

Ethics and Corporate Social Responsibility (CSR)

Lecture 1

This session explores Ethics and values based leadership, well-being, and corporate social responsibility including environmental impact.

“A failure to provide the opportunity for school [leaders] to develop moral/ethical competence constitutes a failure to serve the children we are obligated to serve as public educators. As a profession, educational administration thus has a moral obligation to train prospective administrators to be able to apply the principles, rules, ideals, and virtues associated with the development of ethical schools.”

Shapiro & Stefkovich, 2005



Are Values and Ethics different?

- Values and ethics overlap in the sense that **values are underlying core beliefs** that influence the decisions we make.
- The difference is the term **'ethics'** generally refers to a **code of conduct** that establishes rules for acceptable behaviour.
- Robert Starratt (2004), ethics is *“a study of the underlying beliefs, assumptions, principles and values that support a moral (in accordance with standards of right conduct) way of life”* (p. 5).

Criteria for Ethical Analysis

Criteria for ethical analysis vary and represent each theory's values (which should we use, when and how?)

Criteria for *reasoned ethical judgement* include:

- Duty
- Rights
- Fairness
- Equality
- The good
 - The common good
 - The greater good
- Self-interest ... and others e.g. care

“A virtuous person is more concerned with being the kind of person that does the right thing at the right time and in the right way and not as much on the act itself. Virtue ethics avoids most dilemmas because the focus is no longer on deciding between two unfortunate outcomes, but on being a certain kind of person.”

Pfaff, 1998



Approaches to Ethics

1. Virtue Ethics: (Aristotle, 384-322 BCE): **What kind of person do I want to be?** Integrity is a primary value, we live by our beliefs. The end is '**common good**' and human flourishing

2. Consequentialist Ethics: (Bentham, 1748-1832): **Is It Good?** The greatest good for the greatest number of people, hence '**greater good**'

3. Deontological Ethics: (Kant, 1724-1804) **Is It Right?** Ethics based on 'duty' and being '**rational**'. What are my principles telling me I should do? Rationalising, how do I decide between conflicting duties?

Applying all three schools of Ethics

		Principle	Behaviour
Virtue Ethics	<i>Does this align with our virtues and principles?</i>	Who am I? What are my cardinal virtues?	Where do I draw the line?
Consequentialist Ethics	<i>Good for the greatest number</i>	How can we maximise utility? What will serve the interests of the greater good?	Who benefits most?
Deontological Ethics	<i>Reasoning</i>	What is the motive behind my decision? What is my duty?	Can my motives become universalised?



The Expectation...

- Increasing expectation that school leaders will make ethical decisions for the common good and that their actions will be driven by a commitment to moral and academic excellence.
- Needs to be increased recognition among educators that what is essential about teaching ethics is **providing a framework for making ethical decisions** –not the presentation of values alone.
- Focus on how moral leadership might be practiced, to the why—or moral purposes of leadership
- School leaders have a special responsibility to all members of their organization to be informed, ethical, and capable moral agents who lead democratic schools.

The background of the slide features a blue-tinted image of several hands reaching out from the left and right sides, symbolizing support, connection, or leadership. The hands are positioned as if they are about to clasp or are in the process of clapping.

