CORPORATE TO MANAGEMENT
SOCIAL RESPONSIBILITY:
EXTENDING CSR TO MSR GUIDED
BY MARY PARKER FOLLETT

Susan MAWER

Salford University Business
School
Salford, UK

Submitted in Partial Fulfilment of the
Requirements of the Degree of Doctor
of Philosophy, December 2015
# CONTENTS

List of Figures .......................... xiii
List of Tables ........................... xiii
Acknowledgements ...................... xiv
Declaration of previously used material xv
Abstract .................................. xvi
Prologue ................................ 1

## CHAPTER 1

Management social responsibility: MSR 2

1.1 Introduction .......................... 2
1.1.2 Follett's concepts: integration, coordination and power-with 2
1.1.3 Key themes and objectives ....... 4
1.1.4 CSR theoretical framework ....... 4
1.1.5 Research methods ................. 5
1.1.6 Research questions ............... 6
1.1.7 Defining CSR ..................... 7
1.1.8 Follett's contribution to management and CSR 9

1.2 Contributions of research ............ 10
1.2.1 Follett's ideas past, present and future 10

1.3 Structure of thesis ................... 12

## CHAPTER 2

Mary Parker Follett, her life and work 14

2.1 Overview ............................ 14
2.1.2 Structure of chapter two ......... 14
2.2 Power-with, integration, coordination and the law of the situation 15
2.2.1 Mary Parker Follett and management theory 16
2.2.2 Management theories and concepts compared with Mary Parker Follett’s philosophies (Table 2.2.2) 18

2.3 Mary Parker Follett and MSR 20
2.3.1 Background 21
2.3.2 Early years 21
2.3.3 The law of the situation 22
2.3.4 Democracy 23
2.3.5 Community centres 24
2.3.6 Community development, democracy and social responsibility 25

2.4 Concepts for MSR: Power-with, integration and coordination 27
2.4.1 Power-with 27
2.4.2 Integration 29
2.4.3 Coordination 31

2.5 Business management: A social service 32
2.5.1 League of Nations 32
2.5.2 Leadership and followership 34

2.6 Follett in question 35
2.6.1 Naivety 36
2.6.2 Macro Level 38

2.7 Conclusion of chapter two 40

CHAPTER 3

Literature review 42

3.1 Structure of chapter three 42
3.2 Follett, CSR and MSR 42
3.3 Foundations of CSR 43
3.3.1 CSR: an executive choice 43
3.3.2 Defining CSR 44
3.3.3 Differing perspectives 45
3.3.4 Significant changes 47
3.4 **CSR theories evolve** 48
3.4.1 Stakeholder theory in question 49
3.4.2 The business case for CSR 52
3.4.3 Democracy and political CSR 54
3.4.4 CSR challenged 55
3.4.5 Shareholder value and CSR 56
3.4.6 CSR as a management strategy 57
3.4.7 Consumer and management standards for CSR 59
3.5 **CSR and Mary Parker Follett** 64
3.5.1 Six core characteristics of CSR 65
3.5.2 Six categories of CSR 66
3.5.2.1 Comparison of CSR and Follett’s Concepts (Table) 67
3.5.2.2 CSR: Ethics 68
3.5.2.3 CSR: Political 69
3.5.2.4 CSR: Instrumental 70
3.5.2.5 CSR: Corporate citizenship 71
3.5.2.6 CSR: Post-financial crisis 71
3.5.2.7 CSR: Integrated 72
3.5.2.8 CSR: Residual and integrated approaches compared with the concepts of Follett (Table) 73

3.6 **Integrative CSR and Follett** 74
3.6.1 Integrative CSR in action 74
3.6.2 Summary 75
3.6.3 Main themes, categories and approaches 75
3.6.4 Summary of the range of approaches to CSR (Table) 79
3.6.5 Operationalising management social responsibility (MSR) 78

3.7 **Conclusion of chapter three** 79
CHAPTER 4
Research methodology 83
4.1 Overview 83
4.1.2 Structure of chapter four 83
4.1.2.1 The research process (Figure) 83
4.1.3 Original research question and objectives 84
4.1.3.1 Research questions 85
4.1.4 Philosophical approach to research 86
4.1.4.1 Philosophical approach to research (Figure) 87
4.1.5 Qualitative and quantitative research 89
4.1.6 Methodological choice 90
4.1.6.1 Design and techniques 91
4.1.6.2 Four paradigms 91
4.1.6.2.1 Four paradigms for analysis of social theory (Figure) 92
4.1.6.3 Paradigm choice 92
4.1.6.3.1 Four paradigms for the extended analysis of social theory (Figure) 94
4.1.6.4 Hermeneutics 95
4.1.6.5 Implications for chosen research 97
4.1.7 Summary of methodological choice 98
4.2 Description of the research process 98
4.2.1 Research process (Figure) 99
4.2.2 Formulating the research questions 99
4.2.3 Literature review 100
4.2.4.1 Historical foundations of literature 100
4.2.5 Research method and ethical approval 101
4.2.5.1 Organizational approval 101
4.2.6 Developing the research plan 102
4.2.7 Interview protocol and questions 104
4.2.8 Interview questions and consent form 105
4.2.8.1 Objectivity and detachment 105
4.2.9 Select data sources
4.2.9.1 Sampling
4.2.10 Recruit participants
4.2.10.1 Overview of interview process
4.2.10.1.2 Demographics
4.2.10.2 Snowball sampling (Figure)
4.2.10.3 Summary of respondents (Table)
4.2.11 Interviews
4.2.11.1 Bias
4.2.11.2 Venues for interviews
4.2.12 Data collection
4.2.13 Coding and analysis
4.2.13.1 Coding process
4.2.13.2 Coding themes
4.2.13.3 Analysis
4.2.14 Empirical findings
4.2.15 Summary of research process
4.2.16 Limitations
4.3 Conclusion of chapter four

CHAPTER 5
Follett and CSR: the role of the manager – tension, conflict and ambivalence
5.1 Introduction
5.1.2 Overview
5.2 What CSR means to managers
5.2.1 CSR: First impressions
5.2.2 Interpreting CSR
5.2.3 Community and CSR
5.2.4 Management responsibility for CSR
5.2.5 Summary of section one 129

5.3 CSR as a management issue: The blocks 129

5.3.1 Tax avoidance, MNCs and CSR 130

5.3.1.2 SMEs, tax and ethics 131

5.3.2 Corporate sustainability:
CS, and Corporate unsustainability: CU 135

5.3.2.1 Standards of management behaviour 136

5.3.3 Diversity and CSR 137

5.3.4 Gender and CSR 138

5.3.5 Cynical CSR 141

5.3.6 Public sector 143

5.3.7 Summary of section two 144

5.4 CSR: The business case 145

5.4.1 Marketing and CSR 146

5.4.2 Reputation 147

5.4.3 Summary of section three 149

5.5 CSR as a management issue: Overcoming the blocks 149

5.5.1 Organizational culture 149

5.5.2 The journey: Social issues in management 150

5.5.3 Leadership 152

5.5.4 Codes of conduct 153

5.5.6 Corporate citizenship 155

5.6 Integration for CSR 156

5.6.1 Integrating conflicting interests 156

5.6.2 Integrating CSR from the community upwards 157

5.6.3 Summary of section four 160

5.7 Conclusion of chapter five 163
CHAPTER 6
Examining management's relationship between business and society using Follett’s concepts of integration and the law of the situation

6.1 Introduction 164
6.1.2 Overview 164

6.2 **Business management central to the advancement of society** 165
6.2.1 Policies, procedures and objectives 165
6.2.2 Reactive and proactive approaches to CSR 168
6.2.3 Motivation and extending CSR to MSR 169
6.2.4 Managers’ values and operationalising MSR 169
6.2.5 Developing relationships 175
6.2.6 Internal and external relationships 176
6.2.7 Cultural differences and CSR 177
6.2.8 Summary of section one 178

6.3 **Executive function and CSR** 179
6.3.1 Setting the standard for social responsibility 179
6.3.2 Collaborations 181
6.3.3 Professional organizations and CSR 181
6.3.4 Gaps in knowledge 182
6.3.5 Training, skills, and capabilities for CSR and MSR 184
6.3.6 Community resources and capabilities 187
6.3.7 Integrating relationships 189
6.3.8 Management frameworks and competencies for MSR 190
6.3.9 Educating the public and assurance schemes 191
6.3.10 Summary of section two 195

6.10 **Conclusion of chapter six** 196
CHAPTER 7

Operationalising management social responsibilities using
Follett’s concept of power-with and coordination

7.1 Introduction
    7.1.2 Overview
    7.1.3 Power-with: the concept

7.2 Power with and coordination
    7.2.1 Applying the Follett’s concept of coordination
    7.2.2 Coordination model based on Follett (Figure)
    7.2.3 Management’s capability to implement power-with
    7.2.4 Developing power-with
    7.2.5 Power-with and managing diversity
    7.2.6 Choice of language
    7.2.7 Summary of section one

7.3 Leadership vision for CSR
    7.3.1 The invisible leader
    7.3.2 Ethos and values of the invisible leader
    7.3.3 The continuous process of power-with
    7.3.4 Leadership and the vision for MSR
    7.3.5 Developing leaders
    7.3.6 Developing power-with in followership
    7.3.7 Vision for power-with
    7.3.8 Summary of section two

7.4 Conclusion of chapter seven
CHAPTER 8
Conclusion: summary of findings, operationalising MSR and future research 236

8.1 Structure of chapter four 236
8.1.2 Introduction 236

8.2 Summary of findings 237
8.2.1 Capability, inclination, and the business case for operationalising MSR 237
8.2.2 CSR to MSR 237
8.2.3 Defining and interpreting CSR 238
8.2.4 Cynicism, scepticism and CSR 238
8.2.5 Legacy, next generation of managers and CSR 238
8.2.6 Legislation 238
8.2.7 Educating the public, and assurance schemes 239
8.2.8 Motivation and values 239
8.2.9 Engaging communities 239
8.2.10 Reactive and proactive approaches to CSR 239
8.2.11 Charities, professional bodies and collaboration for MSR 240
8.2.12 The invisible leader, corporate vision, and champions 240
8.2.13 Follett’s ideas for managers 240
8.2.14 Summary of section one 240

8.3 Fulfilment of objectives 241
8.3.1 Management skills to advance society 242

8.4 Contributions to practice and theory 243
8.4.1 Summary of contribution to practice (Table) 244
8.4.2 Extending and developing MSR 244
8.4.3 Continual development and extension of MSR practice (Figure) 245
8.4.4 Summary of contributions to theory (Table) 245
8.4.5 Diagrams for continual evolution of MSR 245
8.4.6 Follett’s concepts and the evolution of MSR 246
8.4.7 Continual development and extension of MSR theory (Figure) 247
8.4.8 Figures of development of theory 247
8.4.9 Evolution of MSR practice and theory (Figure) 248
8.4.10 Towards MSR 249
8.4.11 Summary of a continuum of progress towards MSR (Figure) 249

8.5 **Operationalising MSR using Follett as a guide** 250
8.5.1 Practical guidance for implement CSR and MSR 250
8.5.2 Integration in action 251
8.5.3 Follett’s concepts for a model for MSR 251
8.5.4 Follett’s concepts for MSR model (Figure) 252
8.5.5 New theories of engagement with stakeholders to deliver MSR 253
8.5.6 Renaming CSR 253
8.5.7 Augmenting and advancing theory guided by Follett 254

8.6 **Limitations and unanswered questions** 255
8.6.1 Predisposition to CSR 255
8.6.2 Feasibility and practicability of Follett’s concepts 256
8.6.3 Feasibility and practicability of Follett’s concepts 257

8.7 **Next steps: CSR, MSR, Follett, and recommendations for future research** 257
8.7.1 CSR and MSR framework for organizations and individuals 258
8.7.2 Framework to plot approach to social responsibility for organizations and individuals (Figure) 259
8.7.3 Implications for theory 259
8.7.4 Relevance of the business case 260
8.7.5 Conclusion 260

Appendices

Appendix 1 Interview protocol: Core questions 262
Appendix 2 Participant Information Sheet and Consent Form 264
Appendix 3 Profiles of respondents 267

References 276
LIST OF FIGURES

Figures

<table>
<thead>
<tr>
<th>Figures</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6.4</td>
<td>Summary of the range of approaches to CSR</td>
</tr>
<tr>
<td>4.1.2.1</td>
<td>The research process</td>
</tr>
<tr>
<td>4.1.4.1</td>
<td>Philosophical approach to research</td>
</tr>
<tr>
<td>4.1.6.2.1</td>
<td>Four paradigms for analysis of social theory</td>
</tr>
<tr>
<td>4.1.6.3.1</td>
<td>Four paradigms for extended analysis of social theory</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Research process.</td>
</tr>
<tr>
<td>4.2.10.2</td>
<td>Snowball sampling: categories of employment sector and job title of respondents</td>
</tr>
<tr>
<td>7.2.2</td>
<td>Coordination model based on Follett</td>
</tr>
<tr>
<td>8.4.3</td>
<td>Continual development and extension of MSR practice</td>
</tr>
<tr>
<td>8.4.7</td>
<td>Continual development and extension of MSR theory</td>
</tr>
<tr>
<td>8.4.9</td>
<td>Evolution of MSR practice and theory</td>
</tr>
<tr>
<td>8.4.11</td>
<td>Summary of a continuum of progress towards MSR</td>
</tr>
<tr>
<td>8.5.4</td>
<td>Follett's concepts for MSR model</td>
</tr>
<tr>
<td>8.7.2</td>
<td>Framework to plot approach to social responsibility for organizations and individuals</td>
</tr>
</tbody>
</table>

LIST OF TABLES

Table

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.2</td>
<td>Management theories and concepts compared with Mary Parker Follett's philosophies</td>
</tr>
<tr>
<td>3.5.2.1</td>
<td>Comparison of CSR and Follett's concepts</td>
</tr>
<tr>
<td>3.5.3.8</td>
<td>CSR: Residual and integrated approaches to corporate social responsibility</td>
</tr>
<tr>
<td>4.2.10.3</td>
<td>Summary of respondents</td>
</tr>
<tr>
<td>8.4.1</td>
<td>Summary of contribution to practice</td>
</tr>
<tr>
<td>8.4.4</td>
<td>Summary of contribution to theory</td>
</tr>
</tbody>
</table>
ACKNOWLEDGEMENTS

Describing my appreciation to friends and colleagues at the University of Salford would take another 200 pages. On those occasions when the light at the end of the tunnel had gone out, I kept going thanks to the kindness of Nadine, Violet, Mhorag, Suzanne, Sudi, Shell, and Kevin, amongst many others. Having a supervisor of the calibre of Professor Jo Crotty was an immense asset. Jo's expectations of me were far greater than I had for myself and I am indebted to her for her unwavering encouragement and belief in me.

Discovering Mary Parker Follett’s network of admirers opened up a new world of activity and companionship. I shall be forever grateful to Albie Davis for mining the deep depths of her knowledge of Follett and passing some of it on to me. Thank you too to all my respondents for being interested in my topic and who were hugely generous of their time and support.

Without the unstinting strength, help and love of my family, this thesis would never have been written. John, Caragh and Jonathan, it is no longer necessary to ask if I have time to join in the fun – I am free! Thank you for being there for me.
DECLARATION OF PREVIOUSLY USED MATERIAL

The papers listed below have been presented to conferences. In addition, pending revision, one has been provisionally accepted for publication by the journal Business Ethics: A European Review. Some of the material in this thesis has been included in these papers.

Although credited with co-authorship, the research for the papers is entirely my own work.


Mawer. S., and Crotty, J. What would Mary do? Mary Parker Follett’s guide to CSR. Reviewed by Business Ethics: A European Review and currently in the process of revision prior to resubmission for publication (November, 2015).
ABSTRACT

This research extends the concept of corporate social responsibility (CSR) by proposing that it should be operationalised as a management obligation and redefined as management social responsibility: MSR. The contribution of this research comprises two strands. First it addresses the practicalities for managers initiating and implementing MSR as an integral managerial duty. The contentiousness of defining CSR is addressed by applying a conceptual framework based on an analysis of the works of social scientist and management theorist, Mary Parker Follett (1868 – 1933). Secondly, Follett’s work is synthesised and offered as a starting point to deal with other management demands in theory and practice.

The case for MSR invokes the same principles for the elimination of workplace discrimination, not for economic reasons but because it represents socially just and moral business conduct. Follett’s belief that management possesses the capability to advance human welfare was assessed during research in 20 organizations across public, private and non-profit sectors in the UK, France and the USA. Semi-structured interviews with 23 practicing managers, ranging from CEOs to junior managers, produced data on the feasibility of implementing MSR, which was validated by experiences from operationalising other social issues in management. As a result the concept of MSR evolved in which business management is central to a beneficial relationship with all stakeholders.

The overall qualitative findings of this research indicate that business management attitudes and practice are inclined towards initiating socially responsible business activities. By examining the challenges to managers to accept MSR, their motivation and capability to implement it have been analysed. This analysis informed proposals for a practical framework and professional partnerships to absorb Follett’s philosophies that inform MSR. Subsequent developments can be expected as managers become familiar with MSR, which will contribute to the evolution of theory and practice.
This thesis was written by a manager. Over a span of many years I won my spurs in large and small organizations, in austere times and in generous ones. My voyage to presenting this PhD took a long, meandering route with a little diversion into consulting. It was only when my children were choosing universities that I thought about my own education and studied for my MBA. That was when I discovered the management writer Mary Parker Follett and ruefully wished I’d read her work when wrestling with intractable problems in my former life as a manager. For my research into corporate social responsibility (CSR) I reverted back to the perspective of a manager. Over my career I’d witnessed many advances in social issues in management. Most notably, progress operationalising equality and diversity occurred when it was removed from the responsibility of the ‘equal opportunities department’ (or similar) and managers took it on as part of their everyday duties. That’s when I realised that for all that had been said about CSR being a management issue, nobody had explained to managers, like me, how to go about it - apart from Mary Parker Follett. Often neglected, yet called a ‘prophet of management’ by Peter Drucker (1995:1), Follett tells her audience how to make CSR into MSR: management social responsibility. Please join me on my journey to look at the future of CSR, through Follett’s eyes and to listen to her voice.
CHAPTER 1

Management social responsibility: MSR

1.1 Introduction

The overall aim of this research is to extend corporate social responsibility (CSR) theory by making it a management responsibility incumbent on each manager to operationalise. This will become known as management social responsibility: MSR. It will be achieved by using the work of Mary Parker Follett (1868 – 1933) to develop a model that is understandable and of practical use to managers and will create a mutually beneficial relationship between business and society.

For many managers, CSR represents an organizational policy with which they comply. This thesis aims to show that, whether private, public or non-profit sectors, this approach is not fit for modern business management and transfers the onus from CSR to MSR. It does so using the ideas and philosophies of Mary Parker Follett to analyse the capabilities and inclinations of managers to make business management a social as well as an economic function.

1.1.2 Follett concepts: integration, coordination and power-with

The main ideas of Follett that are used to formulate MSR and to assess whether managers have the capability and inclination to make CSR into MSR are integration, coordination and power-with. These three concepts are linked by two overarching principles of the law of the situation and Follett’s notion of leadership and followership. These five concepts are summarised here and will be referred to throughout this thesis.

Integration

Conflict should be approached as a positive occurrence that creates energy and produces something new which brings diversity and innovation. Follett advocates analysing the elements of conflict and finding ways to integrate them for novel and inventive solutions. The alternatives are compromise or domination, in which one side gives up something, or everything; the result is that no-one is satisfied and the conflict keeps going or returns later.
Coordination

Coordination begins with direct contact between parties, regardless of status but dependent on expertise and relevance. Secondly all parties should be involved at the earliest possible stage. Thirdly, the inter-relation of decisions must be understood and responsibility is taken for repercussions on others in the group and wider afield. Fourthly, the whole process must be continual and not set up for special occasions. Coordination integrates the power of individuals and groups to produce long-lasting ideas and new approaches to productive and harmonious business and societal relationships (Follett, 1941:297).

Power-with

Follett’s concept of power-with is based on relationships that grow power jointly. Power and experience are pooled by individuals which unifies the group to achieve its objectives. Traditionally, power-over is the norm whereby one person, group or nation asserts power over others but eventually resources needed to perpetuate it become exhausted and power is lost to a stronger force. Follett explains that simply delegating power is not enough, the capacity to deal with power needs to be developed so that people, or groups, are not set up to fail (Follett, 1924; Graham, 1995).

The law of the situation

The law of the situation focuses on the realities of the actual situation. This means that hierarchy, personal interest and emotional attachment to the matter at hand are disregarded. Instead the situation is analysed and the individuals with the most expertise - whether machine operatives, clerks, warehouse staff, managers, etc. - contribute to identifying the core issues of the situation. Consequently, facts are isolated and discussed bringing forth the most appropriate solution to any situation using power-with, integration and coordination.

Leadership and followership

Leaders and followers combine to make all parties aware of their power to transform their communities, whether in business or wider society. The best leaders make followers aware of the power that followers possess and how they can exert it and develop power-with. Leaders enable followers to participate in
leadership by building capacity to use integration and power—effectively, to take part in coordination confidently and to follow the law of the situation. An inherent element of Follett’s idea of leadership is for the leader to create a vision for others to follow, which she calls ‘the invisible leader’ (1949, 1970).

1.1.3 Key themes and objectives

The key themes visited in this thesis include raising awareness of the usefulness of Follett to practising managers and to scholars. Furthermore, a new dimension of CSR is proposed that employs Follett’s concepts of management as a power unifying community and business to create a sustainable model for longer term prosperity. The process for achieving this will be to utilise the existing skills of managers to make social responsibility their personal duty similar to the way in which equality and diversity became a normative management function. By switching the emphasis from the commercial role of business in society to one where, through management, it contributes to social advancement, a new beginning for CSR will be presented. In order to achieve this, the following objectives were formulated:

- To review literature and established sources of knowledge, to advance CSR theory by combining it with socially responsible theories of Follett.
- To evaluate the data to establish the inclinations and capabilities of practitioners of management to operationalise management social responsibility (MSR).
- To analyse data to explore the perceived hurdles to adopting MSR as a normative management function.
- To use research findings to propose practical steps to enable managers to apply the concepts of Follett as part of socially responsible management.

1.1.4 CSR theoretical framework

In this exploratory thesis, the main CSR theory used to assess its extension into MSR is the integrative CSR element of stakeholder theory (Freeman, 1984, 2010). Stakeholder theory encapsulates the proposition that groups upon which an organization’s existence depends have to be acknowledged individually and as combined forces (Donaldson and Preston, 1995; Freeman, 1984, 2000, 2010).
Integrative stakeholder CSR specifies that decisions about economic strategy must take account of ethical, social and environmental impacts (Freeman, 2010:258). Where Follett’s ideas are ahead of integrative stakeholder theory is that she advocates a highly proactive and anticipatory stance. From this position, interdependencies of stakeholders’ interests are sought and unify individuals into a group to advance the welfare of society. At the centre of this position is management. Its skills and capabilities are used to ensure that society and business share power to make choices and the community takes control of its problems in order to solve them (Follett, 1918:235).

1.1.5 Research methods

Qualitative methods were chosen to investigate the practicalities and feasibility of MSR using an interpretivist paradigm and adopting a hermeneutic stance. The justification for this approach is that CSR is a socially constructed concept interpreted according to the organizational culture, backgrounds and changes in horizons experienced by respondents (Burrell and Morgan, 2003; Gadamer, 1979).

From the perspective of a manager, the research was designed to uncover views about CSR from practising managers. Issues of personal and organizational values informed the question of whether the proposition for CSR to become MSR would be achievable. The stumbling blocks to doing so and the changes to attitudes, structures, education, training, and leadership that would be required were addressed. This led to formulating the following questions about how managers went about their duties and to what extent they employed, albeit by proxy, the concepts of Follett. The questions fell into three broad categories. The first was a narrow, personal perspective of managers, which involved their values and experiences. Secondly an understanding was sought as to how managers saw their organizational culture and priorities. Thirdly, the way in which managers interpreted the conceptual and abstract nature of CSR needed to be understood.
1.1.6 Research questions:

- **A)** How do managers comprehend CSR and their role in its implementation?
- **B)** If social responsibility were to be made a manager’s obligation - similar to a duty towards equality and diversity - what needs to be done to enable them to deliver this obligation?
- **C)** Although by proxy, to what extent do managers use the concepts of Mary Parker Follett in their everyday work? These concepts are integration; power-with; and coordination. They are linked by two overarching concepts, the law of the situation and organizational vision, known as the ‘invisible leader’ (Follett, 1970:1). The concepts concern integrating interests to deal with conflict and differences, building relationships and empowering individuals and groups according to needs.
- **D)** Do managers have the skills to operationalise MSR by creating relationships with wider society to integrate, coordinate and share power-with, as envisaged by Follett?
- **E)** To what extent can an organization’s leadership affect the attitudes of managers and all employees towards CSR?
- **F)** Are there any differences between how male managers and female managers approach CSR and attendant issues?
- **G)** What would need to be done to make management a profession with standards and codes of practice committed to MSR?

These questions formed the basic framework of the interview protocol. They were adjusted according to responses and in relation to establishing the likelihood, feasibility and practicability of extending CSR to become a personal obligation of each manager.

The advantage of using Follett’s lens to view the future of CSR meant that a unique angle was taken to examine its deployment. From Follett’s perspective, existing standpoints on CSR were set aside; these ranged from business cases to ethical, altruistic ones. Unlike Follett’s approach these positions did not address building relationships with society prior to other strategic objectives being formulated. Further, by adopting this reversed stance and putting society first, the
role of managers becomes crucial because it puts them in control of social responsibility. This moves the concept from an impersonal organizational objective to an individual obligation. Emanating from this position is the issue of how managers could operationalise Follett’s CSR in a way that drew upon their strengths and expertise, skills and capabilities.

CSR has been part of mainstream management theory since Archie Carroll’s acclaimed model was published in 1979 (Crane, Matten and Spence, 2008). Subsequent research into CSR focused predominantly on the business case (Carroll and Shabana, 2010; Porter and Kramer, 2002; 2006), stakeholder theory (Freeman, 1984; Munilla and Miles, 2005) and corporate citizenship (Matten, Crane and Chapple, 2003). Other academic works have cited the possibility of fresh emphases on CSR. These ideas range from markets at the ‘bottom of the pyramid’ (Prahalad and Hart, 2001), to the notion of political CSR (Scherer & Palazzo, 2011), and to its ‘hitting a glass ceiling’ (Nijhof and Jeurissen, 2010:618). Finding a fresh beginning for CSR, with longer term objectives that build on a dynamic interaction of relationships, would open a new window on business and its responsibilities to society and vice versa. Such a beginning resonates with what Follett described as a ‘circular response’ between business and society (Follett, 1924:300).

1.1.7 Defining CSR

The challenges to business emanating from the global financial crisis (McNally, 2009; Windsor, 2013) and loss of confidence in corporate governance (Schrempf, 2011, 2012) together with the increase in competition from emerging economies, present CSR with a number of problems (Berman and Van Buren, 2015; Kemper and Martin, 2010; Mawer and Crotty, 2013, 2014, 2015). Not least of these problems is the vague definition for CSR, which, as illustrated by the data in chapter 5, is interpreted so broadly as to mean anything tentatively connected with general good works in which organizations are involved. However, where this thesis explores new ground is to exploit this lack of a definition and use it as a
liberating device to encourage managers to propose creative and innovative ways to operationalise CSR. Nevertheless, so as to place the range of understanding of CSR into context the following definitions are cited,

- ‘CSR encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.’ (Carroll, 1979: 500).
- ‘There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game…without deception or fraud.’ (Friedman, 1962:27)
- ‘Corporate responsibility (CR)...CSR... or business sustainability, addresses the ethics of an organisation’s activities and how it operates in a way that is viable over the long term. These two factors are intrinsically linked, as a business that damages the systems on which it depends will ultimately be unsustainable’ (CIPD 1st September, 2015 http://www.cipd.co.uk/hr-resources/factsheets/corporate-responsibility.aspx)
- ‘CSR is embedded in corporate policies and actions through respecting and protecting human rights, safeguarding the well-being of workers and communities, protecting the environment, and eliminating corruption through good governance...which goes far beyond legal compliance and philanthropy.’ (World Economic Forum, 17th March, 2015 https://agenda.weforum.org/2015/03/)

The foregoing definitions illustrate the breadth of views about CSR. However, at the root of all understanding of CSR is the relationship between business and society, which has been strained following various crises and incidences of irresponsible corporate behaviour in all sectors (Francis, 2013; Herzig and Moon, 2013; Neville, 2014; Windsor, 2013). Interests of business and communities that appear in conflict have produced an environment of antagonism and polarised views, some of which have contributed to anti-capitalism movements (Barton, 2011; Ibrahim, 2011). Empirical chapter 6 references how it is in this area of conflict resolution that Follett’s concepts are remarkably relevant given her novel
views on integration and cooperation rather than taking sides and compromising with trade-offs.

1.1.8 Follett’s contribution to management and CSR

As described in chapter 2, apart from her work on conflict resolution, establishing Follett’s credentials as a sound basis for this thesis involved examining the works of renowned management writers. Undoubtedly most of them believed that their ideas were original and unique, yet a review of historical scholarship illustrates how Follett’s thoughts appear in several strands of modern management theory. Similarly, although Follett’s contribution is identifiable in contemporary theories of CSR, there is no discernible acknowledgement of her work in mainstream CSR literature (Berman and van Buren, 2015; Carroll, 1974; Mawer and Crotty, 2013, 2014, 2015; Sethi, 1975). Therefore, it is apposite that, as CSR reaches a point where its validity is challenged, (Francis, 2013; Herzig and Moon, 2013; Kemper and Martin, 2010; Schrempf, 2012), the work of Follett can be seen as providing a framework to address tensions and incompatibilities between economic, environmental and social sustainability.

Where Follett’s view of CSR differs fundamentally from accepted understanding is her belief in the power, integrity and capability of management as a profession to take on social responsibility as its duty. Her faith extends to proposing that management educates the public as to what standards should be expected of business and how a relationship might be built that involves the sharing and development of power. Thus empirical chapters 5, 6, and 7 explain that the qualitative research in this thesis examined how managers in their workplaces would respond to taking the MSR initiative to advance society. By approaching CSR with Follett’s philosophy, the issue of whether CSR should be a strategic tool of management is placed to one side. Instead, CSR is considered in the far broader context of where business and society sees itself in the future and the part that each manager can play in a business environment of cooperation and common interests. The functional foundations of Follett’s ideas provide practicable steps of value to managers for operationalising CSR as MSR. Her
ideas of continual coordination and societal engagement contribute to MSR and offer a new beginning for responsibility from all sectors and levels of hierarchies.

1.2. Contributions of research

1.2.1 Follett’s ideas past, present and future

Over several years Follett’s theories and writings have been invoked by various management scholars with the focus on her contribution to human relations, systems, and organization theories (Barclay, 2005; Drucker, 1995; Enmoto, 1995; Fry and Lotte, 1996; Kanter, 1995; O’Connor, 2000; Parker 1984). A minority of writers have cited Follett’s foresight in relation to stakeholder theory and ethics (Mele, 2006; Schilling, 2000), which leaves the question: why have Follett’s ideas not been applied to CSR? At the outset, the major contribution that this research expected to make to CSR was to open up a new avenue of thought in relation to the role that business plays in society. Viewing the idea through Follett’s lens, using her experience and the strengths and weaknesses of her concepts, also incorporated the perspective of a woman. This added a further dimension to the study to assess manager’s attitudes to CSR along gender lines (Grosser, 2009; Grosser and Moon, 2005; Thompson, 2008).

After studying and evaluating Follett’s work and following her footsteps from her early years as a young student in the 1890s to her final lecture at the LSE in 1933, this thesis contributes to the body of work on Follett. It does so by analysing her concepts in relation to socio-economics of the 21st century. Simultaneous research with practicing managers led to this thesis making three main contributions to knowledge.

- Firstly, the position of Follett in relation to CSR has been uncovered for other researchers and practitioners to follow. This was confirmed in the literature review, which showed that Follett’s work had been neglected, particularly so during the period from the late 1960s to the first decade of the 21st century (Graham, 1997; Tonn, 2003). It is in this same period of time that the majority of scholarly work on CSR was carried out and concepts formed and consolidated (Carroll, 1974, 1979; Davis, 1967; Lee,
2007; Sethi, 1975). Therefore, incorporating Follett’s sociological, psychological, organizational, political, and management theories, this research offers a new perspective on CSR. Apart from confirming that Follett has not been referenced in CSR scholarship, this thesis notes that emerging trends of CSR are identifiable in her works.

- Secondly, two tables have been constructed comparing Follett’s ideas with main theories of management and CSR, thereby offering a simplified introduction to her work for management researchers and practitioners. Of further use to managers, particularly in relation to finding a starting point for MSR activities, Follett’s concept of coordination has been converted into graphical form to provide a quick reference.

- Thirdly, research with managers in a range of organizations informs the final proposal for an evolved CSR based on Follett’s ideas and referred to as management social responsibility: MSR. The proposal for MSR incorporating Follett’s main concepts is presented as a graphical model for managers to consider and to form the basis of the development of the concept. In order to assist advancing MSR, a framework has been devised for managers and organizations to plot their current position and the one to which they aspire.

1.2.2 Theoretical standpoint

As has been explained, this thesis pushes the boundaries of CSR theory and uses Follett’s ideas to synthesise conceptual frameworks from management, ethical, social contract, and feminist principles. All of which are apt given that corporate behaviour has been given more prominence in the wider public, partly due to greater awareness arising from technological advances in mass communication. Thus, this thesis does not fit easily into accepted scholarly categories that relate to CSR. However, of more relevance to the relationship between business and society, in true Follett fashion, this thesis is placed firmly in the field of practical advice to managers on how to operationalise and advance CSR. Nevertheless, this advice is based on established CSR and management theory, adapted for a modern globalized business environment and development of ethical understanding. The argument that this presents to scholars and managers is that over the years, as management theory has advanced, CSR theory has been
catching up. Where this thesis proposes using theory to enhance the relationship between business and society, involves reversing the process. This reversal places CSR theory in the vanguard, driven by managers, with management theory and practices following suit.

By challenging the existing evolution of theory, this thesis offers a novel approach. It does so by incorporating Follett’s interpretation of CSR, accessing the most socially responsible aspects of management theory and utilising integrative elements of CSR stakeholder theory. The end product is an innovative, understandable and practical methodology for managers to follow, which will be understood as MSR.

1.3. Structure of this thesis

The structure of this thesis is as follows:

Chapter 1 INTRODUCTION: Sets out the background, overall aim, objectives and theoretical standpoint.

Chapter 2 FOLLETT, HER LIFE AND WORK: Reviews Follett’s literature in the context of her life experiences that support her credentials in relation to extending CSR as MSR.

Chapter 3 LITERATURE REVIEW: Examines the evolution of CSR literature to identify trends and anticipate the next stages of the concept. Compares CSR theory with concepts of Follett and integrates the most compatible elements to advance society through business management.

Chapter 4 METHODOLOGY: Explains the choice of qualitative methods using an interpretative paradigm and hermeneutic inquiry.

EMPIRICAL CHAPTERS: A short introduction to the empirical chapters is given in which Follett’s concepts are reiterated and abridged information about respondents is given in table 7.

Chapter 5 MANAGEMENT AND CSR: Managers explain why they do or do not want to engage with CSR and what needs to be done so that they will operationalise MSR as an individual managerial obligation. Follett’s concept of integration underpins this chapter, the essence of which is about the conflict
between business and society and how that conflict creates ambivalence towards CSR.

Chapter 6 RELATIONSHIPS: Data illustrates that the majority of managers in the study subscribed to the idea that business and communities could do more for each other to advance society. The question of motivation to engage with MSR is assessed based on views, experiences, inclinations, and values. Using Follett’s models of integration and coordination to build relationships the experiences and capabilities of managers are assessed and interpreted to determine the practicability of MSR.

Chapter 7 POWER-WITH: An evaluation is made of the inclinations and capabilities of managers to operationalise MSR. The extent to which Follett’s power-with is used by managers is assessed and the implications for implementing MSR are addressed. Follett’s concept of the invisible leader and organizational vision to is investigated to gauge the effect on respondents’ interest to engage with MSR.

Chapter 8 CONCLUSION: The contributions made to theory and practice are described and summarised in tables and diagrams. An overview of where management stands in relation to operationalising CSR is set out. The experiences of managers and how these might impact on implementing MSR is summarised and linked to the importance of leadership. Limitations of the research especially with regard to the small numbers in the study are addressed together with unanswered questions. Any recommendations for future research are outlined and the steps needed to move CSR to MSR are described.
CHAPTER 2

Mary Parker Follett, her life and work

2.1 Overview

This chapter follows the structure of this thesis as set out in the introduction chapter, para 1.3. The chapter examines the work of Mary Parker Follett with the objective of using her concepts to inform an extended theory of corporate social responsibility (CSR) that will be known as management social responsibility: MSR. Although her work predates the majority of scholarly work on modern CSR, Follett’s ideas on relationships are pertinent because the essence of CSR is the relationship between business and society. It is in the area of the relationship of individuals and the groups they form that Follett anticipated several theories of business management and the development of society. An understanding of Follett’s philosophy on management’s role in society is based on a review of all her known writing that has been compiled into a summary of Follett’s concepts and compared with main management theories which are contained in table 2.2.2. These illustrate the practical nature of Follett’s proposals and the way in which they can be found in modern management, further endorsing her appropriateness to inform the next stage of CSR (Ahen and Zettinig, 2015; Frederick, 1994).

From a review of Follett’s work four main concepts were chosen as bearing the most relevance to advancing CSR as MSR. These concepts were selected because they place managers at the centre of building relationships, integrating interests and responding to and anticipating the needs of business and society as a whole unit. Fundamental to MSR is Follett’s notion of the vision that the leader creates for others to follow. Although Follett did not specifically refer to social responsibility as a concept, her thoughts on it are identifiable. These are brought together in this review of her work and are inherent in management committing to operationalise social responsibility.

2.1.2 Structure of chapter two

After reiterating the concepts used to develop MSR, this chapter goes on to establish Follett’s credentials as a contributor to concepts and theories of
management and society. A table is presented comparing significant management theories with Follett’s concepts and philosophy. This comparison of Follett’s work with established management theory demonstrates her usefulness and relevance to the investigation in this thesis. Bringing the chapter to a close, a critical appraisal is made of Follett’s philosophies and their relevance and shortcomings in relation to a modern, globalized business environment. This links to the next chapter (4) where CSR literature is reviewed and research questions are formulated.

2.2 Power-with, integration, coordination, and the law of the situation

Follett saw business management comprising an ‘exchange, or interchange, of services’ (1941: 133). Business people, therefore, should consider their work an essential function of society and their contribution should not ‘increase private profit at the expense of public good’ (Follett, 1941: 133). This could be achieved by the leadership promoting a vision for Follett’s methods of power-with, integration, coordination which are all applied according to the law of the situation. These concepts are explained in the introduction in para 1.1.2 and summarised briefly below.

*Power-with*

Power-with pools individual power so that each member of a group acquires power from the capabilities of the group as a whole (Graham, 1995:25). (Follett, 1941:101).

*Integration*

By using conflict creatively and identifying and integrating interests something new is formed, which brings in diversity and innovation. Follett, 1924:78-91).

*Coordination*

Coordination involves direct, early contact between parties, regardless of status but dependent on expertise and relevance (Follett, 1941:297).

*The law of the situation*

Decisions should be made according to the realities of the actual situation, regardless of hierarchy, personal interest and emotional attachment to the matter.
Leadership and followership

Leaders and followers combine to make all parties aware of their power to transform their communities, whether in business or wider society (1949:1, 1970:37-39).

All these concepts will be identified in the following assessment of the work of Follett and their relevance to CSR as a management responsibility is discussed in order to develop MSR.

2.2.1 Mary Parker Follett and management theory

The foresight possessed by Follett and the way in which her theories of management have been adopted, although often not ascribed to her (Graham, 1995), provide a lesson to scholars of management. For example the tortuous journey travelled to hone and formulate theories such as conflict resolution could have been expedited if Follett’s ideas had been recognised and absorbed (Fisher & Ury, 1983). The processes that led to the development of negotiations achieving ‘win-win’ had been identified by Follett during the 1920s. Whilst gaining recognition from Juran (1995), Enomoto (1995) and other Japanese business experts for her ideas on quality management, team work, systems theory, to a large extent, Follett has been unappreciated.

Theories of the firm, management, organizational learning, and stakeholders have evolved with increasing levels of humanity at each stage. The fact that each of the theories has a variety of interpretations makes the alignment of their historical development with CSR and its many definitions all the more interesting as illustrated in table 2.2.2. There are undoubtedly concepts that Follett would champion when looking back over 75 years since Coase’s theory of the firm (Coase, 1937). She would probably appreciate the evolution of the firm as a vehicle that co-ordinates the interests of stakeholders (Freeman, 1984; Freeman and Evan, 1990), as well as understanding calls for CSR to become a normative and integral part of business strategy (Scherer and Palazzo, 2007; 2011). It is likely that Follett’s desire for social justice would incline her to envision a wider social
contract with communities and business, supporting each other, doing no harm and assisting when in need (Matten and Crane, 2005).

In terms of Follett in relation to CSR, as shown in the table 2.2.2, her ideas have resonance with several management theories. However, fundamentally Follett believed that, whether at the highest executive or the lowest operator level, work was the most important contribution that an individual could make to society. When this contribution was part of a circular process the end result was the organic growth of a complete whole within which the blossoming of the individual was the end and the group was the means to that end (Phipps, 2011). Therefore, treating people as a means to an end will never produce the greater good. It was a question of acquiring a perspective on the greater good of both the individual and the group as a process of circular responsiveness. Where tension materialized, the individual should consider whether the individual good harms the group; if so, it was not a true good and should be surrendered. Follett thus demonstrates how she synthesizes concepts of individualism with collectivism, combining two incongruent theories (Ryan & Rutherford, 2000).

The test that accepting Follett’s ideas presents is around reconciling the desire for unambiguous answers when the complexity of the world’s problems eludes clear-cut solutions. This is particularly apparent when she introduces paradoxical juxtapositions of concepts such as integration leading to diversity and power-with leading to conflict. To understand Follett it is necessary to grasp her view of constructive conflict as a force for good and creativity because it gives energy, leads to diversity, which produces innovation and growth. Thus the conflict that between business and society or within can be harnessed for wider benefit whereupon all business management becomes part of a social service (Follett, 1941:27-32).
2.2.2  Management theories and concepts compared with Mary Parker Follett’s philosophies

<table>
<thead>
<tr>
<th>Theory and key features</th>
<th>Follett</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theory of the firm</strong></td>
<td>Business should see itself primarily as a social and not an economic function. Efficiencies should be accessed through collaborative working internally and externally. Follett had trust in individuals and especially management. The key was to ensure an understanding of the whole and use integration to work for a common purpose.</td>
</tr>
<tr>
<td>Capturing value through reducing costs of transaction between elements creating wealth for the benefit of the owners. Management's inability to cope with internal divisions could reduce optimum results (Coase, 1937; Cyert and March (1963))</td>
<td></td>
</tr>
<tr>
<td><strong>Scientific management</strong></td>
<td>A scientific standard in business is necessary. Managers need knowledge about technical aspects to allocate responsibilities and build capacity in workers' capabilities. The focus of the firm should be on the human beings as managers, workers and the wider community</td>
</tr>
<tr>
<td>Standardised processes; workers not trusted; work monotonous; controlled by rewards and sanctions and output targets (Taylor, 1911)</td>
<td></td>
</tr>
<tr>
<td><strong>Human relations</strong></td>
<td>All work should contribute to the greater good of society in which business management was a driving force. Power-with and relationships between individuals and groups created the ideal functional unit. Cross functioning according to the law of the situation and skills and capabilities of individuals and not status</td>
</tr>
<tr>
<td>Team work; treating employees fairly and rewarding well; managers of similar status cooperating across departments (Fayol 1988; Herzberg, 1987; McGregor, 1960)</td>
<td></td>
</tr>
<tr>
<td><strong>Morality and ethics in business</strong></td>
<td>Integrity in leadership and management are fundamental to sustainable prosperity. The evolution of the individual and their interaction in organizations and society formed the foundation of something greater than a business entity. Management should develop the spiritual side of work and use the same skills to enhance society</td>
</tr>
<tr>
<td>Ethical managers should take account of spiritual and welfare needs of employees; a social conscience was a prerequisite for business to be run with integrity (Barnard, 1938; Bowen, 1953; Sheldon, 1924)</td>
<td></td>
</tr>
<tr>
<td><strong>Resource based view</strong></td>
<td>Treating workers with respect and involving them in decisions ensures resources to deliver the maximum return. Novel and unforeseen resources can emerge through coordination, integration and building reciprocal relationships internally and externally</td>
</tr>
<tr>
<td>Tangible and intangible resources, which include people, should be coordinated to produce a competitive advantage (Barney, 1991; Penrose, 1959; Wernerfelt, 1984)</td>
<td></td>
</tr>
<tr>
<td><strong>Systems theory</strong></td>
<td>Follett's concept of 'circular response’ is about the evolving nature of influence one individual has over another and consequently the effect on systems as a whole. Follett's thought that management should operate circular response internally and externally to involve wider society for the greater good</td>
</tr>
<tr>
<td>Flexibility, cross-functional working in matrix configurations; opposite to scientific management. Awareness of a whole system where each part may affect another in a circular process (Galbraith, 1971; Kofman and Senge, 1993; Lawrence and Lorsch, 1967)</td>
<td></td>
</tr>
<tr>
<td><strong>Theory and key features</strong></td>
<td><strong>Follett</strong></td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Learning</strong>&lt;br&gt;All organizations need to learn and apply their learning to survive. Firms, communities and states should put in place a system to capture learning and share acquire knowledge (Argyris and Schon, 1978; Revans, 1972, 1998; Senge, 1990)</td>
<td>Learning was about more than acquiring skills. Management should be part of a whole system of societal learning about democracy and rights. People should understand how to organize experiences into a learning episode. Life-long learning should be part of life in and out of work and be facilitated and driven by management as a profession</td>
</tr>
<tr>
<td><strong>Stakeholder theory</strong>&lt;br&gt;Groups upon which an organization’s existence depend have to be acknowledged individually and as combined forces. The primacy of shareholders is challenged and social responsibilities weighed against generating profit (Donaldson and Preston, 1995; Freeman, 1984; 2010)</td>
<td>Interdependencies of stakeholders’ overlapping interests are wider than those in accepted model. Follett saw power gained from a coalescence of individuals as group forming a force to be recognised, utilised and mobilised. Management should use its skills to grow co-active control and power-with to drive democratic participation and educate the public about what they could expect of business management. Coordination identifies imperatives and interests so as to integrate them for the greater good of the group according to the prevailing situation</td>
</tr>
<tr>
<td><strong>Social contract</strong>&lt;br&gt;Ancient philosophy of cooperation and respect. Business should work to enhance society because they gain from systems and social structures to which everyone has contributed. Integrative social contracts require morality and support from business towards society (Donaldson and Dunfee, 1994; Handy, 2002; Locke,1947; Mill, 1859; Polanyi, 1944, 1947)</td>
<td>Follett disputed the classic concept of the social contract because it did not grow social power from an integration of interests but tended towards giving assent and not participating in decision making. Instead individuals should unify their interests to create a foundation of power to advance society. The individual and society did not have any mutual worth or validity without the other</td>
</tr>
<tr>
<td><strong>Innovation</strong>&lt;br&gt;Creative destruction leads to innovation that produces competitive advantage but can destroy organizations in the process. Managers should create a climate in which ideas are generated to challenge the status quo (Drucker, 1985; Prahalad and Hamel, 1990; Schumpeter, 1934)</td>
<td>Conflict should not be feared but expected and embraced as part of life. Friction produced energy that should be harnessed and exploited. Follett's process of integration and coordination to deal with conflict produced diversity and the introduction of novel ideas and methods by engaging with as wide a group of society as possible</td>
</tr>
<tr>
<td><strong>Empowerment</strong>&lt;br&gt;Employee autonomy and entrepreneurship should be facilitated by managers through development and devolving responsibility. Sharing information and experiences creates the environment to encourage taking responsibility (McGregor, 1960; Peters, 1987; Wilkinson, 1998)</td>
<td>Follett’s concept of power-with bears similarities to empowerment. She extends the idea to working across hierarchies and developing people and relationships to embed power-with. Management should use its skills to promote power-with beyond the workplace so that management ensures that ‘society should be so organized that standards and power evolve together’ (1924:193)</td>
</tr>
</tbody>
</table>
Theory and key features

Follett

**Bottom of the pyramid**

The needs of the world’s poor should be considered by (MNCs) to extend their customer base and to engage with customers whose lives would be enhanced by this engagement (Prahald and Hart, 2001)

Follett promoted a model for communities to engage with industry - in the form of a combination of capital and labour - to press for representation at national levels. Integrating interests formed power bases for the greater good of society. Follett's school centres helped disadvantaged groups that were neglected by state and social services

**Dynamic capabilities**

Organizations are a collection of capabilities that to be developed and harnessed for prosperity and competitive advantage. Managers should facilitate an open and creative environment where capabilities are grown and aligned to produce distinctive resources (Eisenhardt and Martin, 2000; Teece, et al, 1997)

Management demonstrates leadership by cultivating relationships across and between all levels of an organization so that a power-with environment is created that is proficient at capturing and deploying capabilities to achieve a strong market presence. The same skills are extended to the wider community and used by managers to promote democratic engagement, citizenship and life-long learning

**Feminist management**

Management's assigns gender roles and uses power with regard to all stakeholders. Feminist ethics inform non-hierarchical principles, embrace diversity and redress the powerlessness of certain sections of society. Cultural feminism focuses on building and nurturing relationships (Grosser, 2009; Knights and Tullberg, 2012; Morton and Lindquist, 1997; Roberts, 2012)

Power-with unifies reciprocal relationships that are fundamental to ethics. The inherently masculine management culture in corporations appears to use conflict to take power-over. Integrating interests to deal with conflict would promote diversity to introduce sustainable business models working towards the long-term interest for the widest prosperity. Management contributes to wider society through coordination to produce diversity and involve all communities to develop human welfare and democracy

---

**2.3 Mary Parker Follett and MSR**

So as to place the work of Mary Parker Follett in the context of MSR as a management issue, the milestones and influences on her ideas are examined here. The pertinent aspects of Follett’s life and her main concepts are examined and subsequently are used to inform the research questions (para 1.1.6). A major source of information is the detailed biography of Follett by Joan Tonn (2003). Other authors have captured the significance of Follett particularly Pauline Graham who obtained insights on Follett’s influence on management from several management luminaries, including Peter Drucker and Rosabeth Moss Kanter (Graham, 1995). More recently a book compiled by Francois Heon, Albie Davis and others illustrated Follett’s relevance to modern management and leadership (Heon, et al, 2014). An essential archive is *Dynamic Administration* (1941) by
Henry Metcalf and Lyndall Urwick, which comprises the edited papers of Follett and were rescued from destruction after Follett’s death in 1933. All these contributions, together with historical documents some of which were written by Follett and viewed at the Schlesinger Library, Harvard University, have built a picture of the essence of Follett’s work which follows next.

2.3. Background

Follett came to prominence writing about her research on America’s House of Representatives. There she witnessed the growth and manipulation of power through relationships and identified uses of it in terms of management and society. During her experiences as a social worker and educational campaigner Follett developed her concepts of the synthesis of the individual and groups and their potential contribution to democracy through participation. Inevitably conflicts were witnessed by Follett during the interplay of power and clashes of ideas. However, she viewed these situations through the lens of a scientist and evaluated the positive elements of conflict, which she considered led to diversity and creativity. Overall, Follett saw the power of business management as a beneficial force in society and one that could provide a model for individuals, communities, organizations, and nations to cooperate for the greater good.

2.3.2 Early years

Mary Parker Follett was born into an established Quaker family in Quincy, Massachusetts on 3rd September, 1868. Her birth was two years after the end of the American Civil War during a time of social and political change that would impact on Follett and her family. Follett’s early home life was largely miserable and lonely. Her father, Charles Follett, had fought in the Civil War and his alcoholism, frequent absences and unreliability exacerbated her mother’s demands on Mary. When Mary was sixteen years old, Charles died and she was propelled into great responsibility to care for her young brother and her invalid mother, whose health declined further (Tonn, 2003:16). Fortuitously, her mother’s family status and connections ensured that Follett had access to an education. She was a student at the Thayer Academy, subsequently joining the faculty of the Harvard Annexe for Women, which was later to become Radcliffe College (Graham, 1995; Metcalf and Urwick, 1941; Tonn, 2003). Follett’s six years at
Radcliffe were interrupted when she spent a year in England studying at Newnham College, Cambridge. Whilst there she read history, law and political science and it was at Cambridge where her deep interest and affection for English life began (Metcalf and Urwick, 1941). On her return to America, Follett began teaching at a private school and met Isobel Briggs, who was the head-teacher and who became her close companion for almost thirty years. The influence of Briggs on Follett was significant for Follett’s intellectual and emotional well-being (Metcalf and Urwick, 1941; Tonn, 2003). Briggs assisted Follett with her writing and but her main contribution was the support, encouragement and affection that had been lacking in Follett's family life (Tonn, 2003).

2.3.3 The law of the situation

During her time at Newnham College, Follett delivered a paper to the Historical Society, which led to her first book, *The Speaker of the House of Representatives* (1896). Follett’s propensity towards taking a forensic, scientific approach to establish facts was evident in the manner in which she analysed the expanding power of the Speaker. The book received a positive reception and thrust Follett into the public consciousness and that of well-connected and powerful figures. One enthusiast was Theodore Roosevelt who declared his support for Follett’s work five years prior to his becoming the US president. The importance of the book has been validated over the years and has been hailed as a seminal work of political science, acknowledging Follett’s resilient research given the secretive nature of the appointment and function of the Speaker’s role (Berndtson, 2014; Novicevic, et al, 2013). Follett’s analysis of the methods of the Speaker required examining how power evolved and was delegated. Her assessment of power led Follett to develop her concept of ‘the law of the situation’ (1941:111), which was informed by the Speaker’s methods in the House of Representatives. She described the process as being

‘…to unite all concerned in a study of the situation, to discover the law of the situation and obey that.’ (Follett, 1941:58)

In practice this meant that the power of the Speaker had arisen because of the relationships the Speaker established and the ‘unifying influence’ he exercised
(1896:305). By seeking agreement on what was the nub of the true situation and by analysing the contributing factors and consequences of dealing with the issue, the most effective outcome could be achieved. The result was that power was devolved to the Speaker according to the situation; each situation was analysed and its real essence was agreed. Thus the Speaker’s expertise in dealing with cases grew. Through relationships, respect for his integrity was developed so that the Speaker was trusted to take account of the degree of impact of decisions on the group as a whole. In this respect the law of the situation is apposite to MSR being designated as a duty to the most appropriate level of interaction between business management and society and not contained within the remit of the executive. Therefore, because ‘authority should go with experience…no matter whether it is up or down the line’ (1970:2), MSR would be developed and delivered by managers, rather than remain with a narrow group of decision makers in organizations. Witnessing the advantages of this approach, Follett was mindful also of the implications when power was accrued to an individual and the risk that excess power could corrupt.

Accordingly, Follett began to consider the necessity for democratic power to be developed so that everyone had an awareness of their potential power and were given the skills and understanding to deal with it effectively and responsibly. Follett saw this as a process to ‘grow capacity’ (1941:109), which is relevant to MSR and empowerment theory in management where responsibility and power are devolved with concomitant development of capability and capacity (Eylon, 1998; Peters, 1987; Wilkinson, 1998). Follett continued to advance her ideas about individual, group and societal fulfilment and the uses of power when in 1900 she took up her duties in community work and later began studying business management (Graham, 1995; Metcalf and Urwick, 1941; Tonn, 2003).

2.3.4 Democracy

The early part of the 20th century held many intellectual and social challenges for Follett. Her passion to see greater democratic participation of wider society had been sparked by her book on the Speaker. In 1902, with the launch of the Highland Union, a debating club in Roxbury, a rough area of Boston, Follett took
the bold step of recruiting Irish immigrant men to debate political and social issues of the day (Tonn, 2003:10). Her aim was to build power and increase democratic participation – in this case newly arrived urban poor – through political engagement and discourse. Seeing the development of power and democracy as a ‘process, not a product’ (1941:195) Follett was undaunted by the lack of skills of her participants, being convinced that all individuals had the capability to improve society for themselves and others. A prerequisite of Follett’s educational ambitions for communities led her to campaign for schools to be opened in the evening so that, as well as debating societies, a broad range of services would be available (Graham, 1997; Novicevic, et al, 2013; Schilling, 2000; Tonn, 2003). In terms of MSR, the model that Follett chose to develop democratic participation is highly relevant and practicable. By deploying management skills to build capacity and maximise capital, in this case the underused facility of schools, Follett enabled others to do more for themselves and anticipated integrative aspects of stakeholder theory (Follett, 1924:78; Freeman, 2010:258; Freeman and Phillips, 2002). Thus began Follett’s service to the community and the start of her crusade to offer education along with vocational guidance, skills and social development to immigrant neighbourhoods.

2.3.5 Community centres
During the protracted negotiations to set up and develop the school centres, Follett formulated and honed her ideas about democracy, power, groups, and conflict resolution. Finding opposition in most quarters, Follett grappled with the paradox of democracy. She contemplated the fact that democracy was presented as accessible for everyone’s benefit but was controlled by individuals who exercised power over others. Follett envisaged a system of education from early years to adults in community centres. Here individuals would be developed to learn to work in a group as a functional unit acquiring an understanding of leadership and participative democracy. Translating this to MSR, by educating and empowering stakeholders and unifying with business management, democratic participation will drive new standards that advance the welfare of society through democratic cooperation. Follett believed that

‘…no one can give us democracy, we must learn democracy. To be a democrat is not to decide on a certain form of human association, it is to learn how to live with other men’ (1918:22).
By 1914 the centres Follett had proposed, fought for, set up, and ran were well established in Boston. Each week 7,000 people were using the six centres thus proving her ‘entrepreneurial spirit and undeniable leadership’ as a social entrepreneur (Damart, 2013:462). Furthermore, they provided a model that was rolled out in several parts of the USA (Damart, 2013:462). During the years 1913 to 1916 the number of cities operating Follett’s model for centres had grown from 31 to 463 (Tonn, 2003:235). Successfully implementing and developing the use of the centres gave Follett first-hand experience of how groups worked together and the barriers that prevented them from finding a common purpose for the greater good. She later described this as the need to ‘find the true principle of association’ (1918:279) wherein the gains of the individual or the group were valid only if they contributed to the greater good. A decade later in 1928, elements of MSR can be found in Follett’s description of this principle in relation to business having a ‘dynamic sympathy’ (1941:288) for the welfare of society and management’s part in its advancement.

Community development, democracy and social responsibility
Articulating her concept that each businessperson could contribute to success and sustainability of communities, Follett related to her knowledge of biology (Ryan and Rutherford, 2000). She noted that ‘it follows that while the cell of the organism has only one function, the individual may have manifold and multiform functions’ (1918:77). The metaphor was used by Follett to propose that the function of individuals in society concerns relationships because they cannot behave as single cells. It was the cause and effect of relationships that were essential for society and democracy as illustrated by her comment that,

‘We cannot put the individual on one side and society on the other, we must understand the complete interrelation of the two. Each has no value, no existence without the other’ (1918:61/62).

