Chapter 20
Virtues, Ethics and Corporate Citizenship: The Exercise of Leadership in Turbulent Times

Iordanis Papadopoulos

Abstract Theoretical and empirical research on cardinal virtues and effective leadership in the twenty-first century within the context of numerous ethical failures as well as the environment of recent economic crisis indicate the need to define properly terms such as 'moral responsibility', 'virtue ethics', 'moral – transformational leadership', 'corporate citizenship' and to find ways to implement them into daily business practice. Our paper is organized in four distinct parts. In the first one we set briefly the nature and aims of practical reasoning. In the second one we discuss Sophocles's Antigone as an exemplary narrative relevant to our moral argument. In the third section we examine the notions of virtues and leadership from a philosophical point of view; whereas in the fourth part we consider the issues of transformational leadership and corporate citizenship from a more practical point of view, which is implied by management and strategy theory. We complete our paper by indicating the need to go beyond Corporate Social Responsibility approaches and adhere to the notion and practices of Creating Shared Value.

20.1 Introduction

The numerous ethical failures within business context as well as the recent economic crisis but also, the results of empirical research concerning cardinal virtues and effective business leadership in the twenty-first century global context highlight the critical importance of ethical concerns about financial transparency, personal and corporate integrity. In spite of an emerging consensus around the critical importance of virtues and ethics to sustained business success, there is a debate about the definition of central terms such as 'moral responsibility', 'virtue ethics',

I. Papadopoulos (✉)
Hellenic American Educational Foundation, Athens University of
Economics and Business, Technological Educational Institute of Piraeus & Eben-Greece,
98A Makedonias Str., GR 15569 Papagou, Athens, Greece
e-mail: kajor@hol.gr

'moral – transformational leadership', 'corporate citizenship' and so on. All these have been elevated to the status of key terms within the same theoretical and practical discussion on ethics and management. Hence, we aim at a few theoretical clarifications at tracing the relation between on one hand of virtues and on the other hand the exercise of leadership in the contemporary business world.

Before coming to grips with the aforementioned subjects, we can make one step back and set briefly the nature and aims of practical reasoning in relation to the moral predicament that any human society faces. Among other ways to describe this predicament could be the following one:

> Reason told them that they had options but was less forthcoming about which option was best, or even about which considerations were relevant to the choice. It was obvious that there were a variety of possible ends, values or ideals which were relevant to how a man ought to live and act and how a community ought to organize. It was less obvious, on reflection, which of these values, if any, was correct. Nor is it any more obvious today. (Brown 1986, p. 11).

To answer these questions we engage to practical reasoning. Since antiquity, at the core of practical reasoning lies the following question, 'what is the best or right way for men to live, both as individuals and as a group?', which caused the development of moral and political reasoning (Brown 1986, p. 11). Different schools of thought have been developed, such as deontology or consequentialism (Schneewind 1991). These different schools of normative reasoning made clear that when we proceed to a moral or critical appraisal of different social state of affairs at the core of this process lay more general questions, which could be articulated as follows:

> How one ought to live, about what count as good reasons for acting in one way rather another, and about what constitutes a good life for human beings, meaning thereby not necessarily 'morally good', but treating as an open question, where would be the proper place for morality in the good life, and whether indeed it has any place there at all. (Norman 1983, p. 1).

Since 1970 practical reasoning changed its direction a lot. It focused upon issues of practical concern related to medical ethics issues, environmental or business ethics ones. Nevertheless the need for reflection upon the epistemological basis, the structure as well as the content of practical reasoning was met only partly. However, one could mention an emerging theoretical consent. Characteristically, a lot of theorist agree with Bernard Williams who reminds us that Socrates made clear in Plato's Republic that the real subject of practical reasoning is not the bare atomic individual but that who participates in social life and thus, develops certain relations with his/her co-humans. Bernard Williams puts the whole issue in terms of two core questions:

> Once constituted in that way, it very naturally moves from the question, asked by anybody, "how should I live?" to the question "how should anybody live?" That seems to ask for the reasons we all share for living in one way rather than another. It seems to ask for the conditions of *the good life* – the right life, perhaps, for human beings as such. (Williams 1985, p. 20).

Among the ways that philosophers tried to answer these core questions was the consideration of virtues and vices that humans develop though their social interaction. This approach goes back to antecedent theorists like Plato, Aristotle, Thucydides or Aquinas as far as the western tradition is concerned but it is also traced to Confucius and Buddha in the eastern philosophical and religious tradition. In the decade of '70s and '80s philosophers like Philippa Foot and Alasdair MacIntyre revitalized the theoretical interest about the importance of virtue theory in relation to the notions of community and citizenship (Foot 1978; MacIntyre 1981). It is not merely a coincidence that at the same historical and social context of '70s and '80s management and leadership theorists initiated their own research on the relation between virtues and the concept of servant leadership in practice. One could bring here the example of Greenleaf (Greenleaf 1977) or refer to Ciulla, who started to develop her own theses some time later in the decade of '90s (see for instance: Ciulla 1995, 2003, 2005).

