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Ethical Issues in Organizational Practices:

Individuals, Organizations and Partnerships

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Ying Wang

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ABSTRACT

This thesis examines issues regarding ethics in organizational practices. It explores ethics-related inquiries from the influences of an individual's moral character and conduct, to an organization's pursuit of a higher value system, and to organizations' social and ethical practices in the broader context of cross-sector collaborations. The thesis comprises four research papers, with topics ranging from ethics and value-based motivations, issues surrounding ethical governance, to the evolving process of organizational value systems. It asks specific questions such as what are the motivating factors that drive ethical practice, how to effectively govern organizational conduct, and how organizations across spheres can best mobilize their efforts in aligning with evolving social and ethical values. In examining current practices as well as their implied philosophies, the thesis seeks to contribute to the field of business ethics, both in its theoretical engagement with the theory of 'virtue ethics', and by gaining insight into the various factors that help foster individuals' as well as organizations' ethical and moral development. Overall, the thesis highlights the need for a greater ethical dimension in organizational practices, whether it is individually oriented commitment, or an organization's collective goals of value creation, both in the mix of motivations that drive ethical practice and in developing ethics-based governance mechanisms, towards an overarching pursuit of a higher value system with greater moral and ethical aspirations.

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CHAPTER ONE RESEARCH INTERESTS AND BACKGROUND

My PhD study has been fostered by my long-standing research interests centered on ethics-related considerations in the organizational context. Accordingly, this thesis comprises several research papers that are grounded in ethics-related inquires, from the influences of an individual's moral and ethical pursuits, to the organizational responses to an evolving social context where all society's actors are expected to fulfil higher ethical standards and responsibilities. In particular, the subjects of ethics-based motivation and governance are examined in the setting of the New Zealand wine industry as well as in the broader context of cross-sector partnerships. This chapter begins with a discussion of some of the fundamental philosophies that inform my research interests and approaches. Then, it introduces the research background against which different phases of the study were carried out. Next, it provides a discussion on the overall research aim of the thesis as well as subsidiary research objectives of each paper. After that, a methodological section is presented. Finally, the layout of the thesis is provided.

The business of ethics

In his address to the Society of Business Ethics Annual Meeting in 2005, Richard Rorty poses the question of the importance of philosophy to applied ethics, arguing that philosophy has become largely irrelevant to applied ethics given that it has no real access to moral truth. Thus, according to Rorty, any foundationalist argument that applied ethics can ground its claims in philosophy is questionable. This claim prompted a number of responses, such as those of De George, Koehn and Werhane, who in principle challenged Rorty's account. Werhane (2006), for example, claims that philosophy is highly important to applied ethics, particularly business ethics, for it is through moral reasoning that we make sense of the ways we frame our experiences, and thus our approaches to ethics in business. Similarly, De George (2005) notes that the business ethics movement, in an analogous way, finds its intellectual weapons in philosophy.

Perhaps Rorty’s position is a little too extreme. Particularly since it may never be possible to really separate ‘moral truth’ from human experience, we need all the ‘weapons’ we can get to make sense of an increasingly complex world. Evidently, in the field of business ethics we find various applied ethics inquiries as well as their implied philosophies in terms of major standards of ethical pursuits. Likewise, in their efforts to provide frameworks for moral reasoning, as well as guidance for ethical practice, applied ethicists have also made contributions to philosophy. In other words, the development of ethicist theories, as well as the practical recommendations derived from them, need to be rooted in philosophical foundations of moral reasoning. To this end, in answer to Rorty (2005), philosophy not only offers intellectual guidance for applied ethics inquiries, applied ethics, in turn, can contribute to the advancement of theorizing by broadening the range as well as the scope of philosophical inquiries.

The basic conceptual frameworks of moral reasoning in business ethics can be found in the philosophical traditions of utilitarianism, deontology, and virtue ethics. While the theory of virtue ethics is employed as a main theoretical framework for this thesis, I shall briefly discuss the conceptual framework of utilitarianism and deontological theories, especially from the Kantian tradition, to provide some contrasting points to the theory of virtue ethics.

The core belief of utilitarianism, like many other forms of consequentialism such as ethical egoism and altruism, is that the determining factor that should be used to judge an action is its consequence. To quote John Stuart Mill in his first edition of

Utilitarianism, utilitarianism operates on the ‘greatest happiness principle’, which holds that “actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness” (1863, ii). Given that its central concern is to understand the basis of corrective moral behavior and decision-making, utilitarianism, in its various approaches, is influential in many business ethicists’ endeavors to make sense of business practice. In understanding corporate philanthropy, for example, Shaw and Post (1993) argue that utilitarianism provides a compelling and morally fulfilling justification of corporate philanthropic efforts, where business self-interest is seen as a contributing factor for, rather than detrimental to, generating greater public good. From a utilitarian viewpoint, then, we would not question business self-interest as the central motivation behind corporate acts towards social responsibility, so long as such acts yield good outcomes.

This viewpoint, however, according to L’Etang (2006), runs into conflict with the underlying implications of the term ‘social responsibility’ which emphasizes “a specific obligation and a relationship in which there are reciprocal rights and duties” (p. 408). Distinct from a utilitarian perspective then, which judges an action by its consequence, the emphasis of deontological ethicists lies in rules, duties and obligations. One of the most influential deontological theories, which appears frequently in the writings of business ethics, is Kantian deontology. For Kant, the intention and motivation behind one’s action is paramount, and a moral act must be motivated by duty. In reading Kant, Paton (1971) notes that the ‘categorical imperative’, central to Kant’s moral philosophy, is where the objective principle of practical reason is not conditioned by any end and that the action is good in itself without reference to any further end. That is, counter to utilitarianism, wrong doing can never be justified no matter what its consequence will be and our moral value is bound to our duty to obey a universal law that is absolute and unconditional. The ends enjoined by the categorical imperative, in Paton's (1971) account of Kant, "are simply moral actions willed for the sake of duty, which he recognizes to be good in themselves" (p. 168).

In Kantian terms, then, corporate engagement with social causes can only have moral value "if it is done because it is the right thing to do, and not because government or society demands it, or because it brings about beneficial consequences to the fortunes of the concerned corporate organisations" (Masaka, 2008, p. 19). For example, take again the case of corporate philanthropy. While self-interest, as a primary motivation for corporate philanthropy, can find moral justification in utilitarianism, it would not resonate with Kant. Masaka (2008) asserts that a Kantian ethical point of view would morally condemn corporate philanthropy because it treats the acts of helping out society as a mere means to the enhancement of business fortunes, rather than out of concern for the welfare of society. It is understandable then that Deontologists' critique of consequentialism lies centrally in its implicit justification for morally repugnant acts.

Some deontologists have, however, attempted to make justification for deontological constraints which they believe to be applicable in certain cases. Frances Kamm's 'Principle of Permissible Harm' is an example of such an attempt. In Rights, Duties, and Status (Volume II, *Morality, Mortality*, 1996), Kamm offers a comprehensive account of her proposed 'Principle of Permissible Harm', where she explains when it is and when it is not permissible to harm according to such a principle. Kamm uses primarily Philippa Foot's famous 'trolley problem', involving a moral dilemma where one may kill one person in order to save five others. Rather than basing the decision about whether to harm or not on calculating if the beneficiaries outnumber the victims, like a utilitarian ethicist would do, Kamm's principle is formulated upon the consideration of the rights, in keeping with a deontological position, of all affected parties and how these rights might be preserved or violated. This account of ‘permissible harm’, according to Otsuka (1997), makes sense of deontological constraints by focusing on “facts about the status of the potential victims of rights violations rather than facts about the agent who would violate the constraint” (pp. 202-203).

This line of thoughts, distinct from that of a moral absolutist deontologist who would not find any constraint justifiable, reflects deontological tendency in acknowledging that moral decisions can be circumstantial and, in effect, consequential, no matter on what grounds these decisions are justified. Such acknowledgement indicates an effort to explain moral dilemmas from a deontological position. Similar theoretical advancement is often attempted by ethics theorists, from various schools, in efforts to add understanding and broaden application of their respective traditions. Eyal (2008), for example, has challenged the conventional treatment of utilitarianism as a version of consequentialism. For Eyal, a utilitarian view is not necessarily consequentialist because ‘total utility’ need not be thought to represent a good or the only good and therefore maximizing utility is not an equivalent of maximizing good.

Whether it is the non-consequentialist utilitarian claims, or the deontological consideration of moral dilemmas, these claims reveal the inadequacy of relying on a particular master theory to produce a universal system that can sufficiently answer all moral inquiries, in all circumstances, at all times. Drawing from Bernard Williams, for instance, Arnold et al. (2010) posit that the differences in our moral values and convictions are not reducible to any single principle system and the complexity of our beliefs is not merely a surface-level phenomenon. As such there is no reason to expect that there *must* be an underlying unity to our beliefs that could be captured by a single principle. One of the ways of testing a master-principle is the use of counterexamples.

For instance, Utilitarian ethicists can often be asked to justify moral wrongdoing in spite of desired outcomes, whereas Kantian scholars, as discussed above, would be asked to justify deontological constraints.

For Arnold, Audi and Zwolinski (2010), moreover, academic theorizing in the field of business ethics, especially in ethical pluralism and ethical particularism, reveal in common “a skepticism regarding the ability of traditional versions of ‘master-principle’ theories such as utilitarianism and Kantianism to provide us with normative guidance” (p. 560). Broadly speaking, while moral pluralists emphasize the multiplicity of morally relevant accounts in moral decision-making processes (e.g. Dancy, 2004), particularism, as a branch of pluralist thought, takes into consideration particular contexts and circumstances in which such processes occur (e.g. Kekes, 2000). Business ethicists’ considerations towards ethical pluralism and ethical particularism reflect the growing need for developing philosophical frameworks that can better acknowledge the complexity and magnitude of moral issues in the business context. One notable development in the field of business ethics, reflective of the pluralistic and particularistic tendency, is seen in the growing attention to the theory of virtue ethics. Particularly of interest to me is that compared to other approaches to ethics, virtue ethics provides a useful perspective in making sense of various business ethics issues with an emphasis on individuals as moral agents. My PhD study, therefore, begins with an aspiration to seek a greater understanding of theory of virtue ethics and its applications in individual as well as organizational practices. The next section will provide a discussion on both the theoretical approach and the research context of a paper developed as a part of my PhD thesis, focusing primarily on the theory of virtue ethics.

The theory of virtue ethics and the New Zealand wine industry

In *Evolution in the Society for Business Ethics*, Koehn (2010) notes that recent movement in business ethics has shown more interest in virtue ethics (specific individual virtues or quasi-virtues such as integrity, trust and justice), and that ethicists have been “more willing to let the phenomena suggest possibly relevant standards or virtues instead of applying pre-existing frameworks to problems” (p. 748). Following primarily the thoughts of Plato and Aristotle (in particular), virtue ethics is a normative ethics approach that emphasizes virtues and moral characters (Hursthouse, 1999). In other words, whereas a utilitarian ethicist would say: ‘you should do this because it would lead to good outcomes’ and a deontologist would say ‘you should do this because it is your duty to do so’, a virtue ethicist would say ‘you should do this because such an act is kind and benevolent’.

Distinct from other moral theories, according to Arjoon (2000), virtue theory “grounds morality in facts about human nature, concentrates on habits and long-term goals, extends beyond actions to comprise wants, goals, likes and dislikes, and, in general what sort of person one is and aims to be” (p. 173). In this sense, then, the theory of virtue ethics resonates with a pragmatic approach in that it recognizes the plurality and particularity of virtues on which moral decisions are based. Swanton (2003), for instance, speaks for a pluralistic conception of ‘virtue’, in that since the fundamental bases and forms of virtue are plural and thus the features and standards of virtuous acts should not be ascribed to monistic criteria. Therefore, both the conception of virtue, and the view of rightness of action based on that conception, is pluralistic. Accordingly, then, virtue ethics makes its popularity among business ethicists who wish to explore problem-based and agent-oriented issues in the organizational context.

It is with the philosophical guidance afforded by the theoretical approach of virtue ethics that I explore the role of individuals in driving responsible and ethical business practices. In a global and local environment, where societies and their once-familiar systems are going through a fundamental value shift (Paine, 2003), it is important to understand the drivers for positive change. While studies are wide-ranging in explaining different forces that promote social development, whether organizational, institutional, or policy-driven, the theory of virtue ethics is especially valuable in understanding role of individuals. In particular, virtue ethics provides a useful perspective in making sense of how individuals, through their moral character and virtuous act, can have transformational influences in fostering ethical organizational practices.

In line with these thoughts, Chapter Two of this thesis presents a paper published in the *Journal of Business Ethics*, titled 'Virtue Ethics and the Practice-Institution Schema: An Ethical Case of Excellent Business Practices'. This study was carried out with a strong theoretical focus, seeking a greater understanding of virtue ethics as an approach for making sense of business engagement with ethical and social practices. The research context is the New Zealand wine industry, with a focus on individuals' ethics-based motivations behind the wine companies' sustainability practices. This research context was chosen because the wine industry enjoys an international reputation for its proactivity and innovation in sustainability practices. This provoked my research interest in understanding the key motivations behind these practices. Therefore, applying the theory of virtue ethics, and using the wine companies as explanatory examples, the paper illustrates how the virtuous character and actions of individuals become the moral core that embeds ethical practices in the organizational context.

The study of ethics-based motivation in this paper further strengthened my research interests in ethics-related inquiries in the organizational context. Besides individual-based motivations, what are the other drivers for social initiatives and practices? Do the same rules apply to organizations from different settings? What happens when organizations work together across sectors? What are the potential ethics-related issues in terms of managing and governing these practices? These extended research interests enthused me to expand the scope of my PhD study, making further dimensions of ethics-related inquiries in broader contexts. Accordingly, the settings of cross-sector partnerships provide an interesting site for understanding issues regarding motivation as well as governance where conventional organizational boundaries are challenged and blurred. Drawing from Ulrich Beck's work on reflexive modernization, the next section will discuss cross-sector partnerships as a research context for exploring motivation and governance-related issues in organizational practices.

Ethics-based motivation and governance: Cross-sector partnerships as a research context

The old certainties, distinctions and dichotomies that characterize the first modern society, as Beck, Bonss and Lau (2003) point out, have undergone a fundamental transformation that disenchants and dissolves taken-for-granted structures, boundaries and premises. As we enter into the second modernization (re-modernization), or reflexive modernization, according to the authors, we can no longer map social phenomena and actions with once clearly presupposed concepts, such as that of nation-states, social institutions, subjectivity and knowledge; and our task has become one that "decipher[s] the new rules of the social game even as they are coming into existence" (p. 3).

Core to the re-conceptualization of the modern society, therefore, is the recognition of the many forces that function to destabilize established arrangements and constitutions. In an increasingly complex global and local environment, the evolving social expectations as well as practices serve to disrupt and reform not only economic foundations but also other dimensions of socio-political as well as cultural life. In the business and social sphere, for instance, such a changing context has provoked corporate searches for new modes of legitimacy and democratic order (Palazzo & Scherer, 2006) on the one hand, and the development in social movements from utilizing economic and political structural change as resources for communicative politics to exploring novel forms of collaboration among various bodies of social agent (Knight, 2007) on the other.

The expansion and re-establishment of borders among different regimes is evident in the increasing range of partnerships formed by various interest parties, such as business-nongovernmental organizations (NGOs), government agent-community, business-civil society organizations and business-community enterprises, to name a few. The various forms of partnerships, contingent upon the collaborating parties' mutual acceptance of lessened and often undefined boundaries, in turn, serve to further undermine conventional modes of practice and familiar power relations. In the corporate context, for example, embracing partnerships with social institutions is often seen as a strategic move for business to (re)gain legitimacy and align with evolving social values (Arya & Salk, 2006). For the social institutions on the other hand, the business advocacy for voluntarism, together with states' failure to regulate, has created space for NGOs to establish new forms of governance through collaborative efforts (Newell, 2000). For policymakers, likewise, because conventional approaches can no longer effectively meet evolving socio-environmental challenges, there is an increasing need to move towards a *relational* approach that prioritizes interrelationships, collaborations, and partnerships in addressing social and environmental issues (Albareda, Lozano & Ysa, 2007).

For Beck, Bonss and Lau (2003), the difference between *de*-structuration and *re*-structuration, as well as between *de*-conceptualization and *re*-conceptualization, is a clear distinction between postmodernist aspiration and that of re-modernization. In other words, while the de-construction of society and the de-conceptualization of social science remain central to postmodernist thoughts, re-modernization seeks to move beyond mere recognition of ambiguity and attempts to make sense and decide, even when previously presumed knowledge and certainty has become problematic. Thus, the practical motto for re-modernization is, according to the authors, that 'even when we don't know what to know, we still have to decide – decide for the doubt'. A central issue for re-modernization, then, is not so much the acceptance of the multiplicity and pluralization of boundaries but rather the mobilization of the attempts to draw boundaries on a practical basis and the legitimization of these 'fictive' boundaries. In fact, the existence of re-modernization, as Beck, Bonss and Lau posit, depends very much on the extent to which "fictive as-if boundaries are institutionalized into systematic procedures that affect everyday life" (p. 20).

The phenomenon of collaborations among various social, political and business parties thus presents a variety of vibrant intersections where fictive boundaries are brought to life as a result of, or solution to, fragmented structures and power dimensions. In working with different and often conflicting interests, identities and principles, establishing temporary boundaries can be perceived as an effective approach to solve the problem at hand. Given that these boundaries are formed on practical bases, they may be short-lived and are likely to be constantly challenged and negotiated. While these boundaries are temporary and perhaps provisional, their effect is ‘real’ as in that they become part of the organizational function and practice. This, in turn, impacts on the individual as well as the organizational understanding of their modes of practice, quasi-value propositions, and decision-making processes.

Beck, Bonss and Lau’s (2003) conception is particularly useful in understanding cross-sector partnerships due to its emphasis on the dissolving of sectoral boundaries as a contemporary social condition. As the activities, roles, as well as responsibilities across different sectors are converging (Laasonen, Fougère & Kourula, 2012), there is an increasing need for organizations across sectors to work together towards common goals (Rugman & Doh, 2008; Stadtler, 2011). This provides an exciting site for exploring ethics-related issues where organizations work together under different backgrounds, structures, and value systems. That is, although sometimes in the context of cross-sector partnerships organizational boundaries are drawn on practical and temporary bases, they have profound influence in what may be considered as constitutive of ethical practices and how such decisions are made. This has tremendous implications for how individuals, organizations, and society at large may come to challenge once deeply embedded thought processes as well as systemic structures.

In line with these thoughts, Chapter Three and Chapter Four of this thesis explore cross-sector partnerships as a wider context for making ethics-related inquiries. Specifically, the issues of ethics and value-based motivations as well as governance are addressed. Accordingly, in Chapter Three, a research paper is presented that looks into issues of ethical governance in cross-sector partnerships. In particular, this paper discusses certain difficulties in managing and governing cross-sector collaborations, due to the attempted blending of different value systems and structures between partnering organizations. From a recognized need for ethical sensitivities and approaches in governance, the paper seeks to answer the question: *To what extent do cross-sector partnership managers recognize and practice ethical governance*? Then, Chapter Four comprises a paper that examines the range of motivating factors that drive partnership initiatives and processes. This study aims to provide insight into the partnership managers' experiences and perspectives in terms of what they consider as valuable for engaging in collaborative activities, both personally and organizationally.

In the process of carrying out the study presented in Chapter Four, on ethics-based motivations, some interesting observations were raised regarding the impact of one particular individual on not only the success, but also the nature of the partnerships, as well as the values of the organization for which that individual worked. This was highly significant, in contrast to other partnership cases discussed in Chapter Four, as an exemplar of the positive influence of individuals on ethical practice. Accordingly, therefore, Chapter five focuses on, again, the theory of virtue ethics, and highlights again the influences of individuals whose virtuous character and actions are a powerful catalyst in transforming the nature and the shape of organizational practices.

Particularly, van Marrewijk's (2003) theory of *agency* and *communion* is used as the key theoretical framework in understanding the evolving process of corporate sustainability value systems. In a changing social context where all societal actors are under increasing pressure to assume more social responsibilities, businesses are both under pressure and given opportunities to evolve to a higher value system. Van Marrewijk's framework conceptualizes the evolution of corporate value systems as a holarchical process whereby various organizational capacities compete as well as negotiate to either preserve order values, or transcend into a newer system of practices and identities. The application of virtue theory to van Marrewijk's framework highlights the role of individuals, among other capacities, in effecting change in the organizational value systems. Through an emphasis on individuals' character and motivation, the theory of virtue ethics provides a useful perspective in understanding the transformative influence of individuals in shaping organizational practices. An ethical leader, as exemplified in this paper, can be the moral core that embeds ethical practices and promotes the evolving organizational capacities towards a higher value system.

The next section will discuss the overall research aim and subsidiary research objectives of each paper included in this thesis. Then, a methodological section, as well as the thesis layout, will be presented.

Overall research aim and subsidiary research objectives

As illustrated above, this thesis explores the topic of organizational ethics from a number of different perspectives. In applying the theory of virtue ethics, two of the papers included in this thesis (Chapters 2 and 5) focus on examining the influences of individuals in the context of organizational ethical practices. These two papers draw particular attention to the theory of virtue ethics and show that virtue theory provides a useful explanatory framework in making sense of various business ethics issues through placing a focus on the moral character of the individuals and its transformational influences in promoting ethical business conduct. More specifically, the papers discuss the importance of ethical leadership and how individuals can impact the values systems of their groups, organizations, and society at large.

While individuals can have transformative influences on organizational ethical practices, an organization's engagement with ethical practices must align with its principles, purposes as well as characteristics. That is, an organization cannot be merely considered as a collection of individuals but has its own commitments and obligations. For these reasons, the study of organizational ethics needs to go beyond individual influences and take into account the range of factors from the organization's perspective, in terms of its functions, structures, and value propositions. Two of the papers in this thesis (chapters 3 and 4), therefore, examine the topic of organizational ethics beyond ethical leadership and focus more on the organization's overall ethical engagement. These studies are conducted in the context of cross-sector partnerships, as discussed above, because the settings of cross-sector partnerships provide interesting sites for understanding issues regarding motivation as well as governance where conventional organizational boundaries are challenged and blurred. In terms of specific topics, one of these two research papers focuses on the motivation' behind partnership engagement, while the other paper discusses issues of 'governance' in the partnership process.

The focus on 'motivation' is an extension of the first paper included in the thesis, titled 'Virtue Ethics and the Practice-Institution Schema: An Ethical Case of Excellent Business Practices'. As discussed above, this paper investigates the motivation for New Zealand wine companies to engage in sustainability practices, with an emphasis on the influences of individuals. The study of 'partnership' motivation, on the other hand, seeks to present a more holistic understanding of the motivating factors that drive an organization's ethical practices. While individuals' leadership remains crucial for an organization's ethical performance, the moral and ethical aspects of an organization cannot be simply understood as the collective of individuals. That is because organizations ascribe to a certain set of mixed values such as making profit, being good members of the community, operating legitimately and responsibly. The understanding of 'motivation', therefore, need to take into account how such a mixture of values shapes the organization's decision-making processes, and which particular value becomes emphasized and for what reasons.

The context of cross-sector partnerships is particularly useful in studying ethics and value-based motivations for two main reasons. First, cross-sector collaborations in general have an inherently social and moral dimension. That is, in many cases organizations cross sectors form alliances under the assumption that their collaborations would contribute to certain social causes (Cooke, 2010; Calton, et al., 2013; Groundwater-Smith, et al., 2012). This means that partners, perhaps to different degrees, engage in collaborative efforts to fulfill certain social and ethical values. Secondly, cross-sector partnerships generally require organizations with different cultures, backgrounds, organizational structures, and value systems to work together under temporarily negotiated guidelines and boundaries. This provides an interesting context for exploring how partners maintain, as well as compromise, separate identities, and value frames, and how it influences their motivation for partnership engagement. Following these thoughts, the paper, entitled "What is Valuable? Ethics and Motivations for Cross-Sector Partnerships" examines the motivating factors that drive partnership initiatives and processes. While the first motivation paper on the New Zealand wine industry focuses primarily on the individuals' influences, the study on partnership motivation seeks to present an overall understanding of an organization's motivation for ethical practice and engagement. Additionally, the first motivation paper has a specific theoretical focus, the theory of virtue ethics, while the paper on partnership motivation provides insight into the managers' experiences and perspectives in terms of what they consider as valuable for engaging in collaborative activities, both personally and organizationally.

In the context of cross-sector partnerships, the subject of ethical governance forms an important subsidiary research objective in studying organizational ethics. That is, in addition to studying the motivating factors behind ethical practices, it is crucial to examine how ethical practices are governed. Cross-sector partnerships is a useful context for understanding the actual practices of ethical governance because of the particular challenges facing collaborating partners in terms of managing sustained interactions where sectoral boundaries are breaking down. More specifically, there are certain difficulties in governing cross-sector collaborations due to the attempted blending of different value systems and structures between partnering organizations. Furthermore, power asymmetry sometimes exists between partners in cross-sector collaborations which further complicates partnership governance. Owing to the complexities of cross-sector partnerships, their governance requires particular ethical sensitivities, with a clear emphasis on the ethical dimension of partnership activities. The examination of partnership governance, therefore, adds an important dimension to the study of organizational ethics in understanding how organizations practice ethical governance and the challenges come with it.

Accordingly, this thesis presents a paper (Chapter 3), titled “Ethical governance in cross-sector partnerships: The role of managers”. This study explores, from the experience and perspectives of partnership managers, issues surrounding ethical governance in the context of cross-sector partnerships. Guided by the overarching research question, *To what extent do cross-sector partnership managers recognize and practice ethical governance?*, the paper focuses on the extent to which managers of cross-sector partnerships recognize and undertake ethical governance practices in an arena where organizational boundaries, roles and responsibilities are often blurred. Partnership managers are well positioned to provide insight into the specific governance process in partnership activities, especially through their engagement with daily activities in the partnership process. Through analyzing in-depth interviews with partnership mangers, this paper explores the managers’ interactions with their cross-sector partners, especially over ethics-related issues; how they see their roles in such issues; and their perspectives on how partnership governance may be improved towards higher ethical standards.

Both the study of "motivation" and "governance" in the context of cross-sector partnerships add important dimensions to the study of organizational ethics. They extend the focus from individuals' influences to the overall organizational context, from the private sector to the broader considerations of ethical issues in the more complicated settings of partnership processes. As illustrated above, in carrying out the study of partnerships, a subset of the data became prominent, where the impact of a certain individual was highlighted. More specifically, this transpired during the process of data analysis for the paper on the "motivation" of partnership engagement. The small data set included three interviews regarding two partnership projects, all of which pointed to the impact of one particular individual on not only the success, but also the nature of the partnerships and the values of the corporation for which that individual worked. In order to gain greater insight on the partnership cases in question, a subsequent follow-up interview was also conducted.

Although this was a small data set out of the partnership study, it was significant in contrast to other partnership cases as an exemplar of the positive influence of individuals on ethical practice. In this regard, the last paper included in this thesis, titled "From agency to communion: The role of virtuous individuals in elevating organizational values" was somewhat an 'inspired' project. It aligns with the first paper in this thesis that focuses on the New Zealand wine companies, in using the theory of virtue ethics as an approach for understanding the moral reasoning behind business engagement with social and ethical practices. In addition to expanding the context to cross-sector partnerships, the final paper offers an explanatory framework by applying virtue theory to van Marrewijk's (2003) theory of *agency* and *communion*. This theoretical framework helps conceptualize the role of individuals in effecting change in organizational value systems and highlights the importance of individual values and beliefs in driving virtuous business conduct. Adding to the first paper in this thesis, then, the final paper, again, emphasizes the transformative influence of personal ethics and values in shaping organizational practices.