With this interrelation and interdependency in mind, Follett challenged the interpretation of Darwin’s notion of the survival of the fittest because more important was ‘mutual aid’ of the individual in the group. Species using mutual aid achieved the ‘greatest development’ and were ‘invariably the most numerous and
the most prosperous (Follett, 1918:95/96). Compared with the average life-span of a human being, most businesses are short lived (Barnard, 1938). The relative lack of longevity of business enterprises, Follett attributed to looking for short-term gains and not seeking to build long-term, adaptable relationships of mutual aid for businesses to prosper ‘in the long run’ (Follett, 1941:214). By interpreting the notion of mutual aid as part of MSR, a business incentive can be discerned even though it would be against the principles of Follett who would urge the formation and development of a reciprocally beneficial relationship for moral and ethical reasons. This means that the business case for CSR, would not hold any attraction for Follett because it would not be predicated on reciprocal beneficial relationships but on competitive advantage. In order to achieve mutual aid for the long run, members of groups needed to be educated and enlightened as to how they could grow power and make a lasting contribution to the advancement of the group and, in due course, to society. The process for interrelationships should begin early in schools by

‘…every cooperative method conceivable…children should begin to learn group initiative, group responsibility – in other words social functioning. The group process must be learnt by practice’ (1918:363).

Follett’s concern about a lack of understanding and unwillingness to engage with democratic processes was confirmed in 1920 when she worked with minimum wage boards. There Follett witnessed how opportunities for democratic participation were limited by attitudes. The example she gave illustrated her point that, although the make-up of boards included a proportion of employees there were none who were

‘a minimum wage girl, but…the most highly paid…the initiative, energy and ability which have put them among the most highly paid…are the qualities which secured their appointment on the public board… Not only their stake is different but their whole lives are different and this greatly affects their attitude in conference.’ (1924:190/191).

In this example, Follett asserted that the ‘minimum wage girl’ should be given the opportunities to acquire the ‘initiative, energy and ability’ to contribute to a democratic discourse that would be to their individual and the group benefit (Follett, 1924:191). Management had an opportunity and a duty here to facilitate the development of the ‘minimum wage girl’ both within and outside employment
to make a democratic contribution to a ‘new group we all of us together make’ (Follett, 1924:240). Follett’s expanding experience of management led to her formulating more ideas that inform MSR about the part that managers could play in educating the public through the deployment of managerial skills, capabilities and commitment working with society for the greater long-term good. Incipient elements of these concepts of management were evident in Follett’s second publication, *The New State* (1918). Her work with the community was the basis for this book in which she set out her extended ideas about democracy. Thus began Follett’s analysis of management, its functions and power; the development and use of power became a central topic of *The New State* (Follett, 1918).

2.4 Concepts for MSR: power-with; integration; and coordination

2.4.1 Power-with

Power had long interested Follett especially since her discoveries researching the authority of the Speaker. These laid the foundations of concepts that were crystallised during the formidable task of setting up her community centres. Meshing the varied interests and power bases of political ward bosses, education committees, school managers, and voluntary sector decision makers, gave Follett the opportunity to develop and practice her ideas about power and integrating conflicting interests. It also gave her the fundamentals of her philosophies of management which she had the opportunity to practice when the centres were fully functioning (Graham, 1995; Schilling, 2000; Tonn, 2003).

Two of Follett’s main ideas that are apparent in modern management coalesced during her years in community work; these were ‘power-with’ (1924) and ‘integration’ (1918). By educating people in her school centres, Follett envisaged individuals participating in and contributing to democratic decisions. Whilst this was a laudable aim, the institutions that Follett needed for her centres, were run by authorities that did not share her enthusiasm. Follett commented,

‘Many people, confident that their object is for the good of society, are willing to take measures to attain it which are essentially coercive’ (1924:191).
Follett recognised that those with power may have the best intentions but their intentions did not benefit those with little power or give them the opportunity to acquire power. This recognition will be a consideration for MSR insofar as the broad interpretation of CSR has led to initiatives that, despite admirable aims, may not be in the best interests of wider society (Lorenzo-Molo and Udani, 2013). In Follett’s opinion the way to encourage wider democracy was to develop groups by giving them the skills to work together effectively, to grow power for themselves and to use conflict creatively.

Follett developed her concept of ‘power-with’ as a way to counter a minority having ‘power-over’ others (1941:101). The essence of ‘power-with’ was that it could not be conferred but was grown out of cooperation and ‘coactive control’, (Follett, 1924:xii). In contrast, power-over was likely to result in coercive and domineering control. To emphasise the difference, Follett said that power-over was the type of power exerted ‘over a slave’ (1924:190). Another problem of power-over was that it needed effort, energy and resources to maintain and would not promote the contribution of those without power for the ‘common purpose’ and greater good (Follett, 1941:262). Further distinguishing the nature of power, Follett explained that it was not the same as strength in that power could be generated by weakness (Follett, 1924:97; Sethi, 1962). Citing the paradox of Germany after the conditions of the Treaty of Versailles in 1919, Follett said that the country was weakened to the point of ‘economic impotence’ (Follett, 1924:98). In 1921 Follett witnessed that Germany’s superior ‘bargaining power was the result of the economic condition to which she had been reduced by demands made upon her by the Allies’ (Follett, 1924:98). The antithesis of this approach was the system that Follett urged, which was to create an open, supportive and respectful environment where there was ‘an interactive influence going on all the time’ (Follett, 1941:76). Power-with in any business, societal or group context emanated from combining each individual’s unique power, experience and knowledge (Graham, 1995:23; Follett, 1941:77). This formed the nub of Follett’s thinking on power, which is inherent in developing MSR where managers use their skills to create a nexus of standards and scruples through collaboration to develop power-with among all stakeholders (Freeman, 1984, 2010).
Following the publication and generally favourable reception of *The New State* (1918), Follett took up offers to lecture and write articles. An involvement with Harvard University to contribute to the curriculum for its new sociology courses preceded a momentous move for Follett when she took up post on the minimum wage board in Boston. After working in vocational guidance, from 1920 onwards the wage boards gave Follett an additional insight into the lives of working people and their employers, which provided first-hand experience negotiating pay and conditions. It also allowed Follett to acquire useful contacts among the business community and she built long-standing relationships and friendships with several executives (Graham, 1995; Metcalf and Urwick, 1941; Tonn, 2003). Follett’s transition through political science, to social problems and administration, and ultimately to organizational theories and practices, was reflected in her philosophy of interweaving different concepts into a continuous process. At the heart of the philosophy was Follett’s desire to see the individual fulfilled by achieving their potential as part of society. The part that management as a profession played in this philosophy was set out in her third book, *The Creative Experience* (1924).

2.4.2 Integration

Significantly, the wage boards gave Follett the knowledge to develop her notion of integration to resolve conflict. She deduced that there were three ways for dealing with conflict. These were domination, compromise or integration (Follett, 1924:78-91). When domination was the route taken, the defeated side kept the conflict going and the winning side had to commit resources to maintain domination. Compromise requires ‘each side giving up a little in order to have peace’ (1941:31). Integration involved identifying and reevaluating interests and deciding how to combine them to produce something novel and superior to what existed previously (Follett, 1918:89). The advantage of integration was that diverse contributions could be used creatively to form new actions. By considering integration as a way to address conflicts between business and society and to implement MSR, the benefits of diversity contribute to the overall wellbeing of all sides. The interests and desires of the whole system - long and short-term - should be viewed by everyone involved. This requires setting guidelines for
identifying and resolving future conflicts. Paramount in the process is harnessing the 'creative possibilities of conflict' (Follett, 1924:262) because conflict is inevitable, it should be channelled to produce energy.

For managers charged with implementing MSR viewing conflict as a creative opportunity is an important consideration. If MSR, like CSR, is regarded as voluntary and optional, it may be tempting to abandon efforts to maintain effort to build a relationship when conflict arises. However, by following Follett’s advice to regard conflict as a positive phenomenon, managers may be helped to keep their faith in the process (Follett, 1924:263). Follett rejected taking a stand and defending it without regard to the views of those in opposition. She wrote that ‘coherence of the group can be obtained only by the full contribution of every member, so we see that a readiness to compromise must be no part of the individual's attitude’ (Follett, 1924:27). Fighting was more futile because in a disagreement it was easier to stand by one’s position than to see your opponent’s point of view. Instead one side looks for weaknesses of the other’s argument, which becomes an achievement in itself and uses energy that should be applied to find a solution (Follett, 1924:28).

Follett, distressed by the sufferings of World War One, recognised that fighting was a ‘rest-cure compared to the task of reconciling our differences’ (1918:357). She pinpointed the challenge for individuals to discover ‘group relations’ (1918:279) to develop themselves and society. Always ready to offer a practical example of her methods Follett described an instance where interests were integrated, power-with was created according to the law of the situation to produce an outcome satisfactory to all parties. Whilst working in a library someone wanted to open a window for fresh air, and Follett did not want to sit in a draught. They integrated their desires and

‘…opened the window in the next room where no one was sitting. This was not a compromise because there was no lopping off of desire; we both got what we really wanted....By reducing the area of irreconcilable controversy, you reduce the area of arbitrary power.’ (Follett, 1924:184/185)

This example has been quoted in several articles and books on conflict resolution. Indeed Fisher and Ury’s (1983) work on negotiation invoked several more of
Follett’s methods and exemplified how integration and power-with became Follett’s most imitated and renowned concepts (Heon, et al, 2014). Above all Follett rejected the ‘fallacy of finals’ whereby the final outcome was considered the goal; this she saw as producing winners and losers and not using integration and power-with to create a dynamic and evolving system to benefit society (1949:41). Although the notion of working towards an objective ‘of finals’ has been adopted by management theorists and practitioners, moving to more abstract achievements to develop relationships for MSR will require a different focus and reappraisal management attitudes. As Follett would suggest though, with training and leadership this would be possible and be necessary if MSR is to be operationalised (Follett, 1941:288).

2.4.3 Coordination
A management model to engage wider society featured in a number of Follett’s lectures on organization, which she simplified into her concept of coordination (Follett, 1941:297). The focus was on coordinating the individual in terms of their part in society. With regard to management, managers would be able to use coordination internally and externally to coordinate the interests of stakeholders and wider society to form the basis of MSR. Follett’s thinking was evident in her four fundamental principles on the role of management to bring about synergy to develop the individual for the greater good. The first principle of coordination by direct contact, regardless of status but dependent on expertise and relevance, is at the heart of modern management’s matrix structure (Galbraith, 1971, 2014; Senge, 1990). The second principle was identifiable in Follett’s analysis of the work of the Speaker, which was to ensure the involvement of parties at the earliest possible stage. The third principle involved Follett’s notion of circular response in that she made clear that interaction was a continuously dynamic process. Individuals adjusted their behaviour by the effect others had on them; in turn, the change in their behaviour also affected the behaviour of those who are affected by them. Relating this to leadership, which she called ‘self-adjustment’ (1941:301) Follett said,

‘…we should think not only of what the leader does to the group, but also of what the group does to the leader’. (Follett, 1941:301)
Reminding her audience of unceasing cycle of interaction, Follett described her *fourth principle*, which was that coordination was continuous and ‘not set up for special occasions’ (1941:303). Linking the reciprocal nature of coordination to diversity and ‘invention and the emergence of new values’ (1941:35) was what Follett believed led the way to growth and social advancement. Thus the ‘activity of co-creating is the core of democracy, the essence of citizenship, the condition of world-citizenship’ (1924:303). The process was based on Follett’s ideas of ‘collective self-control’ (1941:307), a quality that would be the foundation of MSR. The result would be that using management skills, groups, communities and nations would combine together and through integration and coordination would resolve the challenges and disputes over which they previously had fought.

### 2.5 Business management: A social service

The publication of *Creative Experience* (1924) brought wider recognition for Follett. As a result, more management theorists and business innovators were assimilated into her business and social circle. Follett’s challenge to the way in which business had operated was regarded as visionary among several progressive management thinkers (Metcalf and Urwick, 1941). Her call for business management’s contribution to be primarily a ‘social service’ (1941:132) was ground-breaking (1941:131). This notion went beyond philanthropy to suggesting a framework of CSR implemented by managers in which society and business were partners in a power-with relationship. Among those who endorsed Follett’s ideas were the sociologist and chocolate manufacturer, B. Seebhnom Rowntree and Oliver Sheldon, the management writer and director of Rowntree’s company (Sheldon, 1924). Other alliances were formed by Follett with pioneering management writer and theorist, Lyndall Urwick and Henry C Metcalf, renowned for his work on organizational concepts (Bluedorn, 1986). The latter two were great admirers of Follett and were responsible for compiling a collection of her papers and lecture notes for publication (Metcalf and Urwick, 1941).

#### 2.5.1 League of Nations

In 1926, two years after the death of her ‘beloved friend’, Isobel Briggs, (Graham, 1995; Tonn, 2003:412) Follett embarked on a new challenge working in the
League of Nations in Geneva. It was in Geneva that Follett studied the relationships between states and examined them in light of her concepts of integration and power-with. Geneva also was where she met Dame Katherine Furse who had gained prominence during World War One for her part in developing the Women's Royal Naval Service. Follett admired Furse's subsequent work setting up the World Wide Association of Girl Guides and a close friendship blossomed. Within months of their meeting, Follett moved into the London home of Furse where she remained for the majority of her final five years (Tonn, 2003). Dame Katherine's connections and Follett's status in the business world gave Follett the opportunity to study business and industrial relations in England, which she considered to be a 'pioneer work in the organized relations of human beings' (Metcalf and Urwick, 1941:18). During a lecture in Oxford in 1928, Follett expanded on her view of the importance of management skills to find 'the solution to the world problems...since the principles...best for business can be applied to government or international relations' (Metcalf and Urwick, 1941:19). Follett had an unshakeable conviction that these skills would be at the forefront of the advancement of 'human welfare' (1941:140) and that business management offered the best model to build a democratic and equal society.

2.5.2 Leadership and followership
Integration, power-with, coordination, the law of the situation (1941:111) and business as a social service, formed the basis of Follett's challenge to prevailing notions of leadership. To begin with, Follett flipped the idea of the theory of leadership to one of followership whereby the best leaders would inculcate leadership skills in their followers. Leaders should concentrate on their part in followership by enabling followers to participate in leadership (Follett, 1941:288-290). Furthermore, Follett called for those being led to play an active part in leadership. Leaders, therefore, should 'not induce others to follow' but should enable others to participate in leadership (Bennis, 1995; Follett, 1941:289; McLarney and Rhyno, 1999). In so doing, leaders would demonstrate power-with and create environments in which the experience and ability of followers was capitalised to optimise the capability and success of the group.
Good leadership, therefore, required leaders to make followers aware of their own
power and how to exert it, rather than simply accepting the leader’s power (Follett, 1941:289). Building capacity for individuals and groups to grow power-with and to have authority and responsibility for making decisions was Follett’s ‘law of the situation’, which she had developed extensively since writing her book about the Speaker in 1896. By respecting expertise and believing in the potential of individuals, new perspectives could be incorporated into each situation. The outcome would be that decision making would be more creative with ‘inventiveness of your workers’ (1941:174). Follett summed up her idea of leadership promoting power-with and applying the law of the situation by writing, ‘The person who influences me most is not he who does great deeds but he who makes me feel I can do great deeds’ (1918:230).

Follett’s method to achieve such influence was to create what later became known as ‘corporate vision’. In 1928 Follett described this as a ‘partnership in following, of following the invisible leader – the common purpose’ (Follett, 1970:1). Evoking Follett’s common purpose, James E Webb, director of NASA during the 1960s, rose to a ‘challenge of almost inconceivable complexity…to make a manned landing on the moon’ (GAO, 1971:25). Webb explains, ‘It was my good fortune in the 1930s to study Follett’s teaching and to seek to apply them’. Describing Follett’s practical methods in action, Webb relates how he led, inspired and integrated NASA workers and stake-holders towards accomplishments that seemed unattainable (Webb, 1971:28-29). Webb applied Follett’s concepts of power-with, coordination, integration, and the law of the situation to unify the capabilities of 380,000 employees and 20,000 contractors to fulfil President Kennedy’s pledge to put a man on the moon by the end of the 1960s (Davis, 2015; Webb, 1971:31). Follett’s idea about the influence of the leader and the great deeds she envisaged were described in the last sentence of her final lecture in 1933. Follett believed that with ‘individual freedom through collective control’, society would rise out of the ‘present chaos’ (1941:314). Management’s unique contribution as a profession underpinned her hopes that it would lead the way.

The coordination of business and society was Follett’s final exhortation to management to play a part in the advancement of human welfare (1941:140). Not long after delivering her lecture Follett returned to the USA to deal with her
investments and to receive medical treatment. In December 1933, she was hospitalised for an operation and died shortly afterwards at the age of 65.

2.6 Follett in question

Follett’s concepts were based on her work in community organizations and the research undertaken in business, thus underpinning their usefulness. However, she has been accused of being utopian, unrealistic, ingenuous, and naïve from micro to macro levels (Graham, 1995; Nohria, 1995; Tonn, 2003). To some extent accusations of unworkable idealistic methods are understandable, particularly in the modern world of globalization, multi-national corporations and a blurring of accountability (Petrick, 2012). Even in her own time Follett’s work was criticised for being impractical. Writing for the New York Times in 1924, John E Lind’s review of *Creative Experience* doubted the practicalities of her central theme of integration to resolve disputes (Davis, 2015). Lind’s scepticism highlights the distinct difficulty that Follett presents to managers, which is her limited account of how to deal with problems that defy resolution. For example where management and workers retreat into pre-conceived ideas then become immune to collaboration and creative ways of dispute resolution. The times when conflict resolution fails, leading to irretrievable breakdowns, have not been addressed in the same practical vein in which Follett focuses on systems and organizational management. Thus, pragmatism appears to elude Follett on the inevitable occasions when it is not possible to achieve integrated interests for the greater good. Although she does acknowledge that there are times when integration may not work, Follett does not offer an alternative other than to invoke her view that it is easier to fight but takes ‘a high order of intelligence’ to pursue integration (Follett, 1941: 45).

In fairness to Follett, this flaw is evident in the works of other pre-eminent theorists such as Juran (1995), McGregor (1960), Drucker (1987), and Deming (1986) who also do not offer a solution to every situation. The management scholar and consultant, Rosabeth Moss Kanter (1995), is mindful of Follett’s propensity to optimism and agrees that practicalities occasionally escape her. To some extent Kanter balances these criticisms by noting that Follett’s optimism is based on her
hopefulness about the group. The American admiration of individualism and wariness of collectivism Kanter believes put Follett under particular scrutiny and discouraged management professionals from taking her ideas and developing them (Kanter, 1995). However, there are several basic concepts advocated by Follett that have contributed to the prosperity of business and society and the efficiency and effectiveness of organizational management. These include the overwhelming view of theorists, concurring with Follett, that empowering and equipping a workforce with the knowledge, skills and confidence to innovate, cooperate and share ideas leads to sustainable levels of competitive performance (Eylon, 1998). Notions described here were championed by Follett decades before leading management writers whose names were consequently associated with the theories (De Bono, 1991; Deming, 1986; Drucker, 1974; Juran, 1995; Kanter, 1985, 1990; Peters, 1987; Senge, 1990; Wilkinson, 1998; Utterback, 1994).

Furthermore, the lack of guidance forthcoming in Follett’s works may have evolved as her theories were consolidated and implemented (Fry and Lotte, 1996; Schilling, 2000).

2.6.1 Naivety
An example that brought Follett’s idealism under scrutiny was given by McLarney and Rhyno (1999). Citing the parlous state of the Roxbury neighbourhood, in Boston, some 80 years after Follett sought to transform the run-down area (para 2.3.4), McLarney and Rhyno (1999) conceded that Follett could be considered utopian and naïve. Follett certainly expected that the initiatives she instigated in poor urban areas would have withstood economic and social challenges more robustly. Moreover, Follett’s ambitions to educate communities to control and build a better future appear overly optimistic. Similar to other authors who praise Follett for her prescience, McLarney and Rhyno (1999) temper their admiration by acknowledging that Follett’s faith in the good of humanity underpinned her concepts. In so doing, the realities and evidence that human beings do not always subscribe to Follett’s belief that the highest individual fulfilment is achieved through the fulfilment of the group, undermines some of her credentials (Follett, 1941:247; O’Connor, 2000). Another doubt about political pragmatism associated with Follett’s concepts arose from the eventual depletion of her school centres.
Along with the success of the community centres programme, at a national level came power struggles that were largely along geographical east/west divisions. After the disagreements of overall authority to run the centres they were transferred from local funding to federal funding and were reduced drastically when the Great Depression (1929) led to austerity cuts (Tonn, 2003). Therefore, although it has to be recognised that Follett’s philosophy is grounded in practice and the success of her work, especially with community groups, she seems to have underestimated the political nature of organizations. Nevertheless, comparable criticism of political naivety was made of organizational learning theorist Chris Argyris (1977) whose ideas about reflective learning are similar to those of Follett. Critiquing Argyris’ faith in management to implement organizational learning, Easterby-Smith and Lyles (2003) cite a lack of understanding of personal vicissitudes coupled with external and internal political influences, making the adoption of a framework problematic. Even so, just as the majority of Argyris’s ideas have contributed to organizational success, Follett’s ideas are worthy of praise for their simplicity and accessibility (Phelps, Paravitam and Olsen, 2007).

Viewing the group as a benign and democratic phenomenon prompted Nita Nohria (1995) to charge Follett with being ingenuous. With particular reference to Michel’s iron law of oligarchy, Nohria (1995) explains the inevitability that all groups, however egalitarian and democratic, fall into a structure headed by a small elite that directs the remainder. However, recent scholarly work challenges the basis of Michel’s law by claiming that the use of social mass media negates one of the principle sources of oligarchy power, which is the distribution or withholding of information (Welser, 2015). Other critics agree with Fry and Lotte (1996) about Follett’s lack of guidance when the steps she recommends do not produce the required results (Berman and Van Buren, 2015; Nohria, 1995; Schilling, 2000). Even so, all these commentators remain supporters of the principle of Follett’s ideas of cooperation, integration, diversity, growing and sharing power, the law of the situation and the invisible leader. The challenge for managers in the past has
been to hold their faith in reforms and advances in developing human capital; but it has never been easy. Yet by doing as Follett suggested and giving managers the skills and power to deal with hurdles, major breakthroughs in social and economic business practices have been accomplished and give hope for effective operationalisation of MSR (Armstrong, 1977; Armstrong and Green, 2013).

2.6.2 Macro level
Follett hoped that power-with, the law of the situation, integration, and coordination would be evident in the League of Nations. Her experience of working with the League, confirmed Follett’s belief that unifying interests according to the law of the situation and using conflict creatively would lead to enduring peace. With the failure of the League, the lack of commitment to integration and taking up positions of win-lose, came examples of her ideas not working at the macro level unless completely absorbed into the systems to which everyone subscribed (Sethi, 1962). The Second World War and the demise of the League could be used as grounds for criticising Follett’s ideas. Recently, however, historians have suggested that the very issues that Follett wanted addressing were ignored and festered which led to fighting among those nations that were united temporarily in the League. For example, Henig (2006) cites the implacable interests of major powers using the League to consolidate and further their power as the cause of failure and the rise of fascism and war. Although idealistic, Follett’s ideas about power-with and not power-over, integrating conflicting interests and rejecting trade-offs bear similarities to Duggan (2008) as a way in which the League could have survived successfully and averted World War Two.

Nevertheless, looking at the macro and nation state-level, Follett’s optimism appears to be naïve. According to Follett the effects of educating people about their power to engage with democracy would be so profound it would create power-with and reduce the domination of elites (Fry and Lotte, 1996; Parker, 1984). She believed that following this course of action would reduce massively all conflicts, especially those leading to war and would fulfil her belief that when the group uses ‘collective thinking…the expansion of life will begin…and feel only elation that the group has accomplished something’ (Follett, 1918:31). However,
when this does not work, as with integration, Follett does not follow through with a procedure to address failure (Fry and Lotte, 1996; McLarney and Rhyno, 1999).

Notwithstanding criticism that her faith in human beings and the group was ingenuous and too trusting, it helped Follett to create her concepts that are identical to those working successfully in modern management. Earlier Narendrak Sethi (1962), writing a largely favourable paper about Follett, questioned the universal commitment required to her ideas for them to be operationalised. Sethi identified a weakness that others have cited in Follett’s rationale (Kanter, 1995; Nohria, 1995). For Follett’s vision to be realised those with power would dilute or lose power-over by promoting power-with relationships with ‘mankind and the whole universe as their action centres’ (Sethi, 1962:215). This change in corporate power bases would involve an enormous shift in attitudes in the most influential actors in business and society. Ambitions as heroic as those to promote human welfare and engage business in the process were discussed by Urwick when writing about Follett’s contribution to management. Urwick acknowledged that for business management to subscribe to Follett’s ‘common purpose’ (1970:1) an unprecedented ‘mental revolution’ would be needed in the corporate world (Urwick and Brech, 1945:55).

Naivety about the difficulties likely to be encountered in a mental revolution need to be acknowledged, as should Follett’s optimism about humanity (Kanter, 1995; Nohria, 1995). However, there is widespread admiration for creative thinkers, Fayol (1988), Deming (1986), Drucker (1955), Juran (1995), and other pioneers, who have benefitted business and society by believing in the fundamental good in humanity. Some luck and serendipity helped their innovative approaches to be adopted and it often took time and exigencies of events to reach fruition. Drucker, Deming and Juran’s work, for example, needed the rebuilding of post-war Japanese industry to provide a testing ground for their management principles. It is, therefore, to the credit of human nature that individuals come along to push boundaries and propose new ways of working. With regard to modern management and Follett’s impact on it, Phelps, et al, (2007) suggest that she provided a bridge between the scientific management of Taylor (1911) and the
leadership and cooperative approach of Deming (1986). Without her bold approach and unstinting faith in human nature, this bridge would not have been created. Furthermore, whilst endorsing this idea, history has shown that Follett’s work offers managers solutions to contemporary conundrums as well as those not yet ascertained.

2.7 Conclusion
This chapter has examined the work of Mary Parker Follett and assessed those concepts that she developed and tested in her community centres and researched in politics, business and at the League of Nations. Several modern management theories contain the work of Follett, which endorses her credentials as a ‘prophet of management’ (Drucker, 1995:1). Many of these theories could have been expedited if Follett’s work had been heeded and incorporated and it is for this reason that her ideas have been applied to extending CSR into MSR (Graham, 1995). By exploiting Follett’s foresight the journey to MSR, will be guided by the practical nature of Follett’s proposals and concepts (Ahen and Zettinig, 2015; Frederick, 1994, 2000). Operationalising CSR as MSR, the concepts proposed to take theory forward are power-with, integration, coordination, which take place according to the law of the situation. These concepts are mobilised by a vision of leadership in the form of the invisible leader, which brings followers into participating in leadership by facilitating their involvement in the group. Translated into the relationship between business and society, these concepts of Follett place management at the centre of a hub of relationships which are initiated and developed by managers using their business skills and capabilities.

Although it would be tempting to create a Follett model for CSR, the spirit of Follett dictates using all experiences and integrating them into something novel to bring about conflicting and diverse contributions. Follett noted ‘We must face life as it is and understand that diversity is its most essential feature. …But fear of difference is dread of life itself’ (1924:232). As an academic whose diverse experiences enabled her to fit comfortably into the world of business management, Follett’s work links the disciplines of conceptual thinkers with those of managers faced with the day-to-day demands to find practicable solutions to challenges. The following
literature review on CSR compares the concepts of Follett with CSR theory and integrates the interests of all sides to develop the concept of MSR for research and data collection.
CHAPTER 3

Literature review

This chapter presents an examination of scholarly work on CSR in order to evaluate the feasibility of CSR becoming an individual manager’s responsibility, which will be known as MSR. The model for MSR will be based on Mary Parker Follett’s concepts for a mutually beneficial relationship between business and society. Those CSR theories that most closely align to her ideas will be synthesised with Follett’s concepts and MSR will be developed. This new concept will be used in the research and data collection.

3.1 Structure of chapter three

This chapter begins with a brief history of CSR illustrating that it began as an individual, philanthropic function. Over the years, and around the time that Follett was writing, notable scholars began to propose the wider adoption of CSR as collective function of the executive. Later and into the 21st century, scholarly work on CSR theory escalated and its adoption into policy became part of the organizational landscape. Yet, as illustrated throughout the chapter, the operational and practical element of management’s role in implementing CSR was given scant attention. The next section addresses the contention around a definition for CSR and the degree to which a vague interpretation is a hindrance to its implementation. This section leads to the challenges and questioning of CSR. Six main categories of CSR are evaluated and a chart is used to compare them with the ideas of Follett. This justifies Follett’s position in relation to advancing CSR theory and it becoming MSR, which concludes by proposing practical ways to take forward the concept based on experiences from other social issues in management. The questions for the research are selected from an interpretation of the review.

3.2 Follett, CSR and MSR

In order to achieve MSR, a scrutiny of literature will identify the evolution of CSR theory and extrapolate its development to anticipate the viability of the next stage of CSR, which will be MSR. This stage will see responsibility transferred to
individual managers in the same way that other social issues in management were in the past. These examples include equality and diversity, health and safety, and dignity at work. Fundamental to advancing CSR as an evolved theory of MSR will be Follett’s concepts of power-with, integration, coordination, and the law of the situation. The impact of these concepts will be discussed in relation to her theory of leadership and followership and the impact on managers operationalising MSR. A summary of each of these concepts can be found in the first chapter, para 1.1.2. The concepts will be used throughout the literature review to assess CSR theory in relation to Follett’s work and to analyse significant advances in CSR theory and practice. This will inform the viability of MSR.

The following section appraises the evolutionary landmarks of CSR and the catalysts that have advanced the concept; a broadly chronological pathway is taken to examine seminal works. The justification for this approach is to assess the likelihood that CSR will be transferred from a collective, corporate duty to one that is owned by managers as part of their obligations.

3.3 Foundations of CSR

Although the primary focus of this review is on the 20th century to date, instances of social responsibility in management can be found in the early industrial revolution; of significance were those initiated by socially aware business owners. For example, during the 1770s cotton manufacturer Richard Arkwright built cottages for his workers and in 1851 Titus Salt created a model village in Yorkshire for his employees that included a hospital, school and library (Idowu, 2011). In general, from the early stages of CSR, the commitment to social responsibility emanated from the voluntary actions of those at the top of the organization.

3.3.1 CSR: an executive choice

This individual commitment from the executive level was elaborated upon when a businessman, Chester Barnard, wrote that there existed an ethos amongst ‘sane men’ (Barnard, 1938: 38) that was regulated by their individual interpretation of what was morally right. Writing prior to the Second World War, Barnard’s book, The Functions of the Executive, (1938; 1968) set out his proposition which echoed Follett’s idea of power-with. Barnard explained that business success and
longevity could be achieved morally and ethically by using persuasion and promoting co-operation. Acknowledging that views of morality and responsibility varied from person to person, Barnard identified the problems of definitions in that executive responsibility, like CSR, meant different things to different people.

Agreeing with Follett that socially responsible businesses were an essential part of society, were post-war writers Bowen (1953), (Drucker, (1955, 1974), Carroll (1974, 1979), Frederick (1960), and Preston and Post, (1975). During the immediate period after the Second World War, prompted by movements to find a new relationship between business and society, Howard Bowen wrote his book, *Social Responsibilities of the Businessman* (1953). In this work Bowen identified a risk to business and private enterprise if it did not demonstrate a benefit to society. Although the title personalised responsibility, the thrust of the work was that business leaders ought to take up the cause for CSR as a concept and model for ethical business behaviour. Legitimising a firm’s performance in terms of social responsibility was becoming an argument that was being addressed by supporters and critics too. Pre-empting Milton Friedman’s opposition to CSR (1962, 1970), Theodore Levitt (1958) stated that it was for government to take on issues of welfare and business should be left to maximize profits. Joining the debate, Davis (1960, 1967) explored the concept of responsibilities being aligned to the level of power that businesses accrued. However, all these commentators, whether for or against CSR focussed on the collective, policy approach and did not specifically assign the operationalisation of CSR to an individual management function.

3.3.2 Defining CSR
Contentiousness surrounding the quest for a definition of CSR is part of the difficulty in deciding who should take responsibility for its implementation. Not only did Barnard (1938) pose the challenge to define CSR, other writers, critics, researchers, and practitioners subsequently grappled with the same problem. Devising a framework to address confusion about what constituted CSR, Suneel Sethi (1975) opened a new avenue for debate (Dahlsrud, 2008; Okoye, 2009). Sethi (1975) arrived at this model by classifying corporate behaviour, which evolved into a stage of social responsiveness that embraced proactive anticipatory and preventative strategies concerned with the protection of the environment and
dealing with social change. Inherent in Sethi’s framework was the concept that there was a need for a stable classification that would withstand changes in business activities and public opinion. Another strand was that the framework should be sufficiently flexible to be applicable to a range of businesses and social systems. Sethi’s views were compatible with those of Barnard (1938), Bowen (1953), Drucker (1955), and Polanyi (1947). These writers noted that corporations benefitted from a society that was functioning satisfactorily thanks to the structures that had been created by everyone for the widest benefit (Polanyi, 1947). In this respect, whilst corporations were entitled to reap rewards from their business, their prosperity was a result of collective efforts over periods of time. Where Sethi stood out, and where his ideas aligned with those of Follett, was in his proposition that corporate behaviour moved into the realm of anticipatory behaviour. Although Sethi’s model was of practical use for the corporation’s CSR activities to be measured, it did not go on to say how each manager should evaluate their socially responsible performance.

At this stage making social responsibility an obligation for each manager to fulfil, went beyond anything scholars were advocating. The thrust of the arguments for CSR was for a collective, corporate body to operationalise and adhere to socially responsible behaviours; the actual delivery of the concept was vague, which is no surprise, given the problems in formulating a definition. However, looking to the future, the lack of a definition means that there are no boundaries to creating a new concept for CSR, which is the intention of this review. Using Follett’s propensity to flip a negative into a positive and conflict into creativity, the vagueness of a definition is treated as a liberation, which allows for a creative interpretation of what an extended CSR would look like.

3.3.3 Differing perspectives
A model similar to that envisaged by Follett whereby the power of the individual through integrated, coordinated efforts advanced social welfare was produced at the time of the publication of Sethi’s 1975 work on CSR. This occurred when Preston and Post (1975) examined the way in which societal systems, including businesses, were linked. They described the principles shared by a society that go beyond legal obligations, which they referred to as ‘public policy’ and which
contributed to the formulation of what they regarded as the ‘public responsibility’ concept. Preston and Post (1975) considered public responsibility a preferable notion to that of CSR. They proposed that a corporation’s management should focus on their responsibilities to economic activities whilst being aware of, and responding to, relevant pressures and developments in society. This process would then lead to the participation of management in the development of public policy. As such, Preston and Post (1975) moved the responsibility nearer to individual managers but did not specify how this should be done.

Wartick and Cochran (1985) challenged the concept of ‘public responsibility’ with their rebuke that defining public policy was also problematic and concluded that ‘public responsibility and social responsibility become synonymous’ (1985:762), rendering Preston and Post’s definition irrelevant (Preston and Post, 1975). These disagreements among academics, about definitions have not helped managers to implement CSR. Further complicating an understanding for managers, the motivations to engage with CSR were illustrated by the analysis of Dahlsrud’s (2008) thirty seven different definitions of CSR. This work concluded that there were congruencies between definitions and the important issue for businesses was to take account of context and corporate strategies when choosing the avenue to pursue. Acknowledging Dahlsrud’s point about common elements in CSR definitions, the definition by Archie Carroll accommodates these elements.

‘The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.’ (Carroll, 1979:500)

In his landmark work, Carroll (1979) set his definition of CSR within the conceptual model of corporate social performance (CSP) (Crane, Matten and Spence, 2008). The pyramid model devised by Carroll comprised four elements: economic responsibility and profitability; a legal framework and acceptable norms; ethics and fairness; and philanthropic activities. Although divided into the aforementioned sections, Carroll was clear that he saw these responsibilities as non-sequential and interlinked but nevertheless voluntary. Moreover, Carroll (1974, 1979) maintained the perspective of CSR as a corporate policy driven by the leadership,
which may or may not set out how CSR should be implemented by individual managers.

Carroll’s early work on CSR noted the growing interest in issues of social welfare. This, he suggested, put pressure on managers to be able to make decisions at a strategic level on social responsibility and to design policies to accommodate this obligation (Carroll, 1974). However, Ackerman (1973) had previously written about ‘trade-offs’ and exposed the problem of differing views between managers in the same organization about what constituted social responsibility. Thus, whilst Ackerman identified the matter of how an individual manager understands CSR, he, like Carroll did not suggest practical steps for managers looking to operationalise it as a personal responsibility (Carroll, 1974, 1979, 1999). By the end of the 1970s the idea of corporate social responsibility was continuing to be refined, yet it remained largely a conceptual preoccupation for the academic community. As far as business was concerned the decade of the 1970s was when companies began reporting on CSR, largely as part of a PR function, yet CSR had limited impact on business and the day-to-day duties of managers (Idowu, 2011).

3.3.4 Significant changes
During the 1970s and 1980s some significant corporate scandals were uncovered. Apart from Ford’s Pinto (Bonn and Fisher, 2005; Schwartz and Carroll, 2003), Nestle, and Thalidomide - all of which led to fatalities or life limiting consequences - share manipulation and fraud were uncovered at Guinness, with associated criminality and cover-ups (Boyd, 2012; Post, 1985). The public mood called for greater accountability and an expectation of higher standards of corporate awareness about the widespread effects of their decisions (Schwartz and Carroll, 2003). Thus during the 1980s research expanded into the realms of stakeholder theory, corporate social responsiveness and policy (Carroll, 1999; Freeman, 1984; Idowu, 2011). In other areas of management, an emphasis on processes for dealing with quality, human capital, and equality and diversity was being developed and reflected in key scholarly writings (Deming, 1986; Drucker, 1987; Handy, 1989; Kanter, 1979, 1985). This theme of processes is identifiable in the work of Jones (1980) who moved the CSR debate to looking at process rather
than outcomes. Jones asserted that, as there was usually great difficulty in defining CSR, the concentration should be on the fairness of the process of decision making and concern with the effect these decisions would have on a range of stakeholders.

Towards the end of the 1980s these ideas were evident in political revolutions and advancements. The result was growing pressure for change and extending democracy, which had an impact on the awareness and expectations of responsibility that business organizations had to society (Carroll, 2000; Garriga and Mele, 2004; Idowu, 2011). Yet, the practical implementation of CSR was not given the attention that, for example, equality and diversity was receiving during the same period (Abbasi and Hollman, 1991; Rosen, Miguel and Peirce, 1989). This lack of practicable, tangible action on CSR was despite the spirit of change that produced examples of the impact of the individual as a stakeholder. Moreover, acting as part of a group, each collective of stakeholders was also a stakeholder (Follett, 1941:297). Examples of the power of stakeholders were provided by campaigns for justice for casualties of Thalidomide and the mobilisation of NGOs and professional bodies pressing for the withdrawal of Nestle baby-milk products in the developing world (Boyd, 2012; Evans, 2002; Post, 1985; Wise, 1997).

3.4 CSR theories evolve

R. Edward Freeman (1984, 2010) defined the term ‘stakeholder theory’ as relating to groups upon which an organization’s existence depended. His work added a new strand of research and perspective to CSR and stakeholder theory became ‘central to CSR’ (Maon, Lindgreen and Swaen, 2009:72). CSR theories and concepts could be tested using his framework thereby facilitating a pragmatic approach to assessing the level of CSR engagement. Donaldson and Preston (1995) observed that stakeholder theory demonstrated that the firm represented a hub of connections comprising employees, suppliers, customers and shareholders, as well as the communities affected by the firm. Following the turbulence of the 1980s, the 1990s resonated with the notion that CSR was going through a ‘dynamic evolution’ (Wartick and Cochran, 1985:759). The emphasis was placed firmly on outcomes and performance by Wood (1991), which moved
the focus away from Jones’ 1980 model that concentrated on processes. Paradoxically, therefore, outcomes and performance were largely delegated to managers to deliver against objectives, in the same way that Jones had envisaged managing processes with responsibility delegated further down the command chain (Jones, 1980). Thus, as proposed by Jones (1980), actually delivering CSR as a concept, an ethos, a way of behaviour, was overshadowed in favour of CSR as a performance management strategy.

Another option was presented during this period when ‘corporate citizen’ (CC), became part of the lexicon of CSR. With a focus more on behaviours rather than outcomes, Matten and Crane (2005) noted that CSR appeared to be external and reactive, insofar as business was using CSR as part of its marketing strategy to build the brand among its customers. However, CC adopted a more internal and anticipatory focus, looking to the expectation of the state or states. This notion incorporated the view of the company as a citizen insofar as it displayed the behaviours of what was expected of a citizen, i.e. to make a contribution to society as part of a social contract in which we support and nurture each other, do no harm, assist when in need, and receive help when struggling (Matten and Crane, 2005). A more general suggestion of a practical, micro-level nature operationalisation of CSR was offered by Maclagan to engage stakeholders in a ‘participative process’ (Maclagan, 1999:43). Yet the overall focus tilted upwards looking to leadership, policies and a macro view of the world.

3.4.1 Stakeholder theory in question
Following Freeman’s first book on stakeholder theory in 1984, a considerable section of CSR scholarship was devoted to the evolution of the theory and ways were proposed to advance CSR using a stakeholder approach (Clarkson, et al, 1994; Freeman and Gilbert, 1992; Lerner and Fryxell, 1994). However, stakeholder theory further complicated the search for a definition for CSR and added to increasing criticism from several quarters, including from two of its most strident detractors, Charles Blattberg (2013) and Elaine Sternberg (1997, 2009). Both considered that the problem with stakeholder theory was that it was ill-defined and allowed for the broadest interpretation so that anyone, even those
with malicious intent, could force firms to be beholden to their demands, however unreasonable. Although Blattberg conceded that in theory engagement between stakeholders was possible by means of ‘conversation’ (2013:8) he expressed doubt that such a system would work. The shortcomings stem from a potential disparity of interests of stakeholders and ‘compromise’ needed to reach agreement (Blattberg, 2013:12). Blattberg’s perspective begins by viewing the corporation as a benign entity. As such it should be regarded as a society of integrity within a wider society that has faith that the corporation will do what is best for all concerned. Rejecting even this limited acceptance of stakeholder theory, Sternberg’s view is that it would lead to a debasement of rights of ownership and vitiates the capacity of business to create wealth (Sternberg, 1997, 2009). Furthermore a free society should operate by having an understanding that that which is not ‘expressly prohibited’ is allowed (Sternberg, 1997:7). Sternberg perceives an insidious onslaught on the political rights and freedoms of people to engage in business enterprise (Sternberg, 1997). For Sternberg, social contract theory provides a solid argument against stakeholder theory. Because a social contract needs consent from all parties, if organizations are coerced into compliance, it negates any social contract (Sternberg, 1997).

Interestingly, social contract theory has been cited as a reason to engage with stakeholder and CSR theories because it underpins a fair and equitable society (Garriga and Mele, 2004). Emanating from philosophies classified by John Locke (1947) and John Stuart Mill (1865), Donaldson and Dunfee’s (1994) ‘integrative social contract theory’, brought the concept up-to-date. By combining classical social contract theory (Locke, 1947; Mill, 1865) with what could be described as one that was stakeholder centred, integrative social contract theory involved all those with an ‘implicit contract’ (1994:254). However, the practicalities of implementing an integrative social contract and an individual manager’s responsibility in the process were not explained (Donaldson and Dunfee, 1994).

Taking an integrative social contract to a more proactive level to achieve an evolved CSR, was cited by Bowd, Bowd and Harris (2006) who suggested that organizations ought to address a commitment to a wider range of social and business issues. The proposal encompassed human rights, quality of goods and
services, and the environment. Broadening the concept to this extent was noted by Scherer and Palazzo (2011). These authors identified an emerging role, wherein private companies become political players in a global context. In recent literature on the subject of CSR, corporate citizenship, the post-nation state, globalization, and the post financial crisis, this idea of global interconnections and ramifications has featured more fully (Herzig and Moon, 2013; Scherer, Palazzo and Matten, 2014). Scherer and Palazzo defined this as ‘political CSR’ (2011:899). In essence, political CSR is distinguished by a considerable broadening of the range of involvement in the process. For example, whereas under the instrumental approach governance is mainly the duty of the state, the political approach incorporates a range of actors that include ‘civil society, and corporations’ (Scherer and Palazzo, 2011:908). Similarly, legal aspects under the political approach, take the concept away from precision and formality when interpreting rules and regulations into the realms of a high degree of subsidiarity and devolvement with self-regulation at the heart of the process.

Recent scholarly work suggests that the influence of business in a global political context has thrown up important questions about the effect companies have on states, democracy and individual rights (Scherer, Palazzo and Matten, 2014). Along with universal attention to the political role of companies, business globalization raised awareness and concern of the impact of those whose lives had been affected by the exponential growth of world trade. Inherent in the concern for global human rights, is the idea of a universal social contract (Scherer and Palazzo, 2011; Skair and Miller, 2010) to which, at the beginning of the 21st century, two global initiatives were linked. The first was formulated in the United Nations (UN) Global Compact, which was drawn up in 2000 and comprised principles that were based on UN declarations on human rights, rights at work, environment and sustainable development, commitments to anti-corruption (www.unglobalcompact.org). Globally, a more businesses orientated undertaking was given in 2002 by the World Economic Forum with its ‘Global Corporate Citizenship: the leadership challenge for CEOs and boards’. Over the following decade Klaus Schwab, CEO of the WEF, advanced the claim that it was moving to a position of alliances based ‘global values’ which would be driven by business corporations (www.weforum.org/corporate-citizen). Thus during the years of the
new millennium, responsibility for CSR was placed in the offices of the heads of organizations and their immediate team. However, the emphasis expanded to collaboration and consideration of wider society, especially those represented by NGOs and environment and social justice campaigners (Aguilera, et al, 2007).

3.4.2 The business case for CSR

In contrast, at the micro-level and looking at a business return, McWilliams and Siegel (2001) proposed a model for profit maximisation linked to CSR activity. Using a cost-benefit analysis, the model gave managers a tool to assess the demand from customers of demonstrable CSR and the impact on costs of satisfying that demand. This information placed companies in a position to make better informed decisions about the strategic adoption of CSR policies and practices. McWilliams, Siegel and Wright’s (2006) approach, whilst also acknowledging a business case to justify CSR, revisited the matter of a definition of CSR explaining that a lack of consensus obstructed an understanding of the concept. The result was that it restricted the adoption of CSR within business. In particular, McWilliams, et al (2006) suggested that the decision making process was obscured to the point where it was difficult to discern whether leadership had an effect on the adoption or otherwise of CSR into a company strategy. This aspect is of high relevance to CSR as a management issue and the responsibility of individual managers if it is to become MSR. If managers are to drive the implementation of the concept in the same way that they took on equality issues, for example, they will need clarity about their obligations. The small amount of research carried out in this area is not encouraging. Fenwick and Bierema (2008) discovered that HR managers saw their involvement with CSR as almost an entirely internal exercise, mostly geared to staff welfare. Later research by Costas and Karreman (2013) looked at CSR as a motivational and control tool. The authors suggested that organizations motivate workers by the company’s engagement with CSR; the notion being that their contribution goes beyond their immediate work and into enhancing society (Costas and Karreman, 2013). This is an interesting manipulation of the extension of Follett’s exhortation that business management, and indeed all work, is the greatest contribution individuals can make to ‘serving your community’ (Follett, 1941:134). Measuring the benefits of this contribution is one of the difficulties presented to champions of CSR. For
those businesses that have to justify their activities to shareholders, the 'doing well by doing good' argument may have to show an economic return (Christiansen, 2014; Falck and Heblich, 2007; Margolis and Walsh, 2003).

Addressing the task of return on investment for CSR, Hazlett, McAdam and Murray (2007) proposed adopting quality management strategies to build CSR into ethical business practice, which implied transferring the implementation of CSR onto practicing managers. Haberberg, et al (2010) viewed CSR from an 'idealistic moral dimension' (2010:367) and mirrored the debate that business takes responsibility for decisions based on ethics as well as economic factors (Davis, 1960, 1967; Frederick, 1960, 2000; Mele, 2012). Other scholars looked beyond outcomes and proposed that managers develop a common understanding of aspirational standards for CSR, but did not give practical advice on how to achieve this common understanding (Basu and Palazzo, 2008:133). Another factor noted by Haberberg, et al (2010) was that economic gains of CSR were indiscernible. Complicating the issue further, by proclaiming itself to be socially responsible, an organization risked attracting the attention of the wider public and media and invited charges of cynical manipulation of CSR (Haberberg, et al, 2010). Although a lack of hard evidence as to its efficacy and benefits, advocates of CSR were of the opinion that it promoted higher ethical standards, which consolidated values that spread throughout business (Haberberg, et al 2010). Some of the views Haberberg, et al (2010) are compatible with those of Follett, insofar as management as a profession adheres to codes of conduct that heighten business standards and social responsibility. Two ardent critics of the business case for CSR, Nijhof and Jeurissen (2010) called it into question the entire proposition claiming it could lead to the moral foundations of CSR being compromised and undermined. In this respect, safeguarding against manipulation of CSR for reasons of profitability would require something akin to Haberberg, et al’s (2010) proposal in relation to a standard of practice understood and accepted as a CSR norm. Apart from Maon, et al (2009), who devised a framework for an organizational definition and standard for engaging with CSR, there is little practical guidance for managers on implementation. Which leaves the conundrum of CSR; whereas a business case has been made in other management issues, with outcomes delegated to managers and often further downwards, the business
case for CSR has not been tackled by management scholars in the same way. Overall CSR, regardless of the merits of the business case, continues to remain a policy decision for the executive.

With the formulation of the business case the debate on CSR was moved forward from the polarised positions of the monetarist Friedman (1962, 1970) and the altruistic and moral perspective in which profits should be sacrificed (Jeurissen, 2000). Emerging from the centre of the debate was the continuing development of the idea of stakeholders, which was similar to Follett’s thoughts of individuals and groups ‘interweaving obligations’ (Follett, 1941:84) and sustaining each other. In relation to MSR, this new appraisal of CSR taking into account individuals making up a variety of groups began to move attention away from policy statements onto the implementation of CSR (Schilling, 2000). At the same time, the global and political implications of social responsibility and awareness became more prominent and the subject of a raft of related research (Scherer, Palazzo and Matten, 2009).

3.4.3 Democracy and political CSR
A thought provoking and prescient notion was posed by Scherer and Palazzo (2011) when they examined the evolution of CSR in relation to democratic foundations. The growing power and influence of corporations, particularly with the rise of globalization, led Scherer and Palazzo (2011) to look at the challenge to democracy and to call for what they described as ‘deliberative democracy’ (2011:907). Envisaging a model that took into account the politicization of corporations, Scherer and Palazzo (2011) assessed the subsequent changes in relationships and interactions between ‘state, economy, and civil society’ (2011:918). At the heart of this assumption is the notion presented by Habermas (2001) that, for democratic public life to thrive, individual members of society should be involved in debates and communication with institutions that have power and influence that affect them. Habermas’ ideas are identical to those of Follett (1941:145) in relation to democratic engagement and public debate; her expectations of mutual and shared dependency were also evident in Moon, Crane and Matten’s (2005) concept of deliberative democracy. These authors traced the
concept from its roots in the assumption of the rights of citizens (Locke, 1947) to ‘developmental democracy’ (2005:441) and the adoption of policies by corporations that were inclined to pro-active initiatives both with positive and negative impacts on society. Examples given to illustrate these impacts are the voluntary banning of GM foods by UK supermarkets during the 1990s (Kolk, 2000) which contrasted with corporate opposition to the UN-linked Kyoto protocol, which aimed to reduce greenhouse gas emissions, (www.kyotoprotocol.com). With ‘deliberative democracy’, Moon, et al (2005:442) outlined a model that focused on a problem solving strategy and calculated engagement with a view to finding solutions through active discourse. Moon, et al’s (2005) highlighting of the essential voluntary nature of negotiations between stakeholders and corporations, evoke comparisons with Freeman’s stakeholder theory (2010). A fundamental element in both approaches is the need to seek out a new ‘principle of association’ (Follett, 1918:279). In this association, business aligns itself to partnerships with society and integrates interests by coordinating works for longer term sustainable prosperity (Follett, 1918, 1924, 1941, 1949; Kemper and Martin, 2010). As the aforementioned illustrates, much has been researched and written about business and society integrating interests; however, there are gaps in the literature concerning the practicalities and methods for unifying interests for the long-term good. On the other hand, there have been strident voices calling for an end to any integration or unification and for market forces to be the main imperative to decide on any undertaking of CSR. The following section examines some of the arguments advanced by those opposed to CSR.

3.4.4 CSR challenged
A principle complaint about CSR is that, according to the vague definitions, almost anything could be deemed to be CSR, which might include ‘bribing local officials’ (Sternberg, 2009:6). Presenting the antithesis of mainstream views in support of CSR (Carroll, 1979, 1991, 2012; Frederick, 1960, 1994; Freeman, 1984, 2010) retired banking CEO, John Allison (Allison, 2012; Parnell and Dent, 2009), expressed opinions that concurred with those of Friedman (1962, 1970) and Levitt (1958) and are endorsed by Sternberg (2013). All begin with the assumption that laws and tenets of governance are sufficient to ensure that businesses behave within the rules. Any obligation to society is accomplished by fulfilling shareholder
expectations to make as much money as possible (Friedman, 1970). By defending and maintaining capitalism and pursuing a sustainable profit-centred model, Allison claims that the wealth created ultimately benefits all society (Allison, 2012; Parnell and Dent, 2009). With even more disquiet, Sternberg interprets the inherent obligation of CSR to mean there is an expectation that business takes on duties beyond its true purpose. By diverting from core activities, CSR makes firms uneconomic and, echoing Friedman (1970), undermines human rights (Sternberg, 2009; 2013). Also noting the importance of SMEs to economy, Sternberg suggested that SMEs have little interest or involvement in CSR, which undermines the entire concept (Sternberg, 2009, 2013). Dickson (2010), however, cites research that contradicted this view and moreover provided evidence of significant SME commitment to CSR. Regardless of any defence of CSR any notions that business should take a less passive approach and do more to engage with wider society are anathema to Allison and Sternberg (Allison, 2012; Sternberg, 2009, 2013). Overall, their objections are based on corporations not needing to subscribe to CSR because wealth creation satisfies their part of the bargain (Allison, 2012; Friedman, 1962, 1970; Parnell and Dent, 2009; Sternberg, 2009, 2013). This view did not recognise that there were risks to business from ignoring the development of social justice, human capital and human relations (Carroll, 2000; Davis, 1960; Handy, 2002; Schrempf, 2012; Windsor, 2013).

3.4.5 Shareholder value and CSR
The polarisation of views on CSR throws into focus the question about the purpose of a firm. In its narrowest sense, the firm is concerned with maximising value for the benefit of the owners, be they individuals or groups of shareholders (Allison, 2012; Friedman, 1962, 1970; Levitt, 1958; Parnell and Dent, 2009; Sternberg, 1997, 2013). Handy (2002) adopts a broader interpretation and tackles the central theme of shareholder value. Handy describes the reality that shareholder value can be manipulated to suit the objectives of the firm’s executives; therefore, it is not an accurate measure or predictor of long-term success. Here Handy concurred with Follett’s proposition that ‘the accumulation of responsibility’ means that business must take heed of an implicit morality that runs through the relationships that business has with its stakeholder (Follett, 1941:146). Handy held a contrary view to Allison, Friedman and Sternberg
in relation to the firm as a legal entity accountable through corporate governance (Allison, 2012; Friedman, 1970; Sternberg, 1997, 2013). Handy advances the fact that company laws were formulated during in the 19\textsuperscript{th} century. This means that the origins of laws governing company behaviour relate to entities hugely different to those of the 21\textsuperscript{st} century. Of particular importance is the aspect of property and ownership, which Friedman (1970) and Sternberg (2009) cite as a reason for rejecting CSR. Handy considers that intellectual property, human capital, reputation, skills and capabilities cannot be considered in the same vein as material assets, therefore, a new concept of business has to emerge. Handy was as disconcerted as Sternberg at the prospect for the future. For Handy, writing thirteen years ago (2002) and anticipating the fall-out from the economic crisis of 2007/8 (Posner, 2009), the future of the capitalist model was in jeopardy. He described his interpretation of the model whereby society trusts business with its wealth to create greater wealth. However, there were too many examples of this not being the case, which meant that greater honesty, accountability and social involvement needed to be the norm (Handy, 2002).

3.4.6 CSR as a management strategy
Displaying greater trust than Handy (2002) in corporate motives and governance, Lantos (2001, 2002), whilst sceptical about some aspects of CSR, looked at incorporating CSR into business strategy. Lantos (2001) distinguished between ethical, altruistic, and strategic CSR and explained his agreement with Friedman (1962, 1970) that any obligation business has to society is accomplished by fulfilling shareholder expectations to make as much money as possible. With regard to altruistic CSR, Lantos considered involvement in ‘noble and virtuous’ (2001:605) activities were outside the normal realms of business enterprise. The ethical category of CSR, according to Lantos (2001, 2002), referred to what could be expected reasonably from business in that moral safeguards should be implemented and adhered to so as to cause no harm. A pre-requisite for success is the buy-in to the principle of CSR from top management and the communication of values that underpin a firm’s CSR policy. More specifically, Lantos (2001, 2002) proposed that the responsibility to drive the strategy was placed with the marketing departments whose role was to create value and thus benefit the firm economically. Although this idea moves the responsibility down from the
executive, it detaches it further from the operational management functions and obligations. In this respect, though, Lantos allows for a business case for CSR to be considered as part of a profit centred strategy (Carroll and Shabana, 2010; Lantos, 2001, 2002).

Leading strategists Porter and Kramer (2002, 2006) decried an uncoordinated stance on CSR and urged the adoption of a focused strategy tied to the core functions of a business. Whilst noting the pressures on companies to increase short-term profitability, they were perplexed by diverse cause-related marketing, which they describe as ‘strategic philanthropy’ (2002:6). For Porter and Kramer (2002) the focus of a company should be on improving competitiveness and not on generating goodwill. Porter and Kramer summed up their view that philanthropy should be in the context of assisting where the corporation’s needs align with social needs (2002, 2006). The conclusion was that it would be better to leave charitable donations to individual employees as a lack of strategy produced vague and ill-considered philanthropic contributions that have no particular merit. Illustrating the fluidity and evolution of CSR theory, a shift in Porter and Kramer’s opinion on strategy (2011) was presented as ‘shared value’ in response to the global financial crisis and attendant scandals. This prompted calls for greater regulation and criticisms of corporate irresponsibility (Windsor, 2013).

Although remaining advocates of a strategic and instrumental approach to CSR, Porter and Kramer’s position stems from competitive advantage and they expect profits to accrue by, for instance, ensuring maximum productivity in the value chain. An emphatic critique of Porter and Kramer’s (2011) ‘shared value’ was advanced by Crane, Palazzo, Spence, and Matten (2014). Crane, et al (2014) could not agree with Porter and Kramer’s assertion that their idea was what was needed to address business and society being ‘pitted against each other for too long’ (Porter and Kramer, 2011:61). One of the difficulties cited by Crane et al (2014) is the assumption of regularity compliance, which they describe as ‘naïve’ (2014:132). Here, Crane, et al (2014) echo Follett (1918:167) when they criticise Porter and Kramer’s (2011) piecemeal approach to reforming at the micro level. By paying less heed to shortcomings at macro-level, and concurring with Handy (2002) about the flaws in the supremacy of shareholder value, Crane, et al
consider that change and true shared value will not be realised (2014:140). Again the debate on CSR moved into the realms of abstract theory and scholarly disagreement and set out little for managers to take as guidance for its implementation.