One could trace a common ground among all the afore-mentioned theoretical reaches. The inherent assumption is that the moral stance of individuals, groups and collective entities, like organizations or corporations, is the product of concrete cultural and social environments and processes. Moral stance, principles and beliefs are all embedded to the processes of social interaction between individuals and collective entities; and this interaction is interwoven in a social web of systems and sub-systems. Ethics and business ethics are not the creatures of an un-historical, perennial mechanism, essence or imperative; in fact, quite the opposite. Quite characteristically, a lot of theorists think that morality and ethics in the specific area of business life, which is at issue in our paper, should be considered as a kind of social practice or even as an instrument that social actors use to construct all the necessary social arrangements. This idea is not really a new one. At the beginning of the industrial era theorists like Alexis de Tocqueville, Emile Durkheim, Karl Marx and Max Weber were approaching the business ethos as something that was cultivated and formulated in relation to religious and other value systems. However, we must bear in mind that the theoretical challenge to define the structure and the content of practical reasoning in relation to the question concerning the determination of good life has been fulfilled partly. In order to meet this challenge we shall make a move back, referring to an ancient- moral *paradigm*, that of Sophocles's Antigone. Could we draw any moral lesson on the basis of this ancient drama?

20.2   Sophocles's "Antigone" as a Narrative/Case-Study

Could Sophocles' drama Antigone be considered as a case-study or a framework for moral reasoning? Could we ask this question out of the specific historical context in which Sophocles wrote the theatrical play of Antigone? Could Antigone's drama be considered as an appropriate as well as challenging *narrative/case-study* that can

provide us the opportunity to engage one another in a dynamic dialogue? Discussing the case method in teaching and learning about ethics, Kenneth E. Goodpaster is writing: "The idea behind the case method in the *ethical* arena is to offer the learner a vicarious decision-making opportunity so that both moral and managerial judgement can be exercised, indeed actively *practiced*." (Goodpaster 2002, p. 120). Is this the case with Antigone?

The plot begins after a great civil war in which both Eteocles and Polyneices, sons of Oedipus and brothers to Ismene and Antigone were killed. Creon, the ruler, chooses to bury Eteocles with honors but to leave Polyneices' body for carrion, and has decreed that any who would attempt to bury Polyneices shall also perish. Ismene chooses to follow the edict rather than challenge Creon's authority. Antigone chooses to act so as not to betray her brother, to honor him by giving him funeral rights according to the laws of the gods.

We could here borrow from Paul Allen Miller who recapitulates Jacques Lacan's point of view on Antigone and proceeds to his own synthesis. Miller reminds us:

> In 1959, Lacan presented Sophocles' Antigone as a model of pure desire for his seminar on The Ethics of Psychoanalysis: Antigone presents herself as 'autonomos', the pure and simple relationship of a human being to that which it miraculously finds itself carrying, that is the rupture of signification, that which grants a person the insuperable power of being—in spite of and against everything—what he [sic] is. . . . Antigone all but fulfills what can be called pure desire, the pure and simple desire of death as such [i.e., of that which is beyond the pleasure principle]. She incarnates this desire. (Miller 2007, p. 1).

Bringing together Jacques Lacan and Slavoj Zisek, Miller remarks that:

> Antigone's decision to defy Creon consciously seeks death. She makes no effort to defend Polynices' actions. Her choice takes her beyond the realm of rational discourse and the collective norms of human satisfaction it implies. Hers is a position that transcends the comfortable binary oppositions that structure our daily ethical and social lives. Because her choice of death cannot be understood according to strictly rational norms, she cannot be read as representing some simple antithesis of freedom to tyranny, or the individual to the state. . . [For Zisek] her choice thus represents a pure ethical act shaped neither by a self-interested selection among communally recognized goods nor the self-loathing of conforming to a code that is recognized and despised [(Zisek 1992)]. For Lacan [(Lacan 1986/1992)], it is the beauty of Antigone's choice of a Good beyond all recognized goods, beyond the pleasure principle, that gives her character its monumental status and makes her a model for an ethics of creation as opposed to conformity. . ." (Miller 2007, p. 1).

Hence, if Sophocles' Antigone presents what Lacan defines as a '*sublime object*', then Antigone's drama might not be consider as the appropriate all-inclusive framework of moral reasoning for ordinary human beings. Nevertheless, Antigone might still be considered as an appropriate narrative/case-study, since a series of indicative questions could be raised by it.

In the values clash between Creon and Antigone, one could trace the issue of the proper determination of the notion of citizenship. Is the good citizen one who obeys the moral law or the rules set by the state or the authority? Is the good citizen justified when disobeys the rules of the state in the case that these rules come into conflict with the moral law? Is it morally right to obey the manmade laws while

these laws contradict to the duties that one has towards gods, his/her own family or any other profound moral imperative? In the dialogues that Antigone has with all the protagonists throughout the play as well as with her sister Ismene, she decisively states that it is not for him [Creon] to keep her from her own. In these dialogues a series of relevant moral issues is raised such as: the power of fate in determining human beings' life, the dilemma between prudence and moral agency or the appraisal of the impact of self-assertion, narcissism and stubbornness to our lives. It is worth noticing that Bernard Williams holds that all these issues could be considered as part of a moral horizon based on the notions of shame and necessity (Williams 1993).

