

The Changing Face of Business Ethics: Managing Corporate Citizenship and Sustainability in the Digital Age Incorporating the awards for the winners of the IBE Student Essay Competition Thursday 18 October 2018 17:00 – 19:00

Introduction

Philippa Foster Back CBE, Director of the IBE, opened the event by welcoming guests and introducing Professor Alan Murray and Dr Ivor Sutherland, Trustee of Gordon Cook foundation.

Alan Murray is Professor of Responsible Management at the University of Winchester Business School, and has been an IBE Student Essay Competition judge for several years. Since starting to teach 18 years ago, it is clear that corporate social responsibility (CSR) has changed dramatically. There is now a lot of high quality work and research that goes into the field, and this is showcased by both the undergraduate and the postgraduate winner of the IBE Student Essay Competition. There has also been a rush of students wanting to be taught business ethics courses at university. The sponsorship provided by Gordon Cook for the IBE Student Essay Competition serves as an added incentive for students. This year there was a range of topics represented among the entries, including case studies on Tata Steel and Apple, the United Nations and human rights as well as artificial intelligence and big data. Issues such as these are important because people around the world are consuming the planet. Not only are we ruining the habitat of other species, but we are also ruining our own. This destruction, however, does not happen overnight, but rather makes one species extinct at a time. While the Intergovernmental Panel on Climate Change (IPCC) has the latest on these developments, President Trump say that they may or may not be happening. It is all about changing one mind at a time and that is the only way change can come. This can be done, for example, by changing students' overall approach to business. Thanks were given to the Institute of Business Ethics and the Gordon Cook Foundation for arranging this Student Essay Competition. Alan commented that it has been a pleasure to read all of this year's entries.

Presentations by IBE Student Essay Competition Winners

Natalie Becker, the undergraduate winner of the IBE Student Essay Competition, graduated with an MA in Management and Modern History from the University of St. Andrews this summer. Her essay is entitled "Corporations in the 'Postnational Constellation': Applying a post-colonial lens to Corporate Social Responsibility practices in a global order". Corporations are more far-reaching than ever before and carry the legacy of Western commercial practices. The British East India Company and the Canton factories are both examples of how corporations have essentially "acted like states" and subsumed governments during the colonial era. This is exemplified by the exploitation of cheap labour and resources in other parts of the world. While corporations have a political function wherever they operate, they also have a CSR role to perform. This may include building schools and providing health care. In some aspects, multinational corporations (MNCs) have a state-like role to play as they set up operations in places where governments are failing to provide such basic services. While CSR managers are not plotting together to create the next empire, ethical issues still need to be addressed. For instance, who are corporations accountable to when conducting CSR functions in other countries? Often CSR functions do not consult the governments affected, and this has consequences for responsibility, legitimacy and democracy. Should corporations not engage more with the countries they operate in, by engaging with historical legacies and not turning a blind eye to humanitarian crises? By definition, history is backward-looking and CSR is forward-looking in nature. Developing an awareness of how organisations in a 'postnational constellation' uphold paradigms of colonialism is crucial for empowering stakeholders in privileged contexts to recognise the wide-spread disenfranchisement taking place.

Firoza Dodhi, the postgraduate winner of the IBE Student Essay Competition, is an MSc IMPP Candidate at The London School of Economics and Political Science and holds a Master of Laws from UCL. Her essay is entitled "Exploring the ethical issues of innovation in legal services". This essay addresses the impact of innovation in the legal industry and the ethical issues associated with this rapid innovation. There is growing consensus that the

legal industry will change “more radically over the next two decades than it has over the last two centuries as a result of technology”. By examining the liberalisation of the profession through alternative business structures (ABS), tackling the ‘more for less’ challenge through outsourcing and the rapidly evolving technology of artificial intelligence, this essay asks what ethical issues arise from these three developments and who is impacted. In a profession that thrives on tradition, it is imperative to maintain public trust and confidence. The fact that investors can now own and operate a law-firm through an ABS may have ethical consequences, including diverging business interests and strategies. To manage costs and deliver valued-added services, there is an increasing reliance on foreign entities for data processing. This is a particular cause for concern as it is unclear who has access to client information, and how it is protected. Acknowledging the importance of ethics in the legal profession will help reinforce the orthodoxy that lawyers are professionals who will act with integrity, in the best interest of their client, and always with a mind-set of upholding the rule of law to ensure the effective administration of justice.

Dr Ivor Sutherland, who is a Trustee at the Gordon Cook Foundation, closed this section of the event. He extended his warmest congratulations to the winners, their respective universities and tutors. These essayists have competed in a tough field, where most entries have been relevant, topical and innovative. These essays may, however, also have an impact and bring about progressive change by using the latest thinking within both academic research and business ethics. He spoke of the Gordon Cook Foundation, which was first established in Aberdeen in 1974 as a charitable trust. It was the brainchild of the prominent and wealthy Victor Cook, who was interested in the development and promotion of values. Victor Cook left all his valuables behind to be used for the embedding of values and citizenship. The aim was to journey towards a society with values, which behaves ethically. The Gordon Cook foundation values its relationship with the Institute of Business Ethics and a by-product of this relationship is the IBE Student Essay Competition. The hope is that the competition will spread to more higher education institutions across the United Kingdom in the years to come.