In sum, this thesis seeks to contribute to the field of business ethics in making sense of key ethical issues in the context of organizational practices. The papers presented in this PhD study have been oriented by a focus on ethics-related inquiries, such as what is considered as ethical conduct, what drives such conduct, and how organizations across spheres understand as well as act upon their places in society in aligning with evolving social and ethical values. In this regard both the theoretical development of business ethics, and the practical guidance for organizational practices, can benefit from a deeper insight into the various factors that help foster individuals' and organizations' moral and ethical development, as well as their material implications.

The next section will discuss my overall research approach to the PhD study, in terms of my ontological and epistemological position. Furthermore, I discuss 'interpretive phenomenological analysis' as a methodological approach for the PhD study.

Methodology

This PhD study includes two empirical projects: The New Zealand wine industry (Chap 2) and cross-sector partnerships (Chap 3, 4 & 5). The first paper was the preliminary project of this thesis. It emerged from a wider study, as described below. While this paper was based on a separate data set from the other papers it served as a pilot study which helped clarify the focus of the overall PhD study, strengthen the methodological approach, and identify future projects. Chapters 3, 4 & 5 followed, and are based on a new data set that focuses on cross-sector partnerships. Each of these three chapters employ the same methodology and the same data set. In this section first, I briefly outline the method of the wine industry project. Then, I will explain my ontological and epistemological position in this study. Finally, I discuss interpretive phenomenology and the methodological approach for the studies of cross-sector partnerships presented in this thesis.

The New Zealand wine industry study

The paper presented in this thesis that focuses on the New Zealand wine industry (Chapter 2) was based on a larger project that examined business sustainability practices in New Zealand. The purpose of that project was to explore the key motivations for the wine industry's sustainability initiatives and practices. It was guided by the question: what motivates New Zealand wine companies to be sustainable? Particularly, I was interested in exploring the discourses employed by the wine companies' representatives in their attempt to describe their understanding of sustainable practices and the reasons that underpin these practices. This was influenced by a social constructivist ontological and epistemological stance in understanding 'discourse' and the material life of individuals, as well as of the organizations, embedded in it. The methodological orientation for data analysis was based on an analytical approach informed by thematic analysis.

Through in-depth interviews with fifteen managers from wine companies, the study identified a range of key motivations for sustainability practices, such as market (especially export) incentives, policy initiatives, or institutional drivers. While discussing their key motivations, the participants made a strong ethical case, where individuals' moral and ethical pursuits were seen as the key driver behind their companies' sustainability practices. This highlight on individuals' influences became the focal point of the first paper in the PhD study, with an in-depth engagement of the theory of virtue ethics in emphasizing moral and ethical leadership in organizational practices. This particular paper takes the form of a theoretical discussion, building on Moore's (2002; 2005; 2008) treatment of Alasdair MacIntyre's practice-institution schema. It uses the data from the broader study to help make sense of the schema. In this case, the paper does not present a methodological discussion because it did not present the full findings of the study. Instead, it focused on a particular aspect of the wider study with in-depth theoretical engagement.

A critical realist approach to business ethics

Business ethics is a distinct research field and, at the same time, attracts contributions from a wide range of professional and academic backgrounds. This, according to Campbell and Cowton (2015), is both a strength, but also a challenge, in that "there has been little convergence on a canon of accepted research methods in the business ethics academy" (p. S3). While a range of quantitative, qualitative and mixed methods can be found in studying business ethics, there seems to be a hierarchy where some of the most highly cited and arguably most rigorous papers are seen in American journals (interestingly outside the main business ethics journals) and, indeed, rooted in the empirical and positivist research traditions conducted in business schools (Campbell & Cowton, 2015). This, however, is challenged by qualitative scholars who would contest the idea that questions of ethics, morals, and values can be pursued with the assumption that there is a single and reducible truth as long as the 'right' method is designed and implemented.

> So if the big questions in ethics are essentially qualitative (such as questions of right, justice, fairness, decency, equality, etc.), why is it so often believed that quantitative variables are capable of describing them, frequently with limited apparent reflection and negligible caveats? (Campbell & Cowton, 2015, p. S5).

For researchers the choice of the 'right' method must be rooted in deeper consideration of the philosophical basis of their research, often involving one's self-debate of their own worldview as well as attitude towards the pursuit of knowledge. That is, before a methodological approach can be determined, one has to consider their view of the 'truth', 'existence', 'nature of the being' (ontology) and how such 'truth' may be known (epistemology). The researcher's methodological approach has to be appropriate for their ontological view and epistemological position. Therefore, the 'right' research design has to be based on a series of contemplations such as, what kind of questions are worth pursuing, what are (or whether there are) the limits of pursuing the answers to these questions, and what kind of researcher am I? These questions help the researcher form their research paradigm. Paradigm issues are crucial, as pointed out by Guba and Lincoln (1994): "no inquirer, we maintain, ought to go about the business of inquiry without being clear about just what paradigm informs and guides his or her approach" (p. 116).

In my own process of conducting my PhD study, my understanding and position towards these paradigm-related questions shifted from a social constructivist viewpoint towards a critical realist position. As mentioned earlier, the preliminary study, regarding the New Zealand wine industry, was developed from a larger study which was influenced by a social constructivist ontological and epistemological stance. It approaches 'discourse' as a pattern of symbolic actions that function to circulate a coherent set of meanings about an important topic (Cox, 2006), and hence seeks to unpack the underlying meanings and assumptions expressed through the discourses employed by the wine company managers in discussing their sustainability practices. In its attempt to reveal the material life of individuals, as well as organizations, embedded in discourse, the study follows the social constructivist tradition whereby it recognizes the constitutive role of language in meaning production and investigates the wider social and political implications of language use.

Such a social constructivist position, however, has been challenged by many, especially from a critical realist viewpoint in questioning the centrality of language and the reach of linguistic investigation (e.g.: Jones, 2007; Reed, 2000). In my own process of participating in the wine industry study, I came to question similar issues; for example, can we really get the full 'reality' of the organizational life by linguistic analysis? If not, what is the role of the language? Is there such a thing as organizational reality? What about my own role as the researcher? How do I influence the 'reality' being presented? These questions became even more complicated in considering ethics-related issues. As put by McLeod et al (2014), "ethics are difficult to ascertain and understand since they are abstract, riddled with biases, constantly evolving, and inherently nested across levels of analysis" (p. 440), and as such there are unique methodological challenges found in organizational ethics research.

In my own reflection after completing the preliminary paper in the PhD study, therefore, my ontological and epistemological viewpoint shifted towards that of the critical realist. According to Vincent and O'Mahoney (2018), critical realist scholars seek to overcome the dualism between objectivism and subjectivism by distinguishing between ontology (what is real) and epistemology (what we know):

> Critical realist scholars assume the existence of an objective (‘intransitive') world that has powers and properties that can be more accurately known as a consequence of scientific endeavour, but recognise that knowledge is a subjective, discursively bound (i.e. transitive) and constantly changing social construction. (p. 202)

For critical realist researchers, then, there is an objective truth out there but our ability to uncover such truth is inherently constrained. Thus, while accepting the existence of a ‘reality’, researchers acknowledge that there are limits to grasping that reality and recognize that the ‘real’ world is only partially observable. That is, we may know a part of the ‘truth’, a form of it, or a temporal version of reality. In this sense, critical realism offers an empowering position because it opens a bridge between our epistemological knowledge and ontological reality, and overcomes the objectivist/subjectivist and qualitative/quantitative dichotomies (Vincent & O'Mahoney, 2018). In the realm of business ethics inquiry more specifically, according to Collier (1995), a critical realist ontology perceives a business ethics world that is real and that is ‘out there’, but that we may not be able to perfectly access for reasons associated with the limitations of our ability to observe business ethics phenomena.

In my own development as a researcher, a critical realist ontological and epistemological position resonated with me when I moved towards looking at cross-sector partnerships. In particular, it helped me reconcile two difficult issues. First, while rejecting a linguistic reductionist view of the world, a critical realist position recognizes hermeneutically based methodologies that focus on meaning through language use. This was an important reconciliation for me because it moves away from a constructivist position where the study of organizations tends to be reduced to symbolic expression, but, at the same time, it recognizes the epistemological status of interpretive methodologies. This is because, unlike in the natural sciences, language provides an ‘inside’ or ‘interior’ to social life (Bhaskar, 2016), and we can only investigate this interior by engaging with it hermeneutically (Price & Martin, 2018). In this sense, following a critical realist and hermeneutical position, linguistic interpretation provides a means for us to make sense of a part the world that is accessible through analyzing language use and meaning production.

Second, in recognizing that the world is only partially observable, a critical realist position allows the researcher to reflect on his or her own role in the research process. This presence of reflexivity in critical realist social science, according to Price & Martin (2018), is closely related to the need to use hermeneutic methods. That is, “[b]oth hermeneutics and reflexivity are possible because humans – which includes the human mind – are part of reality (totality, all-that-is)” (p. 93). Being able to reflect on one’s own role in the research process is empowering because it de-illegitimatizes the researcher’s subjectivity and recognizes subjectivity as a necessary part of the research journey. Moreover, the researcher can account for his or her role in the research design and make appropriate claims in presenting the findings.

Following a critical realist ontological and epistemological stance, therefore, I adopted ‘interpretive phenomenological analysis’ as the research method for the cross-sector partnership study, which is presented through three papers in this PhD study. The next section will discuss ‘interpretive phenomenological analysis’ and specifically, my approach of this research method in the context of the PhD study.

Interpretive phenomenological analysis

My initial consideration of ‘interpretive phenomenological analysis’ (IPA) as a methodological approach was derived from an interest to study ethics as ‘lived experience’. An important reflection from the wine industry study, for me, was that organizational ethics was not merely a set of rules on the wall, an occasional debate on matters of ‘conflict of interests’, or annual meetings held by the ethics committee. It is also about how people in the organizations experience ethics-related issues on a daily basis. In conducting interviews with the wine company managers, I found that they tended to discuss organizational practices as a series of personal experiences. For example, they would tell a story about how something got started, mention an event with personal highlights, or, recall a detailed conversation with someone in the organization. This made me feel that it is important to study organizational ethics by understanding how ethics is experienced by the individuals in the organization. For the following studies on cross-sector partnerships, interpretative phenomenology provided such an approach.

According to Smith, Flowers, and Larkin (2009), “IPA is a qualitative research approach committed to the examination of how people make sense of their major life experiences” (p. 1). In other words, the main objective and essence of IPA are to explore the ‘lived experiences’ of the research participants (Alase, 2017). While rooted in qualitative psychology research (e.g., Eatough & Smith, 2017; Palmer, Larkin, de Visser & Fadden, 2010), this approach has grown in popularity in other research fields including business ethics (Haar, Roche & Brougham, 2018). Given my interest in understanding ethics-related issues from peoples’ (more specifically, managers’) experience, IPA offers a methodological approach that aims to investigate how individuals make sense of their experiences and understand what an object, or event, is like from the participant’s perspective (Pietkiewicz & Smith, 2014). I believe this provides an interesting angle in studying organizational ethics through an emphasis on how individuals in the organization make sense of ethics-related issues in their organizational life.

While the focus on ‘lived experience’ expresses the ‘phenomenological’ aspect of IPA, its recognition of the researcher’s centrality to analysis and research highlights the interpretive or hermeneutic influence in IPA research (Smith, 2004). In terms of the ‘phenomenological’ aspect, according to Pietkiewicz and Smith (2014), phenomenological studies focus on how people perceive and talk about objects and events, rather than describing phenomena according to a predetermined categorical system, conceptual and scientific criteria. For the ‘interpretive’ part of the methodological approach, IPA commits to hermeneutic tradition by acknowledging the active role of the researcher who, through interpretive process and analysis, makes sense of the participants’ accounts of their experience. In this sense, as put by Pietkiewicz and Smith (2014), “IPA synthesizes ideas from phenomenology and hermeneutics resulting in a method which is descriptive because it is concerned with how things appear and letting things speak for themselves, and interpretative because it recognizes there is no such thing as an uninterpreted phenomenon” (p. 8).

In line with a critical realist ontological and epistemological position, as discussed above, an IPA methodological approach provides a suitable method for the PhD study for three key reasons. First, ontologically, the study does not seek to uncover an objective ‘reality’ but aims to investigate how such ‘reality’ is experienced by the individuals. More specifically, the partnership studies seek to generate a greater understanding of ethics-related practice in the organizational context, from the perspectives of the participants’ (partnership managers’) experience. Second, as discussed earlier, a critical realist position recognizes the epistemological status of interpretive methodologies since language provides an ‘inside’ or ‘interior’ to social life (Bhaskar, 2016). Therefore, IPA is an appropriate methodological approach because of its emphasis on hermeneutic or interpretive activity in the research process. My goal for the partnership study, then, is to investigate organizational practice through interpreting and analyzing the partnership managers' accounts of their personal experiences in the partnership process. Finally, as mentioned above, since the world is only partially observable, a critical realist position recognizes reflexivity in the research process. This is important for hermeneutically based methods, because the researcher needs to feel comfortable in the research process as the interpreter of events, stories and thoughts. In this sense, using IPA allows me to reflect on my own role as the researcher and acknowledge how my own experience and perceptions may influence the interpretive and analytical process.

In terms of specific research design, IPA requires careful planning because interpretations rely heavily on whether participants can articulate their thoughts and experiences adequately (Baillie, Smith, Hewison, & Mason, 2000). Therefore, as Pietkiewicz and Smith (2014) put it, the primary concern of IPA researchers is to elicit rich, detailed, and first-person accounts of experiences and phenomena under investigation. According to Pietkiewicz and Smith (2014), semi-structured interviews are among the most popular method in IPA research because they allow the researcher and the participant to engage in a dialogue in real time. Moreover, semi-structured interviews give enough space and flexibility for original and unexpected issues to arise, which the researcher may investigate in more detail with further questions (Pietkiewicz & Smith, 2014).

Accordingly, for the partnership studies, semi-structured interviews were utilized so that the interviewees could relate their experiences freely without being asked leading questions. Each participant was first asked to describe in detail a specific personal experience in managing a cross-sector partnership. They were then asked to reflect on the things that they thought had contributed to the success or successful part of the partnership, what had caused failure and conflict, and what they believed would have made the experience better. Finally, the participants were asked to make recommendations for someone embarking on a partnership process in a managerial position. Each interview was recorded, with participants' permission, and fully transcribed. Follow-up interviews, phone conversations and emails were conducted after the initial review of interview transcripts, where further clarification was sought from participants.

The coding and analysis process followed the steps recommended by Pietkiewicz and Smith (2014). First, engage in multiple reading of the transcripts and make notes. This initial stage involves close reading of the transcripts multiple times which helps the researcher immerse themselves in the data. At this stage, the researcher makes notes about their observations and reflections about the interview experience or any other thoughts and comments of potential significance. Then, notes are transformed into emergent themes, relationships are sought, and themes are clustered. At this stage, according to Pietkiewicz and Smith (2014), the researcher should work more with his or her notes, rather than with the transcript. Finally, seek relationships and clustering themes. This stage involves looking for connections between emerging themes, grouping them together according to conceptual similarities, and providing each cluster with a descriptive label. Some of the themes may be dropped at this stage if they do not fit well with the emerging structure or because they have a weak evidential base (Pietkiewicz & Smith 2014).

Following the ontological, epistemological position, and the methodological approach, as discussed above, three papers (Chapter 3, 4 and 5) concerning cross-sector partnerships were completed applying the method of interpretive phenomenological analysis. Before presenting these papers, as well as the study regarding the New Zealand wine industry, the next section will provide the layout of the thesis

Thesis layout

Next, Chapter two presents a paper titled ‘Virtue Ethics and the Practice-Institution Schema: An Ethical Case of Excellent Business Practices’. This paper was published in the *Journal of Business Ethics* in 2016, *138*(1), 67-77.

Following that, Chapter three presents a paper titled ‘Ethical governance in cross-sector partnerships: The role of managers’. This paper was submitted, on the 28th March, 2020, to the Special issue of *Journal of Business Ethics*: Multistakeholder engagement for the sustainable development goals: Ethical and organizational challenges.

Then, Chapter four presents a paper titled ‘What is valuable? Ethics and motivations for cross-sector partnerships’. This paper is prepared to be submitted to a refereed journal for publication, pending a decision on choice of the journal, and then orientation of the paper towards that journal.

After that, Chapter five presents a paper titled ‘From agency to communion: The role of virtuous individuals in elevating organizational values’. Like Chapter Four, this paper is prepared to be submitted to a refereed journal for publication, pending a decision on choice of the journal, and then orientation of the paper towards that journal.

In Chapter Six, the conclusion of the thesis is presented, and, lastly, the thesis closes in Chapter Seven with closing remarks.

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CHAPTER TWO

VIRTUE ETHICS AND THE PRACTICE-INSTITUTION SCHEMA: AN ETHICAL CASE OF EXCELLENT BUSINESS PRACTICES

Abstract

This paper aims to contribute to a greater understanding of the theory of virtue ethics and its applications in the business arena. In contrast to other prominent approaches to ethics, virtue ethics provides a useful perspective in making sense of various business ethics issues with an emphasis on the moral character of the individuals and its transformational influences in driving ethical business conduct. Building on Moore's (2002, 2005 & 2008) treatment of Alasdair MacIntyre's practice-institution schema, the paper discusses how individuals, as moral agents, can serve to promote virtuous business conduct and help foster a moral and ethical climate in the organization and in society at large. Using interview data from a broader study of the New Zealand wine industry as explanatory examples, the paper argues that while many companies' sustainable practices are still largely market-based, such excellent business practices are often driven by individuals' moral and ethical pursuits.

Introduction

The understanding and expectation of business' responsibility, and its place in society is evolving. This challenges the field of business ethics in making sense of salient issues such as what is considered as ethical business conduct, what drives such conduct, and how business should understand as well as act upon its place in society. The conventional "business case" argument, where sustainable business practice is aligned with long-term self-interest, rationalizes the market incentive for responsible environmental and social performance. However, business ethicists have recognized the inadequacy of singularly relying on the "business case" in explaining business' engagement with sustainable social practice. Duska (2010), for instance, promotes a new understanding of the purpose of business that moves beyond the usual stakeholder mind-set and centers on value creations (see also, for example, Pies, Beckmann & Hielscher, 2010). In their chapter in *The Oxford Handbook of Corporate Social Responsibility*, Kurucz, Colbert and Wheeler (2008) organize the existing reviews and models of the "business case" for corporate social responsibility (CSR) into four modes of value creation, in an effort to broaden the theoretical scope of the "business case" argument.

This paper, therefore, argues that business' engagement with sustainable practices should be recognized beyond market-based propositions and that the initiatives as well as the drivers behind such practice must be appreciated with moral and ethical considerations. In particular, the theory of virtue ethics offers a useful approach that focuses on the importance of individuals' moral character in driving virtuous business conduct as well as fostering an ethical corporate and social climate. As demonstrated in many successful examples of business' engagement with sustainable practices, while their engagement is indeed market-oriented, such a "business case" is often rooted in and sustained through, an ethical core that is embedded in individuals' moral and ethical pursuits. Through the theoretical lens of virtue ethics specifically, this paper uses Geoff Moore's (2002, 2005 & 2008) study of MacIntyre's (1985) practice-institution schema in conceptualizing the intricate process whereby individuals' pursuit of moral excellence becomes the driving force behind business' sustainable practice.

The paper begins with a discussion on virtue theory and MacIntyre's (1985) practice-institution schema. Drawing mainly from Moore (2002, 2005 & 2008), the paper illuminates how the practice-institution schema helps conceptualize the process whereby individuals' moral character can become the key driver behind an organization's collective ethical and moral pursuits. Next, the paper discusses how the theory of virtue ethics and the practice-institution schema can be used to understand key ethics issues such as transformational leadership and social entrepreneurship in the contemporary business context. Following the theoretical discussion, the paper uses interview data from a larger study of the New Zealand wine industry to showcase that in many cases individuals' values and beliefs are fundamental to promoting sustainable initiatives and practices in the business arena.

Virtue ethics and the practice-institution schema

The theory of virtue ethics has received increasing attention from business and other applied ethicists in understanding as well as guiding ethical business conduct. In *Evolution in the Society for Business Ethics*, Koehn (2010) notes that the recent movement in business ethics has shown more interest in virtue ethics (specific individual virtues or quasi-virtues such as integrity, trust and justice); and that ethicists have been "more willing to let the phenomena suggest possibly relevant standards or virtues instead of applying pre-existing frameworks to problems" (p. 748). According to Hursthouse (1999), virtue ethics, following primarily the thoughts of Plato and Aristotle (in particular), is an ethical approach that emphasizes virtues and moral character. Distinct from other moral theories, as noted by Arjoon (2000), virtue theory "grounds morality in facts about human nature, concentrates on habits and long-term goals, extends beyond actions to comprise wants, goals, likes and dislikes, and, in general what sort of person one is and aims to be" (p. 173). Contemporary treatments of virtue ethics aim not only to extend the approach to collectivities but also to promote a range of practices that give substance to such labels as openness and integrity.

In presenting an "Aristotelian approach" to business, Robert Solomon (2004) argues that key to the application of virtue theory to business ethics, is the consideration of "the place of business in society". He proposes that we understand the place of business in society from a virtue ethics perspective in which business is viewed as "a human institution in service to humans and not as a marvelous machine or in terms of the mysterious 'magic' of the market" (p. 1024). Using the Aristotelian concept of *Polis* (the larger community an individual belongs to), Solomon argues that an individual's virtue and character are embedded in, and in service to, the larger community. Business *excellence* is characterized by not only its superiority in practice but also its role in serving larger social purposes. Paramount to such conceptualization is the recognition of the human features and aspects of business. For Solomon, then, there is a clear yet often overlooked linkage between the ethics of business and the ethics of human virtue. Business and organizations are consequently demystified as human enterprises.

Echoing Solomon, Geoff Moore's approach to business ethics also features a key emphasis on the influence of human behavior in the business world. Drawing extensively from Alasdair MacIntyre's philosophical approach to ethics, Moore's understanding of business ethics places a focus on how an individual's virtuous conduct can bring out the human aspects of business (see: Moore 2002, 2005 & 2008). According to Moore, MacIntyre's practice-institution schema is a valid framework in understanding virtue ethics and its application to business. MacIntyre defines practice as:

> Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended. (MacIntyre, 1985, p. 187, as cited in Moore, 2002)

Central to MacIntyre's conceptualization of practice is the concern for "internal goods". In MacIntyre's notion of practice, simply put, internal goods are about a person feeling good about what he or she does and that such feeling of "good" must be based on, and derived from, the virtue and moral character of the individual. *Business as practice*, then, is the consideration of business as a form of such practice, where individuals in business should strive to realize the "internal goods" about doing business and achieve excellence through virtuous conducts.

In MacIntyre's practice-institution schema, institutions, on the other hand, are concerned with "external goods" such as money, power and success. For Moore (2002), the institutions can be viewed as a collective mechanism that emphasizes the functionality of business as a profit-oriented social economic entity. The fundamental characteristic of institutions of business, therefore, is the pursuit of financial gains, often at the expense of social performance. However, just as institutions have the ability to set constraints, they also have the potential to nourish virtuous acts and promote ethical business conduct. This happens when one or more of the mechanisms safeguarding the institutions – the pursuit of "external goods" – can find incentives and rationales to justify and encourage the pursuit of "internal goods" at both individual and organizational levels. These incentives and rationales, justifiable as good practice, then become the driving force behind business engagement with issues beyond the financial bottom line and the movement towards sustainable social and environmental practice. In CSR and sustainable development literature, the argument for using mechanisms of the institutions as promoter for sustainable practice is generically referred to as the "business case", as it essentially turns on the financial incentive of such practice.

While institutions can sustain good business practices, they can also have corrupting power when the "external goods" (incentives or rewards) no longer justify these practices. Typically, this is when organizations no longer perceive financial gain in association with their sustainable practices. Yet, for Moore (2002), "it is precisely in the interplay between the practice of business and the corporation in which it is embedded, in the interplay between 'internal' and 'external goods' that exciting possibilities exist for business and for business ethics" (p. 30). In other words, although institutions can set constraints on good business practices, individuals' pursuit of "internal goods" can motivate virtuous business conduct. In fact, the importance of virtue theory lies in its emphasis on individuals' moral character and the process whereby the imperative of virtue brings out the human aspects of business through individuals' realization of their "internal goods" and achievement of excellence. This, for Moore (2005), is a process of *humanizing* business.

A moralized, virtuous corporation, in Moore's conceptualization, is one that "understands" that the pursuit of excellence is ultimately a moral pursuit and hence seeks to encourage it. Such an attempt at *humanizing* business is not to say that we should discuss business ethics as if business naturally has virtues. But instead, *humanizing* business is an approach of understanding business and business ethics by focusing on the individuals in business and their moral capacity as well as constraint. In *Humanizing Business: A Modern Virtue Ethics Approach*, Moore (2005) posits that the humanizing of business is a process that happens from within the business, when individuals who work in it recapture a sense of virtue and begin to exercise such virtues. In a similar vein, Hemingway (2005) has argued that in understanding issues surrounding CSR (corporate social responsibility), individuals' personal morality is an important factor to consider because individuals' own socially-oriented personal values can become a catalyst that inspire and foster responsible corporate behavior. In this sense, she adds, any employee, at any level in the organization, can act as a moral agent.

Individuals' moral character, therefore, becomes the key motivation that drives business' pursuit of excellence. That is, while the pursuit of "external goods" is determined by business' institutional characteristics and its reliance on market mechanisms, the pursuit of internal goods is derived from the moral and ethical character of the individuals in business. This is illustrative of the inadequacy of purely relying on the "business case" to explain corporate involvement with social and environmental issues. In the business-case argument, the institutions of business are highlighted, and the business pursuit of "external goods" is prompted and presupposed by the mechanisms of the market. Following this assumption, then, when the market cannot sufficiently incentivize sustainable business practices, perhaps due to weak signals or the lack of immediate reward, business would logically decline such practices. Or, rather, business would be more inclined to promote so-called sustainable practices in the short-term for immediate benefits and thus it is unlikely that these practices can be sustained in the long-term.

In actuality, however, there are many examples of businesses incorporating sustainability as a company philosophy and whose sustainability practices are persistent. Moreover, the frameworks for these policies and activities vary in terms of expressed concern for contribution to the traditional bottom line of profit or advantage to shareholders or other controlling stakeholders. In fact, for many, maintaining sustainability practices are the founding principle of the business, driven by individuals' values and beliefs. The next section will look at some specific applications of virtue theory, particularly in the area of transformational leadership and social enterprise, to elucidate *how* individuals provide moral guidance in promoting a sustainable path for their organizations.

Transformational leadership, social entrepreneurship and virtue ethics

The theory of virtue ethics has demonstrated its applicability in the field of business ethics, especially on the topic of leadership, given its emphasis on individuals' moral character. Whetstone (2001), in *How Virtue Fits within Business Ethics*, argues that virtue ethics provide business managers and leaders with practical applications in promoting moral development and moral reasoning. This is because, he notes, virtue ethics is both *personal*, in focusing on the motivations of the actor and the sources of action, and *contextual* by highlighting the importance of understanding the environment as it affects both the moral agent and the act itself. In addition to providing practical guidance for business leaders, virtue ethics has also become an important category in understanding the ethics of leadership itself. Price (2004), for instance, notes that distinct from a utilitarian point of view that focuses on overall utility maximization and the stress of Kantian ethics on universal principles, virtue ethicists would argue that ethical leadership depends more on developing habits or dispositions to act virtuously.