Antigone's disobedience could also be considered as a paradigm of *whistle-blowing* from a business ethics point of view. Antigone's role might be taken to resemble the role of a whistleblower, who is not afraid to challenge even the highest authority of her state, following the imperatives set by moral law. In our world, all these might take place in the frame of a large corporation or in the words of Robert Jackall of a medieval fiefdom (Jackall 1988). A whistleblower is a person who alleges misconduct. The misconduct may be classified in many ways; for example, a violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations, and corruption. Whistleblowers are commonly seen as selfless martyrs for public interest and organizational accountability; solely pursuing personal glory and fame (see also: Hartman et al. 2009, pp. 255–272). We could definitely trace a kind of similarity between Antigone's moral stance and that of a modern whistle-blower, especially in times of economic crisis and large percentage of unemployment. Of course, the analogy can be drawn up to a certain point within the frame of case-study methodology or of a moral narrative, which forces us to ask profound moral questions.

Bearing this in mind we could hold that Sophocles's Antigone is an appropriate moral example to initiate with our discussion on the virtues that human beings must acquire or cultivate in order to execute their moral agency. Hence, one could ask: how we must understand virtues in relation to similar concepts such as character, values or personal attributes? We shall try to answer this question in the next part of our paper.

20.3 Ethics, Virtues and Leadership

Virtues could be considered as good habits that come from the daily practice of a society or organization. Virtues could also be conceived as admirable character traits or desirable dispositions which contribute to the harmony of social life. In fact different historical, sociological and philosophical approaches have been suggested. We must notice that there is no single dominant theoretical point of view; whereas critical issues remain unsettled such as that which concerns the universal or the contextual nature of virtues (see for instance: Lanctot and Irving 2007, pp. 1–26). Nevertheless, we could mention at this point a number of virtues

which have been suggested by different theorists as universal ones and as underpinning business ethics and the *ethic of profession* and '*ergon*'.

Burns, for example, identifies *modal* values and virtues and he takes that in these are included honesty, fairness and honouring commitments (Burns 1978). It is also expected that professional people carrying a high level of responsibility are 'clever, knowledgeable and efficient' (Bradshaw 1999, pp. 447–481), and possess those virtues which 'go into maintaining a high level of excellence' (Putman 1988, pp. 433–443). They also require 'perseverance' in striving for professional excellence (May 1994, pp. 75–90), 'diligence' and a sense of 'duty' and 'integrity' (Putman 1988; Bradshaw 1999). In addition, professionals need a sense of 'justice', 'to recognise what is due to whom'; 'courage' 'to take whatever self-endangering risks are demanded along the way' (MacIntyre 1981); and the virtue of 'humility' – 'the humility that engenders sacrificial service' (Bradshaw 1999) and is 'essential to professional renewal' through recognition of the need for reflection, personal development and lifelong learning (May 1994).

Is this plurality of theoretical approaches an inescapable fact or could we go beyond and proceed to a possible synthesis? Are professional virtues, and even more broadly speaking business ethics, merely contextual western representations or could we establish a neo-aristotelian approach, raising also claims for a kind of generalizability within the context of global economy (see for instance: Wilson 2008, pp. 1–14)?

In order to answer these questions, we shall borrow from *the 4R Model* – 4 *macro-categories* of leadership attitudes and behaviors – which has been proposed by McCloskey (McCloskey 2009a, pp. 1–21 and 2009b, pp. 36–49). According to him, *personal virtue* is depicted as a primal force for effective leadership as this is developed through *relationships* and *roles* in specific organizational context and through *responsibilities* and *results* that concern outcomes overtime. It seems that the 4R Model provides a comprehensive perspective on *transformational leadership* as a moral, social and behavioral phenomenon and thus, it is also compatible with more general approaches that have been suggested from a more inclusive neo-aristotelian moral perspective which combines both stakeholders analysis and synthesis (see for instance: Ciulla 1995, 2003, 2005; see also Bennis 1999, pp. 18–23; Bowden 2005, pp. 1–12).

In fact, it seems quite reasonable that we must transcend the assumed hiatus between *life world* and *rational organization* and strive for reconciliation. This hiatus could be understood in terms of the Hegelian differentiation between the public and private sphere of life or alternatively, in terms of the Weberian sociological approach to bureaucratic organizations. If one wants to understand modern society, he/she must be able to elucidate the impact of *organization* and of the *organizational man* to our lives. In order to do so, we must take into account a general theory of organization, which is built on systems theory and polycontextual understandings of the relation between firms and their environment (Koslowski 2010, pp. 3–18; Rendtorff 2010, pp. 19–44).

The transcendence of the aforementioned hiatus could lead us to the concept of *transformational or authentic leadership*. Such kind of leadership promotes

individual and social '*eudaimonia*' of an organization and hence, must be distinguished from any kind of *pseudo-transformational leadership*. From a neoaristotelian point of view, the *excellence* of leader's character is directly linked to *ergon* – role function; thus, a virtuous leader is someone who sees what is good, fine or right to do in any given situation (Slote 1997, pp. 128–144); someone who could set successful strategies but also contributes profoundly to the development of the human and social architecture of his/her organization, undertaking the role of real servant (Greenleaf 1977; see also Brookshire 2001, pp. 1–8).

