Student values and perceptions of corporate social responsibility in the forest industry on the road to a bioeconomy

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ABSTRACT

Understanding how stakeholders perceive corporate social responsibility (CSR/CR) is of importance, especially in industries that place high social demands on the sustainability of their products and services. The key objective of this article is to examine the perceptions of students as future consumers concerning CSR and the future of the forest industry. Using survey data from three countries, we analyze how personal values, general CSR support, and four background variables (nationality, gender, age, and study field) are related to student perceptions of overall sustainability and specific social and environmental sustainability performance in the forest industry. Our findings indicate that nationality and study field are strongly associated with student CSR perceptions. In addition, students build their CSR perceptions on their personal values and their overall support for CSR. We additionally explored how respondents perceive the future of the forest industry. The results underline the complex and context-dependent nature of sustainable forest use in a future bioeconomy as an issue that cannot be managed at the corporate level, but is dependent on perceptions, values, and levels of industry knowledge among stakeholders.

1. Introduction

The increasingly globalized forest industry field is characterized by high capital intensiveness and low innovation intensity, along with maturity and high price volatility of markets for many of its core products. Moreover, forest companies are typically large corporations that are highly visible to the public, placing high social demands on the sustainability of their products and services and on the overall economic, environmental, and social responsibility (CSR/CR) of the industry (Freeman, 1984; Sharma and Henriques, 2005; Toppinen et al., 2016).

Bioeconomy is a concept that has attracted increasing attention in the last decade (Kleinschmit et al., 2014; Staffas et al., 2013), and has developed to include both challenges and opportunities for the forest industry. However, a systemic transformation and structural renewal is required for the forest industry to perform well in the sustainable future bioeconomy (Toppinen et al., 2017). The European Commission blueprint (European Commission, 2013) underlines the importance of stimulating sectoral transition with radical innovations, structural adaptation, and increasing efficiency in material and energy use toward zero-waste production to allow market growth both within and outside the European Union (EU). This means eco-efficient use and exploitation of forest resources, including eco-efficient processes and logistics, sustainable supply chain management (Bell et al., 2012), product eco-design and circular economy, and importantly, changing consumption patterns and post-use behavior of forest-based products (He et al., 2016; Milfont and Markowitz, 2016; Nair and Little, 2016). However, according to Kleinschmit et al. (2014), the agenda of forest bioeconomy comprises various "shades of green," in the sense that various actors tend to stress very different aspects of the concept, and to gain legitimacy, its sustainability needs to be contested.

The recognition of unsustainable consumption practices as a major cause for environmental problems has resulted in vibrant academic discussion on responsible, green, and sustainable consumption (Chekima et al., 2016; Hume, 2010) within CSR and sustainability literatures, where we position our paper. For example, Gassler et al. (2016) have stressed the importance of understanding how consumers perceive sustainability and what their expectations in terms of CSR are. Consequently, as environmental awareness increases among all stakeholders in the future (Gassler et al., 2016; Hume, 2010), industrial actors need to invest more in consumer orientation, but so far this has not been a typical focus in the forest industry.

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The previous studies also highlight the importance of examining the future of CSR, and in our case this has direct linkage to the bioeconomy development. While the future success of companies depends to a large degree on the sustainability perceptions of future consumers (Amberla et al., 2011), also tomorrow's managers, employees and society members at large play significant roles in shaping the future of CSR (Panwar et al., 2010b). Since today's students will be these consumers, managers, and employees, they can be considered a key stakeholder group in terms of the future of sustainability (Alonso-Almeida et al., 2015; Hume, 2010; Lämsä et al., 2008; Panwar et al., 2010b). Moreover, it is also likely that their personal values, education, and individual background variables represent key determinants for their future CSR and sustainability perceptions and, accordingly, consumer behavior (Alonso-Almeida et al., 2015; Chekima et al., 2016). For example, personal values and the associated perceptions concerning an acceptable level of CSR affect how responsible an individual company or an industry in general is viewed. According to Amberla et al. (2011), the knowledge of an industry, acquired either through the general significance of the industry to the students' national economy or education, can also affect their CSR perceptions.

As regards the forest industry context, corporate sustainability-related research is fairly abundant (e.g., Korhonen et al., 2015; Li and Toppinen, 2011; Li et al., 2014; Panwar et al., 2010a; Sharma and Henriques, 2005). However, the studies by Amberla et al. (2011) and Panwar et al. (2010b, 2014) are among the very few exploring the perceptions of the future of CSR in the industry. Our paper will therefore fill the gap by examining the determinants of students' CSR perceptions especially in the multi-country context, and analyze their views of the future of forest industry on the road to a bioeconomy.

