

Exploring the Role of Corporate Social Responsibility in Leadership

STUDENT MODULE — THE ARTHUR W. PAGE CENTER — INTEGRITY IN COMMUNICATION

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Module Overview:

As a result of this module, students will be able to articulate an understanding of CSR based on the Page Principles and evaluate CSR's implementation in leadership.

Rationale:

Many years before the acronym "CSR" was developed, Arthur W. Page foreshadowed its tenets in his management style and principles. His principles create a roadmap for future leaders to understand corporate social responsibility (CSR) and its vital role in the life of a corporation.

Learning Objectives:

Learning Objective 1: To introduce students to the concept of CSR in leadership.

Learning Objective 2: To compare the CSR attributes of various leadership styles.

Learning Objective 3: To understand the implication of CSR in differing leadership styles

Module Format:

This teaching module examines the role of corporate social responsibility in leadership through a comparison of leadership styles and their alignment with the Page Principles. Specifically, this module creates a set of readings and assignments designed to help students understand and critically analyze the role of CSR in leadership. To do so, the module offers a one-week unit, consisting of three-hours of class material where students define, compare/contrast, and evaluate CSR in various leadership approaches.

The first lesson introduces students to the constructs of CSR and leadership. The second lesson uses the Page Principles to compare/contrast the role of CSR in various leadership approaches. The third lesson presents the implementation of CSR in a real-world scenario and considers the implications of CSR in different management approaches. As a result of this module, students will be able to articulate an understanding of CSR based on the Page Principles and evaluate its implementation in leadership.

Key Concepts

Transactional leadership approaches (classical, human resources, human relations):

Transactional leadership is often defined as a leader who utilizes self-interests to attain goals through an exchange of rewards and punishments (Kanungo, 2000). This leadership style is characterized by three behaviors. First, transactional leaders use contingent reward, where rewards are provided or withheld in return for work performance. Second, management-by-exception (active) is where the leader watches and corrects inappropriate work performance, and third, management-by-exception (passive), is where the leader waits for deviations to occur and then corrects inappropriate work performance (Doherty, 1997). Bass' (1985) comprehensive model also includes laissez-faire or nonleadership as a final behavioral characteristic. Laissez-faire, or nonleadership, is where the leader takes no initiative to meet or respond to followers' needs.

Transformational leadership (authenticity, integrity, transparency):

Transformational leadership is commonly defined as the ability of a leader to influence major attitudinal changes in organizational members that in turn builds strong organizational commitment (Bass, 1985; Yukl, 1989). Leaders that exhibit this style are often assumed to simultaneously possess charismatic qualities that inspire entire groups of people and also remain interpersonally connected with individual needs and capabilities. Bass (1985) identified five characteristics of a transformational leader: attributed charisma, idealized influence, inspiration, intellectual stimulation, and individualized consideration. Attributed charisma in a transformational leader engenders trust and confidence from organizational members, providing idealized influence, or the ability to actively promote his/her belief and vision. Further, this type of leader instills inspiration by conveying high expectations and confidence in his/her employees and encourages creative problem solving. Finally, the transformational leader seeks interpersonal relationships in order to encourage personal development for each employee.

Corporate Social Responsibility:

Broadly, CSR considers the relationship between an organization and the society in which it operates. It moves an organization beyond profit concerns to evaluate its role in society. CSR is both a means and an end, guiding business processes and supporting the legitimacy of its actions in society (Werther & Chandler, 2011). Such a perspective creates strategic CSR initiatives driven by the organization's mission and purpose. Specifically, CSR is the "voluntary actions that a corporation implements as it pursues its mission and fulfills its perceived obligations to stakeholders, including employees, communities, the environment and society as a whole (Coombs & Holladay, 2012, p. 8).

Lesson One: Defining CSR in Leadership

Lesson One Overview

Lesson one introduces students to the construct of corporate social responsibility through the oral interview with Bruce Harrison and the introduction of the Page Principles. As a result of this lesson, students will be able to define CSR, explain CSR's role in leadership, and articulate its application through the Page Principles.

Resources:

Harrison, B. (2009, May 29). Interview. [Oral history with Bruce Harrison](#). Retrieved from the Arthur W. Page Center website

Page, A.W. [Page Principles](#). Retrieved from the Arthur W. Page Center website <http://pagecenter.comm.psu.edu/index.php/about-the-page-center/the-page-principles>

Beginning Activity:

At the beginning of lesson one, please define CSR in leadership. Then complete the discussion questions. You will share your responses with the class.