We do not, of course, take it that modern transformational leader is a kind of Ovidian or Shakespearian hero or a moral agent of Antigone's sort. Nevertheless, a modern transformational leader through his/her example could decisively contribute to the initiation of an open and democratic dialogue within the organization, so that to achieve gradually value congruence among its different constituents. That sort of leadership is not only quite different from any kind of paternalistic stereotype but also it has a close relation to the notion of *corporate citizenship*. According to this consideration, each corporation must conceive itself within the broader societal conditions, operating as an active and virtuous citizen. Corporate citizenship involves addressing, proactively, business and society issues, building stakeholder partnerships, discovering business opportunities through social strategic goals, and transforming a concern for financial performance into a vision of corporate financial and social performance. The moral climate of such an organization is depicted both at the moral characteristics of the top management teams and leaders and the CSR programs that these teams are deploying.

For the corporate citizenship approach, the core problem is to achieve the common good of the organization, while at the same time meeting the needs and safeguarding the rights of different stakeholders. To achieve such a goal, people must come together and cooperate on the basis of values, interests and social choice; and most important, they have to admit that the common good is not a mere aggregate of individual interests or a "greatest happiness" of a majority (Bass and Steidlmeier 2006, pp. 1–24; Steidlmeier 1992). Civic virtue, cooperative action, commitment, technical competence, industriousness and conceptual and people skills are becoming the basic components of the moral corporate character, which is a necessary condition for the flourishing of *the intellectual, psychological and social capital* of any organization.

In theory as well as in practice, transformational leadership and corporate citizenship strategies must include the policy stage, the learning stage, and the organizational commitment stage (see: Heifetz et al. 2009, pp. 62–69; Irving 2009, pp. 3–13; Naimi 2007, pp. 29–36; Saunders 2009, pp. 50–61). Such kind of moral organizational framework could become the key factor to restore *credibility* and *trust* (Araujo 2009, pp. 68–77; Bernstein 2009, pp. 101–103; Kramer 2009, pp. 69–77) or to establish *a culture of candor* which is absolutely necessary in turbulent times (O' Toole and Bennis 2009, pp. 54–61). In the next part of our paper we shall approach all these issues taking into account part of the recent reaches of management and strategy theory.

20.4 Management, Leadership and Strategy in a Global Society of Risk and Contingency; Issues of Engagement and Responsibility

Ten years ago Frances Hesselbein, chairman of Leader to Leader Institute, formerly Peter F. Drucker Foundation for Nonprofit Management, stated:

> Five Hundred years ago, Renaissance Man discovered that the world was round. Three hundred and fifty years later, Organization Man developed the practice of management. But as this practice evolved, he forgot that his world was round, and he built a management world of squares and boxes and pyramids. His world had a special language of command and control, of order and predict, of climb the ladder, of top and bottom, of up and down. (Hesselbein 1999, p. 9).

For the next 100 years or so, since the birth of the organization man, old hierarchies and organizations as well as administration models worked pretty well. Of course, there were great differences between management models which had been suggested and implemented to the production lines and organizational diagrams of western corporations throughout the twentieth century.

During the '70 and the '80s a period of massive historic change began. In a period of global competition and blurred boundaries, the old answers did not fit to the new realities and challenges. Traditional hierarchies, organizational schemes, decision-making processes became out-fashioned. Our contemporary world seems to be of enormous risks and flowing contingencies. Under the post-industrial conditions, the management styles, the exercise of true leadership and the scenario and strategic planning have been transformed a lot.

Nevertheless, there are still a lot of sizable companies with stiff cultures which make staff and managers to think, plan and operate without taking under serious and systematic consideration all relevant social, economic and cultural parameters. The process and management of any sort of production must be conceived within its inner as well as within the outer -competitive-micro and general-macro- environment (see: Griffin 2008). The parameters of the internal and external environment determine the terms for the effectiveness and profitability of a company but they also define the organizational culture and the value-system of a company according to which management, mentorship and leadership are executed (see: Martin and Siehl 1990; Neilson et al. 2008).

In order to meet the objectives of effectiveness, profitability and sustainability, a corporation must be able to form a strategic scenario, to link the uncertainties, to accommodate the competing interests of internal and external stakeholders and plan for the future in order to manage the risks that lie ahead (see: Ringland 1998; Collis and Rukstad 2008; see also: Porter 2008; Buehler et al. 2008). At this point, one could also bear in mind Mintzberg's famous 5P, i.e. plan, ploy, pattern, position and prospective (see: Mintzberg 2002) or the model of *SWOT* analysis (see: Lynch 2002).

In developing the appropriate strategy, every single company has to answer the fundamental question concerning the key issues that faces in its operation. The proper answer to this question makes necessary a *PESTEL* analysis, which

encompasses political, economic, social, technological, environmental and legal factors (see: Kaplan and Norton 2008). The managers of a company should be in a position to analyze these factors in order to understand the competitiveness data, the dynamics and market performance relative to its industry and the competitors. In fact, all these parameters determine strategic thinking as a dynamic process to set solutions to challenges and problems which are raised continuously; it is a never-ending process, which itself is under a continuous revision, shaped and reshaped by the company's *ecosystem* (see: Montgomery 2008; Hagel et al. 2008).