The theory of virtue ethics has been used by many business ethicists to advance the study of leadership ethics. In the context of corporate sustainability for instance, there has been growing interest in the role of transformational leadership in promoting sustainable business practice from the perspective of virtue ethics. According to James MacGregor Burns (1978), transformational leadership reflects the high moral and ethical standard of the leader where he or she seeks to "raise the level of human conduct and ethical aspiration of both the leader and led, and thus it has a transforming effect on both" (p. 20). The emphasis of virtue ethics on individuals as moral agents, therefore, presents a useful perspective in understanding the moral characters of transformational leaders and their practice (Bass & Steidlmeier, 1999). In considering virtue theory and its applicability to leadership for example, Arjoon (2000) argues that what distinguishes a good leader is that "he or she is relatively more developed in the virtues and that person has a clear vision of the common good and the means to promote it" (p. 172). Thus from the standpoint of virtue ethics, according to Koehn (1995), the important ethical matter is that individuals must be able to make contributions of value to a society or communal enterprise and that the virtuous agent simply is the person habituated to desire to do what is good and noble. By extension, then, MacIntyre's practice-institution schema suggests that both the motivation and reward for such contributions is not monetary but, rather, an "internal goods" – a sense of wellbeing.

While transformational leadership is normally applied to a context of organizational change, the same qualities of virtue ethics have also been applied to the study of social entrepreneurship, sustainable enterprise, and a range of similar concepts. In understanding various aspects of social entrepreneurship, Sullivan Mort, Weerawardena and Carnegie (2003) argue that the key features of social entrepreneurship include not only its concern and commitment in the social domain, the entrepreneur's leadership aptitude and exceptional capacity, but also the virtue and moral characters of both the entrepreneur and the enterprise. As Roper and Cheney (2005) point out, private social enterprises are often led by value-driven, charismatic leaders who style themselves and their organizations as both innovative and socially responsible. Using examples such as Anita Roddick, the founder of the Body Shop, Roper and Cheney (2005) also point out the importance of the character of successful social entrepreneurs. They argue that at their inception these successful social enterprises share in common the entrepreneurs' vision of socially responsive business and their ability to instill such values in the organization.

Pratt and Pratt (2010) conducted a study of nine sustainable enterprises from around the world, all selected because they were established by a leader who explicitly put sustainability principles at the core of the business from the time of its inception. Examples included The UK's Eden Project, New Zealand's Comvita, and Sri Lanka's Dilmah Tea. Kearins and Collins (2012), amongst others, use the term "ecopreneur" in referring to those who establish a business "in order to have a positive environmental and social impact, as well as to make a profit" (p.72). They include ecopreneurship as one specific category of "values-based business". There is clear synergy amongst the various terms applied. By whatever term, what is truly fundamental to successful social/sustainable enterprises, those that end up transforming their business and society, is the virtue and moral character of their leaders. In other words, a successful sustainable enterprise must be anchored in, and sustained through, a moral purpose – a deep and genuine concern for the environment and the society. Being a successful social entrepreneur then, returning to Bass and Steidlmeier (1999), is a way of embracing virtue and morality; and a way one engenders virtue in self, others and society through the example and virtuous conduct of social enterprise.

Importantly, the value of transformational leaders and social entrepreneurs lies not only in their success in creating a sustainable business, but also in the moral influence they exert on others, their organizations and the society at large. In fact, the cultures of organizations in which such transformational leaders and social entrepreneurs operate may be profoundly shaped and ultimately sustained by certain values, practices and habits. Virtue ethics, in placing an emphasis on moral character, provides a useful way to understand how individuals' ethical and moral beliefs can transform conventional self-serving business practice into virtuous business conduct.

Indeed, in the discussion of transformational leadership and social entrepreneurship, as with organizational value-based action in general, the question of whether leader charisma is essential for inspired organizational performance is a persistent one. Weber (1978), for instance, was concerned about exemplary character on individual as well as organizational levels. The problem of charisma is how to move it beyond the individual performance as a key means of expressing authority and indeed directing the actions of an organization. This remains a key question for collective applications of virtue ethics and for assessing as well as promoting virtuous behaviors in organizations. On a practical level, all sorts of organizations that are committed to social values wrestle with the problem of how to, in Weber's terms, "routinize" charisma given that so much of the socially inspired leadership in all sectors is tied to individual leaders and their initiatives.

The importance of virtue theory, therefore, lies in its emphasis on individuals' values and moral convictions in understanding business practice. Specifically, it depicts how individuals' moral character can become the key driver behind an organization's collective pursuit of ethical business conduct. Such a virtue ethics approach to business ethics is founded in our understanding of business as a human-based social entity, or, as Solomon (2004) has put it, a human institution in service to humans. According to Arjoon (2000), the pursuit of "internal goods" corresponds with a state of "being", whereas "external goods" correspond to a state of "having". It is only under the state of "being", the author posits, that we can fulfill our true potentialities which cannot be accomplished or satisfied by a state of "having". In this sense, virtue theory turns the central issue of business ethics – "how business should act" to the question "how people should act", where individuals' moral capacity becomes the key to cultivating an ethical climate in all aspects of social life. As demonstrated in the many examples of transformational leaders and successful sustainable enterprises, when individuals act as moral agents, not only do their values and ethical pursuits weigh at the core of business sustainability decision-makings, but also their virtuous conduct can help foster, and in turn be sustained through, a virtuous environment.

What we are concerned with in this paper is *how* transformational leaders and sustainable entrepreneurs are influential. We investigate this using the case of the New Zealand wine industry, an industry that includes many such leaders whose personal stories and views strongly reflect virtue ethics. Further, the businesses in which these individuals work stand as working examples for the application of MacIntyre's practice-institution schema.

An ethical case of excellent business practices - The New Zealand wine industry

Our discussion in this paper is based on a larger study which was carried out in 2010 of sustainable practices in the New Zealand wine industry. The New Zealand wine industry enjoys an international reputation for its proactivity and innovation in facing growing concerns regarding sustainable business practice. The focus of the main study, therefore, was to explore the key motivations that drive the initiatives and the practices toward sustainability in the New Zealand wine industry. Fifteen participants from fourteen wine companies were interviewed for this study, among whom three participants were the owners of the company while the rest were in managerial positions. Although it is not the purpose of this paper to present the full findings of the larger study, it is important to note the range of dominant motivations that were identified by the participants. Primarily, the study found that the participants' discussion of sustainability motivation was closely associated with the "business case" argument, where the market incentive was identified as the main driver behind companies' engagement with sustainable practices. In addition, the participants also identified a regulation-based motivation, driven by both industry and government regulations. However, our participants reflected that both the strong industry-initiative and the weak government regulation are clearly based on financial incentives, where the market remains dominant. Finally, the majority of participants of this study also made a strong ethical case; the participants' individual moral and ethical pursuits were seen as the key driver behind their companies' sustainability practices.

In this paper, and in line with the discussion of virtue theory, we focus on the ethical case identified through the interviews. Through presenting these discussions, we wish to exemplify the importance of individuals' moral character and ethical commitment in driving ethical business conduct. We use these discussions to show that many participants have personal beliefs in, and long-term commitments to, sustainability practices. In many cases, even when the market signals were weak these individuals maintained their commitment, and the sustainability practices were carried through. This shows that the "business case" alone cannot fully explain business engagement with sustainability practices. Even though ethics were not the dominant motivation for adopting sustainable business practices, there is clear evidence of the transformative influence virtue ethics has had in many instances. In the remainder of the paper, we illustrate the application of virtue theory and the practice-institution schema through drawing on some examples from the interviews with members of the New Zealand wine industry.

During our interviews with the New Zealand wine industry members, almost all participants, by varying degrees, reflected on how their own personal values and beliefs or those of some others influenced their company's position and practice toward sustainability. This is at the core of the theory of virtue ethics which, as discussed above, grounds morality in human nature through emphasizing the moral character of individuals and their transformational influences on others. Some participants, in fact, identified an individual's influence as the initial and the most important driver for the company's sustainability practice. One participant [participant 3], for instance, stated:

> I think the first motivation, the initial motivation was probably driven by one of our vineyard managers, XX [name of the person], who's based in XX [name of the region] and he is extremely sustainable and environmentally committed. He has been a big driver for the company. He's also on a lot of little projects and things on the side and been quite involved in those kinds of programs… so yeah a lot of what we're doing now has been driven by him.

For this participant, the vineyard manager's personal characteristic – "extremely sustainable and environmentally committed" – is seen as the initial motivation that drives the company's sustainability practices. Like this particular vineyard manager, across this study many individuals were identified as highly committed to and having a philosophy about sustainability. For instance, in discussing the company's main motivation behind sustainability practices, one of the participants [participant 5] responded:

> Well it comes right from the top, the owner, XX [name of the person] has strong opinions on being sustainable and about conserving our resources… he's heavily involved in a not-for-profit organization as well, so not just environmental sustainability, also social and wellbeing programs.

Another participant [participant 11] who, himself, is highly involved in the local sustainability programs, stated:

> For me it [sustainability] is a philosophy; it's about becoming better at what we do and who we are. Every year in the vineyard to me is a research year, every year is a trial so that we try things, we do things in the vineyard and we learn from that year, and then we can add it to next year so we become better at what we are doing.

These individuals' commitment and philosophy is often perceived as an important motivation for them not only to drive their own company's sustainability practices but also to become involved in other environmental and social projects that are outside the company scope. They, therefore, ascribe to the characteristics of what Burns (1978) refers to as "transformational leaders", who not only have high moral and ethical standard themselves but also seek to raise the level of human conduct and ethical aspiration of others. Regardless of their roles in the organization, the owner of the company or the vineyard manager, these individuals' vision and moral inspiration makes them the transformational leaders who encourage commitment and foster change. Or, in Weber's (1978) terms, the charisma of such transformational leaders, become "routinized" as the organization's collective practice.

As Koehn also (1995) points out, from a virtue ethics point of view, the important ethical matter is that individuals are able to make contributions of value to a society or communal enterprise and that the virtuous agent simply is the person habituated to desire to do what is good and noble. The character and beliefs of individuals, therefore, are crucial to their desire as well as ability to elevate the moral ground of others and transform behaviors. Across the interviews, a number of factors were identified by the participants as the key aspects that have influenced their personal attitudes and beliefs toward issues surrounding sustainability. These included personal experience and educational background, as well as research and knowledge advancement. One participant [participant 6], in discussing his personal motivation toward sustainability practices, stated:

> My motivations are driven from personal experience. I had worked for someone in XX [name of the region], XX [name of the person], who was among earliest organic producers in New Zealand… So my inspiration came from him. I also had an extended period in Europe, based in London, actually, where I think they were more advanced than we were and possibly still are; they just seemed more in tune with the environmental sensitivity and they had a lot of pushes too in the supermarkets.

For this participant, his personal work and life experience was the driver for him to become more environmentally sensitive. For some other participants, it came from an educational background:

> I studied the program at Lincoln University, you know, the model of the Swiss Sustainable Growing. I was very impressed with it so I thought it would be good for the environment around the vineyard. It was going to be a good approach to see how we can become more sustainable. There were some really interesting

> things in the program that cover crops and alternative sprays and, yeah, so we thought we would give it a go and we did it. It has been ongoing and very good. [Participant 8].

Another participant [participant 4], in discussing some of the recent experiments in the vineyard, reflected on how others' research and knowledge advancement has promoted his personal understanding and approach toward sustainability practices:

> This guy, XX [name of the person], he's done a huge amount of research into the use of beneficial plantings around the vineyards, you know, planting flowers and that kind of thing. He's involved in a big project in XX [name of the region]. He did some good solid research; he got in there and counted the bugs, and he said, well, if you plant this plant here, you're going to get so many beneficial insects, and you're going to be able to stop using that sprayer and that particular chemical. That was amazing, I thought, and it's huge. I mean if you do it right, it's beneficial in so many ways…

The participant went on to talk about a few types of flowers that they have planted in the vineyard:

> …when you leave if you look over the other side of the road, you'll see we've got alyssum which is a little white flower, and there's another vineyard just out that way and we've got a mix of wildflowers; we've got some nice little red poppies coming up now and all sorts of things. I'm not sure if we've got the colors quite right this time but it's such a good approach, a good thing to try, you know, so yeah, this guy XX [name of the person], he's right into it, done the research and he's really enthusiastic. It got us all fired up; it just makes you realize there are very good alternatives…

The advancement in research and knowledge, for this participant, presents exciting opportunities in terms of companion planting and sustainable growing. More importantly, the commitment and enthusiasm of others have influenced his approach as well as attitude toward sustainability practices. In a similar vein, some other interviewees have also reflected on how the experience and passion of others have been inspirational for them to become more sensitive about, and involved with, sustainability initiatives and practices. Participant 6, for instance, stated:

> I know this guy, his family has a vineyard, he wasn't working in the vineyard at the time but he would go home for the weekends and go shooting and hunting/gathering sort of stuff on the home vineyards. And I think it was during the 70s or maybe it was 80s he noticed that the soil was going a kind of grey color, and that he wasn't able to shoot as many pheasants and birds, and noticed the wildlife was slowly disappearing. It was at the same time that the chemical companies were having a big push to viticulturalists and coming up with what we call calendar spraying. So regardless of the climatic conditions, regardless of the life cycle of what you are trying to get rid of, they were just spraying. So it was his I guess inspirational and emotional talk that pushed me in that sort of direction as well.

For this participant, the story and emotion of others are turned into his own inspiration and motivation. After telling this story, the participant said:

> So yeah, it's quite a personal motivation, I guess it's children. I have three kids and I think when you see some of the damage that has been done through the use of chemicals and you hear stories like that, you know that something is not right and you have to do what you can.

In this passage the participant is making a moral and ethical statement, expressing a concern for the damage that has been done to the environment and a desire to do the right thing. These moral and ethical statements are deeply embedded in, and are reflective of, the participant's emotions and feelings. For this participant, the motivation for sustainability practices has passed beyond strategic calculations and become something "personal".

One of the key findings of the main study is that individuals' moral and ethical concerns often emerge to supplement, and challenge the centrality of a market mentality. From market-driven to "person"-driven, many participants' moral and ethical considerations become crystallized in the shift from viewing sustainability practices as part of business decisions to emphasizing personal values and beliefs behind sustainability motivations. Like the aforementioned participant, some other interviewees also reflected on how sustainability practices have become "a personal thing". Another participant [participant 1], for example, stated:

> Basically it [sustainability practice] is the right thing to do. I mean with the environment if you were just going to be careless and damage the soil and not care, it says something about you as a person, doesn't it? And also your people, people who work for you, you've got to pay them right, you're not going to rip them off… I think it's just a personal thing. You can't add a tangible benefit to that, I guess you just feel better because of it, you know.

For this participant, "doing the right thing" and "feeling good about it" are identified as important motivations behind sustainability practices. As the theory of virtue ethics posits, individuals commit to ethical and virtuous conduct because it is the moral thing to do and it is in their character to do so (Hursthouse, 1999). In viewing "sustainability" as something that carries personal and sentimental values, as shown in the above examples, the moral character of these individuals becomes the foundation for their own, as well as their company's, ethical conduct. In their discussion of personal motivations, some participants revealed how their own and some other individuals' personal values and emotions had become the key for them to transform self-interest and business-centric consideration into ethical practices that benefit themselves as well as others beyond a cold economic rationale. Participant 9, for instance, considered the owner of his company as the initial driver that had led the company to a sustainable path. For this participant, the owner's personal "affinity with the land" is the most important personal value that has been transformed into actual business practices:

> It was important for XX [name of the owner]. He wanted to have a point of difference, and he's not just going to be another winemaker that's selling wines. He wanted to have something different. XX [name of the owner] has always had an affinity with the land, and wherever he's gone he's always built the wetlands, he loves birds... he wanted us to be a sustainable company. When we did the construction of the winery and the design of the winery, our focus was to build a winery that was very energy efficient, and it just flowed on from there. So it was just right from the word go, and it just has grown from there.

This reflects what Duska (2010) refers to as "false dichotomy" (p. 730), where the distinction between self-interested and altruistic practices is blurred. In other words, for this owner there is no clear divide between self-interest and ethical practice, because his personal values and beliefs ("self-interest") are aligned with what is considered as ethical business conduct. Participant 6, in talking about a correspondence between the owner of the company and himself (branch manager), stated:

> A couple of weeks ago we got some feedback about our organic wines, and one in particular was very positive for us, saying "well done, congratulations, you

> are doing the right thing". XX [name of the owner] flicked me a quick email on Saturday morning as I was watching my boy playing cricket, saying "what do you think the tipping point will be?" and he was referring there to the tipping point of the market. So his view is that we are now just right at that tipping point, and it is going to tip soon and then it is all on, and everyone will have to have to prove that what they are doing is sustainable. So he is a pretty astute businessman, but I think the key for him and for me as well is before that tipping point hits is to try and convert people as well.

As reflected by this participant, both he and the owner of the company feel rewarded about being recognized as "doing the right thing". Meanwhile, they are also both excited about being "right at that tipping point". For this participant, there is a clear synergy between being able to do the right thing and serving business interests, between being an "astute businessman" and a transformational leader who seeks to raise others' awareness and change behavior – "to try and convert people". Following this passage, the participant continued to talk about the owner's personal influence on the company's sustainability initiatives and practices:

> XX [name of the owner] has always had a feeling that we should be sensitive to the environment and sensitive to the people who are working with the environment, our employees. He set up an organic vineyard in XX [name of the region] back in the late 90s, called XX [name of the vineyard], which was way ahead of its time really, quite a big organic vineyard. So he puts his money where his mouth is, and it has been a really hard exercise as we have learned as we have gone along, and it hasn't been too economic to date, but we've learned a lot. So that has been a big driver for the company as a whole to have the

> person at the top really be, you know, following up his words with actions, and he is even more so now.

Here the owner's sensitivities to the environment and the people, as well as his personal actions, are seen as "a big driver" for the company's sustainability path. Like this owner, several other individuals mentioned in this study have demonstrated characteristics of not only a transformational leader, but also a successful social entrepreneur. As Roberts and Woods (2005) point out, social entrepreneurship is a mindset or paradigm of incorporating social values and missions into business practices and, as such, it has a place in any business. Social entrepreneurs, then, are those who share in common the visions of socially responsible business and the ability to instill such values in the organization (Roper and Cheney, 2005). The aforementioned owner is one such example; the previously mentioned owner who has "an affinity with the land" is another. However, company owners are not the only people who may have a transformational effect. The following passage, for example, revealed how the personal values and beliefs of a chief winemaker had been influential in the company's sustainability development:

> Well we've been on this site since the early 90s, XX [name of the person], he's our chief winemaker for the entire time. When he had the opportunity to build the site he really wanted to build it with sustainability in mind. Sustainability wasn't something that we've picked up on the side and run with. When XX [name of the person] built this place from scratch he kept sustainability in the back of his mind and he has done everything with that intention, so yeah, it's from scratch and it's always been embedded in the company's excellence. [Participant 12].

In this passage, the chief winemaker's emphasis on building a sustainable winemaking site has had an important bearing on the company's value proposition. His personal commitment is not only perceived as the initial motivation behind the company's sustainability positioning, but also an influential factor on the company's ethical climate and culture in what should be considered as excellent business practice. This chief winemaker, therefore, as well as the aforementioned company owners, functions as the early leader whose values set the organization's ethical climate, the characteristics of which eventually become internalized by all members within the organization (Dickson et al., 2001). Participant 5, in particular, reflected on how the leadership of the company is crucial in fostering a sustainability culture in the organization:

> Growing sustainably is a feel-good thing, but it's not just that; it's also just a culture in the company. The owner of the company, XX [name of the owner], it starts right at him. It's a really good company to work for and the culture and the management support for sustainability is huge. We have a sustainability meeting maybe once every six months; senior managers, managing director come and sit down and make time for it and that's huge, but it starts from the top, because if it doesn't come from him [the owner], there's no buying. So it starts from the top and it's the culture; it's something we don't have to consider, and it's just something we do. It's part of our everyday business; it's just second nature for us.

Here the participant views sustainability practices as part of the company's culture – "it's just something we do. It's part of our everyday business" and it is just "second nature". The owner of the company – "from the top" – is seen as the most important driver in development of such a culture, from senior management to branch employees like herself. For this participant, the owner's commitment and determination is the key to the company's sustainability culture simply because "if it doesn't come from him, there's no buying".

Throughout the interviews, moral and ethical considerations prevailed when individuals were identified as the key motivation behind a company's sustainability practices. These individuals' values and beliefs, often influenced by their experience, are the key to their personal as well as the company's commitment to a sustainability path. Underlying such a commitment is the individual's desire, as well as ability, to transform self-interest into ethical and virtuous business conduct. These motivating individuals are crucial in fostering a sustainability culture within the organizations and in elevating the ethical and moral ground of others. As reflected by many participants in this study, successful and inspirational individuals are committed to social missions not only because such an act is ethical and virtuous – "it's the right thing to do" - but also because it is the individual's moral imperative to do so – "it's a personal thing".

Discussion

Our larger study of the New Zealand wine industry identified strong market motivation that aligns with the "business case" argument for sustainable practices. According to the practice-institution schema (Moore, 2002), business' preference for self-regulation and reliance on market mechanisms are expressions of its pursuit of "external goods", such as money, power and fame, and such pursuit of "external goods" is determined by its institutional characteristics as a profit-oriented social economic entity. Constrained by such institutional characteristics, then, social and environmental concerns in business would only be considered when they can be justified as the pursuit of external goods because of perceivable economic values. Following such a rationale, then, where market rewards are lacking, the "business case" argument would become weak motivation for long-term and sustained CSR practices because they are not justifiable as the pursuit of “external goods”.

However, as the examples show in this paper, most participants in this study demonstrated long-term commitment to sustainability practices despite the weak market signals in many cases. These individuals make a strong ethical case in understanding sustainable business practices as they show that individuals’ pursuit of internal goods in many cases can transform into a company’s collective pursuit of virtuous business conduct. Our examples show that many individuals have been identified as the fundamental motivation for a company’s engagement with sustainability initiatives and practices. These individuals’ personal commitments to, and philosophy about, sustainability are often seen as the driving force behind not only virtuous business conduct but also the development of a moral and ethical climate in the organization.

Individuals’ moral and ethical-based considerations move the discussion of business sustainability motivation from the business case of self-interested enlightenment to an ethical case of the individuals’ desire to “do good”. In the practice-institution framework, the individuals’ desire to “do good” is conceptualized in the notion of practice, where one’s pursuit of internal goods is based on, and derived from, the virtue and moral character of the individual. Essential to an ethical case of sustainability practices, therefore, is the individuals’ moral character and their pursuit of internal goods. In other words, whereas the pursuit of external goods is determined by business’ institutional market characteristics, the pursuit of internal goods depends on the individuals in business finding rationales in ethical narratives and intrinsic values. As shown in the discussion of many participants as well as their reflections on others, for many individuals within the business arena, leading business practices to a sustainability path is not only seen as “the right thing to do”, but also simply a way of embracing and engendering virtue and morality through example and virtuous conduct.

Conclusion

It has been a moving experience to talk to the participants in our larger study of the New Zealand wine industry, who have help demonstrated a clear ethical case for sustainable business practices. We argue that the “business case” alone cannot fully explain companies’ engagement with sustainability practices in the long term. Our examples show that a company’s sustainable practices are often anchored by an ethical core, which is rooted in the moral and ethical pursuits of the individuals within the organization. Especially when the market is not perceived as sending strong signals for external goods, individuals’ moral and ethical beliefs become pivotal in driving sustainable initiatives and practices of the company.

We draw particular attention to the theory of ‘virtue ethics’ and show that virtue theory provides a useful explanatory framework in making sense of various business ethics issues through placing a focus on the moral character of the individuals and its transformational influences in promoting ethical business conduct. In placing an emphasis on human values and morality, virtue theory turns the central question of business ethics – how business should behave – to the question of how people should behave. An important implication is that business may be viewed as a human enterprise with embedded ethical and moral value. As such, the fundamental issue of business ethics becomes the question of how individuals, as moral agents, can promote virtuous business conduct and help foster a moral and ethical climate in the organization as well as in society at large. As the individuals within business make their pursuits of internal goods, they realize the vision of business as “a human institution in service to humans” (Solomon, 2004).

In this paper we have considered intentions or motivations as expressed by interviewees. In certain ways, we have accepted those as stated or presented by the individual representatives of organizations. We have not delved into the complexities of how we *know* motivations, how they manifest in discourse and specific types of behaviors, or how they get challenged and negotiated. Yet, the attributions of motivations are inescapable in human affairs, are profoundly relevant to demonstrations and contestations of virtuousness; thus, the question of how we know motivations, or what indeed constitutes the best evidence for inferring motivations, is an ongoing and not entirely resolvable matter in any context.

The revival of virtue ethics applies to individuals, including their roles in organizations, as we have discussed in this paper. Although the matter of discerning or inferring motivation for a collectivity is fraught with epistemological, legal, and other problems, it remains important to consider how the cultures of organizations foster certain kinds of behaviors. This is an important question, especially for the theoretical move from the individual to the collective level, where attributions of motivation and of virtue necessarily take on a different type of character. In this regard, of course, owners, top managers, etc. have a disproportionate influence on what becomes, de facto, the moral character of an organization.

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CHAPTER THREE

ETHICAL GOVERNANCE IN CROSS-SECTOR PARTNERSHIPS: THE ROLE OF MANAGERS

Abstract

This study focuses on the extent to which managers of cross-sector partnerships recognize and undertake ethical governance practices in an arena where organizational boundaries, roles and responsibilities are often blurred. From in-depth interviews with 24 cross-sector partnership managers in New Zealand, we find that, overall, the managers prefer and engage in informal ‘soft’ control mechanisms in partnership activities, with an emphasis on shared values in partner selection and on relationship building. Despite exercising generally recognized value and ethics-based governance mechanisms, such as trust, integrity and transparency, through their engagement with partner stakeholders, however, most managers do not associate themselves with the roles and responsibilities of governance. Instead, they separate governance-related matters to ‘higher level’ issues for the ‘senior’ people. We argue that partnership managers need to better recognize their own roles beyond administrative functions and that managerial and governance duties be more fully and openly integrated.

Introduction

Cross-sector partnerships are increasingly embraced by social, economic and political actors as an instrumental response to tackling social and developmental issues. For policymakers, for example, because conventional approaches can no longer meet evolving socio-environmental challenges, there is an increasing need to move towards a *relational* approach that prioritizes interrelationships, collaborations, and partnerships in addressing social and environmental issues (Albareda, Lozano & Ysa, 2007). On the other hand, for business and social institutions, the constantly changing global and local environment has both raised questions for existing social establishments and created opportunities for new modes of social legitimacy and democratic order (Palazzo & Scherer, 2006). In these contexts, diverse participants across sectors are looking to partnerships as an innovative way to utilize expanded sectoral boundaries for positive social change and development. Indeed, in establishing its Agenda 2030 and the associated Sustainable Development Goals, the United Nations identified Goal 17 as a focus on partnerships.

The challenges facing many cross-sector collaborations, however, include managing sustained interactions with partner stakeholders in a context where sectoral boundaries are breaking down; with that change, comes the need to consider the governance of such partnerships. In particular, there are certain difficulties in governing cross-sector collaborations, due to the attempted blending of different value systems and structures between partnering organizations. Moreover, pronounced power asymmetry sometimes exists in cross-sector collaborations, which further complicates partnership governance. In addition, while the changing social and political environment enriches collaborations, it disrupts conventional modes of practices and division of responsibilities between different sectors. The governance of partnership activities, therefore, must respond to the evolving social expectations of what is considered as responsible and legitimate organizational practices.