Values-Based Leadership vs Ethical leadership

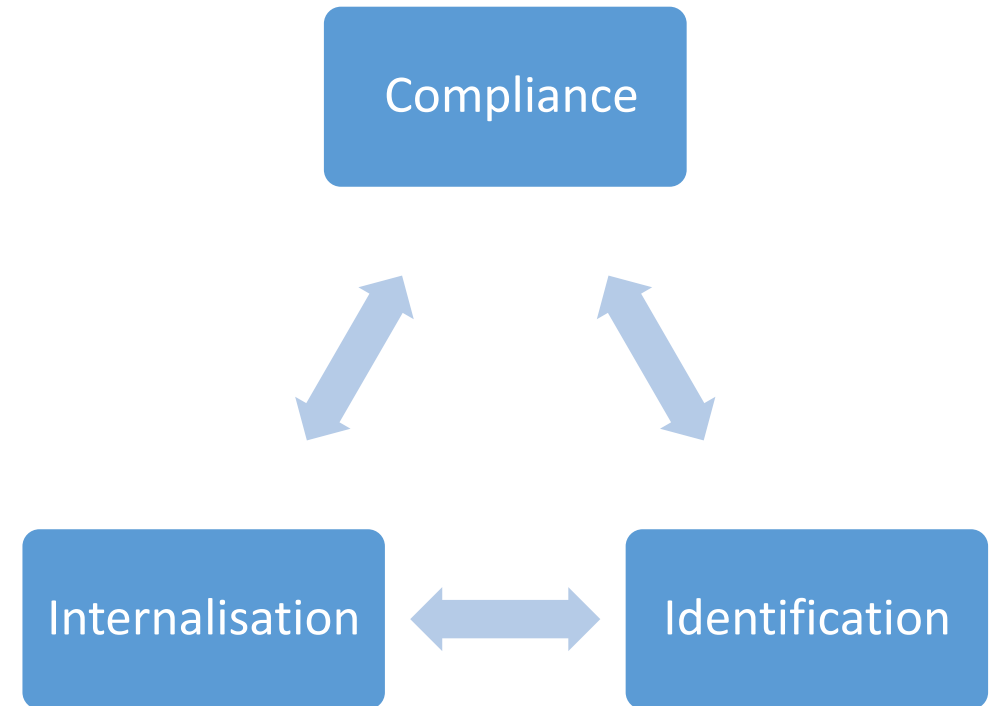
The 'content' and 'transmission' conundrum

“Values based leaders have a values message (teamwork, change orientation, achievement etc). When values-based leadership is seen as an influencing process, the leader is seen as the influencing agent and the followers are seen as the targets of that influence attempt.”