Strategy setting process is a persistent problem (see: Camillus 2008). Its roots are complex and tangled and the challenges that it sets may have no precedent, so that one cannot be sure that he/she has found the right answer in every aspect of the problem which he/she has to face. In order to deal with such a situation, large companies seem that they start changing the way they think about both their internal and external environment. Internally, they are adopting more democratic and open-minded management models, eliminating hierarchies and using collaborative teams (see: Fryer and Stewart 2008). Externally, world-class companies – such as Whole Foods, Costco, Honda, Harley-Davidson, Trader Joe's Container Store's, South-west Airline's, Google, IKEA, Timberland, Toyota and UBS – are gradually embracing a kind of *stakeholder relationship management and strategic thinking* that allows a *SPICE* ultimate analysis and strategy; a SPICE analysis and strategy refers to Society, Partners, Investors, Customers, Employees, namely all those that their mutual as well as conflicting interests, rights and values should be taken into account and be accommodated (see: Sisodia et al. 2007).

Social thinking is not anymore an afterthought; it is a very important parameter. Kanter maintains that:

> The interplay of corporate standards and local conditions puts companies in a position to influence the ecosystem around them especially in emerging markets and to generate innovation. If these vanguard companies lead others to adopt their way of working, then we will see a new, and I think more promising, kind of capitalism. And if it flourishes, not only will that be good for business, it will also be good for the world. (Kanter 2008, p. 52).

However, it might not be the case that we have in hand only a few vanguard companies. Savitz and Weber remarked in their work the swift towards a *triple bottom line*. This perspective refers to a new synthesis of economic, social and environmental-sustainability thinking and thus, it could also be considered as a presupposition for the emerging of a new social, economic and entrepreneurial imaginary (see: Savitz and Weber 2006; see also: Werther and Chandler 2006; May et al. 2007). However, if the true measure of corporate social responsibility is the constant internalization of *externalities*, then we must admit that there is still a lot of fog around the concept and practices of CSR programs, since many times these programs are an incoherent jumble of activities. On the other hand, there are large companies such as Nike, UPS, Coca-Cola, Adidas, and Shell that organize their CSR programs on the basis of a *concentric circles model*. According to this model, CSR activities must amplify from those that are closely related to the core business of a company, to those that are related with the competence or expertise of that

company and finally, to those that express somehow company's contribution to the amelioration of the general social conditions. It is also worth mentioning that there are many corporations which develop their CSR programs with the synergy of NGOs, like Greenpeace, CARE, Amnesty International and so on (see: Hoffman 2000; Vachani 2006; Blewitt 2008; see also: Gomez and Korine 2008; Webb 2005; Frithiof and Mossberg 2007).

Whole Foods Markets, the natural foods retailer, believes that its business "is ultimately tied to the neighborhood and larger community that we serve and in which we live." On such a basis, Whole Foods donates 5 % of its after-tax profit to nonprofit organizations and in each of the 140 company's stores are hosted community days. ING, one of the leading financial institutions in the world, has taken remarkable community initiatives in Australia, Brazil, Taiwan and USA. Hindustan Lever, the Indian subsidiary of the transnational corporation Unilever, implemented a well-structured program of interest free-loans to help the local economy and to support the development of more than 400 villages. So, one can ask, why do businesses as diverse as the aforementioned ones contribute their money, human and non-human resources to help others? What benefits do they gain from such activities? (Lawrence et al. 2005, p. 331).

Businesses depend on their communities for education, health and other public services such as police and fire protection, transportation systems and so on. On the other hand, communities depend on businesses for support – besides any public funds – of the arts, schools, health care systems, etc. The relations between corporations and communities are not always well-balanced. However, it seems, nowadays, that civic engagement is lying at the very center of modern corporations' agenda, considering themselves as a kind of citizen (see: Crane et al. 2008).

Civic engagement is a major way in which corporations carry out their social responsibilities. In this way, corporations, first, avoid or correct problems caused by their activities. Secondly, they might also win the loyalty or even the commitment of employees, partners, customers and other stakeholders. Thus, a company can earn its informal *license to operate* or the right to do business. Thirdly, corporations' civic engagement aims at the creation and empowerment of the necessary social capital. Social capital could be defined in terms of norms and human networks that enable collective action. In that sense, social capital is necessary condition for the development and prosperity both of corporations and communities. The collaboration between companies, local authorities and representatives of civil society to achieve development and prosperity could lead to a win-win situation that could also provide everyone with a better off condition. In order to meet their social responsibilities, many companies have established specialized departments, they have attributed relevant duties to managers and they have developed a variety of fully-fledged programs to fulfil their responsibilities towards inner and outer stakeholders (see: Kotler and Lee 2005).

Frequently, companies are involved in local or regional economic development which is intended to bring new businesses and opportunities for individual and social progress into an area; for instance, Muhammad Yunus and his Grameen Bank is a well-recognized paradigm of this kind of social initiatives. However, there are

other kinds of corporations' social involvement. We could remind ourselves about the mid-90s involvement of 60 companies in an effort to combat crime in the area of Minnesota; among those companies were Honeywell, General Mills, 3 M and Allina Health Systems. Other community needs have been drew companies' attention; these needs related to housing, welfare services and job training for the disadvantaged and socially excluded groups, minority entrepreneurial efforts, disaster, terrorism, even war relief (Lawrence et al. 2005, p. 335–338).