While the issues outlined above are variously addressed in extant business and management literature, much of that focuses, as Schirmer (2013) has pointed out, on organizational control through a goals-oriented approach to governance with a focus on performance and outputs, rather than the softer, trust-based approach of collaboration and co-creation (Costa & Gijlsma-Frankema, 2007; Powell, 1996).

Like Schirmer (2013), we hold to the precept that owing to the complexities of cross-sector partnerships, their governance requires particular ethical sensitivities and approaches that may be overlooked in favor of attaining set goals. That is, good governance processes and structures should have a clear emphasis on the ethical dimension of partnership activities, including trust. As Brinkerhoff and Brinkerhoff (2011) put it, good governance of partnerships goes well beyond “the metrics of efficiency, effectiveness, and synergy” and fosters processes whereby “inclusion, equity, transparency, accountability and ethical behaviors become integral to partnership functions” (p. 12). In essence, then, partnership governance should be informed by clear and strong ethical standards and should be based on shared values between partnering organizations.

Aside from governance norms, however, cross-sector contexts present certain barriers to effective governance because collaborators need to work with different organizational backgrounds and under different organizational systems. In many cases accustomed models of governing structures and frameworks cannot suffice in collaborative environments where organizers do not have direct access to all the organizational elements (Rasche, Bakker & Moon 2013). Due to the lack of cohesive governance structures, therefore, in partnership activities distinctions between managerial functions and governance duties are often blurred. That is, whereas an organizational manager's role is typically seen to be the functional implementation and oversight of organizational strategies, a partnership manager's role often goes beyond transactional activities and takes on the responsibilities of governing the welfare and long-term interests of the organization as well as the partnership. In this regard, a central task of a partnership manager, according to Seitanidi and Crane (2009), is to safeguard accountability and legitimacy throughout the partnership process, a role more often ascribed to formal governance, enacted by a board of governors (Bird 2001).

From this perspective, partnership managers are well positioned to provide insight into the specific governance process in partnership activities, especially through their engagement with partner stakeholders. However, while many studies have examined managerial practices in partnerships, less attention has been placed on how managers understand and approach ethics-related issues in the governance process, and the manager's role in dealing with these issues. Accordingly, in this paper we take an interpretive phenomenology approach in examining cross-sector partnership managers' personal accounts of their understanding and experience of the governance process in practice, especially in their engagement with key stakeholders. Guided by our overarching research question, *To what extent do cross-sector partnership managers recognize and practice ethical governance?,* we asked managers, from a range of organizational backgrounds, based in New Zealand, to describe their interactions with their cross-sector partners, especially over ethics-related issues; how they see their roles in such issues; and their perspectives on how partnership governance may be improved towards higher ethical standards. In the following section we address the extant literature on issues of ethics and governance in cross-sector partnerships.

Ethics and governance

The topic of ethics and governance itself is complex because it encompasses a range of subjects such as individual and organizational ethics, as well as inquiries into both corporate and social governance. Adding to the intricacy is the highly contextualized nature of cross-sector collaborations, which further challenges our understanding and approach to ethics-related issues in partnership governance. Conventional governance structures and mechanisms, therefore, may lose their efficacy in collaborative contexts. In this section we examine some theoretical considerations regarding ethics and governance in cross-sector partnerships from three perspectives. First, we attend to the distinction between management and governance in the partnership context. Then, we discuss what should be considered as the ethical dimension of partnership governance. Finally, we look into the practice of ethical governance in these contexts.

The convergence of management and governance

While not all organizations have separate management and governance systems, all organizations will at some point need to make decisions that go beyond basic utilities. According to Bird (2001), "management systems are expected to initiate, lead, administer, and operate, governors are expected to oversee these activities and judge authoritatively whether and to what extent they are in the best interests of their organizations" (p. 300). That is, in comparison to managerial functions, the purpose of governance is to make decisions at a higher level beyond day-to-day operations, offering not only policy guidance but also, especially in the case of cross-sector partnerships, attention to the inter-organizational relationships themselves. Thus, while the governors of an organization are obliged to take into account the long-term interests and goals of the organization, and how an organization positions itself in terms of identity, culture and credibility, the broad managerial function is to take oversight of the implementation of those goals and interests. The role of an organizational governor, or a governance body, therefore, is to look at the 'big picture' and consider the long-term interests of the organization. As Bird (2001) put it, governance is "integrally associated with the exercise of good authoritative judgment" (p. 300).

For cross-sector collaborations, in particular, an important aspect of 'making good authoritative judgment' is the governance of ethical practices and the ethical standard of partnership activities. Edi (2014), for instance, identifies the implementation of effective governance measures as one of the key characteristics of successful partnerships for ensuring "a high degree of representation, legitimacy, accountability, program ownership, alignment and synchronization" (p. 134). More formally, Rein and Stott (2009) argue that while collaborative projects can contribute towards social development, there must be appropriate monitoring and governing mechanisms in order to generate more accountable and effective partnership practices. While the governance of ethical practice may be key to ensuring ethical standards in partnership activities and fostering positive social change at large, there remains a divergence of views on what constitutes appropriate and effective governing mechanisms.

In the context of cross-sector partnerships, the process of 'making good authoritative judgment' can often be challenging because in many partnerships although "some formal rules can exist, often there are no clear guidelines available on how to operate within a partnership" (Rasche, Bakker & Moon, 2013, p. 657). That is, when collaborators work under differing organizational expectations, arriving at an agreed-upon and cohesive governance system can be difficult. In many circumstances, familiar models of governing structures and frameworks cannot suffice in collaborative environments where organizers do not have direct access to all the organizational elements, or effective monitoring and sanctioning mechanisms (Rasche, Bakker & Moon, 2013). Due to this lack of structure, conventional distinctions between management and governance, as those outlined by Bird (2001), are likely moving towards convergence. In fact, many studies have inquired into the complexities and challenges facing cross-sector partnership managers, ranging from the emotional and cognitive tensions experienced by managers from a psychological viewpoint (Battisti, 2009), to the difficulties of ethical decision-making in the partnership process (Broussine & Miller 2005). In the converging roles between management and governance, then, a partnership manager's function often goes beyond administrative tasks to include making authoritative judgment on ethics and values-based issues in partnership activities, the same tasks previously ascribed to governance.

Evidently, there has been an increasing tendency to associate social development concepts, such as corporate social responsibility, as an integral part of management functions (e.g., Brammer & Millington, 2003; Tracey, Phillips & Haugh, 2005; Pless, Maak & Stahl, 2012). In this sense, a collaborative environment can provide effective platforms for higher social and ethical pursuits. Some studies, for instance, have investigated how managers utilize social partnerships to create positive social change (see, for example, Walters & Anagnostopoulos, 2012; Seitanidi, Koufopoulos & Palmer, 2010). Indeed, from the public and social sectors' broadened scope to address social initiatives (e.g., Albareda, Lozano & Ysa, 2007; Newell, 2000), to the increasing incorporation of ethical and social dimensions in corporate governance (e.g., Marsiglia & Falautano, 2005), cross-sector collaborations are seen as an effective instrument to tackle major societal issues such as poverty, climate change mitigation and access to quality education, as, for example, set out by the United Nations' Sustainable

Development Goals (United Nations, 2020). In this regard, partnering for social development has generally reflected society's desire for higher ethical orders and a shift towards "a more fragmented, emergent, dispersed, situational, and issue-based mode of governance from within" (Crane, 2010, p. 18).

While, in its best form, cross-sector partnerships can make positive contributions to society (Parkes, Scully & Anson, 2010), they must be governed and managed appropriately. That is, in their potential to contribute to 'society's interests', partnership activities and processes require effective governance to ensure ethical practices and standards. Accordingly, in the next section we will focus on what should be considered as ethical governance in collaborative contexts.

The ethical dimension of partnership governance

Many definitions of business ethics, according to Cragg and Matten (2011), "explicitly locate the field in a conceptual space 'beyond the law' thus drawing a clear separation between business ethics and legal approaches to address ethical questions" (p. 3). It is the social aspects, combined with ethical sensitivities, that highlight the ethical dimension of partnership governance. The understanding of the ethical dimension of partnership governance, therefore, demands a more deliberate and explicit integration of ethical and social issues at the core of organizational function and practice. Brinkerhoff and Brinkerhoff (2011), cited earlier, highlight the instrumental as well as ethical implications of partnerships to embody and promote particular norms and values. In this regard, the design and implementation of governance mechanisms should be informed by strong ethical standards and values to ensure ethical performance and mitigate unfair practices.

One key challenge facing partnership governance, however, is the issue of power complexity, especially when there exist asymmetrical or little understood power relations. In discussing different approaches to community partnerships, for instance, Cornelius and Wallace (2010) point out that cross-sector partnerships may be an effective vehicle for creating social capital but can often be subject to political and economic agenda (p. 81). Therefore, they argue, the governance structure of such partnerships should be informed by strong ethical values and enable strong community participation. Similarly, Idemudia and Ite (2006) emphasize the importance of seeking, understanding and integrating community perceptions into partnership initiatives that involve local communities. They find that many partnerships lack good governance structures and marginalize the need to address the local community, which contributes to the eventual failure of the collaboration.

Another challenge occurs because while successful partnership governance should be based on shared values and a long-term view of collective value creation between partners, mixtures and dynamics of different values systems and beliefs exist between partnering organizations. Using the minerals industry as an example, Esteves and Barclay (2011) discuss the challenges of matching corporate drivers for strategic partnerships that contribute to local and regional sustainability. They assert that in order to achieve long-term success businesses are often required to adopt cross-sectoral approaches to address issues and build assets in the natural, human and social environment. This might be testing, especially for the corporate sector with conventional shareholder-oriented views, but is key to the success of collaboration in the long run. Nakano (2007), for example, argues for the necessity of building an ethical organizational culture through a governance structure that enables value sharing and strengthens business ethics. Similarly, Nordberg (2008) points out the limitations of basing organizational decisions on shareholder value and the advantages of a new ethical stance in a governance system that is based on long-term value creation and maintenance. Le Ber and Branzei (2010) refer to “value frame fusion” (p. 163) in positing that collaborating partners undergo a rational process of value creation whereby they “come to recognize and reconcile their divergent value creation frames in order to co-construct social value” (p. 163). Such a process of ‘combining values’ both fosters, and is facilitated by, the increasing convergence of activities and roles, as well as responsibilities across different sectors (see, e.g., Laasonen, Fougère & Kourula, 2012).

Finally, a key aspect of partnership governance lies in the need to respond to the evolving social expectations of what is considered as legitimate and accountable practices. For the public sector, for example, Calciu (2009) recommends a code of ethics for civil servants in the EU, and Schooley (2013) advises ethical training for public management in the US. In the corporate context, on the other hand, various governance models have been proposed for improving transparency and accountability in partnership activities (e.g., Ezezika et al, 2009; Benatar, Daibes & Tomsons, 2016), and advocating for stronger ethical governance, more public transparency, and better control mechanisms (Simmons, 2003; Schwartz, 2008).

For the social sector, likewise, there has been notable change in the positioning as well as the social expectation of how nongovernmental organizations interact with others. That is, in developing collaborations with others (Rugman & Doh, 2008), the nonprofit sector is facing increasing scrutiny of their conduct, legitimacy and accountability (Easterly & Miesing, 2009). Baur and Palazzo (2011), for instance, question the role of NGOs as moral agents in their collaborations with the private sector and introduce a framework for assessing the moral legitimacy of NGOs along the three dimensions of civil, discursive, and consensual behavior. Another example can be seen in Pfeiffer et al’s (2008) advocacy for an international code of conduct that helps influence nongovernmental organizations' conduct and accountability in their collaborations with the public sector.

The emphasis on 'ethical governance', overall, echoes the growing social expectation for all social actors to incorporate ethical considerations in their governance structure. The design and implementation of governance structure, therefore, must respond to evolving standards and contexts in order to provide effective guidance in partnership activities. Accordingly, good governance structures and frameworks should be based on shared values and goals between partners, as well as reflect high levels of ethical sensitivities and standards. In the next section, we will discuss some specific ethics-based governance mechanisms in cross-sector partnerships.

Ethical governance in practice

Organizations use formal, informal, or a combination of both approaches in their governance structure. In comparing formal and informal governance mechanisms, Simpson, Lefroy and Tsarenko (2011) point out that: "*Formal* arrangements provide structure, through defined roles, outcomes, and remedies (i.e., contracting)", and that *informal* arrangements, "such as interaction, knowledge-sharing, or lobbying regardless of how frequent they are, provide greater flexibility" (p. 300). Although such formal governance mechanisms can provide clear guidelines, they can be difficult to define, regulate, and reinforce in collaborative contexts, where some organizational elements and governance structures may be lacking. In comparing inter-firm and firm-NGO alliances, for instance, Rivera-Santos and Rufín (2010) point out that some important governance mechanisms for inter-firm alliances, such as equity-based governance, are not viable in firm-NGO alliances. Moreover, in cross-sector partnerships it may be difficult to define responsibilities between partners, especially when hierarchical authority is absent and one partner has no authority over others (Acar, Guo & Yang 2008).

Consequently, in cross-sector collaborations, the more flexible and cost-efficient informal governance structures are more accessible for partnership managers to implement. In order to maintain legitimacy and accountability, as well as mitigate unethical practices, partnership managers not only rely heavily on the *informal* governance mechanisms of ethical values and standards, but exercise them themselves. That is, ethical principles and standards, such as the ethics of care (Sama & Casselman, 2013), the principles of integrity (Schwartz, 2008) and justice (Cornelius & Wallace, 2010), are applied by managers as a form of soft control and guidance in regulating partnership activities. Moreover, through employing ethics-based governance mechanisms, organizations emphasize the importance of ethical practices and foster an ethical climate within and between the partnering organizations (see, for example, Dickson et al., 2001; Block et al., 2017).

While organizations use ethics-based governance measures throughout the partnership process, studies have shown that considerable effort is made at the initial developmental phase of the collaboration to minimize risk. That is, organizations place great attention on the selection and formation stage of the partnership as a risk-mitigating mechanism before entering into a collaboration agreement. Rosas and Camarinha-Matos (2009), for instance, emphasize the importance of the perceived ‘soft’ aspects of assessing a potential partner’s preparedness in entering an alliance in terms of the ‘character’ of the organization, based on factors such as “behavior, ethical issues, norms, values and trust” (p. 4711). Indeed, trust is widely seen as a key factor in partnership success, especially from the beginning stages (e.g. Msanjila & Afsarmanesh, 2008; Vlaar et al., 2007). Martínez (2003) posits that because nonprofit organizations carry certain risks in their joint ventures with private companies, such as loss of independence, or the occurrence of unethical behavior of private firms, they should use ethical screening to 'hedge the risk' in the early stage of partnership. Similarly, Kraak and colleagues (2012) conclude that due diligence is crucial in assessing partnership compatibility before entering into a collaboration agreement. In order to protect organizational legitimacy and avoid accountability loss, therefore, ethical governance at the entrance level is regarded as imperative in ensuring the ethical qualities of prospective partners as well as in assessing the potential for value alignment in the partnership process.

While the formation stage is strongly emphasized, ethics-based governance mechanisms continue to play a key role throughout the partnership process. Amongst all informal governance measures, however, trust and relationship building have been identified by many as the most critical governance mechanisms in cross-sector partnerships. This is evident in studies from a range of cross-sector collaborations, from social community development (Venn & Berg, 2014); to public-private partnerships in conflict and post-conflict areas where at the core of a successful partnership is "building trust through engagement, collaboration, and responsible governance practices" (Abramov 2009, p. 483). Because 'trust' is perceived as a foundational element for effective collaboration, 'building trust' is seen as a priority for partnerships, and indeed in many institutional contexts today (e.g., Getha-Taylor, 2012). In this regard, establishing and maintaining trust is a particularly valuable informal governance mechanism (e.g., Müller et al, 2014) and forms the basis for building collaborative capacity (e.g., Bardach, 1998).

Integral to trust building, studies have shown that developing and maintaining personal relationships is an essential aspect of successful partnerships. As Foskett

(2005) suggests, trust between organizations is significantly about trust between individuals, which depends very much on the good personal relationships and strong interpersonal skills of the partnership members. In this sense, according to Foskett, "…it is, in reality, trust between individuals that is the cement in the relationship and that will ensure sustainability" (p. 363). Personal relationships serve to bind collaborating partners and are fundamental to establishing understanding as well as trust in partnerships (Austin, 2000, p. 83). Indeed, as Seitanidi and Crane (2009) describe, ''when individuals develop a personal relationship of trust within the partnership then the level of embeddedness of the relationship becomes more evident'' (p. 422). For Das and Teng (2001), amongst others, trust and control are alternative forms of organizational risk mitigation.

Following these arguments, if personal relationships and trust are the key elements of successful partnerships and collaborations it would appear that these are more likely to develop practically at the managerial level than at the more distant governance level – or, at least, be central to views and behavior at each of these levels. It is at the managerial level that personal interactions tend to occur during day-to-day operations. Given this, trust and relationships become a core function of cross-sector partnership *managers* as they act to preserve the legitimacy of the organization (Seitanidi & Crane, 2009), as well as an effective 'alternative' governance mechanism (Brinkerhoff & Brinkerhoff, 2011; Gulati & Nickerson, 2008), contributing to the long-term sustainability of the partnership as well as the organization.

While much academic attention has been placed on managerial practices in partnerships (e.g., Babiak & Thibault, 2009; Pittz & Adler, 2016; Stadtler, 2018), few studies examine if, and to what extent, these complex and overlapping roles of management and governance are recognized and exercised in the operations of cross-sector partnerships. Through the accounts of managers with cross-sector partnership experience in New Zealand, we seek a better understanding of ethics and governance related issues and practice in the context of cross-sector partnerships. As stated above, our research question is: *To what extent do cross-sector partnership managers recognize and practice ethical governance*?

Methodological approach

In conducting our exploration of managers' experiences of working in cross-sector partnerships we adopted the qualitative methodological framework of interpretive phenomenology. More commonly applied in psychology research (e.g., Eatough & Smith, 2017; Palmer, Larkin, de Visser & Fadden, 2010), this approach has also more recently been used in areas of business ethics (Haar, Roche & Brougham, 2018). Phenomenology is based upon the lived experiences of others, told through their stories (Alase, 2017; Smith, Flowers & Larkin, 2009). Thus the approach was particularly applicable to our focus on partnerships in practice.

The interpretative aspect of the methodological approach is two-fold: the self-reflexive interpretation undertaken by the research participants as they recall their experiences of working with their organizational partners (Smith, Flowers & Larkin, 2009), and the interpretations made by the researchers both in making sense of what we are told, from the interviewee's perspective (Smith et al., 2009), as well as in attempting to place what we are told within the parameters of extant theory (Pietkiewicz & Smith, 2014). All attempts at understanding each research participant's point of view are based on an acknowledgement that multiple perspectives of any phenomenon are possible and that, by extension, the interpretations made by the researchers are not necessarily the same as those of the interviewee (Rooney & McKenna, 2005). In other words, we understand that there cannot be an intrisinsically objective perspective; nor is there an objective reality such as assumed in positivist paradigms. Instead, ‘reality’ is subjective, personal, and constructed on the basis of individuals’ context, including their experiences and beliefs (see, e.g., Hassard, 1993). For these reasons the researchers cross-checked understandings with each other, as well as with the research participants through probing questions and, in some cases, follow-up conversations at a later date.

Method

Twenty-four participants from twenty-two organizations were recruited for this study. All participants were in managerial positions or had a managerial role in at least one cross-sector partnership project. The organizations involved in this study comprised eight private sector companies (small, medium and large businesses), one independently operated state-owned enterprise (SOE), six non-government organizations (NGO), two national government organizations, five local government organizations (local and regional councils, district health board), and two Crown Research Institutes (CRI: government-owned organizations for nationally beneficial scientific research). All the participating organizations are based in New Zealand, across different regions. (See Table 1).

Manager #	**Sector**	**Total**
1, 6, 11, 15,18, 19, 20, 22	Private/business	8
7	SOE	1
2, 9, 10, 14, 21, 23	NGO	6
5, 16	National government	2
3, 4, 8, 12, 17	Local government	5
13, 24	CRI	2

Table 1: Interviewees by sector

The interview design was semi-structured to allow the interviewees to relate their experiences freely without being asked leading questions. Each participant was first asked to describe in detail a specific personal experience in managing a cross-sector partnership. They were then asked to reflect on the things that they thought had contributed to the success or successful part of the partnership, what had caused failure and conflict, and what they believed would have made the experience better. Finally, the participants were asked to make recommendations for someone embarking on a partnership process in a managerial position. Follow-up 'probing' (Robson, 2002) questions were asked at points where we wanted the participants to expand on the details of their stories, especially when 'managerial' or 'governance' relevant comments were made, or, as noted above, in order to check our understanding. In addition, as apart of the analytic process we, as researchers, were also formulating what were often but not exclusively hypothetical questions such as 'why are they empasising this particular point?' (see also, Pietkiewicz & Smith, 2014).

Each interview was recorded, with participants' permission, and fully transcribed. Follow-up interviews, phone conversations and emails were conducted after the initial review of interview transcripts, where further clarification was sought from participants.

For each interview, and then across the set of interviews, two of the researchers first examined each of the interview transcripts for insights to the participants' experiences of ethical issues of management and governance in the context of working with their organizational partners. In line with our analytical process, such instances were not explicitly framed as ethics related, but we inferred them to be so on the basis of extant literature. We then examined the set of transcripts more holistically to look for patterning, both similarities and differences, from which we identified important themes

(Braun & Clarke, 2006, 2014; Eatough & Smith, 2017; Smith, Flowers & Larkin, 2009). The resultant themes were in some cases drawn directly from the related experiences, and in other cases drawn from the more theoretical and hypothetical questions that our interpretative process generated. The set of themes was reduced through a process of grouping of theme commonalities to a set of three: understanding of what governance is; a focus on entrance level issues; and relationship- and trust-based approaches to partnering.

Findings and discussion

This section presents and discusses our findings in three aspects: the participants' understanding of governance, entrance-focused issues in partnership governance, and the use of relationship as well as trust-based governance in cross-sector partnerships.

Understanding of governance

For the partnership managers, 'governance'-related issues were seen as 'higher level' issues of concern to the upper management group of people, rather than themselves. That is, 'governance'-related matters were perceived to be those of higher level importance for an organization's direction and performance, rather than 'day-to-day'. Consequently, the managers generally referred to "upper management" when discussing 'governance'-related issues, the group said to be responsible for making more important decisions. In fact, the terms 'governance body', 'directors' group', or 'senior group', were used by managers to refer to a 'key' group of people, usually formed by representatives from each partnering organization, to oversee and make higher-level decisions during the partnership process. As a public sector manager noted:

> ….. for governance, each of those projects has had working level people and then reporting to a governance group, basically sort of higher management in each of those organizations sitting on a governance table from time to time to agree on the scope of the work, the objectives of the work, and try to get that down in writing and try to work to that. (participant 5)

While not all the partnerships in this study had a governance body for the collaboration, some managers have pointed out the importance of having an authoritative level that helps oversee important decisions throughout the partnership process. Participant 11, when asked what she thought had made the partnership successful, referred to a "senior group of people" who "met regularly to discuss and to evaluate the program, but also to see what else we can do to improve what we do". Participant 3, when asked for recommendations for successful partnership, commented:

> We have a panel, where we meet about every two months; they would bring the project manager, but also an executive director and their relationship manager, etc., and we would do the same… we'd talk about the high level things of interest to both organizations and you know, we've been able to do very good things out of it like agree on approaches to dealing with some difficult issues…

Although few managers went on to articulate what 'higher level things' were, some discussed the importance of having a governance body in the context of risk mitigation and conflict resolution, in line with Das and Teng's (2001) notion of control as one form of risk mitigation, the other being trust. In this case, control was seen as necessary. As two participants noted:

> It's absolutely key to have a good governance process in place. I'd say especially if you're going to work with someone new, you know, you need to

> agree from the beginning what the governance model will be, and how important decisions will be made. (#8)

and

> Well, I think part of the reason we had a governance group in the first place… things happen, disagreements, so we need to handle these situations, and processes were put in place to do that, to try to manage these situations when there are tensions. (#5)

While managers generally agreed that a governance body should include people from both organizations and meet regularly, absent was clear articulation of exactly how the governance process would be carried out, or what a governance model would look like, such as, perhaps, an adapted model of cooperative governance, which is commonly employed in the non-profit environment. Two exceptions were identified where participants described what they would consider as *good* governance style and process. Participant 18 emphasized the "principle of equity" at the governance level in addressing power imbalances between partners: "you really need to have a very broad view of what an asset is and strength is… that is the base of the partnership, the principle of equity". She talked about the importance of engaging in conversations and establishing ground rules at the governance level, where "everyone has equal right to be at the table and has access to how decisions are made at the directors' level". The other exception, participant 24, highlighted the connection between values and process:

> The root of the problem is the values, but how you solve the problem is the process and if you don't have a process that is conducive to good discussion about values, say, then you're not getting anywhere. I think process is a big part of the problem.

> I think it’s important, for example, in some governance meetings maybe it will be relevant to have a facilitator in those governance meetings so they don’t run the U type table in a very hierarchical way, but in more like round table… so yeah, it needs to be inclusive, safe, everyone’s voice can be heard and equal.

We saw this as an excellent example of a value-based governance style, where an engagement process that allows inclusion and voice are emphasized. However, it was notable that only two of our participants, both in the private sector, discussed governance in terms of values and ethics- based processes.

In general, the managers saw a clear separation between governance and management functions, with governance taking on a high-level, control-oriented role in determining organizational direction and performance, as stated above. None discussed their own roles in direction and performance, nor did they distinguish what was meant by ‘higher’ level, points that become more significant in light of the other two areas of discussion, below.

Entrance-focused issues

The managers talked about the importance of the entrance and formation stages of partnerships, consistent with extant literature. Across different sectors they spoke of the importance of making value-based assessments when selecting collaborative partners in the initiation stages of the partnership process. More specifically, many emphasized the alignment of goals and values between partners as key to starting a successful partnership. There were repeated comments along the line of “shared aspirations”, “mutual interests”, and “alignment of goals and missions” in relation to entering a new partnership. Some, in the context of making recommendations, discussed the importance of selecting the right partner as the first step. Participant 22, for instance, said:

> If their values don't resonate with your own, it's going to be hard work and I wouldn't recommend that you engage with them. It doesn't make any sense if you don't see any common ground.

Interestingly, for several managers, across all sectors, the assessment of potential partners is rather an innate rather than objective process, at least at the very initial stage of selection. For example, as participant 20 noted: "… I think that will be successful… it's just my innate feeling because of the organization". An NGO manager (# 21) used the "feel good factor" to describe the importance of "having a good feeling" about building a relationship with someone from whom she could "see shared goals and values". Another NGO manager (# 10) also emphasized the significance of 'having a good feeling' before entering the relationship-building stage: "…you get that feeling, you know, if don't get that genuine feeling about it, then that doesn't ring right, that doesn't feel good".