Discussion Questions:

1. What does it mean for an organization to be socially responsible? Compare your definition to the CSR definition offered in the key concepts.
2. How do you think this definition has changed through the years?
3. Watch the [oral interview with Bruce Harrison](#). Based on this interview, explain the role of CSR in leadership.
4. Review the [Page Principles](#) and explain how these principles guide organizational CSR efforts.

Ending Activity:

Return to your initial CSR definition, and based on class discussion, refine it, if necessary. As a class, discuss if or how your definition changed as a result of lesson one. Pay particular attention to the connection between the CSR tenets and the Page Principles.

Homework Assignment to Prepare for Lesson Two:

To prepare for lesson two, please read the following:

Chiles, A. M., and Zorn, T. E. (1995). Empowering employees: An interpretive study of the influences on empowerment in organizations. *Journal of Applied Communication Research*, 23, 1-22.

Flynn, J. (1998). Taylor to TQM. *IIE Solutions*, 30(11), 30.

Guillen, Mauro F. (1994) The age of eclecticism: Current organizational trends and the evolution of managerial models. *Sloan Management Review*.

Page, A. W. (1951, March 26). Speech. [Speech presented to the Continental Oil Company](#).

Lesson Two: Comparing CSR Attributes in Leadership Styles

Lesson Two Overview

Lesson Two establishes the Page Principles as a framework to compare the CSR attributes of prevalent leadership styles in corporate management. Within this framework, transactional leadership approaches, such as classical, human resources and human relations are contrasted with transformational leadership, which focuses on authenticity, integrity, and transparency. The lesson uses Page's speech to the Continental Oil Company and readings from management literature to introduce the different leadership approaches and the role of CSR in each. As a result of lesson two, students will be able to identify the various leadership approaches and the CSR attributes of each.

Resources:

Chiles, A. M., and Zorn, T. E. (1995). Empowering employees: An interpretive study of the influences on empowerment in organizations. *Journal of Applied Communication Research*, 23, 1-22.

Flynn, J. (1998). Taylor to TQM. *IIE Solutions*, 30(11), 30.

Guillen, Mauro F. (1994) The age of eclecticism: Current organizational trends and the evolution of managerial models. *Sloane Management Review*.

Page, A. W. (1951, March 26). Speech. *Speech presented to the Continental Oil Company*.

Activity:

Break into small groups and complete/create a [chart](#) that lists the major ideas of each approach. Then come together as a class, and create a master chart using input from each small group.

Following a group discussion on the master chart, break into small groups again, and using the chart in Figure 2a and 2b, compare the tenets of each style against the CSR guidelines in the [Page Principles](#).

Following a group discussion on the master chart, break the students into small groups again, and have them compare the tenets of each style against the CSR guidelines in the [Page Principles](#). How can CSR be implemented in a transactional approach?

Homework Assignment to Prepare for Lesson Three

To prepare for lesson three, students need to read the following:

Page, A. W. (1931, May). [Public Relations](#). Speech presented at the Bell Telephone System's General Manager Conference.

Prepare to discuss which elements of the three transactional approaches can be identified in Page's speech.

Lesson Three:

Creating Effective CSR Strategies

Lesson Three Overview

Lesson three examines the implementation of CSR and considers the implications of differing leadership styles. Students will understand how CSR is manifested in different leadership styles and practice choosing the best management style to address real-world CSR concerns. As a result of lesson three, students will know how to evaluate CSR-related issues and determine the most appropriate leadership approach.

Resources:

[The City that Could Not Breathe](#), Case Study.

Page, A. W. (1931, May). [Public Relations](#). Speech presented at the Bell Telephone System's General Manager Conference.

Case Study:

The case study [The City that Could Not Breathe](#) introduces the true story of a city in Southeast United States. Faced with a severe environmental problem, city developers and local businesses had to work together to create a viable CSR plan to ensure the city's future.

The case study is presented as a [five-minute video](#) or a [picture slideshow](#). Students will be placed them into small groups and assigned a leadership style (classical leadership, human relations, human resources, or transformational leadership). Using their assigned leadership style, students should role-play as business leaders of the city, and identify CSR strategies to address the city's environmental issues. Students five minutes to plan their actions; [Figure 3](#) is a chart that may be used during this process. Once the student groups develop their CSR strategies, they will share with the class. Discuss how different leadership styles might identify different CSR strategies and the associated advantages and disadvantages.

Case Study: The City that Could Not Breathe

Picture slideshow of the case study, [The City that Could Not Breathe](#).