It seems that corporate citizenship and corporate social responsibility programs presuppose a strong moral commitment to the vision of transformational leadership, grounded on sound moral foundations; a commitment to transform corporations into moral communities (Mintzberg 2009, pp. 140–143). Thus, the four components of authentic transformational leadership, i.e. idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, are contrasted with counterfeits in the pseudo-transformational leadership on the basis of moral character, ethical values and the process of social ethical choices. In this sense, what is urgently needed in our times is to teach tomorrow business executives and leaders not only the basics of the triple bottom line approach but how to transcend a *micromanaging* set of mind of *quarterly capitalism* (Barton 2011, pp. 85–91).

One could actually maintain that effective transformational leadership presupposes four necessary conditions among others: (1) get the global mindset, (2) nurture a spectrum of talent, (3) anticipate the next big thing, (4) admit that consensus is not always desirable as far as the necessary imaginative and creative set of business-mind is concerned (Ramaswami and Mackiewicz (Ernst & Young) 2010). In effect, one will have good reasons to recognize that these are preconditions for any organization to get the competitive advantage within the global market; whereas leadership vices as 'arrogance', 'insensitivity' and 'untrustworthiness' have already proved themselves as mostly ineffective in the daily operation of middle size corporations as well as in the operation of the larger ones (Kanungo and Mendonca 1996).

20.5   Conclusion: CSV or Going Beyond CSR

In our paper, we aimed at tracing the theoretical and more pragmatic basis of leadership in turbulent times. We organized our argument in four distinct parts. In the first one we briefly discuss about the structure, the content as well as the epistemological basis of practical reasoning in relation to the open question of how we can determine the concept of good life. In the second part we considered Sophocles's Antigone as an exemplary narrative of moral agency and more specifically, of virtues that lay at the very center of moral and leadership theory. In the third section we took virtues as the proper moral basis to understand transformational or authentic leadership as well as the concept of corporate citizenship. In the final part we further elaborated our moral argumentation taking into account part of the recent reaches of management and strategy theory.

It might be useful to complete our paper by indicating the lines along which our moral reasoning could be developed even further. In times of economic and social crisis, there is an urgent need companies to take the lead in bringing business and society back together. In a recent article Barton notes that only 45 % of those surveyed in U.S. and U.K. expressed trust in business, whereas in developing countries such as China, India or Brazil the average percentage is around 70 % (Barton 2011, p. 88). One must recognize that most companies remain stuck in a social responsibility mind-set in which societal issues are at the periphery; however, there are some promising indications that something is profoundly changing.

Porter and Kramer argue that:

> The solution lies in the principle of shared value, which involves creating economic value in a way that *also* creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking. (Porter and Kramer 2011, p. 64).

A growing number of companies such as GE, Google, IBM, Intel, Johnson & Johnson, Nestlé, Unilever, and Wal-Mart- have already embarked on important efforts to *create shared value*. Yet the identification of shared value as a kind of the transformation power is still at very early stages.

Porter and Kramer determine shared value as follows:

> The concept of shared value...recognizes that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create *internal* costs for firms – such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in education. And addressing societal harms and constraints does not necessarily raise costs for firms, because they can innovate through using new technologies, operating methods, and management approaches – and as a result, increase their productivity and expand their markets. (Porter and Kramer 2011, p. 65).

In addition, the concept of creating shared value must be distinguished from any redistribution approach; it is about expanding the total pool of economic and social value. In order to clarify the implied difference one could refer to the fair trade movement in purchasing. Fair trade increases the proportion of revenue that goes to poor farmers by paying them higher prices for the same crops. In place of this noble sentiment, a shared value perspective:

> ...focuses on improving growing techniques and strengthening the local cluster of supporting suppliers and other institutions in order to increase farmers' efficiency, yields, product quality, and sustainability. This leads to a bigger pie of revenue and profits that benefits both farmers and the companies that buy from them. Early studies of cocoa farmers in the Côtre d' Ivoire, for instance, suggest that while fair trade can increase farmers' incomes by 10–20 %, share value investments can raise their incomes by more than 300 % (Porter and Kramer 2011, p. 65).

It seems that companies can create economic value by creating societal value. However, this presupposes that they will move beyond CSR practices and adopt

CSV perspective. In turn, this might also transform capitalism itself, so that all stakeholders, national and international, cultivate a long term way of thinking and acting.

Bibliography

Araujo, F. (2009). Ethics: The key to credibility. *Finance & Common Good. Ethics in Finance: Surviving the Crisis, 33*, 68–77.

Barton, D. (2011). Capitalism for the long term. *Harvard Business Review, 89*(3), 85–91.

Bass, B. M., & Steidlmeier, P. (2006). *Ethics, character and authentic transformational leadership* (pp. 1–24). Binghamton: Center for Leadership Studies, School of Management Binghamton University.

Bennis, W. (1999). The leadership advantage. *Leader to Leader, 12*, 18–23.

Bernstein, P. L. (2009). The moral hazard economy. *Harvard Business Review, 87*(7/8), 101–103.

Blewitt, J. (2008). *Understanding sustainable development*. London: Earthscan.

Bowden, P. (2005) Virtue ethics, Aristotle and organisational behaviour. *Australian Association for Professional and Applied Ethics 12th Annual Conference*, 28–30 Sep 2005, Adelaide, pp. 1–12.