With the predominance of shareholder power much has been written about the risk of short-term gains, a lack of accountability and exponential rises in executive pay (Abel, 2010; Grosser, 2009; Herzig and Moon, 2013; Kemper and Martin, 2010; Semmler and Young, 2010). Distrust of corporations and big business was such that governments succumbed to pressure to reverse light touch regulation (Buiter, 2009) and to intervene in mortgage markets, loans and tighter governance in general (Nau, 2013). These issues moved the debate on CSR full-circle resurrecting several of the ideas put forward by Follett. These include the wider commitment of business to the common good and not simply through wealth trickling down, which is something that recent research suggests does not happen (Brodie, 2014). Currently the discourse on CSR takes place against a backdrop of the fragility of business and the pressure to find savings and boost competitiveness. Yet, Harwood, Humby and Harwood (2011) found that CSR was expected to be safeguarded by corporations, which resonated with Brooks (2010) who called for a more confident approach to defending CSR. Framed in the sociological concepts of Weber (1930) and Polanyi (1947), Brooks’ argument was to take the debate beyond the business case and into the realms of values and social capital. By avoiding the predominance of economic activity that subordinates society, the confidence called for by Brooks (2010) was addressed in some remarks by Scherer, et al (2014). They pressed for the reassessment of the norms that govern property rights, self-regulation of markets and the risks that span the globe that cannot be addressed nationally. These thoughts were brought together by Brugmann and Prahalad (2007) who proposed a new social compact between business and society. The issue of the practicalities of a model to take forward a new compact presented another challenge for CSR scholars.

3.4.7 Consumer and management standards for CSR
A new rationale for CSR models was called for by Jane Claydon (2010), who posed that early models of CSR, typically Carroll’s pyramid (1991), fell short of
what was needed to guide thinking to accommodate modern business and socio-economic practices. Claydon (2010:405) proffered a ‘consumer-driven corporate responsibility’ model: CDCR, which identified consumer demand as an effective driver of CSR. More recent research by Morven McEarchen (2015) on consumer moral decision making, illustrated the difficulty in defining the extent of the advantage of socially responsible products. Like Follett, McEarchen identified the importance of educating the public about standards in business. With particular reference to the Fairtrade Foundation, McEarchen called for transparency when she proposed that consumers asserted their collective power to bring about universal change (McEarchen, 2015:446). In response to moral decision-making by consumers and businesses, Dominic Barton (2011) of McKinsey Consulting, referred to the type of manipulation by big business that Follett had described. Barton called for long-term, community sensitive business strategies that encompassed objectives that were inclusive, socially orientated and distributed wealth fairly. The emergence of the B Corp movement aims to give approval to companies that adhere to the type of standards described by Barton (www.bcorporation.net). As major corporations sign up to B Corp the opportunity could be presented for business and the public to measure corporate behaviour against set standards (Confino, 2015). However, B Corp and the proposals of Barton would be led by the executive and lack detail as to how a manager could implement these standards (Barton, 2011).

One way in which to take forward Barton’s philosophy would be to standardise the profession of management, a topic that has received increasing attention, especially since the global financial crisis and attendant corporate scandals (Follett, 1941:132-139; Herzig and Moon, 2013; Lauesen, 2013; Windsor, 2013). Armstrong and Green’s (2013) contribution to the debate offered an individual company approach to create a professional code that would require managers being trained to understand and implement a stakeholder approach (Armstrong and Green, 2013:1927). Nita Nohria, the current dean of Harvard Business School, called for a model aligned to Follett’s idea of a universal standard for managers (Khurana and Nohria, 2008). Other notable protagonists in the field of management education agreed and included suggestions that MBA graduates take an oath of ethical behaviour (Anderson and Escher, 2010; Aquino,
Greenbaum and Kuenzi, 2012; Podonly, 2009). Countering these opinions Barker (2010) emphatically rejected the notion that business management could be classed as a profession that would lend itself to codes of conduct. Interestingly, although without referring to Follett, Barker uses her concepts of integration (Follett, 1924:78) and the law of the situation (1941:111) as alternative routes.

Barker’s principle contention, and this is important if managers are to operationalise CSR, is that there are no clear boundaries as to what a manager does (Barker, 2010). As an alternative Barker suggests that managers should acquire skills through education and practice and integrate these skills into a body of knowledge that they apply according to the situation (Barker, 2010). In this respect, Barker’s suggestion is similar to that of Armstrong and Green (2013). Whichever view on management being a profession prevails, several academics have focused on the education of managers, particularly in business schools (Khurana and Nohria, 2008). They express their belief that such institutions have the capacity and incentive to deliver a new breed of managers (Mayer, Aquino, Greenbaum and Kuenzi, 2012; Podonly, 2009). This view (Podolny, 2009) has been the focus of international attention by way of the UN’s Principles for Responsible Management Education (PRME) which aims to shape management training and education to create responsible leadership for sustainable business (www.unprme.org). Thus some of the skills, knowledge and methods that Follett advocated are becoming part of management education (Follett, 1941:135) with the inherent ethics of her main theme of relationships beginning to be absorbed into management behaviour and education.

The likelihood of business schools being in the vanguard of CSR education was addressed by Diane Holt (2003), albeit in a limited exploratory study relating to environmental matters. However, the issue of attitudes of students and the influence of their studies on their values is highly relevant to managers being educated to be socially responsible. Holt’s findings suggested that educational institutions could have some success in changing attitudes of students towards an environmental agenda. One question that Holt evokes was the optional nature of particular modules. Given that ‘environmental issues are business issues’ (Holt, 2003:342) it was more likely that environmental topics would be an intrinsic part of
the curriculum. This notion has implications for business courses that have ethics and CSR as optional studies in that their business return may not be obvious. This topic provoked debate from scholars concerned that after the economic crisis, and associated corporate scandals, lessons had not been learnt about social responsibility (Cavanagh, 2009; Floyd, et al, 2013). Underpinning education about CSR Floyd, et al (2013) resonated with Follett by calling for the need to convey understanding of the part the individual plays in shaping the group and its activities as part of a beneficial contribution to society (Follett, 1918:316).

A vehicle for undertaking the challenge to appraise and implement global CSR could come in the form of a stakeholder group of leading European trade unions. The frameworks within which unions operated, their resources and experience, together with an inherent commitment to social issues, placed them in a strong position to become significant actors in the future of CSR according to Delbard (2011). A threat to the possibility that trade unions would help to ensure CSR comes from the demise of the power of trade unions, evidence of which was presented by Rees, Preuss and Gold (2014). Of note is the fragmentation of power identified by these authors and the varying perceptions and role of unions throughout Europe. With the challenges to the power of the trade unions comes the question of a coalition of activists to champion the cause of CSR (Preuss, et al, 2014). A notable void, therefore, has been identified by Preuss, et al (2014) with regard to a power group to drive CSR. Follett summed up the position of unions by saying that ‘it is easier for a trade union to fight than to find a better way of running the factory’ (1941:45). Extending the idea of running the factory to cooperating over CSR throws up some interesting considerations, which were discussed by Preuss, et al (2014). In so doing Preuss, et al (2014) echoed Follett in their view that trade unions needed to follow her advice and find a ‘new principle of association’ (1918:279). Any new association would have to take into account the longer term and to view their role as part of a greater movement in society in partnership with business. Such sentiments are identifiable in recent proposals from WEF (para 3.4.1). Given that philosophies are converging into what Follett envisaged as an ideal situation of cooperation working towards the long-term
good, CSR may be evolving into its next stage, which was what Follett always expected when she wrote:

‘I think business management by far the most interesting human activity at present, because we are pioneers, because we are working out something new in human relationships, something that I believe goes to the very bottom of the whole question and is going to be of great value to the world.’ (Follett, 1924:249)

The notion of partnerships between interested parties, such as NGOs and unions, resonates with those in power urging citizens to take on more responsibilities for themselves and their communities. Yet, standards in major public bodies that should be the vanguard of social responsibility have not always proved to be exemplars organizational behaviour. The lack ethical and decent human behaviour that emerged following a range of scandals in the UK’s public organizations such as the BBC, NHS and other civic bodies do not augur well for the future of CSR (Francis, 2013; Smith, 2015). However, these scandals may lead to more research in relation to standards and social responsibility in public and quasi-public organizations particularly given the imperatives placed on large, publicly-funded purchasers (Walker and Preuss, 2008). In turn this may lead to a new, unified, publicly-driven CSR initiative and one that would benefit from the clarity of a contemporary definition and framework.

Without a framework of comprehensive codes of conduct, standards of behaviour vary across the country and between organizations, thus echoing the continuing cry for a definition and clarity of CSR (Okoye, 2009). Admittedly it is largely scholars calling for a definition of CSR and an end to ambiguity, but it could be a hurdle that prevents the wider adoption of a concept, implemented with the best intentions, and with authentic benefits to society (Schrempf, 2012). Adding further obfuscation is the difference in attitudes to CSR across cultures. Even in the relatively mature CSR environment of Western Europe and North America, the emphasis differs with a more philanthropic approach adopted in the US. This is attributed to well-established welfare models in Western Europe providing a more effective social safety net (Matten and Moon, 2007; Sison, 2009). On the other hand, the confusion over what constitutes CSR adds to the strength of Follett’s argument that each manager should simply take on responsibility to safeguard society according to standards and codes of management (Follett, 1941:132).
applying Follett’s concepts to identify common interests and to integrate them for everyone’s long-term benefit, MSR would be possible and it would not require a universal definition. Moreover Follett’s methods, which focus on the skills of managers to personalise an obligation towards social responsibility, set out practical steps to implement it.

Whether or not new models will solve the enigma of what defines CSR, is impossible to assess. Part of the difficulty is the volatility and change in the world of business. The proposals of Barnard (1938) and Bowen (1953) were grounded in the times when corporations were more likely to be owner-managed by someone with close ties to their communities, often with strong religious commitments and within clear social structures. In some ways it was easier to devise retrospective models that were based on observations of a slowly changing environment. Paradoxically, whilst technology is available to devise new and better informed concepts that anticipate changes that same technology accelerates the pace of changes so that models, concepts, frameworks, and strategies will continue to lag behind what may be needed.

3.5 CSR and Mary Parker Follett

Interpretations of CSR literature in this review range from the extremes of viewing it as an unfair tax on shareholders (Allison, 2012; Friedman, 1962, 1970; Henderson, 2005; Levitt, 1958; Sternberg, 2009) to a willingness to help the neediest and protect the planet, even to the possible detriment of profitability (Jeurissen, 2000; Scherer and Smid, 2008). The middle view includes using CSR as a marketing opportunity or a smokescreen to hide less salubrious activities (Crane, et al, 2008; Nijhof and Jeurissen, 2010). The differences within the body of work relating to a definition for CSR, provides useful ammunition for its detractors. However, the nucleus of CSR themes evident from the literature review was captured by Crane, Matten and Spence (2008:7-8) and comprises six core characteristics which are summarised below.
3.5.1 CSR: Core characteristics

1. The ‘voluntary’ nature of CSR; this aspect is emphasised frequently but could be said to be a defence against regulatory imposition.
2. ‘Internalizing or managing externalities’; for example, bearing the costs of pollution.
3. ‘Multiple stakeholder orientation’ is concerned with broader aspects relating to a firm. This goes beyond those who have a financial stake to encompassing the wider community.
4. ‘Alignment of social and economic responsibilities’ presents the idea that a balance has to be struck between enlightened self-interest and ensuring that CSR does not jeopardise the economic viability of a company.
5. ‘Practices and values’ create considerable debate and concern the motives of companies. The underlying values and philosophies of a company are brought under scrutiny and inconsistencies and challenges to integrity can be the cause of much soul-searching.
6. ‘Beyond philanthropy’ highlights the expectations that have grown about the role and contributions business makes to society. Furthermore, there is a consideration to be addressed around CSR becoming an integral part of core business strategy.

(Based on Crane, A., Matten, D. and Spence, L., 2008 Corporate Social Responsibility. Abingdon: Routledge)

Those characteristics identified by Crane, et al (2008) fall short of Follett’s philosophy about business behaviour. Notably, using business and, more specifically, business management to develop and drive social prosperity was not included in Crane, et al’s (2008) summary of CSR characteristics. This is not surprising given that Follett’s radical view is more in keeping with highly innovative and socially focused businesses that were created to serve a social good, such as Ben & Jerry’s (Galbreath, 2009; McWilliams and Siegel, 2001). However, as such companies remain in a tiny minority they do not qualify for inclusion in a general snapshot of characteristics of CSR.
Six categories of CSR

Moving to more specific categories within the overall characteristics of CSR (Crane, et al, 2008), and illustrating the relationship to Follett's concepts, a table is presented at table 3.5.2.1. Here CSR has been broken down into six main categories showing the relationship to Follett's concepts of power-with, integration, coordination, and the law of the situation. Operationalising all these concepts relies on the vision and the influence of managers leading organizations and brings into play the role of the invisible leader, which is referred to where relevant. The CSR categories are: ethics; political; instrumental; corporate citizenship; post-financial crisis; and integrative. However, categories have common areas and there is overlap and interconnections between all six.
<table>
<thead>
<tr>
<th>CSR Concept</th>
<th>Mary Parker Follett</th>
<th>Ethics</th>
<th>Mary Parker Follett</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethics</strong></td>
<td>Ethical framework: the common good, social justice, accepted ethical manner, and feminist theory.</td>
<td>Ethical framework: Business management involves a moral duty to</td>
<td>Ethical framework: Business management involves a moral duty to</td>
</tr>
<tr>
<td></td>
<td>Human development with business made virtuous behaviour, longer-term prosperity for all.</td>
<td>the ‘give and take of life’ (Follett, 1941: 133). Business is an</td>
<td>the ‘give and take of life’ (Follett, 1941: 133). Business is an</td>
</tr>
<tr>
<td></td>
<td>(Bowen, 1953; Barnard, 1938; Frederick, 1960, 2000; Freeman, 2000; Grosser, 2013; Mele, 2012)</td>
<td>essential function of society; it should not make profits ‘at the</td>
<td>essential function of society; it should not make profits ‘at the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>expense of public good’. (Follett, 1941: 133)</td>
<td>expense of public good’. (Follett, 1941: 133)</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td></td>
<td>Political</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporations, organizations (eg NGOs) control markets.</td>
<td>One part of an organism or society exerting control over the others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Globalization diminished nation-state power. Corporations took advantage of weak governance.</td>
<td>will not be sustainable. Democratic participation means rights and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Davis, 1960, 1967; Donaldson and Dunfee, 1994; Matten and Moon, 2008; Scherer and Palazzo, 2011;</td>
<td>influence for the individual and group benefit (1941:61) Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scherer, Palazzo and Matten, 2014)</td>
<td>should be a profession with codes and standards above political</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>influence.</td>
<td></td>
</tr>
<tr>
<td><strong>Instrumental</strong></td>
<td>CSR as a resource and/or competence for business competitiveness. Philanthropy focused on core business.</td>
<td>instrumental</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bottom of the pyramid.</td>
<td>Workers, management, and community on the same side. Business displays</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate citizenship</strong></td>
<td>Social and discretionary role of business administering rights of citizenship for stakeholders and wider</td>
<td>Managements, citizens, trained to judge facts, combine informed opinion with their experiences to reach the best decisions and jointly grow ‘power-with’. Co-operation and integrating experiences form the foundation for ‘human welfare.’ (1941:140)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>community. Corporations not governed by the same accountability to citizens as elected governments.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Logsdon and Wood, 2002; Matten and Crane, 2005)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Post financial crisis</strong></td>
<td>Public mood and antipathy toward companies receiving bail-outs, puts state in control. Compensation</td>
<td>Business should be conducted with the aim of advancing human welfare</td>
<td></td>
</tr>
<tr>
<td></td>
<td>to executives undermines business models and monetarist and liberal economic policies. Tax avoidance</td>
<td>and benefitting all society. The blossoming of the individual unifies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>illustrates a lack of integrity of big corporations; changing to stakeholder approach is more</td>
<td>for the advancement in society. Circular response leads to the ‘fullest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>compatible with CSR. (Abel, 2010; Herzig and Moon, 2013; Kemper and Martin, 2010; Freeman, 2010;</td>
<td>contribution’ from everyone (Follett, 1941:83). Managers integrate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lauesen, 2013; Martin, 2002; 2010; Windsor, 2013)</td>
<td>wider society supporting foundations for community and capitalism.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business and society should look to the ‘long run’. (Follett, 1924:39).</td>
<td></td>
</tr>
<tr>
<td><strong>Integrative</strong></td>
<td>Stakeholders and others with more than a financial interest. Encompasses wider community. Integrated</td>
<td>The public are educated by management about ethical, moral, and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>aspects of economic, ethical, social, and environmental considerations. (Donaldson and Preston, 1995;</td>
<td>economical expectations. Business leaders develop leaders in wider</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Freeman, 1984; 2010; Wartick and Cochrane, 1985)</td>
<td>society; they create a vision for a democratic relationship between</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>business and society (1970:1) ‘Power-with’ in a common purpose, works</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>towards the long term perspective (1941:114). Business contributes to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>the ‘development of man’ (1941:141)</td>
<td></td>
</tr>
</tbody>
</table>
3.5.2.2 CSR: Ethics

In this category, the morality of how business operates is considered (Crane, et al, 2008). Barnard (1938) envisaged morality becoming embedded in society by ensuring that everyone – especially employers and workers – shared a spirit of cooperation and agreement whereby members of society acted within a framework of ethical consensus and acceptable behaviour (Enomoto, 1995). This framework encompassed an assumption that the relationship between corporations and society was based on promoting the common good and social justice. In this respect, business should pay heed to the needs and rights of all those affected by its activities and upon whom it depends (Barnard, 1938; Bowen, 1953; Drucker, 1955; Frederick, 1960; 2000; Freeman, 2000; Handy, 1989, 2002).

The concept of common good, derived from the work of Aristotle (Ackrill, 1981), forms part of the basis of ethics in business (Garriga and Mele, 2004). More recent work on ethical CSR takes a feminist perspective and looks to amalgamate feminist management theory with CSR (Roberts, 2012; Thompson, 2008). The impetus for taking a feminist view of CSR has been largely the result of the financial crisis 2007/8 and the call for less macho and more long-term and prudent business practices (Grosser, 2009). These ideas sit well with Follett who looked beyond seeing ethics and other moral decisions of management as being more than ‘duty’ (1918:57). She wrote,

‘There is now emerging an idea of ethics entirely different from the altruistic school, based not on the duty of isolated beings to one another, but on integrated individuals acting as a whole, evolving whole-ideas, working for whole-ideals. The new consciousness is of a whole’ (Follett,1918:57)

Overall, however, the ethical approach to CSR is primarily concerned with values that extend beyond treating people well for the sake of economic results (Garriga and Mele, 2004; Mele, 2012), Follett expected ethics to part of a power-with and integrated relationship with society. Follett’s ideal relationship would constantly evolve and bring about a new understanding which would require business management to set out and apply a vision of responsibility for advancing human welfare (Follett, 1941:140). Where Follett differs with ethical CSR is its conceptual, abstract nature that offers little in the way of practical advice to operationalise it. Nevertheless, she shares her fundamental philosophies with
ethical CSR because at the heart of these values lies the humanity within the relationship between business and society.

3.5.2.3 CSR: Political
Corporations and organizations, such as non-governmental organizations (NGOs), accumulate power, which they strive to use responsibly to actively regulate and control markets. Globalization has led to nation-state power being diminished with corporations taking advantage of weak governance (Matten and Moon, 2008; Scherer and Palazzo, 2011; Scherer, Palazzo and Matten, 2014). However, in such states, the legitimacy of corporations is dependent on codes and corporate governance that may have superior moral validity and levels of democracy (Scherer and Palazzo, 2011).

Follett’s views on codes and responsibilities of business management are applicable to the concept that such codes may be superior to those of the nation state. This is because they are grown from participation of individuals working as a group (Follett, 1941:146). A dynamism and flexibility exists within business that is capable of responding in the spirit of ‘collective creativeness’ (Follett, 1941:94) and according to the law of the situation. Follett considered that the state, business, and community must see their roles as part of an integrated whole working for the common good; the process is never complete and complacency is the enemy of democracy. In the process of building power-with relationships it should be appreciated that

‘It is in our power to win our freedom, but it must be won anew every moment, literally, every moment.’ (Follett, 1918: 72)

Applying her concepts to political CSR, Follett’s approach would be to understand the constantly evolving nature of the relationship between business and society and to be wary of ‘big business’ and its ‘extra-legal methods’ (1918:167). However, the faith that Follett had in management would provide some optimism that business could be harnessed for the betterment of society and the implementation of CSR as a responsibility of each manager. The relationship would be grown by coordination to establish contact at the most appropriate levels and continually develop trust and power-with to create diversity and new ideas.
3.5.3.4 CSR: Instrumental

When economic strategies incorporate social engagement, the result is instrumental CSR, which refers to corporations looking to the concept of enlightened self-interest to legitimize CSR and seek a business case to justify their actions (Carroll and Shabana, 2010; Nijhof and Jeurissen, 2010; Porter and Kramer, 2002; 2006). Looking to new markets the extreme social needs of the world’s poor, and the social responsibilities of business towards them, became part of the strategy known as the ‘bottom of the pyramid’ (Prahalad and Hart, 2001). Therefore, for those corporations using their skills and knowledge for socially responsible activities, there are prospects of tangible and intangible economic returns (Crane, et al, 2008; Drucker, 1974; Porter and Kramer, 2002, 2006, 2011). However, the manipulation of CSR to promote brands whilst companies engaged in less salubrious or illegal activities – described as ‘Enron Ethics’ – has discredited the concept for many (Sims and Brinkmann, 2003:243).

Follett’s belief in democracy and the role of business management in promoting democratic engagement would make her reject the business case for CSR. She wrote

‘If I pledge myself to the new democracy and you pledge yourself to the new democracy, a new motor force will be born in the world’ (Follett, 1918:33)

This quote exemplifies Follett’s philosophy of reciprocal relationships wherein working through the group, energy is synergised to produce power-with that can change society. Each case follows the law of the situation and the needs of those most affected are taken into account at the earliest stage. Moreover, the corporation should promote power-with through management engaging with the wider community and building capacity to achieve wider, long term goals. Thus building the relationship between business and society is what should motivate corporations towards CSR and not the lure of competitive advantage of the business case.
3.5.3.5 CSR: Corporate Citizenship

As a notion, corporate citizenship (CC) purports that companies display the behaviours expected of a responsible citizen (Logsdon and Wood, 2002; Matten and Crane, 2005). However, the corporate citizen differs from the individual and SME citizen in that there are occasions when the corporate citizen could assume the power of the state (Matten, Crane and Chapple, 2003). This notion would be contrary to what Follett advocated insofar as the concept of integration would not place corporations on one side with power over the other. Instead Follett’s approach would be situational and integrate interests whereby all citizens coordinate skills and expertise. Follett’s study of biology prompted her to write,

‘An effective organism functions by integrating its components for the greatest benefit and is never complete but is always reaching forth for union’ (1918:65)

Applying this metaphor to that of the corporate citizen, Follett’s approach would be to identify ‘interlocking responsibility’ and integrate the interests of corporations, citizens, the state, and all stakeholders for optimum benefit (Follett, 1941:151).

3.5.3.6 CSR: Post-financial crisis

The world financial crisis of 2007/8 fuelled a growing public mood for greater regulation which saw the state back in control of safeguarding, partially prompted by antipathy towards companies appearing to receive charity in the form of bail-outs (Abel, 2010; Barton, 2011; Herzig and Moon, 2013; Kemper and Martin, 2010; Lauesen, 2013; Windsor, 2013).

In this respect, Follett would probably consider the current financial crises and challenges to the validity of CSR and capitalism as a natural part of an evolutionary process from which lessons should be learnt. Writing about the responsibilities of business managers, she said

‘We have a problem here to think out. We have to discover how far each one concerned has contributed to the failure or partial failure, not in order to blame, but in order to learn all we can from this experience’ (Follett,1941:151)

Follett’s advice would be to involve all parties to participate in an outcome of benefit to the whole. To Follett it appeared that during crises there was a great
temptation to take the easy way, which was to fight; however, not fighting but integrating differences involved much harder work.

In anticipation of an evolved CSR, lending credence to business and capitalism, indications are that there will be continued calls for control of corporations, which the wider community will expect to see implemented (Abel, 2010; Herzig and Moon, 2013; Kemper and Martin, 2011; Martin, 2010, 2011; Scherer, Palazzo and Matten, 2014). In the past the responsibility has been placed on corporations as a collective, or at least as a board of directors. By absorbing Follett’s teachings to extend CSR, each manager would be in the vanguard of social responsibility so that MSR would offer an accountable model which would be understood by wider society and placed in the hands of managers to advance.

3.5.3.7 CSR: Integrated
Freeman’s work on stakeholder management (1984, 2010) informed his division of CSR into ‘residual’ and ‘integrated’ categories. These bear similarities to Follett’s ideas on relationships, integration, power-with, coordination, and the law of the situation. The notion that interactions between stakeholders, companies, and others - such as governments - alters all sides through constantly changing relationships, Follett referred to as ‘circular response’ (Follett, 1941:194). In terms of advancing CSR theory as MSR, this fact is important because the manner in which corporations respond to stakeholders affects the relationship between the two sides, which in turn impels stakeholders to behave in a particular way (Freeman, 2010; Donaldson and Preston, 1995; Schilling, 2000). This reciprocal influence goes on to lead to sides to ‘respond to stimuli’ that they have created (Follett, 1941: 194). Managers will need to possess the skills and awareness of their role in the continual process of MSR and be able to manage evolving relationships between business and society (Follett, 1941:146; Hemingway and Maclagan, 2004).

The relevance of integrated CSR to the works of Follett is interesting and exemplifies her foresight in relation to a key CSR concept; these are set out in table 3.5.3.8
Table 3.5.3.8 CSR: Residual and integrated approaches compared with the concepts of Follett

<table>
<thead>
<tr>
<th></th>
<th>Integrated CSR, Freeman (2010:258)</th>
<th>Follett</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR Definition</td>
<td>Integration of economic with ethical, social, and environmental decision-making criteria</td>
<td>Business should be a 'social agency' (1941:131). The adoption of reciprocal service' connotes self-sacrifice, motivates individuals and is a social asset (1941:133)</td>
</tr>
<tr>
<td>Stakeholder Focus</td>
<td>All stakeholders have moral standing</td>
<td>Proliferation of relationships through a process of integrating interests and looking to the longer term (1924:78).</td>
</tr>
<tr>
<td>Economic Focus</td>
<td>Value creation</td>
<td>Work is motivated by service, personal development and creativity as well as profit (1941:144).</td>
</tr>
<tr>
<td>Purpose of CSR</td>
<td>Contributes to the overall success of the corporation</td>
<td>Individuals are developed to contribute fully to the advancement of society; this includes life-long learning and empowering individuals to make a contribution to help themselves and society through education, training and wider opportunities. This amounts to more than financial gain for workers and employers alike (1941:304).</td>
</tr>
<tr>
<td>Business model</td>
<td>Building partnerships with stakeholder groups</td>
<td>Stakeholder theory is managerial, it includes a moral perspective on a management duty to all society (1941:183).</td>
</tr>
<tr>
<td>CSR processes</td>
<td>Stakeholder engagement</td>
<td>Managers operate by a code of conduct, which is understood by the wider community who have been educated by management to know what standards to expect (1941:135).</td>
</tr>
<tr>
<td>CSR Activities</td>
<td>Integration of ‘non-financial reporting’ into traditional corporate reporting</td>
<td>The practical impact of business on communities is enabled by collective efforts of stakeholders, thus strengthening the moral case for business. Exchanging skills, experiences and information develop power-with and capabilities (1941:143).</td>
</tr>
</tbody>
</table>


3.6 Integrative CSR and Follett

Thus of all the categories of CSR, integrative CSR – based on Freeman’s stakeholder theory and integrated CSR (Freeman, 2010) - contains the most resemblance to Follett’s ideas. The difference is that Follett takes a highly proactive and anticipatory stance and puts the onus on all society to participate for the greater good. In her words,

‘The community itself must grip its own problems, must fill its needs, must make effective its aspirations’ (Follett, 1918: 235).

The inclusivity, envisioned by Follett, inherent in stakeholder theory together with its adaptability are aspects of human nature that have contributed to the advancement of society (Schilling, 2000). As such integrative stakeholder theory offers a good starting point to extend CSR into MSR. Where the corpus of work is lacking is on guidance to managers on its implementation. Even though Freeman proposes greater democratic participation in corporate decision making (Freeman
and Evan, 1990), full participation for stakeholders to integrate towards MSR would involve them in the developmental stage prior to reaching decisions (Schilling, 2000). If this level of participation were to be accepted it would be necessary for managers to possess the skills to identify, engage with, and develop capacity to give stakeholders true power in the relationship between business and society (Follett, 1941:100).

Expanding the awareness of the fundamentals of integrative theory into looking at those relationships between all parties, whether in communities, businesses or nations, made sense to Follett because integration could synergise creativity through ‘collective self-control’ (1941:307). This would happen through integration forming relationships which unified others in a ‘constellation of relationships’ (Eylon, 1998:20). Creating these relationships, Follett believed, gave individuals the ‘chance to grow capacity or power for themselves’ (1941:108). This is where Follett differs from CSR scholarship. Follett considered that simply opening up opportunities to wider society, or broad stakeholder groups, was not enough. Those with power, particularly business managers, should equip individuals with the skills and capabilities to grow power and be prepared to relinquish power in a ‘power-with’ relationship (1941:100). As such there was a fundamental difference between Follett’s power-with relationship and integrative theory. The latter implied an obligation of business in relation to its impact on communities. This impact would be the result of collective efforts of internal and external stakeholders and would strengthen the moral case for business (Follett, 141:132). In the process expertise and experience could be pooled to advance a relationship that benefitted all sides so that interests would be integrated to produce durable solutions to problems.

3.6.1 Integrative CSR in action

Follett saw power-with being grown through business management practices in her school and community centres where individuals were developed to achieve their potential both in and out of the work-place. A recent example of this Follett’s ideas comes from Thomson Reuters in their account of an anti-logging initiative in South East Asia. Here a novel method is being pursued whereby managing
forests sustainably advances the idea of equipping people living in the forest with the skills to make decisions about their environment because they are the ‘experts’ (www.reuters.com/article/2015/07/14/). By addressing the education and involvement of people in the forest they are placed at the centre of decision making. This approach to sustainability features Follett’s notion of coordination as an extension of the relationship between business and society, facilitated by educating the public, which goes beyond the integrative theory of CSR (Follett, 1941; Freeman, 1984, 2010; Mawer and Crotty, 2013, 2015).

3.6.2 Summary

Power-with, integration, coordination, and the law of the situation, which take place as a result of effective leadership, are all present in those CSR concepts that have led to progress between business and society and are evident in ethical CSR. Integrative CSR theory is the closest to Follett’s idea of a productive and mutually beneficial relationship between business and society. By containing elements of Follett’s four concepts integrative theory is the closest to her idea of management’s part in advancing human welfare. Whilst to a lesser extent, corporate citizenship and political CSR involve engaging with wider society, albeit not always with unselfish motives on the part of business, Follett’s notion of the law of the situation is discernible. Similarly, instrumental CSR and the business case incentive for CSR of necessity use the law of the situation to identify the nub of the issue that corporations see as being an area where business can engage with society. The best examples being causal marketing or Porter and Kramer’s (2006) strategic approach based on core business issues. However, the self-interest of the instrumental case, would be anathema to Follett and would not be the foundation for a power-with relationship in which interests would be integrated for the long-term benefit of all sides.

3.6.3 Main themes, categories and approaches

Two main themes emerged from this literature review. The first is that CSR has tended to remain an academic preoccupation of which use has been made by the executive of organizations for strategic purposes. In the process, several strands of CSR have developed that have contributed to improvements in society; in particular environmental and consumer awareness has helped to drive up
standards in corporate behaviour. Secondly, of all social issues in management, CSR has been the least delegated and if it is, the marketing department is usually where responsibility is transferred; even then it is without executive decision making powers.

More specific points from the literature review are set out below and they fall into three main areas. The first of these relates to the individual manager on the front-line of operations whose role in operationalising CSR has not been addressed with the same detailed research, analysis and guidance as other social issues in management. Secondly, the organizational response to CSR appears to be understood as an essentially voluntary and optional commitment and is open to interpretation and even misappropriation, especially by the leadership and executive. The third main area is a macro perspective on what management should be committing to in terms of a profession with standards and codes of conduct, which make a beneficial contribution to society. Overall the main issues identified in the review in relation to advancing CSR as MSR and using Follett’s concepts as a guide, are as follows:

- As CSR theory has evolved so too has the range of elements that comprises the theory leading to a vagueness of definition and contention about usefulness of CSR.
- In spite of considerable scholarly work on CSR as a concept, there is little in the way of guidance on the practical application of CSR and the implications for managers.
- Although seen as managerial in nature, engagement with CSR has tended to depend on the commitment of the executive and something which can be optional.
- Stakeholder theory extended the concept to involve a range of different parties and organizations and informed the formulation of integrative CSR.
- Integrative CSR has the most in common with the concepts of Follett.
- By synthesising Follett’s concepts with integrative CSR, MSR is proposed which addresses the anticipated needs of business and society.
- Lessons from other social issues in management demonstrate that successful implementation depends on leadership committing to equipping and empowering managers with the skills to implement MSR.
• The role of champions is a significant factor as is a vested interest in the case of women’s attitude to CSR and wider management practices.

• The practical guidance of Follett fills a gap in literature and guidance available to managers operationalise CSR as MSR using her concepts of power-with, integration, coordination, and the law of the situation.

• Overall, as illustrated in figure 3.6.4, the main topics that CSR literature addresses fall between the approach of an organization and the way in which the approach is embraced by individuals operationalising it. The span of commitment ranges from high engagement to low engagement.

• Within the two main categories of organizational and individual commitment the way in which policy is implemented falls into three main options. These options range from inhibiting CSR to proactive engagement with neutral behaviour as a mid-point.

• When examining Follett’s work in relation to the range of approaches to CSR, her ideas extend the concept to one where managers and organizations operate as a social function through the conduct of business.
Table 3.6.4 Summary of the range of approaches to CSR

<table>
<thead>
<tr>
<th>Follett Management as a social function</th>
<th>Proactive Full social responsibility; anticipatory</th>
<th>Neutral Instrumental; business case</th>
<th>Inhibiting Minimum legal requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management skills advance society, build democratic participation</td>
<td>Based on values; maximum commitment</td>
<td>Contractual requirements; company policy</td>
<td>Low priority</td>
</tr>
<tr>
<td>Educate the public about standards and practices</td>
<td>Identifies compatible values</td>
<td>Reactive</td>
<td>Avoidance</td>
</tr>
<tr>
<td>Integrate values/interests for long term good</td>
<td>Promotes values</td>
<td>Passive</td>
<td>Counter-productive; obstructive</td>
</tr>
</tbody>
</table>

Organizational approach to CSR

3.6.5 Operationalising MSR

Drawing parallels with equality and diversity, health and safety and other advances in management, there is little in the way of a cohesive set of guidelines for CSR. This lack of clarity, together with the issue of definition, may have prevented CSR being taken up by managers to operationalise. In comparison, the progress of equality and diversity was boosted when managers were trained to understand and deliver practice and procedures and to cascade awareness and responsibility downwards. This included identifying competences that would increase gender diversity in leadership as well as equipping leaders with coaching to develop more leaders (Kandola, 2004). Initiatives such as the ‘two ticks’ symbol indicating a positive approach to disability, whilst having mixed reviews and outcomes, raised awareness that there was a movement of social responsibility to which organizations subscribed (Hoque, Bacon and Parr, 2014). Admittedly
legislation underpinned basic equality requirements but many organizations went further and instituted organizational learning programmes to ensure that they achieved far more than the minimum standards.

Of those that blazed a trail for equality and diversity, research indicates that leadership was the catalyst to changing attitudes and engaging with the concept. However, for optimum results leaders have to create an environment where action is ‘mutually reinforcing’ across all levels and strategies (Priest, et al, 2015). Thus for CSR to become MSR and be articulated across and beyond organizations into wider society, the techniques advocated by Follett come into play. These are to equip managers with the skills and capabilities to promote power-with internally and externally and to use the power that is grown to introduce new ideas into developing the relationship between business and society. Managers would take on issues of conflict between business and society and identify common interests and integrate them to produce something inventive, novel and for the greatest mutual benefit. More specifically, managers would be trained to promote MSR and the relevant concepts of Follett within their workplace so that MSR could become embedded in the ethos and values of the organization. This would be accomplished by following Follett’s process for coordination and maintaining contact at the most appropriate levels internally and externally. In so doing new and conflicting ideas would emerge and any conflict would be regarded as a positive phenomenon which would produce diversity and more new ideas. At every turn the law of the situation would guide managers to find the nub of any problem or challenge and the pertinent facts isolated which would be examined and integrated into an acceptable and creative solution. An essential element would be enabling managers to educate the public about their role in advancing society in a power-with relationship with business.

3.7 Conclusion

This literature review illustrates the journey that CSR theory has taken and how it has established its validity as a necessary function of society, albeit with various levels of commitment and understanding. Ultimately fluid and difficult arguments flow from the debate about obligations to CSR and Follett’s view that business
management is central to the advancement of human welfare (Graham, 1995). Follett saw management as a permanent and beneficial function of business and society, which reinforces Archie Carroll’s call to establish durable, ethical corporate standards and for educators to teach managers what constitutes moral, amoral, and immoral conduct (Carroll, 2003, 2012). During the early 1900s, Follett railed against ‘the evils of big business’ (1941:39). A situation recognisable today with tensions stemming from public and private sector scandals, prompted her to write, ‘we simply had no machinery adequate to our need.’ (Follett, 1918:167). Follett reflected that the machinery needed was obtainable through relationships between individuals, whether in business, public organizations, politics, or the community. These relationships empowered managers to bring a human dimension into the dealings that affected the lives of others. Fundamental to empowering managers is the vision of the leadership, or the ‘invisible leader’ (Follett, 1949:1, 1970:37-39). Calls to perpetuate management as a profession, which operationalises MSR, need to be predicated on humanity, which incorporates a systematic awareness for dealing with conflict and challenge (Carroll, 2012; Windsor, 2013). Advances in CSR theory that have assisted managers to understand CSR have set out frameworks (Carroll, 1974, 1979; Freeman, 1984, 2010; Sethi, 1962). However, frameworks, concepts and models have given little to help managers cope with conflicting forces between business and society. It is in the area of conflict resolution that Follett’s concepts of integration, power-with, coordination, and the law of the situation have stood the test of time (Barclay, 2005; Berman and Van Buren, 2015; Graham, 1995; Heon, et al, 2014; Mawer and Crotty, 2013, 2014, 2015; Tonn, 2003).

Follett’s appreciation of ‘the full advantage of diversity’ (1918: 308), which contributed to a rich mix, integrating ideas and talents, has been emulated by leading organizations to their benefit (Kanter, 2011). However, the assessment of the causes and responses to the world financial crisis suggest that lessons have not been learnt and adopted. Those narrow, mostly male, elites that ran the institutions blamed for reckless mismanagement are continuing to operate with the same lack of diversity and openness (Abel, 2010; Grosser, 2009; Herzig and Moon, 2013; Kemper and Martin, 2010; Roberts, 2012; Windsor, 2013). The process for opening organizations to diverse and creative ideas was addressed by
Follett almost a century ago. Furthermore, Follett offers a woman’s perspective on long-run, sustainable business methods and gives practical advice on how to encourage participation, grow power and, by educating the public, to create a climate where MSR would be understood. Writing about Follett’s philosophy, B. S. Rowntree said that following Follett’s principles, ‘…would ensure a stable foundation for the steady, ordered progress of human well-being’ (Metcalf and Urwick, 1941:7).

Driving this progress would be management as a profession engaged in a continual process of building relationships and coordination of interests but, in order to begin the process, an idea of where managers stand on CSR is needed. Up to now, there has been minimal attention paid to this issue.

The call for CSR 4.0 (Ahen and Zettinig, 2015) and an end to old CSR (Frederick, 1994) may require a foundation that was established by Follett, tested in her community work and honed in her association with academics, business people, trades unions, and the League of Nations. Whilst acknowledging that Follett does not provide the answer to every tribulation facing managers, acknowledging her contribution and taking advantage of her ideas may speed up the process for the advancement of CSR. Moreover, as exemplified by James E Webb (para 2.4.2), Follett offers practical advice for the implementation of her ideas to operationalise CSR and adopt it as a management obligation to become MSR.

In light of the findings from the literature review, the overall research question will be how to extend CSR theory by making it a management responsibility incumbent on each manager to operationalise as MSR using the concepts of Follett. Ultimately, the gaps in CSR literature relating to the practicability of implementing MSR as a management obligation will be identified and solutions sought. The way forward is to test out Follett’s ideas that are revealed as aligning with CSR and to find ways in which managers will take on MSR as part of their duties. Inherent in implementing MSR will be transferring the emphasis to engage with MSR from the executive to managers. This will require action across management in all sectors to raise awareness of MSR and to acquire the skills to implement it. Follett’s concepts of power-with, integration, coordination, and the law of the situation are intrinsic to MSR, therefore, it will be necessary to establish
the extent which, albeit by proxy, managers can, or already do, apply these concepts. These topics will form the research objectives and research questions in the following chapter on methodology.
CHAPTER 4

Research methodology

4.1 Overview

This chapter sets out the research methodology, which applies an interpretative paradigm to meet the aim of this research (Burrell and Morgan, 2003; Taylor and Bogdan, 1998). This aim was to extend CSR theory by making it a responsibility of each manager to operationalise. The concepts of Mary Parker Follett were combined with integrative CSR to give a practical and conceptual framework for the implementation of an extended CSR to be known as MSR: management social responsibility. In order to test the feasibility of MSR, managers were researched to assess their inclination and capabilities to apply Follett’s concepts and MSR.

4.1.2 Structure of chapter 4

The chapter begins with figure 4.1.2.1 to represent the research process.

Figure 4.1.2.1. The research process.
The research process was designed to fulfil the original aim of extending CSR theory. This aim led to an investigation of CSR theory, management theories, and the concepts of Follett so as to identify similarities and differences (figure 4.1.2.1). The process involved a literature review of CSR scholarly work, associated management theory and all Follett’s writing, which was evaluated for comparison with CSR. Testing the conclusions of the literature review led to the development of the research questions. An exploratory study was chosen to ascertain managers’ attitudes to CSR, their receptiveness to Follett’s concepts and MSR and the practicability of implementing them. As the research was intended to produce insights to develop future theory, qualitative research methods were used to obtain in-depth answers from a broad range of participants across a wide spectrum of the sectors and industries. The remainder of this chapter begins with an explanation of the philosophy of research methodology; this is followed by the concept of paradigms and the method chosen. Techniques for the research process are set out in figure 4.1.2.1 and these cover four main stages in the process. The final stage addresses the analysis and interpretation of data. The penultimate section discusses limitations anticipated and experienced and the effects on the robustness of findings are noted. The conclusion explains how the analysis of the data falls into three areas that form the basis of the three empirical chapters.

4.1.3 Original research question and objectives

The original research question sought to extend CSR theory into a sufficiently robust concept for the future of the relationship between business and society. This led to using the work of Mary Parker Follett to extend CSR as a management obligation to become MSR and to formulating the following objectives:

- To evaluate the data to establish the inclinations and capabilities of practitioners of management to operationalise management social responsibility (MSR).
- To analyse data to explore the perceived hurdles to adopting MSR as a normative management function.
- To use research findings to propose practical steps to enable managers to apply the concepts of Follett as part of socially responsible management.
To review literature and established sources of knowledge, to advance CSR theory by combining it with socially responsible theories of Follett.

A substantial part of this research was taken up by a literature review of CSR theory and practice, and relevant management theory using the works of Follett as a conceptual framework (chapters 2-3). By isolating similar elements in CSR theory and the ideas of Follett, a core group of concepts was identified. In so doing the constructs of theory and concepts were identified and their development traced. As theories and concepts evolved the motivations of organizations to engage with CSR were discussed in the literature review. Historical evidence indicated that any progress in CSR theory and practice would require management theory to advance too (Carroll, 2006; Idowu, 2011). Through questions arising from the literature review, monitoring news items, organizational reports, discussions with experts in the field, and interviews with managers, the primary issue of advancing CSR led to questions being formulated.

From the perspective of a manager, the questions were grouped into the following three broad categories:

- The first was to understand the personal point of view from managers who would be expected to consider CSR in the context of a broad range of their managerial activities.
- Secondly, to obtain opinions on organizational ethos and style from a more macro perspective.
- Thirdly to take an overview of an idea and to answer questions of a more abstract nature. In broad terms questions A – C below would be informed by a manager’s personal experience; D – F by their interpretation of organizational attitudes; and question G would be influenced by a variety of factors on macro issues of principle and policy.

4.1.3.1 Research questions:

- A) How do managers comprehend CSR and their role in its implementation?
B) If social responsibility were to be made a manager’s obligation - similar to a duty towards equality and diversity, and health and safety - what needs to be done to enable them to deliver this obligation?

C) Although by proxy, to what extent do managers deploy the concepts of Mary Parker Follett in their everyday work? These concepts are:

i) integration to deal with conflicting interests;

ii) power-with to build relationships to develop individuals and groups;

iii) coordination to create growth through diversity and shared expertise;

iv) the law of the situation to analyse and act according to the true nature of the situation.

D) Do managers have the skills to operationalise MSR by creating relationships with wider society to integrate, coordinate and share power-with, as envisaged by Follett?

E) To what extent can an organization’s leadership affect the attitudes of managers and all employees towards CSR?

F) Are there any differences between how male managers and female managers approach CSR and attendant issues?

G) What would need to be done to make management a profession with standards and codes of practice committed to MSR?

Having selected the research questions and objectives, the most appropriate method for research was assessed and chosen. The factors that influenced the decision on method are addressed in the following sections.

4.1.4 Philosophical approach to research

The objective of the research for this thesis was to make a contribution to knowledge and understanding in extending CSR theory and the applying the works of Follett. Thus the philosophy of making a contribution was paramount to methodology. Therefore, it is fitting to examine the philosophical belief in relation to understanding reality, free will and knowledge used in this study (Burrell and Morgan, 2003).
The four major assumptions about social science are the starting point for selecting research methodology. These assumptions fall into the following categories: ontological, epistemological, human nature, and methodological. These categories are summarised in figure 4.1.5 and are described below and their influence on methodological choice is explained.

Figure 4.1.5    Philosophical approach to research
From an ontological point of view that is from the perspective of the nature of being there is the assumption that the social world consists of ‘nothing more than names, labels and concepts’ (Burrell and Morgan, 2003:4) thus suggesting that structure becomes a reality by the use such names. However, the realism point of view considers that making up the real world requires accepting that it comprises ‘hard, tangible, and relatively immutable structures’ (Burrell and Morgan, 2003:4). In terms of realism, CSR is a socially constructed concept and interpreting the way it is viewed is influenced by the researcher’s background and comprehension of how they see the world. Through the use of inductive methods, the researcher is able to develop concepts and discern novel ideas from the life and work experiences of respondents (Burrell and Morgan, 2003).

Epistemology is essentially about acquiring knowledge and establishing the truth. The debate in this area is divided between anti-positivist and positivist positions. The positivist approach is similar to research methods employed in natural sciences. Thus, the explanation of the social world draws upon an acceptance that accruing knowledge generates fresh insights. The ensuing identification of systems and relationships enables new hypotheses to be evaluated (Burrell and Morgan, 2003:5). Conversely anti-positivism dismisses the validity of the observer’s viewpoint to understand behaviour (Saunders, Lewis and Thornhill, 2007).

A further consideration is the question of how much human nature is taken into account in social science theory, which leads to looking at the debate within this field that spans, on one hand, voluntarism and on the other, determinism. The notion of determinism is characterised by the view that human beings are ordained to behave in a certain way due to their environment. The antithesis of this perspective is voluntarism, which focuses on free-will and autonomy. Research on a concept such as CSR may unearth a number of influences affecting values and ethics. These could be ingrained into an individual’s behaviour and attitudes and so may be considered to be determined. Similarly, the effect of witnessing and experiencing challenges to personal values may lead to an upheaval in attitudes and an adoption of a more voluntaristic approach (Burrell and Morgan, 2003; Saunders, et al, 2007).
The fourth area of debate concerns methodology and falls into the categories of ideographic and nomothetic theory. The ideographic argument is that there is no substitute for empirical, first-hand knowledge by way of observation to validate investigation. The examination process requires the information to ‘unfold its nature and characteristics’ (Burrell and Morgan, 2003:6). The opposite view of nomothetic advocates is that using standard research tools to test hypotheses brings rigour into the process. By taking an ideographic stance, research into concepts such as CSR, philanthropy, ethics and leadership, utilise an individual’s experiences to contribute to the advancement of knowledge and development of theory.

The argument put forward by Burrell and Morgan (2003) is that there is a powerful link between the strands, which can be traced back 200 years to the early days of social science. Initially, sociological positivism was applied to study human affairs using disciplines from natural sciences and from a ‘realistic’ stance on ontology (2003:7). Supporting this concept was ‘positivist’ epistemology, adopting a ‘deterministic’ position on human nature ‘and the use of “nomothetic” methodologies’ (2003:7). In opposition is the notion of the ‘spirit’ and ‘idea’, which is the true reality (2003:7). Therefore, the emphasis is on the ‘nominalist’ approach to reality insofar as it is concerned with subjectivity whereby society is relative to the individual’s perception of it. Thus the methods for investigation in natural sciences are inappropriate. However, the opposing view of taking a ‘voluntarist’ stand on human nature, is inclined toward ‘ideographic’ methods (Burrell and Morgan, 2003), which has guided the choice of research methods for this study.

4.1.5 Qualitative and quantitative research

Qualitative research was the method chosen for this study. The methods available to address research questions are fundamentally split between qualitative and quantitative approaches. Miles and Huberman (1984) suggest that, far from being incompatible, quantitative and interpretative research are usually blended together by researchers. Therefore, both quantitative and qualitative data are frequently used in studies. The result of this blending of perspectives brings forth the need for greater clarity around the rules and methods applied to qualitative analysis. This concept is challenged by Donmoyer (1984) whose
argument surrounds the issue that, as language is the main basis for qualitative research, it is open to interpretation and manipulation and that negates the ability to answer questions empirically. The problem for Donmoyer (1984) is that the reliability of evidence is sufficiently questionable as to be of no use to interested parties seeking answers. There are, however, several rejoinders to Donmoyer’s criticism. Over time a number of safeguards and recommendations have been offered to deal with bias ensuing from the interactive nature of qualitative research (Saunders, et al 2007), and the effect that the ‘researcher’s self’ has on the interpretation of results (Dunscombe, 1998: 208). The diverse range of approaches to qualitative data analysis is recognised by Miles and Huberman (1994) who suggest a minimum standard that covers sampling, data collection, database summary, software, analytical strategies, and data supporting conclusions.

During social research the categories of ontology, epistemology, human nature, and methodology (para 4.1.4) influence the choice between quantitative or qualitative methods. When a study aims to understand and anticipate human reaction to a concept, such as CSR, which is widely interpreted with huge variations in its implementation, certain methods are inappropriate. In particular, scientific measures used in natural science are unlikely to produce rich data that advances knowledge. Yet there is no one best choice of methodology. Of importance is that the researcher has the capability, understanding and empathy with the method so as to ensure it is discharged with sufficient integrity to be robust, honest and to withstand scrutiny. The essence of sound research is that the researcher is clear about the paradigm into which their approach is located. This involves explaining their philosophical choice and justifying their methodology. These issues are considered in the following section.

4.1.6 Methodological choice

The characteristics of researching business and management, insofar as it requires an understanding of the ‘eclectic’ nature of management, presented a challenge to choosing an approach for this study (Easterby-Smith, Thorpe and Lowe, 2002:7). However, the choice between a single disciplinary or trans-disciplinary method was never an issue. This was because the researcher’s
experience in the public, private and self-employed sectors provided an appreciation of the core skills and capabilities required of management (Easterby-Smith, et al, 2002; Knights and Willmott, 1997). Thus a trans-disciplinary approach offered greater opportunity to tap into a depth of knowledge and views considered necessary to inform a subject with emotional elements, such as CSR.

4.1.6.1 Design and techniques
Research paradigms present researchers with a useful method to explore the philosophical nature of social science research (Burrell and Morgan, 2003; Saunders, et al, 2007). Thomas Kuhn’s work on clarifying paradigms includes the description that they are ‘universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners’ (Kuhn, 1996:x). Further reference by Lincoln and Guba (1985) provides a broad definition which helps to explain the term: ‘Paradigms represent a distillation of what we think about the world’ (1985:15). The views on research paradigms consists mainly of those authorities who, like Lincoln and Guba (1985) view the process as the primary influence on the researcher’s philosophical predilections thus informing their approach. Alternatively, Burrell and Morgan (2003) suggest categorising the paradigms ‘to generate fresh insights into real-life issues and problems’ (Saunders, et al, 2007:112).

4.1.6.2 Four paradigms
Burrell and Morgan’s paradigmatic categories that analyse social theory have guided this research. Applying Burrell and Morgan’s system begins by selecting one of two vertical options from sociological ‘radical change’ and ‘regulation’ (figure 4.1.6.2.1). The horizontal axis offers two further options: ‘subjective’ and ‘objective’. The choice for this research falls into the subjective, interpretive paradigm of the regulatory dimension, as explained below.
The justification for using a paradigm for this research is based on the clarity of the division between four paradigms. These are functionalist; interpretive; radical humanist; and radical structuralist (figure 4.1.6.2.1) (Burrell and Morgan, 2003:22). Furthermore Burrell and Morgan (2003) posit that researchers will be aided by this categorisation of paradigms in three main areas. The first concerns identifying and explaining pre-conceived ideas of researchers. This leads to comprehending the work of researchers in general and grasping the manner in which research is undertaken. The third aspect is to help with planning and the journey of the research process.

Prior to explaining the essence of Burrell and Morgan’s paradigms (2003:23), it should be noted that the authors intended their concept of paradigms to accommodate differing views in a particular paradigm due to an ‘underlying unity’ (2003:23). However, inter-paradigm flexibility is rare; furthermore, the four paradigms are ‘mutually exclusive’ (2003:25), thus allowing researchers to choose a paradigm based on their ‘personal frame of reference’ (2003:24). Moreover, the
four paradigms allow for the investigation of topics using ‘four sets of basic assumptions’ (2003:24).

4.1.6.3 Paradigm choice

Easterby-Smith, et al (2002) argue that management research differs from other types of research because managers seek practical outcomes that can be put into action (Easterby-Smith, et al 2002:8; Hair, Babin, Money, and Samouel, 2003). The interpretive paradigm becomes an appropriate option because the researcher is placed in the environment about which they are reporting. Thus they are ‘committed to understanding social phenomena from the actor’s own perspective and examining how the world is experienced’ (Taylor and Bogdan, 1998:3). Epistemologically, the outlook is one of pooling knowledge to advance ideas by developing relationships within a given setting. The appeal of this approach is that it gives the researcher an opportunity to see social constructs, such as CSR, through the eyes of another person. In terms of research for this thesis interpretative methods were particularly germane because building relationships, sharing ideas to create something knew through joint enterprises and knowledge was exactly what Follett advocated.

Ontologically, approaching the research from within the discipline of management, also leant itself to interpretativism with the aim of achieving ‘new insights’ from ‘deep and sustained involvement’ (Easterby-Smith, et al, 2002:46). Again the suitability of the choice was in keeping with the philosophy of Follett. Her regard for management as a profession, which had the capability to achieve great deeds, emanated from her ideas about coordinating individuals to gain from their experience and ideas regardless of their position in the hierarchy. Thus by locating in the interpretative paradigm, the researcher’s knowledge of management facilitated a better understanding of managers and their approach to, and implementation of, CSR.

Narrowing down the choice further, the interpretative paradigm offers four alternatives based on relative levels of subjectivity. These are solipsism; hermeneutics; phenomenology; and phenomenological sociology (Burrell and
Morgan, 2003:234-252). In order to justify the selection, the possible choices are illustrated in figure 4.1.6.3.1 followed by a description of the four alternatives.

Figure 4.1.6.3.1. Four paradigms for the extended analysis of social theory

![Figure 4.1.6.3.1. Four paradigms for the extended analysis of social theory](image)

The notion of solipsism characterised as belonging to the furthest extent of individual subjectivism, (Burrell and Morgan, 2003:235) has not been employed in this research. The reason is that solipsism implies ‘that the world is the creation of the mind’ (2003:238); therefore, conceding that management research is of a practical nature based on the realities of organization, the school of thought is inappropriate to this thesis.
Phenomenology, in the context of the interpretative paradigm, comprises two strands: transcendental and existential phenomenology. The former is commonly associated with the work of Edmund Husserl (1946) which deliberated upon how phenomena are comprehended in our minds without regard to the world that surrounds us. Later work by Heidegger (1982) extended the theory by arguing that free choice played a part in real, tangible situations. Phenomenology is generally seen to be a research approach that studies ‘meaning-making at the centre of social life’ (Miles and Huberman, 1994:4). In applying it to the research in this thesis, it would be necessary to interpret how research subjects made meaning of their experiences. The fault with this approach is that individuals would also have to interpret and explain the motives of others to engage with CSR. As the objective of this research was find out the extent to which each manager would operationalise CSR in practical circumstances this approach would be too broad to answer the research question.

The concept of hermeneutics, the third element in the interpretative paradigm, is a ‘view of the socio-cultural environment, seeing it as a humanly constructed phenomenon’ (Burrell and Morgan, 2003:236). This approach has its roots in the ‘classical discipline of understanding texts’ (Gadamer, 1979:146) and was extended by Schleiermacher (1768-1834) and later Dilthey (1833-1911) to include an interpretation of an author’s thoughts behind a narrative (Dilthey and Jameson, 1972). Burrell and Morgan (2003) consider that Gadamer’s contribution to research is highly relevant given the nature of social constructs with their dependence on communication and interpretation, which was why hermeneutics was selected for this study. A justification for choosing this approach is set out in the following section.

4.1.6.4 Hermeneutics

Choosing hermeneutics for this qualitative research was justified by its focus on understanding expression, which offered the best method to interpret respondents’ views (Gadamer, 1979). Furthermore Gadamer’s approach, which employs the adaptation of the concept of horizons, was particularly appropriate. The reason for taking this decision is that Gadamer sees horizons as boundaries that change to advance ideas (Gadamer, 1979:356). Thus, in terms of CSR, concepts cannot be limited to what theorists originally described, or by the horizons of the original
readers and subscribers to such concepts. Therefore, concerning the understanding, adoption and implementation of CSR, the environment - or horizons - have altered and subsequent adaptation of the concept is allowable and necessary. The impact of this on the research design is that as themes emerge, new questions are developed to explore significant respondent interpretations of their experiences and understanding of CSR. In this way, gaps in research and theory may be identified and offer the opportunity to advance knowledge and understanding (Burrell and Morgan, 2003; Hair, et al, 2003).