Presentation and Q&A: The Changing Face of Business Ethics: Managing Corporate Citizenship and Sustainability in the Digital Age

For the presentation and discussion Professor of Business and Society at the University of Bath, **Andrew Crane**, Associate Professor in Marketing and Society in the School of Management at the University of Bath, Dr **Sarah Glozer**, and Professor of Business Ethics at Royal Holloway, **Laura Spence**, were invited to share their experience of authoring the update to the fifth edition of the Business Ethics textbook, which is widely used as the core reading on business ethics and corporate responsibility courses at Universities both in the UK and internationally.

The discussion was chaired by **Dan Johnson**, Head of Project Services at the IBE, who admitted to being a veteran of the second edition of the textbook when he was a student. The comparison was made with the question – which Doctor Who did you grow up with? Which was posed to the panellists.

When asked whether a lot has changed since the first edition was published, Professor Andrew Crane explained that while a lot has changed, business ethics is still a big problem. Also, the number of ethical issues discussed has increased. While writing a book on business ethics in 2000 seemed like a fringe project, it has now become a common topic for discussion and study. For instance, for this latest version of the book, the authors have been inundated with requests and business ethics has now become a standard topic that is an integral part of any business-related curriculum. When starting out, the goal was to sell 2,000 copies a year, and the book has sold many more than that.

The aim of the first edition of the book was to engage with business ethics as a practical subject rather than a philosophical one. The book also wanted to move from a European to a global context. While the subject of globalisation was new in 2000, it does not need explaining today. For this edition, the book also has two new authors. Chapters 1-11 are backward-looking, while the final chapter is more forward-looking in that it provides a summary of the book, and discusses issues that arose as the writing went on.

Three main themes were addressed in the discussion. First, inequalities, such as gender issues relating to the #MeToo movement and gender pay gap reporting, play a large part in this new edition.

Second, alternative business models beyond the multinational corporation are also discussed. The financial crash 10 years ago has not yet radically altered capitalism, but there has been a growth in micro-enterprises, and this newest version of the book takes into account the small business perspective.

Third, digitalisation is another topic that has been dealt with in the book. By way of ethics online, this book has evolved from being a traditional textbook to a digital tool. In the aftermath of the Cambridge Analytica scandal, the process has been reactionary as sections have been added on algorithmic bias and Silicon Valley codes of ethics. The benefit of these sections is that they encourage reflections among students that have grown up surrounded by digital tools.

On the question of how ethical critique and decision-making may be taught, it was agreed that there is a degree of individual responsibility with this. Everyone has to engage with their own moral compass when faced with a difficult situation. Throughout the writing of this edition, it has been tempting to put President Trump and Brexit in every other paragraph, but these issues will not be quite as current next year. It has also been important to leave enough room for students to reflect, and not just reiterate what happened in 2018. This has been done deliberately to ensure that students have to think about what is happening now and what will happen in the future. When asked which philosophical theories have been considered in the newest edition of the book, most of the ethical theories did get an overhaul, but some theories keep cropping up. It has been important not to ignore the fact that most of these theories have been written by or have been taken credit for by white, Western men. As a result, a feminist approach to ethics focusing on care has been incorporated into this latest version of the book.

It has been important to highlight to students that ethics does not occur in a vacuum. In order to teach students about ethics in action, resources have been put online so that these issues are brought into the life of students, and not just put in a box. For instance, ethics on-screen attempts to highlight ethical issues in films ranging from Hollywood blockbusters to low-budget independents. By doing so, the hope is that students will learn to engage critically with what is around them. The fifth edition of the book also covers a section entitled 'Practitioner Spotlights', which showcases the diverse range of people involved in ethical roles across the globe and how they got to where they are now. While this was a difficult section to pin down, it now shares the career paths of different individuals involved with ethical decision-making from a number of backgrounds. Among the individuals interviewed was the Head of Environment at Tesco, who has been driving change internally. The individuals chosen for this section have been selected to reflect the themes of the book. Given that the nature of the book is so vast, these individuals needed to reflect the variety of sectors and backgrounds discussed not just in the book, but in the field more widely. When students of business ethics graduate, there is no obvious career path that they should follow. Instead, there are a variety of different things that can be pursued and it is not necessary to become a compliance officer. As such, it is often said that you do not need to have ethics in your job title to be responsible for ethics in your organisation.