Bradshaw, A. (1999). The virtue of nursing: The covenant of care. *Journal of Medical Ethics, 25* (6), 477–481.

Brookshire, M. S. (2001). Virtue ethics and servant leadership. *Center for Ethics, Emory University. Ethics News & Views*, (April 01, 2001): 1–8.

Brown, A. (1986). *Modern political philosophy. Theories of the just society*. London: Penguin.

Buehler, K., Freeman, A., & Hulme, R. (2008). The new arsenal of risk management. *Harvard Business Review, 86*(9), 92–100.

Burns, J. M. (1978). *Leadership*. New York: Harper & Row.

Camillus, J. C. (2008). Strategy as a wicked problem. *Harvard Business Review, 86*(5), 98–106.

Ciulla, J. B. (1995). Leadership ethics: Mapping the territory. *Business Ethics Quarterly, 5*(1), 5–28.

Ciulla, J. B. (2003). *The ethics of leadership*. Belmont: Wadsworth/Thompson.

Ciulla, J. B. (2005). The state of leadership ethics and the work that lies before us. *Business Ethics. A European Review, 14*(4), 323–335.

Ciulla, J. B., Price, T., & Murphy, S. E. (Eds.). (2005). *The quest for moral leaders*. Cheltenham: Edward Elgar.

Collis, D. J., & Rukstad, M. G. (2008). Can you say what your strategy is? *Harvard Business Review, 86*(4), 82–90.

Crane, A., Matten, D., & Moon, J. (2008). *Corporations and citizenship*. Cambridge: Cambridge University Press.

Foot, P. (1978). *Virtues and vices and other essays in moral philosophy*. Berkeley: University of California Press.

Frithiof, M., & Mossberg, A. (2007). *NGO-Business Partnerships: A Strategic Way of Performing Corporate Social Responsibility?* University Essay from Handelshögskolan i Stockholm/Institutionen företagande och ledning. www.essays.se, pp. 1–3.

Fryer, B., & Stewart, T. A. (2008). Cisco sees the future. *Harvard Business Review, 86*(11), 72–79.

Gomez, P. Y., & Korine, H. (2008). *Entrepreneurs and democracy. A political theory of corporate governance*. Cambridge: Cambridge University Press.

Goodpaster, K. E. (2002). Teaching and learning ethics by the case method. In N. E. Bowie (Ed.), *The Blackwell guide to business ethics* (pp. 117–141). Oxford: Blackwell.

Greenleaf, R. K. (1977). *Servant leadership*. New York: Paulist Press.

Griffin, R. W. (2008). *Management*. Boston: Houghton Mifflin.

Hagel, J., III, Brown, J. S., & Davison, L. (2008). Shaping strategy in a world of constant disruption. *Harvard Business Review, 86*(10), 80–89.

Hartman, L. P., Elm, D. R., Radin, T. J., & Pope, K. R. (2009). Translating corporate culture around the world: A cross-cultural analysis of whistleblowing as an example of how to *say* and *do* the right thing. *Notizie di POLITEIA, XXV, 93*, 255–272.

Heifetz, R., Grashow, A., & Linsky, M. (2009). Leadership in a (permanent) crisis. *Harvard Business Review, 87*(7/8), 62–69.

Hesselbein, F. (1999). Managing in a world that is round. In F. Hesselbein & P. M. Cohen (Eds.), *Leader to leader. Enduring insights on leadership from the Drucker foundation's award-winning journal* (pp. 9–14). San Francisco: Jossey-Bass, A Wiley Imprint.

Hoffman, A. J. (2000). *Competitive environmental strategy: A guide to the changing business landscape*. Washington, DC: Island Press.

Irving, J. A. (2009). Intercultural competence in leadership education: Keys to educating global leaders. *Journal of Business and Educational Leadership, 1*(1), 3–13.

Jackall, R. (1988). *Moral mazes. The world of corporate managers*. Oxford: Oxford University Press.

Kanter, R. M. (2008). Transforming giants. *Harvard Business Review, 86*(1), 43–52.

Kanungo, R., & Mendonca, M. (1996). *Ethical dimensions of leadership*. Thousand Oaks: Sage.

Kaplan, R. S., & Norton, D. P. (2008). Mastering the management system. *Harvard Business Review, 86*(1), 62–77.

Koslowski, P. (2010). Philosophy of management: Philosophy as a challenge to business, management as a challenge to philosophy. In P. Koslowski (Ed.), *Elements of a philosophy of management and organization* (pp. 3–18). Berlin/Heidelberg: Springer.

Kotler, P., & Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken: Wiley.

Kramer, R. M. (2009). Rethinking trust. *Harvard Business Review, 87*(6), 68–77.

Lacan, J. (1986/1992). *The ethics of psychoanalysis. The seminar of Jacques Lacan (1959–1960). Book VII*. English Translation Copyright: New York: W.W. Norton & Company, Inc.

Lanctot, J. D., & Irving, J. A. (2007). *Character and Leadership: Situating Servant Leadership in a Proposed Virtues Framework*. School of Global Leadership & Entrepreneurship, Regent University. Servant Leadership Research Roundtable – July 2007, pp. 1–26.

Lawrence, A. T., Weber, J., & Post, J. E. (2005). *Business and society. Stakeholders, ethics, public policy*. New York: Mc Graw-Hill. International Edition.