While some managers use a more or less intuitive selection process, others are more explicit and structured in their evaluation of potential partners. Many emphasized the importance of establishing clarity, especially in the formation stage of the partnership process. In terms of making value-based assessments, these managers highlighted the importance of both knowing and clearly presenting your own values, as well as finding out those of others. Participant 22, for example, commented: "You've got to be open to examining your own value systems before you can effectively share and accept other people's". Similarly, in discussing the beginning stage of a partnership, participant 14 emphasized:

> When you consider whether you should go into a thing with someone, you'd have to ask yourself if you are able to justify the relationship, it needs to be an honest reflection on who you are, your values. So first of all identify their values

> and what drives that organization and why – what's their intentions. That would be the first thing. Then ask if it aligns with your values and where you're going.

Understandably, the managers placed more emphasis on the importance of making assessments about the potential partner members they may work with, particularly, as one participant (# 21) pointed out, to see if a "common interest" is in place. This is important because "they'd have to be genuinely interested in the cause that you're going to be working together on, otherwise it won't last long when that is missing". Another manager (# 8) stressed that "the early stage is key, [and] you must spend time to understand the project, what's proposed, but more important, you have to understand who you will be working with". She went on to emphasize the importance of "all those soft communication skills" and stated: "I think that is what it all boils down to, you have got to establish that at the beginning, by face to face, by taking time to understand each other, …. [and] allow time to meet and talk, and to understand each other". Thus, strong emphasis was placed on the interpersonal aspects of partnerships, over and above the organizational aspects.

Some managers emphasized establishing clarity and mutual understanding as 'bottom line' values at the very beginning of a partnership. Participant 12, for instance, commented:

> I think if you look at the trends of change, marginal, transactional, transformational, the real stuff happens in the transformational space, and that requires the right mindset, the right attitude, confidence, leadership, resources obviously but clarity around what is presented, that is very important.

Another (# 19) stated:

> … in my initial meetings, I want to be absolutely clear about the bottom lines, that's the 'no compromise' part, there are certain values that you cannot

> compromise on, and you have to be clear about that from very early on. So yeah, in the very beginning you have to establish clarity, make what's important clear, make yourself and who you are clear.

Similarly, participant 18 emphasized:

> Of course there will be differences, and that's okay, there always are, and sometimes you just need to understand what they are, accept it, appreciate it, but you must be clear about your bottom line, and that's about staying true to your values.

In his philosophical discussion of the respective roles of governance and management, Bird (2001) clearly places issues of the long-term development of an organization within the realm of governance. In fulfilling this role, he states, governors are responsible for judging what is in the best interests of the organization. In many ways, this aligns with the 'higher-level' concerns ascribed to governance by the managers in our study. Others also, as outlined above, point to the social aspects and ethical dimensions of partnership governance in the promotion of particular organizational norms and values (Brinkerhoff & Brinkerhoff, 2011; Cragg & Matten, 2011). Yet, governance through the "exercise of reflective and authoritative judgment" (Bird, 2001, p. 298) and attention to organizational norms and values also resonates with what the managers describe to us as their own practices as they take care to select partner organizations whose values align with their own in order to ensure the long term success of the partnership and the organization. As we discuss further below, while there appears to be a connection or overlap between governance roles and managerial practice, this not acknowledged, nor seen in these terms.

Relationship- and trust-based governance

When asked to identify difficulties in managing partnerships, some managers spoke of the issues of working with unfamiliar structures and processes, while others discussed the lack of control in a cross-sector environment. For example, a CRI manager (# 24) commented on the difficulties of working across two sets of cultures: "…that's almost impossible, you have to go through a different structure and process, so there are different cultures who have different ways of doing things". Adding to that, another stated: "Sometimes things can get a bit tricky because I have no authority over the other organization; I can have measures in my own side of things, but I have no real control of what's happening on their side." (# 1)

Moreover, some of the partnership projects began with a fairly "casual" process, where "there were no formal guidelines, or agreements, at least in the beginning, you'd have to sort of create these as you go, and learn about how to do it right in the process" (#11). When asked whether they used formal guidelines during the partnership process, one private sector manager (# 18) responded: "formal guidelines are almost impossible to set up, very tricky to set up or be reinforced; it's really difficult to get the right model and agreed and followed through by everyone".

Therefore, rather than formal controls, informal management measures were found to be more applicable and effective. The participants identified a range of ethics-based mechanisms, such as "trust", "honesty", "integrity", "transparency", "mutual understanding and respect", and "good communication" in their engagement with partner stakeholders. For example, when asked to give advice to someone who is embarking on a partnership, participant 14 (NGO) stated: "there has to be mutual respect in terms of what you are both trying to achieve…… if you are both driven by the same thing it's all good, from there you have to have honesty, integrity, and trust…"

While many participants recognized these as important virtues in partnership activities, they were predominantly discussed in the context of building and maintaining relationships. In fact, relationship-based mechanisms emerged as the most common approach in managing partnership activities throughout our conversations with the managers across sectors. Many placed this as the highest priority. A NGO manager (# 23), for example, stated: “I think relationship building is incredibly important to get things done on a collaborative basis”. During our conversations with the participants, comments along the lines of “building relationship” and “instilling trust” were made repetitively as the most important means of partnership development. Participant 3 commented:

> Nurturing the relationship is the number one thing, … you are not going to get very far without good solid relationship and that trust in place, it’s not going to work, it’s going to be very hard.
>
> I think it’s the most important, if you can instill trust and develop that trust then you can start as a true stakeholder. If you don’t develop that trust, you will never, you will always be, just talk around the edges...

Similarly, participant 2 stated:

> … so success comes about through relationships, and making time to develop positive relationships. Allow time for development of positive relationships. So emails, phone is one means, seeing people’s eyes is the best way to do a positive relationship, and just put time and energy into it.

Like participant 2, in discussing the importance of building relationships, some participants emphasized the effectiveness of personalizing them. For example, participant 8 noted: “There is a lot of respect and trust going on in these kind of things, and collaboration is all about that. And I believe you are more likely to get success if you have personal touch” and “I don’t believe you will get traction unless you have a relationship, and it needs to be genuine, and personal”. Participant 13 added: “I think you have to cultivate personal relationships within the organizational relationships, you have to build trust and respect, collaboration is all about that, and it all starts with a good personal relationship.”

While many recognized the importance of building and maintaining relationships, at the same time some expressed concerns about using relationship-based mechanisms as a primary approach to maintain the success of a partnership. Participant 18, for instance, argued that when the collaboration is based on good relationships, especially personalized relationships, it actually makes that partnership “a bit fragile”; “it’s both incredibly valuable but also a risk….. People moving on is one of the biggest challenges to partnerships”. Participant 21 also commented: “You’ll often see relationships between organizations really strong and then you’ll have a person who leaves and then there’s a lot of work that that organization then has to do”.

The ‘people turnover’, as pointed out by participant 3, can cost a loss in trust, as well as established norms and values:

> It helps when there’s not too much turnover in people you deal with. At least if there’s one thread of consistency on either side it helps because the history gets understood, the norms and the values of the organizations get better shared and understood.

Similarly, when asked to identify challenging aspects of managing partnerships, participant 12 stated: “That can come down to a bunch of things, right down to changes in personnel…… You can have a slowdown in an opportunity and a collaborative process. Just misunderstandings can occur. Potentially, loss of trust”.

Another ‘danger’ to heavily relationship and trust-based collaborations, reflected by some participants, is the loss of trust caused by misconduct: “Trust is slow to build but easy to destroy …. it’s like game theory – the trust is reinforcing. If you cheat once, then it costs you in the long run” (# 20). Or, in other cases, collaborations may be damaged by a lack of understanding, or respect, of different disciplines and expertise. Participant 13, for example, emphasized that for successful collaboration it is important to understand what each party brings to the table, in terms of expertise: “we have a sort of well-defined role of expertise, it needs to be respected, and we have to understand what they bring to the table, or, if we don’t understand that that we work that out early on”. Participant 1 similarly commented:

> So over a period of time we developed mutual trust and respect, and having that has allowed us to continue to build on that over time. I bring a certain expertise to the team and other people have other expertise and we all respect each other because you know things I don’t and so on.
>
> On the other hand, some of the worst relationships that I have had have come out of a place of mistrust, where I have been working with people who are in a different discipline…… and we just butt heads and it goes nowhere and nothing happens. And that doesn’t work…… So kind of the lesson from that is that you have got to let other people do their work in a way that they see fit, but they have to let you do the same thing. And if you are just butting heads then just stop.

Therefore, while recognizing the importance of a trust and relationship-oriented approach in managing partnerships, some participants also discussed the necessity of developing more support at the organizational level in order to better protect collaborative efforts. As Participant 17 put it, there’s a need to make it “a bit more durable … than just personal relationships … that’s where it all starts but it can’t be where it all finishes, it has to go further". Likewise, endurance was also important for participant 16:

> Relationships are not necessarily enduring; if someone changes, well, you've lost that relationship. But, if we create a culture where the organization empowers their people to get involved, the organization says – this is important, that's what could make it really enduring. That's the approach that we need.

Thus, a few participants, while still acknowledging the importance of personal relationships, recommended developing stronger "professional relationships" (for example, # 23) and evaluating trust not only at person to person level but also at the organization to organization level (# 20). One of the private company managers (# 18) explicitly framed this personal/organizational separation as a need to embed the collaboration at the governance level:

> Successful partnerships are those, over time really building a strong personal relationship but cross-organizational relationship too, so that the partnership doesn't rely entirely on just personal relationships, but it has some embedding at a senior team at the organizational level. That's really important.

Some expressed an inclination for more formalized control in their partnership endeavors. Participant 22, for instance, when asked what could help the collaboration run smoothly, answered: "you need to have a process that's transparent and that needs to be documented". In responding to the same question, participant 15 said: "I think you need a mandate as well, the answers that I produce will be regarded as authoritative by somebody. From their perspective, they also need to feel that it's appropriate for them to speak on behalf of themselves". Participant 14 discussed the need to "formalize the relationship" and establish clear understanding and formal agreement in collaborative efforts.

Moreover, two participants discussed the need to develop more institutional support in ensuring the long-term success of partnerships. Participant 12 commented on the importance of protecting "institutionalized knowledge, the back story… any of those things disappear sometimes and they're critical to success". More specifically, participant 24:

> It's tricky to work with no institutional memory…. It's very important. Like, for example, leadership is one key factor for collaborations, but the problem with that is you have to build leadership that is a shared leadership with your team members, shared leadership with other institutions, then you have that institutional memory that is not reliant on one person.

Summary

> I think that is the essence of what management is all about really and governance…is all about building alliances, getting people to work together, showing respect for other people and building trust. (# 6)

In sum, there was overwhelming consensus amongst our participants that key to successful partnerships are shared values and trust, and that these are established at the outset, all of which align with extant literature on ethical governance. However, at the same time, the managers clearly conceptualized governance as operating at a 'higher level' of operations, rather than overlapping with what the managers did on a day to day basis. The notable exception to this was Participant 6, quoted at the beginning of this summary, who attributed values such as respect and trust to both management and governance. None of the others specifically, cognitively recognized 'governance' as part of their duties, although many engage with governance practices through ethics-based mechanisms, including "trust", "honesty", "integrity", and "transparency"- all of which are suggestive of a relationship-oriented and values-based approach to partnership governance.

The awareness that some managers clearly had regarding potential dangers of keeping to a primarily relationship-oriented approach further highlighted the perceived separation between governance and management functions in partnerships, especially as they expressed an inclination towards more formalized, institutionalized approaches. That is, in expressing their concerns over the lack of relationship building at the 'senior' levels, the managers implicitly returned to their distinctions between management and 'higher level' governance, while at the same time expressing doubt that their own efforts could be durable. In doing so they elevated relationship-based collaboration to a governance responsibility, rather than anything sustainably achieved at the manager level. While the logic of the long-term interests of the organization can be seen, with the roles thus separated opportunities for collaborative, overlapping governance and managerial roles are ignored.

Conclusion and implication

In this paper we explore to what extent cross-sector partnership managers recognize and undertake ethical governance practices in an arena where boundaries, roles and responsibilities are often blurred. In this sense, we are considering both levels of awareness – sometimes tacit understandings – and sets of practices that may be largely informal. Our findings show that, overall, the managers preferred informal and *soft* control measures in partnership activities. Particularly, the managers placed great emphasis on the entrance stage of the partnership process through making value-based assessments when selecting potential partners. Furthermore, relationship and trust-based measures have been recognized by the participants as the most common approach to maintaining and improving the partnership process. In the context of relationship and trust building, the managers further identified a range of ethics-based measures, such as trust, integrity, and transparency, as integral to successful partnerships. Moreover, in a relationship-based approach, with gravitation towards personalized relationship management, some participants emphasized the importance of embedding collaborative culture both structurally and culturally at the organizational as well as the governance level.

All of the concerns and practices described by the managers in this study echoed those of the ethics in governance literature cited earlier, from compatibility of values and careful screening of partners at the entrance level of partnership building, through to the building and maintenance of personal relationships as a way of embedding the partnership into organizational practice. Their practices affirm our early statement that for cross-sector partnership *managers*, trust and relationship building become a core function as well as an effective governance mechanism, and that these will in turn, among other ethics-based governance mechanisms, contribute to the ethical governance and the long-term sustainability of the partnership as well as the organization.

Clearly, both value-based assessments and ethics-based relationship measures are central to ethically-oriented governance in the partnership process. In collaborative contexts, where issues of power imbalance and clashing value systems are often at play, as also noted by our participants, an emphasis on the ethical dimension in partnership governance is key to ensuring legitimate and accountable practices. In this way, principles and evidence of legitimacy and accountability move from their more familiar role for specific organizations and industries to the level of complex cross-sector partnerships. The partnership managers' emphasis on "shared values" and "aligned goals", and their efforts in ensuring trusting relationships as well as transparent processes, are important examples of ethical governance at practice.

However, our conversations with the partnership managers showed that they generally perceived and treated ‘governance’-related issues as a ‘higher level” of things that the “upper” or “senior level” people deal with. Moreover, most of these managers were either unwilling or unable to articulate what the “higher level” is in terms of the actual governance process. In other words, while partnership managers routinely exercise ethical governance practice, at the cognitive level they largely do not position themselves as governors, or as being responsible for making higher-level decisions for the partnership. Instead, they tend to attribute such practices, normatively or in practice, to a separate governing entity. Indeed, as we note earlier in reflection of managers’ comments made to us, they emphasize perceived limitations of the personal relationships that they, themselves, build across the partnerships. Instead, they feel that for the sustainability of the partnerships, relationships need to be established at the governance level.

We argue that, on the one hand, there is real danger in this deflection of responsibilities from the managers since ethical decision-making can occur during the daily activities throughout the partnership process. Indeed, such ethical practice is widely discussed in the academic literature. On the other hand, being aware of the governance role they are already playing will empower the managers to engage more fully in implementing ethical governance. That is, as partnership managers recognize their role beyond administrative duties and function at the governance level they will be better placed to act based on the long-term interests of the organization. Managers will, for instance, place an emphasis on values and ethics-based governance practices throughout the partnership process, rather than being more narrowly focused on the entrance stage of the partnership. Moreover, in considering the long-term sustainability of the partnership as well as the organization, managers are more likely to pay attention beyond individualized relationships and engage with more formal and effective governance mechanisms at the inter-organizational interface. This will require, overall, a type of convergence between managerial and governance duties, where managers internalize ethical governance as a part of their daily managerial functions and enhance ethical practices through effective governance mechanisms. Such convergence would need to be acknowledged at all levels of the organization.

On a practical level, this study has reinforced the idea of dynamic ambiguity surrounding the notion of governance and, by extension, good governance. Many managers do not see themselves in governing roles, let alone as ‘governors’; yet heightened awareness of such roles can have important implications for mutual understandings across institutional boundaries, partnership legitimacy, and inter-organizational accountability. Thus, recognition of the range of activities and outcomes related to good governance can assist managers and their employing organizations in assuming greater responsibility (rather than deflecting or further dispersing it) and empower them to engage more fully in ethically driven partnership governance.

On a theoretical level, this study of cross-sector collaborations and partnerships invites further consideration of what informal, relational, and fluid arrangements in such inter-organizational relations mean for legitimacy and accountability. This is true not only because legitimacy and accountability may take on less established and transparent forms but also because the “organizational fields” (Wooten & Hoffman, 2008, p. 130) themselves will evolve, based on differential power, the solidity of relationships, and of course, track records of success in collaborative projects. The fields in this sense are domains within which disparate institutions establish relationships, understandings, and common projects. Gray and Purdy (2018) argue that based on such dynamic aspects of cross-organizational, cross-sector, and multi-stakeholder collaborations, there are a variety of pathways to social change related to the reciprocal relations between specific partnerships and broader institutional fields (p. 196). These pathways include consciousness raising, contention, collaboration, and compliance, as shaped by both differential power relations and the extent of shared purposes (including values). Values and ethics are central to determining the direction of such paths as exercises of power and influence, yet the ethical dimensions of such complex governance structures as needed within the partnerships and as evolving for the fields have been little investigated.

In terms of further research, we would recommend explorations of more modeled and tested governance frameworks that help ensure ethical practices in collaborative contexts, particularly those that help integrate managerial functions and governance duties. More contextualized studies are still needed to examine how relationship-based governance mechanisms can be best integrated at both personal and organizational levels to strengthen partnership processes, especially through engagement. Further, we recommend studies of the range of informal, formal, as well as mixed governing practices in cross-sectoral contexts. This requires special attention to how informal measures and practices, including often tacit understandings of ethics, move towards greater recognition, formality and institutionalization, and how ethical governance can become a sustained practice throughout the partnership process. This type of investigation will be increasingly important where creative and dynamic relationships among institutions and sectors are brought to bear on vexing societal problems.

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CHAPTER FOUR

WHAT IS VALUABLE? ETHICS AND MOTIVATIONS FOR CROSS-SECTOR PARTNERSHIPS

Abstract

This paper examines the motivating factors that drive partnership initiatives and processes. Taking an interpretive phenomenology approach, and drawing on in-depth interviews with twenty-four cross-sector partnership managers in New Zealand, the paper provides insight into the managers' experiences and perspectives in terms of what they consider as valuable for engaging in collaborative activities, both personally and organizationally. The findings show that organizations engage in partnerships primarily for strategic outcomes, though under the somewhat ambiguous rubric of 'shared value'. It was also revealed that, while partnerships are driven by a variety of factors, individuals and organizations are more likely to generate successful and meaningful collaborations when they are motivated by a commitment to social and ethical goals. We hence argue for a greater emphasis on the ethical dimension of partnership motivation because when this is masked by ambiguous language, partnerships tend to resort to activities of utility calculus and their potentials for positive change are considerably undermined.

Introduction

Cross-sector partnerships are seen as an effective instrument to tackle major societal issues such as poverty, climate change mitigation and access to quality education, as, for example, set out by the United Nations' Sustainable Development Goals (United Nations, 2020). There is thus an inherent social and ethical dimension in various collaborative efforts to address such social issues and meet emerging social expectations and standards. Accordingly, a collaborative approach is increasingly adopted not only by policymakers (Albareda, Lozano & Ysa, 2007) and civil society organizations (Rugman & Doh, 2008), but also by businesses as a way of aligning economic and social interests (Stadtler, 2011). The nuanced applications of cross-sector collaboration call for much consideration in understanding both the theoretical and the practical aspects of the complex social, political as well as economic implications of the meshing of sectoral boundaries.

Academic attention to partnership theories and practices is wide ranging and scattered across disciplines. The array of terminologies, and associated acronyms, found in relation to partnerships reflects a similarly broad range of perspectives and applications. A list of key terms, to provide a few examples, includes cross-sector development partnerships (CSDPs) (Manning & Roessler, 2014); production-sharing contracts (PSC) (Pongsiri, 2004); Firm-NGO alliances (B2N) (Rivera-Santos, M., & Rufin, D., 2010); cross-sector social partnerships (CSSPs) (Vurro et al, 2010); cross-sector social interaction (CSSI) (Crane, 2010); and public-private partnerships (PPPs) (Utting & Zammit, 2009). In general, however, inquiries regarding motivations for cross-sector partnerships seek to identify "the reasons behind the actions of organisations that resulted in the initiation of interactions that led ultimately to the partnership formation" (Seitanidi, Koufopoulos & Palmer, 2010, p. 147).

Examining the motivations behind partnership engagement can help provide an early indication of the transformative potential for positive social change between the partnering organizations (Seitanidi, Koufopoulos & Palmer, 2010), and, overall, the likelihood of success of any project (Chou & Pramudawardhani, 2015). Given the already extensive body of knowledge on partnerships, a broad range of triggers has been identified for forming collaborative relationships, such as CSR initiatives (Walters & Anagnostopoulos, 2012), policy drivers (Cairns & Harris, 2011; Towe, et al., 2016), and a wide range of contextual factors such as formal regional, national and local environments; economic, political, cultural and social conditions; linkage with international bodies and with networks promoting partnerships; and availability of intermediary organizations or individuals (Rein & Stott, 2009).

At the heart of many drivers is some explicit or implicit sense of value to be gained from partnering. Austin and Seitanidi (2012a; 2012b), for example, identify a range of value drivers in their *collaborative value creation framework* that defines and analyzes different stages of the partnership process as well as outcomes. The authors posit that examining the partners' motivations can reveal *linked interests* and hence offer an indication of the potential for value co-creation. The nature and the sources of the value, however, are wide-ranging. McDonald and Young (2012) identify six motivational determinants that drive companies' CSR engagement through cross-sector partnership, including *necessity*, *resource dependency*, *efficiency*, *innovation opportunities*, *improved stakeholder relations, reputation and publicity*, and *employee engagement*. Each of these also suggests value, although less explicitly so. Similarly, in studying cross-sector university collaborations for sustainability initiatives, Trencher, Yarime and Kharrazi (2013) describe six motivational factors: *missional*, *funding*, *scientific or scholarly*, *social contribution or community relations*, *developmental or* *strategic*, and *entrepreneurial*. While the range of partnership drivers is diverse, they are, generally speaking, motivated by a mix of altruistic and utilitarian rationales (Austin, et al., 2005), at both individual and institutional levels (Trencher, Yarime & Kharrazi, 2013).

Recognizing the range of motivational factors helps in understanding that the nature, shapes and styles of partnerships are not always fixed but are often mixed and moving along a continuum (e.g.: Rondinelli & London, 2003; Austin & Seitanidi, 2012a & 2012b; Bowen, Newenham-Kahindi & Herremans, 2010). That is, the identification of the types of partnerships, as well as their motivations, should not only be based on the nature of the relationships between partners and the relative levels of benefits accrued, but also take into account the dynamic process of partnerships as relationships change or evolve (Seitanidi, Koufopoulos & Palmer, 2010).

Accordingly, in this paper we examine the range of motivating factors behind partnership engagement through the accounts of partnership managers in New Zealand. Taking an interpretive phenomenology approach, and drawing on in-depth interviews with twenty-four cross-sector partnership managers, we seek a greater understanding of the managers' experiences and perspectives on the initiatives and processes of their partnership engagement. Through unpacking the managers' experiences, we provide an insight into the motivating factors that drive partnership development and, ultimately, what are perceived as valuable for engaging in collaborative activities, both personally and organizationally.

Ethics and value-based motivation

'Ethics and value-based motivation' emphasizes partnership initiatives and processes that are derived from an inherent desire to fulfill moral goals, foster ethical practices, and create values for collective partners as well as society at large. In this section we begin with a discussion on partnership motivations that are oriented by individuals' social and ethical pursuits. Following that, we discuss ethics and value-based motivations at the organizational level in promoting diverse social agendas through cross-sector partnerships.

Individuals' moral and ethical motivation

For some, at least, the changing environment where all societal actors are scrutinized for their ethical performance presents important opportunities to align with emerging social expectations and standards. This, in turn, constantly transforms the conception of what is considered as excellent practice in different social spheres. In many cases, individuals' ethical goals and desire to do the right thing is the determining factor in driving excellent social practice. These individuals are the leaders of their organizations and often, by extension, their partnering organizations as well as society at large, who exercise moral and ethical dimensions in their behavior and operations.

Extant literature on leadership theories places an emphasis on the moral and ethical aspects of leadership, in spite of different terminologies, such as ethical leadership (Brown & Treviño, 2006), servant leadership (Parris & Peachey, 2013), authentic leadership (Hannah, Avolio & Walumbwa, 2011), and transformational leadership (Groves & LaRocca, 2011). While each theoretical framework has distinct areas of focus, they commonly accentuate the *ethical* dimension of leadership, with an emphasis on the importance of individuals' moral beliefs and ethical pursuits in guiding organizational conduct as well as the decision-making process. This is particularly true in the context of cross-sector partnerships, due to mixing, and sometimes conflicting, cultures (Crane, 1998), identities (Brickson, 2007) and value systems (Le Ber & Branzei, 2010) between partnering organizations.

In working across boundaries where many contradictions can occur, as Brown, Treviño and Harrison (2005) point out, the moral and ethical dimension of leadership is particularly important in dealing with ethical dilemmas and providing moral guidance. Similarly, Broussine and Miller (2005) posit that the more problematic and uncertain the environment, the greater the necessity for “the exercise of ethical leadership that holds the moral purpose or end-values of the partnership” (p. 390). Accordingly, many studies on the subject of partnership in a variety of contexts have looked into the role of ethically aspired leaders in forming and shaping collaborative engagement (e.g.: Crosby & Bryson, 2005; Maak, 2007; Kolk, Dolen & Vock, 2010).

From a cross-sector partnership study in Vorarlberg, Austria, for instance, Battisti (2009) demonstrates that it is the managers’ moral beliefs, or altruism, and the importance of acting instead of talking, rather than business goals, that form the guiding principles of their community engagement. Using Terry Thomas (CEO) from the British Co-operative Bank for another example, Davis (2016) illustrates how ethical leadership is instrumental in fostering value-based social partnerships and promoting community development. In fact, Thiel and colleagues (2012) maintain that in complex situations and projects such as partnerships, where there are often competing objects and underlying goals, leaders must utilize effective ethical decision-making models to ensure appropriate responses and promote ethical behavior. To ensure sound decision-making processes and safeguard ethical practices, therefore, “[e]xecutives must be the ethical leaders of their organizations” (Messick & Bazerman, 2001, p. 228).

Through their various collaborative efforts to address social causes, ethically aspired leaders act as ethical role models in their own as well as partnering organizations. Drawing from social learning theory (Bandura, 1977; 1986), Brown and Treviño (2006) note that “[e]thical leaders are likely sources of guidance because their attractiveness and credibility as role models draw attention to their modeled behavior" (p. 597). Weaver, Trevino and Agle (2005) provide evidence of how managers can influence others by serving as role models, from whom people internalize values, behaviors, or attitudes. In their process of modelling for ethical behavior, according to Weaver, Trevino and Agle (2005), leaders also play an important role in "in setting the ethical tone of their organizations" (p. 314).

Indeed, many studies have identified positive correlations between ethical leadership and an ethical climate within their organization (e.g.: Mayer, Kuenzi & Greenbaum, 2010; Shin, 2012; Demirtas & Akdogan, 2015). Victor and Cullen (1988) define ethical climate as "the prevailing perceptions of typical organizational practices and procedures that have ethical content" (p. 101). Since an organization's ethical climate is maintained and modified through the behaviors of its leaders (Dickson, et al., 2001), ethical leaders serve to elevate the moral ground of others in their organization, and society at large. Kolk, Dolen and Vock (2010), for example, point out that ethical leadership behaviors can inspire followers to participate as well as initiate partnership-related activities and create shared vision among peers within and between collaborating organizations.

