to high importance scores being assigned to all, or almost all, practices. Respondents saw the ten practices in a random order, thus minimizing a possible bias due to order effects. Respondents then completed demographic questions regarding gender and academic status (undergraduate business student, MBA student, or MBA alumnus/a).

Results

In order to identify which socially responsible business activities are most important to Jesuit-educated business students, we estimated the median ranks of the ten practices (see Table 2). Across all six constituencies, the order of importance of the social responsibility practices was: providing good working conditions for employees (median rank = 3), non-discrimination in employment and promoting consumer well-being (median rank = 4), engaging in environmentally friendly/sustainable operations and non-exploitation of vulnerable consumers (median rank = 5), sourcing from local suppliers and sponsoring local community events (median rank = 7), no harm to animals (median rank = 8.5), and no promotion of planned obsolescence and over-consumption (median rank = 9).

Table 2: Median Ranks of Socially Responsible Business Practices by Academic Status and Gender

<table>
<thead>
<tr>
<th>Socially Responsible Practices</th>
<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
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<tbody>
<tr>
<td>All</td>
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<td>4</td>
<td>4</td>
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<tr>
<td>Alumni</td>
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<td>3</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>8</td>
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<td>6</td>
<td>10</td>
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<tr>
<td>MBA Students</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>5</td>
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<td>6</td>
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<tr>
<td>Undergraduates</td>
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<td>3</td>
<td>5</td>
<td>4.5</td>
<td>3.5</td>
<td>9</td>
<td>8.5</td>
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<td>Female</td>
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<tr>
<td>Alumni</td>
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<td>3</td>
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<td>8</td>
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<tr>
<td>MBA Students</td>
<td>5</td>
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<td>Undergraduates</td>
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We employed correspondence analysis to analyze the relationships among the ten practices and the six constituencies (academic status: undergraduate business students vs. MBA students vs. MBA alumni by gender: male vs. female) so that we could examine how the order of importance differed across the six constituencies. Correspondence analysis is an interdependence technique for analyzing contingency tables and identifying relationships among groups and/or variables. It creates maps such that groups and/or variables are simultaneously plotted on the same map based on their association; the closer two points are on the map, the stronger their association.23

In order to employ correspondence analysis, we first had to recode the data such that ranks 1 to 5 were coded as 1 (high importance) and ranks 6 to 10 were coded as 0 (low importance). Then we constructed a 6 x 10 contingency table with the six rows representing the six student constituencies and the ten columns representing the social responsibility practices. For example, the “Undergraduates, Female x Environmentally Friendly” cell contains the number of female undergraduate students who ranked “Engages in environmentally friendly/sustainable operations” as an important social responsibility practice, giving it a rank between 1 and 5. It was necessary to recode ranks 1 to 5 into one category (high importance) and ranks 6 to 10 into another category (low importance) in order to have ten social responsibility categories; otherwise, every social responsibility practice x rank (from 1 to 9) combination would have been a separate social responsibility category, rendering the correspondence analysis map overly cluttered and difficult to interpret.

The correspondence analysis map is displayed in Figure 1. The social responsibility practices and student constituencies are plotted on two dimensions, which together account for 75.07% of the explained variance. The points located at the extremes of a dimension can be used to interpret the underlying meaning of the dimension. Dimension 1 accounts for the majority of the explained variance (56.26%). This dimension seems defined by more abstract, societal concerns at one extreme (care for the environment, consumers, and animals; not promoting over-consumption) and by concerns that might be more directly relevant to the individual’s life at the other extreme (non-discrimination in employment, sponsoring local community events, no promotion of planned obsolescence). Accordingly, we labeled this dimension Societal-Personal Relevance. Dimension 2 captures 18.81% of the explained variance. This dimension was labeled Student Status x Gender because it is anchored by the points representing the “Undergraduates, Male” and “MBA Alumni, Female” groups.