Lynch, R. (2002). *Corporate strategy* (3rd ed.). New Jersey: Financial Times/Prentice Hall.

MacIntyre, A. (1981). *After virtue: A study in moral theory*. Notre Dame: University of Notre Dame Press.

Martin, J., & Siehl, C. (1990). Organizational culture and counterculture: An uneasy symbiosis. In B. D. Sypher (Ed.), *Case studies in organizational communication* (pp. 71–86). New York: The Guilford Press.

May, W. F. (1994). The virtues in a professional setting. In K. W. M. Fulford, G. R. Gillett, & J. M. Soskice (Eds.), *Medicine and moral reasoning* (pp. 75–90). Cambridge: Cambridge University Press.

May, S. K., Cheney, G., & Roper, J. (Eds.). (2007). *The debate over corporate social responsibility*. Oxford: Oxford University Press.

McCloskey, M.W. (2009a). The 4R model of l: A virtue-based curricular model for business education in a global context. *Proceedings of ASBBS Annual Conference, 16*(1), 1–21.

McCloskey, M. W. (2009b). Virtue as a foundational element in global business education. *Journal of Business and Educational Leadership, 1*(1), 36–49.

Miller, P. A. (2007). Lacan's Antigone: The sublime object and the ethics of interpretation. *Phoenix, 61*(1/2), 1–14.

Mintzberg, H. (2009). Rebuilding companies as communities. *Harvard Business Review, 87*(7/8), 140–143.

Mintzberg, H., Lampel, J., Quinn, J. B., & Ghoshal, S. (2002). *The strategy process: Concepts, context, cases* (4th ed.). New Jersey: Prentice Hall.

Montgomery, C. A. (2008). Putting leadership back into strategy. *Harvard Business Review, 86*(1), 54–60.

Naimi, L. (2007). Strategies for teaching research ethics in business, management and organisational studies. *The Electronic Journal of Business Research Methods*, *5*(1), 29–36. Available online at www.ejbrm.com

Neilson, G. L., Martin, K. L., & Powers, E. (2008). The secrets to successful strategy execution. *Harvard Business Review, 86*(6), 60–70.

Norman, R. (1983). *The moral philosophers. An introduction to ethics*. Oxford: Clarendon.

O' Toole, J., & Bennis, W. (2009). What's needed next: A culture of candor. *Harvard Business Review, 87*(6), 54–61.

Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review, 86*(1), 78–93.

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review, 89*(1/2), 62–77.

Putman, D. A. (1988). Virtue and the practice of modern medicine. *The Journal of Medicine and Philosophy, 13*(4), 433–443.

Ramaswami, R., & Mackiewicz, A. (Eds.). (2010). *The New Global Mindset. Driving Innovation through Diverse Perspectives*. The achieving potential series: Gaining the leadership edge. Ernst & Young Public Relations, Holly L. Humphrey.

Rendtorff, J. D. (2010). Philosophy of management: Concepts of management from the perspectives of systems theory, phenomenological hermeneutics, corporate religion, and existentialism. In P. Koslowski (Ed.), *Elements of a philosophy of management and organization* (pp. 19–44). Berlin/Heidelberg: Springer.

Ringland, G. (1998). *Scenario Planning: Managing for the Future*. Chichester, West Sussex: Willey.

Saunders, E. M. (2009). A transdisciplinary andragogy for leadership development in a postmodern context: Preliminary findings. *Journal of Business and Educational Leadership, 1*(1), 50–61.

Savitz, A. W., & Weber, K. (2006). *The triple bottom line: How today's best-run companies are achieving economic, social and environmental success-and how you can too*. San Francisco: Wiley.

Schneewind, J. B. (1991). Modern moral philosophy. In P. Singer (Ed.), *A companion to ethics* (pp. 147–157). Oxford: Blackwell.

Sisodia, R. S., Wolfe, D. B., & Sheth, J. N. (2007). *Firms of endearment: How world-class companies profit from passion and purpose*. Upper Saddle River: Wharton School.

Slote, M. (1997). From morality to virtue. In D. Statman (Ed.), *Virtue ethics: A critical reader* (pp. 128–144). Edinburgh: Edinburgh University Press.

Steidlmeier, P. (1992). *People and profits*. Englewood Cliffs: Prentice-Hall.

Vachani, S. (Ed.). (2006). *Transformations in global governance. Implications for multinationals and other stakeholders*. Cheltenham: Edward Elgar.

Webb, T. (2005). Does it pay to get into bed with business? www.guardian.co.uk, Friday 25 Feb 2005, pp. 1–2.

Werther, W. B., Jr., & Chandler, D. (2006). *Strategic corporate social responsibility: Stakeholders in a global environment*. Thousand Oaks: Sage.

Williams, B. (1985). *Ethics and the limits of philosophy*. London: Fontana Press/Collins.

Williams, B. (1993). *Shame and necessity*. Berkeley: University of California Press.

Wilson, M.D. (2008). Applied virtue ethics: A philosophic perspective on authentic school leadership. *The Annual PESGB Conference*, Mar 28–30, 2008, Oxford: New College, pp. 1–14.

Zizek, S. (1992/2001). *Enjoy your symptom: Jacques Lacan in Hollywood and out*. London: Routledge.