In studying partnership motivation, therefore, it is important to include an emphasis on how individuals' personal ethical pursuits can have a positive influence on organizations' collective value systems. Because "values motivate behavior" (Grojean et al., 2004, p. 226), and "it is the leader's personal values and ethics that are embedded in and shape the emerging climate regarding ethics" (p. 225), organizational leaders play a critical role in establishing a value-based climate. Appelbaum and colleagues (2009), in particular, emphasize the processes of the integration between individual and organizational ethics for the creation of an ethical culture at the organizational level. In line with any inquiry into ethics-related issues in organizations, then, understanding of partnership motivation has to be achieved from an integrative perspective on ethics, values and organizations (Lozano, 2001).

While individuals' moral and ethical pursuits provide significant drivers for collaborative social efforts, an organization's engagement with partnership activities must align with its principles, purposes as well as characteristics. The study of partnership motivation, therefore, needs to take into account the range of motivating factors from the organization's perspective, in terms of its functions, structures, and value propositions. Next section will discuss key motivations for cross-sector partnerships at the organizational level.

The ethics-strategy mix for collaborative value creation

Organizations across sectors are seeking innovative ways of interacting with external constituencies as a collective response to the increasing social pressure for all societal actors to fulfill social and ethical obligations. For the private sector, for instance, the emphasis on companies' ethical performance and moral legitimacy has become an important motivation for business' engagement with various social stakeholders in addressing social and environmental issues (Eweje & Palakshappa, 2009). On the other hand, there is an increasing social expectation for governments to fulfil social and ethical responsibilities through more effective engagement with communities and other stakeholders. (e.g. Cragg, 2000; Florentina, 2013); failing to do so could result in a loss of moral leverage (Idemudia and Ite, 2006). For civil society organizations, likewise, their moral legitimacy and accountability is scrutinized in their engagement with others (Easterly & Miesing, 2009; Baur & Palazzo, 2011).

The increasing social pressure for ethical performance is often internalized by organizations across sectors and becomes an important driver for engaging in social practice. However, at the functional level of an organization, regardless of sector, ethical motivation alone cannot suffice as the driver for social engagement. That is, while cross-sector collaborations in general have an inherently social and moral dimension (Cooke, 2010; Calton, et al., 2013; Groundwater-Smith, et al., 2012), such engagement must have embedded strategic values for all participating partners (Jamali, Yianni & Abdallah, 2011; Stadtler & Lin, 2017; Le Ber & Branzei, 2010).

Thus in seeking to create and enhance social values, according to Crişan (2013), collaborating organizations must ensure that they build a strategy that is in direct connection with their own main purposes. In a similar vein, Clarke and Fuller (2010) place an emphasis on developing *collaborative strategy*, where partners engage in "joint determination of the vision and long-term collaborative goals for addressing a given social problem, along with the adoption of both organizational and collective courses of action and the allocation of resources to carry out these courses of action" (p. 86). In this sense, then, the understanding of organizations' partnership motivation requires an integration of the ethical and the strategic value of collaborative social engagement.

This, however, raises the underlying questions of whether or not socially responsible practice can be incorporated as a source of strategic advantage, and whether or not it can be truly ethically driven. This boils down to Husted and Allen's (2000) question: *Is It Ethical to Use Ethics as Strategy*? In other words, what should be the relationship between ethics and strategy or, as we explore in this paper, how are strategic and social objectives combined as drivers for partnerships? In conceptualizing the ethics-strategy connection, some scholars have argued that 'strategies' *can* be ethically driven. Campbell and Kitson (2008), for example, posit that 'ethics drive strategy' because the strategic questions of 'what is' and 'what will be' are informed by assumptions and beliefs about a deeper ethical concern – 'what should be'. Similarly, Key and Popkin (1998) argue that an alignment between ethically based and strategically oriented decision-making processes will enable companies to make the most effective long-term and short-term plans. In the context of cross-sector partnerships, in particular, Crane and Matten (2004) emphasize that ethical concerns and moral ground are often both the foundation of and impetus for strategic partnership engagement.

The key to such an integration of ethics and strategy lies in the emphasis for shared value creation through collaborative efforts. According to Porter and Kramer (2011), the concept of 'shared value' is based on the premise that both economic and social development must be addressed using value principles, through an emphasis on identifying and expanding the connections between societal and economic progress. Particularly in the context of cross-sector partnerships, as Austin (2010) puts it: "At the heart of effective collaboration is value creation" (p. 13). That is, organizations are more likely to be motivated for partnership engagement if there are perceived opportunities for creating mutual and shared values (Calton, et al., 2013). In other words, while driven by a mix of strategic intents and social aims (Vurro, Dacin & Perrini, 2010), collaborative potential is said to be realized only when such strategic and ethical motives are aligned through perceived value creation.

The combined strategic and ethical motivation reflects the need to break sectoral constraints and share resources among various societal actors. Many studies have observed an increasing convergence among different sectors (e.g. Laasonen, Fougère & Kourula, 2012; Svensson, Wood & Callaghan (2009), "challenging our thinking about the 'true' nature of business, politics, development and other constructs we use in the social sciences and beyond" (Wadham & Warren, 2013, p. 61). In this regard, by emphasizing strategic and shared value creation, societal actors can ease the traditional divide in their roles and responsibilities and focus their attention on exploring ways to add value for all participants in addressing social causes.

With these evolving expectations, not only the roles and responsibilities of each sector are changing, but also the measures and facilities by which these changes are introduced and implemented. In examining public policies in EU-15 countries for instance, Albareda, Lozano and Ysa (2007) find that corporate social responsibility, once predominantly recognized as a ‘corporate’ subject, has now become a priority issue for governments. This demonstrates an increasing preference by other sectors to incorporate multi-stakeholder strategies in their approaches to meeting socio-environmental challenges. From an NGO’s perspective, likewise, there has been a shift in the value frame, from viewing their relationships with others as dependent, or even adversarial, to recognizing their capacity to create values through collaborative engagement. That is, while NGOs can add value for their partners by creating social capital, they can benefit from such strategic and collaborative relationships in gaining greater access to global networks, visibility and legitimacy (e.g.: Rugman & Doh, 2008). As Jamali, Yianni and Abdallah (2011) conclude from their case studies, ‘strategic partnership’ is far more likely to succeed in addressing social issues, because it takes into account both sides’ core interests and activities.

For the private sector, the alignment between strategic and ethical motives demands a mindset shift from a charity-based business model to one that is based on “strategic convergence” (Hartman, Werhane & Clark, 2011, p. 99), which occurs when business interests and core values are aligned by investing in long-term strategic interests. At the same time, according to Millar, Choi and Chen (2004), companies would not have a sufficient rationale for partnership engagement with NGOs based solely on economic criteria. Such ground might be found, however, they argue, through the enhancement of value if taking into account “the nonmarket advantages of partnering with NGOs, such as the social capital and institutional linkages of NGOs” (p. 397). In this regard, through an emphasis on ‘shared value creation’, business profit and other strategic motivations, such as legitimacy and social reputation, capacity building, and institutional support (e.g.: Loza, 2004; Dentoni, Bitzer & Pascucci, 2016; Schuster & Holtbrügge, 2014), become intertwined with social objectives.

While these arguments support an integrative view of ethical and strategic motives through an emphasis on ‘shared value creation’, others, however, have questioned the fundamental concept of ‘shared value’. In Dembek, Singh and Bhakoo’s (2016) comprehensive literature review of ‘shared value’, they highlight that ‘shared value’ has become a ‘management buzzword’ and spread into the language of many disciplines. The authors posit that there is overall a lack of clarity on what exactly constitutes ‘shared value’ and call for more incorporation of multiple perspectives, especially views from societal stakeholders. Similarly, Crane, et al. (2014) contest the concept of ‘shared value’ in arguing that it ignores the tensions between social and economic goals and is based on a rather simplistic view of the role of business in society. In efforts to address some of the issues raised in Crane et al.’s critique, De Los Reyes, Scholz and Smith (2017) propose a managerial framework built around the premise of ‘shared value creation’. They argue that for more effective ‘shared value creation’, managers and their organizations need to integrate ethical frameworks with their strategies for creating ‘shared value’.

Whether it is the individuals’ social and ethical pursuits, or an organization’s engagement with shared value creation, it is important to understand cross-sector collaborations as driven by a mix of altruistic and utilitarian motivations (Austin, et al., 2005). It is therefore important to understand how a mix of factors affect organizations’ partnership engagement and how such a mix can and does work in practice. Next, before presenting our findings, we explain our methodological approach to this study.

Method

As stated above, our objective in this study was to seek to understand, from the experiences and perspectives of partnership managers, the motivations that drive cross-sector partnerships. We took an interpretative phenomenological approach by which we listened to managers' accounts of their own experiences of cross-sector partnerships (Alase, 2017; Smith, Flowers & Larkin, 2009). Through those stories we especially listened for the managers' perspectives on key issues, including what motivated their engagement in such partnerships, what conflicting motivations were encountered, and how these were handled.

The interpretative aspect of this approach was multi-faceted. It included the participants' own interpretations as they told their stories (Smith, Flowers & Larkin, 2009), the researchers' interpretations of the stories as told (Smith et al., 2009), as well as in terms of if and how the stories aligned with extant literature (Pietkiewicz & Smith, 2014). For example, issues of 'value' that are central to this study came up both implicitly and explicitly, as we describe in our findings section below.

Twenty-four participants from twenty-two organizations were recruited for this study. All participants were in managerial positions or had a managerial role in at least one cross-sector partnership project. The organizations involved in this study comprised eight private sector companies (small, medium and large businesses), one independently operated state-owned enterprise (SOE), six non-government organizations (NGO), two national government organizations, five local government organizations (local and regional councils, district health board), and two Crown Research Institutes (CRI: government-owned organizations for nationally beneficial scientific research). All the participating organizations are based in New Zealand, across different regions. (See Table 1).

Manager #	Sector	Total
1, 6, 11, 15,18, 19, 20, 22	Private/business	8
7	SOE	1
2, 9, 10, 14, 21, 23	NGO	6
5, 16	National government	2
3, 4, 8, 12, 17	Local government	5
13, 24	CRI	2

Table 1: Interviewees by sector

The interview design was broad and semi-structured to allow the interviewees to discuss their experiences freely without being asked any leading questions. The participants were asked to describe in detail a specific experience in managing a cross-sector partnership. They were then asked to reflect on the things that they thought had contributed to the success or successful part of the partnership, what had caused failure and conflict, and what they believed would have made the experience better. ‘Probing questions’ (Robson, 2002) were asked throughout the interviews to encourage the participants to expand on responses where ‘motivation’ and ‘value’ related comments were made. Each interview lasted an average of one hour and was fully transcribed. Follow-up interviews, phone conversations and emails were conducted after the initial review of interview transcripts, where further clarification was sought from participants.

The organization of the interview data followed the approach and method of ‘thematic analysis’ for identifying, analyzing and reporting patterns and themes within data (Braun & Clarke, 2006). Given the explorative nature of this inquiry, we adopted the data-driven approach and included as many initial codes as possible so that the interpretative analysis and theorizing could reach a fuller potential. Our next phase, following Braun and Clarke (2006), was to sort different codes into potential themes, from where we considered how different codes might combine to form overarching or key themes. Not all themes identified at this phase eventually became key themes because some were later reviewed and refined in the final step of the analysis. In the last stage of the analysis, we refined the themes through clearer identification of the themes and the relationships between them, according to how they helped answer our research objectives.

Findings

Through our conversation with the partnership managers, two main areas of driver for partnership processes were identified. First, the participants pointed to certain individuals as the key driver for their organization's engagement with collaborative activities. Second, the participants discussed 'strategic value creation', from an organization's perspective, as important motivation for partnership initiatives and progresses.

The role of individuals as driver for partnerships

When acknowledging individuals as partnership drivers, the managers focused on two aspects of these individuals that make them influential. While some participants recognized the importance of individuals' personalities, skills and capacities in moving the partnership process forward, others placed an emphasis on the ethical drive of the leaders of an organization in promoting meaningful partnerships.

"Right attributes to contribute"

In our discussions regarding partnership development, some managers highlighted the personalities and characteristics of certain individuals in driving the partnership processes. For some participants, “it comes down to personalities” (#20, private), or the “style” of the leaders (#5, public), and the notion that partnership processes cannot move forward when “personalities get in the way (#17, public). Participant #3, from the public sector, discussed a partnering organization he worked with: “With [organization’s name], it works. There’s been a strong relationship between the organizations and the people involved that works with the personalities”. In speaking of some other important organizational relationships, this participant further reflected: “For some, I think the personalities become important” (#3).

Whether a partnership can take place and develop further, according to some participants, is a matter of “having the right people”, who have “the right attributes to contribute”. As participant #16 (public) added, individuals’ character and ability is often more important than those of the organizations:

> The other thing is it’s not just about organizations collaborating, but you need the right people in those organizations, and so it’s really important that the individuals need the appropriate characteristics, because you could have a representative there but they may not have the right attributes to contribute. It’s less about organizations and whether they’re public NGO or primary sector; it’s more about again the characteristics and the skills of the individuals you’re interacting with. You can weave a hat that doesn’t change how you work.

For some participants, the ‘personalities’ and ‘abilities’ of someone who has a ‘leadership role’ became particularly important in driving the partnership processes. Participant #12, from the public sector, discussed in detail with us what may be required for such a leader:

> It comes down to personalities and the ability of the person who can make the decisions and has a leadership role, their willingness to engage, right down to

> their personality, their knowledge of their business, their entrepreneurial, for want of a better word, approach. Whether they're solution focused and they're open; whether or not they have a mandate to do some things that might be a little more challenging or are unique to what's been done in the past.

In fact, managers across all the sectors spoke of the importance of leadership in cross-sector collaborations. Participant #11 for example, from the private sector, discussed the importance of "commitment from leadership" in fostering collaborative processes. Similarly, participant #23 (NGO) noted that "in terms of partnership it is good to have a strong leader, leadership is an important one…you need someone who can pull people together". Another NGO manager (#21), when asked to identify key drivers behind successful partnerships, replied:

> Yes, I think a lot comes down to the individuals, their personalities, their capacities, and whether the person in charge has a kind of determination. It's the person. It always is. I know they say that it's organisation to organisation, but at the end of the day it comes down to the people within it that actually hold things together.

Ethically driven individuals as partnership motivation

While some participants focused on the personalities and capacities of certain individuals, others emphasized a leader's commitment to social and ethical goals as the driving force for partnership engagement. As participant #8 (public) put it, in discussing the importance of leadership: "one has to lead by inspiring passionate leadership, that is solidly grounded". Participant #14 (NGO) discussed how he entered a collaborative relationship:

> Before XX [participant #7, manager from the partnering organization], I don't think I'd have… he's just that type of guy. You can see the passion and what

> drives him. It always comes down to the person in charge of maintaining those relationships, because you can get people that damage relationships and they require managing. But yeah, XX is a person that… it's easy to establish a relationship with them.

In this case, the participant (#14) attributed the instigation and realization of a partnership directly to one specific person, who demonstrated a genuine care about the community and the environment. The partnering organization was also seen to be "next generation, long-term focused", which was crucial for participant #14 in considering whether to enter into the partnership. To this end, he also provided an excellent example of leading a partnership projects with committed social and environmental goals through his efforts to protect his organization's goals in partnership:

> And, for me, those are social outcomes in terms of capacity development for individuals…and our social component is to enhance or invest in the tikanga Māori training and capability training. It's a key driver, that cultural capital for us because it's on a decline for our marae and that's not good for New Zealand.

For this participant, social and cultural goals are important drivers for partnership engagement, and it is important for him that the partnering organizations identify with the same values and purposes. In this case, in particular, it is the manager (participant #7), from the partnering organization, who demonstrated similar motivation and commitment to social and cultural goals, which helped eventuate the partnership process.

Among our participants, another NGO manager (#10) is also in a collaborative relationship with participant #7's organization. Like the participant above, participant 10 attributed the establishment and development of the partnership to participant #7. She used the word "catalyst" to describe the person who "made it all happen". For both participants #14 and #10, the partnership initiative and process were greatly influenced by one individual, who is highly motivated and committed to social and ethical goals. Such individuals take on the role of "inspiring passionate leadership", in driving and sustaining the partnership process. As participant #10 described:

> I think for us our success is actually because of certain people and their commitment to actually see through, they saw potential. So yeah I think a lot of relationships for me, that I am seeing, are partnerships, really good working partnerships. It actually ends up, whether you like it or not, about certain people in certain roles, the right people…. So the key thing to me about partnerships now is finding that balance between what is really important to my value system, and then understanding what is important to his [participant 7].

The "value system" participant #10 refers to is reflective of Māori culture: "Looking after our people, looking after our environment. So if you are looking after your people in a good way you should be looking after your plants and environment in a good way. And that will give us our purpose". For this participant, it is of crucial importance that this value system is understood, respected, and shared:

> If we don't take care of our environment, our environment is not going to take care of our children. So he [participant #7] absolutely [shares those values], and he is very invested in the way that their business runs to respect that.

For participant #10, therefore, true leaders have to be those who not only are enthused to start up a project but also, more importantly, are genuinely committed to social objectives in the long run. In her own words, it's a sense of "longevity" that made this partner "pretty special".

As shown in the above partnership examples, community- and environmentally oriented collaborative efforts are also often anchored by genuinely committed social goals. Participant #9 (NGO), when asked about her key motivation for engaging in partnerships, provided a further example of such a community perspective: “So, my first thought is how can we work with them to our best advantage and to the best advantage of our community”.

Overall, in discussing the role of individuals in driving partnership activities, the participants identified a range of factors that helped move the partnership process forward. While there are many ways an individual can impact on partnership progress, such as through their personalities and skillsets, it is through a genuine commitment to social and ethical goals where they have the most influence in determining the shape and the success of a partnership. Ethical leadership, therefore, as discussed by some participants, is key to developing long-term, meaningful partnerships.

Organizational value creation as driver for partnerships

When speaking, from an organization’s perspective, about the motivating factors for engaging in partnerships, the participants identified a range of value drivers. For many participants, organizational partnership engagement was seen as a value-driven and value-generating activity. In this section, first, we present the motivating factors identified by participants which are associated with the strategic value of partnership. Then, we move to the participants views on ‘common and shared value’ as drivers for organizations’ engagement in collaborative initiatives and processes.

Strategic value of partnerships

When discussing specifically the motivating factors for their organizations in partnering with other organizations, the participants strongly emphasized the strategic values in cross-sector collaborations. The value drivers ranged from brand and reputation, policy and social compliance, through to strategic stakeholder engagement.

Brand and reputation

Some participants identified organizational reputation as an important top motivation for cross-sector collaborations. This was particularly so for those in the private sector who regard working across sectors for social and environmental benefits as of high reputational value to the organization (e.g.: #7 SOE [state-owned enterprise]; #22 private). Participant #19 (private) also emphasized the importance of working with organizations who are a good fit with your reputation and image. And even if things are not going to work out, he advised: "you've got to protect the relationship and your reputation".

A few managers from the public sector also discussed the importance of 'brand value' as a motivational factor for partnership engagement. Participant #8 (public), for instance, commented that her organization was "very image conscious, and the branding, the XX [name of organization] branding is very important". Similarly, participant #17 (public) emphasized:

> We're a valued organisation, people can see we've got something to bring to the table so that makes quite a bit of difference, whether it's our fantastic people with their skills, whether it's budgets, whether it's just our name, we've got a good brand as a regional council.

Moreover, in discussing the importance of brand and reputational value, participant #4 (public) highlighted the significance of selecting potential partners "with high brand value and reputational value". In turn, she also emphasized the need to protect organizational reputation by creating values for collaborating partners:

> We're interested in what stakeholders gain from us, we're interested in what they think of us, our reputation is in some ways linked to our stakeholders' view of

> ourselves and our success and the use of our limited resources is hinged on making those relationships work.

Policy initiatives, license to operate, community access

In addition to brand and reputation, a range of other factors were identified by the participant as incentives for organization to engage in partnerships because they provide strategic value for the organization. These include: Policy initiatives, obtaining a license to operate, and gaining community access.

One participant (#3) from the public sector commented on some of the initiatives his organization was developing with certain industry players because of some of the "policy direction we've got at the moment". In developing a collaborative relationship with the local city council, one NGO manager (#14) referred to " a lot policy documents" as drivers for the changing dynamics in the relationship between local governance body and certain community groups: "There was heaps of written policy documents that went into enabling this type of thing [collaborative initiatives] to happen down here".

For some private companies, in addition to policy drivers, obtaining a license to operate as well as gaining access to local communities provide further incentives for collaborative engagement. In commenting on his organization's philosophy: participant #7 stated: "I probably don't like doing things unless I've got six partners and that's great for a company that's trying to change the way that we are as an entity, that's who we are". The organization's pursuit of a "license to operate" in the communities, according to this participant, is based on a "long-term worldview where a strong emphasis is placed on "the way that we fit into a wide community".

Besides a 'license to operate', participant #7 also identified 'gaining access' to resources as a strategic motivation for his organization's partnership engagement:

> This here probably illustrates a lot of the rationale behind these partnerships so first of all the geothermal joint venture XX [name of the joint venture], we could not have access to that geothermal field without those joint ventures.

In a similar vein, participant #19 (private) emphasized the strategic value for business engagement in partnership activities. Specifically, this manager stressed the importance of developing ’strategic relationships’, as opposed to ’transactional relationships’, for gaining greater access to information, connections, and networking opportunities. In broader terms, one of the private company managers (#22) commented in general on the values of business engagement with local communities:

> There’s lots of really sound business reasons why you should engage in relationship building with the community, because actually they save you money in the long run. One of the other values of having that community liaison is you get to know things about the local community that you wouldn’t otherwise know.

Strategic stakeholders

Several managers from the public sector discussed the importance of developing ‘strategic stakeholder relationships’ (for example, #3; #17). Participant #4 reflected that while her organization had a “quite informal” stakeholder strategy in the past, the organization is now fully “committed to stakeholder engagement and relationships”. She noted that “working with others is in our mission statement” and “stakeholders are critical to our success” and, thus, the engagement is strategic. For these participants, the strategic value of partnerships was ingrained in the organization as a whole: It is “natural” (#3), and it is “just something we do” (#17).

Interestingly, the participants varied considerably in the importance they placed on their organizational stakeholders, and hence the type of relationship they had with them, from “stakeholders I think are somebody that you go out have a conversation with" (#17), to "At the end of the day, you would be one of the nine key priority stakeholders because you have the ability to be effective and bring about transformational change" (#12, public).

There was overall pressure to adopt a 'stakeholder' approach imposed by the public sector, a fact that is reflected by others who work with them across sectors. A CRI (Crown Research Institutes) manager (#13), for example, commented:

> We're really being pushed to collaborate across organizations quite a lot, and so when we write proposals for the government, we have to have stakeholder involvement. They're specifically looking at who you've talked to outside your own organisation, who are your collaborators and who are your stakeholders that support this.

Further conversation with this participant revealed somewhat a level of negativity towards such a "push" to collaborate across organizations:

> I think there's been a shift, actually. Then there are these government institutional mandates that require us to do so, so my guess is there's more of them now than there was 10 or 15 years ago… It certainly makes things more complicated.

The rationale behind such a collaborative approach from the public sector, according to some participants, comes from an increasing belief that in order to serve the public better there needs to be more of an inclusive approach in how policies and systems are designed in the first place. Participant #20 (private), provided an example of engaging "a collaborative stakeholder group" in a design process that was targeted at helping the dairy framing system. Similarly, participant #24 (CRI) commented on the necessity of a "inter-partnership, multi-stakeholders" approach in "designing something useful".

On the other hand, however, some participants, like participant #13, presented a different set of feelings towards the whole ‘stakeholder’ narrative. Even a public sector manager (#16) commented that sometimes “it takes a lot of time and resource to collaborate” and the end result is often questionable. Similarly, participant #15, from the private sector, stated: “A lot of the government sector, their problems are much more difficult. There’s lots of stakeholders involved, all very conflicted and polarized and there’s no clear route through”. Distinct from the managers above, who saw value in stakeholder engagement, these managers were more in doubt as to how valuable a stakeholder approach truly was.

Collaborative and Shared value of partnerships

In addition to emphasizing the strategic value of partnerships, the participants commonly spoke of the value of ‘working together’ and ‘creating shared value through partnerships’ as an organizational purpose for engaging in cross-sector partnerships. In this section, we first present the participants’ discussion of the collaborative and shared value for partnership engagement. Then, we show the participants’ various understanding of value creation from an organizational perspective. Finally, we present some participants’ views on social value creation as drivers for meaningful partnerships.

The value of ‘working together’

Many participants identified collaborative and shared value creation as an important driver for their organization’s partnership initiatives. That is, their organizations engage in partnerships because they recognize the benefits in ‘working together with others’, which will enable them generate more value than they would have on their own. Participant #3 from the public sector, for example, commented:

> Working with others is probably the most important thing we can do and accept recognition that we can’t do everything on our own. To be successful, for the region to be successful, we can’t do it alone, and we need to work with others.

Some participants emphasized a ‘win-win’ perspective in explaining their organizations’ engagement with partnership activities. Participant #8 (public), in describing a cross-sector partnership, pointed out the importance for the collaborating partners to “see value in it”, and that “collaborations are a win-win for both parties”. For many participants, this ‘win-win’ mentality is based on an identification or establishment of some form of shared or common purposes (e.g.: #16, public), goals (e.g.: #21, NGO), objectives (e.g.: #5, public), interests (e.g. #18, private), and vision (e.g.: #23, NGO) between potential collaborating partners.

In other words, in order to understand the “value of working together” (#17, public), potential partners must be able to identify shared and common values (e.g.: #24, CRI). As participant #22 (private) put it, when asked to comment on the initial stages of forming a partnership: “When it became obvious that there was a set of shared values there, the next question was how are we going to do this?”

In addition to ‘creating shared and common value’, some participants also identified values in sharing resources as a motivating factor for collaborations. When talking about how some of the collaborative projects were initiated, one of the participants (#24) noted that it was about how the partners recognized the values in sharing resources: “They were like, mmm, and wouldn’t it be better if we put our resources together and do this together”. Participant #8 (public) also commented: “Yes, have you got common values, and can you add, or can we add something into the melting pot that neither of us has got the resources to do alone”. In other words, partnerships are seen as generating more value than could the partners on their own. As participant #18 (private) put it:

> And then, the other thing we think about is people within the partnership who understand that this is an art and a science, and if you can balance both the art and the science of partnering, you can make five out of two and two, or even more.

The participants' recognition of collaborative and shared value creation as an important partnership motivation reflects a sense of connectivity across different sectors in society. The partnership managers in this study, across different sectors, generally acknowledge the value in 'working together with others' to achieve best results out of collaborative activities.

The myriad meanings of 'shared value'

In contrast to the 'strategic' value of partnerships, however, where the participants identified specific drivers, their discussion on 'shared value' remained rather vague and inconsistent. For example, when speaking of an experience working with a community organization, a private company manager (#15) noted: "what we generally get commissioned to do is to represent the kind of economic set of values in there. The NGOs tend to be in the other environmental and social values, recreational values". We followed up with this statement during the interview and asked this participant to discuss such challenges more specifically. The participant moved away from whether or not, and how, these different sets of values were aligned through the process of the partnership, and instead commented on the lack of capacity and expertise from the partnering organization, and that problems can generally be overcome "through other means or just by working with them and upskilling".

