

Ethics & Business

Sustainability, Social responsibility
and Ethical instruments

edited by Barbara Bertagni,
Michele La Rosa, Fernando Salvetti

Works by E. Argante, P. Bassetti, S. Battisti, C. Belli, A. Benetton,
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Abstracts

Ethics & Business

Barbara Bertagni, Michele La Rosa and Fernando Salvetti

What are the instruments of ethics? How do we recognize behaviour as ethically correct? What is a social responsible organization? At the European Union level, what are the main directives and guidelines? What about the international level? Toys coloured with lead, food full of pesticides, baby foods "enriched" with sweeteners and colouring, violent video-games, toxic varnishes... Who does produce all these things? Men and women like us, who go to work after they have left their kids at school, who go to visit the old parents during the weekends and who, eventually, on Saturdays do some activities of voluntary service. One will never find an ethical code that is infallible and universally well based. However, it is better that way. The perfection is not a part of this "human, too much human" world and it generates monsters; like the death of the reason (even if it would be partial or of part as well as limited).

Ethics is and remains problematic; but it is good that way because that means that there still are problems about what we think. These problems make us active at the individual and collective action level. Ethical codes, values-papers, principle-guide and operating lines can work anyway, even if they are imperfect, devoid and lacking. Ethics of the instruments make sure that the instruments of the organizational ethics implementation are seen seriously and they do not have too many bureaucratic, sclerotic and useless courses. It is paradoxical in the sense of the negation of the values told on line of principle.

First of all, to be responsible requires consciousness, opening to the reflection on themselves, on their own values and the consequences of our work. Even in the organizations, it is only closely at an individual level; the ability to do not take for granted, to question themselves and to compare the possible lines of action, choices and solutions. A dimension that is not taken for granted, especially in our society of abundance, flooded and

bombarded by the mass-medias where (nearly) everything lasts a press campaign and where the consumption and the multiplication without any pause, of the objects and the assets, the services and wishes, is "the moral" of our world.

Fortunately, in some contexts of the same society, children, since they are very young, got used to the philosophical reflection, to stimulate the debate on topics as the responsibility, the good and the evil and the justice. There is a hope for the adults too.

Educating responsibility

Barbara Bertagni

"Ethics remains problematic, because it places a problem that it gives to think about" (K. Axelos).

It is a warm autumnal day. Little Sophie is seated on the edge of the great round bathtub of the park, nibbling her cinnamon biscuits that she shares with the ducks...

Mother: "Watch out on that cartel; it is written that it is forbidden to feed the animals because they have their own diet and the food you want to give them could be the wrong one".

Sophie: "But they are good, don't you see that I am eating them?"

Mother: "I know they are good for you, but they aren't necessarily good for the ducks' stomach". Sophie: "But they are happy to eat them and they come and search for them; if the biscuits were bad, the ducks would go away".

Mother: "Perhaps they do not even know that they are not good for them".

Sophie: "As when I eat candies with colouring?"

Mother: "Perfectly!"

Sophie: "But why do people put colouring, if they are not good for the children?"

Mother: "Perhaps because the will to eat the candies will arise... what do you think about it?" Sophie: "But if people know that colouring is not good, they should not put them in the candies. People should not let the children

be sick... in my opinion, as here at the park, there are so many cartels to warn us that biscuits could be bad for the ducklings; so also on candies with colouring, there should be a draw on that tells us that it is colouring that can make the children sick ".

Mother: "That could be an idea..."

Sophie: "Then why don't they put it? Do you think that the person who produces the candies with colouring does not have children and therefore he does not care about the bad effect of colouring? When I grow up, I won't make anything bad for the children ".

Toys coloured with lead, food full of pesticides, baby foods enriched with sweeteners and colourings, violent video-games, toxic varnishes... who does produce all these things? Men and women like us, who go to work after they have left their kids at school, who go to visit the old parents during the weekends and, who eventually on Saturdays, do some activities of voluntary service.

But why do they make it? Perhaps someone needs the salary; or his/her contribution is minimal and anyway some people think that if they did not make it, someone else would make it; or perhaps sometimes we think that the world works in that way and it is useless to oppose and, after it is not so serious, there are worse things. If people should not do these things, there would be a law to prohibit it... or simply we have never faced the question.

First of all, to be responsible requires consciousness of our own responsibilities, thereby opening a reflection unto ourselves, on our own values and consequences of our work.

The exercise of staying in the space of the question, the zone of uncertainty because of the absence of an already-packed and unambiguous answer, helps to develop our sense of responsibility. Responsibility is the ability to take nothing for granted; to question and to confront; to face the life as thinking people who claim a right to information and choices.