Figure 1 shows that societal concerns (engaging in environmentally friendly/sustainable operations, promoting consumer well-being, and care for animal well-being) are more important to female students, both undergraduates and MBAs. The two aspects of social responsibility (societal concerns and personally relevant concerns) are of approximately equal importance to male undergraduate students. These results are consistent with Becker and Ulstad,24 who find that female undergraduates are more likely to act ethically than male undergraduates. Alumni (both men and women) and male MBA students place more importance on social responsibility practices that might be more directly relevant to the individual’s life (non-discrimination in employment, sponsoring local community events, and, especially for male students and alumni, no promotion of planned obsolescence and no exploitation of vulnerable consumers). In summary, as business students advance from undergraduate to MBA status, and then to alumni, they seem to migrate from more abstract concerns for society as a whole to concerns that might be more relevant to their own life situations.
Discussion

This descriptive research achieved its objective—to examine which socially responsible business practices are most important to Jesuit-educated business students, and how this order of importance may change as students advance from an undergraduate business program to a Master of Business Administration (MBA) program, and finally, in the workplace following graduation. We found that, across all six constituencies, the order of importance for the ten socially responsible business activities are: (1) providing good working conditions for employees; (2) non-discrimination in employment; (3) promoting consumer well-being; (4) engaging in environmentally friendly/sustainable operations; (5) non-exploitation of vulnerable consumers; (6) sourcing from local suppliers; (7) sponsoring local community events; (8) no harm to animals; (9) no cultivation of over-consumption; and (10) no promotion of planned obsolescence. We further found that students’ priorities regarding social responsibility practices change as students leave the Jesuit educational environment and enter workplace environments. Whereas female undergraduate and MBA students at Jesuit institutions of higher education seem to place higher priority on social responsibility practices that benefit society as a whole, alumni of Jesuit MBA programs (as well as male MBA students) seem more likely to focus on social responsibility practices that might be more relevant to their own life situation.

Because of its descriptive nature and objective, our study does not allow inferences regarding the likely cause(s) of the observed priority patterns. One explanation of the observed shift in social responsibility priorities could be that, because of new experiences following graduation, Jesuit-educated MBA alumni may realize that certain concerns are more poorly addressed than others and therefore demand more immediate attention. Alternatively, these alumni may feel that some concerns can be addressed more pro-actively and therefore they start assigning them greater importance. Perhaps, their new life circumstances lead to a shift in focus from more abstract concerns that benefit society as a whole to more pragmatic concerns that directly impact their own
lives. Future research will be needed to uncover the causal factors underlying this shift in priorities.

An important implication of this research for Jesuit business education is that we identify the role played by gender in the formation of social responsibility attitudes. Priorities regarding social responsibility differ significantly between male and female undergraduate business students. Further, whereas the attitudes of female MBA students are similar to those of female undergraduate business students, after graduation and employment there seems to be a shift in the priority patterns of female MBA graduates, bringing them into alignment with those of male MBA alumni. By identifying gender differences in student and alumni perceptions of social responsibility, our research highlights a need for a more careful examination and possible redesign of the mission-driven Jesuit business curriculum so that it would be better tailored to the different needs of male and female students. Further, our findings suggest insights that would be helpful in designing future research aimed at assessing the effectiveness of the mission-focused Jesuit business curriculum. Research that focuses exclusively on undergraduate students currently enrolled at Jesuit business schools would likely yield incomplete and possibly misleading conclusions. Our study further cautions that, in future research, analyses should be conducted and findings reported separately by gender and academic status.

Our research has several limitations. First, the ten socially responsible business activities included in our measure were identified based on multiple Jesuit sources: (1) the Pontifical Council for Justice and Peace; (2) focus groups involving undergraduate and MBA students at Jesuit business schools; (3) academics, students, and alumni at Jesuit business schools. These sources are eminently suitable for developing our measure because the population for our study comprises Jesuit-educated business students and alumni. Despite our efforts, the identified list of social responsibility practices may not be exhaustive and therefore may not represent students’ true priorities. Secondly, we do not measure variables that may explain respondents’ social responsibility priorities. Such variables may include: annual household income, years of work experience, and the industry and type of organization where employed (such as for-profit, not-for-profit, or government agency). Future research that examines these variables may offer insight into the causal factors impacting social responsibility priorities. Another limitation of this research is that it is not clear whether our findings are generalizable to students and alumni from all Jesuit institutions of higher education. Finally, we did not include student constituencies from non-Jesuit institutions of higher education. Future research should examine the priorities held by current and former students from non-Jesuit religious-based universities as well as non-religious universities, and compare their priorities to those of their counterparts at Jesuit institutions of higher education.

Notes


3 Ibid.


16 Byron, S.J., “HUMBITION,” 1-5.


25 We thank an anonymous reviewer for these suggestions.


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