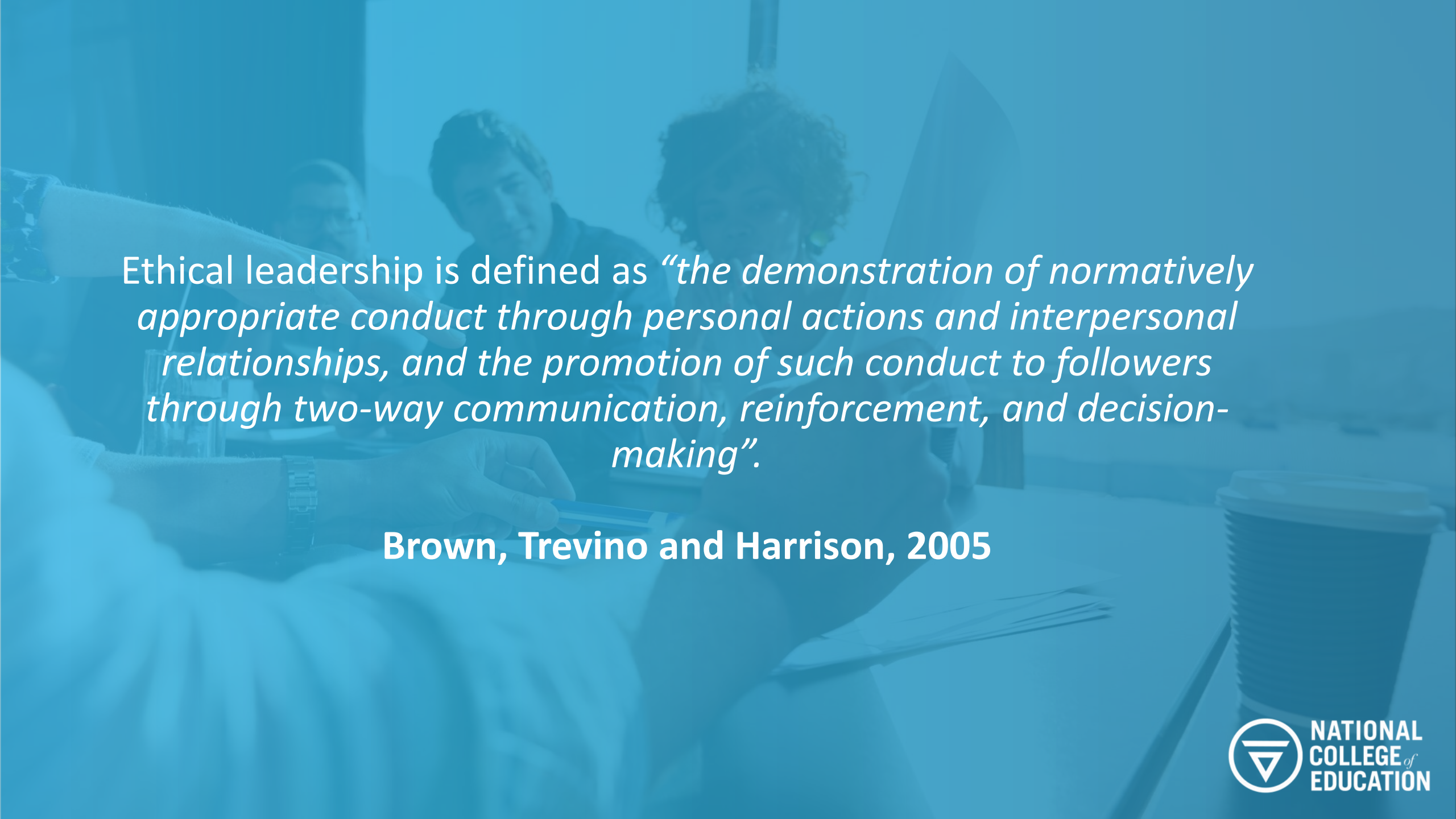
Brown and Trevino, 2004

Influence Processes

- **Internalisation** – means followers adopt the values of the leader as their own and use them regardless of context.
 - This is thought to produce the most powerful and lasting effects.
 - Research hasn't necessarily supported such transference.
- **Compliance** – Followers will simply accept the message that leaders transmit.
 - Leaders have a certain amount of power (legitimate, reward, coercive) to prescribe behaviour and their employees may accept the values they transmit because they will be punished or rewarded if they do or don't.
 - It can be ineffective.
- **Identification** – Weaker than internalisation. Influence is predicated on personal identification.
 - Followers act because they like their leader and not because they share his her values.



Krause, 2004



Ethical leadership is defined as *“the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”*.

Brown, Trevino and Harrison, 2005

Defining Ethical Leadership



- Being a moral or ethical person is the substantive basis of ethical leadership.
- The moral person aspect of ethical leadership represents how followers perceive the moral identity of the leader as a person

- Moral managers are explicit in making ethics the core of their leadership agenda.
- They show this by communicating ethical values and messages through visible and intentional role modelling.



Difference between values-based leadership and ethical leadership

- Values based leadership tends to ignore the content of values conveyed and rather focuses on the share nature of leader's and followers' values.
- Studies have looked at the extent to which followers perceive they share the values of their leaders REGARDLESS of values content.
- The perception of values congruence is what results in positive outcomes.
- Understanding the actual content of the values conveyed is essential because different values serve as guide for different attitudes and behaviours (Brown and Trevino, 2014).
- If we are interested in ethical attitudes and behaviours as outcomes, the moral content of the values conveyed seems key.

An aerial, high-angle photograph of a modern office lounge or cafeteria. The space is bright and airy, with large windows on the right side. Several people are seated at small, square tables, some engaged in conversation or eating. The floor is light-colored and polished. The overall atmosphere is professional and collaborative.