Assignment:

Watch [The City that Could Not Breathe](#) case study. Using your assigned leadership style, role-play as a business leader in the city, and identify CSR strategies to address the city's environmental issues. Use the following discussion questions to guide your small group discussion:

1. Explain the type of leadership style you were assigned and its approach to CSR.
2. Identify the CSR strategies you would implement to solve the city's environmental problem.
3. Explain how the Page Principles either support or redirect the CSR strategies you noted within your assigned leadership style.
4. If you could choose a leadership style to create effective CSR strategies for this city, which leadership style would you choose? Why?

FIGURE 1: LEADERSHIP COMPARISON CHART

Contrast and compare three leadership approaches. This exercise will prepare you to use these styles during a case study.

	Classical	Human Relations	Human Resources
Work			
Motivation			
Manager			
Result			

FIGURE 2a: CSR IN LEADERSHIP

How would each Page Principle function in these approaches to leadership?

	Classical	Human Relations	Human Resources
Tell the truth Let the public know what's happening and provide an accurate picture of the company's character, ideals and practices	EX: Keep the public informed, but do not solicit or allow questions from workers and/or public	EX: Ascertain issue(s) worker and/or public are most concerned about and target communication to show how company is responding	Publically give workers (stakeholders) and/or public a chance to benefit from improvements
Prove it with action Public perception of an organization is determined 90 percent by what it does and ten percent by what it says			
Listen to the customer To serve the company well, understand what the public wants and needs. Keep top decision makers and other employees informed about public reaction to company products, policies and practices			
Manage for tomorrow Anticipate public reaction and eliminate practices that create difficulties. Generate goodwill			
Conduct public relations as if the whole company depends on it Corporate relations is a management function. No corporate strategy should be implemented without considering its impact on the public. The public relations professional is a policy maker handling a wide range of corporate communications activities			

FIGURE 2b: CSR IN LEADERSHIP

	Classical	Human Relations	Human Resources
<p>Realize a company's true character is expressed by its people</p> <p>The strongest opinions-- good or bad--about a company are shaped by the words and deeds of its employees. Every employee-- active or retired-- is involved with public relations. Corporate communications should support each employee's capability and desire to be an honest, knowledgeable ambassador to customers, friends, shareowners and public officials</p>			
<p>Remain calm, patient and good-humored</p> <p>Lay the groundwork for public relations miracles with consistent, calm and reasoned attention to information and contacts. When a crisis arises, remember that cool heads communicate best</p>			

FIGURE 3: CASE STUDY PLANNING CHART

GROUP WORK: Using an assigned leadership approach,
propose how your company will address the problem of pollution

	Classical	Human Relations	Human Resources
Work	Ex: Hire workers (entry-level and poorly educated) to manually strain sludge from groundwater run-off	Ex: Create a reward system. Each employee who proposes a viable "green" solution will be recognized by adding their names to our company sign on the walking bridge	Ex: Employees will receive a bonus for each percentage point improvement our company attains until we match EPA standards
Motivation			
Manager			
Result			

FIGURE 4: THE PAGE PRINCIPLES

The Page Principles		
	<p>Tell the truth</p> <p>Let the public know what's happening and provide an accurate picture of the company's character, ideals and practices</p>	<p>Integrity in Public Communication</p>
	<p>Listen to the customer</p> <p>To serve the company well, understand what the public wants and needs. Keep top decision makers and other employees informed about public reaction to company products, policies and practices</p>	<p>Manage for tomorrow</p> <p>Anticipate public reaction and eliminate practices that create difficulties. Generate goodwill</p>
<p>Prove it with action</p> <p>Public perception of an organization is determined 90 percent by what it does and ten percent by what it says</p>	<p>Conduct public relations as if the whole company depends on it</p> <p>Corporate relations is a management function. No corporate strategy should be implemented without considering its impact on the public. The public relations professional is a policy maker capable of handling a wide range of corporate communications activities</p>	<p>Realize a company's true character is expressed by its people</p> <p>The strongest opinions--good or bad--about a company are shaped by the words and deeds of its employees. Every employee--active or retired--is involved with public relations. Corporate communications should support each employee's capability and desire to be an honest, knowledgeable ambassador to customers, friends, shareowners and public officials</p>
	<p>Remain calm, patient and good-humored</p> <p>Lay the groundwork for public relations miracles with consistent, calm and reasoned attention to information and contacts. When a crisis arises, remember that cool heads communicate best</p>	

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