Participant #5 (public) discussed a similar situation where the partnering organization had a different "value aspect to their objectives" which is "more focused on protecting the environment"; and "the objectives of those two organisations don't align". In this case, when asked how this situation was addressed, the participant did not explain about the specific project but offered some advice: "it probably gets escalated out at more senior levels", and it's about whether the leadership "has been consciously working towards both objectives". For this participant, then, the success of a collaboration depended on whether the leadership could work towards both objectives, "rather than in conflict". This view was shared by participant #12 (public) when commenting on the challenges in working with organizations with different backgrounds and value systems. He commented that to work through the "tension" and "maintain a momentum", it "requires attention between the leadership having the shared aspiration"

Participant #24 (CRI), for another example, acknowledged the potential conflict or tension in the initial stage of a partnership, due to partnering organizations having different values. She spoke of the importance of understanding that "everybody has a different value":

> I think before any meeting or any interaction you need to at least be aware of what roughly those values are. If you come in and it comes as a surprise that so and so thinks that economic is the main driver, and yes, exactly. You have to be prepared with some tools to reduce that conflict. So, be aware and be prepared, because those values are very difficult to change.

Like the above participant, in facing different sets of values that can both motivate but also potentially hinder the development of partnerships, some participants suggested that "we just simply need to understand" (e.g. #18, private) and "be as relaxed as they can be with the difference" (#9, NGO). As participant #9 further illustrated:

> I think it is very important to understand each other’s motivation. And I think people need to be as relaxed as they can be with the difference. Because the difficulty, with any relationship, is that people are different, and organisations are different, and their motivations are different. So sometimes someone will say oh we can do that and I am like where does it fit on our strategic plan?

Here the participant expressed a sense of ‘being relaxed’ about the differences, but also, the same time, a sense of ‘separateness’ between the organizations. That is, the ‘value’ of entering into a partnership can be separately identified by each partner, rather than ‘shared’ or ‘in common’. By linking their partnership motivation to a ‘strategic plan’, the participant suggested that ultimately, albeit by working to a certain common purpose, the value derived could be different for each partner in the collaboration.

Interestingly, several participants revealed this sense of ‘separateness’ when they spoke of shared interests, objectives and values. Participant #5 (public), for example, stated:

> I think, like being clear on the objectives, and the limits of the objectives, what is, it is easy to sort of start off we are going to do all this stuff, but actually like thinking hard about okay what can I, what are the shared interests, what are the limits, what is outside of those shared interests, and being very specific about it. Saying this is, probably separating them out as much as possible.

When speaking of “shared interests”, this participant immediately discussed “limits” and the need to “separate” some of the objectives and interests. In a similar manner, a public sector manager (#12) provided another example where, while it was acknowledged that there were different sets of values generated by the collaboration, these ‘values’ were explicitly expressed as separately held by each partner:

> We have, there are many things we focus on – like we've got an economic, environmental and social focus and you can enter into arrangements that are even just one of those three components. However, I think when you start to marry two or more up together, that's when the values come in, you start to see greater opportunities and potential, to create more benefits for everyone.

In identifying different value factors, this participant implicitly separated out what his organization could, or wants, to achieve from what could be achieved in a partnership.

The same participant used an interesting metaphor in referring to the partnership as a "space where you can explore opportunities to make transformational changes". This further suggested a further sense of separateness where the partnerships were viewed as separate entities with lives of their own, with their own value-generation.

Several other participants, from the private sector, also employed the metaphor of 'space' to refer to a "collaborative space" (#20). Participant #22, for example, in discussing how his collaborative project was initiated, noted that it was about creating "an opportunity for collaborating at a much more transformational space". Participant #7 (SOE), as already mentioned when discussing individual-based partnership motivation, spoke of his organizations' engagement in several partnerships as being "involved in that space both our long-term world view and the way that we fit into a wide community". Participant #19, for another example, stated:

> You've got these competing ideas, competing companies, agendas, so what we do in that space is how are we going to work together so that we can make the most impact, the best impact with what we've got.

Using the 'space' metaphor, these participants described successful partnerships where they felt at liberty to explore the fuller potential of collaborative relationships.

Thus, although ‘space’ may hint a sense of ‘separateness’, as discussed above, it also demonstrates a sense of openness and freedom, where one can explore opportunities to create value and foster change, suggesting a degree of separation between everyday organizational operations and values, and those of the partnership.

In these examples of partnerships, the success of utilizing collaborative space for value creation largely linked to the individuals who were social and ethically driven. This may be linked back to the notion of the partnership leader as a passionate entity, alluded to earlier, for whom the partnership was the realization of his or her personal, ethical goals. In any case, whether from an individual’s personal pursuit, or an organization’s value creation perspective, key to these successes was a sustained, long-term view of the strategic advantage of working together in partnerships to create values for all participants and society at large.

Meaningful value creation

While overall the managers presented a somewhat elusive image of ‘shared value’, a few participants spoke in more specific terms about what they envisage as meaningful value creation from collaborative engagement. Participant #11, from the private sector, talked against “a mentality of who gets priority and who’s better than whom”:

> But, of course, we need to discuss those differences but like I said, as long as we focus on the long-term agreement, the long-term goals, then yeah, we need to work together for the purposes of each organization and for the common good of the society, then we just need to focus on those rather than minor disagreement.

This participant emphasized long-term goals for collaboration and, in addition to organizational good for each partner, the ‘common good’ of society. Here the ‘common good’ could represent added value that is beyond what each partner could gain from the collaboration. Compared to many participants' accounts of 'shared value', this participant showed more a concrete understanding of the long-term goals and social values that may be derived from partnership initiatives.

In a similar manner, Participant #21, a NGO manager, discussed what she understood as successful and meaningful collaboration:

> You have to want to be sitting at the table and you have to genuinely be interested in what the cause is that you're going to be working together on. I mean you have to feel good about having something important in common…, you need to have a good feeling about being able to see shared goals and values, understand each other in that aspect.

This participant spoke of 'shared goals and values', like many participants before. However, through emphasizing a genuine belief in "the cause", and "having something important in common", she placed extra meaning in 'shared goals and values'. In this sense, it would take both partners' understanding, believing in, as well as committing to the 'common cause' for 'shared value creation' to be meaningful.

In discussing the importance of 'having something in common', participant #21 emphasized the need to "get an understanding of each perspective" to avoid "a tunnel vision". In this regard, in fact, several other participants similarly stressed the importance of "listening closely to other perspectives" (#16, public) and being "very well aware of where other people are coming from, what their motivations are, why they are there, what they are trying to achieve" (#6, private). Participant #3 (public), for instance, spoke of the importance of "making sure we understand each other's purpose and our drivers" for developing long-term relationships:

> You've got to be prepared to walk in their shoes. Unless you understand what the purpose of the other person, who they represent, what their purpose is, what

> their drivers are, what their needs are, unless you're prepared to invest in the long-term, it's not going to go anywhere.

An earlier example used in analyzing 'individual-based' partnership motivation was based on two NGOs' (#10 & #14) collaborations with a state-owned enterprise (#7). For participant #14, it was crucial that the collaborating partner "understand the value of working together with organizations like ours", referring specifically to his community-based organization. In addition to his individually driven social commitment, as discussed before, it was also key that at the organizational level both organizations understand and embrace each other's cultural, social as well as organizational values.

From the success of these partnerships, another important insight can be drawn that collaborative efforts will reach fullest potential when individuals' ethical commitments are embraced, and supported, by their organizations. That is, the values of individuals' ethical pursuits become integrated with the values and commitments of the organization. As participant #7 told us:

> What I would emphasize is that I can do this because I have the support of our senior management team and our Board, so our Chair, who will say "XX [name of the participant], just keep on doing what you're doing, I love what you're doing in the partnership space, it is hugely valuable' so this is not about me, it's about the values of a business but the piece about me is that I love doing this otherwise I wouldn't be here.

This was affirmed by the partnering NGO manager (#10), who compared other relationships with participant #7 and his organization:

> Usually you see a person and it is that person you are getting, and they would say oh this is the values of the company, and then you would meet other people in the company we are different… So yes it is person specific because we just

> adore XX, but the reality is the organization supports him, his values are the same values with the organizations, yeah that is what he is emanating, the values of the organization, and the other people around him, the whole team approach, the culture there that values tangata whenua, understands.

In this regard, while emphasizing that participant #7 played a key role in the partnership, participant #10 also strongly acknowledged the significance of institutional support from the organization, as well as an integration between personal and organizational values as significant drivers for developing successful, long-term collaboration.

Whether it is through an emphasis on a commitment to 'common cause', or an integration between personal and organizational value, 'meaningful value creation', according to these participants, seemed to have a greater emphasis on the social and ethical dimensions of value creation. An NGO manager (#2), in particular, talked about the need for our whole culture to be more "holistic" and less "insular" in our approaches to caring for the needs of the community. For this participant, great examples of collaboration are when "there is collegiality, there is sharing of ideas, all of that sort of stuff that happens through collaboration". As he further emphasized: "It is not at all about financial benefit, it is purely about cultural benefit and socializing and benefitting the communities indirectly, and there is no way you can hang money on it".

Discussion

As shown in our findings, organizations, from different sectors, engage in partnership activities due to a variety of mixed reasons. In line with our theoretical discussion, the partnership managers identified a range of motivating factors that drive partnership processes, from altruistic reasons to strategic motives (Austin, et al., 2005); and at both individual and institutional levels (Trencher, Yarime & Kharrazi, 2013). We found that this was true not only in terms of the variety of motivating factors identified in different partnerships, but also, as Seitanidi, Koufopoulos and Palmer (2010) point out, even within the same collaboration the relationship and motives for engagement may evolve. As some partnership examples demonstrated, because of certain individuals' leadership and commitment to social goals, as well as an integration of individual and organizational values, some partnerships transformed into more meaningful collaboration.

Among the array of factors identified by the managers, many points to certain individuals as the key driver for partnerships. This was shown from two perspectives: first, some participants emphasized the leaders from both organizations as being a 'good fit', having the right personalities, characteristics, skillsets, and capacities. Second, for some, certain individuals were seen as the most influential due to their social and ethical pursuits as well as the way they led the partnership process. By highlighting an individual's influence in the partnership process, the managers suggested that in many cases 'having the right person' is crucial in determining the success of a collaboration, or whether there would be a collaboration to begin with.

The 'right person', however, as discussed by the managers, can take many forms and shapes. Here we emphasize particularly the second aspect of the individual's role in driving partnership activities because it highlights an ethical dimension of leadership in partnership motivation. We argue that while there are many ways individuals can have a positive influence in the formation and development of partnerships, they are mostly likely to help foster long-term relationships when such a motivation is based on an inherent drive to fulfil social and ethical goals. The 'right person', in this sense, is seen by the nature of their character and personal values, the ways they carry themselves and influence others, as well as how they genuinely care for the development of community and society at large. Ethically aspired leaders, therefore, through influencing their own as well as the partnering organizations, are key to driving successful partnership processes.

From an organization's perspective, on the other hand, cross-sector partnerships are largely seen as a value-driven and value-generation activity. That is, while each organization acts within its own purpose, structure and value propositions, they are motivated for partnership engagement because of perceived opportunities for strategic, collaborative and/or shared value creation.

Among all the dimensions identified by the participants as partnership motivations, there is no question that 'strategy'-centered conversations, and with them, instrumentality, surpass more 'socially inclined' formulations of responsibilities in most cases of cross-sector partnership. This was demonstrated in the variety of specific examples provided by the participants in emphasizing the strategic value of partnerships, ranging from the value in brand and reputation, policy and social compliance, through to an increasingly commonplace approach of strategic stakeholder engagement.

Particularly interesting in our findings is that there seems to be a system-level embracement of a 'stakeholder' narrative by the representatives from the public sector in this study, with almost all these managers speaking of stakeholder engagement, despite some having mixed feelings about it. This was also reflected by some participants from other sectors, who observed an increasing adoption of stakeholder strategies, as well as language, from the public sector. This aligns with Albareda, Lozano and Ysa's (2007) findings in their study of public policies in EU-15 nations, as well as Laasonen, Fougère and Kourula's (2012) argument that the activities and roles, as well as responsibilities across different sectors are converging.

In highlighting the strategic orientation of partnerships, various collaborative initiatives and activities were described by the participants as value generators that emerge out of inherent organizational interests. On the other hand, at the same time, the partnership managers commonly viewed their organization's partnership engagement as working together for shared value creation. In other words, there was a clear recognition from the managers in the value of 'working together' with other sectors, reflecting a social context where connectivity is emphasized and distinctions blended (Wadham & Warren, 2013). In such a broad social atmosphere, a mindset of 'creating values together' is not only emphasized, but also normalized.

While the managers generally talked about 'common' and 'shared' value creation, however, their expressions of these motivations were rather vague. This posed a direct contrast to their articulation of the 'strategic' value of partnerships, where a range of specific 'strategy'-focused value drivers were identified and explained. In most of the examples that the participants gave when commenting on 'shared value', they referred to a scenario where all partnering organizations would benefit from engaging in the partnership. In this sense, the meaning of 'shared' value may only be construed as 'added' value because, in these examples, the value gained from partnering was seen as over and above what each organization could generate by themselves. It was, however, not at all clear to what extent, and in what ways, the value was 'shared'. Moreover, it was uncertain whether such 'shared' value was something that both partners held in common, or that 'shared' simply meant that 'values' could be separately identified by each partner, as long as they added up to combined value creation. We therefore suggest that, in line with Dembek, Singh and Bhakoo's (2016) critique of the notion of 'shared value', the language of 'shared value' was loosely applied by the partnership managers to refer to a broad, overarching theme of value creation.

The ambiguity of ‘shared value’, with its many interpretations, indicates that different individuals and organizations either understand them differently and/or they struggle to understand what might, in theory, be truly shared or held in common. The use of a ‘space’ metaphor by several participants stood out for us particularly because it revealed a real sense of separation. That is, by separating out those elements of ‘value’ that did not relate directly to the strategic goals of their organizations, these participants perceived the operations of the partnership more as ‘working alongside’ the partnering organizations, rather than ‘together’. In this sense, perhaps, only the partnership *activities* are shared, but not *values*, in the absence of a commitment from both partners to a common cause or goals. To this end, we found that for many partnership managers in this study, the strategic and the ethical motivation remains largely separate.

Conclusion

From the perspective of the managers interviewed for this study, to be deemed successful a partnership needs to be perceived as adding ‘value’ for each partnering organization. Significantly, however, it is apparent that what is of value is that which is seen to be linked to the respective organization’s strategic goals. In this sense, these organizations participated in cross-sector activities primarily for strategic motivations. There lacked a true integration between ethical and strategic motivation in their partnership engagement, despite their embracing of the language of ‘shared’ value.

What is also significant is how ‘success’ is defined for a partnership. If everyone in the end has something to gain, does that make it a success? Perhaps. But, a ‘successful’ partnership does not necessarily equal a ‘meaningful’ partnership. While cross-sector partnerships become increasingly popular among various societal actors in addressing social and developmental issues, they face growing scrutiny of their effectiveness and whether or not they can indeed effect positive change in society. For truly successful and meaningful collaborations, they must entail ‘meaningful’ pursuits, with a strong emphasis on the social and ethical dimensions of value creation. That is, as shown by a few contrasting examples in this study, for cross-sector partnerships to be meaningful, they require a true integration of the strategic and social goals, where partnering organizations share values and goals in the sense that they hold commitment to a ‘common cause’.

It is, however, unwise to take for granted such an integration of ethical and strategic motives in partnerships, simply because the language of ‘shared’ value is used. As shown by the accounts of many participants, the actual nature of what is valuable is varied. That is, it cannot or should not be assumed that all partners in a cross-sector partnership hold a common idea of what is valuable and, thus, what value is to be generated. The term ‘value’ is, perhaps, strategically ambiguous (Eisenberg, 1984, 2007) in these contexts, or is perhaps merely ideologically blind.

We argue that the semantics of ‘value’ do matter. ‘Buzz’ words such as ‘shared value’, ‘common goals’, and ‘added value’ need to be specifically discussed and clarified by all partnering organizations so that there is no misunderstanding. It should not be assumed, as we have already stated, that these terms do, in fact, hold a ‘shared’ meaning. To pretend that they do would be disingenuous; to blindly assume that they do would be naïve. Language is important as it carries with it meanings that can be manipulated and that determine action. We suggest that both practitioners and researchers, now and future, pay special attention to the potentially multiple meanings ascribed to key terms, such as ‘value’ in order to avoid generic assumptions, and the actions that ensue from those assumptions.

Ultimately, whether it is derived from individuals’ moral pursuits, or driven by organizational goals for value creation, the social and ethical dimension of partnership motivation must be emphasized to focus collaborative efforts on how societal actors can best mobilize useful elements across spheres to address social causes. That is, given the perceived normative nature of cross-sector partnerships, in its overarching objectives of societal improvement, ethics-based motivation is essential in developing meaningful partnerships. In spite of, and indeed because of, the apparent paradox in ethics as a motivation in partnerships that also seek strategic benefits, a better understanding is needed in whether such a mix only exists in broad linguistic terms, or, and how, it can lead to a true integration with capacities for positive change.

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CHAPTER FIVE

FROM AGENCY TO COMMUNION: THE ROLE OF VIRTUOUS INDIVIDUALS IN ELEVATING ORGANIZATIONAL VALUES

Abstract

This paper discusses the theory of virtue ethics as an approach for understanding moral reasoning in business engagement with social and ethical practices in cross-sector partnerships. By applying virtue ethics theory to van Marrewijk's (2003) theory of *agency* and *communion* in corporate sustainability value systems, the paper presents a theoretical framework that seeks to explain how individuals, as moral agents, can serve to promote virtuous business conduct and help foster a positive moral and ethical climate in organizations as well as society at large. Using data from a larger phenomenological study of cross-sector partnerships, we explore the role of individuals' ethics and values in determining the nature and shape of organizational collaborations to achieve both business and social objectives. We find that personal ethics and values can have transformative influence on not only the individual's own but also the partnering organizations' approach to the partnership. We argue that the theory of virtue ethics provides a useful perspective in understanding the *communion* tendency whereby individuals' virtuous character and conduct act as a powerful catalyst in elevating organizational practice to a higher value system.

Introduction

> ……it is person specific because we just adore [XX], but the reality is the organization supports him, his values have the same values, yeah that is what he is emanating, the values of the organization, and the other people around him, the whole team approach, the culture there that values *tangata whenua*, understands. Up here you have a person which is absolutely wonderful, and his values are absolutely 100% supportive to Māori.

There once was a time when Albert Carr's (1968) *Is Business Bluffing Ethical*, in which business ethics was compared with the game of poker, and Milton Friedman's (1970) *The Social Responsibility of Business is to Increase its Profits*, whose title says it all, were reflective of dominant thoughts in the domain of business ethics. Today sustainable development is among the top agenda and a commonplace discussion across all social, political and business spheres. The change of attitude, in respect to the understanding and expectation of business' responsibility, is indicative of an evolving social context. This provokes new challenges to the field of business ethics in understanding key issues such as what is considered as ethical business conduct, what drives such conduct, and how business should understand as well as act upon its place in society in aligning with evolving social moral and ethical values.

Our focus in this paper arose within the context of a larger phenomenological study of cross-sector partnerships in New Zealand. In the larger study we asked managers from a range of sectors to talk about their experiences of working in such partnerships and how they understood them, including motivations and success factors. As indicated by the representational quote at the start of this paper, our interview data raised some interesting observations regarding the impact of one particular individual on not only the success, but also the nature of the partnerships and the values of the corporation for which that individual worked. We found this to be highly significant, in contrast to other partnership cases in our study, as an exemplar of the positive influence of individuals on ethical practice. Accordingly, in this paper, we draw from both the larger study and data from a subsequent interview with the same individual to gain a greater insight in the role of an individual in shaping organizational values.

In particular, we consider the concept of virtue ethics and van Marrewijk's (2003) theory of *agency* and *communion* to be especially relevant in understanding the role of individuals in effecting change in organizational value systems. In this paper, therefore, we propose an explanatory framework that applies virtue ethics theory to the concept of *agency* and *communion*, in order to conceptualize the importance of individual values and beliefs in driving virtuous business conduct in the context of a cross-sector partnership. The paper seeks to make a theoretical contribution to the field of business ethics, with a focus on the theory of virtue ethics in fostering an ethical corporate climate, as well as transforming society's value systems at large.

Situational context

Before addressing the theory, we describe the context of this study in two aspects. First, we explain the situational context of the organization for whom the core individual in this paper (referred to as XX from here on) works because, as always, situational context is vital to understanding individual as well as organizational motivations and behavior. This is especially so when, as for the organization in focus in this paper, a healthy social license to operate is a fundamental requirement. Then, we explain the context of the two partnering organizations, specifically in terms of their development as community enterprises.

The organization

The organization at the centre of the theoretical discussion in this paper is a corporation that is also a state-owned enterprise (SOE). This means that although it is independently operated it is also financially accountable to the New Zealand Government as its sole shareholder. By extension, a SOE arguably also has a need to be socially accountable as the Government has responsibility and accountability for the welfare of its people. The company is a major hydro electricity generator, with numerous dams spanning a major river. Because of this work along the river and the associated impacts of electricity generation on both communities and the environment, beyond its political obligations the company relies heavily on maintaining both its legal resource use consents and its social license to operate. Loss of either would potentially render the company inoperable. Its long-term legal license was renewed about twenty years ago. Building up to that point, the company undertook extensive environmental impact studies as well as engagement with all stakeholders who use the river. Our contextual focus is on this latter social aspect of that work, and what has happened since.

In engaging with community stakeholders, the company sought their support for its ongoing operation. Through negotiating that support, many of the stakeholders sought assurances of their own ability to continue, as well as accepting financial assistance from the company by way of various forms of sponsorship. Since obtaining its renewed legal license, the sponsorships continue but, of particular interest to us here is that some of those social interactions have evolved into cross-sector partnerships. In that evolution from sponsorship to partnership, through our discussions with individuals concerned, it became apparent that at the core of these successful long-term partnerships were shared values, based upon personal relationships, that have also been endorsed at the organizational level and embedded into organizational culture.

Beyond the economic and political context of the organization is the cultural context of Aotearoa New Zealand, which in our case is especially relevant because of the partners involved. While many aspects of the partnerships could be extrapolated to other organizations around the world, one that does stand out as different, and thus in need of special explanation, is the role of local Māori, the indigenous people of Aotearoa New Zealand, in the partnerships.

As for other indigenous peoples of the world, New Zealand Māori live by a set of values that sees people tightly interconnected with the land and their natural surroundings (Royal, 2002). Indeed, they refer to and identify themselves as ‘tangata whenua’ which translates as ‘people of the land’ (Cunningham & Stanley, 2003). Kaitiakitanga is a Māori value and practice that is often interpreted as guardianship, stewardship (Kahui & Richards, 2013) or Māori natural resource management (Williams, 2012). At a practical level, kaitiakitanga links individuals, via their ancestors and tribe, to the natural resources of a particular locality. Thus Māori connection to the land is intergenerational, past and future. In Māori businesses and other Māori organizations, kaitiakitanga is applied through the creation of reciprocal relationships, grounded in wisdom, co-existence, community connection and wellbeing (Harmsworth, 2010; Spiller, Pio, Erakovic & Henare, 2011). In this sense, the holistic worldview that guides Māori organizations is distinct from that of Western European perspectives, often rendering the achievement of ‘shared values’ in partnerships more challenging than otherwise.

The partners: from community organizations to social enterprise

In their transformation from sponsorship to partnership, the partnering community organizations have also evolved - from a nongovernmental organization to a developing social enterprise. As XX said: “we’ve grown a social enterprise out at a depot in [location] now where we’ve got about ten of their people working in a sort of a vertically integrated environmental and restoration business”.

One of the community organization managers, KT, told us:

> … this year we can employ more people. So the good feelings we get will grow, a successful relationship will make the difference…. we are becoming financially independent. So there is the social outcomes, and somebody said to me about a year ago, Kerri you are a social enterprise, and I went no I am not, I don’t know what you are talking about. I went home and googled what the hell a social enterprise was…. I was like yeah we are. Because we are making money, through the growing of plants, and the selling of plants, and the planting work to actually make a difference in the training and employment.

Very similarly, the manager from the other partnering organization, SH, shared with us:

> It’s about you’ve got to have a business, right, you’ve got to create revenue to essentially put petrol in the car to be able to get from A to B. But it’s not only about generating revenue…. In terms of the business type of things, it’s really important for us to look at okay, what part of social are you looking to develop? Because, there’s a lot of things – there’s health, there’s mental health, there’s all types of things, so the social component we’re focusing on is tikanga Māori. We’ve got the business side of things and now we’ve got the social side of things, and our social component is to enhance or invest in the tikanga Māori training and capability training.

While social enterprises may take many different structures, hybrid forms of partnerships (Dees, 1998) have become one of the dominant social enterprise activities (Pearce, 2003). In the contexts described above, the managers recognized the development of their organizations towards the aims and capacities of a social enterprise, both in terms of growing financially, and addressing social and cultural goals. In doing so, their capacities to promote social development have expanded. And, with it comes a change in the nature of the relationship between these organizations from dependent, to one that is collaborative and fulfilling in working together towards shared goals, values and inspirations.

Agency and communion

Our theoretical framework is based on van Marrewijk's (2003) concept of *agency* and *communion* in understanding the evolving process of corporate sustainability value systems. In order to discuss this process, we need to first explain the notion of 'value systems' in the context of corporate sustainability, according to Marrewijk and Werre's (2003) conceptualization. Drawing from Clare W. Graves and his thoughts on human value systems, van Marrewijk and Werre (2003) posit that each value system will develop when the older system is no longer meeting the challenges and threats of its given life conditions. In response to changing circumstances and new opportunities, these authors state: "[I]ndividuals, organizations and societies develop adequate solutions, creating synergy and adding value at a higher level of complexity" (p. 109). Of the eight value systems developed by Graves – Survival, Security, Energy & Power, Order, Success, Community, Synergy and Holistic life system, according to van Marrewijk and Werre (2003), only the last six are most relevant to the context of corporate sustainability.

Van Marrewijk and Werre (2003) provide a comprehensive framework, aligning each value system to various levels of organizations' ambition towards corporate sustainability. On one end of the spectrum, when the dominant value system of an organization ascribes to *Energy & Power*, it has no ambition towards corporate sustainability and is primarily interested in power and domination. The next two levels show higher ambition towards corporate sustainability but are either compliance-driven (*Order*), which is mostly subject to regulations, or profit- driven (*Success*), promoted by self-interest. While the *Community* level of existence consists of organizations that genuinely care for human potential and the planet, *Synergistic* organizations seek for solutions that balance the needs for all economic, social and ecological systems. Finally, the highest level of existence is a *holistic* system, in which corporate sustainability is fully integrated and embedded in every aspect of the organization.

For van Marrewijk (2003), Arthur Koestler's concept of 'holon' and 'holarchy', further developed by Ken Wilber (1996), is useful in an attempt to explain the complex process through which each value system emerges and transcends the older system. A 'holon' is simultaneously a whole and a part ascribed to changing contexts. 'Holarchy', then, describes the process whereby holons transcend and include their predecessor(s) while forming a hierarchical system of constantly evolving whole/parts. Van Marrewijk (2003) further explained that each 'holon' has its *agency*, which expresses its wholeness with self-preserving and self-adapting capacities, and its *communion*, which expresses its partness with self-transcending and self-dissolving capacities.

A mainstream corporate response to issues surrounding corporate sustainability, for instance, is the advocacy of a voluntary approach which promotes business self-initiative and self-regulation. Organizations that adopt this approach demonstrate a strong exercise of their *agency* capacities in struggling to preserve conventional business order while adapting to a changing social context. However, subject to the growing dissatisfaction with business' voluntary approach, the *communion* tendency of business will then exercise its transcending as well as dissolving capacities and promote more substantive change in business practice. The conflict between rights and responsibilities, according to van Marrewijk (2003), is a form of tension between *agency* and *communion*, while all four capacities – self-preserving, self-adapting, self-transcending and self-dissolving – constantly negotiate over, and struggle for, priorities, principles and values in response to changing circumstances.