Corporate Social Responsibility (CSR)



Corporate social responsibility (CSR), defined as:
“the broad array of strategies and operating practices that a company develops in its efforts to deal with and create relationships with its numerous stakeholders and the natural environment”

Waddock 2004, p. 10



Reflection

- What is the social responsibility of your organisation?
- Would this differ between state and independent educational organisations?
- Who are your 'stakeholders'?



Some Perspectives

- First, the idea that organisations have societal obligations was evident at least as early as the nineteenth century.
- Second, there is the “normative case” i.e. CSR stemming from a desire to do good and the “business case” i.e. CSR that reflects an enlightened self-interest, an organisation’s reasons for engaging in CSR might reflect a mixture of these motivations.
- Third, while there is substantial agreement that CSR is concerned with the societal obligations of business, there is much less certainty about the nature and scope of these obligations.



CSR in Education

What does this look like?



Why CSR and Educational Leadership?

- Responsible leadership theory broadens the notion of leadership from a traditional leader–subordinate relationship to leader–stakeholder relationships and contends that
- *“building and cultivating ... ethically sound relations toward different stakeholders is an important responsibility of leaders in an interconnected stakeholder society”* (Maak and Pless 2006, p. 101).



Educational Social Responsibility (EdSR)

- Thus arose educational social responsibility (EdSR) as the voluntary decision of an educational organisation that, as a natural space of social possibility, favors the attention of its members to others.
- EdSR is considered to be a vision of the activity of an educational entity integrating respect for ethical values, people, the community and the environment in the context of its daily working (education) and in strategic decision making (management).



Forms of CSR

- CSR activities are manifested in organisational programs that protect and improve societal welfare: cause-related marketing, employee benefits, community outreach, to eco-friendly or sustainable business practices.
- Stakeholder theory (Freeman et al. 2007):
 - An organization interacts with both primary stakeholders, who are essential to the operation of the business (i.e., customers, employees, and investors),
 - and secondary stakeholders, who can influence the organization's business operation only indirectly (i.e., community and the natural environment; Waddock 2008).



Technical CSR

- Technical CSR—activities that target the organisation’s primary stakeholders
 - CSR actions in product (i.e., customer), employee, and governance domains,
 - actions to enhance product quality and safety, provide employee benefits (e.g., healthcare, work–life balance)
 - improve organisational governance (e.g., independent board members)



Institutional CSR

- Institutional CSR—activities that target the organisation’s secondary stakeholders
 - instead covers a firm’s CSR activities in the community and environment domains
 - giving back to local communities (e.g., education, arts, and culture)
 - incorporating environmental concerns in business decisions (e.g., clean technology, and recycling)



Reflection

- Are there any external and internal institutional factors that might shape CSR activities in your organisation? (hint: think PESTLE and Wilton's levels of constraints)
- In particular, considering the importance of leadership in shaping organizational strategies and practices