A different view is offered by Alvesson and Sandberg (2013) who wrote that seeking gaps in scholarly work retarded the growth of management theory. However, it was considered to be of significance in this research given the absence of work on Follett’s contribution to CSR. Furthermore, during the literature review on CSR it became apparent that there was a paucity of guidance on a manager’s role in implementing and developing CSR. Moreover, although recent scholarly work calls for management to become more anticipatory and proactive towards CSR (Schrempf, 2012; Windsor, 2013), any guidance about the practicalities of carrying out such an obligation are limited (Berman and Van Buren, 2013; Mawer and Crotty, 2013, 2014, 2015). Such findings guided refining the research questions.

By using hermeneutics, positioned in the subjective, interpretive paradigm, data could be collected in varying contexts but the constant factor was that respondents would all be working managers operating strategies to enable them to deliver their objectives. Thus, respondents providing data would be influenced by the culture of their organizations as well as their backgrounds and experiences. The challenge for the researcher, in this and similar areas, is to ensure that robust methods are in place to ensure sufficient clarity in the responses. Furthermore, it is important that sensibilities are considered and that respondents can be open about their views in order to inform the topic being investigated. In the process the interviewer, whilst building a rapport, needs to maintain objectivity to elicit data that may advance theory. The implications and possible flaws in the methods are addressed in the following section.
4.1.6.5 Implications of chosen research methods

The practical focus of management research (Easterby-Smith, et al, 2002) means that the choice of research methods needs to take account of the push and pull factors affecting how managers operate and view the world. These can change daily according to contextual external and internal imperatives (Silverman, 2000:124). Business research, as Bryman and Bell (2015) point out, often takes place in a turbulent and unpredictable economic and social environment with setbacks and ‘messiness’ being factors that can disrupt the collection of data (Bryman and Bell, 2015:15). The choice, therefore, of qualitative methodology is apt and gives the opportunity to delve into the background of views, facilitating a deeper examination than quantitative methods. Thus the context comprises the structures of organizations and how they are placed within wider society (Silverman, 2000). In terms of business research the volatility of the environment is an important factor influencing horizons framing views.

The choice of hermeneutic research, led to planning the research around informal - or unstructured - and semi-structured interviews (Bernard, 1988; Cohen and Crabtree, 2006; Silverman, 2000:123). Informal interviews involve a specific meeting time and place, building a rapport, assessing, using open-ended questioning to assess the subjective values of the respondents in relation to research topic (Bernard, 1988). Although the researcher has a goal in mind, the conversation flows freely and builds on comments put forward by members of the group. During the discussion, the researcher guides, recaps and facilitates an exchange of information but does not have a clear set of questions at this stage (Bernard, 1988; Cohen and Crabtree, 2006). Once informal interviews have been completed a guide is developed for semi-structured interviews with a set of questions which cover the main issues for research. A semi-structured interview is planned using a set of questions with the flexibility to allow for conversations to develop and to bring in new themes for subsequent analysis (Bernard, 1988; Ryan and Bernard, 2003). The advantage of using semi-structured interviews is that transcripts can be compared using the same basic format which builds an element of efficiency and time-bound discipline into the procedure (Bernard, 1988). It is, therefore, particularly important when respondents are likely to be available for only a single interview.
Apart from the practical outcomes of management research (Easterby-Smith, et al, 2002:8), Alvesson and Sandberg (2013) suggest a further implication to be considered. Simply asking questions on a particular topic will alter the interpretation of that subject in the minds of the respondents (Alvesson and Sandberg, 2013). This means that respondents may not have been aware of the significance or importance of the area being investigated until it was emphasised by being made the subject of research. In terms of CSR, the fact that managers were reminded of the existence and essence of the concept, could lead to the acquisition of champions. Thus the extension and implementation of CSR may be facilitated by the very research process that seeks to understand what is required to advance the theory (Giddens, 1993).

4.1.7 Summary of methodological choice
Using an interpretative paradigm the methodology was epistemologically positioned to advance knowledge and understanding for practical purposes using an ontological approach from within the discipline of management (Burrell and Morgan, 2003:22; Taylor and Bogdan, 1998). Because horizons are constantly changing, leading to volatility and extremes in opinions, the choice of hermeneutics to understand words, how they are conveyed and attendant influences was the most appropriate methodological element in the interpretivist paradigm (Gadamer, 1979). Thus once the method has been selected, the next step requires a decision on the practicalities of implementing it, which is covered in the following section.

4.2 Description of the research process
In this section, the research process is discussed and the utilization of the research model explained, figure 4.2.1

Process outline
This section outlines the research process as depicted in figure 4.2.1. There were four main parts to the process with some overlaps between and within them. Different stages were occasionally revisited. First is the considerative stage that
involved finding information and depicted in figure 4.2.1 as items 1 – 5. Secondly the practical stage of the process begins with planning and designing the interviews, items 6 – 13. The third stage covers selecting the sample and interviews, 14 – 17, following which is the fourth diagnostic stage of assembling the data for analysis and findings, items 18 – 20. These stages are described in detail in the following section with the corresponding numbers from the bubbles in figure 4.2.1 displayed in brackets, for example [1 - 3].

Figure 4.2.1 Research process

4.2.2 Formulating the research questions [1 – 3]

Initially the research proposal [1] was to examine the practicalities of extending CSR theory by expanding the responsibility for implementing as an obligation incumbent on all managers. This would be similar to the way in which equality and diversity policies were transferred from a discrete section dealing with ‘equal opportunities’ to becoming a normative management duty. An interest emanating from an MBA, which touched on the works of Follett, prompted an idea to
approach the proposal of CSR as a management obligation and to ask, if she were here today, how would she operationalise CSR through managers? This led to the research objectives [2] and a group of research questions to address the research proposal and aim [3] and the choice of a literature review to begin the process.

4.2.3 Literature review [4]
A review of all associated literature [4] consumed a significant proportion of the time available to conduct this research. At the outset, the literature review [4] comprised three main strands: management theory in relation to CSR, concepts and theories of CSR, and the works of Mary Parker Follett. The final literature review which reported on CSR and Follett, identified themes that were compatible or incompatible with the works of Follett. These themes were augmented by information obtained from news items, company reports and discussions with scholars, managers and other individuals in associated areas.

4.2.4.1 Historical foundations of literature
Establishing the historical context of Follett’s work was important in order to gain an insight into the relevance of her work and its place in the literature reviewed. Therefore, on 25th September, 2012, information was obtained during a visit to the Schlesinger Library on the History of Women of America, at the Radcliffe Institute for Advanced Study, Harvard University, Boston, Mass., USA. Here original documents were accessed relating to Follett’s time as a student at Harvard in the 1890’s. Handwritten essays were made available to read and photograph, which put into perspective the intellectual foundations and range of subjects studied by Follett that led to her holistic and practical approach to management. Viewing these essays was an important element in the motivation for this research and placed researching Follett into context. This was because against the odds as a woman in Victorian times with restricted access to academia and work, Follett developed concepts about society and management that resonated with the world of 2012. Yet it was important to retain as much objectivity as possible in order to progress the concept of CSR and to honour Follett’s integrity and her scientific approach to her own research. Nevertheless, discovering Follett’s ideas was a
major part of the motivation for this research, which offered the opportunity to inform a wider audience about Follett whilst seeking ways to advance CSR.

4.2.5 Research method and ethical approval [5]

As the literature and associated information on CSR grew with time and events, the research objectives [2] were adjusted and eventually an appropriate research method was devised and ethically approved [5]. The use of hermeneutics in the interpretative paradigm meant that interviews were chosen as the most appropriate method. The ethics committee of the University of Salford approved the research and its methods in July 2012 [5]. Kvale and Brinkmann (2009) note that interviewing is a 'moral enquiry' (2009:62), therefore, certain safeguards and moral issues need to be taken into account. The methods selected are compatible with guidelines issued by the Social Research Association (SRA) particularly in terms of anonymity, privacy, and confidentiality (http://www.the-sra.org.uk/ethics.htm). Furthermore, the sensitive nature of enquiring into CSR and seeking views on an organization’s policy, practices and procedures, meant that particular attention was paid to confidentiality (Blumberg, Cooper and Schindler, 2005). This was because managers were being asked about the implementation of their organization’s policy that could have led to adverse criticism of their employer. Of note was the SRA’s guidance on informed consent, agreement to audio-recording, emphasis on confidentiality, availability of transcription to respondent, and facility to opt out of the research at any time without question.

4.2.5.1 Organizational approval

Three managers from the non-profit sector were invited to participate in the research (Hair, et al, 2003:217; Maxwell, 2009). Each manager had autonomy and, whilst two were governed by the rules of the Charities Commission (www.charitycommission.gov.uk) and their own codes of governance, they were able to contribute without permission from their organizations. An owner of a financial management proposed three managers for the study with freedom to express their views without redress given the terms of the consent procedure. Those respondents at the most senior level, (i.e. company directors, CEOs, managing directors, and the executive chairman) did not consider that they...
needed permission to participate. All other interviewees were willing to take part and did not feel it appropriate or necessary to seek their employers’ permissions.

4.2.6 Developing the research plan; Consultations and informal interviews [6 – 12]

A less contemplative and more practical stage of the research took place during 2013 with informal interviews held during conferences and at a management development meeting [6] (Ryan and Bernard, 2003). So as to create a basic framework for interviews and to gain further insights into the impact of Follett on managers, the researcher attended an event for 21 members of the Follett Network on 25-26th October, 2012 at the University of Rouen, France [7]. Meetings and workshops took place over two days and discussion and presentations focused on Follett’s contribution to management. The second day had a specific session devoted to Follett’s relevance to ethical and socially responsible management. Informal interviews (Bernard, 1988) and debate during the conference provided a forum to examine ideas relating to Follett and CSR and receive advice and information about additional avenues to explore. Notes taken during these discussions were used for the research plan to examine management in business and society and the responsibility of individual managers operationalising CSR in line with the philosophy of Follett.

Further contributions to the research plan emanated from consultations with practitioners and experts in the field of management. Three conferences were attended by the researcher during 2013, which presented the opportunity to access a range of views including those of academics and managers. ‘Gender and responsible business’ was the theme of the ICCSR annual conference at Nottingham University, which took place on 20 June, 2013 [8]. This was followed by conferences of the Academy of Management (AoM) in Florida, USA in August [9], and the British Academy of Management (BAM) in Liverpool in September 2013 [10]. All three events provided information that contributed to the research plan and questions. Of particular value were doctoral workshops which helped the researcher to clarify and practice interview questions. Additional help was given in Florida by R. Edward Freeman, renowned for his work on stakeholder theory, who
had expressed an interest in the researcher’s conference paper on Follett and CSR. Furthermore, a keynote speaker at the BAM conference was approached by the researcher and agreed to be interviewed.

An informal interview was conducted with a group of 30 managers assembled on 1st November, 2012 as part of a management development programme in Salford, Greater Manchester, UK [11]. During a session on managing change, an outline was presented by the researcher on the relevance of the works of Follett and CSR. Although the meeting was not audio-recorded, in order to inform subsequent lines of enquiry, notes were taken and flip-charts of main points contributed by managers were retained. Discussion in the group revolved around how the main concepts of Follett could be deployed to assist managers with regard to building relationships and to integrate conflicting interests.

Following the larger group event, seven managers agreed to contribute views on CSR and Follett [12]. At a subsequent gathering on 7th February, 2013, managers worked in pairs and a group of three to produce the main elements of what an ideal form of CSR could do to benefit both society and business. Issues were identified and discussed in a group and the individual managerial roles that drive CSR were debated. The concepts of Follett were examined in light of how managers could move CSR forward and this led to probing further and seeking ways of implementing CSR. When managers discussed commitment to CSR in a changing business environment, they brought to light fiscal imperatives emanating from the economic crisis and the challenges presented to engaging fully with CSR (Kemper and Martin, 2010). Other influences such as ethical and cultural values and the part they played influencing managers to engage with CSR were examined. Thus the comments informed the horizon of understanding in keeping with the chosen methodology (Gadamer, 1979). The points emanating from the informal interview meeting were developed for the interview questions. This set the platform for developing an interview protocol and selecting sources of information (Oppenheim, 1992; Saunders, et al, 2007; Vogt, 1999).
Interviews were chosen as the method to conduct research, which meant that the data was obtained from an interpretation of communication (Burrell and Morgan, 2003:29; Gadamer, 1979). This necessitated framing questions which were informed by main themes, concepts and issues arising from the literature review. These were combined with opinions and answers from interviews and examined for clusters of repeated themes during the course of the interview schedule (Miles and Huberman, 1984).

From the literature review, consultations at meetings with managers, expert opinion on CSR, informal interviews, and observations [6] topics were developed for a semi-structured interview protocol (para 4.1.6.5), (Cohen and Crabtree, 2006; King and Horrocks, 2010; Kvale and Brinkmann, 2008; Ryan and Bernard, 2003). As a contingency to safeguard against a lack of respondents, a questionnaire (Oppenheim, 1992; Peterson, 2000; Saunders, et al, 2007) was devised and piloted with a senior manager and a business journalist. Ultimately, the method employed was semi-structured interviewing using a three-level questioning technique. This was the method in which the researcher had been trained and practiced as an interviewer and business and team coach. The first level in three-level questioning consists of data gathering by asking open questions, for example, ‘As a manager, when you hear “corporate social responsibility” what springs to mind?’ Level two seeks the implications and meanings behind the answer. An example would be, ‘You say that CSR is a marketing device, how do you feel about that?’ Thus, the third level goes into deeper thoughts on the topic and explores values; so that a question would be along the lines of, ‘Why is that important to you?’ This is similar to the method described as ‘laddering’ by Easterby-Smith, et al (2002:107). Interviews are the beginning of the analysis process (Kvale and Brinkmann, 2009:195), which is achieved by interviewees describing their interpretation of their world. In addition, interviewees gain insights discovering aspects about their experiences of which they were not aware. Furthermore, the interviewee puts forward a condensed view of their opinions, with the aid of the interviewer reflecting back and summarising responses. Throughout the communication process, whether at the informal interview or semi-structured
stage the principles of active listening were a fundamental part of the protocol. The main aspects of this are to ensure that the listener concentrates on the communication they are receiving. This is achieved by consciously dealing with distracting thoughts, such as the next question, at the expense of hearing and understanding the answer being given (Rost and Wilson, 2013).

4.2.8 Interview questions and consent form [14]
Each semi-structured interview was planned and explorative and expected to follow a different pathway after beginning with the same question, which was succeeded by core questions as set out in appendix 1. These were to be augmented or reduced according to the level of saturation of information on specific themes evolving in the process (Kvale and Brinkmann, 2009; Ryan and Bernard, 2003). The interview format began with an introduction that reiterated the information sent to the participants with the consent form. The consent form also described the aims of the research whilst giving background information about CSR and Follett (appendix 2). These were checked for neutrality and objectivity by two of the researcher’s colleagues to ensure that prejudices about CSR and Follett were not planted in the mind of the respondents prior to interview (Bryman and Bell, 2015). Further consideration was given to the researcher’s interpretivist position which meant that detachment was limited due to the researcher’s ‘conceptual orientations’ (Miles and Huberman, 1994:8). Nevertheless, as described in the following section, all safeguards were instituted to ensure objectivity.

4.2.8.1 Objectivity and detachment
The stresses of objectivity in this type of research were identified by Mills who wrote, ‘I have tried to be objective, I do not claim to be detached’ (Mills, 1962:11). Darlington and Dobson (2013) argue that ‘research can never be value free, or even completely impartial’ (2013:287). In cases where research can be deemed to be objective, the objectivity normally relates to the rigour of the methods used to collect, assemble and scrutinise information that answer the questions hypothesised. Whether or not objectivity is over-rated is an issue that has been addressed by Alvesson and Wilmott (2011). One example given discusses an apparent bias against researching broad issues of gender which has meant a lack
progress in studying feminism in management (Alvesson and Wilmott, 2011:13). These authors suggest that partisanship towards a particular issue ought to be welcomed because it provides access to information that would not be forthcoming if the researcher were impartial and lacked an interest or passion for the issue. Such a view coincided with the emergence of feminist management ideas identified in the literature review and allowed the feminist voice of Follett to be heard, further validating the usefulness of this research (Knights and Tullberg, 2012; Marshall, 2011; Roberts, 2011).

Overall, although the ideas of CSR, Follett and associated theories were recognised by the researcher as laudable principles of management, setting objectives meant overcoming bias and a predisposition to social issues in management [2]. Thus the objectives were arrived at after consultation with academic advisors in order to ensure that objectivity was maintained and extended to selecting data sources and participants, which is explained in the following section.

4.2.9 Select data sources [15]
In order to reflect the make-up of the labour market, the Office of National Statistics (ONS) (www.ons.gov.uk) website was accessed on 19.02.13 and statistics for ‘All employment by industry, EMP 13, October 2012 to December 2012’ was used to assess the breakdown of sectors. The relevant figures were: private sector (including non-profit): 76%; public sector: 23%. At the time gender statistics displayed on the ONS website, ‘Women in the labour market’, showed that 34.5% of management posts were held by women, (www.ons.gov.uk). Although the proportion of public to private sector employers guided the selection of organizations this was not possible in the case of gender. The final make-up of the sample consisted of 81% respondents from the private sector and 19% from the public sector. A balance across industrial sectors was monitored using the Standard Industrial Classification (www.ons.gov.uk).
4.2.9.1  Sampling

A snowball sampling technique enabled access to relatively inaccessible populations and elites. This method, as described by Atkinson and Flint (2001), involves a subject being researched recruiting another subject for the same study. However, as the diagram illustrates, although nine of the 23 respondents were recruited through this method, some acted simply as a conduit for others to be accessed. This led to four managers in the financial sector being interviewed. In addition, the snowball technique meant that other senior executives with whom the researcher might not have had contact or access were interviewed - the CEO of an NHS hospital trust being an example.

Purposive sampling was selected because it ‘demands that we think critically about the parameters of the population we are interested in’ (Silverman, 2000:104). Purposive sampling involved choosing respondents known to the researcher either personally, through networks, or, in two cases from national media, who could contribute high levels of management expertise. Whilst the main criterion for participants was that they were managers, it was necessary to obtain input that spanned across those who were in a position to decide the entire adoption and implementation of CSR and those who saw their role as peripheral or irrelevant to CSR decisions.

In summary, the typology, or categorisation of organizations selected (Stake, 1994), was based on the distribution of employment sectors and industries. This provided a richness of experiences and horizons (Gadamer, 1979; Hair, et al, 2003; Saunders, et al, 2007). With categories established, the next section explains how respondents were identified and selected for interview (Bryman and Bell, 2015).

4.2.10  Recruit participants [16]

Selection criteria

Based on information from the Office of National Statistics (www.ons.gov.uk) respondents were drawn proportionately from the sectors of employment with certain industries being pursued more actively. The reason for this was that particular industries had fared badly in terms of corporate scandals and the
researcher considered it important to obtain views from them. Amongst the most controversial industries were financial services, especially institutions involved in providing credit for personal lenders. Within the private sector also, comparison of practices and procedures of service and manufacturing companies was an important factor. This was because the environmental pressure on manufacturing was expected to be greater than in other sectors. During the course of research, three managers from manufacturing and one from computer consumables validated this point, especially in relation to managing waste and the carbon footprint (Amran, et al, 2015).

Given the size of the UK’s public sector, in particular the National Health Service (NHS) and its position as Europe’s largest employer (www.jobs.nhs.uk), contacts were pursued to secure a suitable respondent, leading to an interview with the chief executive of an NHS foundation trust. Placed between the public and private sectors exist social care services that are run as non-profit businesses. A manager and social worker from a facility for vulnerable adults agreed to be interviewed, thereby delivering views from a sector dealing with social issues using commercial management techniques. Commissioning social and other local government services introduced similar commercial pressures into the experience and roles of the two senior executives in different borough councils in Greater Manchester. Even though they were at senior levels in their local authorities, each respondent viewed their organizational and individual commitment to CSR in vastly differing ways. This was in keeping with perceptions of changing horizons, personal experiences and a propensity to optimism or pessimism (Easterby-Smith, et al, 2002).

A view that straddled all sectors was presented by the entrepreneur and senior politician in a northern city. Pertinent and topical information was obtained from two of the management consultants that, because they worked in all sectors, had enabled them to make comparisons using first-hand knowledge. A third executive had worked as a management consultant prior to purchasing a food-store franchise. From his contrasting experience as an advisor to MNCs to a personal awareness of the impact of embracing social responsibility in a straitened economy, he was able to give views on the pressures and practicalities of CSR.
Thus all three were able to compare organizations, some of which were considered by the general public to be in the vanguard of CSR. A further dimension provided by the management consultants was an assessment of cultural, international and multi-national differences between companies.

Greater insights into cultural differences were provided by two respondents who were senior managers in American companies; one was based in France and the other in the USA. Involving employees of non-UK and non-European companies introduced a contrasting dimension and one that was relevant to the evolution of CSR theory and diverse cultural approaches to the concept, as referenced in the chapter 3, the literature review (Sison, 2009). This illustrated a difference in CSR as operationalised in North America with limited state welfare in its social model compared with the comprehensive welfare and health support of the UK. In the UK the concept of CSR tends towards community engagement and building on systems provided by the state. In comparison the North American approach evolved from philanthropic support for welfare needs (Matten and Moon, 2007; Sison, 2009). This aspect was confirmed by the two managers employed by American companies. Both were born, raised and educated in the UK yet their thoughts on CSR were similar and inclined towards interpreting the concept as philanthropic in nature and as an optional management and corporate function. Their views frequently cited their company’s policies and the lack of input they felt that they had into CSR. They considered CSR to be linked to philanthropic decisions of their executive board and not something to which they would either want or be expected to contribute. Thus changing horizons and influences from environment and culture could be identified in their attitude and behaviour and underlined the appropriateness of the research methodology (Burrell and Morgan, 2003; Gadamer, 1979).

4.2.10.1 Overview of interview process [17]

In total, interviews were conducted with 23 respondents who were drawn from 20 organizations. Descriptors were assigned to the respondents according to the sector in which they were employed with PU for the public sector, NP for the not for profit sector, and PR for the private sector. After each letter a number was
assigned; for example, PU2 represented the local authority executive, NP5 the CEO of a medical charity, and PR10 the owner of a food-store (figures 4.2.10.2 and table 4.2.10.3).

4.2.10.1.2 Demographics

Apart from the two respondents employed overseas, the remaining 21 worked in the UK in public, private and non-profit sectors with employee cadres ranging from one to over 5,500. Apart from the management trainee, all had at least six years’ experience with one having accumulated 37 years in management. As Silverman suggests (2000:107) if a theory emerges it is useful to test it by selecting a specific sample. This was the motive behind approaching the management trainee over halfway through the research to explore an emerging theme that the next generation of managers would be more proactively engaged with CSR and sustainable and responsible business. The gender representation of 10 women and 12 men was slightly biased towards males but not as weighted as the proportion of women/men ratio in senior jobs according to the ONS (para 4.2.9). This was considered acceptable given that advancing CSR will depend on future managers and predictions suggest that eventually the current ratio of 38:100 (women to men) will be balanced more equally (Shambaugh, 2015). Apart from gender, age and ethnicity covered a broad representation. Three respondents were from minority ethnic groups and, apart from one who had moved to the UK as a child, all had English as their first language. The ages ranged from mid-twenties to late-sixties in a median age-range of 50 – 59 years. Deciding on respondents, whilst taking account of statistical information, was also influenced by their availability, willingness and accessibility and the researcher’s judgement as to the best sources of data.
Figure 4.2.10.2. Snowball sampling: employment sector and job title of respondents
Figure 4.2.10.2 illustrates the different sectors and job titles and corresponds with the biographical summaries in Table 4.2.10.3. An expanded version can be found in appendix 3.
4.2.11 Interviews [17]

A questionnaire was devised but, because all respondents agreed to be interviewed, it became redundant. The respondents’ preference for interviews rather than using a questionnaire may suggest that the individuals approached were of a more extrovert and talkative type. On the other hand, it could be that as managers, regardless of personality type, they considered that questionnaires presented something more akin to admin work or a similarly irksome task. Regardless of the reasons, the willingness of respondents to be interviewed proved to be the source of rich and thought-provoking data which is unlikely to have emanated from a questionnaire. Furthermore, oral interviews offered the opportunity to build a relationship in a setting in which respondents were relaxed and willing to communicate (Hair, et al, 2003: Silverman, 2000, 2004).

There were two incidences where there were two or more respondents from the same workplace. Although the interviewees were in different departments, issues of sequence, hierarchy and taking turns were taken into account (Heritage, 2004:222). In one of those cases, the HR director was senior to two managers who were on identical levels of the hierarchy. In the other case, the managing director was senior to his colleague who was the director of HR. Nevertheless, different and opposing views were expressed. This was welcomed insofar as it demonstrated the notion of changing horizons, the effect of one’s interpretation of history and the individual values with which one is imbued (Gadamer, 1979).

Interpreting or misinterpreting tone of voice and body language of respondents were important factors to take into account in the methodology (Silverman, 2000, 2004, 2013:274). Telephone interviews in particular, require precautions to avoid misinterpretation (Hair, et al, 2003:141). This was counteracted as much as possible by rapport having been established with two of the telephone interviewees during occasional meetings with the researcher over the previous six years. The third respondent had been in email correspondence with the researcher for one month prior to interview. The importance of an inter-personal relationship to build trust and rapport also applied in face-to-face interviews (Easterby-Smith, 2000:77-79). Of particular importance was for the researcher to avoid asking leading questions and succumbing to bias once a discourse had
begun. This could be influenced by a particularly empathetic relationships being established between like-minded people or conversely an antipathy where views were distinctly polarised (Dunscombe, 2007).

4.2.11.1 Bias
The bias of the respondents was a consideration in all cases. The financial services company strongly promoted its ethical stance in relation to debt management and this was repeated by managers throughout the interviews. More senior managers and business owners were forceful in stressing their commitment to CSR and their views concerning good citizenship, which they felt were replicated throughout their companies. These examples illustrated the importance of in-depth questioning to discover the values of individuals and how they would impact on making CSR a management duty. Matters of time constraints, possibly rushing to end the interview, giving short and superficial answers, revealing personal views and values, are factors that risk distorting information offered by interviewees. The bias of the researcher is a consideration as is the effect of introducing the question and focus on a topic such as CSR. In short, most people would be expected to support the notion of CSR, and the respondents were likely to concur with this assumption (Saunders, et al, 2007).

In order to reduce the effects of bias and to encourage respondents to open up about their opinions of CSR and how their organizations applied the concept, the confidentiality of the process was reiterated and an emphasis placed on the option to withdraw from the study. Respondents were offered copies of transcripts, however, none were requested.

4.2.11.2 Venues for interviews
Apart from the three telephone interviews the remaining 20 were carried out at venues chosen by respondents in their places of work or at social venues such as restaurants and coffee shops (Oates, 2006). This latter choice was more informal and had fewer opportunities for interruption. The only interview that encountered several interruptions was the one with the executive chairman. However, the disadvantage was insignificant in that the interview went on longer than the
expected one hour. Moreover, all the points were covered and the respondent asked for more information on the work of Follett for his own use.

4.2.12 Data collection [18]

4.2.12.1 Anonymising, transcription and storage
So as to ensure that there were no repercussions on individuals or organizations, anonymisation and the storage of data were of profound importance. All transcripts were scrutinised for clues as to the respondents and their organizations. Any identifying information was removed to conceal sources and protect contributors (Silverman, 2000:204). Audio-tapes were transcribed within two weeks of recording and notes, which were taken during the interview about the responses and interactions of interviewees, were included. The respondents were given random PIN code see figure 4.2.10.2 and table 4.2.10.3.

4.2.13 Coding and analysis [19]
Elements of data reduction, data display and conclusions ran simultaneously based on accepted models of data management (Miles and Huberman, 1984, 1994). Within two weeks of interview the recordings were transcribed and content analysed to identify dominant themes, which were coded accordingly (Easterby-Smith, et al, 2002; King and Horrocks, 2010; Saunders, et al, 2007).

4.2.13.1 Coding process
Each transcript was coded using coloured pens to select themes, which had been categorised in a code book. MacQueen, McLellan and Milstein (1998) advise using a code book to maintain consistency and to document reasons for including or excluding topics expressed through certain words, phrases, emphasis and body language. Initially, the main codes were guided by the research questions so that ‘meaningful chunks or segments’ could be isolated (MacQueen, et al, 1998:33). As categories emerged a hierarchical system was devised, described by MacLure as ‘hanging them in bunches under their ruling ideas’ (2013:169). The advantage of this was that certain words, such as ‘sustainability’, ‘values’ and ‘citizenship’, may be regarded as CSR yet could be assigned to another of category of ideas, such as ‘community outreach’ which was associated with ‘PR’ (MacLure, 2013).
Once the ideas and themes were established ‘data reduction, data display and conclusion drawing’, could begin (Miles and Huberman, 1984:21-22). Being mindful of Silverman’s caution that coding can restrict ideas outside conventional thinking, each transcript was revisited at the end of the coding process to gain an overview and holistic impression of the interview (Silverman, 2000:143). In some instances transcripts were revisited and reassessed as themes emerged later in the process. Furthermore, six respondents, with whom the researcher had maintained contact, offered further information which contributed to the refinement of the data. In two cases the respondents had been made redundant from their jobs and offered additional insights into their interpretation of CSR. Another offered information when a particular theme was identified from his transcript and he was asked for clarification at a later date.

4.2.13.2 Coding themes
An important consideration in coding was to acknowledge the essence of hermeneutic inquiry in relation to the parameters of communication, language, and history (Gadamer, 1979). Thus respondents’ interpretations were governed by exposure to historical phenomena which they understood through communication and language (Gadamer, 1979). Pertinent to this fact was the effect that emerging news stories had on responses. These changes necessitated robust and in-depth questioning to ascertain the true values and beliefs of respondents and not those that are short-term reactions to media stories (Bryman and Bell, 2015; Silverman, 2000, 2013).

As the main themes were identified a guide to further questions was developed. Of significance, in terms of frequency and emphasis, the topics to emerge were:

- CSR used and exploited as a marketing tool
- CSR used to cover unacceptable behaviour
- Legislation to enforce CSR
- Proactive and reactive stances on CSR
- Codes and standards for managers to follow
- The influence of leaders, co-workers, managers, organizational ethos, culture, and upbringing
- Conflict between business and society
• Promoting and educating for responsible behaviour
• Ethics and the financial crisis
• Ethical business environments
• Personal values and ethics
• Next generation of managers
• Community engagement
• Gender in management and CSR
• A third party (such as a charity) as a catalyst to operationalise CSR.

Overall there was considerable cynicism about corporate motives to commit to CSR. However, even the most sceptical respondents reflected that some forms of CSR, which were not entirely derived from corporate self-interest, could be beneficial to society. This point is in keeping with the phenomenon described by Alvesson and Sandberg (2013) insofar as respondents had not classified certain corporate activities as CSR until confronted with the concept by the research.

4.2.13.3 Analysis
Reflecting on the data (Easterby-Smith, et al, 2002:109) identified gaps which, where possible, were addressed by contacting respondents for further information. The analysis showed the extent to which knowledge obtained from the literature review could be verified or contradicted. In the case of the former, the role of leadership and extent to which the executive committed to CSR were confirmed by those organizations and individuals who either did or did not subscribe to the concept of CSR. Where the data indicated new lines of enquiry for research; for example where managers engaged with CSR of their own volition, the motives and values of respondents were explored (Easterby-Smith, et al, 2002). Overall, the analysis supported the notion that Follett’s methods were comprehensible and acceptable to most managers and they were capable of using Follett’s concepts to operationalise MSR as a managerial obligation.

4.2.14 Empirical findings [20]
The range of findings was greater than expected and some topics were unpredicted, such as using a charity as a conduit to deliver CSR. A reassessment of the data took place after presenting a related paper to the BAM conference in
Belfast in 2014. After receiving comments from scholars in the field of CSR, the original plan to interweave Follett’s concepts throughout the empirical chapters, was changed and separate themes around Follett’s three main concepts used as the basis for chapters five, six and seven. Overall the empirical chapters interpret the data to evaluate the feasibility of MSR being operationalised using Follett’s concepts of integration, coordination, and power-with, according to the law of the situation.

4.2.15 Summary of research process
Sampling, selection and interviewing of respondents was based on the ONS statistical information. However, it was influenced by the researcher’s assessment as to who to approach for information about their experiences as managers and the part they could play in advancing CSR. Given that those respondents known to the researcher could be like-minded and share the views of the researcher there was a possible risk of bias. However, the selection of respondents contained a random element in that some participants were part of business networks that subscribed to a range of philosophies and values. Furthermore, by using qualitative research methods in an interpretative paradigm and following the hermeneutic inquiry tradition of understanding and reflecting messages, all precautions were taken to ensure the integrity of the data collection. Thus the sampling, recruitment and interview process was sufficiently robust to ensure a wide extent of ideas was available for data collection.

Further adding to the robustness of the methods selected, coding and analysis were based on tried and tested procedures applied in similar areas of research. Although time-consuming the method was effective in that it produced information that could help to formulate ideas for the operationalisation of MSR by managers. However, coding and analysis and all the other methods used in this study contain imperfections; no one method of qualitative research can claim to be faultless (Easterby-Smith, et al, 2002; Silverman, 2000). Thus some limitations were expected and others emerged during the course of the research. The details of which are described next.
4.2.16 Limitations

Using a small sample of 23 respondents could have presented a notable limitation. However, testing the feasibility of MSR and applying Follett’s ideas were exploratory and interviewing a range of respondents across managerial hierarchies, some with extensive budgetary and resource responsibilities, offset the small number. Furthermore, some of the managers at the operational end of the command chain were in volatile and highly pressured jobs and they were able to offer realistic assessments of the practicability of operationalising MSR.

The topic itself introduced limitations because being socially responsible implies certain moral and civic duties. It meant that it was expected that respondents would be unlikely to admit to being against a commitment to CSR. Such an attitude could have been the reason why two managers at director level in the private sector did not take up the offer to participate in the research. A further frustration was the lack of access to decision makers in MNCs, as any approach referred research enquiries to their website and CSR policy. However, these restrictions were no surprise. As Easterby-Smith, et al (2002:45) point out, research requests are often declined by MNCs and the few managers who are interviewed are usually proficient at dealing with awkward questions. Nevertheless, at least two of the MNCs who declined interview requests were well known for their CSR activities and had sponsored the para-Olympics, a topic which arose during the interviews. It, therefore, was doubly disappointing to be denied the opportunity to ask about motives to engage with CSR and to find out about the views of managers at operational level.

Conducting interviews within a time-frame meant that the impact of certain news stories and events impacted on respondents’ opinions. One way in which to mitigate the impact of this phenomenon would be to carry out further interviews with the same respondent over a longer period of time and to consider using quantitative methods in the follow-up; a questionnaire may be a useful tool to use. In the same vein, using a questionnaire could have been deployed to survey the recipients of CSR activities as well as employees more widely distributed throughout the organizations in the study. Further insights would have been interesting from suppliers of the companies in question or from suppliers to MNCs more generally. However, on reflection the amount of soul-searching on additional
avenues for research may be infinite. Within the resources and time available, a sufficient amount of data was collected to make a valid contribution to management theory, CSR and an understanding of the work of Mary Parker Follett.

4.3 Conclusion

In carrying out pure research, the intention of the methodology and this thesis was to make a practical contribution to CSR theory and implementation (Easterby, et al, 2002). Although described separately, theory and implementation influence each other when applied in practical situations. This is because the environment is constantly changing and new practices and procedures evolve; in terms of CSR greater scrutiny is evident in attitudes to governance and corporate responsibility, which may overtake accepted theory (Windsor, 2013). Reflection is the expected outcome from this research. This emanates from the interpretation of the body of work on CSR and Follett as well as recent developments in the theory and events affecting them. By reflecting on the investigations of the theory there exists the possibility of changes in understanding an attitude to CSR on behalf of the researcher and the respondents. Thus, by using the methodology that lends itself to thought provoking discussion, reframing understanding and reflection can produce a change in behaviour with the possibility of advancing the CSR concept.

As noted previously, horizons of understanding in relation to certain topics, CSR in this case, were changing according to the environment in which they were perceived. In terms of researching CSR, this fact was important due to the burgeoning reports of corporate misdemeanours and scandals during the period of this research. The result was that there was an increase in awareness about the behaviour of managers, for example the collapse of the Rana Plaza factory in Bangladesh causing over 1000 fatalities (Rankin, 2013). Interpreting changes in horizons and experiences set within influences such as these, allowed for an extension of the concept of CSR in the minds of respondents and the researcher.

Overall, the objective was achieved to ensure that the methodology was conducive to producing practical, useful outcomes for managers (Easterby-Smith, et al, 2002). In this case the outcome was the extension of CSR as a
management duty to be known as MSR: management social responsibility, using Follett’s concepts to operationalise it.

Although a subject like CSR is likely to be accompanied by preconceived ideas that may risk skewing the data collected, the method chosen was most able to take account of a range of views. Thus, when opinions expressed sounded extreme, the opportunity was available to probe opinions for further data. Therefore, whilst the methodology may have its shortcomings, it was still the most appropriate, pragmatic and practical available to develop and research themes.

Of particular importance, in assessing the feasibility of applying Follett to MSR was the establishment of the level to which, albeit by proxy, Follett’s concepts were part of existing managerial practice. This information contributed to themes which became the topics of the three empirical chapters. These chapters (5, 6, and 7) evaluate the data to assess management’s capabilities and views on CSR and its implementation as a duty of individual managers, or MSR. By discussing Follett’s concepts of integration, power-with, coordination and the law of the situation with respondents, the practicability of MSR and applying Follett to an extended CSR was examined. In chapter five, Follett’s notion of integration was used to address respondents’ ambivalence towards CSR and what they interpreted as the conflict between business and society. After which the development of effective relationships using coordination to implement MSR was addressed in chapter six. In chapter seven, respondents’ views were examined about the future of MSR that uses power-with in shared ambitions of business management and society. However, these concepts of Follett are inter-related and inevitably appear across all three empirical chapters. Furthermore, the law of the situation and Follett’s ideas about leadership permeate the application of her concepts of integration, coordination and power-with.

Finally, in the future, if CSR does become a management responsibility, or MSR, the effect on methodology to research it would change. It would transfer the focus from inputs in the form of policy and CSR initiatives, to the outputs of each manager’s contribution to CSR, or MSR, activity. This is an area that was not covered in this study and would have an impact on managers taking forward a practical form of CSR/MSR. It is particularly relevant to Follett’s ideas about
reciprocal relationships, which run through all her work and the empirical chapters which follow.
CHAPTER 5

Follett and CSR: the role of the manager – tension, conflict and ambivalence.

5.1 Introduction

The question posed in this thesis is the feasibility that an individual obligation could be placed on managers to operationalise MSR a notion informed by the concepts of Mary Parker Follett. The capabilities and inclinations of managers to take on MSR as their personal duty, are examined this chapter an assessment is made of their experiences and understanding of CSR. These experiences examine respondents’ roles in implementing CSR and the influences that impact on their willingness to extend their work to taking on MSR as a managerial duty. Twenty three respondents were interviewed and were asked questions set out in the methodology chapter, para 4.2.10.

5.1.2 Overview

An account is presented here of the experiences of managers and their understanding of CSR that is based on the data collected. An interpretation of their opinions about CSR is made. This contributes to an assessment of managers’ inclinations and capabilities to undertake Follett’s principles of social responsibility as part of their managerial obligations. Given that Follett and other theorists describe CSR as a management issue (Carroll, 1974, 1991, 2000; Crane, Matten and Spence, 2008; Follett, 1941:133-146), the managers’ perceptions of the concept are analysed and an assessment is offered as to what is needed for them to engage with the MSR based on the principles of Follett. These principles mean that business and society achieve the optimum benefit by integrating their interests and progressing from the dysfunctional to the functional (Follett, 1941:185).

5.1.3 The format of this chapter follows the structure of the interviews, which begin with a broad question which leads to more specific, probing questions as set out in the interview protocol (chapter, 4; appendix 1). The chapter comprises four sections including a conclusion. Each section and subsection is discussed in relation to Follett’s concepts of CSR which have been assimilated with integrative CSR stakeholder theory to become MSR. As the chapter unfolds the main themes arising from data collection are addressed. The following topics are covered:
The meaning of CSR to managers and how their views have been formed
CSR as a management issue and the blocks experienced and perceived
Tax avoidance, MNCs and SMEs and the implications for MSR
CSR and its effect on corporate sustainability and corporate unsustainability
Diversity, gender, CSR and the implications for MSR
Cynical manipulation of CSR and the implications for MSR
The public sector and CSR
Understanding the business case for CSR, marketing and reputation and the implications for MSR
Overcoming the blocks to CSR and comparisons with other advances in social issues in management
Management as a profession with codes of conduct for MSR
Follett’s concept of integration for managers to use to address the conflict between business and society

5.2 What CSR means to managers

For decades, scholars and theorists have grappled with a definition and a motivation for CSR. It was no surprise, therefore, that managers with other priorities had difficulty describing the concept let alone implementing it. If managers are going to be asked to implement CSR as MSR, it will be necessary to understand what the concept means to them, both as managers and members of society. In order to ensure that there was consistency in the research a basic understanding of what managers thought was meant by CSR was the starting point for each research interview.

5.2.1 CSR: First impressions

The view of the CEO of a medical charity that CSR was ‘a force for good’ [NP5], was similar to the opinion held by the majority of 23 managers in the study. However, its relevance to management and the business environment elicited a wide range of views. The manager in a computer peripherals company doubted ‘we would do it purely because it was for CSR…in that if it may cost us money, I’m
not sure we would do it' [PR8]. To varying degrees respondents agreed with the supermarket manager that CSR was ‘a management issue’ [PR20]. However, tensions emerged about the tier of management responsible for driving CSR and it being ‘another manager’s responsibility, not mine’ [PR20]. For the majority it was also regarded as a matter for the ‘leadership’; seven of the respondents were specific that CSR should be promoted by senior executives. This was emphasised by the manager of the care home, the director in a local authority, two management consultants, an HR director, and the owner/manager of a plastics manufacturer, illustrating the views from a span of sectors and levels of authority [NP7;PU3;PR9;PR11;PR19;PR21].

Further conflict was expressed in relation to an organization’s motivations for engaging with CSR in that it was exploited for ‘marketing’ [NP6;PR14;PR20;PU2]. One respondent was unmoved by arguments for CSR and considered that ‘on my personal level I was probably not too concerned about CSR’ [PR22]. During his work as a director in a US defence company, PR22’s employer had received negative publicity. As a result the ‘company decided…basically to give more money and support…but not change the products; we still made the same things as we had always made’ [PR22]. This comment validated the perception that CSR was used for defensive purposes and had been ‘corrupted’ [NP5]. In a similar vein about the social responsibility of products the HR director from a manufacturing MNC described how his company were

‘caught out for polluting…there was a factory that makes XXXX. It’s a material that you need in very refined quantities and have to be made very carefully, and this factory was polluting…and they didn’t do enough about it and they got a multi-million dollar fine and the attitude at the time was, “Ah too bad, but we’re making money on the stuff”; this was about 10 years ago, but I think that would be very different now’ [PR19].

In the same company ‘the CEO made donations to good causes but just where he felt he should do, it would be embarrassing not to do something’ [PR19]. Both PR19 and PR22 were employed as executives by American companies and as described in chapter 3 the approach in the USA tends towards the philanthropic (Matten and Moon, 2007; Sison, 2009). Taking a philanthropy stance does not follow Follett’s ideal that the commitment of business should be to follow a process to make products that contribute to human welfare. In the process
'workers…through their work become more developed human beings’ (Follett, 1941:140). Relying on using accrued wealth for philanthropic donations was not the point; Follett’s concern was how and what had created the wealth.

However, even ‘using it for PR’ most respondents saw some value in CSR [PR13] but the majority were ambivalent about wholehearted belief in the value of CSR. They cited ‘tax avoidance’ [PR12; PR13; PR14; PR15; PR17; PR21; NP5; NP6] whilst the same companies were making contributions to ‘good causes’ [PR9; PR23], which respondents thought was hypocritical.

5.2.2 Interpreting CSR

Prior to interview managers were given Archie Carroll’s definition that CSR ‘encompasses economic, legal, and discretionary expectations that society has of organizations at a given point in time’ (1979:500). During the course of each research interview most of the managers soon alluded to elements of ambivalence and conflict in relation to their role implementing CSR. Initially, though, respondents agreed on the merits of CSR being for the ‘greater good, taking into account their responsibility for social and environmental issues’ [PR9]. The HR director in the finance company with CSR programmes said that it was ‘to ensure that we have some sort of ethical message throughout the company that doesn’t just impact inside the company it’s outside as well’ [PR12]. Two respondents did not see merit in CSR other than ‘applying the rules of the game fairly’ [PR8]; any additional societal engagement and ‘doing good works is not on the management agenda’ [PR22]. A more general view was given by the supermarket manager, who whilst sceptical about corporate commitment to CSR thought that it ought to be ‘where employers play a larger part in the community, locally, nationally and internationally’ [PR20]. Three of the managers with the power and resource to operationalise CSR outlined a sanguine and pro-active approach. Each shared the ‘vision’ held by the food-store owner in that ‘we actually do care about making a contribution to society’ [PR10]. In common with the entrepreneur, PR16, their motives were to make ‘a difference in this world’ [PR16]. This sentiment was endorsed by the MD in the valve manufacturing company who believed in ‘putting a little bit back in for the huge amount that we take out’ [PR17]. In general, the
primary views of CSR were that it was something of value contributed by business to society albeit with elements of ‘enlightened self-interest’ as incentives [PR20].

5.2.3 Community and CSR

As conversations progressed, the word ‘community’ was mentioned frequently in relation to how an organization ‘has a bigger influence locally on people’s lives’ [PU1]. This idea of engagement and how ‘you interact with the community in a positive way that makes us feel good’ [PR15] was apparent in the majority of the respondents’ understanding of the beneficial aspects of CSR. In the minority, the ‘outreach’ work of PR22’s company ‘didn’t make me feel like a better person’. He was sceptical about the effectiveness of community initiatives and thought ‘what a waste of money, why are you supporting that?’ [PR22]. Sharing his view one senior manager said that ‘it’s just not what I come to work for. I’m here to earn a living and I do get a kick out of being part of a successful business’ [PR8]. A different perspective was offered by the community centre manager about the societal interaction triggering a ‘domino effect’ on ‘lives in all fields’ [PU4].

According to the entrepreneur who had been involved in extensive community engagement and social enterprises, this meant that people ‘help others, you and your business’ [PR16]. This aspiration resonates with Follett’s idea of reciprocal relationships and opened the interviews into building relationships, including with local communities, thereby contributing to business prosperity (1941:201). Generally, it was around the topic of community and CSR that the conviction of gaining something emotional and ‘feeling good to give and receive’ [PR11] appeared. Thus the idea of receiving from CSR came through and tied in with Follett’s notion of ‘circular response’ with regard to reciprocal relationships (1941:194). Such a concept was evident in the comment,

‘These firms are part of society – they don’t live and work in outer space. So they should be contributing what they can….it’s all part of the rich mix. I give: I benefit; they give: they benefit - and I do too’. [PR11]

The preceding statement was by the management consultant, PR11, who felt that, for most firms, CSR was ‘externally focussed’ on PR and there was a need for ‘champions’ so that CSR was seen ‘as right and proper’ both inside and outside the company [PR11]. This respondent’s view was that it was up to leaders to
become champions so that every employee and business contact implemented CSR.

5.2.4 Management responsibility for CSR

Interestingly, a manager in one of the companies most engaged with CSR viewed it as a more impersonal and remote idea saying that it was ‘something your employer does or companies do’ [PR13]. Similarly, other respondents felt that CSR was down to organizational ‘policy’ [PU2; PR15; NP5] and was part of ‘the governance system’ [PU1], which was set by the ‘executive’ [PU1], the ‘board’ and ‘directors’ [PR14;PR19;PR17; PR22]. One of the few respondents who placed a duty for CSR with managers believed that it involved a combination of organizational and individual standards where,

‘…ideally all managers should have an ethical ideal of how to behave that they take to the firm. In the same way the firm should…have that ethical ideal too. So the two ideals work together. There's plenty of examples of good companies, and other organizations being ruined by unethical management – look at the Co-op right now...we need to get people with integrity in to manage and the whole thing will work out’ [NP6].

Thereby, one of the conflicts of CSR emerges when the question is asked, whose responsibility is CSR? If as the manager with experience of the charity and private sector suggests, a method has to be found to establish a standard of ethical management, Follett’s idea of codes of practice for management as a profession may be address the issue. Another proposal from PR11 is that the organization needs a ‘champion’ to drive the concept. If so, where there are champions, and to what extent do managers see CSR as their individual responsibility? Follett appears to have the answer to this question. Whilst she argues that individualism is given its full scope, Follett advises identifying the interests of each member of a group as well as the group as a whole (1941:301). Where there is conflict between individual and group interests, Follett explains that an individual benefit that does not benefit the group is not a true benefit. Thus each manager understands their part in contributing to the greater good and how it benefits their individual good; or as described by Follett, making the wider interest personal (Follett, 1941:214).
5.2.5 Summary of section one

The respondents’ general interpretations of CSR were that it was a beneficial phenomenon that was open to abuse and manipulation to cover up misdeeds. There was some evidence that this was the case and the overall attitude to CSR was one of ambivalence and some scepticism. As the academic community has discovered, respondents too had difficulty defining CSR but not as much as reported in scholarly work (chapter 3). Those respondents who had witnessed using CSR to distract from controversial products and processes were aware that the concept of CSR could be and was mis-used, which was a concern of other respondents. However, PR19 and PR22 accepted the behaviour of their executive as part of how their companies operated. Thus the challenge to follow Follett’s philosophy and make managers responsible for their actions and the actions of the group to which they belong involves a fundamental change to an individual manager’s understanding of CSR.

Other respondents agreed that the onus for CSR was on the executive, which could operate in a socially responsible or irresponsible way. On a more local level, respondents believed that community engagement typified the central understanding of benevolent CSR. Relationships with the community were therefore a major part of CSR as understood by respondents. Taking an example from Follett’s experience to develop human capital from the community upwards was inherent in how respondents understood worthy engagement with community stakeholders. However, early in the majority of interviews respondents voiced disquiet about the abuse of CSR, which discouraged individuals from seeing it as their obligation as managers.

5.3. CSR as a management issue: The blocks

The majority of respondents proclaimed values that committed them to the ‘greater good’ [PU3; PR9] yet to varying degrees the level of their obligation to operationalising CSR was diminished by what they perceived to be blocks to CSR. A manager in financial services and debt management, who believed her employer operated an exemplary CSR, nevertheless thought that CSR as deployed by other organizations was, ‘ Mostly something for marketing and maybe even to cover up things that they shouldn’t be doing’ [PR13]. Foremost in what
managers recounted was that they felt that their role in CSR, either personally or on their employer's behalf, was 'diluted' or negated [PR20]. The main culprits were certain organizations, including public sector ones [NP5], whose behaviour led to 'damaging effects' due to an absence of CSR that 'creates resentment' [NP6]. The result was that managers were ambivalent about driving CSR because of an 'attitude' [NP5; PR9; PR15; PR19] that as long as companies were 'making money' they 'weren't really bothered' about CSR [PR19]. Thus the frame of mind was that whilst 'major firms who can make a difference don’t do anything, there’s little point' in smaller organizations engaging with CSR [PR20].

There was tension when managers were pressed on this topic insofar as they maintained that they personally wanted to see 'more CSR' from their own employers and particularly from MNCs [NP5;PR20]. Otherwise organizations and managers who did commit to CSR would feel that they were being 'conned' because 'the more they did, the less' was done by major corporations [PR20].

Overall one significant block to CSR was a sense of conflict and powerlessness produced by a perception of going against a tide of big business that would 'exploit' [NP6] all aspects of CSR whilst minimising its contribution [PR13].

5.3.1 Tax avoidance, MNCs and CSR

The respondents channelled their most adverse criticism towards MNCs' tax avoidance 'and using the excuse that it’s legal' [PR14]. This was condemned especially when corporations projected an image committed to CSR where a 'MNC will give money to a local playgroup to assuage the fact that they avoid tax' [NP6]. Thus a theme emerged wherein managers saw paying taxes as fundamental to CSR. It was part of a business's 'duty to society' [PR15] even though they 'don’t like doing it' [PR17] because, if everyone avoided tax, 'someone, somewhere, has got to suffer' [PR17]. Thus 'tax avoidance' by 'big firms' was viewed as going 'beyond ethics' and corporate governance [PR8] and into the area of personal values and morality. Laying adverse criticism at the door of individual influential business leaders who used tax avoidance 'forces a view' that it is acceptable to be 'socially irresponsible' [PR15] thereby setting a 'negative example' [PR19]. This aspect led managers to consider the role of the leader in deciding on a principle element of CSR.
In those companies that opted for tax avoidance, CSR had ‘become discredited’ [PR14], which affected the plausibility of an espoused commitment to CSR. Therefore, how could ‘ordinary workers and managers’ [PR8] be expected to ‘pay their fair share’ [PR8; PR17] and be socially responsible when the organization appeared to lack credibility in relation to CSR [PR20;PR23]. In addition, individual managers were receiving ‘different messages’ about CSR when ‘clearly unethical’ [PR11] leaders do not ‘set the best example’ [PR20]. Thus an interesting aspect emerged in relation to tax-avoidance, which helped to clarify what was perceived as the extreme opposite of CSR. In other words, a disregard for society as a whole with the focus on immediate self-centred financial gain regardless of what was expected of the majority’s obligations, through taxes or other means.

5.3.1.2 SMEs, tax and ethics

The three respondents who were in a position to use tax avoidance claimed that they ‘wouldn’t even dream about thinking of doing something like that’ [PR10]. This was because ‘locating themselves so they don’t pay tax’ was ‘unreasonable’ [PR15] and constituted ‘taking cash away from people’, which was ‘ethically wrong’ [PR17]. The company ‘Starbucks’ was criticised by several respondents for tax avoidance which was unfair ‘in the community you operate in by doing …elaborate pricing transfer stuff’ [PR10] (Houlder and Thompson, 2012). Furthermore two other respondents agreed and cited the imbalance between those companies that had the resources to avoid tax, which skewed economies by using ‘aggressive, artificial schemes’ [PR15]. In terms of business, this was especially ‘unfair’ [PR21] and detrimental to ‘your average SME’ [PR15] that did not have access to such schemes yet were ‘having to compete in the same market’ [PR10]. As SMEs formed the greater part of the economy (Jenkins, 2006; Rhodes, 2015) in terms of jobs and potential community support, the impact adversely affected the majority of people because if ‘you draw out until there is nothing left in, society just begins to falter’ [PR17]. These thoughts highlight aspects of a wider business case for CSR in the extent to which all sections of the community, including SMEs, are harmed by corporate irresponsibility. Therefore, damage done by a lack of ‘normal, humanity and decent behaviour’ [PR8] by major organizations goes beyond the community and ‘thwarts business start-ups’ [PR10] through unfair competition. In discussing the antithesis of CSR, managers
partially confirmed the research proposition that CSR is a management issue; however, to them ‘management’ meant the leaders of organizations rather than themselves.

Of all the topics discussed with respondents the issue of MNCs and SMEs elicited the strongest opinions and antipathy towards big business. News-stories led to criticisms of companies, such as the pharmaceutical company GSK [PR8; PR23], which at the time of the interviews was being ‘prosecuted in China for bribery’ [PR8] (BBC, 2014). Using CSR to perpetuate a wholesome image, whilst disguising less acceptable behaviour, was cited by the majority of respondents. Two respondents raised the same point that GSK would almost certainly have commendable CSR and anti-corruption codes and policies, which were designed to protect their brand rather than society [PR8;PR23] (GSK, responsible business supplement, 2014). This approach to safeguarding reputations was cited by several respondents as being intrinsic to a defensive approach, which they considered to be an inherent driver of CSR [PU2;NP5;PR8;PR9;PR13;PR19;PR23]. Two of the respondents with many years of management experienced reported that in more recent times corporations displayed a ‘stronger awareness that some things are more important’ [PR19]. According to the director in the defence company this was due to companies becoming ‘more frightened’ of public backlash when they behaved irresponsibly [PR22]. One management consultant’s view was that major companies were substantially and increasingly absorbed with protecting their brand image ‘probably more nowadays than maybe 20 years ago’ [PR9]. From her experience she felt that the larger the company the greater their concern about reputation and CSR. Her view was that small and medium enterprises (SMEs) were more preoccupied with day-to-day survival, which led to CSR being low on their priorities.

The opposite perception of small businesses came from the manager of a charity. He explained that SMEs ‘have a strong local remit and commitment. They employ neighbours, friends, and are accountable to the local community’ [NP6]. Thus the view from NP6, who had worked in local SMEs as well as MNCs, contradicted that perception of the consultant whose experience was almost exclusively with major firms. Five of the companies represented by nine respondents were smaller companies and although not strictly classified as SMEs according to established
criteria¹, showed the most pro-active and anticipatory commitment to CSR. (This aspect is examined in chapters 6 and 7 on relationships and power in relation to the future of the concept).

The role of SMEs in CSR was endorsed by the MD in manufacturing [PR17]. Whilst his company had grown from a medium sized enterprise to one of international proportions and a world leader in its field, he displayed many of the behaviours attributed to SMEs by NP6. The MD’s enthusiasm was as powerful as his strong ethical and social beliefs, which led him to the view that everyone should do their utmost in contributing to society. He carried this forward into his management ‘ethos’ so that ‘if one person in the company does not believe in it, it’s really obvious’ [PR17]. Furthermore, he could see no difference regarding the size of the company in having this aim. He generously supported a local and national young persons’ charity financially, with facilities, and his own time. For him the business case was entwined with the moral case. A similar supporter of such a stance was the entrepreneur who considered it incumbent on human beings, whether or not they were in business, to want to make a change for the better,

…the fact that you’ve got a business with an outreach to a lot of customers and suppliers you can promote partnership working – do it together [PR16].

Both respondents identified the opportunity that being in business placed them in a privileged position to make the world better. PR17’s view that not ‘putting anything back is so ethically wrong’ was endorsed by the owner/manager of a plastics manufacturer. She said that it ‘goes against fundamental human nature…not to feel responsible for everyone related to the company’ [PR21]. In adopting this approach the two previous contributions were in concert with Follett with regard to establishing relationships within and between business and society. This meant that business was primarily a ‘public service’ with making money a consequence of creating relationships (Follett, 1941:122). This philosophy is at odds with the much of the scholarly work on CSR (chapter 3). Even CSR scholars

¹ Small or Medium Sized businesses are those employing 0-249 people. Rhodes, 2015: www.parliament.uk/briefing-papers/sn06152.pdf.
interpreting the most altruistic form of the concept tend toward justifying engaging with CSR to reinforce the bottom line. However, the view from most of the respondents was that proximity to the community meant that SMEs engage in CSR through good neighbourliness and, like a good neighbour, would not expect to see a return, financial or otherwise. The CEO of the medical charity explained that SMEs undertake CSR ‘because of their connection with local communities and have local customers. They are likely to be doing CSR even if they don’t realise it’ [NP5]. This reference to engagement between SMEs and CSR, bears out some of the findings in scholarly research on the topic (Besser and Miller, 2004; Burton and Goldsby, 2009; Jenkins, 2006).