We will employ rigorous multivariate regression analyses, and use Schwartz's (1994) personal value categories as our key explanatory variables to analyze how students perceive overall sustainability, the more specific concepts of social and environmental performance of the industry, and its future in a bioeconomy. The data used to test our hypotheses were generated through a survey carried out among university students in Finland, Hong Kong, and Spain, and focused on the personal values and their association with the perception of the forest industry's sustainability and its future in a bioeconomy. Therefore, our analysis is able to highlight the role of cultural and educational factors in the students' sustainability perceptions.

The rest of our paper is organized as follows. Section 2 presents background of relevant CSR-related research within the forest industry context. Our hypotheses are developed and the conceptual framework presented in Section 3. Section 4 gives an overview of the research design, and Section 5 presents the results of our study. Section 6 discusses our findings and concludes the paper.

2. Literature review

2.1. Sustainability, sustainable consumption, and personal values

The dominant business ethics approaches incorporated into corporate sustainability are not only about maintaining economic responsibility, but also legal, ethical, and discretionary responsibilities (Carroll, 1979) or embrace a wider group of stakeholders such as employees, customers, local community, and society at large (Carroll, 1991; Freeman, 1984). The triple bottom line view of Elkington (1997) is among the most commonly used concepts, suggesting that firms have economic, social, and environmental responsibilities (e.g., Amberla et al., 2011; Panwar et al., 2010b; Ranängen and Zobel, 2014). It is, however, clear that CSR does not mean the same thing to everyone or everywhere (Kolk, 2016). Stakeholder expectations for CSR vary by industry, and what is considered unheard of or responsible action at one point in time, may be considered expected or required at another time due to the time- and context-dependency of corporate responsibility (Rivoli and Waddock, 2011). Moreover, knowledge concerning an

industry and perceptions of an acceptable level of dealing with social responsibilities both affect how responsible an individual company is viewed.

The excessive consumption of modern society has been identified as one of the main causes of environmental problems (Hume, 2010; Nair and Little, 2016), giving impetus for a growing focus in the academic literature on sustainable consumption practices (Chekima et al., 2016; Hume, 2010; Nair and Little, 2016). The notion by Nair and Little (2016, p. 169), saying that green consumption *"is context-dependent, complex, and multifaceted"* synthesizes well the diversity in the many various definitions of green consumption. Certain definitions emphasize environmental protection or the fulfillment of social responsibilities in terms of e.g. sustaining resources for future generations. Often researches have also focused on examining the characteristics of ethically conscious consumers (e.g., Chan, 2000; Straughan and Roberts, 1999). Laroche et al. (2001) reviewed the literature and classified the factors potentially impacting consumers' willingness to pay more for environmentally friendly products into five categories including demographics, knowledge, values, attitudes, and (actual consumption) behavior. Moreover, consumers across countries vary in how they define socially responsible corporate activities and in their intention and readiness to support responsible businesses (Abdeen et al., 2016; Maignan, 2001).

The commonly used frameworks exploring values and cultural differences include, for example, Schwartz's value theory (Schwartz, 1992, 1996), Hofstede's (1980) characterization of national cultures, and the World Values Survey (Inglehart, 2016; Inglehart and Baker, 2000).[1] According to Laroche et al. (2001, p. 506), *"we may gain a much clearer understanding of the motivational determinants of environmentally friendly behavior by considering the impact of values"*. Personal values can be seen as determinants of specific attitudes or behavior (e.g. general environmental concern or attitudes toward social and environmental stewardship) (Fukukawa et al., 2007). Typically values do not explain ecologically conscious consumer behavior with any considerable predictive power (ranging from a few percent to approximately 20%). However, this value-action gap does not undermine the values as determinants of behavior (Pepper et al., 2009). Thøgersen and Ölander (2002) have verified the typical assumption – also common among researchers – that causality runs from values to environment-friendly consumer behavior, at least in the short-to-medium term perspective. Collectivism and individualism are seen as two major values affecting consumer behavior. In general, collectivist people are seen as more environmentally friendly than individualist people, and typically East Asian countries (China, Hong Kong) are seen as more collectivist in orientation than Western countries. (Laroche et al., 2001; Nair and Little, 2016).

Schwartz's value theory has been widely used especially by psychologists, and validated empirically in at least 65 countries (Pepper et al., 2009). The Schwartz value theory[2] contains a total of 56 universal value items that are present in all cultures and that can be grouped into ten basic value types (Fukukawa et al., 2007). Schwartz (1994) further grouped the ten value types into four value categories or orientations including (see also Fukukawa et al., 2007):

- self-transcendence (consisting of the altruistic value types of universalism and benevolence)
- self-enhancement (including the more egoistic value types of power and achievement)
- conservation (including tradition, conformity, and security value types)

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[1] See e.g. Nair and Little (2016) for a presentation of values-related theories relevant for green consumption.

[2] Schwartz's value theory is presented e.g. in Pepper et al. (2009) or Lindeman and Verkasalo (2005).