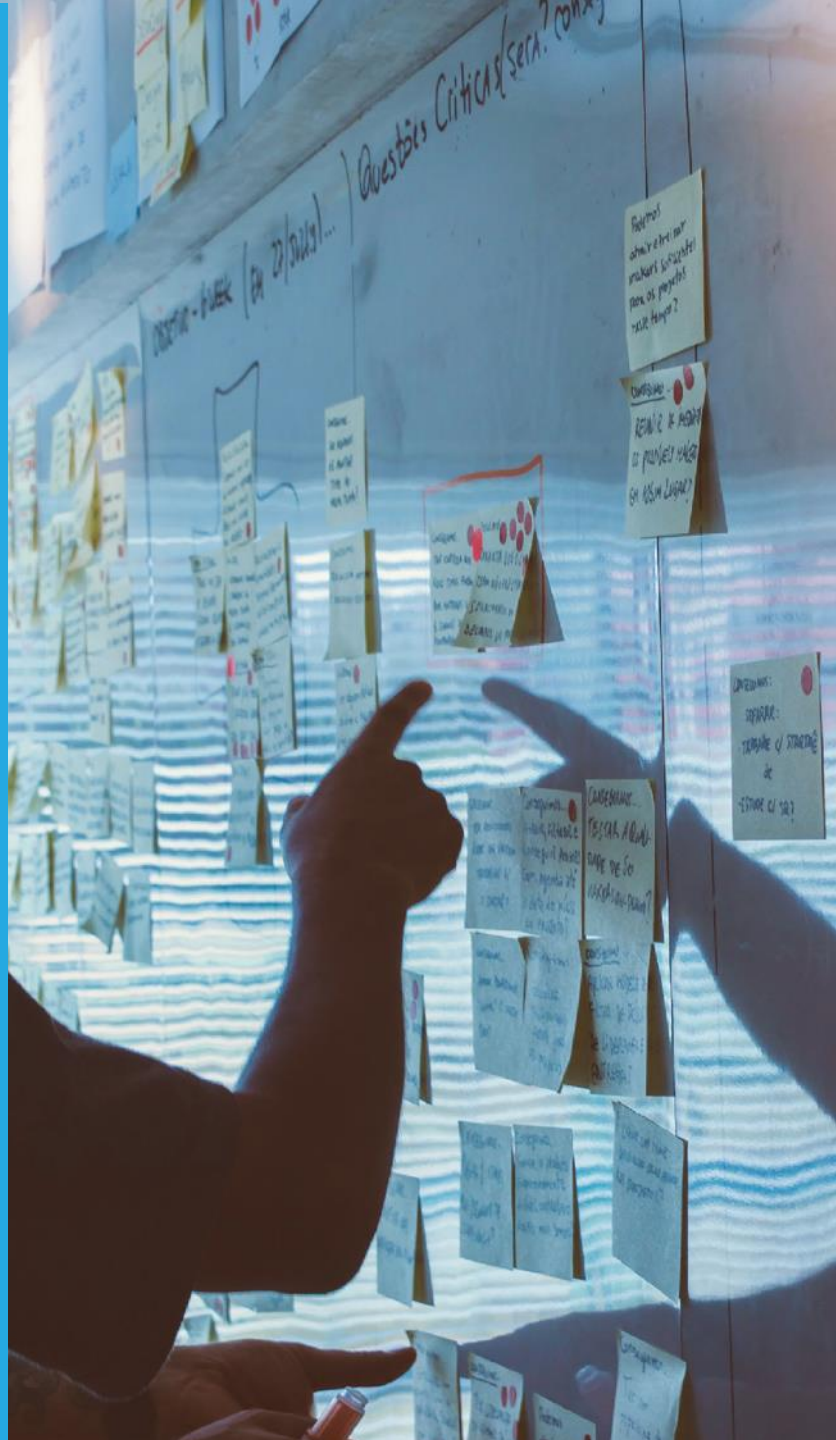
An Approach to CSR

Towards operationalising CSR in our schools



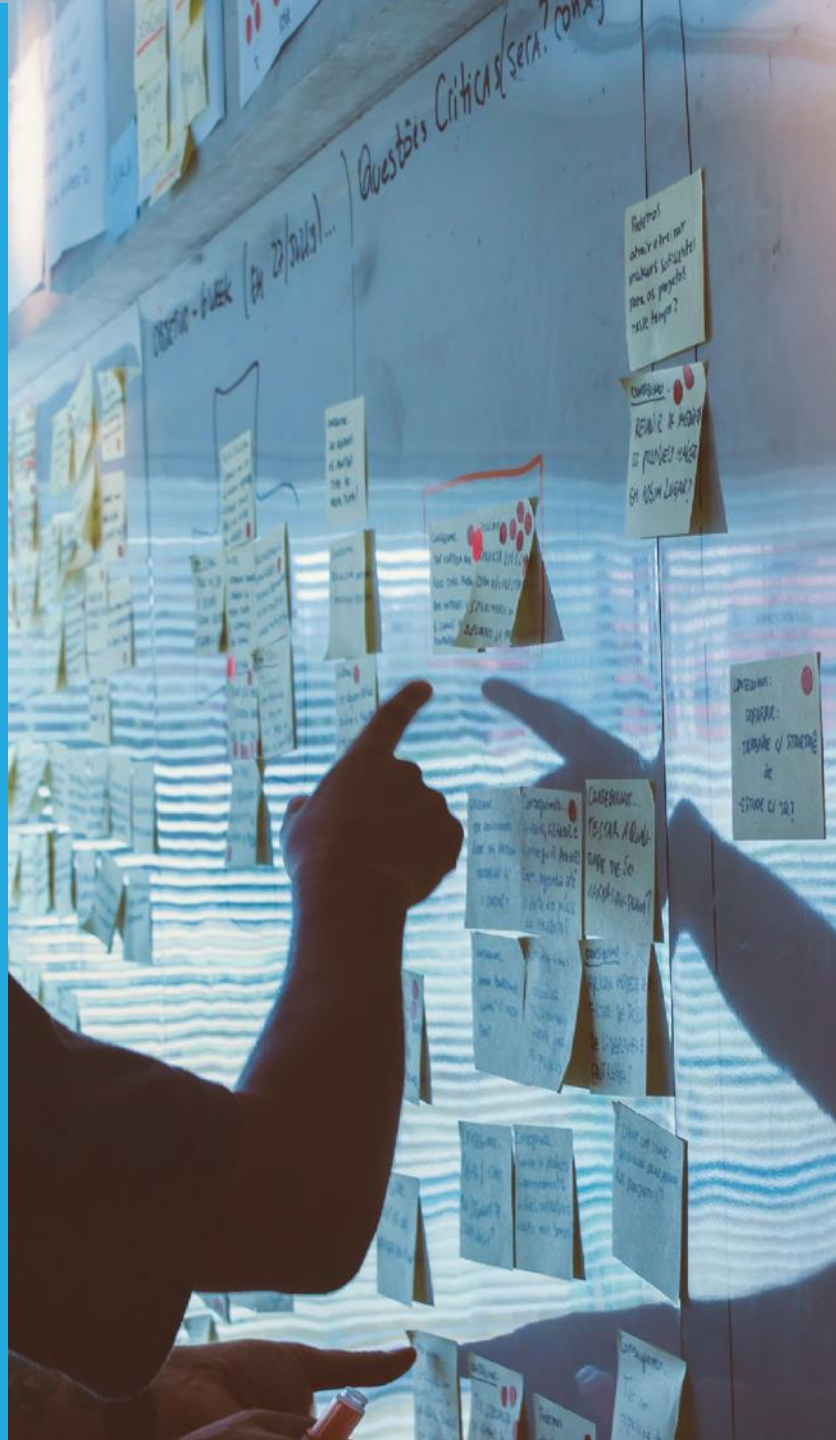
Introducing MACBETH

- Measuring Attractiveness by a Categorical Based Evaluation Technique (MACBETH)
- This model is designed with the aim of being a tool for the continuous improvement of CSR, since the results provided by the model help to identify those aspects of CSR in which it is poorly rated, and to develop action plans for them.