The main difference perceived by those with direct experience of small organizations was that they were more responsive to moral and ethical challenges [NP5;NP6;PR11;PR16;PR17;PR21]. The reason given was that small companies would be more likely to have ‘good relationships with customers’ based on ‘loyalty’ and where the wider community ‘admire the ethics’ of ‘the way the business is run’ [PR21]. The majority view was that MNCs and large organizations had dedicated resources to set up ‘a CSR department’ and make CSR work to their advantage [PR10]. In contrast, SMEs and smaller bodies were more likely to engage with CSR ‘to put something back into society’ [PR17], in part because they were less ‘pressured by shareholders’ [PR8]. Limited or absent ‘demand from shareholders’ [PR20] together with SMEs having been ‘built up’ by owners [PR12] who invested in a ‘long-term future’ [PR19], meant that the leadership ‘brings everyone with them’ [PR13]. This was especially the case in terms of values and ethics where leaders of SMEs had a greater opportunity to influence ‘by example’ [PR13; PR14] and make managers responsible for CSR [PR14; PR17;PR21].

In relation to the research methodology this aspect of close knowledge of SMEs presents an interesting aspect. This is because changing horizons and the subtleties of communication in relation to CSR vary according to experience. Of note were contributions from those whose experience had been ‘with big name companies’ [PR9], MNCs [PU2;PR10; PR15;PR19] and large organizations, such as the NHS and government departments [PU1;PU3;NP7; PR11; PR19;PR20;PR22]. Respondents who had experience of SMEs only as opposed to SMEs and MNCs (or large organizations), interpreted CSR and the way it was
operationalised in markedly different ways. Of those who expressed a view, there was a unanimous perception that the CSR of a MNC or large organization differed fundamentally from a SME or small organization.

These differences between MNCs and SMEs are significant if CSR is to be extended to MSR and to become a responsibility of each manager. This is because metrics to assess the level of engagement and success with society may have to take account of the local, national and international environment in which organizations operate. However, if Follett’s concepts are deployed, an essential element will be for managers to develop MSR as a concept. This will be based on their own and wider experiences that they will access by integrating business and society’s interests according to the law of the situation (Follett, 1941:111).

5.3.2 Corporate sustainability: CS, and corporate unsustainability: CU

Those managers who had witnessed positive leadership for CSR [PR12; PR13; PR14; PR18] described factors identified by van Marrewijk (2003) and Windsor (2013) in relation to corporate sustainability (CS). These qualities were based on ethical behaviour and setting good examples. The initial work on CS was prior to the global financial crisis of 2007/8 which respondents blamed on ‘greed…the biggest enemy’ [PR20]. In CSR scholarship this greed has been linked to ‘corporate unsustainability’ (CU) (Aras and Crowther, 2009; Petrick, 2012). Two respondents doubted that CSR would prevent CU saying, ‘I don’t know if greed is a lack of CSR or just greed…My view is that CSR wouldn’t have had any effect at all’ [PR22]. Concurring with this view and describing CSR as ‘a platitude’ another respondent considered that the only hope was making people ‘responsible, not go on about it with clichés’ [PR8]. However, unlike Follett (1918:167) all respondents condemned individuals rather than the system.

One respondent with public and private sector experience cited a ‘culture with a nutter setting the standard, with insensitivity and bullying the norm, making it for themselves not for the job or the team’ [PR20]. Other examples mirrored the preceding comment and there was vehement criticism of leaders being ‘insular and selfish’ [PR17]. In addition, managers, board members and followers were ‘guilty by association’ [PR17] and must have known that taking ‘risks…with fingers crossed’ [PR15] was perilous and unsustainable or even ‘criminal’ [PR17]. In this
respect, the later work on CS (Herzig and Moon, 2013) has highlighted the dangers to global and national economies caused by CU and sometimes using ‘intimidation’ [PU4] by leaders to pursue risky strategies. As noted managers blamed individuals rather than the system; Follett’s advice would be to examine the system and to find a ‘functional unity’ (1941:249) that served the long-term benefit of all. In this respect, she anticipates that individuals may exert power over others and systems, which it inflicts on a large proportion of the population. Her answer was to create a system and awareness that ensured that the interests of all were identified and integrated and that power was not exploited by a few individuals to the detriment of society (Follett, 1941:100).

5.3.2.1 Standards of management behaviour

Although respondents blamed individuals for CU, they acknowledged that the system was not sufficiently robust to protect managers who made a stand against corporate ‘high jinx and criminality’ [NP6]. Experiences of unacceptable behaviour spanned all sectors, including the charitable sector. The manager of a social charity described how ‘even in this sphere, you’ll find ruthless, less than ethical types. I suppose it must come down to having some sort of standards across the board that managers subscribe to’ [NP6]. Examples were cited of job descriptions containing phrases that would give employers free rein to require duties other than those specified [PU4;PR8]. For example, one manager who was sceptical about the benefits of CSR believed that a company’s policy on ethics and CSR could be ensured through agreements with employees by ‘either in the job description, objectives, contract or whatever…These, of course, can change as required’ [PR8]. The final sentence in this quote gives an insight into the optional nature of engaging with CSR, which the youngest respondent felt permitted ‘too much flexibility around ‘ethics and morality’ [PR23]. The effect of this was that, as there were ‘no clear metrics’ for CSR [PR22], which allowed companies to ‘portray themselves’ [PR21] as responsible whilst operating in an unsustainable way. This mismatch was highlighted by Follett when she discussed ‘manipulation of the unscrupulous…and the suggestibility of the crowd’ (1941:46-47). Her method for dealing with this was to ensure that everyone was capable of understanding the power that they possessed and to ensure that ‘the training of executives…organized knowledge of managerial methods’ would lead to higher
standards of behaviour that would be known about by the wider public (Follett, 1941:129).

Overall the difficulties from their own experience as well as from awareness of social responsibility gave respondents little to help formulate a type of CSR based on existing models. The use of CSR as a smokescreen (Moon and Vogel, 2008) was disconcerting for those interested in wanting CSR to be a normative part of business management. In some respects, this reinforced the need for a new proposition for CSR, one based on Follett’s principles of sustainable social and democratic interrelationships, similar to the model she devised for her community centres (Follett, 1924).

5.3.3 Diversity and CSR

The majority of respondents considered that high standards of HR management constituted the basics of CSR, in important element of which were equality and diversity practices and procedures. Some respondents were of the view that the extent of CSR was the HR function and it was at that point that their responsibility ended. The manager of the care home summed up the view as

‘…taking on almost like a moral conscience, make sure people are treated well, that they get all their sickness rights, their employment rights, make sure they’re not exploited. Give them an avenue if they are unhappy with things, where they can speak to somebody objectively. Looking at sort of things like any special needs they might have, looking at any sort of, cultural or religious needs, things like that and how that can be incorporated into the workplace’ [NP7] .

Twenty two out of twenty three respondents exonerated their employers from behaviours that were counter to good HR practices and unsustainable corporate behaviour. The CEO of the medical charity complained that her board of directors, were not ‘even adequate administrators’, but her criticism of unsustainability was one of incompetence rather than greed or malicious manipulation for their own benefit [NP5]. Citing her charity’s problems of sustainability, NP5 explained that the board recruited from a narrow band of medical professionals with little or no managerial or business experience and operated a policy with ‘serious flaws and is short term in nature’. A similar criticism about the practice of boardrooms seemingly recruiting in their own image was levelled by several respondents who
thought it led to irresponsibility and an absence of CSR that extended to ‘a bully boy attitude’, corporate mismanagement and chaos [PR17]. The justification for this view was that the boards that were supposed to safeguard companies evolved with a limited span of thought that precluded asking awkward questions.

Interpreting CSR as promoting diversity, the director in the US defence company considered that developing a diverse team was a valid contribution to CSR [PR22]. Whilst PR22 believed that his freedom to originate CSR initiatives was ‘zero’, of his own volition, and within his immediate sphere of influence, he had instituted a substantial contribution to ‘diversity in leadership’. The outcome was that ‘it encourages everybody and that was one of the things I could do and not much else’ [PR22]. One of the most experienced respondents who was the executive in an accountancy company, had witnessed that a lack of diversity and independent thinking meant that some companies ‘take a bit more risk on board’ and extend themselves too far [PR15]. During his career, PR15 had seen what one of the management consultants described as a culture as ‘group think’ [PR11]. Giving an example of the opposite of group think, PR11 cited a firm in California’s silicon valley recruiting a ‘90 year old woman…they use her ideas and she is an inventor but one with a different perspective to all the geeks in those places’ [PR11] (Hay, 2015). The lack of diverse thought was one of the reasons that respondents thought major organizations had failed and had to be bailed out. One senior manager’s view resonated with Follett’s idea of ‘constructive conflict’ and Schumpeter’s creative destruction (Follett, 1941:32; Schumpeter, 1934). Citing the bail outs to companies, especially banks, PR8 said that ‘letting them fail’ would have produced innovation and a system more sustainable and less risky [PR8] (Buiter, 2009; Engelen, et al 2012). The fact that managers identified that ‘diversity brings creativity’ [PR17], bore out Follett’s notion about the enrichment of society and organizations by welcoming difference (1918:40).

5.3.4. Gender and CSR

In relation to diversity, a frequently cited opinion was that the lack of females in top echelons of business had contributed to some of the worst examples of CU. One respondent commented
‘...as a successful financial company our joint owners are a male and a female. But in the financial industry throughout the country, it’s predominantly male and I think if you had a woman as the head of a financial company it would be looked on with more scrutiny and they wouldn’t be able to get away with mistakes’ [PR14].

In the preceding statement the respondent’s knowledge of her industry’s gender bias is that it militates against women being recruited into influential roles. Furthermore, once in those roles women are not afforded the same leeway as males to make mistakes. According to the consultant with expertise in diversity in employment if organizations were ‘open to diversity of thought’, it would lead to a ‘culture’ where ‘there is no fear in being challenged’ [PR11]. Referring to fear of challenge and suspicion of diversity Follett wrote that ‘fear of difference is dread of life itself’ (1924:100). One example of the work that needed to be done to challenge existing practices was given by the CEO in the NHS who described a case where

‘...one of my colleagues had...started to train as a surgeon. She’d changed her direction...because of that...testosterone pushed atmosphere...it was the competitiveness, trying to be top of the tree and...it was the risk taking that was sort of exciting and showed you were the better surgeon...it worried her a lot and her sense was she couldn't make it in that environment' [PU1].

Overall, however, the view was that social responsibility would ensure that eventually incidents of women’s abilities not being utilised would and were diminishing. This was due to more women gaining senior positions and bringing their particular qualities that made them more inclined to fulfil a socially responsible management agenda. Echoing PR11’s point respondents mentioned that women were ‘better listeners, naturally’ [PR13] and that they would ‘listen’ and take account of the views of others, even those who held contrary opinions. This view from PR13 was based on her experiences in a highly competitive financial sector. She had observed that ‘men find it difficult to hear anything that might suggest they are wrong or have made a bad decision’ [PR13]. The dangers of ‘group think’ had been witnessed by the management consultant, PR11. He also testified to the benefits predicted by Follett that there were ‘key examples of how diversity of thought has influenced positively, significantly grown in terms of profitability across a whole range of organizations' [PR11]. If diversity of thought
contributes to developing MSR, whether gender based or from wider groups, the development of the concept would follow Follett’s model of continuing growth and inventiveness.

The view of the owner/manager in manufacturing was shared by others and echoed Follett’s concern that business should look to ‘long-run’ (1924:39). PR21’s business experience was that ‘men are probably more short-term and women more long-term’, which meant that women were more likely to seek robust answers to problems rather than quick fixes [PR21]. Six respondents used the word ‘nurturing’ linked to the idea that women were more predisposed to CSR, ethics and long term viability that would militate against the type of excesses witnessed that had led to CU [NP7;PR8; PR9; PR12; PR14; PR21]. One of the main contributions that women could bring to ensure greater social responsibility would be making organizations ‘open and transparent, more communication. I think the communication side of it more than anything’ was the view from the community centre manager, PU4. This aspect of communication internally and between different groups of stakeholders, which is fundamental to Follett’s approach to CSR, was endorsed by other respondents.

Overall the view was that ‘women are more honest and upfront’ [PR17] whilst ‘businessmen in general are interested in… profit…Whereas I think that women are more understanding of where does that profit start?’ [PR12]. Relating this attitude to CSR the MD in manufacturing said that when it came to ethics and governance, men ‘see corporate social responsibility probably as a weakness’. [PR17]. One respondent who had experience of implementing equality and diversity programmes suggested a way to handle objections to CSR was to ensure that ‘managers… understand not simply the concept, but they must be able to see how what they do clearly benefits society’ [PR11].

From the experiences reported by the respondents in relation to diversity some lessons may be drawn to implementing MSR. Several managers were old enough to recall when equality and diversity were seen as novelties and, as long as the law was obeyed, there was little perceived incentive to be proactive in terms of challenging organizational demographics. However, over time managers had become familiar and comfortable pushing the equality agenda and associated
concepts had developed. Notions of work/life balance, dignity at work, anti-bullying strategies, whilst not underwritten by specific legislation had become embedded in good management practice. Moreover, given that respondents thought that women were more inclined towards implementing CSR, as the balance of women to men managers became more equal, there is some encouragement in predicting MSR becoming a reality.

5.3.5 Cynical CSR

The respondents obtained the greater part of their views of CSR from newspapers, television, and radio. From these sources they perceived big business as having shareholder interests to the fore, at the expense of everything else [PR15;PR20;PR23]. One example cited by respondents was the Royal Bank of Scotland (RBS), in particular the discredited ex-CEO, Fred Goodwin (Ashton, 2013) [NP5: PR15; PR17]. The bank’s sponsorship of Formula 1 racing was mentioned as a type of CSR that was predominantly a marketing device with an accompanying bonus for ‘executives to watch motor sport’ in glamorous locations [PR23]. Thus it attracted twice the scorn of the respondent, a management trainee, who raised the topic. Of note is the move away from large-scale sponsorship of elite sports as noted in recent publications (Karim, et al, 2015; Laidroo and Sokolova, 2015). This change in direction of sponsorship deals was cited by the same respondent who concluded that companies were ‘getting the message’ that the public were able to discern between good CSR and cynical CSR [PR23]. The contradictory behaviour of companies, like RBS, was highlighted by several managers [NP5;PR8;PR13;PR14; PR15;PR17;PR22]. The fact that RBS is now focussing its sponsorship on local communities is in contrast to its reneging on a pledge to refrain from closing branches in towns with limited banking facilities [PR23] (Treanor, 2014). Such practices were seen as confirming a contemptuous ‘manipulation’ of CSR [PR23].

Noting inconsistencies in public proclamations of CSR and operational activities the supermarket manager gave an example that highlighted his scepticism,

‘…things like throwing away food that’s out of date for display but safe to eat. They could easily donate it to food banks, schools, clinics’ [PR20].
The point about throwing away food and not passing it on to needy recipients was particularly emphasised in relation to the initiative by supermarkets to set up collections from customers for charitable food-banks [PR20]. Collecting for food banks was criticised by PR23 who accused supermarkets of unsustainable and unethical sales practices whilst appealing to customers to ‘buy products to donate’ [PR23]. The irony was pointed out that the same shops destroying consumable food were making profits by appealing to the ‘goodwill’ of their ‘customers’ [PR23]. In so doing pollution incurred from the disposal of food ‘that had massive carbon footprint’ [PR20] was cited as immoral. In addition to the ‘immorality when people are dying because they are malnourished’, the contribution to costs from disposal increased prices [PR23]. These reactions from respondents demonstrate an understanding of social issues and sustainability juxtaposed with their feelings of frustration that they were unable to change what appeared to be a disregard for CSR.

To illustrate that a ‘different proposition’ [PR10] was feasible the food-store owner and business consultant described his business philosophy. Having become disillusioned with his work as a consultant for MNCs, PR10 bought a food-store franchise and set about running his business on ethical and sustainable principles. His commitment to society was manifest in his quest to educate the public. ‘There is so little education about the food waste. I speak to local schools to improve awareness of it by educating pupils about sell-by dates and cost of production and disposal’ [PR10]. Thus through his business interests and engagement with wider society, PR10 used his knowledge, experience and status to educate the public to be aware its power to improve society – in this case, by reducing food waste.

In these examples concerning food waste respondents expressed awareness of commercial aspects being an integral part of CSR alongside environmental and human elements. Both accounts echo early work on CSR by Elkington (1994) concerning ‘people, planet, and profits’ [PR20]. However, in the case of the food-store owner he had proactively engaged with the community to educate them about food waste. In so doing, PR10 gave an example of putting into practice Follett’s philosophy to educate the public about business management (Follett, 1941: 135). As a seller of food, PR10 may have made more profits by not campaigning on food waste. However, his commitment to social responsibility and
belief that his efforts would make a difference, offer an example of how each manager may educate the public for the greater long term good. In the aforementioned accounts relating to sustainability, apart from educating the public there is a further example identifiable in Follett’s philosophy. She wrote about the disappearance of ‘business as trading, and managing as manipulating’ expecting that business people should see their work as a social rather than an economic function (1941:143).

5.3.6 Public sector

The necessity to contribute to the greater good was a view common to public, private, and non-profit sector respondents. The increasingly commercial standards demanded of the public and non-profit sectors (Taylor-Gooby, 2012) were regarded as both a threat and an opportunity to engage with CSR. As one senior local authority manager explained, with regard to choices about CSR, it ‘meant questioning decisions for the greater good’ [PU3]. She went on to say that new challenges were being presented about ‘what can we continue to provide?’ [PU3]. The main opportunities were through partnerships with the private sector and the chance to link into a wider range of community activities [PU1;PU2]. Of all the elements comprising today’s organization, business, and working life Follett is most apt in relation to the public sector and adoption of private sector practices. She saw all business skills and resources being shared to serve ‘extra-social services’ which were provided by the state and had a welfare purpose (Follett, 1941:132).

However, the need to deliver returns on investment was considered to be a risk to some of the values that underpinned the private, public and non-profit sectors [NP6;PR20]. Managers with experience of all sectors were concerned that public service values would be relinquished as profit driven policies were adopted [NP6] and considered that systems were insufficiently robust to protect society [NP6;PR20]. With regard to the robustness of systems, several respondents considered the role of government as an inhibitor rather than an enabler of CSR [NP6;PR8;PR20;PR23]. In particular ‘scandalous use of public money’ in ‘work schemes and NHS privatisation’ set the worst examples because ‘it’s our money’ [NP6]. Thus frustration was expressed by managers who ‘wanted to make a
change for the better’ [PR16] but felt that if ‘government isn’t into CSR, they can’t ask firms, managers or anyone to commit to it’ [PR20]. The view was that if government were serious about driving CSR they would ‘ensure CSR’ [NP6] in those contracts that it controlled [PR20].

Further examples were given of a lack of CSR in the NHS, such as Mid-Staffordshire hospital [PU1; PU2; NP5] (Francis, 2013; Spencer-Lane, 2014) leading to neglect and deaths due to management focusing on balancing the accounts at the expense of patient care. However, whilst the problems at Mid-Staffordshire related to a single organization, it was pointed by a manager in a finance company that a general lack of CSR in all sectors both externally and ‘internally…about how we treat the staff,’ [PR12] will have consequences. According to a CEO in the NHS the consequences can be fatal. He explained that in terms of treating patients, staff feel ‘this alienation; actually you stop looking after them properly’ [PU1]. Such instances can lead to patient’s ‘suicide…violent episodes’ [PU1]. Thus, CSR was seen as encompassing internal and external issues which, if there are ‘less things bad things happening, you’ve got less litigation, and a good thing when you’ve got less litigation is that your insurance bills fall’ [PU1]. Thereby the business case for CSR unfolds.

5.3.7 Summary of section two

Encouragingly the majority of respondents expressed an interest in seeing more CSR in business and were willing to engage with socially responsible activities proactively. However, the behaviour of certain large organizations, particularly MNCs undermined their interest in CSR and cynical manipulation of CSR was considered a major block to its wider adoption throughout business management. In particular tax avoidance was considered to be unethical, contrary to CSR and damaging to SMEs. The role of SMEs in CSR was generally regarded as more honourable and altruistic than the behaviour of MNCs, which in the view of respondents could learn some valuable lessons from SMEs and how they engaged with communities.

Other lessons were cited by respondents for corporations that engaged with unsustainable and irresponsible practices and allowed greed to overtake common sense. The general view of respondents was that sooner or later, misdemeanours
would be discovered and may be punished. However, there were distinctive dissenting voices who believed that CSR would not prevent corporate scandals nor would legislation. This pessimism was because individuals would always be seeking ways to circumvent methods to curtail excesses, which was due to greed. Conversely, respondents believed that CSR equated to equality and diversity and the part that they played as managers in implementing and promoting diversity. The acknowledgement of the value of diversity echoed Follett's philosophy. This was especially so in relation to the contribution that different ideas brought to organizations. Respondents viewed difference in the same positive way as Follett and agreed that greater diversity would have prevented some of the problems that business had encountered if more diversity of thought had been available to decision makers. Although equality and diversity had advanced slowly, all respondents acknowledged that operationalising an equality agenda had become a mainstream management function. In this respect they appreciated that CSR could also become normalised as part of a manager's duties [PR23].

The changes in the public sector developing partnerships and promoting greater community responsibility were regarded as an opportunity and a challenge. Several ideas to engage with wider groups of stakeholders resonated with Follett's thoughts on building capacity and developing skills and capabilities. Further examples of Follett's concepts being practicable were evidenced in the examples of educating the public about the standards they ought to expect from business management and the part that each respondent could play in promoting human welfare.

5.4 CSR: The business case

The instrumental or business case (Porter and Kramer, 2006) was the most frequently referenced aspect of CSR (chapter 3). The majority of respondents thought that major firms equated doing good to doing well and some gave examples of beneficial publicity and enhanced employee satisfaction created by CSR [PU1;PU2;NP6;PR9;PR12;PR13; PR14;PR18;PR20;PR22;PR23]. Thus 'enlightened self-interest' [PR20] was perceived as a key motivator for CSR. However, the exact nature of the benefits that accrue from CSR was difficult for
managers to assess apart from reputation which was seen as having great importance in the eyes of all respondents.

5.4.1 Marketing and PR

The central perception of CSR was that it was primarily a ‘marketing’ device even if it was not used as one in their organization [NP6; PR14; PR20; PU2; PU1; PR15; PR22; PR23]. In terms of justifying CSR one of the critics of the concept Geoffrey Lantos (2001, 2002) considered marketing a legitimate reason for CSR. To a limited extent, this view concurs with those of Porter and Kramer (2002; 2006), who regard CSR useful as a strategic tool linked to core business aims. Even so, several respondents could see the value to society from the use of CSR in causal marketing. Examples were given, including ‘sponsorship of the 2012 para-Olympics’ [PR20] ‘and Barcelona FC with UNICEF on their shirts’ which ‘says a lot’ about ‘promoting benefits of sport’ and good causes [PU1]. The most frequently cited examples of ‘good CSR’ [NP6] were ‘Body Shop’ and ‘Ben and Jerry’s’ [NP7; PR14; PR15; PR19]. One respondent with experience of MNCs suggested ‘Unilever…one of the best examples…and their approach to a more sustainable future very much comes from the top’ [PR10]. Overall, there was a view that CSR was a ‘what organizations do for the greater good’ [PR9], which was subject to corruption in its application. Within the process, however, individuals and communities would usually attain some level of benefit [PU1;PU2;PR19;PR20;PR22] and there were commendable examples where companies ‘generally behave decently’ driven by worthy motivations [PR14].

The opinion that companies were engaged in CSR for other than altruistic reasons was held by all respondents. Paradoxically, this was the opinion of the three managers in a financial company whose personal experience of CSR in their workplace had been entirely positive and honourable [PR12;PR13;PR14]. For example one, who through her work dealing with people in debt, had a heightened sense of the difficulties faced by some marginalised groups in society. She believed that ‘it’s even more important that we behave with integrity and can stand up to scrutiny’ [PR13]. In her estimation her company’s owners – a married couple – displayed an engagement with CSR that was an exemplar of the concept, which was driven by strong family and ethical values. Nevertheless, this
manager’s definition of CSR was that it was largely a PR exercise to promote the brand, which she described as,

‘…how a company is seen by other firms and the public at large. It’s mostly about image, about how you put your brand across’ [PR13].

This was interesting given that the individual’s personal values were within strong moral and ethical parameters, which were compatible with those of her employers. It appeared, therefore, that the general view of CSR as a marketing device had transcended her personal experiences. She saw CSR as ‘a PR thing mostly - some firms exploit it, like Starbucks to cover up not paying tax’ [PR13]. Here Gadamer’s notion - set out in the methodology chapter 4 - of influence according to the culture of organizations as well as backgrounds experiences, throws up an interesting question. The perplexing problem is to understand at what point an individual’s direct encounter with a philosophy is negated by second-hand information perpetuated through other sources, such as the mass media. To varying degrees, in all the interviews there was some evidence of this phenomenon. Thus it brings into question whether managers would ever see CSR as a genuine initiative to improve society through sustainable business practices. It also reinforces the need for CSR being depersonalised as a corporate or executive preoccupation by making social responsibility a personal obligation of each manager. This extension to MSR would incorporate Follett’s philosophy that the larger interest of the advancement of society is made personal to each manager (Follett, 1941:367).

5.4.2 Reputation

The larger interest of business both internally and externally, was perceived by eight respondents as being linked intrinsically to ‘reputation’. The entrepreneur’s view was

‘Reputation in business is the most important thing; it’s not the finance, it’s not the product, the location - it’s reputation’ [PR16].

This view was endorsed emphatically by the executive from an accountancy and firm who had seen the consequences of a lost reputation. In PR15’s company ‘having a positive reputation for being a decent good quality organization’ was part of being regarded as trustworthy. Furthermore, he commented on the importance
of reputation insofar as the recruitment and retention of staff ‘where they have a choice’ was affected by a company’s stance on CSR [PR15]. This was also the view of PR10, the food-store owner, who had seen ‘the people who are just entering the workforce now…more aware and much more concerned’ about working for socially responsible firms [PR10]. Particularly in those industries where there were skill shortages, new recruits were perceived to be linking CSR to commercial robustness and viability [PR10; PR15]. In addition to pay, potential employees ‘are looking at things like corporate responsibility and the interaction of the business with the outside world’ [PR15]. Thus the focus on reputation represents a significant element to the way in which MSR should be approached.

What comprises reputation, however, can be transient as evidenced by the criticisms associated with tax avoidance. The concept that ‘reputational capital’ (Burton and Goldsby, 2009:149) can accumulate to be spent later appeared to run through some of the comments from managers. News stories relating to ‘scandals’ at ‘the Co-op’ stores and bank [NP6] (Neville, 2014) were cited as examples of an ethical reputation being undermined but where the individuals remained loyal for the time being [NP6; NP7; PR11; PR23]. However, as pointed out by PR15, taking chances with reputation may depend on ‘what you’re selling and how you’re selling it’ [PR15]. As an example he recalled ‘Gerald Ratner’ who attempted to amuse by making disparaging comment about his products ‘and suddenly his business is destroyed’ [PR15] (Whysall, 1998). When probed on reputation in terms of CSR, the same respondent described an additional benefit by its engagement with local good causes in that it expanded their base of contacts.

‘We’d consider it to be good for the organization because it’s networking - being involved. But it’s also networking that’s benefitting the wider community’ [PR15]

Whether or not engagement with the community would have been saved Ratner’s from insolvency is questionable [PR15]. However, the power and instantaneousness of mass communication, emphasises the importance of protecting and reinforcing reputation as ‘big name companies’ become more ‘paranoid about their reputation’ [PR9]. The power of ‘social media campaigns when…companies are being irresponsible’ [PR23] reinforces the attraction of CSR
as being ‘more about defence and pre-empting attack than being a caring company’ [PR19]. Thus managers acknowledged that the business case for CSR was an acceptable proposition as long as society benefitted by at least as much as the companies who were using CSR for ‘marketing and PR’ [PR9;PR12;PR13]. However, the majority view, especially that of managers who worked in organizations that were exemplars of CSR was that it should be an inherent part of business operations, regardless of the rewards for organizations [PR12;PR13;PR14;PR16;PR17;PR18].

5.4.3 Summary of section three

All respondents identified an element of marketing, PR and defending reputations as a driver for CSR. However, a significant proportion of respondents worked in organizations where making a positive contribution to society and social responsibility was the motivation rather than enhancing reputation.

The appreciation of the benefits of the business case for CSR, illustrates that managers understand the part that they and their organizations may play in the relationship between business and society. Although not in keeping with Follett’s idea of the contribution that business management should make to society, the data indicates that there exists a platform of understanding among managers about social responsibility, its advantages and disadvantages.

5.5 CSR as a management issue: Overcoming blocks

Regardless of their optimism or pessimism about CSR, all respondents recognised that significant advances had been made in terms of the responsibility expected and shown by business to society. Predicting a paradigm shift in relation to leadership ethics was the European head of HR for a MNC [PR19]. As a manager with a US manufacturer his opinion had been influenced by over 30 years’ senior experience. He expected that ‘where management matures those companies mature’ [PR19] and adopt a more moral and ethical culture.

5.5.1 Organizational culture

The question of the culture of organizations evolving over time was noted by eleven respondents and gave hope that blocks to CSR could be overcome [PU2;PU4;PR9;PR10;PR11;PR12;PR16;PR17;PR18;PR19;PR21]. The
management trainee was confident that with ‘pressure from society and pressure from government… there needs to be an understanding of just what people’s duties and responsibilities as members of society are’ [PR23]. This was seen in the finance company as CSR being ‘bred into the system’ [PR14] because leaders ‘had built up the firm’ and their ethical values had brought ‘everyone along with them’ [PR13]. Reflecting the methodology certain respondents highlighted how the horizons of a company may change according to the maturity of the organization and corresponding maturity of its leaders (Gadamer, 1979). One management consultant noted that ‘you don’t change companies, you change people’ and that business needed to look ‘long term’ for ‘future leaders…creating a better future’ [PR9]. Such actions necessitated choosing individuals for leadership and setting out an ‘ethical framework of values’ within which they should operate [PU1]. Thus any tension arising from a mismatch between personal and organizational values would be addressed. This echoes Follett’s comments about an individual’s morals being challenged by economic principles weighed against ‘ethical principles’ (1941:183). Follett addresses this dilemma when she describes the advantages of having formalised professional management and moral standards which give the public metrics against which to gauge management behaviours.

5.5.2 The journey: Social issues in management
Taking the theme of changing horizons further, the owner-manager of a plastics manufacturer compared the need for greater ‘feeling of responsibility’ [PR21] with advances in social issues in business that she had witnessed during almost 30 years of her working life. Whilst ‘news portrayed’ the impression that ‘being ruthless’ in business paid off, she felt that ‘treating people’, ‘employees, customers’, and ‘suppliers’, in a ‘fair way’ was fundamental to human nature [PR21]. Ultimately, therefore, people would reject the ‘wrong’ and ‘ruthless’ methods of big corporations [PR21]. Thus, in the same way that ‘gender equality’ had been established, individuals would eventually take on CSR because social ‘responsibility is automatic’ and one day it will be something ‘we all accept’ [PR21]. Endorsing this view with the caveat that CSR had ‘some way to go’, the care home manager explained that she was hopeful because during her career she had seen many advance in social issues [PR7].
Another respondent who equated CSR to equal opportunities had worked ‘for over 30 years’ [PR11] in the field of equality and diversity. His view was that change had been brought about through social movements where ‘there were key prime movers’ who said that ‘we are not going to accept this behaviour’ [PR11]. In this respect he had seen slow changes over a period of time but ‘as society grew’, embracing equality and diversity ‘concepts…speeded up’. Within the process there were ‘tipping points, like the murder of Stephen Lawrence’ [PR11] (Cathcart, 2012). In the same way that the Lawrence enquiry (MacPherson, 1999) identified ‘institutional racism in the police’ so too there appeared to be ‘a lethargy…of acceptance in terms of organizational behaviour’ and ‘irresponsibility’ [PR11].

However, as the ‘Civil Rights Movement had started in America…from small roots’ there were significant examples of major changes to behaviour that could be equated to ‘addressing institutionalised corporate irresponsibility’ [PR11]. Access to social networks to ‘campaign’ [NP7] using ‘Twitter’ [PR11; PR19] ‘is the way’ that ‘could involve’ the next ‘generation’ [PR23] that would challenge ‘indifference’ and build greater social responsibility [PR11].

However, using comparisons with ‘equal opportunities laws’ [NP7] and similar employment ‘equality legislation’ [PR15], other respondents were less hopeful about the future of CSR unless ‘governments’ [NP5] tackle corporate irresponsibility, especially by major companies. Paradoxically, managers had mixed views about laws to enforce CSR, as exemplified by the comment,

‘On the face of it I would say yes, legislation would be great but it is not something you can legislate for’ [PR17]

Those who felt it would be ineffective were inclined to believe that change would have to come by adopting a ‘different culture’ [PR15]. Such a view was inherent in another historical perspective set out by a senior executive in HR when describing the evolution in corporate thinking. He cited the culture where ‘ethics is more strongly on the table’ with ‘companies prizing integrity in their value set’ [PR19]. Despite some managers feeling ‘ineffectual’ because their contribution was ‘a drop in the ocean’ [PR20], the majority felt that change would inevitably move business
and society toward fairer, stronger and standardised responsible behaviour [PU1; NP5; PR8; PR11; PR13; PR14; PR20; PR21].

On a personal basis, whilst the need for income security was an issue, the consensus was that the managers interviewed ‘wouldn’t be happy…working for a company’ that purported CSR yet ‘was cheating’ [PR16]. Respondents identified changes in the public mood as a significant pressure on companies to commit to CSR through ‘people becoming more savvy about what is right and wrong’ in business [PR11]. Many of the social and ethical advances in business organizations had been witnessed by two thirds of the managers who were nearer to the end of their working lives than the beginning [PU1; PU2; PU3; PU4; NP5; NP6; PR8; PR11; PR15; PR16; PR17; PR19; PR20; PR21; PR22]. The majority of these respondents considered that a challenge to corporate behaviour would have a beneficial effect and was inevitable [PR11; PR16; PR17; PR23]. Respondents recognised that there had been some notable advances in social issues in management. The notion of thinking globally and acting locally, which they related to ‘recycling…there’s been more attention paid to it’ [PR8] and was cited by five respondents as a success of CSR that involved wider society and business [PU3; PR8; PR21; PR22; PR23]. In this respect Follett’s solution is echoed. Follett advocates integrating interests and gives an example of capital and labour seeing themselves as one group that works towards meeting mutual interests and needs (1918:117).

5.5.3 Leadership
In all five cases, where respondents were leaders with authority and resources to adopt CSR [PR15; PR16; PR17; PR21], they were emphatic that it was ‘very important to us’ to take on ‘responsibilities and consider the wider implications’ for society [PR15]. However, whilst the philosophy of the leaders appeared to be agreed by others down the management line, the idea that managers should operationalise CSR was accepted to varying degrees only. Of note were the views of the CEO of a NHS trust who felt that managers saw implementing CSR as ‘peripheral’ [PU1]. Placing responsibility with the executive, in PR22’s experience anything that could be interpreted as CSR was ‘all from the top down…it was definitely a matter of leadership’ [PR22]. Nevertheless, there were
some distinct examples of the leaders’ values being incorporated into the way a manager managed, especially in relation to CSR. Three of the most outstanding cases were in the financial services company where the ‘culture’ was described as ‘a caring, supportive organization but with a high emphasis on what we achieve from a business perspective’ [PR12]. The company in question ‘behave decently’ and ‘sponsor children’s football teams’, local charities, offer placements to colleges, and pay for ‘school places in South Africa’ [PR13]. In the view of the managers working in this company, such behaviour ‘whilst building and making a profit’ and ‘paying taxes’ constituted leadership in terms of CSR [PR14]. This was summed up as ‘80% of what an organization does…ethical activities, CSR, comes from the example that has been set by the leader’ [PR11]. Overall, the consensus was that CSR was a responsibility of the executive and leadership was the key to it being adopted as a management issue.

Follett described how leadership can be affected by ‘followers’ (1941:290) and this aspect of giving people ‘the ability to influence’ [PU3] and to have their ‘moral and ethical values’ acknowledged and respected was considered by one manager [PU4]. The majority of respondents were sure that they would not allow their personal values to be compromised in the course of their work. However, they were not confident about how they would be treated should they ‘whistle-blow’ [PU2; NP5; NP7] and were uncertain about the resolve of ‘colleagues’ to support them [PR16; NP5; PU3]. Part of the reason for this view was that they felt that others would not be able to resist pressure to subsume personal values for employment security. Thus there was a tension and lack of confidence displayed by some managers with regard to operationalising CSR and the safeguards required [PR22; PR23; NP5], which was an aspect that brought into question Follett’s proposal for the use of codes and professional standards for managers.

5.5.4 Codes of conduct
It is in this area of an individual’s contribution to society that Follett’s concepts are particularly relevant insofar as taking responsibility for both one’s part in a group as well as for the group as a whole (Follett, 1918:368). In terms of CSR this translates into taking responsibility for one’s role as a manager as well as for management as a profession abiding by socially responsible principles. The idea
of management as a profession with its own codes of conduct and standards, first advocated by Follett in the 1920s (1941:132), is now on the business educators’ agenda (Khurana and Nohria, 2008) and an example of historical ideas being relevant to today. Thus the topic of educating managers and ‘training in ethics, CSR, moral codes’ [PR8] was endorsed by respondents who considered it an acceptable starting point [NP7; PR8; PR17; PR23]. Utilising management education by going beyond ‘working within the rules’, leading by showing ‘respect’ and a ‘moral conscience’ [NP7] would encourage managers to ‘take on CSR’ as their ‘individual responsibility’ [PR23]. Furthermore, education would help address the tension and ambivalence surrounding the concept and duties of managers implementing CSR or MSR.

An example of tension that respondents felt about CSR was noted by a senior local authority executive, PU3. She considered that influences were ‘on two levels’; ‘one is from the culture in which you are operating’ and the other is the ‘framework… within your job role’ [PU3]. In this respect Follett’s ideas about codes and standards would be appropriate if, as PU3 suggests, each management job has its own moral and ethical framework that may stand apart from ‘organizational culture’ [PR11]. Those respondents with whom the governance codes of UN and WEF were discussed, considered the possibility of extending them for all companies to work within [PU1;NP5;PR9;PR20] (UN global compact; WEF Forum). However, the word ‘utopian’ [PR22;PR23] was used to assess the effectiveness of such a practice. In their defence, some critics of the UN’s Global Compact support this judgement; yet, this critique is also contested (Rasche and Waddock, 2014; Sethi and Schepers, 2014). These debates between academics about the effectiveness of codes do little to assist managers; however, Follett’s notions are particularly helpful when faced with contradictory opinions. The law of the situation – para 1.1.2 - guides decision makers to identify the true situation and to seek ways to find solutions that integrate the interests of all sides (Follett, 1941:111).

Respondents believed that codes should be in place that ensured ‘proper scales, transparency, limits and standards should be set’ [NP5]. Another senior manager believed that ‘the unfairness in society…caused by years of…bad
management...The problem seems to come from an imbalance created by those too powerful to be challenged' [PR8]. Furthermore, the CEO in the medical charity thought that 'penalties should be imposed when dodgy dealings are discovered' but on the contrary there appeared to be exoneration of misdeeds [NP5]. Citing the 'Libor' [NP5] and financial 'mis-selling scandals' [PR13] respondents believed that 'we let them get away with it' [NP5] (Devlin, et al, 2015). However, from PR10’s experiences of MNCs he believed that eventually ‘profit at all costs’ and ‘cutting corners’ will be unsustainable. His view was that ‘Tesco…and the Deepwater Horizon disaster…[showed] greed doesn't work to the point where BP got away with it for a long time but then it has cost them enormously’ [PR10] (Farrell, 2014). The adoption of a set of standards that managers and the public understood and could expect may be the most practical way of giving managers the tools to take on MSR as their responsibility. In the process, it would, as Follett envisaged, protect managers from being forced to follow unacceptable practices by allowing them to invoke standards to which they and their profession subscribed.

5.5.6 Corporate citizenship

During the course of the research interviews the notion of corporate citizenship (CC) emerged (Matten, Crane & Chapple, 2003). The concept that business displays behaviours similar to those of a good citizen sparked an interest during discussions and managers warmed to the idea that this was something that could be comprehended relatively easily [NP6;NP7;PR8;PR9;PR15;PR16;PR19;PR21;PR22]. One respondent who displayed the greatest scepticism about CSR, nevertheless thought that CC had merit because

‘It's easier to understand the importance of CSR if you consider companies to be like people and to have responsibilities like people. People don't have to be good or even useful members of society, but for the greater good, it's obviously better if they are’ [PR22].

Other managers also felt it was a concept they could ‘sell’ to stakeholders and appeal to their desire ‘to be a good citizen’[PU3;PR21]; in so doing they showed ‘respect’ for ‘people and did not just look at them as adding value to their
company' [NP7]. The manager displaying the most pragmatic principles thought that ‘corporations wouldn’t be in business long if they weren’t good citizens [PR8]. This comment highlights the quid-pro-quo notion that, if business behaves well it will be rewarded by acquiring and retaining customers. The idea of CC is compatible with some of Follett’s philosophies; however, she would advocate starting out as a good citizen regardless of the rewards as part of the individual’s contribution to the group. Where Follett would be at odds with the notion of CC is around the area of power and the way in which some corporations hold more power than states. To Follett, this would run counter to her notion of power-with, which was the optimum level to reach and would result in greater democratic interaction and MSR. (More attention is paid to this topic in empirical chapter 7).

5.6 Integration for CSR

The ambivalence and hostility that several respondents reported towards business illustrates the conflict between business and society. However, as Peter Drucker (1995) suggests, Follett’s greatest contribution to management theory is in the realms of conflict resolution and the managers interviewed were in no doubt that in general business and society were at odds. Follett explained that managers should apply her method of integration to deal with conflicting and opposing interests and desires to achieve an optimum outcome for all stakeholders (1941:31).

5.6.1 Integrating conflicting interests

The idea of integrating disparate interests and using conflict as a creative experience was presented to respondents and discussed during the meetings. One respondent saw integration as being ‘part of a jigsaw; we can’t work or play in our own little bubble. We are part of a family, an organization, a group, a community, a place of worship’ [PU4]. Follett’s concept of integration is based on an understanding that human beings are in a reciprocal relationship with each other and ‘the group’ (1941:193), which forms society. Integration accepts that conflict is a part of dynamic relationships and uses conflict as a positive force to drive change and innovation. The head of HR, in the debt management company was accustomed to dealing with conflict. She followed Follett’s advice to identify
the true cause and find out the true cause of conflict by ‘talking…listen to someone else’s point of view’ [PR12]. These skills are those that Follett advocated when engaging with communities. Follett advised avoiding compromise because it ‘is temporary and futile’ and never works as it requires each side having to give up something (1924:156). Instead, she called for integrating interests by identifying the best outcome for all parties.

Other views were similar to Follett’s work on creative conflict where ‘conflict’ leads to new ‘ways of thinking…and benefiting from those different approaches’ [PR11] and recognising the dangers of narrow interests predominating [NP7;PR23]. These themes were considered by managers to comprise what would drive or impede mutually beneficial relationships between business and society and the effective implementation of MSR. To some extent Follett’s idea was identifiable in the approach of one manager who described how ‘there are people who actually compromise and there are people who collaborate in growth’, which leads to ‘the benefit of a conflict situation’ [PR11]. Another respondent echoed Follett by referring to ‘the common purpose’; ‘wherever you are where there’s a gathering there’ll be many purposes, but you know there’ll be one core purpose and it’s a human need as well’ [PU4]. Even so the notion of ‘compromise’ [NP6; PR12] as the optimum result was held by respondents and runs counter to Follett’s idea of integration. Whether the idea of integration is pushing the boundaries of management capabilities too far may be an issue for MSR. The fact is that most managers described how they dealt with conflict and some referred to ‘win-win’, which is based on Follett’s concept of integration [PR12;PR14;PR16].

5.6.2 Integrating CSR from the community upwards

Many respondents applied the idea of CSR being built from community level up leading to long-term answers by appealing to the ‘socially responsible individual’ [PU3]. The extensive community engagement of PR10, PR16 and PR17 described earlier in this chapter illustrates integrating community interests with business and using management skills to integrate with each other. The supermarket manager identified the role of customers in the success of ‘the Red Tractor symbol of local sourcing is an example, as is Fair Trade’ [PR20] (Hainmueller, et al, 2014; Reinstein and Song, 2012). Follett would probably view
these assurance schemes as being part of her call for greater interactive democracy that integrated interests and utilised management to educate the public about standards. This idea was echoed by one respondent who considered that for CSR to be effective ‘democratising big business’ [PR20] was a priority. This would extend CSR as a management issue to make it an ‘inherent part of what business should be about’, ‘driven by customers’ [PR20] and for ‘managers and workers to make it real’ [PU3]. Thus widening ‘ownership of CSR’ [PR10] would help to prevent CU by using ‘TV campaigns showing’ companies that adopt and champion CSR ‘to make business more ethical’ [PR20]. Such a notion echoes Juran’s the ‘useful many’ (1995: 57) that have campaigns (such as safety) directed at them and contribute to a culture of improvement individually having been motivated collectively. This incorporates Follett’s view of integrating business so that it becomes a social institution wherein management is a function that drives the ‘why and what’ organizations do rather than how they do it (Drucker, 1995:6). Such an approach is consistent with the view of one of the study’s most ardent advocates of CSR whose employees were aware that ‘everyone takes responsibility’ for the community albeit to varying degrees [PR17]. Thus each manager becomes responsible for the ethical and moral principles of an organization as their contribution to the greater good. Herein is Follett’s idea of ‘power-with’ rather than ‘power-over’, which is examined further in chapter 7.

Approaches suggesting that everyone has a community responsibility, or duty, invoke notions of the beginnings of CSR and philanthropic work of the past (Idowu, 2009). Three respondents cited ‘Quaker principles’ [NP6; NP7] when ‘they all looked after each other’ [PR21]. Moreover, those who felt that their organizations were less committed and thought ‘CSR is marketing’ [PR20], still considered that, within limits, their employers were ‘playing their part’ [PU1] with some ‘win-win’, which included ‘community outreach’ [PR22] and benefiting ‘local firms’ [PR20]. This gives some hope to the idea that Follett’s concept of integration could be used to operationalise MSR and make it part of what managers do in the normal course of their work. However, some respondents expressed tension between wanting to be socially responsible being restricted by their organization’s senior management, which was summed up as,
‘...a lot of people say ‘why should I be doing this when my boss isn’t doing it?’ even when they know it would be right or better or whatever [PR9]. However, all respondents expressed a personal compliance with the tenets of the common good and five cited ‘recycling’ as a contribution they made which constituted a change in their behaviour [PU3;PR8; PR21;PR22;PR23]. The MD in manufacturing offered this suggestion,

‘Life works very well if it’s in a balance...maybe not in our lifetime but if you are just drawing out and out, at some point you are going to have nothing left’ [PR17].

The quote referring to ‘balance’ is intriguing and echoed by six other respondents [PU3;PU4;NP7;PR9;PR12;PR13]. The suggestion being that, in order to achieve balance, one side has to give something to achieve equilibrium. Whilst appearing to be contrary to Follett’s thinking on trade-offs, on deeper examination the idea of balance is compatible with integration. This is because the point at which the interests of all parties are integrated something is achieved that is not a compromise but a novel and optimum outcome. In so doing all sides benefit and produce something that is superior to anything that either side had previously.

An example of benefitting all sides was given by the senior manager in the local authority where ‘we make sure there’s a social value criteria measured and weighted in every contract’ [PU2]. In this initiative, the spirit of Follett prevails. It can be seen in the aims of other social value programmes too (Social Value Act, 2015), which are to encourage people to do more to help themselves and their community, including improving standards of health. Thus the implementation of certain aspects of CSR was driven by legislation. Therefore, the previously noted views of managers may be illusory when they predicted that legislation for CSR may be inoperable. The benefit from an integrated solution to procurement of goods and service involved ‘saving money and getting good quality’. Even if ‘it might cost a bit more…it’s making extra jobs, or training opportunities, or it’s keeping that pound regenerated in the borough’ [PU2]. In any case, the majority of respondents felt that large companies and organizations were in a strong position to ‘give something back’ [PR11] and play a full part in society.
5.6.3 Summary of section four

Counteracting scepticism and cynicism about CSR may be possible given the views from some of the respondents who had experience of the way that socially responsible behaviours can be built into organizational cultures. Several senior respondents with executive authority had witnessed changes in cultures becoming more aware and responsive to societal expectations. Inherent in advancing the relationship between business and society was having leadership to promote and support those managers who wanted to champion social responsibility. Follett’s idea that management should see itself as a single profession with codes of conduct and standards that would assist managers to operationalise CSR was not considered practicable or necessarily desirable by respondents. Of more interest to respondents was the concept of corporate citizenship (CC). Respondents considered that CC was a notion with greater clarity than CSR and it was on which they felt everyone would be able to comprehend.

If social responsibility is to become MSR and the obligation of all managers, using CC as a notion to explain the idea of interconnections and communal responsibility may be a starting point for developing a definition. Any definition of MSR would also incorporate Follett’s approach to citizenship and identify common interests, making them personal and integrating them for the fulfilment of the group offer a way to act individually and collectively.

Respondents recognised the notion of integration in recycling and linked it to CSR that involved wider society and business. In this respect Follett’s solution is echoed. Follett advocates integrating interests and gives an example of capital and labour seeing themselves as one group that works towards meeting mutual interests and needs (1918:117). Giving evidence that they were able to use integration to deal with conflict augurs well for managers taking on MSR as their obligation. Furthermore, some respondents integrated community interests with their own and used their management skills to facilitate integrating with a wider range of stakeholders, which contributes to the type of social responsibility that Follett developed in her community centres.
5.7 Conclusion of chapter five

The difficulty in translating Follett into social responsibility for modern management is that her optimism and belief that the evolution of management as a profession would result in integrating interests for the greater good (Follett, 1941:262). The views of respondents were that the more they knew about the evolution and influence of big business the less inclined they were to see it as a force for good. Thus they felt that were given an opt-out to engage with CSR. This was because those organizations that should be exemplars of CSR exploited the concept cynically and turned it into something that conflicted with the respondents' personal morality. However, taking Follett's lead and seeing conflict as an opportunity to create something new, the conflict between business and society may provide the impetus for MSR. As Follett saw difference as an essential in order to progress the human condition, developing MSR using her method of integration as a starting point is worthy of consideration. So too is Follett's idea to create a framework of standards to which managers can refer when faced with conflicting interests and pressures. In terms of turning the differences in society into constructive conflict, all sides need to understand what has driven them to the prevailing state of animosity (Kemper and Martin, 2010; Porter and Kramer, 2011). A starting point would be for organizations to grasp the bitterness expressed by the managers as would managers' understanding their role in developing and driving MSR as they have with other social issues in management.

Where Follett's approach was distinctive was in relation to SMEs. This may be because during her time serving on wage boards and as an adviser many of the businesses with which she had contact would be smaller firms. However, Follett also worked with major employers and her experiences with Rowntree's in England helped her to formulate some of her concepts about social responsibility (chapter 2). Furthermore the public and private organizations with which Follett was associated, as in the case of Rowntree's, have a connection with local people that was translated into actively engaging with socially responsible business initiatives (Sheldon, 1924; Urwick, 1956). In the case of small businesses the study deduced that, even though they may not realise it, they are in the vanguard of MSR. Follett was an advocate of business and public sector organizations
engaging with the community in a reciprocal nurturing relationship with no objective in mind other than it being the decent and human thing to do. In this respect the majority of respondents were in accord with Follett’s desire to reinvent the relationship between business and society [PR20;PR23] (Drucker, 1995:7).

Moreover, respondents wanted corporations and other organizations to behave as good citizens but in a more virtuous way than described in scholarly works as ‘corporate citizenship’ [PR22;PR23] (Matten, Crane & Chapple, 2003). Although taking advantage of lax regulation may be legal and fall within Archie Carroll’s definition of complying with legislation, all respondents who commented, felt it was unacceptable (Carroll, 1979:500). Whilst the managers’ condemnation of tax avoidance and other anti-social activities was specified, the majority expressed a desire to make the world better and nobler. Indeed, the interviews came out strongly with the view that if it were up to them, each manager would ensure CSR was adopted in its most true and uncorrupted form and some cited the values of Quakers and ‘Cadbury, Rowntree…old worthy types’ [NP6] as a standard to which to aspire.

Several respondents went further than calling for business to be more accountable. The majority view was that governments too in their dealings with business, organizations and citizens, ought to be paying heed to the ‘zeitgeist’ [PR20] for independence and less central control. In some ways history is repeating itself and echoing Follett’s call for democracy meaning more than taking part (Follett, 1941:189). The role of business management in extending Follett’s ideal would require it to create a climate in which interaction is facilitated and where business and society unify to work towards sustainable prosperity. As pointed out by most of the respondents, access to social media and networks will put pressure on those in power and lead to the type of change that Follett urged. This was assumed to be more so with the ‘millennium generation’ [PR23] whose expectations would pay greater attention to the social responsibility of organizations [PR15;PR19]. The implications for managers and business are that the old models of shareholder power, executive pay deals, profitability, and short-term views may not be sustainable [PR9;PR15;PR20;PR22;PR23].
Essentially, the research found that the concept of what CSR meant to managers covered a vast range of defining attributes; to some extent these may be interpreted as both its strength and weakness. This characteristic has been noted in literature and like many concepts – examples being equality and diversity, worker participation, flexible working – have been used by employers to their advantage. However, as has been admitted by respondents in the process wider benefits have accrued and there has been social progress that has clearly benefited a greater proportion of society [PR11;PR21;PR23]. The method used to ensure that equality was included in management objectives is a possible way to move social responsibility into the domain of responsibility for all and not just the senior team [PR8]. The manager’s role in advances in social issues has been well documented and it is frequently the case that managers have championed the cause of equality, dignity at work and similar socially responsible movements [PU1; PR11] (Kandola, 2004; Priest, et al, 2015). Thus if social responsibility did become a management issue with aims and objectives MSR, based on Follett’s concepts, may become a reality. If Follett were here today, she would advise learning lessons from social progress to which management has contributed and propose that relationships are built with society and individuals and groups are empowered to develop joint social responsibility. These topics are covered in the following two chapters.
CHAPTER SIX

Examining management's relationship between business and society using Follett's concepts of integration and the law of the situation

6.1 Introduction

This chapter examines opinions about implementing MSR through the relationships that management creates between business and society as advocated by Mary Parker Follett (1941:93). Charging managers with responsibility for business and societal relationships takes the concept of CSR to a deeper level requiring more proactive efforts from managers to develop and deliver MSR, a notion informed by the concepts Follett. The research questions (para 1.1.6) form the basis of discussions to answer the central question about the feasibility that an individual obligation could be placed on managers to operationalise MSR.

6.1.2 Chapter Overview

This chapter begins by looking at the data on how respondents did or did not operationalise CSR, their experiences of building relationships with society, and the implications for MSR. It discusses motivational drivers, personal values, the ethos of the organization, or a combination of determinants and how these fit in with Follett's view for building a relationship with society. This is followed by examining what factors would support managers operationalising MSR. These include the assistance that professional organizations, might contribute in developing managers and the use of separate organizations such as charities to act as a conduit to engage with MSR. In addition, an assessment is made of the practicalities and skills needed to educate the public about what business management can potentially contribute to society. Follett's concepts of integration and coordination are used to analyse respondents’ experiences of CSR and evaluate the feasibility of adopting the same concepts to develop and implement MSR.

The format of this chapter comprises two main sections each ending with a summary followed by an overall conclusion. The first section begins by assessing broad views on management's role in society and its capability to advance society
by building relationships with stakeholders. Included in this section are aspects of motivation and values that influence the inclinations and capabilities to implement MSR. The focus narrows onto the mechanics of methods used in policy and practices and the capabilities inherent or acquired that may be used for MSR and the part that could be played by professional organizations. In the second section the executive function and its role in CSR is assessed and the implications for MSR are interpreted. Finally, a conclusion is presented which leads into the next chapter with its focus on Follett’s concept of power-with. The main points covered are as follows:

- Interest, capability and incentives for business management to contribute to the advancement of society
- CSR and social issues in management policies
- Reactive and proactive approaches to social responsibility
- Motivation and values to engage with and implement CSR
- Professional organizations, collaborations and relationships with stakeholders
- Training, skills and capabilities for CSR and MSR
- Educating the public and assurance schemes

6.2 Business management central to the advancement of society

This section examines how managers have demonstrated social responsibility and if their methods are compatible with Follett’s view on how and why managers should build a relationship with society.

6.2.1 Policies, procedures and objectives

The notion that management was central to the advancement of society was one of Follett’s concepts outlined to the respondents as a point for discussion (Follett, 1941:146). The topic arose from the research question which was what CSR meant to them as managers, how they implemented it and the ways in which they had built relationships with wider society. The responses to this idea covered a range of examples as to how each manager saw their role in the advancement of society and the skills that managers and leaders possessed to implement socially responsible behaviour. The majority of managers were of the view that,
regardless of the part they played in CSR, their main priority was ‘their job’ [PR8;PR12; PR22]. Of those respondents in the most senior positions with authority to implement CSR the head of a company with a turnover of £47m (2013) said that his priority was ‘reputation…the wider community is important to us from that point of view…not much more than that’ [PR15]. A director in a defence contracting company was certain that other managers agreed with him and ‘mostly care about their job’ [PR22]; CSR was something for ‘two or three employees whose full time job was’ community engagement and was not a management issue [PR22]. According to the CEO in the NHS it could be deemed unreasonable and stressful to extend a manager’s duties to building community relations as part of CSR or MSR responsibilities. This was because ‘managers are extraordinarily anxious, they can feel, they’ve got very difficult jobs to do and they’re always worried’ [PU1]. One respondent suggested that community engagement could be included in ‘a manager’s job description and be part of the company’s objectives so that they are all linked’ [PR8]. This linking of organizational and personal objectives formalised into an organization-wide commitment would demonstrate to employees a standard that could be expected by all stakeholders and would be similar to methods used to operationalise equality and diversity (Kandola, 2004; Priest, et al, 2015).

In the NHS where standards and ethical behaviour are heavily formalised the CEO explained that some policies sometimes produced an atmosphere of fearfulness rather than cooperation. He had witnessed anxiety among managers who were ‘always being told they’re accountable and they’re worried about failing to perform’ [PU1]. It would be understandable, therefore, if managers felt unable or were unwilling to take on responsibility for CSR given the abstract nature of the concept and concern they might ‘not get it right’ [PR8]. The executive in the accountancy firm explained that company and professional regulations ensured that managers were ‘doing the right thing and sticking with what our policies are’ [PR15]. However PR15’s interpretation of a CSR policy was a ‘code of ethics’ with which employees ‘have to comply’ because ‘ultimately the concern is retaining that professional qualification’ [PR15]. This reliance on policies meant that there was a tendency to have reactive CSR engagement usually as a result of a member of the company having an interest in a particular cause. Therefore, in the case of
PR15, the main CSR activities tended to be concerned with the ‘infrastructure of a city’ and ‘local charities’ that employees nominated and to ‘support them in terms of their time and financially’ [PR15]. This was often a ‘one-off’ with some opportunities for ‘networking…benefitting the community’ and the company’s reputation but with limited results for building enduring relationships [PR15]. Although relationships were not developed by using Follett’s methods to pool expert knowledge, PR15 told of involvement advising community initiatives and ‘other services that we can contribute expertise to’ [PR15]. Looking at the feasibility of Follett’s idea for business management to build relationships and to use its skills to develop society, the examples given by PR15 offer some encouragement. Overall, however, PR15 was motivated by having the firm’s integrity and reputation as his priority. This priority was underpinned by professional codes of conduct which informed the firm’s CSR policy.