This is not an easy passage in our society, bombarded by the different mass medias, where everything has the life of an advertising campaign; even the name of the company where people work or the one of the bank where we have our account... Fusions, incorporations, acquisitions, new mission, new vision and new ethical codes. Just the ethical codes define in a clear and open way, the ethical and social responsibilities of all the members of an organization who are often used as the main instrument of ethics implementation in the company. They could really be, if only they were born from a job of comparison and reflection on their content. Instead, very often, they are born from the job of some experts outside the organization or of a “cut and stick” job that assure a good effect at the image level, but generate hardly any shared culture and ethics sensibility. It is just a little bit like we had the “good and bad” book fallen down from the sky or written by the great chiefs; it would be much more comfortable because it would make everything easier, but it would make us irresponsible for sure and that is because we were not supposed to question ourselves but simply follow what is written.

How is it possible then, to integrate what is written in the ethical code with the more and more pressing MBO? What about an ethical code that remembers the importance of protecting the employees’ and customers’ well-being without prizes or endorsements, with a MBO, well connected to the salary incentives that solicits to a saving of x % on the members, compared to the previous year? To promote responsibility means, to generate spaces of reflection and of comparison on our own activities, in order to widen our point-of-view and perspective, to discover unexpected aspects, to think more seriously of what we took for granted, to build up real possibilities of choice, to live and to act with knowledge. In some highly developed contexts, children, since they are very young, get used to the philosophical reflection and stimulate the debate on topics like responsibility, the good and the evil and the justice. A group of children try the "invisible day"; a whole day in which, both for game and both for magic, children become invisible. A whole day only for us and nobody can see us... the children abandon themselves to the imagination. They run into a pastry shop to stuff themselves with sweeties or snoop around the places forbidden by the adults and they take games and puppets from the shelves

of their favourite shop without paying... Then, one begins to tell their fantasies. To think that sometimes the others prevent us from behaving badly, it's because they see us, and so they can judge us, punish us, or forbid... But then, do we behave well only because the others can see us or otherwise we would become "bad people"? But what is good and evil? From that point, the comparison and the reflection begin, through our own experiences, own desires, who with an adult makes the reflection easier, telling stories, proposing dilemmas and joining to explore the thousand aspects of the philosophical reasoning on the good and the evil.

This is a way not to close the questions with one answer, but to open the habit of reflecting and thinking more seriously, of confronting and searching, of becoming adults and being responsible. What would you do, if today, you could be invisible for the whole day?

We need company vision and country vision: an interpretation of corporate social responsibility

Josep M. Lozano

Corporate social responsibility (CSR): this is an expression that has firmly asserted itself in the economic world and in companies in the last few years; however, it is perhaps not just *one* expression, but a flood of expressions that have asserted themselves. A simple list and explanation of all the buzzwords would take up all the space available to me: social action, socially responsible investments, value based management, company citizenship, company ethics, “triple bottom line” budget, reputation...I’ll stop here. It is obviously not just a terminological issue, as a lot of denominations only constitute the visible part of a range of initiatives, proposals, experiences and meetings. A lot of meetings.

But what for, in the end? This is the core of the question: to clarify what is meant by CSR and how this issue must be tackled. When we talk about CSR then, I think it is appropriate to distinguish three aspects:

1. Agenda. The set of practices, actions and proposals that come under the definition of CSR.
2. Understanding. What do CSR and all the terms related to it mean, which company model is proposed and what role do we think companies have within the society?
3. Vision. In what society project is CSR included, and more specifically, what kind of country does it want to contribute to develop?

In my opinion, we run the risk lately of getting lost in the myriad of topics that must be dealt with. Meanwhile, on the other hand, a certain obsession for doing given things to keep up-to-date can lead us to forget that in the end, the development of CSR cannot be faced seriously, if it is not associated with an overall company and country perspective. I do not at all

mean that we should not undertake specific actions, as we really need them. I do believe, however, that the only one way to avoid CSR becoming a fashion or a new consulting agency product, is to never forget that it is a great opportunity for reinventing a company vision and a country vision.

1. A possible framework

There is no doubt that in Europe the “*Green Book*” on the future of the social model and the ensuing European Commission Communication have become the compulsory points of reference for tackling this matter. Anyway, I believe that sometimes when we talk about this document we tend to forget that prior to this, the ambitious objective in the declaration of Lisbon was: “To make the European Union the most competitive and dynamic knowledge economy in the world, by 2010, able to grow economically in a sustainable way, with greater employment and a higher quality alongside greater social cohesion”.

I believe that the key to the matter is the willingness to make competition, economic growth, sustainability and social cohesion converge. If these words are not interpreted as a simple rhetorical exercise, it will be easier to understand what CSR is. This is because from this point of view, CSR is not merely a response to the new social needs and pressure that all companies are submitted to (even if these needs and pressure obviously exist and cannot be ignored), but turns into an answer that originates from within the company and provides a business-oriented response to collective challenges that are at the same time economic and social.