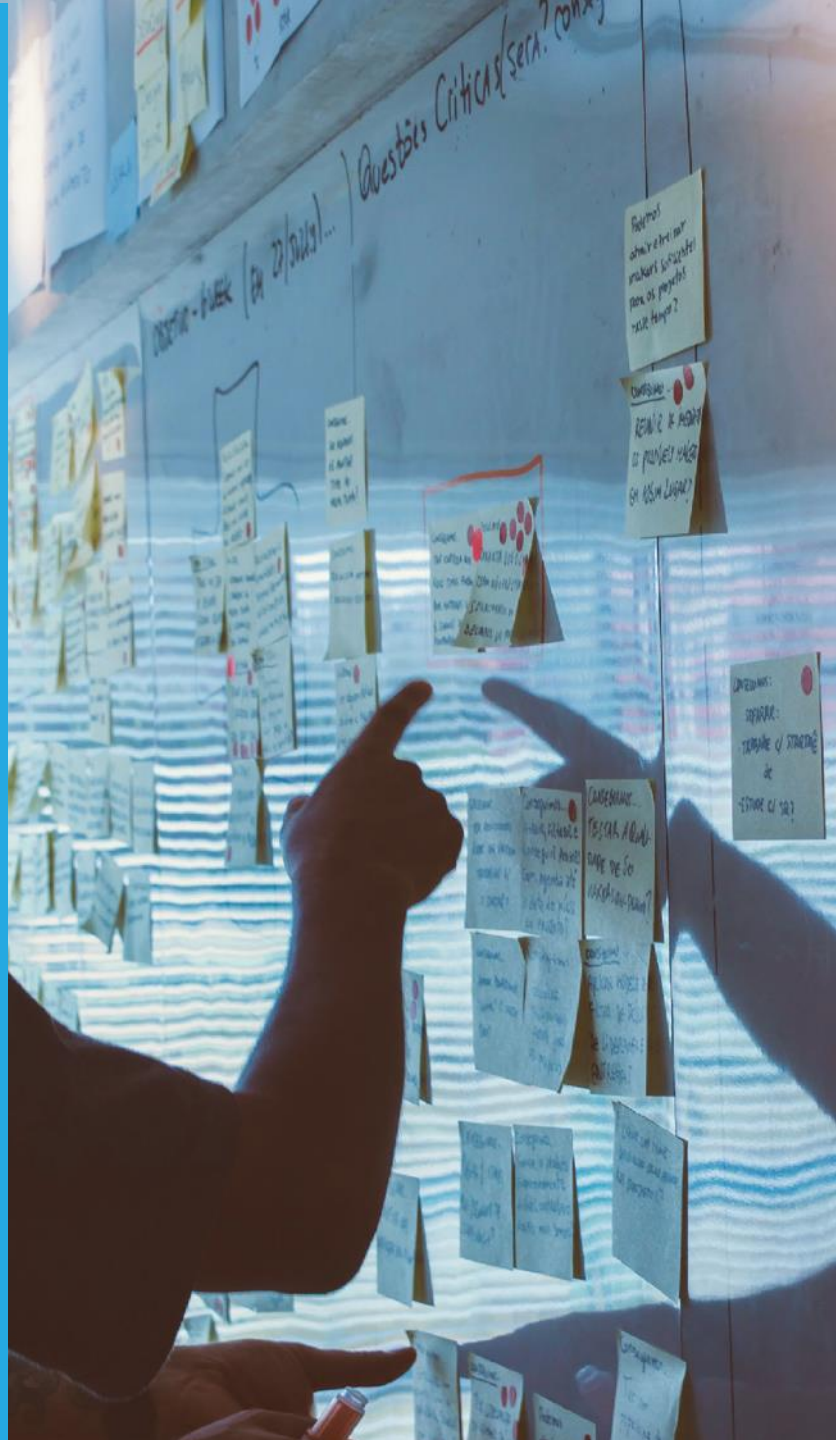
Category Based Evaluation

- Ethics and values of the centre (EAVC). This shows the ethical behaviours and transparent and responsible practices in all the activities of the centre.
- Human resources and working relations (HRWR). This shows the level at which all the staff belong to the centre, to increase their loyalty and commitment to the centre and to create a good work environment.
- Environment (ENVI). This shows the degree of optimization of the centre's resources to promote respect for the environment and surroundings.



Category Based Evaluation

- Social relations of the centre (SRCE). This shows the acceptance of SR culture by the education community and other stakeholders
- Responsible data handling and communication (RDHC). This shows the extent to which SR culture is communicated effectively and responsibly to the whole school community and the other stakeholders
- For each of these criteria, you can develop different sub-criteria that are qualitatively measured to help define a school CSR Strategy



Closing Reflection

- If you were to rank each of the 5 elements presented above, how will you rank your respective schools in terms of awareness and active strategic implementation of initiatives?