In contrast, the food-store owner [PR10] said that having a CSR policy was detrimental to its implementation [PR10]. In his view a policy meant that CSR was ‘hived off to a separate department… so it’s not in the whole organization’ with the result that individuals were not motivated to create a relationship with society and be part of socially responsible and sustainability activities [PR10]. For PR10 the way in which he motivated his 100 employees to making ‘a contribution to society’ was not to ‘have a policy; we just are CSR’ [PR10]. As such, CSR in PR10’s company was highly proactive, taking on a leading role in sustainability forums to campaign for a ‘different [business] proposition where you care about the community’ and ‘then you can compete…with the likes of Tesco’ [PR10]. Of all the respondents PR10 was the most proactive; he visited schools and gave talks on food waste and sustainability. The ‘roof garden’ he installed on his shop was for ‘the community’ to enjoy and to grow vegetables. He used his marketing expertise to coordinate businesses to share their skills and experiences about sustainable and ethical business practices. A similar approach was explained by the entrepreneur who deployed his business skills and contacts to form relationships to ‘create synergy and ‘additionality’ for the wider community [PR16]. He explained how he ‘set up a project that would advise community based aspiring entrepreneurs to set up businesses’. He went on to describe how he enabled people ‘to present the idea, the business concept, then ask…a group of
people…and one of those, or many of those would offer to help’ [PR16]. This example applies Follett’s philosophy of making the most of resources and expertise available. It, therefore, supports the proposal that capabilities exist in management to advance her ideas and build fruitful relations between business and society (Follett, 1941:71).

6.2.2 Reactive and proactive approaches to CSR

Apart from PR10 and PR16, all other respondents who had autonomy to initiate community relationships for CSR [PR9; PR11] described their engagement with the concept as ‘reactive’ [PR17] (Matten and Crane, 2005). This was surprising given the nature of two of the companies in the study that appeared to seek out supporting communities in the way that Follett would urge. In both cases the firms – a financial services company and a manufacturer - had been involved with charities as a response to approaches. The sponsorship of ‘school places in South Africa because [the CEO’s] lecturer from university got him involved and now him and [others from the firm] go out there and help with their financial planning and things’ [PR12]. In this example, the continuance of the sponsorship had emulated Follett’s concepts by sharing financial expertise to help develop the school and its projects. The commitment to CSR in the company evolved from a number of sources. These, like PR15’s example had been sparked by personal experiences of members of staff – usually connected with fundraising for health charities. Similar to PR15, the MD in the manufacturing company, PR17, believed that accommodating fundraising approaches from employees helped staff morale by producing a ‘feel good factor’ [PR18]. It was as a result of business and community relationships that PR17 had become involved in a local young person’s charity and later a national charity with similar aims [PR17; PR18].

All the managers interviewed who were employed in the two firms described in the previous paragraph were fully supportive of their company’s commitment to CSR [PR12; PR13; PR14; PR18]. However the HR director in PR17’s company expressed reservation that occasionally some employees queried ‘why do we do certain things?’ [PR18]. In this respect PR18 echoed Follett’s call to constantly reiterate and reinforce socially responsible management. The food-store owner, PR10, who had received awards for sustainability gave the most exceptional
account of his journey to embracing social responsibility and applying philosophies similar to those of Follett [PR10]. After working for many years in the ‘corporate world as a consultant’, he became disillusioned with the culture associated with ‘shareholder value’ and decided that the ‘greed model doesn’t work’ [PR10]. Buying into a supermarket franchise, PR10 presented his ‘vision for “heartful” business…putting people and planet first and trusting that profit will follow’ [PR10]. This led to setting up an organization to build relationships and to promote this view among other businesses. In these examples, the triggers to develop relationships and implement CSR varied. However, they all displayed a capability to integrate their interests with a wide group of stakeholders and realise Follett’s ambition for business to function as a social enterprise as well as an economic one.

6.2.3 Motivation and extending CSR to MSR

Whilst the majority of respondents welcomed ‘more CSR’ [PR20] and a demonstrable commitment to it, two were unenthusiastic [PR8; PR22]. Furthermore from what they had witnessed in their long careers they considered that other managers felt the same in that they did not ‘really care one way or the other’ [PR22]. Nevertheless, both saw the need to drive up ethical business standards, which could prevent corporate scandals and bail-outs from the public (Kemper and Martin, 2010). However, both PR8 and PR22 thought that the main problem was ‘greed’ and whilst there was a ‘case that ethics is good for business’ [PR8], neither respondent was convinced that CSR was the answer. This was because companies would simply become ‘cleverer at stepping round it’, which was the view of the senior executive with several years’ experience in MNCs [PR19]. Even so, PR8 and PR22 said that theoretically CSR would be to their individual advantage by protecting their ‘pension, income, healthcare,’ [PR8] and jobs, if higher ethical standards were the norm. Here is an illustration of the way in which even the most sceptical respondents identified a personal motivation for them to engage with CSR and is an aspect of implementing CSR that has had little scholarly discussion devoted to it.
6.2.3.1 Motivation theories

Theories of motivation concerning job enrichment (Herzberg, 1964) and achievement needs (McClelland, 1961, 1987) do not address the deeper motivation envisaged by Follett of changing society through one’s work regardless of the field. In addition, incentives for managers to engage with CSR appear only in peripheral references in scholarly literature as a motivator for CSR (Hemingway and Maclagan, 2004). Out of the 23 managers interviewed three displayed the most distinct, achievement motivational characteristics in relation to CSR and appeared to gather others around them who were achievement oriented types [PR10; PR16; PR17] (McClelland, 1961:36). In the case of PR17, he had autonomy over his firm’s CSR strategy which placed him in the dual role of chief decision maker guiding his investors and as the manager charged with the implementation of CSR. His view was that he did not ‘understand why these large companies don’t put anything back in because it is just so ethically wrong’; everyone should ‘strengthen society and try and increase the worth of it’ [PR17]. This idea echoes Follett as well as early scholars of CSR (Barnard, 1938; Bowen, 1958). Even so, the respondent in question, an MD in a successful manufacturing company, believed that his views were highly radical and unlikely to be realised without a major change in attitudes in management.

Giving encouragement that a change in attitude was possible, the work done by PR10 in his food-store and PR16, the entrepreneur, offers hope. Both PR10 and PR16’s initiatives would bolster Follett’s belief that business management could develop a relationship with society that would prove beneficial to the prosperity of all for the long term. In the case of PR10 his shop stocks ‘proper frozen meals that aren’t full of loads of artificial stuff and won’t make people obese. These are less profitable but sustainably and ethically these are the products I want to sell’ [PR10]. Using his political and entrepreneurial skills, PR16 had created a network that ‘comes together and builds houses – community CSR, if you like…key movers and shakers amongst the community, the business world, the public sector’ [PR16]. In each of these cases, Follett’s concepts of integration, coordination, power-with, the law of the situation and the invisible leader were
Identifiable. Illustrated also is the feasibility of MSR and the practical application of Follett’s ideas.

Respondents who were owner/managers [PR9; PR11; PR16; PR21] and senior executives with decision making authority on CSR [PR15; PR17] were motivated by ‘achieving; just saying you have seen something through’ and ‘succeeding’ [PR21]. Moreover, they all expressed the view similar to the owner/manager of a manufacturer that they were ‘not that money minded’ [PR21]. Looking at achievement in relation to CSR, the entrepreneur claimed that he was not motivated by a concern for ‘wealth, business… but about other people’ and ‘what am I going to leave to this world’ [PR16]. Three respondents shared the idea of the importance of their ‘legacy’ [PR16; PR19; PR20] and their desire that their lives made a positive difference to the future and ‘next generation’ [PR10; PR19]. This idea of legacy, albeit to differing levels, was held by the majority of respondents who were more inclined to promote CSR than to oppose it. From her experience as a management consultant, PR9 had witnessed how engaging with CSR had enriched job satisfaction and was ‘hugely motivational…to the people involved’ [PR9] (Herzberg, 1964). She expanded this to explain that the benefit to companies, individuals and society was ‘through their creativity in providing opportunities’ [PR9]. Two management consultants, PR9 and PR11, who were familiar with theories of motivation, compared the implementation of equality and diversity policies to CSR. PR11 recalled the difficulty

‘…getting other people and organizations to embrace [equality and diversity] because they couldn’t immediately see the value of it. The motivations varied – it was a case of finding out their particular interest and appealing to them as well as getting them to understand the value of it. But underneath it all the message was the same – yeah, it was right and proper [PR11].

The sentiment that equality was ‘right and proper’, was held to be immutable by all respondents. Furthermore, all respondents gave accounts of understanding the relevance and importance of equality and diversity in their role as managers and as members of society and several equated equality policies to CSR. One respondent suggested that the message to be ‘acquisitive and consuming’ was ‘triggered’ by ‘subliminal marketing’ and wondered if the same methods could be
used by government to motivate managers ‘to be more socially responsible’ and ‘community minded’ [PU2]. Giving evidence that motivation for CSR came from the leadership, the manager in the financial company told how she was motivated by the ‘good example’ of her ‘bosses’ [PR13]. PR13’s ‘MD and CEO’, had a personal commitment to ‘doing good things for society’ [PR13], which was similar to the food-store owner ‘being a force for good in society’ [PR10]. In the process PR10 and PR13’s employers, ensured that his workers were doing the same and building mutually beneficial relationships with the community.

Sentiments of community enhancement resonate with Follett’s view that in order for management to advance society, the wider interest must be made personal (1941:270). This philosophy is the basis of expectancy theory (Vroom, 1964), which was later employed to examine motivations or ‘What’s in it for me?’ incentives for stakeholders to engage with projects (Purvis, et al, 2015). Conversely, PR8 and PR22 were respondents who could see ‘little in CSR’ for them, operationally or philosophically [PR22]. Although PR8 had objectives linked to his firm’s environmental policy ‘as it saves us money’ he had could not envisage CSR as having any appeal for him. He said ‘I pay taxes…I’m a good citizen and neighbour…if I wanted to work for social services, I would have done’ [PR8]. In the same vein, PR22 considered that his role was to ensure that technical and procedural issues were efficient ‘to make the company grow’ [PR22]. His motivation came from products that created value for his company and he considered that CSR was for ‘the type who like to volunteer’ and so the ‘role of the manager…is to sort of steer this’ [PR22]. Along with promoting ‘diversity in leadership’, PR22 saw such activities as the limit of his involvement in CSR (chapter, 5). Furthermore, he said that he and others, did not ‘mind helping people but they are not going to go out of their way to do it’ [PR22]. At the other end of the spectrum of motivation for CSR was PR17. He had followed a similar career path to PR 22, both beginning as engineers, and moving into management on promotion. The examples of PR10, PR16 and PR17 are of strong leadership, which leads managers to take on CSR as their responsibility (this topic is explored further in chapter 7). However, it was not an easy route; some doubt was expressed by the head of HR [PR18] in PR17’s company. Whilst PR18 subscribed to the firm’s ethos and was highly proactive in community engagement,
she explained that the CSR philosophy had to be continually emphasised. She went on to acknowledge that some managers did not see it as part of their duty to be ‘helping anyone else and it isn’t their cup of tea’ [PR18]; this was in spite of a commitment to CSR being part of the ‘recruitment criteria’ [PR18].

Although PR10, PR16 and PR17 were actively seeking ways to be more socially responsible and aware, the majority of respondents also held views more aligned to promoting CSR than opposing it and considered that ‘we need something so that people…think about the consequences of their actions’ [NP5]. Using PR10, PR16 and PR17 as examples, the key to any transformation in attitudes will involve creating the motivation for managers to take on CSR for wider social reasons in keeping with Follett’s vision. An indication of the level motivation for CSR was PR17’s acceptance that it ‘becomes running the company alongside running the company’ and as such was a major commitment of time and resources. However, although PR10, PR16 and PR17 perceived economic advantages they were not motivated by the business case for CSR but by ‘ethical values’ [PR17], ‘spiritual values’ [PR10] and an ‘instinct…to make a difference in this world’ [PR16]. These comments emphasise one aspect that emerged in the interviews and corresponds with scholarly works is the role of values.

6.2.4 Managers’ values and operationalising CSR

Respondents’ reported that the main driver for CSR was leadership (chapters 5 and 7). However, following Follett’s advice for engaging in relationships to advance society was viewed as being more dependent on personal values and the ‘strength of the individual’ [PR9]. When defining values, Follett explained that they were ‘eventual things’ brought about by experience (1924:151). Such an opinion is in line with leading scholars who attribute the formulation of values to the influence of events and experience, which inform beliefs and standards used when making choices (Schwartz and Bilsky, 1990). In terms of management values and CSR, Hemingway and MacLagan (2004) express opinions similar to those of one respondent who saw the importance of the creation of ‘champions of CSR’ [PR11]. One respondent who considered her employer to champions of CSR comprehended her personal values in relation to her company’s and her wider social values.
‘...we are here to make the company successful but we need to ensure that the people we deal with in debt management aren’t putting themselves in a bigger mess. We genuinely want to help those in debt, to help the firms they owe money to and to grow the business. So it’s a balance really and making sure that everyone is treated fairly. So our values, each of us managers, we share them and we share them with [CEO and MD] and that’s how we live our lives’ [PR13].

This view on personal values resonates with Follett’s advice to identify ‘lesser’ and ‘greater’ values and to understand their impact on the ‘total picture’ of wider values of society (Follett, 1970:9). Understanding the total picture was an important factor in developing individuals ‘with right moral values’ and give them ‘some greater understanding of what CSR is about’ [PR11]. The respondent’s view was based on many years of experience as a prime mover managing the implementation of equality and diversity in major organizations. He concurred with Follett and attributed the advance in social issues in management to creating supportive relationships. He conceded that ‘legislation’ had been a key factor but an additional factor was the impact of certain businesses going beyond adhering to minimum standards of social responsibility by building community relationships [PR11].

Drawing comparisons with bullying PR11 noted that there was ‘no legal framework for bullying but there is almost a self-policing’ [PR11]. This ‘self-policing’ had grown from the values and experiences of champions and how ‘the impact of the bullying affects an organization.’ In the view of PR11 ‘sooner or later the lack of CSR between an organization and wider society will have quite a direct impact on organizations’ [PR11]. The way that Follett viewed this development of social values was similar to PR11 insofar as she wrote that legislation was ‘an integral part of the social order’ but not the whole story (1924:291). This view was endorsed by a senior HR executive with over 30 years international experience. He had witnessed many developments emanating from legislation, individuals, and groups and considered ‘that change [in] their values doesn’t really come from legislation’ [PR19]. Again, his view was that there had been ‘a shift in values as to what’s acceptable…over 10 years’ [PR19], which resonates with Follett’s view in that she described creating ‘new values’ and not simply rearranging existing ones by methods such as legislation (1941:113). Whether new values would come about by legislating that companies adopt ‘a code of practice and stop the
secrecy' [NP6] or if it is ‘down to the individual level’ [PR9] is a dichotomy most of
the respondents identified.

6.2.5 Developing relationships

Overall respondents were of the view that values were becoming more relevant as part of business’ relationships with society, which was an opinion that was endorsed by PR14. As a manager in a finance company which had won awards for ethical practices, PR14 explained that she had witnessed that ‘For businesses to thrive and prosper, they need to concentrate on relationships. Relationships within work, with customers, with wider community’ [PR14]. The majority of respondents agreed with Follett, that CSR was a process of ever evolving ‘successive stages’ rather than a final outcome (1924:10). The successive stages of building relationships was expressed by two advocates of CSR as a ‘process’ [PR16] and ‘a journey’ [PR10]. As such this was similar to PR11 who saw the ‘process’ as engaging with ‘wider society and then a natural return to the organization’ [PR11]. Part of the evolving process of interweaving and absorbing experiences led to being ‘invigorated, speaking to someone who is a completely different culture’ and background [PU2]. In terms of the contribution of the individual to society through relationships, Follett considered that social advancement was due to the interweaving and evolution of experiences that would lead to a ‘richer life’ (1924:293). The youngest respondent expressed a similar view when he discussed his ‘experiences within the framework of this kind of code of conduct which requires you to be a responsible and beneficial member of society’ [PR23]. He went on to relate how people should ‘contextualise their actions beyond themselves…beyond their interests and on society as a whole’ [PR23]. PR11 drew on lessons from equality and diversity that could be used for relationships leading to MSR by creating ‘educators’ and ‘champions who spawn champions’ [PR11]. In the past he had seen that these created a movement of inter-relationships within organizations to which others subscribed and were later extended to wider society. This is the same method that Follett advocated when she called for individuals doing more than protecting rights but creating them through group relationships (1918:138). The possibility of building relationships through ‘social media’ was cited by PR23 as a way in which MSR could be ‘normalised as a management practice’. He described how ‘social media can act
as this echo chamber’ which can be filled ‘with positive voices…demanding responsible behaviour’ [PR23] (Penney and Dadas, 2013). As PR10, PR11, PR16 testified, these positive voices can unify organizations and produce an ethos that champions social responsibility, which goes beyond the workplace and builds relationships with a wide range of stakeholders. According to Follett this unifying of needs and desires would be achieved by management using its skills to integrate interests and coordinate knowledge and expertise to create a continually evolving relationship to advance human welfare (Follett, 1941:297).

6.2.6 Internal and external relationships

In the food-store and the valve manufacturing company a way in which CSR was made into a mainstream management activity was to reinforce internal relationships linked to external collaborations. These were built into staff development programmes. The method that these two companies used was similar to the way in which the financial company ensured its CSR values were adhered to throughout the firm. This was through ‘a PR exercise but an internal one to keep the idea going that this [ethics and CSR] is central to what we do’ [PR13]. In the public sector this was replicated by the community centre manager where individuals were helped to work towards ‘the benefits to the people around you’ [PU4]. This approach of understanding links and inter-relationships could be considered as a way to make MSR a part of a manager’s job and embedding it as a management function. Illustrating that this was possible, PR10 was committed to ‘people and planet first’ and putting ‘something back to the environment [then]…profits will follow’ [PR10]. He described ‘a scale of 1 – 10’ in terms of commitment, with himself at 10 ‘fully committed’ and his managers ‘around seven…with the remainder of his 100 workforce ‘at four to seven’ [PR10]. This illustrates that embedding social responsibility is a progression of stages requiring considerable personal commitment to see it through to completion [PR10; PR16].

Within the workplace the six respondents who were in companies that were proactive in their engagement with CSR [PR12; PR13;PR14; PR16; PR17; PR18] displayed a strong affiliation with the positive values and policies of the company. Whether this had attracted them to the organization or whether they had acquired these values during their careers, was not possible to discern. However, all
respondents had a minimum of six years’ in their job and reported that their values were in line with those of their employer. In the financial firm with a strong CSR ethos, managers’ values were shared with the company [PR12;PR13; PR14]. The three respondents said that ‘making sure that everyone is treated fairly’ was ‘about our values’ [PR12]. For PR13 a major consideration was the wider benefit of CSR, which she had seen. She believed that if it were adopted elsewhere ‘all businesses would be better off, employees would be too and so would the surrounding area’ [PR13]. In terms of PR13’s values, her employer’s values made her feel ‘proud of what you do and not be in something that is bad for society’. In the process of having ‘worked their way up’ into management, PR13 and other managers saw their role as having ‘to set an example and be seen to practice what we preach’ [PR13]. Whether those who joined the company and had left were more inclined to the views of PR8 and PR22 is something that it was not possible to investigate. In contrast, the values of PR8 and PR22 appeared to be in line with their employers in that they ‘just don’t really care particularly’ about CSR [PR22].

6.2.7 Cultural differences and CSR

Whilst there has been some debate about whether a corporation can have a conscience (Goodpaster and Matthews, 1982), PR8 and PR22’s view was that it was up to the leadership to define the values and ethics of an organization. However, like objectives relating to ethics PR8 explained that these values ‘change as required’. As far as PR22 and PR8 were concerned their role in their companies was not advancing society, but achieving economic survival and growth within the law. A further element in the mix is the national cultural values of the organization. Of the 23 respondents in the study, two worked for USA owned companies. Both PR19 and PR22 had been born, brought up and educated in the UK. PR19 was based in Paris and PR22 had lived and worked in the USA for almost 40 years. The attitude of PR22 was in keeping with what Hofstede identified as the ‘individualist’ culture that predominates in the USA (Hofstede, Pendersen and Hofstede, 2002:59). As addressed in chapter 2 the individualistic culture has been cited as one of the reasons why Follett, whose approach was collectivist and centred on reciprocal relationships, has been relatively neglected in management theory in the USA (Graham, 1995:xvii). For
PR22 the top levels of the hierarchy were the ones to decide on CSR or to ‘start putting money into the local community’ a fact that neither aligned nor clashed with his personal values.

In contrast to PR22’s attitude, the HR director in PR17’s company initiated a psychometric testing programme that included socially responsible values to ensure that recruits ‘fit into the company and the culture that we are creating’ [PR18]. This ethical culture was reinforced through training and led to ‘our relationship with the community and our social responsibilities [being] second to none’ [PR18]. It is difficult to say if during his early years, PR22 would have fitted into this culture and absorbed its values. He viewed his role as primarily an engineer even though as a director, he was responsible for the management of over 100 employees ‘job assignments, task leadership’ [PR22]. He believed that he absorbed his company’s values which were about ‘producing our products and doing them properly’ [PR22]

6.2.8 Summary of section one

The issue is how these have been developed in response to their organization and to what extent they are down to their cultural background. By developing a framework for MSR and fostering stakeholder relationships important elements need to be considered. These elements concern the values that people possess before entering an organization and go on to develop, and identifying organizational values and cultural impacts.

Thus Follett’s notion that management can advance society by socially responsible activities and building relationships may concern three significant elements. The first one involves identifying and tapping into the motivational drivers of managers, as identified by McClelland (1961, 1987). The second consideration is whether organizational culture and associated values are conducive to managers using their skills to build relationships in order to operationalise MSR. The third factor concerns equipping managers and leaders with the skills to influence others. The approaches of PR10, PR16 and PR17, in addition to echoing Follett, is similar to William C Frederick’s view that business people ‘should enhance total socio-economic welfare’ (1960:60). Furthermore, if the approaches of PR10, PR16 and PR17 guide other managers to take on CSR
for wider social reasons, in keeping with Follett’s vision, the role of personal and organizational values of managers has to be addressed.

6.3 Executive function and CSR

6.3.1 Setting the standard for social responsibility

The CEO in the NHS suggested an ‘ethical framework or framework of values’ would dissuade ‘senior managers’ from seeing CSR ‘as a bit of a luxury’ [PU1]. In addition he hoped that his executive board would ‘describe responsibilities in a slightly broader way so that it was more strategic, that it related to communities and also…to governance’ [PU1]. His suggestion for putting this into practice was for ‘senior people in the organization, CEO and so on to be clear about exactly’ what they wanted from CSR. Senior executives should say to ‘managers who put the time aside…we’re really pleased with what you’re doing, you’re playing your part here’ [PU1]. This sentiment was shared by other respondents who expressed hope that attitudes were changing. Six respondents said that they could see varying degrees of acceptability in the idea if sufficient incentives were put in place [PR11; PR12; PR13; PR14; PR17; PR18].

An ideal that corresponded with Follett’s work was described by the management trainee as an ‘etiquette of responsible citizenship…I don’t know why we can’t just expand that to… a much wider level on how people’s actions impact everyone else in society’ [PR23]. The role of the employer in this ‘etiquette of responsibility’ was to be aware of the impact of their organization through the behaviour of ‘managers [who] can be tremendously powerful individuals and affect a lot of people’s lives’ [PR23]. This sentiment echoed PR11 insofar as he suggested that heads of organizations should be subject to ‘a vicarious liability clause’ to ensure that the whole organization adhered to standards of CSR. He elaborated by saying that vicarious liability would ‘nudge them [towards] a CSR…framework’ in the same way that had been achieved by the ‘Equality Act’ [PR11]. Drawing on his experiences in the voluntary sector, the manager of a charity suggested adopting a framework of ‘ethical, or moral’ standards and ‘tap into those qualities…have a common base line that everyone understood and it would be clearly wrong if you crossed it’ [NP6]. The likelihood of this course of action being taken is remote, given the ‘Red Tape Challenge’ pledges by the UK government to
reduce legislation for business even to the point of repealing sections of the Equality Act, 2010 (www.equalityhumanrights.com/). Conversely, a European precedent has been set by the Dutch government ruling that senior bankers must formally agree to adhere to ethical standards (de Bruin & Dolsma, 2013).

Notwithstanding legislation five of the respondents concurred with the manager in the financial company believing that their employer regarded CSR ‘as a starting point’ [PR13] to their contribution for the betterment of society [PR12; PR14; PR17; PR18]. These managers considered that, if all companies ‘behaved like’ theirs [PR13], business management would be ‘doing it from the heart, pure CSR’ [PR11]. The experience of the owner/manager of a manufacturer was that to run a successful business the starting point was to be clear about ‘a standard of fairness that everybody understood’ [PR21]. Contradicting this view and echoing respondents who believed that CSR was ‘for marketing purposes’ [PU3; NP6; PR23] PR22 went further and considered that CSR ‘had no benefit to the company other than garnering goodwill’. His employer’s endeavours in CSR had a neutral impact on him and did not make him ‘feel like a better person,’ whether or not the company was ‘doing something useful’ [PR22]. The consensus was that in principle the employer organization - public, private or non-profit - had first call on an employee’s commitment. That means that if, as PR8 suggested, the employer were to have CSR, or MSR and building community relationships as management objectives it may be a way to ensure that managers take it on as their responsibility. The challenge, therefore, concerns motivating employers and the executive to fulfil Follett’s hope and embrace their role in making business management central to the advancement of society and finding incentives for their engagement in a relationship with wider society. However, revisiting the point about whether companies have a conscience that can be tweaked one senior management consultant said that ‘you don’t persuade companies, you persuade people’ [PR9].

Again this brings into the equation the importance of ‘champions’ [PR11] in key organizations where people ‘admire the ethics of a company’ [PR21] and those that ‘set a good example’ [PR14]. One way forward echoes Follett and is cited in reference to business successes emanating from building relationships with society and described by Rosabeth Moss Kanter (1989, 2011). Kanter gives
current examples of businesses benefiting by connecting with society and doing as Follett advised and reversing conflicts between capital and labour (Kanter, 2011:69). Furthermore, Martin (2009), identified a method similar to Follett’s concept of integrating interests and, like Kanter, (2011) gave examples of unifying experiences working in practice. These benefits were evident in PR10’s shop in the form of sales ‘up by six points’ and ‘100% customer satisfaction’ that increased from ‘inconsistent levels’ as a result of applying the principles of Follett and Kanter.

6.3.2 Collaborations

Another method employed by PR10, PR16 and PR17’s companies was to collaborate with charities and other organizations to act as conduits to form relationships and run CSR in partnerships. A major part of PR16 and PR17’s CSR was operated through such partnerships with the advantage that it offered employees a range of options for participating. These included providing expertise to organize ‘many events’ and ‘after about 18 months I think it is safe to say that everyone bought into’ the idea of community relationships to implement CSR [PR17]. Examples included ‘housing associations’, ‘local schools’ [PR18], community entertainment ‘shows’ to raise funds and professional support for ‘the leading and the largest homeless charity in’ the area [PR16]. In carrying out some of these activities PR17 and his HR manager, PR18, believed that within the broad range of CSR, certain aspects would resonate with managers and CSR would ‘become instilled in them’ [PR18]. These examples are in keeping with Follett’s ideas that ‘the true social interest’ is where employers in all sectors engage with society to unify interests (1924:48). Another way was suggested by PR11 who said that professional institutions and management organizations ought to be more proactive in building beneficial and mutually supportive relationships between business and society.

6.3.3 Professional organizations and CSR

Follett’s optimistic vision of management as a profession using its skills in society to advance human welfare was regarded by one respondent sceptically and unworkable unless all businesses agreed. The operations manager in a computer
peripherals company who had over 25 years of management experience in large organizations expressed his reservations about a standard model of CSR,

‘It would have to be spelt out and reiterated to the workforce, public, shareholders, everyone for it to work. It would have to be really well thought out and explained as to what was expected, and it would need reviewing on a regular basis, given a chance to fail, devise strategies to help achieve it. There would be a lot involved to make it work and work fairly. I’m not sure if business is ready for it’ [PR8]

Other respondents agreed with Follett and believed that they were in businesses that did make a positive contribution to society. Some discussed business and society cooperating in a mutually beneficial relationship being inherent in a number of frameworks. These include those devised by ‘professional bodies where…there is ‘accountability to the public in a social, moral way’ [NP7]. Examples of frameworks of collaboration and standards explored with respondents included the UN Global Compact, WEF code, EU guide for CSR, as well as national sector guidelines, such as the Institute of Directors (IoD), the Chartered Institute of Personnel and Development (CIPD), and the General Medical Council (GMC). However, all four CIPD qualified managers [PR11; PR12; PR18; PR19] considered that their training had ‘only touched on’ CSR and was limited to how it was implemented in their ‘own firm’ [PR18]. They agreed that the way in which CSR was implemented was down to the culture and ethos of the organization [PR11; PR12; PR18; PR19]. Whilst these respondents held positive views about CSR and considered it to be ‘a good thing’ [PR11], they gave differing accounts of what CSR meant to them as managers. These different interpretations were despite being members of the CIPD which had a definition of CSR (para 1.1.7). Thus, whilst established management organizations such as CIPD and IoD offer training in CSR, the interpretation of the manager’s role in implementing it was influenced ‘from the top’ and experiences in their place of work [PU3; PR10; PR18].

6.3.4 Gaps in knowledge

Regardless of levels of information emanating from professional bodies, respondents gave evidence that such organizations do not drive CSR. A cautionary comment from one member of the CIPD referred to it being ‘commercially focused’, which meant that there would have to be ‘a business case’
for it to be higher on the CIPD agenda [PR11]. Another respondent suggested that the CIPD ‘should involve different elements of social responsibility’ so that what is taught goes beyond environmental matters and to a more proactive approach that would be needed if MSR is to be implemented [PR18]. Further examples were cited by those managers with formal management qualifications who concurred with PR10 who told how in his business degree ‘sustainability and things…weren’t even touched upon.’ Other respondents agreed that they had been taught ‘nothing’ [PR16] in the way of CSR [PR10; PR11; PR12; PR16] when studying management. In addition, the two local authorities in the research each with over 30,000 employees ‘had not given [staff] any training with regards to CSR’ [PU2; PU3]. Also in the public sector the GMC was looked to as having a responsibility for promulgating CSR.

‘If the GMC were…to write something that as a medical director, these are the things that…the public expect from you…we should all have the same picture in our minds of…how people work well together’ [PU1].

This quote from a CEO with considerable autonomy and influence appealed to his hierarchy for a lead. Whilst PU1, as the most senior executive in charge of 5,500 employees, felt unconfident about promoting CSR without guidance, the power and role of professional bodies in operationalising the concept is an important point to address.

The MD, PR17, who was an advocate of CSR, considered that the IoD had covered CSR in his director training by teaching about corporate misconduct and what constituted an ‘immoral act or an unethical act’ [PR17]. His recollection of the guidance on the responsibility of directors when facing ethical dilemmas fell into the category generally regarded as corporate governance (Johnson, Whittington and Scholes, 2011:123). From PR17’s description, therefore, conventional CSR – such as Carroll’s 1979 model para 1.1.7 - was not covered insofar as account was not taken of corporate social responsibilities that went beyond legal obligations. Like Follett, PR17 sought to ‘measure the value’ and to develop the value of his potential contribution to society as part of a process and not towards one specific goal (Follett, 1924:50). PR17’s aim was to ‘strengthen society and try and increase the worth of it’. In fact PR17 set up his CSR
programme prior to his IoD training, which was based on the contribution he wanted to make to society. The interpretation of what PR17 was taught by IoD was viewed through the lens of his moral stance and his prior experience of CSR. Thus the methodology used in the research is highlighted in that CSR was interpreted by this respondent as a social construct that depended on experience and communication (Burrell and Morgan, 2003). The interpretation of CSR is relevant to setting up systems to enable managers to take on responsibility for MSR. This is because how managers have interpreted and operationalised CSR was subject to their innate attitudes and values and, as in any management training, factors of prior knowledge and biases need to be taken into account (Kolb, 1984). Any MSR awareness framework for managers, therefore, ought to heed this factor, along with the previously noted matters of individual and organizational values.

6.3.5 Training, skills, and capabilities for CSR and MSR

The values, biases and approach of PR17 initiated his desire to strengthen society and help ‘people who are less fortunate’ [PR17]. During the 10 years since taking over as managing director, PR17 had instituted a programme of training and development incorporating CSR so ‘that everyone takes responsibility’ [PR17]. Thus this particular exemplar of CSR supported the idea that CSR could be taught to managers in the context of relationships, leadership, incentive, and responsibility. These are elements that concur with both Follett (1918; 1924; 1941) and Argyris (1977) about the growth of individuals through building areas of responsibility.

The majority of respondents learnt about CSR from the media and from reading the information sent to them prior to taking part in the research for this thesis. Here the research methodology is highlighted in that the actual process of research altered the perception of individuals taking part, thereby broadening horizons and advancing knowledge (Gadamer, 1979:356). Furthermore, no respondents had identified a gap in their management training until it was broached during interview; again this resonates with the methodology in that being involved in research can alter behaviours of participants (Alvesson and Sandberg, 2013).
Extending the idea to incorporate Follett’s concepts beyond management training and public education, ‘an open two way system and participation’ [PU4] would be important. However, the CEO of a medical charity was sceptical of it working in practice. From her experience of promoting participation in her charity’s work she believed that ‘teaching managers and boards, and all staff that CSR is an integral part of their jobs. I can see that there would be a great deal of opposition and dispute’ [NP5]. In practice, the manager of the community centre testified to making progress to extend participation. PU4 explained that her centre had been subject to drastic funding cuts that made her rethink her strategy. The result was that she had ‘gone out into the community and brought in people who can make a contribution of their time and knowledge’ [PU4]. This had proved to her that many avenues of help and information were available but they needed to be sought out and the way to do so was to build relationships beyond the organization. In relation to the capability to develop relationships and skills the contribution of PU4 offers some ideas about how to facilitate consolidating experience and knowledge to develop MSR. This merging of experience and knowledge was described by Follett as a unique resource because the combination of each piece of knowledge and experience ‘we may never see it again’ (Follett, 1970:14). Every possibility should therefore be exploited to extract the most learning and value to build relationships and knowledge.

For Follett’s ideal of MSR to be realised managers would need the skills and knowledge to argue for both leadership and training. Therefore, the passivity of PU1 calling for guidance from the GMC would be challenged and managers would see the implementation of MSR as their responsibility. This would be achieved by managers becoming ‘champions’ by way of forming relationships internally and externally [PR11]. Follett’s way to accomplish this would be to build relationships by using her concepts of integration (1941:30) and coordination (1941:303). These would identify interests and integrate them for the benefit of all parties and coordinating the individual in terms of their part in society. Part of the process involves what Follett described as ‘circular response’ (1941:194), explained in chapter 2. The entrepreneur gave an account of circular response when he described the relationships he had formed with groups and individuals for ‘business support, life skills…we are better and stronger together rather than
independently. It feeds on itself too, it's organic ‘ PR16. As described by PR16 in terms of relationships within organizations and their interaction with society to advance CSR, ‘circular response’ is important. This is because the reaction to managers in the context of delivering MSR, affects the relationship between the parties involved, including those with the employer (Schilling, 2000). This altered relationship leads sides to ‘respond to stimuli’ that they have created (Follett, 1941: 194).

Examples of this working in practice were given by the PR16 the entrepreneur, PR10, the food-store owner, and PR11, the management consultant. The former described the system he had set up in his city whereby individuals or groups with skills to offer were brought together by him.

‘They might be separate businesses but together they are stronger...someone does something for you and it makes you both better people and better businesses then you do the same for others - it grows’ [PR16].

The management consultant described a company whose management team, through challenging old ways of working, developed internal and external capabilities through a CSR initiative using Follett’s methods of relationships and circular response. PR11 described how the initiative

‘…goes out and the community responds to that organization and they take that response…back into the office [and a] relationship develops so there is better encouragement so they go out and the relationship increases…there is almost this continuous circle…[the] CSR aspect of it…was genuine…it’s paid dividends…because it is done for the right intentions’ [PR11].

The example given was compared by PR11 with other organizations with which he had worked that had ‘stalled to a large extent because…they have done some CSR type activities’ and considered their CSR duty fulfilled [PR11]. Such ‘one-off’ activity is what Follett saw as the flaw with philanthropy in that in many cases it was a separate part of what business people did, usually after they retired. Follett’s ideal was that ‘every single act’ of one’s work should be undertaken as a ‘social act' that contributed to an interweaving of experiences and benefits for the greater good (1918:368).
6.3.6 Community resources and capabilities

 Whilst Follett’s optimistic vision of management’s role in society was regarded as sceptical and unworkable by PR8 and PR22 and only feasible in ‘an ideal world’ [NP6] the majority were more hopeful of seeing ‘a change for the better’ [PR16]. In addition, all respondents in the public sector [PU1; PU2; PU3; PU4] were aware that ‘us as individuals will take responsibility for things that government provided’ [PU3]. In this regard there was an incentive for all business management (public, private and non-profit) to build relationships and engage actively with society for the benefit of all parties [PU2]. Coordinating business, volunteers and making more of existing relationships was cited by the two senior local authority executives [PU2; PU3] who gave examples of ways in which this might happen.

 One initiative of integrating interests and forming relationships was the council’s travel ‘agency…sponsor a school football team’ as part of the contract [PU2]. However, the formidable task of changing large organizations was described in relation to an idea that Follett implemented a century ago which was to open schools in the evening to educate adults. Despite being pressured to offer facilities in keeping with the local authority’s drive to improve health and fitness, ‘60 academies, secondary schools, with fantastic facilities…won’t do it’ [PU2]. In this example PU2 identified the two problems standing in the way of Follett’s concepts being delivered. Firstly, a lack of skills to handle objections and secondly the discretionary element in management engaging with CSR. PU2 went on to cite her previous experiences in the private sector where, despite policies, sometimes there was a disregard for CSR [PU2]. She had found that in MNCs it was possible ‘if managers know the organization will turn a blind eye to cut the costs then they are likely to go along with that. It will be the nature of the corporate culture.’ [PU2]. She compared the cultures in local government with the private sector saying that ‘MNCs could learn a lot from us. It would be to their benefit too because it would be longer term more and cooperative’ [PU2]. The issue of cooperation and looking to the ‘long run’ (Follett, 1941:214) are aspects of Follett’s philosophy that were apparent across all sectors and in various examples. Fundamental to cooperative relationships within and between organizations and
society was understanding and appreciating of the real intention and using Follett’s law of the situation to ascertain true need.

Illustrating how an organizational approach to CSR was interpreted by managers, in ‘37 years,’ PR22 had ‘never heard the words CSR once’. He believed that he was in the majority view and claimed that ‘seventy-five to eighty percent of the company don’t really care one way or the other’ [PR22]. His opinion was that companies and communities looked on CSR as ‘free hand outs’ which might not be the best way to engage with society. In some ways PR22 was calling for the type of CSR that Follett advocated (1918:135) that entailed equipping ‘the community’ so that they would be in a position ‘to be solving…the community problem’ [PR22]. In PR22’s company, he and others had little affinity with CSR. According to PR22, if all that happens is that organizations opt to ‘push money on it…you are not really solving the underlying problem’ [PR22]. More encouragingly for the ideas of Follett to be realised were the experiences of the community centre manager [PU4]. She described how, with recent austerity cuts (Monaghan, 2014), the centre had moved towards becoming a partially self-funded organization forming ‘partnerships’ and ‘rented out’ rooms to commercial organizations [PU4]. In the process, it had focused on giving people the skills to solve their own and community problems rather than taking on the work themselves and by moving to being ‘mainly run by volunteers’ [PU4]. This ethos of building capacity and resources is true to Follett’s call to give people the skills and to use their experiences to synergise resources. In this example the centre adopted Follett’s philosophy of holistic ways of working whereby the centre formed alliances with other social, care and educational services to promote health, diet, well-being, and skills training. Similarly, the food-store owner's roof garden, along with providing a space for the community to work together, offered the chance to learn gardening and associated skills [PR10].

The process of consolidating skills and experience is identifiable in management theories of knowledge creation (Nonaka & Takeuchi, 1995) and dynamic capabilities (Teece, 2007, 2012). Both theories concern nurturing and consolidating knowledge, skills and experiences and turning them into a resource for competitive advantage. Whilst these concepts are compatible with those of
Follett in relation to building growth and sustainability, her view would be that they should be used to create and strengthen relationships. The experience of the care home manager who later went on to work as a social worker the usefulness where an employer ‘seconds [an employee] for six months to a less successful organization and use their mentoring skills which is very useful’ [NP7]. The proposal by NP7 is more compatible with Follett’s idea of knowledge creation than dynamic capabilities theory which aims to give competitive advantage. Follett would not have commercial objectives as the primary consideration; she saw that the role of business in society was to prioritise the public good over making profits (Follett, 1941:133). This idea was summed up by PR10 as his mission to ‘create a better world’ and build talents through his business activities [PR10].

6.3.7 Integrating relationships

Follett’s thoughts on integration were that the outcome unifies all parties in business and society so that they work towards the ‘common purpose of mutual benefit’ (Follett, 1941: 270) for the greater long term good. This is achieved by identifying the interests of all parties and searching for an integrated solution that produces a novel and creative outcome. Thus by using an integrative approach and deploying their skills and resources, the manufacturer that developed young ‘reluctant learners’ [PR18] and later employed them, gave an example of integration working. Furthermore the example started not for profit, but to create ‘something new’ (Follett, 1924:208). In the same vein the food-store owner set up a network and series of workshops to discuss sustainability with the result that ‘I now sell workshops because people want to know’ how to implement this approach in their businesses [PR10]. In addition the entrepreneur’s free workshops for fledgling enterprises businesses, which led to successful partnerships [PR16] is another indication that Follett’s method of integration could be an option that can be employed by managers to initiate and implement MSR.

The skills to coordinate local community activities offer proof that managers have the capability to do as Follett advocates and to build relationships with wider society [PR10; PR11; PR15; PR16; PR17]. The manager of a charity captured the view of the majority of respondents ‘that as human beings we should all make the
best of life, caring for neighbours, friends, co-workers' [NP6]. The management consultant went further by citing ‘the contribution of everybody in the business...would have a massive impact on...a happier society’ [PR9]. The analysis of respondents’ views with regard to where business management should start included support for the idea that MSR should be built ‘into management metrics’ [PR23] and be included in ‘competency frameworks’ [PR9]. In this way MSR, as anticipated by PR16, could become part of a manager’s ‘skill-set’ and duty similar to equality and diversity, a view that was endorsed by four other respondents [PR8;PR9; PR17;PR23]. In so doing, managers would be protected from some of the pressures of striving for ‘shareholder value’ [PR10; PR20]. However, ‘the eventual impact or even the impact over the next decade’ would require a paradigm shift that would involve educating shareholders and money markets as well as the public [PR23].

6.3.8 Management frameworks and competencies for MSR

Two management consultants in the study, PR9 and PR11, had many years of experience of competency frameworks. One said that, as far as ‘behaviour standards set by leadership’ [PR11] this could be ensured by having a ‘training and development framework’ [PR9]. By having a framework it would help by ‘network, collaboration…bring people together and encourage building relationships…strengthen that relationship; you use processes that develop those relationships’ [PR9]. As the latter respondent pointed out, such processes depended on leadership taking on Follett’s methods to build reciprocal relationships to make management central to the advancement of society by way of MSR.

Having experienced many programmes of change in the NHS the CEO, PU1, noted that an investment ‘in time, in belief, energy’ and ensuring ‘a common set of standards’ was needed but the slow process needed patience [PU1]. His view was similar to that of the community centre manager that changes would ‘evolve over time; they won’t change overnight’ [PU4]. To some extent Follett’s ideas about attitudes evolving and ‘fallacy of finals’ were evident in the views of PU1 and PU4 who shared the view that improvements ‘emerge and develop and the
process doesn't stop’ [PU4]. (Follett, 1949:41). In academic literature and internationally by the UN’s Principles for Responsible Management Education (PRME) the role of business education to bring about changes in behaviour and CSR, particularly in business schools, has begun to be addressed. Greater attention is paid to governance and standards in business as evidenced by academic journals. Moreover, suggestions by Mayer, Aquino, Greenbaum and Kuenzi (2012) advocate that managers should be trained in ethical leadership, which business schools should teach (Podolny, 2009). Some of the skills, knowledge and methods that Follett advocated are becoming part of management education (1941:135); however, teaching managers to develop and operationalise social responsibility does not appear to be a priority. As with other social issues in management, such as equality and diversity, pressure is likely to come from a range of sources including changing attitudes in the wider public.

6.3.9 Educating the public and assurance schemes

In 1924 Follett extended her ideas for business management education to propose that managers educate the public about relationships and standards that could be expected from business. This topic of educating the public has had limited attention in extant CSR literature. However in terms of operationalizing MSR by influencing public attitudes one respondent cited ‘the Red Tractor, the symbol of local sourcing is an example as is Fair Trade’ are a success [PR20]. Other examples of the public being brought into a relationship with business are evident in assurance schemes of industry and product specific markets. Initiatives that have been subject to research and critique go beyond programmes concerned with responsible farming and fishing and into evaluating ethical investments (Hainmueller, Hiscox, and Sequeira, 2014; Kalfagianni and Pattberg, 2013; Kilbride, et al, 2012; McEachern, et al, 2005; Richards, Lawrence, and Burch, 2011; Wong and Millington, 2014). Although the aforementioned authors give credit for the outcomes of such schemes, some note that there are shortcomings in their operation. Even so, these industry and consumer initiatives are acknowledged to have raised standards and, in the case of the Fair Trade movement, have proved to be a commercial success (Reinstein and Song, 2012). Using these programmes as an example of how to educate the public, it appears that the advice from Follett to see ‘business as a public service’ (1941:137) offers
a good starting point. The formidable task of creating universally recognised and enforced standards for the profession of management to create the climate for MSR will require new ‘tactics…to be taken’ [PR23]. One respondent’s view was to take a direct approach and ‘to have TV campaigns’ [PR20] that would name those firms who both applied CSR and shamed those who did not. This view might not be as radical as it sounds given the UK government’s tax authority ‘naming and shaming’ firms breaking the law on the national minimum wage (www.gov.uk/government/publications/enforcing-national-minimum-wage-law). Rather than being punitive one respondent suggested incentives and praising by way of ‘recognition through awards and through honours’ [PR15] to promote CSR through rewards. Giving evidence that the idea of MSR could be emerging in other areas of business thinking, PR10 discussed ‘B Corp…it’s a certification process, and Unilever are looking at it’ [PR10] (www.bcorporation.net/what-are-b-corps; Confino, 2015). The emergence of a certification scheme for business with universally accepted standards of may help with Follett’s ambition to have a universal standard for management.

As advocated by Follett, B Corp’s proposition is that businesses should not be operated for the sole benefit of stockholders but should take account of a range of stakeholders including the wider community. Further complying with Follett’s thoughts on business as a social force, B Corp expects certified companies to use their business operations to nurture beneficial relationships and responsibility between companies and all members of society. These ideas resonate with Follett’s concepts of integration, coordination and circular response (Follett, 1941). Where Follett’s thoughts are ahead of B Corp’s current thinking is that she proposes that stakeholders should not only share in the common purpose of a company but should ‘share in creating the purpose’ (Follett, 1924:83). Although B Corp is in its early stages it could prove to be the catalyst that sees MSR accepted as part of a certification process for business conduct. Whatever method is used the issue is that it comes down to the choices of individual managers and how to appeal to them to create a relationship with the public that is conducive to educating them. By so doing, the public, as envisaged by Follett, would help to monitor and improve standards in a similar way to the aforementioned assurance schemes. A note of caution relating to assurance schemes and connected to the
practicalities of implementing CSR was identified by respondents who cited ‘box ticking’ [NP7; PR16; PR19;PR20], which was an approach criticised by CSR scholars, Nijof and Jeurissen, (2010). More specifically, the HR executive, PR19, was concerned that firms would give information on policies without proactively operationalising the concept. PR19 believed monitoring ‘encourages companies to spend money on checking that they comply rather than thinking about what they do’ [PR19]. According to the supermarket manager who had been involved in ‘box-ticking’ the answer was ‘democratising big business’ [PR20] in so doing the conflicts that produced barriers to business and society’s relationship would be tackled. These ideas are similar to Follett’s remedy to make business management a social responsibility. Follett linked human advancement in business and wider society to the necessity to participate in ‘organic democracy’ in the community, education, workplace, and in politics (1918:290). Follett’s ideas for collaborative relationships with society because the ‘good of the community and the good of one’s business are synonymous’ (1941:265) were witnessed in practice by some respondents. Encouragingly for the prospect of MSR, one respondent described how she had worked to build cooperative relationships and seen businesses ‘grow, definitely…adding value’ [PU2]. Whilst business growth was an incentive to build relationships a ‘company or a corporation’ ought to feel ‘responsible, not only to their employees but to everybody related to the company and…through your employees to the outside world’ [PR21]. The previous comment from the owner/manager of a manufacturing firm described a similar stance to Follett wherein she saw her firm as playing a part in society beyond providing jobs and service. This part was considered by PR21 as an obligation and she cited the philanthropy of the ‘Quakers’ in whose business ethos it was the norm that people ‘looked after each other’ [PR21]. The fact that businesses prospered under this ethos provided a lesson for contemporary ‘hard-nosed…big organizations’ [PR21], which amounted to an inherent obligation to make a contribution to society comparable with their influence.

However, whilst all respondents wanted business to behave more ethically, ‘it will require everyone to buy into the idea of a common basis for ethics’ [NP5]. In this statement lies one of the difficulties in making CSR a management issue and implementing MSR. The reason for this difficulty is that defining ethics, CSR,
morality, and acceptable governance involves multiple variables of interpretation as well as ‘cultural differences…what is acceptable in one part of the world isn’t in another’ [NP5]. Again identifying disparities PR21 questioned ‘how much ethics there is in a large company’ where ‘there are more people and different ideas and different conflicts’. As an owner/manager, PR21 considered that she always did her utmost ‘to operate ethically’ within ‘set guidelines that you keep to’ [PR21] and believed that ‘the feeling of responsibility’ was changing for the better throughout business. According to PR21, what was needed in MNCs was an adherence to guidelines that were not ‘misinterpreted’ at the point of implementation. Having worked in a MNC bank in her early career she related how she had suffered gender discrimination. Even though it was illegal at the time, PR21 felt that ways were found to circumvent and misinterpret rules. She described how a junior colleague was promoted over her even though ‘I was doing exams at college’, was better qualified and ‘more experienced…the only reason was because he was male and I was female’ [PR21]. Twenty years later she felt that there was more likelihood of organizations ‘being responsible and fair’ but individuals needed to be ‘responsible for their own ethics’, which in the workplace was down to the management taking responsibility and the influence of leaders [PR21]. Of those who had experience of a management framework, the executive in a local authority described ‘what we call "how we do things round" here and...managers designed it...it has to be a negotiated...because there have been good things we have done and we can learn so that we can find good things to work to’ [PU3]. Here a model could be replicated for MSR. The fact that managers integrated their interests and coordinated their experiences to develop a code of practice that was underwritten by the executive, adhered to and understood throughout the organization illustrates that a framework for managers to operationalise MSR would be feasible.

Another example of Follett in practice, although by proxy, was given by several respondents in how their version of ‘integrative unity’ (1924:91) contributed to business management and society’s relationships enhancing human welfare. For example, one senior local authority executive noted that financial austerity meant ‘communities doing more for themselves’ [PU2]. Her view was that the capability -
albeit somewhat latent - remained in communities because that was ‘what they used to do for themselves after the war when everybody pulled together’. However, she described how Follett’s model for integrating interests and pooling resources was ‘definitely in the communities in [the borough]…The Polish community, the Bangladeshis - pull together and work together’ [PU2]. More generally she had been instrumental in building relationships ‘with the council…going to work with the communities’ to take on responsibility with support [PU2]. The same respondent gave an example of working with contractors to develop best practice operationally and economically by ‘taking out inefficiencies’, but the organization ‘can only do that if you have a relationship’ [PU2]. In this case two of Follett’s other concepts are discernible. The first one is that the public are being educated as to what they can expect from the council and how they can contribute. This necessitates having faith in the public and wider community to deal with responsibilities if provided with sufficient support. The second one is that relationships in business can benefit all sides and work towards the longer term. The underlying element that is relevant to Follett’s work in these examples illustrates that understanding and building relationships is regular management practice. To some extent PU2’s organization anticipated this development and recruited ‘a new head of strategic relationships’ who is charged with building ‘long-term’ relationships between the council, its suppliers and the general public [PU2].

6.3.10 Summary of section two

The main points that emerged about the function of the executive and management advancing society by building cooperative relationships were that skills and capabilities existed throughout management to operationalise MSR. Some aspects of training, development and combining capabilities were identified as being an essential part of the process but overall, there was a willingness to engage with communities and to develop beneficial mutual relationships. Whilst loyalty and obligation to the employer were a major consideration there was room for MSR to be absorbed into management duties. However, this may depend on operational goals being included in a manager’s objectives. Follett’s approach would require leaders setting objectives for ‘creating further and larger purposes’ (1924:267) so that managers feel that they ‘can do great deeds’ to advance society (1918:230). This aspect of leaderships’ commitment to CSR was evident
in some of the data and emanated from the leaders’ personal values, rather than a business case. In fact the business case or instrumental CSR was seen by a small minority of respondents as being the reason to engage with CSR. The majority considered that CSR was an extension of being a ‘decent member of society’ [PR23]. In the three most proactive CSR companies, the values of the leaders were absorbed by employees who perpetuated the implementation of CSR accordingly. Such behaviours are anticipated in management literature on the influence of effective leadership (Barnard, 1938; Drucker, 1955; Hind, Wilson and Lenssen, 2009; Kakabadse, Kakabadse and Lee-Davies, 2009; Quinn & Dalton, 2009).

Respondents identified shortcomings in management education in terms of social responsibility. Any existing training in CSR appeared to be patchy and lacking practical ways in which managers could contribute to wider society through CSR (Podolny, 2009). Opinions about assurance schemes were favourable. The possibility of B Corp becoming an assurance scheme for business management would help to address concerns that Follett’s idea of a universal standard for management would need general agreement. Any assurance scheme of universal code for managers would be useful for a framework for MSR, which some respondents called for. Having competencies and learning and development linked to a framework would assist managers in implementing MSR as well as playing a part developing the concept. Although this is a major step forward, the best examples given by respondents suggest that they possess the ability to build mutually beneficial relationships. These relationships would span a range of stakeholders and contribute to the formulation of a practical system and guidelines to operationalise MSR.

### 6.10 Conclusion

This chapter is about the feasibility of Follett’s idea that management can advance society by building relationships to implement MSR. The majority of respondents understood the importance of relationships going beyond the workplace to wider society and there were some significant examples of managers actively seeking to engage with CSR [PU2; PR10; PR11; PR12; PR16; PR17; PR18]. A distinct range of factors was unearthed that influenced managers as to the importance of
CSR. However, most respondents were of the view that, if an employer charged its managers with responsibility for MSR, they would take it on as a duty. As a result the notion that MSR should be part of a manager’s job description and objectives was an idea that respondents felt was practical because it was based on sound management principles.

As well as setting objectives, motivation was found to be an important factor. The range of motivators for people to engage with CSR included personal and organizational values and the way in which leaders instilled those values into the culture. Of all the motivators considered, the business case was less evident than most. More prominent was the commitment of leadership to improve society using their organization as a vehicle. Nevertheless there were dissenting and strident views that business was neither equipped nor capable of taking on a welfare role that should be the duty of the state. However, these views were in the minority and the majority of respondents were either neutral about engaging with CSR or in favour greater commitment to it. As with other social issues in management, asking managers to take on the responsibility for MSR and building relationships with wider stakeholders in society, will almost certainly appeal to some managers and be anathema to others. The way in which leadership, professional bodies and governments support the idea will help to expedite implementation. Taking Follett’s advice, integrating and coordinating the interests of leadership and executive bodies will be a way forward; however, it may take a groundswell of support to make this unification of interests a reality. However, lessons from other social issues in management have illustrated that this is possible.

In order to ensure that managers possess the necessary skills, management education was identified as an issue that needed addressing. Moreover, existing training in CSR appeared to be patchy and lacking practical advice to managers to operationalise the concept (Podolny, 2009). Furthermore, Follett’s principle to make management a true profession by educating the public about management standards ‘by engaging, by telling them about it’ [PR11], was seen as important (1941:137). This idea resonates with consumer led certification schemes, particularly in relation to food, environmental and ethical standards. With the
The emergence of an assurance scheme for business, B Corp, (Confino, 2015) separate strands of interests in education, academia and business may be about to combine and become the catalyst that launches MSR and the use of Follett’s concepts to implement it. The gap in scholarly work is in the area of assessing the practicalities of applying the lessons learned from assurance schemes to create strong public movements towards MSR. Therefore, equipping managers with the skills to teach the public about MSR needs to be addressed if it is to be normalised as a management issue similar to equality and diversity.

Overall, respondents were willing and capable of ensuring that they conducted themselves in a socially responsible manner and wanted leaders, co-workers and staff under their command to do the same. Extending CSR to MSR and operationalising a model that was highly proactive and sought out collaborative relationships with a wide group of stakeholders could be possible. The skills and awareness that the majority of respondents demonstrated in their regular work as managers were transferable to developing and operationalising MSR. What is needed is a set of reference points of good practice incorporated into a framework to guide managers. With a framework of practical steps, managers will be in a position to establish Follett’s power-with relationship with society, which is discussed in the following chapter.
CHAPTER 7
Operationalising management social responsibilities using Follett’s concept of power-with and coordination

7.1 Introduction
This is the third and final empirical chapter answering the question about the feasibility of MSR, a notion informed by the concepts of Mary Parker Follett, being operationalised by managers. Follett’s concepts of power-with and coordination are used to assess the practicability of MSR being implemented by managers as a normative part of their duties. The research questions are set out in para 1.1.6.

7.1.2 Overview
In this chapter Follett’s concept of power-with is defined and the ways it is reflected in the management styles and experiences are explored. Evidence is presented about the extent to which managers possess or may develop Follett’s concepts of power-with and coordination to operationalise MSR. Examples are given of power-with to manage diversity and the relevance of language to promote or deter socially responsible activities. This leads to a focus onto the power of the leadership’s vision, which Follett described as the ‘invisible leader’ (1949:55) and the part that she saw it playing in operationalising MSR. The data illustrates that respondents concur with Follett in that leadership is fundamental to managers taking responsibility for CSR. However, Follett considered that ‘the essential task of the leader is to free’ (1970:3) and to take ‘all the means…to develop leadership’ (1941:282). The research found that at least three respondents actively drove a notion similar to that of the invisible leader to implement CSR, which produced the formation of novel relationships beneficial to business and society. These developed relationships are compatible with recent scholarly literature that proposes a more proactive and broader CSR based on ‘social connectedness’ (Schrempf, 2012:690) which tackles corporate social irresponsibility (CSI) (Windsor, 2013). Although there are incipient signs that this evolved CSR is partially comprehended and adopted, the conclusion is that it will take Follett’s creativity to build capacity to bring CSR into its next incarnation of MSR.