The way in which the Commission presented CSR highlights two aspects: the *what* and the *how*. As far as the *what* is concerned, the importance of taking on social and environmental commitments in company procedures was underlined; while regarding the *how*, willingness was insisted on. The current debate focuses on the second element, willingness, which according to some is sometimes “ridiculously” brought down to a mix of volunteerism and good will. Various social actors have focused the discussion and their own orientation around accepting or not accepting

willingness, to the point where we are now at a dead end: the business world tends to consider willingness as a factor that cannot be forgone, while many social - and political - actors believe that willingness itself should be the first element to be removed. In my opinion, the *what* and *how* are two unsolvable points that will uselessly take up a lot of energy until we clarify the *why*. And the *why* can only make sense if we put the matter within the business model and the country model, which are the context of the CSR discussion. For this reason, I strongly reassert that it is absolutely crucial to put an end to the falsity under which CSR would merely be a matter of YES or NO (we either accept it or not), while we need to acknowledge the possibility that different interpretations of what CSR is may – and do – exist and what the implications of its application are.

2. CSR: Where are we now?

The discussion on CSR increasingly highlights the fact that it is not only products and services that compete in a globalized world, but also company and management models, a fact that is often forgotten. Furthermore, even country models compete. Thus, we must remember that when we speak about CSR, two non-coinciding approaches immediately begin to appear, if we limit ourselves to Europe and the United States and allow ourselves the luxury of forgetting the rest of the world.

In the United States, the issues related to CSR are strongly characterized by the management of relations with stakeholders, especially those who are able to apply greater pressure. Attention is essentially placed on how to establish relationships with the community. In addition, where a company code of conduct exists, it often meets the need to consider companies as CSR protagonists without damaging the core activity of the company. Conversely, in Europe, CSR tends to be increasingly associated with a global view of the company, paying more attention to all the processes it is involved in and with greater sensitivity for the political and social context it acts in.

It goes without saying that the latter affirmations trace a simplified profile, as we can find significant differences within Europe. This is why, in promoting CSR the accent is placed primarily on the relationships built by companies with local communities, or on the creation of partnerships between various social parties who share the same objectives or, simply, on strengthening laws that in one way or other contribute to developing CSR. This means that there is an increasing need for each company and every country to elaborate its own CSR approach, something that nobody however does from scratch, but rather does by using materials and references that are already sufficiently formalized. Perhaps a short synthesis on the evolution of CSR will help us to understand the issue more fully.

- During the fifties, all the attention was focused on the personal responsibility of managers and the need to develop a certain “social conscience” among them was emphasized, so that in their decision-making they would also consider other non- strictly financial and economic elements.
- During the sixties, social movements criticized the power of large companies, which played a very important role in the definition of CSR priorities, consequently favouring a certain assimilation of CSR with more or less institutionalised philanthropy and donations.
- The seventies were characterized by the appearance or the rise in requests for solidarity on behalf of companies, outlining as such, the necessity to respond to the pressure of various stakeholders, especially those who could have a stronger impact on company results.
- In the eighties, CSR matters began to be systematized, delineating the necessity of taking into consideration the internal processes related to the development of CSR.
- In the nineties, the core issue was how to tackle the management of CSR, its institutionalization within the company and its integration within company strategy.

•At the beginning of the 21st century, proposals for new institutional contexts for CSR development – and for the business activity itself – began to assume a weighty position, as did the need to redefine the company vision, to evaluate its contribution to the society and to rebuild its legitimization.

Although this sequence basically reflects the evolution in the United States (also because in Europe it started later) I would like to point out two elements that seem to me to be particularly relevant to the purposes of the theme that we are facing today.

Firstly, the various approaches have superimposed themselves over existing ones, creating a sort of stratified sediment so that, for example, we can now identify and clearly collate discussions on CSR according to concepts founded on the personal will of top managers, philanthropy, relations with the stakeholders, etc. CSR is not tackled in the same way from all of these perspectives and consequently, even the relative impact of its application differs (some still speak of CSR in fifties and sixties terms).

Secondly, while I have introduced everything as if it were a linear sequence, we cannot forget that what I define as a change in the CSR paradigm began in the mid-nineties. This change concerns not so much what should be done, as the adopted model.

In this sense, the models that I personally consider as being the most innovative in recent years connect to a revision of globalization processes. In my opinion, the most interesting models in CSR originate in companies and research or teaching centres, where CSR is located at the heart of the debate that arises from the intersection between positive and negative actions of trans-national companies, the birth of a civil society and of global public opinion and the reconstruction of the role of states and also of their inter-relationships. Therefore CSR no longer only refers to the relationship between companies and the society, rather it presents itself as being a way of reconsidering the role of the company within the society. It is for this reason that I believe that when we speak about CSR we are simultaneously obliged to question our vision of the company and of the country.