When asked whether any conflicts arose in going from two authors to four, no obvious conflicts came to mind other than having to conduct more email and phone correspondence to agree on different matters. While sharing responsibility for writing the book means that each person has to give up some ownership, it also means that more inspiration and energy will flow through the process. On the question on what will be on the cover of the book, this was said to be one of the most difficult things to agree on. Overall, the writing process was guided by decision-making by committee and most queries were resolved via email. Thankfully, all parties involved know each other, have worked with each other before and there is a lot of natural crossover. If this had not been the case, this set-up probably would not have come about. All in all, writing the book in this way has made everyone more certain of their authorship by way of receiving constructive criticism before the material has gone out to external reviewers.

The fifth edition of the book is now going through two rounds of review with the aim of being printed in May 2019. The authors are currently busy building the online tools that will accompany the book and with writing up the international version. The authors have also started planning the next edition of the textbook. Professor Andrew Crane added that writing a textbook is a long-term commitment, much like a marriage or signing a life sentence.

The cover for the newest edition of the textbook was then revealed. It has been chosen because it incorporates three of the most important themes in the latest edition, namely digital, gender and alternative business. For the first editions of the textbook, covers were chosen almost at random based on what the authors found visually appealing. Gradually, however, people started asking why covers had been chosen, and it was decided that they should become more selective with what to put on the cover. This has also made it possible to tell the story behind every cover, such as who the people represented are and which themes the cover represents. Which paper to publish on and which publisher to use has also been consciously thought about and decided on.

On the question of how to use the book as a teaching tool, the authors agreed that teachers can use the book in any way they wish to complement their course. As such, it is possible to draw on it chapter by chapter and add your own twists as you go to fit your interests or expertise. An example given of this, was to show students widely acceptable films with underlying business ethics themes imbedded in them, such as *Ex Machina*, *Post*, *Joy*, *Blue*, and *Fantastic Beasts and Where to Find Them*. Digital issues should also be taught in a way that students can meaningfully relate to. The sharing economy, for instance, is moving very quickly and ideas surrounding trust and transparency for such services have to keep up. This can be seen in the growth of sharing platforms such as Uber and Airbnb, where students can see the benefits of collaborative concepts. Understanding the fluidity of such services and the digital communication between stakeholders and businesses is also crucial. Dematerialisation is moving fast and students need to understand what is being lost in the process. A good example of this is gig economy workers, who regularly give up common in-work benefits such as sick pay and holiday pay for flexibility. As a result, it is important to teach students both the light and dark sides to business ethics issues. It is therefore necessary to ask questions such as whether there should be the limit to consumer convenience and privacy.

When asked how cultural differences influence ethics, it was agreed that cultural contexts mainly differ on language and digital issues. The example of Bangladesh was given as a context where talking about gender equality might prove different than somewhere like the UK. It has been important for the authors not just to look at business ethics through a Western lens, but to also have contributing authors from places like Bangladesh, India and the Philippines. This latest version of the textbook has therefore brought in people from different backgrounds to write or take a specialist approach, as the main authors are blatantly aware that they are all white Europeans.

On the question of where ethical business is working best, compliance was deemed not always to be the best approach. The aim of the textbook is rather to present different options and tools to students so that they can make up their own minds. When asked what corporations could do differently and where they should invest their money, collaboration across industries to tackle major issues was seen as a good way to invest for the future. Such an approach will help create a force for change and deal with issues in a systemic way, for example when it comes to climate change. Another question from the audience surrounded whether the book deals with micro or so-called day-to-day issues, which marketing practitioners regard as the most important ethical concerns in the workplace. The book mainly focuses on macro-level issues related to, for instance, the supply chain or sustainability. However, micro-level issues that students may face early in their careers are discussed through examples such as what you may witness in your role as a marketing manager or as a student in a coffee shop on campus. As such, micro and macro issues complement each other in the book, for example through the use of zero-hour contracts. The macro issue in this case is the supply chain, and the textbook asks how such contracts are sustained.

When asked how much of a role governments have to play, it was pointed out that the textbook includes a lot of references to regulation in different countries. An example that was drawn from the book, was the role of Olympic governance in an instance with government with a small 'g'. However, the panel were unsure of whether the book incorporates the role of governments enough and that the right balance between corporation and government influence has been struck. On the topic of whistleblowing, codes of ethics have a role to play in embedding a non-retaliation clause and teaching individuals to blow the whistle when necessary. For example, if the scandal involving Facebook and Cambridge Analytica had been spoken up about as early as in 2014, the world might look different today. The IBE has proposed to change the language around whistleblowing, because blowing the whistle can carry negative connotations that may prove off-putting to a potential whistleblower, who may perceive whistleblowing to be reserved for major scandals that are potentially retaliatory in nature. Instead, the IBE talks of

'speak up', 'speaking up' and suggests that the word 'reporter' is used instead of whistleblower, for anyone that decides to speak up about ethics concerns.

Close

Philippa Foster Back CBE, Director of the IBE, closed the event by thanking the speakers and panellists. The IBE Student Essay Competition winners were also congratulated on their fantastic essays. It was announced that next year's IBE Student Essay Competition is now open, and everyone was asked to spread the word to anyone eligible to participate. The aim is to attract more entries than last year and continue to grow the number of universities represented in the entries.