The format of this chapter comprises two sections followed by a conclusion. In the first section Follett’s concepts of coordination and power-with are explored in
relation to the experiences of the respondents. This is followed by the section that evaluates the understanding and awareness of the invisible leader and leadership vision in developing power-with. The effect of the leadership’s vision on followers is appraised along with its influence to promote or discourage taking responsibility for MSR. Coordination and power-with are Follett’s main concepts that are linked to conflict resolution and integration (chapters 5 and 6), which inform the interpretation of respondents’ capabilities and inclination to implement MSR (Follett, 1941:101; 297). A summary of the main points and a conclusion bring this chapter to an end. The main points covered are as follows:

- Power-with and coordination in action
- Developing power-with and diversity
- Choice of language
- Leadership, vision, and the invisible leader
- Developing and continuing the process of power-with
- Leadership, promoting the vision for MSR
- Followership, power-with and MSR
- Building capacity for power-with

7.1.3 Power-with: the concept

The essence of ‘power-with’ (Follett, 1941:101) is that it cannot be conferred but is grown out of cooperation and ‘coactive control’ (Follett, 1924:xii). The opposite of power-with is power-over, which can result in coercive and domineering control (chapter, 2). Another problem of power-over is that it takes effort, energy and resources to maintain and does not promote the contribution of those without power for the ‘common purpose’ and greater good (Follett, 1941:262). Power-with in any business, societal or group context emanated from combining each individual's unique power, experience and knowledge (Graham, 1995:23). Of importance is the duty of managers to grow capacity to deploy power-with effectively and not simply to devolve power without ensuring the development of the capability to utilise it. Power-with differs from the management theory of empowerment (Peters and Waterman, 1982; Wilkinson, 1998). The fundamental difference is that power-with is not conferred but is grown out of relationships and knows no hierarchical boundaries (Eylon, 1998). In the case of empowerment
theory Follett’s notion of power-with extends existing boundaries and, by pooling power to build relationships and share information, greater benefits and synergy can be accessed.

7.2 Power-with and coordination

So as to develop power-with Follett’s focus was on coordinating the individual in terms of their part in society; moreover, it brought into play management’s role in the process. As with all Follett’s concepts, coordination is applied according to the law of the situation, which is described in detail in para 1.1.2. Briefly, the law of the situation identifies realities and puts aside hierarchy, personal interest and emotional attachment in each situation. The situation is analysed and the parties with the most expertise decide upon the core issues that need to be addressed.

7.2.1 Applying the Follett’s concept of coordination

Depicted in the diagram (para 7.2.2) is the process of coordination illustrating Follett’s four principles for the concept. The first principle of coordination is by direct contact, regardless of status but dependent on expertise and relevance, which is found in matrix theory, chapter 2 (Galbraith, 1971; Senge, 1990). Being capable of such an approach was evidenced by one respondent’s attitude to be ‘aware of who you’re dealing with… listen to someone else’s point of view’ [PR12]. Thus, PR12 as head of HR in a finance company used her skills to communicate effectively with internal and external actors to enable her to ‘really understand what the situation is’ [PR12]. A colleague of PR12 explained that the company had processes for ‘looking at the bigger picture, speaking to those concerned and finding out what is their issue’ [PR13]. Communicating across hierarchies was exemplified by the CEO in the NHS. He told of a method in his hospital trust ‘to build some confidence’ in which the ‘CEO to the cleaner, with quite a lot of encouragement’ were invited into forums to improve the organization and develop power-with [PU1].

A circular process (figure 8) brings in the second principle of coordination, which echoed Follett’s previous exhortations to involve parties at the earliest possible stage. Respondents whose approach gave credence to whether or not managers would follow this principle were the owner/manager manufacturer whose experience in business had taught her that ‘people can work together in a fairer
way’ and ‘to start early on in companies’ [PR21]. The food-store owner [PR10] offered ‘space in our store’ which gave an opportunity to ‘local organizations and projects’ to highlight issues as soon as they arose and to put ‘their message across to the community’ [PR10]. As a result of this approach, PR10 gained an insight into what Follett would describe as ‘circular response’ through building community relationships to develop power-with.

PR10’s interactions with the wider community are in keeping with Follett’s third principle, reciprocal relationships, which is a key element in the coordination process. Individuals adjust their behaviour by the effect others have on them; in turn, the change in their behaviour also affects the behaviour of those who are affecting them. An example of reciprocal action at the earliest stage was experienced by PR10 when his local community made him aware that a national supermarket planned to open an outlet near to his shop. That led to ‘astounding’ community backing for his opposition to the venture; furthermore, he cited ‘eight years of continuous work and investment in our community’ as being the reason for local support [PR10]. ‘The mutual and communal context’ was considered to be of growing importance by the executive of the accountancy company [PR15].

From his experience working with banks they now ‘have what they call ‘church spire lending’ which means that you don’t lend to anybody out of sight of your own church spire’ [PR15]. This business model was based on a Scandinavian system that was ‘an integral part of the business and local community’ [PR15]. The approach involved awareness of Follett’s theme of circular response and the way that interaction continuously changes reactions. The manager in the finance company testified to this dynamic process when she noted, ‘You can’t say you’ve dealt with the same…issue…this is a different time, probably different people…It will be different every single time’ [PR13].
Being mindful of the dynamics of this continuing process is the *fourth principle* of coordination (figure 8). One of the management consultants described ‘accruing value’ through being able ‘to give and to receive as part of a community’ as ‘the glue that holds society together’ [PR11]. He gave an example of this in action citing an organization where he had worked where although ‘they had no level of sophistication…went out and actively engaged with the community’. This led to ‘relating to your community and seeing the benefits that the community could bring to you’ [PR11]. Another management consultant had witnessed a change in how businesses appeared to be more inclined to seek out community involvement. She gave examples that included ‘trainees in a law firm running events at a local community centre for older people.’ Apart from helping the centre ‘the trainees acquired better communication skills and empathy’ [PR9]. In these examples the model can be identified and led to a continuing and organic process that builds on each step and on each cycle of the process. Furthermore as the food-store owner noted, managers will need to understand that the process is ‘organic’ [PR10] and, as Follett explained, is similar to a biological organism striving to continually evolve (Follett, 1941:188).
7.2.3 Management’s capability to implement power-with

In answer to the research questions about the capability and inclination that managers possess to use power-with to operationalise MSR, respondents in five of the organizations in the study gave strong evidence that this was possible. These examples confirmed that there were managers who had shown that they comprehended and applied power-with in order to operationalise CSR by including it in their duties and of their own volition. Each one was led by a manager who had autonomy with varying amounts of resource at their disposal. The most significant impact had been made by companies represented by the food-store owner [PR10], the MD of the valve manufacturer [PR17], and the entrepreneur [PR16]. In these instances, the implementation of power-with and CSR was directly attributable to the values of the respondents. A comment that typified their approach was, ‘there is a philosophy about caring and making contributions to society and it lives in the whole organization’ [PR10]. In a firm where the parent company’s policy was to do ‘a lot of benevolent things but…I think they can do more’ [PR17]. Going beyond organizational practice PR17 initiated programmes to ‘strengthen society’ through a power-with approach to CSR and ‘the way the company is run and it becomes subliminal, everything you do revolves around it’ [PR17]. With a similar philosophy, PR16 used his skills and contacts to enable others to acquire power-with. He described unifying business and community interests so that

‘…as a group [we] bring about better organization, a better delivery vehicle…I will help everybody do what they do because using the pay forward principle I don’t expect any thanks, I don’t expect any applause, I hope they take that exercise away and do better for others’ [PR16].

All three respondents had senior executive or owner authority [PR10; PR16; PR17]. However, with less seniority and resources, the managers of the community centre [PU4] and care home [NP7] had created power-with organizations and developed the concept among their local community. The attitude of PU4 was to always look at ‘the benefits to the people around you. You know, you are the sun and the rays you give off.’ A method PU4 chose to extend her vision of ‘educating and raising awareness’ for her community was to set up an event on ‘how to dress for an interview’ and acquire ‘knowledge and awareness’ of capabilities, and ‘How to articulate yourself and remember to fake it
until you make it!’ A similar approach to developing power-with was presented by NP7 who examined the connections of the workers in her care home with a view to finding the widest benefit she could create. Her initiatives included an education programme that ‘involved looking at the wider community…it was bringing the community into the home; because these people [in the home] were part of that community’ [NP7]. The attitude of NP7 resonates with Follett’s approach for ‘participation, functional relating’ and unifying the power of the group to bring about responsibility for the community in which it is placed (Follett, 1941:229). Illustrated in these examples of power-with is the variety of approaches. However, common to each is the determination, vision and ethos of individual managers who used their power, extensive or limited, to produce a societal benefit.

Two respondents who, although they did not describe personal experience of implementing power-with, had observed that business management possessed the ability and willingness to apply it. Both were at opposite ends of their careers [PR20; PR23]. The management trainee described the power of corporations and thought that, rather than thinking of ‘companies doing good or doing evil’, the consideration should be on their ‘huge societal impact’ that ‘can change the way we look at things’ [PR23]. This sentiment resonates with Follett’s view that spending time finding out who is right or wrong is wasted; energy should be used to understand the power held by different sides and to integrate that power for the greater good (Follett, 1941:239).

From the 1920s PR23 cited an illustration of the power of organizations. He said that ‘a good example would be the De Beers company…through the whole creation of engagement rings and proposals…shifted the way that people look at adult relationships’. The analysis being that ‘when companies are pro-active in trying to induce change then you can get these things changed for the better’ [PR23]. Therefore, PR23 considered that a major shift in public behaviour and actions had been altered for commercial reasons which meant that corporations had the power to alter societal mores and conventions for the common good. The
supermarket manager was nearing retirement and found that it was ‘down to challenging complacency and making people believe they have an influence that can make a difference’ [PR20]. The fact that of these two respondents, one actively participated in politics [PR23] and the other in a trade union [PR20] and both held university degrees in history and politics, may have contributed to their awareness. Even so, they were concerned that some managers were followers of the company line rather than shapers of it; this was expressed as ‘I don’t think that most managers would feel they could do it alone – or even in a group. Something fundamental has to change in setting an example’ [PR20]. Giving examples that this ideal was feasible, PR20 cited the success of the ‘Red Tractor scheme’ (endorsing local food producers) and the ‘Fair Trade’ movement (chapter 6). Like Follett, these respondents were concerned with democratic participation and power. Also illustrated in the De Beers, Red Tractor, and Fair Trade examples was an understanding of how business power could be an influencer as well as being influenced. Thus, Follett’s belief is relevant that the public need educating about their expectations of business and how they can grow power-with (chapter 6).

There was some optimism that business may contribute to driving a CSR agenda based on power-with and instigated by managers by their choice, as evidenced by the comments from two other respondents. Overall the approach to CSR of the executive of the accountancy company was traditional and philanthropic rather than power-with, such as ‘involvement with local charities’ [PR15]. In recent times, however, the company had become less reactive and company had begun to

‘…encourage people…support them in terms of their time and financially [with] things like being involved in the infrastructure of a city. If there’s a committee set up looking at how we organize roads, various other things which seeks to help or influence local government or government’ [PR15].

The challenge for business management, as indicated by respondents, is how the profession acquires the confidence and power to take the lead on MSR, especially when there is little clarity and guidance on the practicalities. Following Follett’s coordination model and power-with concept offers a starting point for those looking for a framework to guide them. Encouragingly, the examples, especially those of the community centre and residential care managers [PU4; NP7].
illustrate that individuals are capable of taking the initiative to operationalise MSR using power-with in the absence of formalised policies and guidelines.

7.2.4 Developing power-with

The theme of the development of power was contained in the responses from three respondents demonstrating that they comprehended the essence of power-with and the implications of its implementation [NP5; PR10; PR19]. Presenting the antithesis and dangers of power-over, rather than power-with, the CEO of the medical charity [NP5] attributed an absence of power-with to the ‘desperate situation’ in her organization. The board of directors

‘...have an idea that has serious flaws and is short term in nature. They hold all the power and I’m in the invidious position of having to manage a team but without the authority and information to really take on this funding crisis as a team effort’ [NP5].

As NP5 had been given limited information, she was unable to explain the problem fully to her team and develop power-with to reach an integrated solution. Furthermore her board ‘might be brilliant doctors but they aren’t necessarily even adequate administrators…There’s plenty of experience here. I’m over 60 and worked for some successful charities...There are…brilliant fundraisers here who’d come up with something if they were asked’ [NP5]. Claiming that she and her team could find creative and innovative answers to the problem, NP5 expressed frustration that she was ‘trying to find an answer in the dark…I don’t know the whole story’ [NP5]. These comments about limited information echo Follett’s call to ensure that all expertise is respected, acknowledged and used to develop power-with and that information is exchanged freely (Subsequently, NP5 and her team were made redundant and the centre was closed). The community centre manager endorsed NP5’s opinion and held a similar view to Follett in that she saw the power of acquiring information and comparing with past experiences is part of the whole process by ‘which judgments…and decisions are made’ (Follett, 1941:284). In PU4’s experience, she had been given information to help deal with problems in the centre and told how she had witnessed the damaging effects of restricting information. She said, ‘if I’ve got power, I can tell you only limited information …I could manipulate you’ [PU4]. Apart from sharing information, PU4 and other respondents saw the process of developing power-with as a ‘whole
journey’ that evolved over time. The European head of HR in an American MNC [PR19] and the food-store owner saw the need to ‘develop as we go on this journey’ to build the relationship between business and society [PR10].

Concurring with Follett that ‘morality is never static’ (1918:54), these respondents described changes that they had witnessed in society and, echoing PR23’s view about de Beers, the effect of the influence of those changes.

Not all observations were positive and the social charity manager believed that in ‘latter years we’ve become an unequal and divided society, the amount of wealth and power concentrated in very small hands is very damaging for Britain’ [NP6]. Even so, NP6 testified to witnessing that a new ‘mind-set’ was developing and that people shared his view that ‘this concentration of power and wealth in the hands of the unaccountable, it’s wrong. Actually, it’s dangerous too’ [NP6]. One of the most senior respondents, PR19, was more hopeful of an improved relationship between business and society that suggested that power-with was developing. He had noted that senior executives were finding ‘new ways and trying to stimulate dialogue’ [PR19], which had been witnessed also by PU4 as ‘educating and raising awareness’ with wider society.

Furthermore, PU4 and PR19 reported how their organizations had evolved in their engagement with society. In the case of PU4 she had been involved in several major changes in her community centre over the previous ‘twenty two years’ [PU4]. Thus power-with had been witnessed by these respondents in the way that individual managers and their organizations had moved towards the ‘power of the stakeholder’ [PR19]. The reasons for this were attributed to business and society progressing with more ‘awareness and thinking about what we do wrong’ [PR19]. In addition, ‘because corruption happens’ when people are ignorant of business and its impact [PU4], the expansion in ‘social media’ [PR9; PR17;PR23] had led to awareness of ‘the real powers in the world’ [PR9]. Respondents saw that this had implications for business and the way in which it connects with society.

The view of PR10 was that the effect of power-with relationships transformed business into ‘something completely different. That is…happening in business
right now because that is what is needed, to basically radically change how they behave in the world’ [PR10]. In light of PR10’s experience as a business owner and senior consultant with MNCs, there were plausible grounds for assuming that his observations were correct that a transformation in the relationship between business and society had begun. Changing business behaviour was the aim of PR10’s website and blogs and the use of ‘social media’ was cited by PR23 as a way in which CSR could be ‘normalised as a management practice’. He described how ‘social media can act as this echo chamber’ which can be filled ‘with positive voices…demanding responsible behaviour’ [PR23]. If Follett's philosophy applies it would be the responsibility of managers communicating freely with society, operating in a professional manner within a framework of behavioural expectations that should be known to all. In this scenario, power-with could be developed using the technologies that were not available in Follett’s time but within a structure she would recognise of freely exchanged information where interests were identified and integrated.

7.2.5 Power-with and managing diversity

Attitudes to CSR and diversity were explored in chapter 5. However, so as to establish the feasibility of management’s capability and willingness to grow power-with to implement MSR, the focus falls on approaches to managing diversity using power-with. Drawing on lessons from the management of equality and diversity, the management consultant had witnessed ‘when those in control had to promote equality they had to relinquish some control which underpinned the old system of inequality’ [PR9]. This PR9 interpreted as an issue that whilst not insurmountable should be acknowledged and, therefore, approaches that involved diluting or removing power may need all Follett’s processes for dealing effectively with conflict. Those respondents who commented on equality in the workplace demonstrated capabilities to encourage and promote diversity. In so doing, they resonated with Follett’s view that diversity was an ‘essential feature’ (1924: 232) of business management and power-with. This view was endorsed by the MD in manufacturing whose experience was that ‘what diversity brings is creativity, a balance, and it just brings so much to the company, or it brings so much to you as an individual [PR17]. Follett summed up this reciprocal relationship as ‘…we should think not only of what the leader does to the group, but also of what the
group does to the leader’ (Follett, 1941:301). Thus PR17 offers another example of Follett’s concept of individual and collective benefit (Ryan and Rutherford, 2000). In this case the synthesis between the individual and the organizational gain, illustrated the point. As Follett predicted, such actions led to invention, innovation and the advent of new values on all sides (1924:301). In keeping with Follett’s prediction in her coordination model that groups would grow and develop by accessing new ideas, the head of a department in a local authority told how she had seen this working in recent times. PU3 described how ‘the more diversity whether it’s in your workforce or out there, the more you grow…bring in ideas that hadn’t occurred to you…not because you, or the organization was bad but they just weren’t tuned in and never would be’ [PU3]. Taking a lesson from these examples it is possible for managers to see their business forming what Follett described as a ‘functional unity’ to advance human welfare by having a power-with dialogue with society (Eylon, 1998; Follett, 1924:256). In the process of promoting diversity the organization benefitted from the contribution of new and creative ideas, thus displaying elements of Follett’s coordination model by forming a continuous system of development.

Although in the examples relating to diversity there were some facets of the business case, in essence committing to equality and diversity was prompted by the desire to help people by opening opportunities. In so doing, the respondents were displaying power-with and going through the process of coordination by beginning with direct contact with those most affected. In relation to CSR, PR22 that he did not have ‘any power to do anything’, yet he was able to use his authority to steer his teams towards more ‘gender or race based diversity’. This illustrates that, although he had expressed antipathy towards CSR, PR22 had the capability to create a power-with relationship with his workers and to push an equality agenda beyond his job requirements. This gives some optimism to the notion that managers would be willing and able to embrace power-with as part of their responsibility for MSR. However, the difficulty in implementing this course of action was identified by the CEO in the NHS. PU1 explained his reservations that ‘…it does come down to different interpretations of what is needed. We have moved on a long way in terms of diversity and dignity at work, but regardless of the policies, inconsistencies in their application remain’ [PU1].
Another senior executive in the public sector had also experienced inconsistencies in interpreting and committing to social issues in management, regardless of policies. PU2 noted that leadership lacked interest in driving management responsibility, which she exemplified in relation to diversity. She referred to ‘riots and problems we’ve had here 10 years ago’ and connected social unrest with a lack of diversity in the council’s job recruitment, both of gender and ethnicity. Furthermore, she thought that a lack of diversity was

‘...something they need to address. I was at an exec members meeting and somebody raised it but they raised it as a bit of a joke and I thought that if you think it’s a joke it actually isn’t because we’re supposed to reflect what the public want and the dynamics of the town.’ [PU2].

In this example from a local authority, the executive team had the power to institute greater diversity, leading to power-with, but maintained a power-over position and did not do as Follett advised and develop power and authority with employees, stakeholders and the wider community. One tangible outcome of this position had been experienced in the civil unrest described by PU2. Follett would identify in these examples the importance of business management working within an accountable and honourable framework and promoting power-with. The challenge for management would be to view the entirety of their actions as executives and officers and integrate interests for the benefit of the widest group of stakeholders for the longer term.

7.2.6 Choice of language

In favour of advocating Follett’s notion of power-with to advance society rather than the more limited theory of empowerment (para 2.2.3), account needs to be taken of the vocabulary. Certain words influence the acceptability of a concept; as the head of department in a local authority indicated, ‘I just hate this word “empowerment”…it’s corny’ [PU3]. Thus if power-with is to be part of a manager’s duty to operationalise MSR, reactions to words need to be anticipated to ensure the message is conveyed effectively. Other examples of the limitations of words and terminology were the strong reactions from respondents to the term ‘CSR’. According to PR14, ‘CSR has become discredited’ and, because it was regarded as only ‘good for the bottom line’ [PR16], the entrepreneur said that ‘CSR, it’s not a title that I actually use’ [PR16]. More emphatically, the food-store owner considered that for it to be accepted as a management responsibility ‘I wouldn’t
call it CSR’ [PR10]. This respondent’s example was that when ‘talking about sustainability and they go “oh yeah, that is somebody else’s department it is nothing to do with me”.’ [PR10]. This example displays a paradox wherein a term, such as sustainability, is regarded as a worthy endeavour but acquires the status of something irritating to the point that it becomes acceptable to ignore. Therefore, ‘when you say sustainable they know what you mean but it also switches people off’ from wanting to take it on as their responsibility [PR10]. Such statements highlight the choice of research methodology and the interpretation of experience understood through an individual’s exposure to language and communication. An example of the positive impact of language was confirmed by five respondents regarding the ‘recycling example’ [PR8]. This led to recycling ‘appealing to you as a socially responsible individual’ [PU3], ‘now everybody does it’ [PR22] and as well as the ‘commercial benefits of reducing waste…it’s great how everyone has bought into the idea’ [PR21]. In this case, PR21 was familiar with recycling in her manufacturing company; later it became part of her daily life and society’s wider lexicon to emerge as a positive phenomenon.

Following the thread begun by PR10, in order to make social responsibility a wider management obligation, it would be necessary to use language to make clear that it is an organization-wide duty and not allocated to a discrete department. One respondent’s experience was that ‘we did have…two or three employees whose full time job was community outreach…CSR’ [PR22]. Therefore, as anticipated by the management trainee, for social responsibility to be ‘normative’ [PR23] and implemented using power-with, changing the name to MSR would make clear that it was a personal obligation for each manager as part of their job. The justification for this by PR23 was that, as someone relatively new to management CSR was seen as

‘…extracurricular work that individual managers or individual teams can undertake. Whereas I think the way it needs to be approached is that it needs to be integrated in to the wider management structure. It needs to be…normalised as a management practice. It needs to be something…engrained as following health and safety procedures or equal opportunities procedures’ [PR23].
Thus, if social responsibility is to become an individual manager’s responsibility and not just the work of a nominated department, language that represents it as a positive notion in wider society will be of importance. Creating power-with to implement MSR by ensuring that language makes concepts understandable and appealing is central to sharing information. With communication at the core of Follett’s principle of empowerment and coordination (figure 8) sharing information that is clear and inclusive is inherent in her fundamentals of management (chapter, 2).

7.2.7 Summary of section one

The main answers to the research question as to how managers could develop power-with relationships with society provided evidence that there exists both the capability and some desire. Although certain respondents were comfortable with CSR and possibly MSR being part of their responsibilities and power-with, the manner in which this could be operationalised was debateable. Nevertheless, harnessing the power of business to drive a more social and fair agenda was regarded as feasible. By heeding Follett and pooling information, experience and power the opportunity afforded by ‘social and mass media’ [PR9; PR11; PR23] augurs well for the adoption of Follett’s principles and increases the likelihood of MSR becoming a normative management function. In order for information and messages to be clear it would be necessary for the terminology to be accepted and understood. In keeping with this theme of nomenclature and language, so as to mitigate the effects of retaining CSR as a discrete and esoteric activity, it would be important for it to be seen as a part of normal business activity and a responsibility of all managers and to call it MSR. The process to achieve this would incorporate Follett’s theory of coordination, which relies on direct contact of all stakeholders, requiring clarity of understanding and using unambiguous and accessible language to share information. However, regardless of the language and vehicle used to present the case for managers to operationalise MSR by power-with, the data illustrates that the spur is the inspiration and vision of the individual managers as leaders.

7.3 Leadership vision for MSR

In the following section the focus is on leadership, which respondents considered was pivotal to the success of MSR being operationalised by managers (Waldman
and Siegel, 2008). So as to motivate managers, leaders need to present a clear vision clear for their organization’s contribution to society and how individuals could play an effective role in achieving that vision (Johnson, et al, 2011:121). Follett says, ‘Leader and followers are both following the invisible leader – the common purpose’ (1970:1). Fundamental to the common purpose is for leaders to inculcate in followers awareness of their strength when they participate in a power-with relationship.

7.3.1 The invisible leader

Follett’s thoughts on the ‘invisible leader’ (1949,1970) are akin to what is generally regarded nowadays as corporate vision (Collins and Porras,1996). Such a vision is transmitted to employees, customers and the wider community, in fact to all stakeholders and sets out where the organization wants to be. Respondents identified this in their organization and reported that ‘leading by example’ [P13;PR14] and equipping managers for leadership fulfils Follett’s notion that ‘releases’ and ‘unites energies’ for ‘further and larger purposes’ to which all subscribe (Follett, 1941:267). According to one active supporter of CSR, his vision for his company is driven by him as the leader ‘even on a flat line’ because ‘there is always someone at the top’ [PR17]. Further endorsing this view of leadership vision was the manager in a financial company, an industry in which there was a high employee turnover. She explained how in her company maintaining good staff morale and high ethical standards was because of the ‘person in charge at the forefront, steering the ship in the right direction’ [PR14]. Concurring with Follett’s view and supporting her premise that leaders can develop power-with, four respondents agreed with PU3 in believing that leaders ‘want their managers to have vision’ [PU3], which ‘has to come from the top’ [PR8]. Taking this idea further Follett considered that the essence of great leadership went beyond leading by example and from the top; she believed that the best leaders inspired others to do ‘great deeds’ (1918:230). Furthermore, like the financial company having leaders who set ‘a good example of CSR’ [PR13] vision entails having an ‘ethos running through it so everyone involved has to believe in it’ [PR17]. Thus in the financial company the leader ensured that people have ‘been taken on with this view in mind’ and ‘if the people at the top believe in it, it’s easily filtered through because…it’s about how, why and what is done’
The latter comment echoes Follett in that she was concerned with why and what managers managed rather than how they managed (Drucker, 1997). She believed that business should contribute to wider social fulfilment and that why and what was made and produced ought to contribute to human welfare. By being concerned with the why and what of management, ‘spiritual values’ for the benefit of all society would be the produced (Follett, 1941:141). A similar view was endorsed by the food-store owner who asserted that he had ‘effectively created the vision…and the culture we have here. I think the only way this works is for a leader to embrace it’ [PR10]. Therefore, how and why managers embraced CSR was deemed by respondents to be attributable to the values within the culture and ethos of organizations created by the leader, which had at least as much influence as their personal values.

7.3.2 Ethos and values of the invisible leader

The way in which values were transmitted to managers was explained by the manager in the finance company’s debt management department.

‘When you are on the phone to a person, you are thinking, “Am I doing the right thing?” You’re thinking of them as a person and not just a deal, sold and closed.’ [PR13].

In this instance the respondent had previously worked for a less ethical firm which she felt compromised her integrity and ‘found it difficult because it was very cut throat and ethics was not a consideration’ [PR13]. However, in her current job, she felt her values were aligned to those of the company where she found that ‘policies and ideals are not just there on paper…it’s about reminding people, through regular contact, through rewarding those who have achieved, by the sort of awards the company receives’ [PR13]. A colleague of PR13 confirmed that

‘…it’s just bred in the ethics of the company and it’s very full on… Here you know you’re supported and won’t be hauled over the coals because your idea wasn’t taken up or changed the world or whatever. It’s a safe place to put your point of view. This goes with the way we look at CSR. But everyone knows that we are an ethical firm and that’s why we have a good name and, I think why people are happy to work here’ [PR14].

The above example highlights the influence of institutional ethics on individuals and the contribution that individuals make to the group in their commitment to CSR through a process of power-with, which is created by Follett’s invisible leader. The
reminders ‘through regular contact’ with PR13’s leader created a relationship within and beyond the company that was strengthened in a continual process of reciprocal rewards. As pointed out by PR13, the process has to be reinforced frequently following Follett’s advice when she writes about freedom ‘it must be won anew every moment, literally, every moment.’ (Follett, 1918: 72). Maintaining commitment to ideals and continuing to reinforce power-with is part of the coordination model identifiable in the comments of PR13, which validate the idea that MSR can become normative and be developed by leaders and followers (figure 8).

The effect of institutional ethics portrayed by the leader underlines that ‘loyalty to following the invisible leader gives us the strongest possible bond of union’ (Follett, 1970:1). The strength of this union is how power-with can be developed as exemplified by the MD in manufacturing [PR17]. His company expanded a charity for the ‘support of young people’, in turn this helped a ‘primary school’, older students who were ‘under-achievers’, ‘and other local community initiatives’ [PR18]. These activities gave his workers new opportunities for their development and experience to foster power-with in the workplace. In the same vein to PR17 the entrepreneur, PR16, and the food-store owner, PR10, shared a desire to ‘make a difference’ to improve society through business [PR16]. PR10 believed his ‘life purpose’ was what he was doing to ‘influence change’ [PR10]. A similar view was expressed by PR17 whose ‘belief, and it is in my bones and my psyche’ to ‘help other people’. A further lesson is contained here in the importance of the commitment and role of leaders looking to implement MSR and developing power-with. As Follett suggested, in order to develop power-with effectively, it has to be grown both internally and externally. The leadership style of PR17 was based on his belief that individuals ‘feel good for doing good things and that is whether you are the cleaner here…or me; all levels of the company’. By taking this inclusive approach PR17 had created power-with and embarked on a process that was constantly evolving and exploring new avenues of CSR. His attitude to the way in which he embedded this approach was to make his workforce aware of their role in CSR because ‘it is too easy to say that’s not my problem. It is our problem…you can start to change it at the roots’. Although he acknowledged his views were untypical of most MDs, he expected company members to know that they were
‘going to put something back into society. You are not going to make it happen just by saying so; you have got to do it’ [PR17].

On initial examination, it would appear that PR17’s approach was more power-over than power-with insofar as he expected employees, especially managers, to operationalise CSR. However, the way in which the various CSR activities had evolved indicated that the contributions had been in line with Follett’s notion of coordination. An example given by PR17’s HR director was ‘the Christmas pudding race and equally everybody has an option to take part’ [PR18]. Ideas were contributed at the earliest stages of projects, when staff saw it ‘as in something we are trying to put back’, and the process of building diversity and reciprocal relationships followed the model set out by Follett (Figure 8). The result was that the company’s approach to CSR was facilitated by the HR director. However, she told managers that she was ‘here to support you’ [PR18] and individuals could choose CSR initiatives. Ultimately though, PR18 said of CSR, ‘it is part of a manager’s responsibility’. In this company, therefore, the nature of CSR was seen by the MD and HR director as a developmental and unifying process, similar to what Follett would advocate to grow power-with.

7.3.3 The continuous process of power-with

As with all her concepts Follett saw power-with as a ‘process, not a product’ which was identical to the view of a respondent who initiated and supported business and community projects (Follett, 1941:195). In relation to a business venture the entrepreneur, PR16 said that, ‘Process is really, really important…not…product’ and he applied the idea of process not outcome to initiatives such as his advice forums for budding entrepreneurs (para 6.3.5). This is an important point in answer to the research question in that it concerns the way that management is led by a vision to take responsibility for developing MSR as well as implementing it. The significance relates to the fact that management must take on responsibility for the whole process, or ‘common purpose’ through ‘partnership in following the invisible leader’ (Follett, 1970:1). Thus there are comparisons with the process in movements for universal suffrage, equal rights and the women’s movement. All the aforesaid issues evolved, developed and continued to grow as
power-with and more rights were secured and the principles were absorbed into everyday life, including the work of managers. However, they were all propelled by leadership and its vision, or common purpose, to improve the lot of the relevant groups whilst also enhancing wider society.

Although in their evolution some of these movements for social issues encountered ‘a cynical culture’ where ‘people tend to groan…it’s just to look good or it’s for marketing purposes’ [PR23], they were ‘normalised as management practice ’ over time. This was the view of the management trainee who was confident that younger managers like him would respond positively to MSR being ‘integrated into the wider management structure’ of responsibilities [PR23]. The analysis given here was echoed by the food-store owner who had witnessed a change in attitude of young people in management where they were ‘making a positive contribution to the world as opposed to just working somewhere that was just focused on making money’ [PR10]. Throughout his ‘whole organization, a philosophy about caring and making contributions to society’ existed [PR10]. Similarly the HR director in manufacturing had witnessed CSR becoming part of a manager’s main stream duties as a result of ‘workshops and training…to obviously instil throughout the company this is how we want to work’ [PR18]. However, she pointed out that changing attitudes was sometimes a battle and that when it came to CSR and community engagement she had been asked by managers ‘Why are we throwing money at [CSR]?’ They also wondered why the money spent on CSR did not go ‘in their pay packets?’ [PR18]. Over time though, PR18 had noticed that ‘they get other things’ and made a contribution to the CSR programme, which PR18 attributed to the leadership’s vision ‘to build a community effectively within the business.’ So much so that ‘there cannot be the odd one out…because that manager will actually, it sounds stupid, but poison that group of people’ [PR18]. Both PR17 and PR18 believed that the success of their company was taking a long term view in which their commercial interests were intertwined with those of the community.
PR18 echoed the sentiment of the management consultant who thought managers who lacked vision by allowing social irresponsibility (Windsor, 2013) ‘are on borrowed time’ [PR11]. As addressed in chapters 5 and 6, there were varying degrees of dedication and pro-activity towards CSR exemplified in the research. One of the three most enthusiastic proponents of CSR, the entrepreneur, gave an account of a project that grew out of a local need which expanded into a successful housing project by developing power-with.

‘We were given land by the church to build these houses - barn-raising is what they call it in America - so that the community comes together and together builds houses. And that actually then is like an advanced form of networking and it introduced you to key movers and shakers amongst the community, amongst the business world, amongst the public sector, so you open up a different form of friendships that’s also good for business but also good for you in your mind and soul.’ [PR16]

The food-store owner provided an example of leading by power-with by launching an organization to promote socially responsible business management through workshops. His process is similar to Follett’s coordination model by making direct contact at the earliest stage. The ‘programme comprises workshops and the idea is that good practice, if you like, or heartfelt practices, ideas and experiences are shared’ [PR10]. The process begins ‘prior to workshops when all participants are interviewed to contribute their views and ideas’. According to PR10 the main difference is that the participants are ‘given an individual and team process to carry on with this new approach rather than it all falling flat, which it often does after any team type event’. In this way the coordination model of continuing the process is achieved (figure 8) and social media comes into play in sustaining the initiative to promote responsible business. The additional comments on PR10’s website and blogs are an indicator of the mood that he has detected in relation to social responsibility and sustainable business models. The examples given illustrate the importance of the leader wanting to ‘arouse…attitudes of cooperation…working for a common purpose understood and defined as such’ (Follett, 1941:262). Therefore, taking Follett’s advice for developing power-with by leaders providing a vision and common purpose, the evidence from the respondents was that, in some instances, this had happened. Although not universally explicated in the data collected, there were profound examples that
leaders and managers had the capability to grow power-with for themselves, their
workforce and to use those skills and capabilities to enhance society.

Leadership and power-with were evident in the example given by the manager of
the care home. Having chosen to empower her workforce by offering them an
‘…open university course…it entitled us to a free lecturer to come and do
some seminars [and it extended to] the wider community and they also then
take their learning to the children and show them what they can do as well’
[NP7].

In this example, NP7 although having received little management training,
emulated some of the best principles of management and those of Follett. These
principles included power-with and coordination and obtaining and utilising
resources creating dynamic capabilities for a wider group (Teece, 2012).

A further example of leadership promoting power-with was given by the CEO in
the NHS [PU1] and concerns Follett's principle that 'coercive power is the curse of
the universe; coactive power, the enrichment and advancement of every human
soul.' (1924:vii). As both a CEO and a doctor, PU1 was concerned that if
individuals in his organization felt that they had authority, or power-with, to stand
up to coercion, they would be able to challenge ‘other things they think are wrong’
[PU1]. He cited instances where 'in terms of time- scales, the lack of respect for
the effort that people are making - I think those amount to bullying' [PU1].

However, PU1 had worked with a way to remedy power-over and coercion. He
described a collaborative process that operated in some parts of the NHS and
which he described as ‘Schwartz rounds’ (Goodrich, 2012). These applied to
medical and non-medical situations and exemplified the integration and
coordination concepts of Follett. The system sets out to ‘demonstrate kindness
and compassion in practice’ by looking at ‘case experiences’ and assessing how
things might have been done better or conversely learning from success when the
optimum outcome is achieved [PU1]. In terms of Schwartz aligning with Follett
and MSR, there is a clear link. Follett's concept of respecting the expertise of
everyone involved and harnessing experience to develop better ways of working,
regardless of their position in a hierarchy, is the essence of Schwartz and of
power-with. Using management to apply Follett's concepts within the law of the
situation the role of leader is not assigned to an individual’s status but to the expertise they can contribute for the greater good (Follett, 1941:58).

Follett said that the law of the situation should be used when ‘giving orders’ (1941:39) and whether this related to the workplace or the wider social context and implementing MSR, the process would be the same. Therefore, as in the model of Schwartz where, for example, cleaners and board directors participate, Follett’s concepts of power-with, coordination and the law of the situation would encourage and respect the contribution and experience of all. The Schwartz system was embedded in the organization as a process and not as a reaction to problems. The way it was conducted was that,

‘It should happen regularly and the intention is that you bring along something that’s notable and what’s notable can be something that’s gone well or gone badly but it should get people from across the organization thinking about what is best.’ [PU1]

Thus all concerned were involved in seeking improved ways of carrying out the business of the organization. Of note was the comment by the same respondent as to cost savings. His example was that the cost of insurance was directly correlated to the staff surveys which were regarded as an indicator on patient safety. The use of Schwartz had illustrated cost effectiveness by improvements in staff morale identified in the survey. It was, therefore, incumbent on leaders to ensure high levels of staff morale, connectedness to the work and job satisfaction; in other words, power-with. The lesson offered by the Schwartz experience is two-fold in relation to Follett’s concepts. The first one is that it took exceptional vision of leadership to relinquish conventional power, particularly in a stratified hierarchy like the NHS. The second was that the group was strengthened by power-with, which benefitted the wider community through developing skills and awareness of the effectiveness of individual effort when synergised in the group (Eylon, 1998).

In terms of the research question it is possible to comprehend that Schwartz like MSR can be seen as a management obligation incorporating the skills of the group and power-with which can be grown to develop a wider group of stakeholders.
7.3.4 Leadership and the vision for MSR

Whether or not leaders have the inclination or capability to present a vision and drive a power-with approach like Schwartz was an issue on which respondents held mixed opinions and is a key factor in answering the research question. Opinions ranged from the supermarket manager’s response that in business and society ‘the way in which some leaders behave is appalling’ [PR20]. Another respondent went on to describe how his experience had taught him that ‘honesty is very lacking in management, especially senior management and in business in general’ [PR8]. The CEO of the medical charity had encountered debilitating effects of power-over by her board of governors where ‘one side, with authority, won’t listen to the views of the other: the employees and manager. The effect of this approach is really corrosive’ [NP5]. In the last example, the stance of power-over by the board had led to a loss of support from the management and workers, which had made the future of the organization untenable; according to the CEO, ‘I’m reluctant to invest in any of the plans for the future’ [NP5]. In contrast, the owner/manager of a manufacturing company saw her role as one of building power-with internally where she attempted to ‘get the group together…have a discussion and try and get people’s opinions across’ [PR21]. This process of developing individuals and the group was similar to that advocated by Follett. Although PR21 undertook certain philanthropic activities, her involvement with CSR was limited as far as the wider community was concerned but her business ethos was to ‘try as hard as you can to operate ethically’ [PR21]. The success of her company, which she attributed to collaboration, and the involvement and loyalty of her workforce, suppliers and customers bore out Follett’s message about the effectiveness of power-with and the power of relationships.

7.3.5 Developing leaders

Other respondents who had a particular insight into leadership included two management consultants who ran leadership courses and two HR directors. To varying degrees all four were confident that leaders could be moulded into what was needed to create a power-with relationship and implement CSR that was in keeping with Follett’s ideals. One of the management consultants cited an instance of leadership that championed CSR by describing someone whose
values had led him to have 'actively taken a lead in promoting corporate social responsibility'. The way in which this was achieved by 'training is one way...but more and more I think it is actually example led'. As a result their 'leadership is something that runs throughout the organization' [PR11]. In this case the leader in question had the vision and the capability to inspire others in his organization. Another management consultant thought that CSR was 'a massive leadership issue' because it was 'very common for people to take a steer on their behaviour from what happens above them' [PR9]. Expanding on the mechanics of delivering leadership, PR9 said 'you could do it within a kind of training and development framework to a degree..., or where you bring people together and encourage that building of relationships' [PR9]. The HR directors' views were based on their experience that leadership skills can be developed to produce managers and teams to take a lead in promoting social responsibility and who were capable of delivering MSR [PR12; PR19]. This was illustrated by the head of HR in the finance company who described

'...doing things right and the managers are given leadership training. It all adds up and makes a big difference when it all comes together and it comes together because of the MD and CEO' [PR12].

Therefore, the invisible leader's ability to shape and drive behaviour was crucial. Further endorsement of leadership’s role in CSR was made by another HR director who had acquired experience and knowledge of CEOs during his 30 years in business. Latterly in his career he had witnessed a 'genuine faith, belief that they should be doing something, have some conscience, some sort of awareness...of the notion of corporate social responsibility’ [PR19]. A maturing attitude towards CSR and the evolution of the concept was confirmed by PR9. She agreed with the food-store owner that 'more enlightened business leaders are seeing that there is a need to change’ [PR10] and she noted that 'organizations...are combining leadership development with the corporate social responsibility agenda' [PR9]. Moreover, PR9 and six other respondents, agreed with Follett that, with the right leadership, there did not need to be an 'either or choice’ [PR23] between businesses being economically viable and playing a greater developmental role in society [PR10; PR11; PR17; PR18; PR20; PR23].
7.3.6 Developing power-with in followership

Follett’s plan for management’s role to advance society depends on followers as well as leaders (Bennis, 1995, 2009; Follett, 1941:289; McLarney and Rhyno, 1999). Whilst she has a theory of followership that gives ‘to each the opportunity to make creative solutions to the situation’ (1941:290), Follett’s central assumption was that it was human nature to want power. From this assumption she hoped that those without power would want to take responsibility for power-with.

However, four of the respondents disagreed with Follett’s premise that the challenge emanated from those with power-over allowing power-with to develop. For PU2, PU3, PR14, and PR22 an obstacle to power-with was that some of those with the least power would not want power because they were content to be told what to do. The manager in the finance company’s debt management department expressed sympathy for ‘the people we deal with - people just aren’t coping financially’ [PR14]. Nevertheless her experience led her to believe that what was needed was ‘a greater sense of responsibility for everyone. So, yes – a citizen’s social responsibility’ [PR14]. Echoing Follett’s call for the public to be educated about what to expect from business PR14 said, ‘the problem to be tackled is complacency. People doing more for themselves and that means finding out about some of these financial deals they get into’ [PR14]. She identified the problem as being ‘it’s more than taking it [responsibility], it’s not seeking it that shows the complacency’ [PR14]. In this respect PR14 considered that there were significant examples where there was little or no desire for power.

The way in which the structures of society had been created by developing power were an example of the process of power-with and building capacity for the common good according to Follett. Follett counselled against misplaced good intentions by saying

‘Many people, confident that their object is for the good of society, are willing to take measures to attain it which are essentially coercive’ (Follett, 1924:191).

An example of good intentions that went awry was reported by PR22 when he described a case of power-over, the opposite of power with. His interpretation of an absence of seeking responsibility related to his company’s after-school science clubs. PR22 thought that his firm’s effort was compromised because it was used
as a 'baby-sitting area for after work as opposed to getting the right kids who could benefit from it' [PR22]. This example underlined Follett's view that power-with has to be grown and imposing a system of science classes may not be what was wanted or needed. Furthermore, relying on a philanthropic approach, which Follett would counsel against because it was unlikely to involve power-with, was also identified by PR22 in his criticism of CSR. He said 'the community...I don't think they know how to handle some of the things that the corporations are giving to them', which in his eyes was a reason not to engage with CSR at all [PR22].

Picking up one of Follett's key themes interwoven in power-with, PR22 believed that 'a lot of organizations outside in the community don’t trust, they like to take corporate hand-outs from them but they don’t trust them. They think they want to try and control the community' [PR22]. Here, a number of Follett's ideas are demonstrated. She knew that when disparate sections of society come together they viewed each other with 'some suspicion...to such a change of front' (1924:194). Follett considered that this lack of trust was a cause of conflict that should be addressed and used creatively to find an integrated solution to enhance life for all sides. In addition, Follett saw that power-over and control were evidence of people using coercion even though they were doing so with good intentions (1924:98). In the case of PR22's company this manifested as '…often you can have differences in agreements as to what should be done. The company wants to give you some money but say here’s what you should do, and they say they will take the money but they will decide what they are going to do with it' [PR22].

Follett said that communities needed a process of power-with rather than having authority or resources delegated. If power-with were developed it would involve growing responsibility and reciprocal support as shown in her coordination model, figure 8 (Eylon, 1998; Follett,1924:117). Highlighted in PR22’s example is Follett's call to identify and integrate differing interests and to ensure that the capacity for power is developed. At some point in the negotiation between PR22’s company and the community the interests of both sides were not examined to decide how they should be integrated. Offered here is a lesson for managers to consider if they want to operationalise MSR. By using the law of the situation to find out what is needed from all parties and following the coordination model to build capacity
and support at the earliest stage of contact, greater chances of success would be likely.

Although generally optimistic about the adoption of more CSR and power-with initiatives in her local authority, the senior executive [PU2] identified specific problems in its implementation locally ‘because you can’t make people do it’ [PU2]. An essential part of Follett’s ideas for developing relationships and power-with was cited by PU2 (chapter 6). For people ‘to build them as communities’ she wondered ‘how do you get communities to work together? I don’t know’ [PU2]. To a limited extent this view was confirmed by PU3 in another local authority who described an attitude of ‘dependency’ of ‘citizens’ where, because ‘I pay my taxes, I have a right, entitlement’ [PU3]. In general, however, PU3 reported that she had witnessed more acceptance of responsibility. She cited the case where ‘the level of funding cuts’ had led to ‘something to kickstart CSR to be taken on more widely’ by the community using volunteers and seeking expertise. Thus when certain community services were threatened ‘a result of that was that actually there was a continuation of the work and this was about empowerment of local communities as well’ [PU3]. In this example of change being forced onto people, Follett’s notion of creative conflict was illustrated. According to PU3, the way in which it was addressed was to integrate interests and involve expertise and capabilities that had previously not been accessed because the local authority was taking on the work as their duty. In the other local authority PU2 explained how integrating disciplines had produced synergy in the way that Follett would advocate. According to PU2 she had witnessed a change in attitudes that was beginning to pay dividends, socially and financially by agencies coordinating operations to greater effect.

‘Working together with health, police, council - all of those different areas as far as the requirements for going into certain troubled families and how they can look at that and replicate its success…We’re looking at it from care and how we can effect and build communities through the care models when we go out to tender [PU2].

This level of coordination and cooperation comprised ‘a new way to tackle things and a new vision of the leaders’ [PU2]. The community centre manager’s experience of financial pressures also generated integration, collaboration, power-
with and ‘partnerships’ [PU4] (chapter 6). Such an ethos of collaboration and sharing skills is compatible with Follett’s philosophy to create synergy and power-with by coordination.

Discovering the needs and interests of the public using the law of the situation was a point made by PU3 and it produced a more fruitful outcome than reported by PR22 (para 7.2.6). She described how ‘the local authority now they are having to…bring people into the real world and educate them…that’s about individuals accepting responsibility in their communities’. Referring to one of the council’s initiatives to illustrate her point she described,

‘…with youth service provision…government funding and grants…the money’s not there…But what came about…there was a continuation of the work and that was about empowerment of local communities…everything being divided by the centre, versus what can you do for yourselves in your local communities. And so…a couple of community centres were taken over by community groups and are doing really well, better than before actually’ [PU3].

The above example given by PU3 is true to Follett’s call that ‘The community itself must grip its own problems, must fill its needs, must make effective its aspirations’ (Follett, 1918: 235). In Follett’s experience in her centres the community did make effective its aspirations and, as PU3’s example illustrates pooling the skills, experiences and power led to power-with and contributed to a greater good. However, although some respondents tended to blame followers for not seeking power-with, the absence of vision may be more crucial to building capacity for power-with to take responsibility.

Giving credence to the view that leaders may not be up to the task of promulgating their vision, PU3 described two of her local authority’s attempts to deliver messages that were often unclear and confused. The first example was the central government initiative ‘the “Big Society”…it wasn’t defined very well…What does it mean?’ [PU3]. In fact PU3 believed that there were important elements in the initiative ‘which now I think most of us get…it was about breaking the dependency from central and local and actually looking at more community’ [PU3]. However when the Big Society initiative was introduced it was not supported as Follett would advise by building capacity for communities to do more for
themselves. In other words the authorities held power-over and were delegating responsibility to the community but had not developed power-with or given it the wherewithal to do. More pertinent to the local community and producing ill-will that negated attempts at power-with, were instances, especially where infrastructure projects were undertaken, when ‘people would say, so what was the benefit from it, what did local people get out of that?’ For ‘local projects’ the companies ‘didn’t employ them because, of course, they sourced their own labour, bringing them in from outside [the area]’ [PU3].

Here is illustrated a potential weakness in Follett’s philosophy with regard to those with power-over in that she held expectations of competence in leadership to develop power-with. Clearly, the leadership that was responsible for creating the campaign known as ‘The Big Society’ (Butler, 2012) was lacking in what Follett would see as a pre-requisite of ‘the greatest leaders’ who ‘had the vision and could share it with others’ (1941:4). In fairness to Follett she acknowledges that, like conflict, there will always be power-over and it can be anticipated that changing systems will often be a slow process. With regard to the ‘The Big Society’ initiative, which was criticised in a final audit (Civil Exchange, 2015), the lack of power-with and reciprocity in relationships, led to a widening of the gap between society and those in power. As described on para 6.3.6 another senior executive in a local authority gave evidence of power-over and not power-with when she described a lack of cooperation to open schools to the public.

A further example given by PU2 was the attitude to diversity in the executive, see para 7.2.5. In these instances there are elements of Follett’s call to create power-with both internally and externally to integrate experiences and solve the issues that challenge society. The limitation of the data in this and the previous paragraph is acknowledged in that it related to specific instances of Follett’s notions of power-over and power-with derived from only two sources in different local authorities. However, both respondents [PU2 and PU3] were in positions that spanned policy and practice as to ‘how we change that culture of residents doing more for themselves’ [PU2]. This gave them insights into the gap between the organizational vision and the capabilities in communities to achieve it.

Extrapolating this approach to operationalising MSR would be of use to leaders.
seeking to embed MSR in organizational strategy through the power of their vision and the need to build capacity internally in order to develop power-with among a broad range of stakeholders. In the process it would emulate the model that Follett applied in her community centres which created a social resource using her concepts, most prominently those of the law of the situation, power-with and coordination (chapter 2).

7.3.7 Vision for power-with

In four of the organizations researched, represented by seven interviewees, there was evidence of Follett’s methods of power-with, integration, circular response, the invisible leader in both the workplace and in engaging with CSR (Follett, 1918, 1924, 1941, 1970). Of note was the way in which the entrepreneur [PR16] said that he was constantly looking to integrate his skills and those of his organization to bring about a better society using power-with. One example he described was when he coordinated his business interests with a community need to produce ‘a monthly show…so we created [a music event]…We grew this friends’ base called the XXXX.’ After creating the community ‘family’ PR16 was asked to put on a charity fundraising show.

‘We raised £11 grand over the Christmas period…I thought, they need our help….how can we use a business function to help a charity? I came across this organization, they’re now tenants of my business…who produce merchant terminals to take credit and debit and credit card payment. And a % of your payment…is given to the charity of your choice…So every month the [charity] gets money from my credit card sales through somebody I met through actually the XXXX gigs…It goes round and round in circles’ [PR16].

In the finance company, which prided itself on ethical principles, managers subscribed to the aim of ‘more than making money, it’s about providing a service that’s needed’ [PR13]. ‘The company does it [CSR] because it’s the right thing to do in the eyes of [MD] and [CEO] and we all follow suit…they are very into community support…So they get the managers to follow their ideals and in turn they get staff to follow too.’ [PR14].

The three respondents quoted here [PR13; PR14; PR16] were in companies where the leaders drove the idea of power-with and engaging with CSR. The food-store owner’s enthusiasm was for a ‘different way of actually running a business’ [PE10]. The way he chose was ‘more aware of what was happening in
the environment, in the world… involved in the community’ and was communicated to his employees through his ‘vision’ [PR10]. The valve manufacturer’s approach was typical of Follett’s power-with philosophy and he built capacity by collaborating in its CSR work with community groups, charities and commercial organizations. The head of HR explained that over

‘…six years…it took a long time and we now have a relationship with the XXXX estate and they have…brought our ethos on board…They are developing their staff…and putting more money back into the community…they have involved a couple of the local pubs and hotels…So it is like a sort of ball that’s rolling and it just keeps going and expanding a lot…as a tool to develop our staff into putting money back into the community… that to me is developing the staff and the community’ [PR18].

Furthermore, PR18 told how employees were encouraged to put forward ideas to participate in community activities and time was given to take part in charitable and community work. She explained that ‘I use my HR and management skills to make…people’s lives better’ [PR18]. However, it appeared that PR18’s company was untypical in its approach to CSR. She related a discussion with fellow students on her CIPD course who were intrigued by the company’s approach.

‘The thing is though, it does take effort and imagination but it’s really very simple to do, but they don’t have XXXX as MD – that makes the difference. He leads by example – his vision, if you like, everyone knows, it’s crystal clear’ [PR18].

However, as Follett advocates, their strategy was not based on philanthropy - such as charitable donations - but on the vision of their role in making society better through business as a social agent developing power-with. This could be achieved by leadership creating an environment that would build on those experiences described by respondents and following Follett’s concepts for business and community co-ordination.

7.3.8 Summary of section two

The data in this section is encouraging and presents the prospect that power-with could be incorporated into MSR particularly if the leadership presents a strong vision of how this would work in practice. The invisible leader, or the vision that the leader created for others to follow, power-with and coordination were concepts of Follett that were identifiable in CSR initiatives that were delivered successfully.
This would enable a new and continually developmental approach to social responsibility using Follett’s model for coordination. As noted the ‘Big Society’ programme illustrated the problems caused when the leadership does not convey a vision clearly and does not build power-with [PU3]. The example of the Big Society holds a warning to management embarking on a process of power-with and MSR. This warning means that they must ensure that the ‘common purpose’ is conveyed clearly and that interests are integrated and coordinated to achieve that purpose (Follett, 1970:1). Such an approach would resemble the progress of other social issues in management and would, therefore, be part of a dynamic and continually evolving phenomenon. There were dissimilar examples in the study that supported the idea that Follett’s concepts could be used to advance society and implement MSR within a flexible approach. In some of the organizations the process had begun internally, whilst in others it began externally and in a variety of ways. Two significant examples began as local contributions to worthy causes and expanded into the wider community as managers and others ‘bought into’ CSR [PR17]. In other cases CSR was championed from inside organizations by individuals committed to ‘make a difference in this world’ [PR16]. However, although the approach and instigation of CSR differed, all had leadership as the common factor.

Respondents demonstrated that they were capable of applying Follett’s concepts even if they were disinclined towards CSR. Again, this is encouraging and demonstrates the practicality of Follett’s concepts and their relevance to modern management. For example Follett’s notion, recognisable in matrix management theory (Galbraith, 1971), was evident in the practice of Schwartz rounds, whereby individuals collaborated across hierarchies to produce optimum results for the group. Integrating all parties for the common purpose and establishing power-with, as with Schwartz rounds, was evidenced in the examples from the local authority manager, PU3. She told of the community pooling its resources to successfully run some community facilities. In a similar vein PR16 described a church, private, public, and charities collaborating with volunteers to build houses. However, there was some scepticism and PU2 was not convinced of sufficient ability or desire within the community to take on more responsibility. She was also concerned about the limits of commitment and understanding of her leadership.
However, as has been indicated in relation to other advances in social issues, such as equality and diversity, several factors come into play and the process is often slow. This scepticism about community and managements’ capabilities highlights the necessity for practical models such as Follett’s notions of integration and coordination. These concepts can be used to identify need and to build power-with and equip those without power with the capability to deploy it effectively. Of particular importance is the necessity to grow power and not simply to delegate it to those identified by the local authority executive as ‘needing to break from dependency’ [PU3]. In these circumstances applying Follett’s law of the situation to explore the core issues and integration to merge interests following her coordination model offers fertile ground develop a power-with relationship. As such it brings into the equation the exigency for a new relationship and ‘collective will’ in a renewed relationship between business and society (Follett, 1918:4)

7.4 Conclusion of chapter seven

In order to satisfy the research question about the capability and desirability of managers to apply power-with to implement MSR, the socio-economic climate in which such a change is sought will be an important factor. Creating the right climate will require business to move to a power-with stance and, as the food-store owner said, to ‘radically change how they behave in the world’ [PR10]. This notion of a renewed relationship between business and society coincides with the recent views of several scholars (Martin, 2010; Scherer & Palazzo, 2011; Schrempf, 2012; Sklair & Miller, 2010; Windsor, 2013). In various guises, respondents called for a ‘new understanding’ built on ‘greater consensus’ [PR20]. In the financial sector one respondent talked about strategies that were ‘consistent, longer term and planned’ and had an ‘ethical or moral approach’ [PR14]. Such a change would form a relationship or what Follett called a ‘new principle of association’ (1918:279) between business and society, underpinned by a vision pursuing enduring prosperity and moving towards ‘sustainable stakeholder capitalism’ embedded in business plans (Petrick, 2012:93).

Almost 80 years prior to Petrick’s call for change to the capitalist system, Follett wrote, ‘We do not want capitalism to “adjust” itself to trade unionism; we want something better than either of these.’ (1924:viii). Follett saw that capitalism and
trade unionism wanted each other’s power which meant conflicting outcomes. Here she offered a solution by invoking her theories of conflict resolution by integrating differing interests and power-with to develop a relationship for the greater good of all sides. In so doing, she pre-empted Petrick (2012), Schrempf (2012) and other commentators who saw the need for a more wholesome, respectful reciprocal relationship between business and society (Eylon, 1998).

The way in which some of respondents conducted business offered hope of an improved and sustainable relationship. In this scenario there would be opportunities in a climate of cooperation based on Follett’s notion of power-with, which would contribute to robust and enduring business models consistent with MSR.

Various accounts were given by respondents of business attitudes changing. In the public sector there were growing expectations of companies ‘looking at putting back into communities’ as part of an evolving relationship between public, private and non-profit sectors that was more inclined towards cooperation [PU3]. The food-store owner’s description of ‘a different proposition’ [PR10] for the relationship, incorporated a new principle of association based on Follett’s view that finite rewards were created and collectively and should be distributed more evenly. Anything else would be power-over exerted by a minority over the rest of society (Polanyi, 1944, 1947). The outcome for operationalising MSR using power-with would change the ways of business to make it more accountable by extending the spread of stakeholders. An example of this extension of socially responsible activities was reported by PR18 in her example of her firm’s charity work bringing in a range of collaborators and beneficiaries. In so doing PR 18 and other respondents demonstrated that they had the skills, capabilities and vision to develop and implement MSR. Even the most sceptical respondent gave evidence of having the capability necessary to follow Follett’s methods for power-with when he described the diversity and development of his team [PR22].

All respondents related examples of understanding community engagement and power-with, although they did not all agree that it was managements’ duty so to do. Furthermore, the model for coordination was apparent in the way that at least three of the respondents implemented CSR. Of note were descriptions by respondents of the first stage of the coordination process that calls for ‘direct
contact’ through ‘cross relations’ between and within organizations (1941:297). Thus through ‘outreach’ and ‘engagement’ with the community [PU4; PR11; PR12; PR13; PR14; PR17;PR18], awareness of the needs within and outside their organizations, interpersonal skills, and inspiring others was demonstrated by leadership. Therefore, whilst the challenge for management taking on MSR requires developing power-with, as suggested by Follett and built on matrix and systems theories (Galbraith, 1971; Kofman and Senge, 1993; Lawrence and Lorsch, 1967; Senge, 1990), the respondents indicated that the necessary capabilities existed in management today.

Whilst instances illustrated that respondents have the capability to develop power-with both internally and externally, the question is, how much power can managers grow for themselves, stakeholders and society? Such a challenge brings the issue back to the role of the leader to develop power and inspire others. However, regardless of the inspirational and visionary qualities of the leader, more mundane aspects need to be addressed that were highlighted in the study. Of note was simply the language used in relation to CSR and empowerment. Strident voices called for an end to having CSR as a separate organization function to the extent of ‘not calling it CSR’ [PR10]. This sentiment is compatible with the thrust of this research that CSR should be a responsibility of all managers but by retaining the word ‘corporate’ in the title, the impersonal nature of the notion remains. However, whether scholars are ready to support MSR could be stretching the power of Follett too far. This challenge is examined in the final part and conclusion of this thesis that addresses the next steps for the concept of CSR.
CHAPTER 8

Conclusion: summary of findings, fulfilment of objectives, contribution to practice and theory, limitations, future research, operationalising MSR, and next steps.

8.1 Structure of this chapter
In this final chapter there are five main sections. The first section summarises the empirical findings of respondents' attitudes to CSR and their willingness and capability to take on MSR. Section two sets out the fulfilment of objectives following which section three assesses the contributions to management practice and theory. Section four addresses the limitations in the research model and unanswered questions and summarises the implications for CSR and management theory. Finally the fifth section covers further study and next steps.

8.1.2 Introduction
For all the reflections, and some regrets about opportunities that might have been fruitful, the main contribution of this thesis is to alter the way in which CSR is viewed. By illustrating that managers are willing and able to take on MSR as their individual obligation, the idea is presented of social responsibility no longer being a detached, organizational aim that has to be justified by a business case. Instead the aspiration should become, as Follett proposed, a personal commitment from everyone both inside and outside business. In order to realise Follett’s ambition, this thesis suggests practical steps to operationalise MSR that are based on the experiences of individual managers.

At the beginning of this thesis the research question posed was how to extend CSR theory into MSR, operationalised through managers using the concepts of Mary Parker Follett. At its most basic, CSR is concerned with the relationship between business and society. Extending CSR to MSR develops a relationship more mutually beneficial, accountable and transparent. Throughout this thesis two main strands evolved. As Follett did not describe a unified notion for social responsibility, the first strand consisted of analysing and distilling her work to find key concepts that would be applicable (Follett, 1896, 1918, 1924, 1941, 1949, 1970). Three main concepts were identified, which were integration, coordination and power-with. Two overarching concepts linked these three which were the law
of the situation and organizational vision, known as the ‘invisible leader’ (Follett, 1970:1). In chapter one these concepts are described in detail along with the research objectives and questions.

8.2 Summary of findings

This section sets out what was concluded in the research about the influences and attitudes of managers towards CSR. These were taken into account to assess the feasibility of MSR in line with Follett’s notion that business management has a duty and capability to advance society. Of note were managers’ experiences that developed their capabilities to address the ramifications of extending CSR and implementing MSR as an individual management responsibility using Follett’s concepts.

8.2.1 Capability, inclination, and the business case for operationalising MSR

Experiences of implementing other social issues in management, such as equality and diversity policy and procedures, validate the practicability of managers taking on MSR as a management obligation. Moreover, the main findings are that the business case for CSR was not a motivation to engage with socially responsible activities; on the contrary, it undermined the concept and discredited its use as a smokescreen to hide unacceptable practices.

8.2.2 CSR to MSR

By changing CSR to MSR the emphasis would be on a manager’s role in social responsibility and address accusations that CSR was a marketing device. However, confidence to take responsibility for MSR varied. Senior executives (board level) in large public and private sector organizations did not consider that they had the authority or knowledge to initiate MSR initiatives. Some managers were worried they may not operationalise MSR properly and others wanted greater clarity from their executive and/or from professional bodies and appropriate training.
8.2.3 Defining and interpreting CSR

All the managers interviewed, even those unenthusiastic about CSR, assumed that their company had something that could be classified as CSR and cited incidences to support their claim. In this respect the debate about a clear definition for CSR was presented. For this research, the lack of a universal definition of CSR was a liberating factor that offered latitude to innovate to apply the concept according to the skills and wherewithal of each organization. Interestingly, the research illustrated that the ways in which the most effective CSR initiatives were operationalised had little connection with definitions and in the companies with exemplary practices there were significant differences in interpreting CSR.

8.2.4 Cynicism, scepticism and CSR

There was a vast span of opinion given as to how genuine were organizational proclamations of CSR. Here an ambivalence of attitudes was apparent. The implication for MSR is that the concept would have to be clearly relevant to the interests of wider society and managers operationalising it would need to have faith in the veracity of MSR.

8.2.5 Legacy, next generation of managers and CSR

More optimistically for the future and feasibility of MSR, several respondents, especially those in the latter stages of their career, expected socially responsible and sustainable business behaviour to become normative. They hoped that their legacy would be for a more just and socially responsible profession of managers to run businesses in the future. This idea tied in with respondents’ views on gender whereby more women in executive positions would bring nurturing and longer term perspectives into managerial strategic decisions, including those relating to MSR.

8.2.6 Legislation

There was little support for legislation to enforce CSR, even where respondents envisaged it being beneficial to business and society. From analysis of the literature (table 3.6.5) and in comparisons with equality legislation, in order to move those organizations with an inhibiting approach to CSR towards a more
enlightened and socially supportive stance, legislation is likely to be a major part of the way forward.

8.2.7 Educating the public, and assurance schemes

Respondents suggested how a general code of conduct of managers could be publicised and understood more widely. Apart from ensuring that organizations complied with the rules and acceptable social standards, government also ought to ensure its behaviour set the bar to a height to which others might aspire. Codes would be relevant to managers being charged with educating the public as to what standards they might expect from management. Examples were given (para 6.3.9) to illustrate that business management could educate the public about certain behaviours.

8.2.8 Motivation and values

Respondents cited motivation as the key to successful implementation of social issues, including CSR. The limited evidence from this research suggests that the most contented and committed managers worked in companies with a strong CSR ethos. However, it has to be acknowledged that this may well be because the environment in those companies was altruistic and caring, which is conducive to motivation (Herzberg, 1964; McClelland, 1987).

8.2.9 Engaging communities

Despite examples of success in equipping people to take on duties to improve neighbourhoods and communities, there was some doubt about the longevity and sustainability of certain projects. This means that for MSR to succeed management would use its skills to develop Follett’s concepts of building capacity and capabilities using power-with to combine expertise and to integrate interests for the longer term.

8.2.10 Reactive and proactive approaches to CSR

Large and smaller organizations in the study displayed similar levels of proactivity as opposed to reactivity towards CSR. In those organizations where leaders had the freedom to choose the level of CSR engagement, their initial response to CSR was reactive. Out of 20 organizations in the study, Follett’s approach was most
identifiable in three companies where the leader had the freedom to authorize engagement with CSR. For MSR to follow Follett’s philosophy, the managers would not wait to be approached but would be seeking collaboration and relationships with communities.

8.2.11 Charities, professional bodies and collaboration for MSR

Apart from charities facilitating engagement with CSR, a further possibility was suggested by way of professional bodies, for example the CIPD, the IoD and GMC (para 6.3.4). Some respondents suggested that more could be done by professional organizations to train, develop and equip members with the skills and knowledge to engage effectively with CSR. Similarly it was noted that business courses in general lacked sufficient content to understand, manage or implement CSR.

8.2.12 The invisible leader, corporate vision, and champions

In those companies where CSR was part of the culture, the champions were the leaders and promoted an organizational vision which everyone understood and did their best to implement. Taking Follett’s concepts where the power of followers is grown by the leader, respondents gave evidence that this was both practicable and effective. As a result diversity and innovation was produced, which led to further creativity and practical benefits.

8.2.13 Follett’s ideas for managers

Discussion about Follett's concepts prompted requests for more information and indicated that a summary and synthesis of Follett’s work for practitioners would be a desirable addition to guidance that is available for managers. In particular a model for MSR based on Follett’s philosophy was the type of framework that some respondents said was needed in order to advance social responsibility.

8.2.14 Summary of section one

Although there was considerable ambivalence about CSR as a concept, each respondent could see the value in businesses behaving in a more socially responsible manner. The challenge to operationalise CSR emanated from its interpretation as being a corrupt concept that was exploited for PR, marketing and covering up unacceptable practices. However, the majority of managers gave
accounts of how they engaged with the principles of Follett’s concepts that are proposed as the foundation for MSR. In this scenario business would conform to ethical standards either prompted by maintaining viability through accountable and sustainable practices or by integrating their aims and objectives with society for the greater, long term good. Even those respondents disinclined towards CSR described behaviours and capabilities that could progress a relationship between business and society which Follett would endorse as being a method to advance social welfare. Therefore, the prospect for MSR as a viable option to extend CSR is reasonable and practicable.

8.3 Fulfilment of objectives

The objectives set out for this research have been fulfilled as follows:

- To review literature and established sources of knowledge, to advance CSR theory by combining it with socially responsible theories of Follett.

All the main strands of CSR scholarship were examined beginning with early literature from the 1930s. Freeman’s theories of stakeholder management and integrated CSR (1984, 2010) were the most compatible with the concepts of Follett for management to engage with wider society in a new principle of association.

- To evaluate the data to establish the inclinations and capabilities of practitioners of management to operationalise management social responsibility (MSR).

The data produced from the qualitative research method in the interpretative paradigm identified the considerable capabilities possessed by managers that could be deployed to operationalise MSR. Moreover, the majority respondents were supportive of the notion that through their work as managers they could advance social welfare.

- To analyse data to explore the perceived hurdles to adopting MSR as a normative management function.
Tangible blocks to making MSR a normative management function were surmountable. The main hurdle was attitudinal with CSR perceived as a concept corrupted by big business, which may taint those with worthy motives. However, there was considerable ambivalence and all respondents described certain elements, especially from their personal experience, that led them to view CSR to be a force for good with great potential to benefit society. Furthermore, all managers were aware of and most had been involved in the promotion of equality and diversity policies and could see how they could operationalise MSR in the same way that other social issues in management had been advanced.

- To use research findings to propose practical steps to enable managers to apply the concepts of Follett as part of socially responsible management.

As there is very little CSR literature on the practicalities of implementing it, the majority of respondents were unsure how they could usefully contribute to sustainable prosperity in wider society. Thus for MSR to be a normative management function a practicable model was interpreted as the best way to assist managers in fulfilling Follett’s ambition to use business management methods to advance social welfare. The summary of Follett’s work (table 2.2.2) and the models offered in figures 8.4.9; 8.5.4; 8.7.2) provide managers with practical ways to engage with Follett and MSR and to contribute to the development and evolution of theory.

8.3.1 Management skills to advance society

Emulating Follett’s approach that management uses its skills to advance society, educate the public, and coordinate the interests of all concerned would have a radical impact on business management. The result would mean that CSR theory would lead management theory rather than the other way round. As discussed, the way to drive this radical change would be for social responsibility to be the individual and personal duty of each manager in the same way that equality and diversity has become. Evidence from the research suggests that this would be a way forward and it has not been addressed previously according to the literature reviewed. By applying Follett’s law of the situation to deal with the issue of a constantly evolving and changing idea of CSR the quest for a definition of CSR
can be put to one side. That would release capacity for effort and research to be concentrated on social responsibility becoming an accepted and normative part of the obligation of every organizational representative. Taking on this obligation and following Follett’s guidance to build relationships will advance the evolution of societal needs that can keep pace with the development of MSR. With management bringing its skills and capabilities to coordinate and integrate community needs and interests, the integrity of MSR will be enhanced and widely understood. It would then fulfil Follett’s vision of business management advancing society. Furthermore, standards would be driven upwards and maintained because the public, educated by management, would know what to expect from business, both in the public and private sectors. However, the mechanisms to achieve this goal would require business, government and international support to ensure that a critical mass of commitment was forthcoming.

8.4 Contributions to practice and theory

The contributions to practice are entwined with theory and the development of both for MSR will be expedited by managers as an evolving and essential part of their duties. There are occasions where theory leads practice and there are significant examples where scholars have initiated and driven theory in the discipline of management. In the case of unconscious bias in managing equality and diversity, a precedent has been set by scholars in the creation and extension of Harvard’s ‘Implicit Project’ (https://implicit.harvard.edu/implicit/; Nosek, et al, 2009). Thus an overarching contribution of this thesis is to alert researchers to the feasibility of new concepts and models of social responsibility and business sustainability.

In the two tables set out below (tables 8.4.1 and 8.4.4) are summaries that assess the contribution in line with Checkland’s methodology for systems dividing them into three elements: input, process and output (Checkland, 2000). In addition two diagrams are presented illustrating the contributions as a circular and continuing process of development for practitioners and theorists (figures 8.4.3 and 8.4.7). Although divided between practice and theory, it is envisaged that, as with other social issues in management, as they become normative, theory extends and develops further innovations in their practical application.
## Table 8.4.1 Summary of contribution to practice

<table>
<thead>
<tr>
<th>Input</th>
<th>Process</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follett’s work on management’s social responsibilities</td>
<td>Unify Follett’s concepts to expedite the evolution of CSR into MSR</td>
<td>Framework for organizations and individuals to plot and develop their progress towards MSR</td>
</tr>
<tr>
<td>Literature and research sought methods to advance MSR</td>
<td>Follett’s concepts for managers to engage wider society in MSR</td>
<td>Guidance and method of MSR using Follett’s principles</td>
</tr>
<tr>
<td>Managers’ understanding of CSR</td>
<td>Negativity and ambiguity used as a positive phenomenon to develop MSR</td>
<td>Management-led ideas for organizations and managers to develop MSR implementation</td>
</tr>
<tr>
<td>Assess practicability of Follett’s concepts with practicing managers</td>
<td>Experiences assessed against Follett’s concepts to find solutions to issues of MSR</td>
<td>Follett’s ideas on relationships and creative conflict to develop practice</td>
</tr>
<tr>
<td>Management as a profession with standards and codes of conduct</td>
<td>Overly-idealistic and unworkable notion</td>
<td>Management training and education to emphasise the individual’s role in MSR and development of theory</td>
</tr>
<tr>
<td>Practical implications of MSR in management settings</td>
<td>Managers ownership of the MSR to develop, test and extend it</td>
<td>Responsibility for MSR transferred from the executive to practitioners</td>
</tr>
<tr>
<td>Analyse successful CSR practices</td>
<td>A conduit (NGO, charity, professional body) to drive MSR</td>
<td>NGOs and professional bodies guide and develop MSR</td>
</tr>
</tbody>
</table>


### 8.4.2 Extending and developing MSR

The following diagram (figure 8.4.3) illustrates the continual development and extension of MSR. In keeping with Follett’s principles, the process encourages and promotes participation and expects diversity of views and interests to enable growth of ideas and democratic participation.
Inherent in the research for this thesis is the manner in which practicing managers have developed novel and creative approaches to CSR. The contribution of these ideas and experiences will help to drive and embed MSR practice and theory; these are set out below according to systems theory method (Checkland, 2000).
### Table 8.4.4 Summary of contributions to theory

<table>
<thead>
<tr>
<th>Input</th>
<th>Process</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validate the business case for CSR</td>
<td>The business case undermines CSR; it should exist because of social justice</td>
<td>Extend theory assuming acceptance of MSR in line with other social issues in management</td>
</tr>
<tr>
<td>CSR evolved into MSR using Follett’s concepts</td>
<td>MSR a duty of all managers who take ownership of concept</td>
<td>MSR theory developed by managers who educate the public about business standards</td>
</tr>
<tr>
<td>Assess the conceptual understanding of CSR and its impact on implementation</td>
<td>Identify ideas about CSR and how they link to primary definitions</td>
<td>A clear definition of CSR is not necessary to ensure socially responsible behaviour</td>
</tr>
<tr>
<td>Evaluate successful CSR practices</td>
<td>Develop concepts for MSR for individuals, teams and communities</td>
<td>Follett’s ‘power-with’ concept to grow and pool power internally and externally</td>
</tr>
<tr>
<td>Summarise and compare Follett’s work with theories of CSR and management</td>
<td>Synthesise Follett’s concepts for a wider academic audience</td>
<td>Promulgate Follett’s work; transfer her concepts to other management issues</td>
</tr>
<tr>
<td>Examine leadership in MSR</td>
<td>Champions and leaders to develop champions to drive MSR</td>
<td>Follett’s ‘invisible leader’ as a theory to be tested to develop champions of MSR</td>
</tr>
<tr>
<td>Research organizational activities from the bottom-up to initiate and advance MSR</td>
<td>Managers as owners of social justice concepts produced advances in theory and practice</td>
<td>Learn from advances in other strands of management theory with links to MSR, particularly those relating to human capital.</td>
</tr>
<tr>
<td>Differences in CSR in SMEs, large organizations and public sector institutions</td>
<td>Assess commitment and autonomy to implement MSR according to organizational size and sector</td>
<td>Devise different metrics, and frameworks to measure MSR activity in small, medium and large organizations across sectors.</td>
</tr>
</tbody>
</table>

#### 8.4.5 Diagrams for continual evolution of MSR

As with the diagram for the continual evolution of practice, a similar set of ideas is presented below in relation to the growth and expansion of theory of MSR. Again, Follett’s principles are invoked and experiences are developed that will provide a set of concepts and ideas to be cultivated for practitioners to implement and feed back in order to refine theory.
8.4.6 Follett's concepts and the evolution of MSR

Follett's choice of coordination as a method to involve interested parties in the development of society and promotion of democracy are inherent in the diagrams for the evolution of MSR. The ideas that Follett proposed, which are set out in diagram of her coordination concept, figure 7.2.2, are inherent in the diagrams presented at figures 8.4.3 and 8.4.7.

Figure 8.4.7 Continual development and extension of MSR theory

8.4.8 Figures of development of theory

Both figures 8.4.3 and 8.4.7 depict the continuing evolution of theory and practice, which is true to Follett's philosophy of the creativity and the nature of learning. Importantly, management as a profession acts as a good teacher and has a vision to ‘share it with others’ enabling business and society to create ‘an unbroken
continuity between life and understandings and aspirations’ of all sides (Follett, 1970:139).

Further extending the practical and theoretical contributions based on Follett’s work, the model for MSR depicts stages of implementation and theoretical evolution (figure 8.4.9). The model has implications for further new theories of societal engagement. These would be understood as an acceptable and socially inclusive way to conduct business that would not need to be justified by a business case and the majority of respondents indicated that this would be acceptable to managers. Out of the 23 respondents 21 hoped that CSR would become normative because it was a moral and ethical construct which was decent and proper to adopt in its own right and not to fulfil a business case.

Figure 8.4.9 Evolution of MSR practice and theory
A driving principle and motive for this research was to provide a practical method for managers to operationalise CSR, which led to it evolving into MSR. Thus, a matrix was created to assist organizations and individuals to assess and expedite social responsibility. This matrix was based on the literature review, which showed categories of CSR engagement and commitment (figure 3.6.4). Although the table devised from the literature review accepted that the positions of organizations could be static, there was evidence and hope that the process was a continuum that led to an enlightened and proactive stance on CSR, which would be conducive to MSR. This notion of a continuum of progress is presented in a modified matrix for managers to plot their own and their organizational position on MSR, figure 8.8.2. A summary of the continuum represents a further contribution to practice and research and is presented at figure 8.4.11.

Each category in figure 8.4.11 was identified from the review of literature and were augmented from the research findings. These findings indicated that it was possible to move organizations from static positions by applying Follett’s concepts and engaging business and society in a relationship of mutual benefit that hitherto has been largely unexplored. A summary of the responses to support the
feasibility of developing the practice and theory of MSR is covered in the following section.

8.5 Operationalising MSR using Follett as a guide

As noted in chapter 3 and in chapter 4 on methodology, the vagueness of a definition for CSR was treated as a positive force in this research. By capitalising on the freedom that a loose interpretation of CSR afforded, managers spoke about creative and inventive ways to deliver CSR. Some of these were based on their experience and some on their hopes and vision for the future. In so doing, an alternative approach to CSR was presented by managers in which a common understanding was initiated in a power-with relationship with society. By discovering how managers saw their role in advancing society, the concept was compared with the evolution of management theory in response to business imperatives.

8.5.1 Practical guidance for implementing CSR and MSR

Unlike several recognisable management theories, the specifics of how to implement CSR were not clear to managers. This was no surprise; as noted in chapter 3, publications on CSR as a management issue contain little practical guidance on its implementation, which was evident from the uncertainty expressed by respondents about operationalising it. In comparison, most managers described experience of, and were comfortable with, applying the principles of managing by objectives, positive action, total quality management, and other mainstream practices. Here the research opened up a new insight into the potential for managers to use their skills and capabilities to become pioneers of CSR theory. This would involve managers implementing MSR using Follett’s concepts to integrate business and societal interests. Such an extension would see MSR being of benefit to organizations because it would bring in new ideas from a wider pool of opinion. Seeking a business justification for MSR would not be necessary because societal engagement would open up new perspectives that would be advantageous to all sides. As an example, one respondent cited the recruitment of 90 year old Barbara Beskind to a job in an IT company in California’s Silicon Valley (para 5.3.4). It was explained that firm’s rationale was to gain ideas to develop its products for a wider range of customers whose needs
were unlikely to be identified by the company's existing demographic (Hay, 2015). The same respondent described an arts organization that brought in participants who previously were not involved in theatre. Here Follett's concept of coordination was clearly demonstrated and the arts organization in question tapped into expertise from the wider community regardless of an individual's status or previous involvement with the arts. Where managers were uncomfortable with going outside their usual parameters of business was due to a concern that they would encounter conflicting interests. It is in the area of conflict that Follett's concepts are most useful and imitated (chapter, 2). They are also the most universally applied for dealing with dispute resolution and were adopted by Fisher and Ury in their work on negotiation (1983).

8.5.2 Integration in action

Regardless of the situation, by analysing needs and interests and integrating them for the most creative and enduring solution, a new approach to problem solving is accessible. Follett's method of resolving conflicting desires was exemplified of her account of when she was working in a library and someone wanted a window open but Follett did not want to sit in a draught. The integrated solution was to open a window in another room to let in fresh air but not expose her to a draught. This simple story is the basis for MSR becoming a reality. The interests of business and society need to be analysed and an integrated solution to find ways to establish sustainable business prosperity can be implemented. As with any changes in society, a lead has to be taken and it will be for management as the invisible leader to create and promote a vision of how business and society can integrate their interests.

8.5.3 Follett's concepts for a model for MSR

A prerequisite for MSR will be a vision of business management engagement to be developed by the invisible leader with contributions from all stakeholders, including managers. These contributions will be coordinated to devise a concept of MSR that would be applicable to the situation (figure 8.5.4), which means anticipating developments in society as well as dealing with existing matters. Using the law of the situation to identify the true nature of the situation, why and what it is happening should be analysed so that the most appropriate course of
action can be taken using the expertise of those closely affected. Thus identifying and coordinating capabilities, knowledge and interests involves those who are most affected and experienced. This leads to power-with being developed and individuals and groups given the capability to solve their own problems. As groups develop capability and pool and exchange knowledge, diversity of thought, ideas, attitudes, and culture produce creative and novel ideas. Conflict should be expected from challenges to old ways of working and this should be treated as a positive occurrence. By integrating conflicting interests and being open to more new ideas greater diversity, invention, innovation and growth are produced. As relationships develop and prosper these would be coordinated and the cycle would continue.

Figure 8.5.4. Follett's concepts for MSR model
8.6.5 New theories of engagement with stakeholders to deliver MSR

In the model of Follett’s concepts for MSR (figure 8.6.4) there are implications for new theories of societal engagement. These would be understood as an acceptable and socially inclusive way to conduct business that would not need to be justified by a business case and the majority of respondents indicated that this would be acceptable to managers. Out of the 23 respondents 21 hoped that CSR would become normative because it was a moral and ethical construct which was decent and proper to adopt in its own right and not to fulfil a business case. A more fundamental change in theory that moved beyond the business case for CSR would emerge from Follett’s advice to make CSR a personal responsibility for each manager. So that, rather than an organization committing to CSR, every individual manager would be obliged to follow a pathway of social responsibility. By changing the title of CSR to MSR a realignment of emphasis would be created immediately. In turn this should lead to research to assess what an activities an organization commits to from the bottom-up to advance CSR and the role of managers in developing ownership of the concept throughout organizations. These activities include other strands of management theory which have close links to CSR, particularly those relating to human capital. Applying the focus more narrowly, respondents’ experiences and views of MNCs compared with SMEs suggest that there are practical implications for assessing engagement with MSR. Thus it may be necessary to create different metrics, concepts and frameworks to measure MSR activity in MNCs and SMEs.

8.5.6 Renaming CSR

The decisive impact of renaming CSR as MSR would accentuate a manager’s role and would enable managers to understand MSR as an obligation equivalent to managing equality, which ultimately became an intrinsic duty. In time, once managers took ownership of MSR, their practical experiences, knowledge and observations could be consolidated into continually developing the concept. This process conforms to Follett’s notion on coordination, which, whilst forming a part of the model for MSR is also shown as a separate and discrete way for building relationships within and outside the workplace. It was translated in this thesis into
graphical form, figure 8 described in chapter 6. By using Follett’s notion of coordination, managers would establish direct contact with a wide group of stakeholders and others to build a relationship. As a consequence of coordination and building capacity for managers and communities to develop Follett’s idea of power-with, responsibility and power would be grown and not simply delegated. This would emulate Follett’s success setting up community learning centres (chapter, 2).

8.5.7 Augmenting and advancing theory guided by Follett

Throughout the empirical chapters 5, 6, and 7, Follett’s concepts of relationships, integration, power-with, coordination, the law of the situation, and the invisible leader have been applied to examine the way in which managers could, or do, operationalise CSR. Prior use of Follett’s work to augment theory has been noted, especially in relation to conflict resolution and stakeholder theory (chapters 2 and 3). This is the first time it has been applied to CSR and, given the constantly evolving nature of CSR, using Follett is particularly apt. To support this assertion it is recognised that Follett’s work has endured and continues to be found in new and emerging management concepts – matrix management theory is a case in point (Galbraith, 1971, 2014). Furthermore, giving credence to the argument that Follett can extend CSR theory beyond Carroll’s pyramid (1979) the ideas that Follett proposed extend beyond the ‘expectations that society has of organizations’ (Carroll, 1979:500). In Follett’s approach to CSR as MSR, management would take responsibility to educate the public as to what society ought to expect from organizations. As such business management would have a duty to drive up the standards of business and to involve wider society in the process.

Overall the main implications for theory and also methodology are to change the focus from looking at policies and CSR as an organizational concept and instrument to finding ways to research and measure CSR as operationalised by managers as MSR.
8.6 Limitations and unanswered questions

A thesis of this breadth presented a number of challenges because it drew on a diverse span of theories of CSR, ethics, management, and the works of Follett. Consequently, a wide range of sources was sought to contribute to research from all sectors and levels of management. Any restrictions inherent in the research method have been discussed in the relevant chapter but are summarised briefly here. As this was an exploratory study to test initial reactions and the feasibility of applying Follett to CSR to make it MSR, a small sample of 23 managers from 20 organizations was used. The low numbers were offset by the range of respondents which included senior executives with large commands of authority and budgetary control.

8.6.1 Predisposition to CSR

Another limitation relates to a willingness to participate in the research, thus suggesting a bias towards CSR. This tapped into a natural instinct of human nature that being regarded as socially responsible was a preferable position to being socially irresponsible. Furthermore, research of this type relies on the goodwill of individuals giving their time and expressing themselves honestly. Inevitably it involves an element of self-selection and agreeableness on the part of respondents. Thus managers whose views were hostile to CSR and any other form of community engagement might not have been inclined to participate in anything of an altruistic nature. Quite how a researcher obtains the views of those managers uninterested in social issues and community welfare presents a challenge and one that appears formidable. However, in the range of research methods and expertise, there will be possibilities and pursuing them would be an interesting endeavour. Whether or not it would make a discernible impact on advancing CSR may be something for other researchers to consider. Of concern was a substantial gap in this research due to a lack of access to decision makers in MNCs. Even though managers from MNCs were interviewed, their autonomy in relation to instigating and operationalising CSR was non-existent. Given the ostensible commitment to CSR by MNCs this was an area that would have been useful, particularly as a comparison with SMEs and smaller organizations.
8.6.2 Feasibility and practicability of Follett’s concepts

Any comparison between sectors and different layers in sectors would have helped to explore the interpretation of Follett’s work as utopian. This aspect was addressed in chapter 2 and will not be revisited here. Nevertheless, some comments from respondents emphasised the idealism of a model based on Follett’s work. Even so, there were several accounts given by respondents that demonstrated that Follett’s idealistic concepts were operational and effective. This means that approaches to CSR constructed on Follett’s concepts, whilst taking account of the prevailing economic and social imperatives, are feasible. As such, Follett’s idea of CSR does not differ from other established approaches, including that of Carroll who sets his expectations of companies according to the business climate (1979: 500).

In order to assess the originality and practicalities of extending CSR into MSR as a management obligation, a vast amount of literature on CSR theory and associated management theory was examined. Thus, examining management theory played an important part in informing the enquiry and establishing the credentials of Follett. A compilation of comparisons between Follett’s ideas and several management theories proved too great for the thesis but they have been abbreviated into table 2.2.2. This will mean that researchers will be able to assess the usefulness of Follett’s concepts in relation to advancing other management theories. Another avenue explored was theoretical approaches to gender and CSR, which brought feminist management theory into discussions. However, the issue proved too broad and included too many variables to be examined in depth. Nevertheless, the interest and implications of the idea that CSR is more of a feminist concept than a male one, offers a rich and little explored area for research. A similar avenue for future inquiry is CSR and the ‘millennium’ generation in a globalized business world linked by unprecedented forms of communication. Several respondents were hopeful that managers in the future would be influenced by an agenda for greater social justice that would be accelerated into action by continuing advances in mass media.
8.6.4 Non-managerial views on CSR and MSR

Although, decision makers in smaller companies were forthcoming about their engagement with CSR, interviewing employees who were not managers would have added an interesting perspective. Apart from accessing other sources of data, this would have validated some of the comments from managers who could have been repeating company policy and not expressing critical or analytical views. However, as shown in the empirical chapters 4, 5, and 6, there were both first and second-hand expressions of misgivings about CSR. Further legitimacy could be brought to the robustness of the research by conducting follow-up interviews at specific periods in the future. This would take account of the impact of news about corporate and organizational irresponsibility. Undoubtedly reports of management scandals during the data collection, influenced respondents’ opinions of CSR. In several cases issues such as tax avoidance by MNCs and cover-ups at the BBC discredited CSR as a concept (chapter 5). Whether or not this effect was temporary would be assessed by a follow-up interview. Another benefit of conducting research over a longer period and revisiting respondents would be gained from a period of reflection on the notion of MSR and its implementation. Whilst this was possible in four cases, it would have been unlikely that all of the respondents would have agreed to such a commitment. Indeed, contacting two companies with subsequent questions did not prove fruitful. In defence of the approach, limitations of time to collect data and time that managers could make available would inevitably restrict delving further. This aspect of time constraints meant also that the outcomes of CSR initiatives were not examined. By obtaining the views on the effectiveness of CSR from recipients, a useful facet to research would have been added. However, were the study to be conducted again, these elements would form part of the methodology, which, although impacting on the range of organizations accessed, would add a different dimension worth considering.

8.7 Next steps: CSR, MSR, Mary Parker Follett, and recommendations for future research

The body of knowledge about business and management, CSR and Follett expanded by this research leads the way to further exploration of Follett in the
context of operationalising other management issues, such as social enterprises. At the outset, and as emphasised in the literature review, the majority of CSR literature seeks to justify the concept by linking socially responsible activity to value. Those writers who have taken a less business case approach have appealed to the ethical principles of companies, proposing that corporations behave as a responsible citizen ought. Advancing CSR by allowing managers to drive the concept, according to their personal relationship with wider society, would require managers having faith in the concept as something that was honourable and worthwhile. Management history has shown that this is possible (Balakrishnan, Malhotra, and Falkenberg, 2015). Invoking equality and diversity once more, the advances made were from a low point of serious discrimination and unjust practices. Yet, since the first equality acts in the early 1970s, progress has been made to the point where implementing equality practices is normative management behaviour. Furthermore, it has moved the concept from the elimination of discrimination to driving forward an ethos of equality, fairness and justice in management practice with managers proactively engaging with equality and diversity policy development and initiatives.

8.7.1 CSR and MSR framework for organizations and individuals

Where this thesis breaks important new ground is by presenting Follett’s ideas to managers during a dialogue on CSR, which takes account of her concepts in the practical and real world that managers face each day. This suggests that a framework is possible based on this approach. An outline of such a framework is set out below (figure 8.7.2), which gives managers and organizations the opportunity to plot where they see themselves in terms of CSR. The framework is based on the findings of the literature review (chapters 2 and 3), which identified the various stances that organizations adopt towards CSR. It was presented as a snap-shot and assumed that, whilst some organizations would work towards a more socially enlightened position, some would not. However, for purposes of comparison with other social issues, an assumption is made that there will be motivating factors to move organizations through a continuum of progress towards MSR. These factors may include legislation or public pressure. Moreover, this continuum would be driven by managers who would acquire the capabilities to advance both theory and practice through their direct involvement in
implementation. Using the matrix to develop and consolidate MSR would be twofold: organizational and for individual managers. Thus, where a manager wanted to make a greater commitment to MSR they could identify where their organization was placed in terms of its approach and act accordingly. Conversely an organization could plot its position, or where it aspired to be, and use a simple framework to promulgate those ambitions. In such a situation, following Follett’s concepts of integration, power-with and coordination would be applicable. The outcome would be that MSR would be removed from discretionary commitment of the executive to practitioners who would have a simple tool to initiate engagement with sustainable, socially responsible business practices.

Figure 8.7.2 Framework to plot approach to social responsibility for organizations and individuals
8.7.3 Implications for theory

One of the main criticisms of CSR, the issue of a definition, may need to be reassessed. The way that respondents accepted a general idea of CSR leads to questioning the discourse in the scholarly literature about the relevance of defining CSR in order to extend the theory. Creating a nexus of knowledge and expertise that adapts according to the law of the situation, will be the basis of a new approach to organizational social responsibility that can be developed to suit the needs of society and business. By making managers central to continually developing the concept of MSR, ownership would be placed with management. This would ensure that principles of social responsibility and re-aligning the relationship between business and society would be an established part of management obligations.

8.7.4 Relevance of the business case

Another aspect that has exercised CSR scholars, and one which was hardly recognised as an issue by respondents, was that of the business case for CSR. Overall the view was that the business case contradicted and militated against the type of CSR with which respondents were motivated to engage. In relation to causal marketing and PR, the view was overwhelmingly that CSR was undermined. Respondents repeatedly claimed that they could not identify with CSR as defined by the actions of major companies. Instead respondents were of the view that CSR should be about decency and honesty and should not be open to corruption as an advertising ploy. For CSR to be replaced as MSR and to succeed, these points need to be understood. In the past, CSR has been described as a management issue, but the view from managers is that it has little or no relevance to how they see managing resources for the advancement of their organization. If Follett’s ambition is to be realised, whereby management advances society, the purpose of CSR, in the guise of MSR will have to have the full commitment and belief of managers.

8.7.5 Conclusion

Writing a thesis in times of changes in attitudes, such as those about the number of women in senior management, was both inspiring and daunting. The constant lens that Follett provided proved to be a boon to deciding which avenues of recent
work and the scholarly thought to pursue. For managers given the task of
deciding which course of action to take, Follett offers guidance that is radical and
sensible. Moreover, her methods have been applicable in all aspects of private
and public sector management and, given that the 150th anniversary of her birth
occurs in 2018, it would be a fitting celebration to produce a guide for managers to
fulfil their obligations to society.
Interview protocol: Core questions

The questions fell into three broad categories. The first was a narrow, personal perspective of managers, which involved their values and experiences. Secondly an understanding was sought as to how managers saw their organizational culture and priorities. Thirdly, the way in which managers interpreted the conceptual and abstract nature of CSR needed to be understood.

To begin, a general open question was put to respondents:

When I say ‘corporate social responsibility’ or CSR, what springs to mind?

**Category one: A narrow, personal perspective of managers, which involved their values and experiences.**

You say that your organization does not involve itself with CSR, how do you feel about that?

You say that you do not see your organization having a role in CSR, what would be needed to make CSR a part of your strategy?

What do you think your organization should do?

How would you contribute to what you wanted your organization to do?

What would you expect the result to be?

As a manager, if you were given responsibility for CSR, how would you deal with it?

You say that your organization involves itself with CSR, how do you feel about that?

What involvement have you had with your organization's CSR?

What was the result?

As a manager, how do you deal with conflicting interests?

How are decisions reached about engaging with community, charities and other types of CSR activities?

How are community and business interests coordinated?

In your CSR to what extent are employees and the community empowered to take on responsibility for their communities?

What is your involvement in these decisions?
How much involvement have you had with other issues, such as equality and diversity?

You say that equality and diversity is part of your job, how would approach CSR if it were part of your job?

What motivates you to involve yourself in the type of social issues we’ve discussed?

Why did you become involved?

What was the result?

What happened next?

**Category two: Organizational culture and priorities.**

What effect does having/not having a CSR programme have on people here?

Why do they react like that?

How much should CSR be part of all organizational strategies?

What would you think if legislation were introduced to make companies have a CSR strategy?

Of those CSR initiatives that are selected, what criteria are used?

How much of CSR in this organization is due to the leadership?

**Category three: The conceptual and abstract nature of CSR**

The corporate scandals in all sectors indicate that there is a conflict between business and society, how should this conflict be addressed.

Do you see any differences in how men or women respond to CSR?

If there were more women in management do you think CSR would be stronger?

What could be done to make CSR an integral part of business?

If management were a distinct profession with codes of conduct and standards, would it help to ensure more CSR?

If you had the power, what sort of CSR would you see implemented?
Participant Information Sheet and Consent Form

I am Susan Mawer and as part of my PhD thesis at the University of Salford, I am carrying out research into how the management concepts of Mary Parker Follett (1868 – 1933) are relevant to Corporate Social Responsibility (CSR). I aim to talk to business managers about the practicalities and usefulness of Follett’s ideas, especially in relation to conducting business ethically and with social responsibility. In addition, I shall seek views in relation to how Follett’s concepts may inform modern and emerging theories of CSR.

Ethical approval for this research was granted by the University of Salford on 26th June, 2013.

Specifically, participants will be interviewed about:

- How managers currently view their role in CSR, manage social issues such as equality and diversity and manage ethical dilemmas
- How managers deal with conflict, their understanding of win-win and how the main concepts of Follett may be used to improve socially responsible and ethical business outcomes.
- The relevance of Follett to managers taking on social responsibility as part of their mainstream duties.
- How can CSR be perpetuated for the common good and how may Follett’s ideas shape a new concept of CSR and provide an ethical reference framework for managers.

Mary Parker Follett is regarded as a pioneer and prophet of management. She is credited with formulating the principles of conflict management, win-win negotiations, human relations management, and systems management. Follett warned of the dangers of over-exploiting natural resources, alienating workers, and applying short-term strategies to business and society. In order to counter such risks, Follett advocated identifying interests and integrating them towards a long-term common good. According to Follett, management could become the main driving force for a sustainable and democratic society by exemplary behaviour in business and its relations with wider society. In this respect, Follett anticipated the concept that during the mid to late 20th century evolved into Corporate Social Responsibility (CSR).

Corporate social responsibility (CSR) has been part of main-stream management theory since Archie Carroll’s acclaimed model was published in 1979. Carroll’s broad definition ‘encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.’ (Carroll, 1979: 500). However, scholarly work on CSR largely ignores the contribution of Mary Parker Follett. The challenges to business emanating from the global financial crisis together with the increase in competition from emerging economies, have presented CSR with a number of problems. The apparent conflict of interests of business and communities, some of which have launched effective anti-capitalism movements, have produced an environment of social discord and polarised views. It is exactly in this area of conflict resolution that Mary Parker Follett’s concepts are remarkably relevant given her ground-breaking views on integration and cooperation instead of taking sides and compromising with trade-offs. As CSR reaches a point where its validity is challenged, especially with economic crises, the work of Follett can be seen as providing a framework to address tensions and incompatibilities between economic, environmental, and social sustainability. Follett’s ideas will enable me to inform CSR concepts further and contribute to a new model of CSR.
Participation, consent and confidentiality

Right of Withdrawal

Participation in the study is entirely voluntary and any participant has the right to withdraw consent, once given, at any stage without sanction and non-participation or withdrawal from the study requires no reason to be given.

Please feel free to discuss any concerns or questions with me by email, telephone or face to face, both prior to the interview and at any time afterwards. Any communications will remain anonymous, including discussion of concerns and questions. These will remain private and not be treated as research data.

Confidentiality and Anonymity

A Personal Identification Number (PIN) will be requested for identification purposes only and both your name and PIN will be removed from interview data and a code will be associated with your responses. This code will be used in place of your name in your interview transcript and in any publication. Your details and the associated code will be kept securely and physically separate from interview data in hard copy form and in locked storage. It is necessary to keep your details on record associated with your code in order to enable you to withdraw consent at any time, and to enable further communication with you. Your name and PIN will never be used in the reporting of data or in publications.

Any information you provide during the interview or in document form that may identify you as an individual, identify your department, or your organisation will be anonymised in the interview transcript and in any publications derived from the study.

Within the summary of the results disseminated to your organisation individuals will remain anonymous and any possibility of you being identified will be deleted.

A summary of the results of the study will be disseminated to you and your organisation.

Participation Consent

You will be given a copy of this form. You are making a decision whether or not to participate. Your signature indicates that, having read the information overleaf, you have decided to take part in the study.

Name (please PRINT) ____________________________ PIN __________________________

Signature ___________________ Date ______________

Susan Mawer | Salford Business School | 220, Maxwell Building | University of Salford|
Salford M5 4WT | Tel: 0161 295 2126 and 07973 937751 | Email: s.mawer@salford.ac.uk
Revocation of Consent

I hereby wish to withdraw my consent to participate in the research proposal described above and understand that such withdrawal does not require any reason to be offered and nor will it involve any sanction.

Name (please PRINT) ____________________________ PIN _______________

Signature ___________________ Date ______________

The section for Revocation of Consent should be forwarded to Susan Mawer at the contact details listed below.

Contact
Susan Mawer | Salford Business School | 220, Maxwell Building | University of Salford|
Salford M5 4WT | Tel: 0161 295 2126 and 07973 937751 | Email: s.mawer@salford.ac.uk
Profiles of respondents

(Key to descriptors: PU = public sector; NP = non-profit; PR = private sector)

**PU1** Male. Public sector. Chief Executive, National Health Service, hospital trust. Age 50 – 59; worked as a manager for 25 – 30 years.

Qualified as a doctor and worked in hospitals for over 30 years. Moved into management but maintained clinical practice. Promoted to the management board of a NHS Trust and became CEO two years prior to interview. His awareness of CSR was of a concept that was generally about marketing but had societal benefits as an inherent part of the process. He considered a motivator for CSR was reputational; safeguarding the brand, was seen as important for most major firms and CSR was part of the process. However, he believed that the majority of firms engaged with CSR because it was a good thing for society and for the companies that were part of society. In his own organization he did not recognise CSR as a normative element of management apart from policies which he considered closely related such as anti-bullying and diversity.

**PU2** Female. Public sector. Member of local government authority’s executive and head of resourcing. Age 40 – 49; worked as a manager for 20 – 25 years.

Background in marketing. Worked for MNCs and involved in causal marketing and sponsorship. Transferred to the public sector as a senior manager and achieved further promotions to executive level. Head of a team of 15 managers with responsibility throughout the local authority to commission and procure contractors. She had been with her current employer for six years prior to interview. She identified CSR in her previous and current workplace but felt it was more obvious and promoted internally and externally in those MNCs in which she had been employed. Although she had received learning and development in various management functions and been part of a re-branding of the local authority, she had not been trained in implementation or promotion of CSR.

**PU3** Female. Public sector. Head of department in commissioning in a local government authority. Age 50 – 59; worked as a manager for 30 – 35 years.

Worked in the public sector for her entire career, switching from central government to local government to become a director in the children’s services department. Has managed teams of varying sizes over her career and had to implement difficult and controversial policies through her staff. She had been with her current employer for eight years prior to interview. The approach to CSR in her organization was focused mainly on environmental matters, partly due to central government pressure and the need to keep down costs associated with waste.
PU4  Female. Public sector. Manager of an inner-city community centre. Age 40 – 49; worked as a manager for 10 -15 years.

Beginning with the centre as a volunteer and interpreter, PU4 was recruited to the staff. After 12 years, she was promoted to manager, which was three years prior to a substantial fall in funding. By liaising with local companies and renting out space, the reduction in staff and services was mitigated. Her organization’s attitude to CSR was vague. However, PR4 felt that she had ensured that by paying attention to environmental matters and behaving ethically towards clients, suppliers and other stakeholders, CSR was part of the organizational ethos, for which she was responsible.


Her managerial career began in the private sector and NP5 switched to consultancy work prior to being appointed as CEO of a medical charity. The work of the charity was to raise awareness of a medical condition, raise funds for sufferers, contribute to research funding, and build relationships with pharmaceutical companies. The board comprised medically qualified people and NP5 had to negotiate difficult decisions about the allocation of funding and resources whilst maintaining a professional and unbiased relationship with pharmaceutical companies. Through bequests, the organization became asset rich but had experienced a drop in income as charitable donations declined. Prior to interview, NP5 had been employed with the charity for five years. A year after interview, NP5 was made redundant and the property in which the charity was based was sold. NP5 gave a comprehensive definition of CSR, which included causal marketing, philanthropy and community engagement. However, she was sceptical about the motives of most of those proclaiming CSR – especially MNCs - which she believed distracted scrutiny from questionable practices by promoting an altruistic image.

NP6  Male. Non-profit. Manager of a social charity. Age 40 – 49; worked as a manager for 5 – 10 years.

Having worked in social care, NP6 took over the management of an inner-city charity to assist immigrant groups. Most of the clients were from Eastern Europe. The organization relied on donations and some grants from funding bodies and local and national government. As the organization was relatively new, NP6 was having to explore the acquisition of funds and to negotiate with donors and his board of management any ethical implications of sources. The impression NP6 had of CSR was that it was used cynically to disguise unacceptable business practices. He was scathing about big business and what he perceived to be a lack of morality. In contrast, his experience of SMEs was that they were more likely to be involved in CSR, even if they did not label it as such.
NP7  Female. Non-profit. Manager of a care home. Age 50 – 59; worked as a manager for 10 - 15 years.

Although having a law degree, NP7 decided to go into social care and eventually became a social worker. She managed a home for vulnerable adults and set up several initiatives with the local community, families of residents and staff to create a network of support. She arranged for a tutor from the Open University to become involved and a major initiative was launched that saw members of the network obtaining qualifications from the OU. After four years, NP7 left the care home and returned to social work in a foster care and adoption agency, which was where she was working at the time of interview. Overall, NP7 saw CSR as a marketing device which could have benefits for society but was often misused by big companies to protect their reputation. She considered that the way in which she ran her care home and treated employees fairly with due regard to equality and diversity was an example of CSR. This meant that it had true and lasting benefits for society and was not motivated by seeking good publicity.


After working as a manager in the public sector for 15 years, PR8 moved to a highly competitive environment in computer consumables in a company in its early stages of development. During his 12 years with the firm the business grew into one of the major independent computer consumables companies in the country. As head of operations, PR8 was responsible for making decisions about relocations and organizational structures. He had been with the company for 11 years at the time of interview and a year later, following his redundancy, he requested to have a further short interview. His attitude to CSR was that it should be part of a company strategy and justified by the business case. However, he believed that ethical business practices could prevent damaging corporate scandals and signing up to CSR could be part of the process. Overall he placed responsibility for CSR and ethics with the leadership of organizations, which was where he identified the flaw in the system to make CSR a normative, management duty. His overall opinion of senior management was that there was a lack of honesty and ethics and any attempt to make CSR a management duty would be frustrated by these shortcomings. Furthermore, PR8 thought that companies that sought to participate in social initiatives for PR purposes may do more harm than good because they lacked expertise in areas such as those working with vulnerable people.


Originally worked in sales for a major newsagents after which PR9 switched to private consultancy work and university lecturing and extended her business to executive coaching. She had received commissions for consultancy from several
MNCs. Her work included diagnosing organizational problems, transforming teams through coaching, learning and development, and running recruitment centres. She outsourced her administration work and subcontracted to associate consultants as required. Overall PR9’s experience of CSR in major companies was that, although it was used as a way to build reputation, many firms engaged in it with good intentions and honourable motives.


After university and qualifying in marketing, PR10 spent his early career as a consultant with several MNCs. In his mid-forties he became disillusioned with the corporate world and set up a food-store which focused on ethical and sustainable methods. His success brought him widespread publicity in the national and international media. Alongside running his food business he created a network to train business people in sustainable and ethical work practices through employee and community engagement. He employs a workforce of over 200 and had been managing his current company for six years at the time of interview. He held strong views on CSR and said that it was manipulated to protect reputations. In order to make CSR normative he felt that it should not be called CSR and hived off to a separate department in an organization, such as marketing, but should be a part of every employee’s duties.

**PR11** Male. Private sector. Chief executive, management and learning and development consultancy. Age 60 – 69; worked as a manager for 30 – 35 years.

A varied career that encompassed the armed forces, the civil service, and a national charity led PR11 into setting up his own consultancy business. Although he concentrated on learning and development, he became highly successful with major MNC clients requiring a range of consultancy services. He employs four staff including a management trainee and manages up to 15 subcontractors. During the course of his work as a manager in government departments he was responsible for managing teams with over 100 members. He saw CSR as an important framework in which public and private sector organizations operate within a set of codes and standards to which they are accountable. PR11 made several comparisons with the progress of equality and diversity strategies and CSR and considered that as they had become normative through training, sharing expertise and changing attitudes, so too would CSR be part of every manager’s job.

**PR12** Female. Private sector. Human Resources director in debt and financial management. Age 30 – 39; worked as a manager for 10 – 15 years.

After working as an administrator, PR12 joined her present company’s HR department and had several promotions culminating in her job as a director. Her employer funded her MSc degree and she is responsible for the HR policy, practices and procedures of the firm that employs over 300 people. Although the
majority of her management is done via departmental heads, she manages a small team of her own and acquired practical management experience during the course of her career. At the time of interview, PR12 had held the job of director of HR five years.

PR12 saw CSR broadly as encompassing staff welfare, learning and development, sponsorship, and causal marketing. Although sceptical about misuse of CSR by some organizations, whose business practices had been revealed as unethical or illegal, she was enthusiastic about her own firm’s extensive CSR programme, which she considered to be a model for others to implement. This was based on high ethical standards that had won the company a number of awards. The firm’s CSR engagement involved sponsoring schools in the developing world, local community engagement and philanthropic contributions. Her colleagues PR13 and PR14 were also interviewed.

PR13 Female. Private sector. Manager in debt management and financial company. Age 20 – 29; worked as a manager for 5 – 10 years.

Employed in the same firm as PR12 and PR14, she joined the company from another in financial sales services and was able to make comparisons with the way in which the same work was carried out. She considered that there was room for more ethics in the sector and proud of the way in which her company behaved. She attributed the high ethical standards and commitment to CSR to the leadership of the couple who were the company’s owners and whose personal values were firmly stamped on the firm’s ethos and corporate vision.

PR14 Female. Private sector. Manager in debt management and financial company. Age 30 – 39; worked as a manager for 5 – 10 years.

No previous experience of management until her current job where she was employed by the same company as PR12 and PR13, PR14 joined the firm as an administrator and obtained several promotions. At the time of interview she had responsibility for managers of teams and saw her duty as upholding ethical standards in an industry that had been blighted with a bad reputation. However, although sceptical about the exploitation of CSR, similar to her colleagues she praised the efforts of her employers to deliver CSR and gave examples of its implementation.


Qualified accountant who worked for a leading accountancy company and set up his own firm 20 years ago. The nature of the work is governed tightly by rules and codes of practice and standards are monitored. Reputation is important to the trustworthy image of the firm and its ethos is to promote ethical practices and adhere strictly to high standards of business conduct. His approach to CSR is linked to maintaining and exceeding high industry norms, to encourage employees
to participate in community initiatives and to sponsor or donate to charitable causes usually in response to approaches from employees.


After an early career in the public sector, moved into sales and began establishing businesses whilst becoming involved in local politics. Maintains a special interest in working with deprived groups and areas; PR16 sets up businesses and mentors potential start-up companies. His approach to CSR was that it should be an inherent part of business life. Without ethics and working towards the greater good, society will become impoverished materially and spiritually. The way in which he conducted business conformed to his beliefs.

**PR17** Male. Private sector. Managing director, valve manufacturer. Age 50 – 59; worked as a manager for 20 – 25 years.

After qualifying as an engineer through an apprenticeship, PR17 moved into sales and later to management. He took over as managing director (MD) 10 years prior to being interviewed. The leadership style of PR17 was based on ethics and putting something back into society. He believed that all businesses should have CSR as an integral part of its operations and should continually strive to improve society through its work. His attitude was that his employees, especially managers, had to commit to ensuring that the company operated ethically, supported the community and took active roles in promoting social cohesion. The main conduit for PR17’s community approach was a national young person’s charity. His HR director, PR18 was also interviewed.

**PR18** Female. Private sector. HR director, valve manufacturer. Age 40 – 49; worked as a manager 15 – 20 years.

After working as a manager in other companies, PR18 joined her present firm 18 years prior to being interviewed. She switched to HR and studied for qualifications, which led to her being diagnosed with dyslexia. She considered that this gave her an additional insight and empathy with people who were marginalised in some way. The support she received from her employer enhanced her opinion of the company as an exemplar of treating workers well whilst making a tangible contribution to society. PR18 attributed the high level of commitment to CSR to the MD, PR17, yet she wondered if other managers were as wholeheartedly committed as the MD expected them to be.

**PR19** Male. Private sector. European director of HR, scientific instrument manufacturer, MNC. Age 50 – 59; worked as a manager for 25 – 30 years.

After obtaining a science degree, PR19 worked in manufacturing in the UK. He moved to a US instrument manufacturer and eventually became European
Director of HR, based in France. The company’s approach to CSR was focused mainly on its environmental impact and he had witnessed many improvements in his 20 years with the firm. However, he considered that apart from ‘green’ policies and commitments his company’s approach to CSR was philanthropic and guided by the interests of the most senior executives. His training in HR had not covered matters associated with CSR.


The first part of PR20’s career was spent in the civil service working in policy departments with some responsibility for managing small teams of people. With a degree in history and politics, PR20 had an interest in CSR and social issues. He was a trade-unionist and was often involved in single issue campaigns relating to social justice. After taking voluntary redundancy in his 40s, he began working in a supermarket and was able to offer comparisons with the public and private sectors’ approaches to management and CSR. The main concern that PR20 had about CSR was that it disguised unacceptable behaviour. He condemned some corporate behaviour where there was no-one to call to account and where the same firms that sponsored good causes for publicity employed their workforce on unfair contracts and conditions. However, he gave examples of CSR working in the way he considered benefited society, which he thought gave hope to its future as a mainstream function of business.


Initially working in a bank and studying for professional qualifications, PR21 became disillusioned because she was overlooked for promotion, which she attributed to sex discrimination. An opportunity in the family firm arose and she took over the business manufacturing plastic products for the NHS and major organizations. Her approach to CSR was mainly HR and ethically focused and she believed that CSR was about treating people with dignity and respect in the workplace and ensuring that discrimination did not occur. She considered that business ethics should be admired and behaving honourably towards customers and suppliers was an important aspect of CSR. The company complied with strict legislation in relation to waste and environmental matters. There was little in the way of proactive commitment with communities but ad hoc charitable work was undertaken, usually instigated by a member of staff or an approach from the local community.

After university in the UK, where he obtained a PhD in engineering, PR23 emigrated to America and began working for a defence contractor as an engineer. He eventually became a director with teams of scientists working for him on government contracts. The vicissitudes of politics with increases and decreases in federal spending meant that management was mainly focused on securing funding and dealing with staffing matters when funds were lacking. In his company, issues perceived as CSR were assigned to a section aligned to HR that dealt with outreach work, mainly in local schools. PR23’s understanding of CSR and his involvement with it was limited to matters of equality and diversity and generally treating people decently with respect and within the rules of the company. Overall he considered that CSR was inappropriate for companies where it required them to become involved in community, welfare and social activities, which were the responsibility of local or national governments.

PR23 Male. Private. Management trainee in a management consultancy. Age 20 – 29; had not worked as a manager.

After leaving university with a degree in history and politics, PR23 worked for a local authority as an administrative assistant and was recruited by a consultancy firm where he had previously had a temporary job. At the time of interview, he was progressing through a management training programme some of which required him to spend time with organizations in the public, private and non-profit sectors. With strong views about social justice, PR23 hoped to remain in the consultancy sector and saw himself as being a consultant who promoted ethics and social issues in management. Although with the company for less than a year at the time of interview, PR23 had begun to acquire an understanding of the attitudes of firms to CSR and related issues and appreciate the commercial pressures that sometimes took precedence. He believed that companies had the capability to make significant improvements to communities and gave examples of the power that firms possessed that had changed societal attitudes and mores.
REFERENCES


Abel, C. F. (2010). What’s left of capitalism and what we should do about it. *Administrative Theory and Praxis.* 32 (2): 161-190


B Corp. www.bcorporation.net/what-are-b-corps. Retrieved 15.05.15


277


CIPD. http://www.cipd.co.uk/hr-resources/factsheets/corporate-responsibility.aspx Retrieved 27.10.2015


Cohen, D., and Crabtree, B. (2006). Qualitative research guidelines project


Follett, M Parker (1918). The New State: Group organization, the solution of popular government. New York: Longmans


GMC, General Medical Council, www.GMC.org.uk


Kanter, R. M. (2011). Spotlight on the good company- how great companies think differently- only by thinking of themselves as builders of social institutions can corporate leaders master today's business challenges. *Harvard Business Review, 66*


MacLure, M., (2013). Classification or wonder? Coding as an analytic practice in qualitative research. *Deleuze and research methodologies*, pp.164-183


ONS. www.ons.gov.uk/.../classifications/...standard-classifications/standard-ind. 19.02.13


291


Polanyi, K. (1947). Our obsolete market mentality, Commentary,


Red Tape Challenge. www.redtapechallenge.cabinetoffice.gov.uk retrieved 01.02.15


Taylor-Gooby, P. (2012). Root and branch restructuring to achieve major cuts: The social policy programme of the 2010 UK coalition government. Social Policy and Administration, 46(1), 61-82