The 'holon' view challenges what DeLanda (2006) refers to as a social ontology of organic totalities, where "the component parts are constituted by the very relations they have to other parts in the whole" (p. 9). For DeLanda, the main theoretical alternative to such a metaphor is Deleuze and Guattari's (1987) assemblage theory, where 'wholes' are characterized by 'relations of exteriority', and a component part of one assemblage has the capacity to detach and form new relationship(s) in other assemblage(s). Whereas a 'totality' mentality expresses 'relations of interiority', assemblages point to the fragmentation, brokenness and continuity of the world. That is, a 'whole' cannot be reduced to its components, because of the external exercising capacities of these components, as well as their properties.

An organization, therefore, is an assemblage and the identity of such assemblage is stabilized when the exercising capacities interact to increase its internal homogeneity; and is destabilized when the exercising boundaries are challenged. The evolution of value systems in van Marrewijk (2003), then, can be viewed as materialized in a process of *territorialization* and *deterritorialization* (see: DeLanda, 2006). Thus the ascendance of each value system is a complex, enduring process and in the context of corporate sustainability, an organization may achieve such ascendance when its *agency* and *communion* has reached a balance when its ‘relations of exteriority’ are stabilized in the regime of the new system. However, if this does not represent mainstream corporate practice, such social context can act to destabilize the new system and permit, or promote, the organization to descend until its *agency* and *communion* is rebalanced at a lower level of complexity.

This then begs the question – what are the factors that promote the *communion* tendency in an organization, beyond what is required for self-preservation, towards a higher organizational value system? Inspired by the comments made to us in the course of our interview data collection, in this paper we highlight the potential role of the individual in promoting the *communion* tendency that can become a driver for organizational change. Accordingly, the theory of virtue ethics is particularly useful in making sense of how individuals, as moral agents, can serve to promote virtuous business conduct and foster positive change.

The theory of virtue ethics

The understanding of such an intricate process of engendering positive change requires philosophical frameworks that can better acknowledge the complexity and magnitude of moral issues in the business context. It needs to take into consideration the multiplicity of morally relevant accounts in the moral decision-making process (moral pluralism, e.g.: Dancy, 2004); as well as the particular contexts and circumstances in which such processes occur (moral particularlism, e.g. Kekes, 2000). For Michalos (1995), this necessitates a ‘pragmatic’ approach to business ethics which, based on the fundamental principle of ‘human care’, accounts for multiple ethical perspectives and the contextual nature of moral issues. Similarly, Gustafson (2010) speaks for a pragmatic approach to understanding different ethics theories as socially agreed-upon normative narratives that “unify us with others insofar as they describe our phenomenological experiences in a way with which many of us mutually resonate" (p. 141).

The theory of virtue ethics resonates with a pragmatic approach to ethics in that it recognizes the plurality and particularity of virtues that moral decisions are based on. According to Arjoon (2000), distinct from other moral theories, virtue theory "grounds morality in facts about human nature, concentrates on habits and long-term goals, extends beyond actions to comprise wants, goals, likes and dislikes, and, in general what sort of person one is and aims to be" (p. 173). Virtue ethics, therefore, emphasizes the virtues and moral characters of individuals (Hursthouse, 1999). The increasing application of virtue ethics in the field of business ethics, through its focus on specific individual virtues or quasi-virtues such as integrity, trust and justice, shows that ethicists have been "more willing to let the phenomena suggest possibly relevant standards or virtues instead of applying pre-existing frameworks to problems" (Koehn, 2010, p. 748).

Given its emphasis on personal and individual characteristics, virtue ethics has demonstrated applicability in the writings of many scholars from the field of business ethics, particularly on the subject of leadership ethics. Whetstone (2001), for example, argues that the theory of virtue ethics has practical applications for business managers and leaders for promoting moral development. That is, because virtue ethics is both *personal* and *contextual*, it accounts for both the moral agent's motivation and the context within which moral decisions are made. Whetstone (2001) posits that managers and leaders would do well by paying attention to human virtues and vices because such an ethical approach complements other moral perspectives in seeking to address human behavior. Different from other moral positions, such as a utilitarian point of view that focuses on overall utility maximization, and a Kantianism's emphasis on universal principles, virtue ethicists emphasize that ethical leadership depends more on developing habits or dispositions to act virtuously (Price, 2004).

One of the key topics in focusing on individual ethics, particularly on the subject of leadership ethics, forms around the issue of ‘self-interest’. There are different moral positions in understanding a leader’s ‘self-interest’ in the context of business practice. In the case of corporate philanthropy, for example, a Kantian point of view would not accept one’s acting from his or her ‘self-interest’ as morally valuable because the motivation and intention behind such an act is not duty-bound and therefore it has no intrinsic worth. On this basis, some business ethicists have argued that the fundamental moral base for ethical leadership and corporate practice should be altruism. Kanungo and Conger (1993), for instance, posit that business leaders and organizations should fulfill their social and environmental obligations through adapting an altruistic moral approach.

On the other hand, however, Ciulla (2004) argues that holding business leaders to an altruistic standard, where they are asked to make self-sacrifices and prioritize the needs of others, is a very tall and extreme order. Moreover, altruism as one’s motivation for an act does not necessarily prescribe ethical character in the moral agent and in the act itself. For Ciulla (2004), ‘Robinhoodism’, as an example, despite its altruistic quality, can contain elements of self-interest. Self-interest is not necessarily a synonym with selfishness and needs not be used to contrast altruism. Robin Hood, after a day’s work robbing the rich and giving the spoils away to the poor, is allowed to feel materially and spiritually rewarded for his good (obviously morally challengeable) act. In other words, one does not have to make self-sacrifice to act in the interests of others and that self-interest does not have to conflict with group interest.

In contrast to the arguments above, the theory of virtue ethics offers an approach for making sense of how one's self-interest can become a motivation for ethical acts, from the perspectives of the moral character of the agent as well as the context of the act. For virtue ethicists, business leaders can transform self-interest into ethical practice that benefits others not only because such acts are considered moral and virtuous, but also because of their personal integrity, trust and sense of justice. According to Duska (2010), one of the movements toward an Aristotelian approach to ethics is the recognition of what he refers to as the "false dichotomy between altruistic and self-interested activity" (p. 730). Duska argues that the schism between 'acting prudentially' and 'acting from duty' has dulled and that business ethicists are working toward a better understanding of the conceptual foundations of business and the nature of human beings engaged in it. From a virtue ethics point of view, then, individuals need to be able to contribute value to society or a communal enterprise, and the virtuous agent is the person whose character is to want to do what is good and noble (Koehn, 1995).

In applying the theory of virtue ethics to van Marrewijk's (2003) framework, then, we highlight the influence of individuals in the evolving process of corporate value systems. In van Marrewijk's (2003) conceptualization, the transcendence of a value system is not a clear-cut but a complex and enduring process whereby the *agency* (self-preserving, self-adapting) and *communion* (self-transcending and self-dissolving) tendencies reach a higher level of complexity. Thus, for a transcending process to occur, the *communion* capacities must exhibit strong tendencies to disrupt older value systems and orders. An ethical leader, we argue, through their moral character and virtuous practice, can promote the *communion* tendency in an organization, beyond what is required for self-preservation, towards a higher organizational value system.

That is, from an organization's perspective, the pursuit of societal validation, such as through the granting of a social license, can be viewed as a system exercising its *agency* capacities in preserving its old order and identity. At the same time, within that organization, a leader's pursuit of ethical values as well as virtuous practices can act to mobilize the *communion* tendencies that seek to dissolve older identities and transcend to a higher order. The individuals, through their moral character and virtuous practice, can be viewed as the 'component parts' that function to materialize the process of *territorialization* and *deterritorialization* (see: DeLanda, 2006), until the system's *agency* and *communion* have reached a balance where its 'relations of exteriority' are stabilized in the regime of a new value system.

With a focus on individual and personal ethics, the remainder of this paper will exemplify the concept of virtue ethics, in the context of cross-sector partnerships. Specifically, we highlight the role of a certain individual in elevating his own, as well as others', organizational value systems.

Virtue ethics and cross-sector partnerships: agency and communion in practice

As discussed earlier, some of the stories that we were told by cross-sector managers in New Zealand pointed to one individual who appeared to exhibit the characteristics described by theories of virtue ethics. This individual (XX) works for a corporation and for over twenty years has been involved in community engagement on behalf of the company. Those stories that raised our particular attention, and which we draw on here, came from two managers of different Māori enterprises in separate partnerships with that one company. Because the company had originally set out to do what it could to ensure renewal of its legal license through a resource consents process, we take that as our starting point to examine processes and influences that have apparently shaped the company's shift from *agency-oriented* motivations to a greater balance of the *agency* and *communion* values. The comments that we record here show that the two managers' personal and organizational shift from perceiving the relationship with XX and the company as transactional, such as philanthropy or sponsorship, to partnership. The comments are also reflective of the difficulties experienced by many Māori enterprises in achieving a balance of shared values with non-Māori organizations and individuals. In order to check our interpretations of the company perspective of these partnerships, we spoke again with XX.

The initial phase of the relationships with the Māori enterprises was clearly somewhat tentative and tinged with suspicion borne out of experience. The first manager (KT) said:

> So when I first met XX and they said he was from [company], I thought oh yeah here to tick a box, you have been out to the Māori group, you had lunch with them, you can tick a box, yeah they are spending our money really well. That is truly what I thought.

KT reinforced the stereotypical engagement between outsiders and the Māori enterprise, which set her expectations, by comparing her experience with XX with others, in this case from a bank:

> They came in with a big burst of energy, and they want to help us, they want to fix us. XX is never trying to fix us. So other non-Māori people that have come in, there is a curiosity on the other side because we are so fascinating, our cultural ways, which is normal to me. It is just the normal stuff that we do, nothing exciting about it. But I know other people find it fascinating. And they will stick around for a little bit, but when the heat gets on they are gone.

When asked about the regional council from whom they also get support, the second manager, SH, remarked: "It's different from the partnership with [company]. With council, I want to say it's more of a business approach." Even XX, when asked to consider the difference between the nature of his work now and when he started with the company, said "I think back in 1997 the job was a much more tactical job. It was secure some resource consents".

So how does a transactional encounter develop into a meaningful relationship, and what does that look like? KT's view was that the *relationship* started when XX "would contact us and it would just be for a coffee". She went further in saying that at the beginning "the only person we had a great relationship with was XX" and that overall it is the quality of the relationships that leads to "really good working partnerships. It actually ends up, whether you like it or not, about certain people in certain roles, the right people."

XX, as the "only person" recognized to be forming the relationship, can be seen as a 'component' (DeLanda, 2006) of his company with the capacity to form new relationships with components of other organizations, but also with the capacity to influence other components of his own. However, it was made very clear by XX that he was not acting as an individual but was acting for the benefit of the company he worked for. His mode of action, nevertheless, was derived from his personal integrity and values. Thus, in Duska's (2010) terms, XX's actions were at the same time both self-interested and duty-oriented, with his self-interest stemming from his personal need to behave virtuously (Koehn, 1995). XX himself sought to minimize this aspect of the relationships in saying "this is not about me, it's about the values of a business but the piece about me is that I love doing this otherwise I wouldn't be here".

Reciprocity

The two enterprise managers and XX recognized reciprocity as a key element of a successful partnership; there must be some benefit for each partner. If that were not to be the case, they did not see any potential for a working relationship. As SH clearly stated:

> …it has to work both ways, I think. I mean, especially with an organization like [company], they may find oh, we don't really need anything from you but we'd be keen to give you something, but I think a mutual partnership should be we should be able to give something back in terms of maybe recognition or signage, just something that shows the community that they're supporting this kaupapa [here translated as 'programme' or initiative]. So yeah, I think it's really important that it works for both sides. Otherwise, if it's only working for one it's no good.

Similarly, KT saw as a key success factor in the partnership with XX "the fact that there is give and take, there is reciprocity... so he is getting benefit and I am too".

Even at the interpersonal level, KT stressed that partner relationships need to be two-way in order to achieve shared value and reciprocity. This was seen as especially important for those with very different cultural backgrounds and understanding, such as between Māori and non-Māori. At the heart of this interpersonal reciprocity was an openness to difference, and a willingness for all parties to exercise integrity. A clear distinction was expressed between 'well-meaning' people and those who engage on a basis of mutual understanding: "if you think of well-meaning people who just go along and do that, but unless they have some kind of understanding and willingness to be open to the differences in the culture it will get you nowhere." The interpersonal connection, however, did not preclude any form of *agency*, or organizational self-interest. KT, for example, was open in stating that she needed to engage with non-Māori in order to progress her organizational goals, but she also applied the same interpersonal principles of integrity and reciprocity to herself in that engagement:

> I know that on my side if we stuck to te rununga Māori and didn't want to engage with non-Māori then we wouldn't get any movement. You can't have one without the other, so the key thing to me about partnerships now is finding that balance between what is really important to my value system, and then understanding what is important to his.

The mutuality of the relationship was clearly key here, especially notable in that, as she states, there was a willingness to transcend cultural differences in finding 'shared value'. She saw integrity in XX, but acknowledges that this was and needed to be mutual: "I think what he liked about me was that I was open and honest, and he could see integrity".

In talking with partnership managers, the elements that stood out as key factors for partnership success – as we indicated in the introduction to this paper – were trust, shared values, and integrity. Further, it was often said that an ability and willingness to truly listen to each other in order to understand respective priorities, needs and values was the means to achieving those elements. Thus reciprocity was seen as key to establishing shared values, for mutual benefit. However, as we explore in the following section, the shared values and reciprocity needed to extend beyond individuals and be reflected in organizational values as well. In terms of our framework, then, the virtuous behavior of the individual *component* needs to extend to exercise 'relations of exteriority' to foster new relationships, express new identities, as well as form new assemblages. Beyond that, to achieve *communion* the values of that assemblage need to align with societal values.

Organizational values

While the relationship with XX was clearly appreciated, it was also pointed out by these three managers that a personal relationship is not alone sufficient for a working partnership: “you can have a really great person, but if it is not part of that organization it is not going to work” (KT). KT clearly aligned the values that XX displayed with those of his employers:

> So yes it is person specific because we just adore XX, but the reality is the organization supports him, his values have the same values, yeah that is what he is emanating, the values of the organization, and the other people around him, the whole team approach, the culture there that values tangata whenua, understands.

She contrasted XX with a woman, whom KT held in high regard but whose organization did not hold the same values: “Up here you have a person which is absolutely wonderful, and her values are absolutely 100% supportive to Māori. And she will show up at stuff and find out ways that her organization is not on board with her values”, and “she makes no difference within the organization”. Because of the inconsistencies of values between individuals and their organizations, and between organizations and potential partners, a partnership cannot work. KT went on to say that:

> Usually you see a person and it is that person you are getting, and they would say oh this is the values of the company, and then you would meet other people in the company and we are like no it is you. You are awesome, they suck. If you are not there they are still going to suck, and I don’t want to work with them.

Three reasons emerged for the belief that the individual’s values must reflect those of his or her organization. Two, which are the more predictable, are that the individual would not have sufficient authority to make decisions on behalf of his/her organization (KT: “if XX didn’t have that full support, I don’t know if he can make decisions based on what the values of the organization are”), and that the partnership would be vulnerable if the individual were to leave. The third reason that emerged was more personal, displaying considerable empathy: “…just imagine how, health wise it could impact, and I worry about these people who are perceived as great people but they are actually like the lone warrior battling on their own".

Significantly, these managers considered it unusual to find that positive values are embedded in an organization: "at the beginning it looked like this person was awesome …. But then different people would come from the organization, the company he worked for, potentially it is the values from the company, which I find really unusual" (KT).

It is not clear, however, how in this instance company values have evolved, and in particular by what influence. It appears that, on the one hand, XX came to the company with a set of personal values that he applied to his work. As observed earlier in this paper, the work he was employed to do was initially transactional. That is, he was employed to help the company maintain its social license, and through that its legal license with minimal objections from stakeholder groups. On the other hand, there is clear evidence that XX was at least in part instrumental in shaping the corporate values, as we discuss below.

KT was one who appeared to attribute the partnership success to an alignment of personal and corporate values that enabled XX to work in the way he did:

> But I do know, and it has happened within basically the first year I realised that it was Don's style, he is pretty special, but it's also the company he worked for, they really believed in him, and helped push what was happening. They are very lucky to have him.

We put this issue to XX in our follow-up discussion. He was again reluctant to take personal credit for the corporate values and preferred, like KT, to discuss it in terms of the corporation enabling and encouraging him to do his work in the way he did. He talked of the values he had grown up with, learned from his father on the home farm, has now passed on to his children, and exercises in his work:

> In that farming community it was like everyone was equal, everyone was a neighbor. You were color blind, you didn't judge people on their religion nor anything about who they were, they were just people and tell you what, those are the same values that I bring to my job in this business…. and I think it's that same personal style that prompted me to stay and implement all of the arrangements that we had reached through that consenting process as well because in fact I did have some opportunities to go elsewhere, but ultimately stayed. – because I love my job.

However, when pressed to talk about the development of similar values throughout the company he admitted "There's probably a piece of my style that supported that." More telling was a comment he made later that suggested something of his role as an instigator:

> …and I think that what I'm really proud of is that this way of thinking has moved beyond just me and is getting embedded in the culture of the business. Even our Board really understands how important this is because we've proposed some next steps to the Board.

We see further evidence of XX's influence in his observation that:

> I guess I can remember times when my chief executive said I like what you're doing XX, this collaborative style is positioning us very well from a resource consenting point of view, and it added more value as a result of that.

The fact that the CEO took special notice of the 'collaborative style' because he could see material benefit does not detract from the influence on corporate values, as we discuss further below. It does, however, reinforce our view that XX was influential by example in shifting those values.

From agency to communion: the role of individuals

The influence of his personal values on XX's work through the way he engaged with organizational stakeholders is clear. Further, it is evident that the company he worked for supported what he was doing and how, and that by some process the organizational values had shifted towards his own. It is also clear that for both XX and for the company, the virtuous behavior is both a sign of *agency*-oriented tendencies by self-interest, and also a display of *communion* tendencies. It is an exercise of *agency*-related capacities, in terms of self-preserving and self-adapting, because the goodwill generated through positive relationships with partner stakeholders serves to maintain the company's reputation and its social license. The *communion* tendency, on the other hand, in terms of self-transcending and self-dissolving, is exhibited through the strong influence of XX's personal values and how these values are encouraged and, to certain extent, integrated by the company. This suggests that the company saw the need to evolve its business practices substantively to meet the changing expectations of society. The stakeholders' endorsements of the company, in addition to the individual, show that the company's process of *communion* had achieved a balance with its *agency* and, with that a stabilization at a higher level of complexity (van Marrewijk, 2003). We tease these assertions out in this section, with examples.

As stated in our theoretical framework, *agency* and *communion* are usually in tension with each other as organizations struggle to align their operational goals with social norms. The evolution of an organization's value system is a balancing act between *agency* and *communion* through incremental shifts in organizational values by which the organization continuously seeks to stabilize its 'relations of exteriority'. By definition, then, this does not mean that *agency* is removed; organizations still legitimately seek reciprocity through, for example, reputation, social license or consumer loyalty. SH, for example did not dismiss the negative impacts of hydro-electricity generation and separated out the transactional side of the partnership from the personal: "… it's easy to establish a relationship with them. In terms of the funding, I think they should fund organizations like ours to offset the environmental impact…. Because obviously, (company) is a good polluter". However, she also recognized and emphasized reciprocity in the transactional beyond donated funds to the societal benefits that the company provides:

> … you need to have a good understanding of that organization and where it fits in in terms of the community and society…. we've got lights and our computers are on, so you've got to take into consideration the wider component of what it takes for us to live…. And so, taking that perspective and not just looking at (company) as a big polluter and they're cutting off access for our eels to migrate and stuff, you've got to look at if they didn't have that we wouldn't be able to live the life we do. It's sort of okay, how can we work in with this organization and that's when you develop the respect for them, because we're able to enjoy the luxuries of power.

Respect is not automatically extended in return for material goods. For example, SH also stated that "we'd struggle to work with a fertilizer company – dumping all the fertilizer doesn't fit in the values. I'd struggle with that".

What works well for achieving *communion* is a genuine alignment of organizational values with societal expectations (of which material benefits may be a part) by which the organizational and societal benefits are mutual – such as expressed, in arguably ideal terms, in the business case for sustainable development of 'do well by doing good'. In our company example, while virtuous behavior may be prized by external stakeholders, beyond the mutual advantages of electricity, there is also clear internal recognition, even at the very senior level, that the organizational benefits too. XX, for example, told us

> I can do this because I have the support of our senior management team and our Board, so our Chair… will say "XX, just keep on doing what you're doing, I love what you're doing in the partnership space, it is hugely valuable".

The 'hugely valuable' aspect is derived from that alignment with societal values and expectations, by which a social license is maintained. XX was absolutely open in this:

> I'm thinking about making investments in the emotional bank accounts of the key stakeholders for our business, for the really long term…. So it's that continued investment in our social license…. you might also appreciate that when I'm doing this I'm trying to read kind of the ethical aspirations of people in the community and trying to guide (company) on deliveries that deliver to what people aspire to see a company like this doing, from a practical point of view both in a community sense and in an ethical sense. So I couldn't do the things that I do, if I'm brutally honest, just for ethical reasons. I need to keep thinking about that test – is this of value and of course I am working at that long term view of the future from the (company) point of view but I am still making sure that what we do has a value proposition to the shareholders, particularly in the long term.

As noted earlier in this paper, and in the examples throughout, an important set of stakeholders for XX's company are Māori, for whom societal values are deeply connected with the land and people over many generations. Thus 'long-term' takes on special meaning, beyond what is commonly considered for non-Māori organizations. For Māori, then, finding alignment with the values of a non-Māori organization is unusual, as identified earlier. This was one of the key areas, however, by which (company's) operational values were strongly aligned with those of Māori. For the company, a long-term view had become a way of business, but it had not always been the case, as noted above. XX said the change was "incremental" as the company shifted its own values to a fundamental understanding of the importance of taking a very long-term view.

> …it's only probably in the last 10 years, the latest chief executive [is] the one that really started to talk and to identify and communicate with me and the whole organization something that we all knew and that is that the hydro system is going to be here for a long time. It's going to be here for centuries and centuries…. So as a business we're embedded in the landscape. We're also embedded in the communities of this catchment and if you wrap that thinking all together, as a business we're going to be here for a really long time and if your business is going to be around for a long time you invest in long-term relationships, you treat everybody as neighbors - probably in the aspiration that they will treat you as a neighbor as well.

This fundamental shared value of the long-term was recognized by each of the three Māori managers we include in this paper As SH said, "well the thing I like about (company) is they're next generation focused. They're long-term".

Integral to the company's long-term approach, as well as XX's personal ethics, is the view that the company's development is closely linked to the community's development. For this reason, pure philanthropy is not on the agenda for these partnerships. Instead, the community enterprises, such as those of KT and SH, are helped to develop through such ways as skills development, introductions to other key people and organizations, and professional business mentorship. As XX said, "I think what I'm really proud of is that we don't just throw money at them. It would be really easy to do that, really easy". The partner managers were appreciative of this and said that the mentorship, for example, has made all the difference to them.

As pointed out above, the company approach is evolving as it understands community values and expectations, which are themselves evolving. In doing so the company is dealing with the contradictions those community values may present for the company's goals, its *agency*-driven imperatives (van Marrewijk, 2003). It must either change those goals and/or its means of achieving them. At least in the examples presented to us by the both Māori managers, this company is exercising its *communion* tendency in promoting ethically-driven and substantive changes in its business practice, and by doing so finding balance between its *agency* and *communion*. In line with van Marrewijk's framework, achieving and maintaining such balance is, for the company, an evolutionary process. For wider disruption of older value systems and beliefs, however, other organizations must follow suit. Failure to do so will mean that either societal values are suppressed at least for the time being, or that these organizations loose community support and set themselves up for failure. We asked XX if he believed his company's embrace of a collaborative approach and a very long-term view reflects a broader societal shift, or was it just within that company? His response was telling:

> I believe this is the company really being on the front edge of a wave in society. I can think of other businesses some of them quite big businesses that have been spit out the back of the wave, so to speak, who have not kept up and have not realized the importance of community license or only recently have identified that community license is really important to them, and they're losing it, really fast.

For these other organizations, in DeLanda's (2006) terms, their very identity is destabilized as, whether they realize it or not, their 'relations of exteriority' are challenged by emergent standards and the boundaries of their business practices disrupted. Without the exercise of strong *communion* tendencies, however, these organizations will struggle to enter in a meaningful process of *territorialization* and *deterritorialization* to reach balance at a higher level of complexity. As societal values evolve towards a new norm of mainstream practice, these challenges will continue to negatively impact these organizations until or unless they too evolve.

Conclusion

An organization's value system is destabilized when its social context changes. The increasing social and political pressure placed on the corporate landscape is a catalyst for such change. In a shifting social context, older business orders and practices are no longer sufficient and thus have to be dissolved and evolve into a newer system of values and identities. In the ongoing tension and interplay between *agency* and *communion*, according to van Marrewijk's (2003) framework, an organization can either reach a higher value system or resort to its older forms. That is, the evolution of value systems is a holarchical process whereby new systems transcend as well as include their predecessors and can often descend back to the older system if *agency* and *communion* cannot reach a balance at the newer system. For the transcending process to succeed, therefore, it requires both an evolving social context that demands change, and strong *communion* tendencies that foster change.

In applying the theory of virtue ethics, to van Marrewijk's framework, we highlight the moral character and virtuous behavior of individuals as an exercise of *communion* tendencies that serve to effect change in the organizational value system. Through an emphasis on individuals' character and motivation, the theory of virtue ethics provides a useful perspective in understanding the transformative influence of individuals in shaping organizational practices. While such individual-oriented *communion* tendencies always face the corrupting power of the institutions and the preserving energies of *agency*, likewise, the pursuit of moral and ethical values of the individual has the capacity to constantly destruct the older value system and dissolve the self-preserving capacities of the *agency*.

As shown in our partnership example, the *communion* tendencies of the individual have, indeed, affected the self-preserving capacities of the *agency*. We see this in the ongoing transformation, from the organization's initial obtaining of a social license to a true embracing of a collaborative approach in its community relations. In this case, while the need for societal validation is determined by business' institutional characteristics and its reliance on market mechanisms, a higher pursuit of organizational values was derived from the moral and ethical character of an individual and integrated, at least to a certain extent, at the organizational level. With the weakening of the *agency*, as well as the organization's desire to align with the evolving societal values, the *commination* tendency can exercise its capacities to a fuller extent in elevating the organization's value systems to a higher level of complexity.

Further research is needed in order to better understand the processes of change in business practices towards shared values with the societies in which they operate. Particularly, there is scope for studies of organizational ethics to include an emphasis on how individuals' moral and ethical pursuits can have a positive influence on organizations' collective value systems, and how to best integrate individual and organizational ethics for amplifying such positive influences. These individuals do not need to be corporate leaders. They are driven by their own personal set of ethics as they seek to understand community values, but ultimately they have the potential to change first the organizations with which they work, and then society on an ongoing basis. When more and more organizations adapt and transcend towards a higher value system, our society begins to develop a moral and ethical climate which will, in turn, nourish such transcending processes.

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CHAPTER SIX CONCLUSION

Business ethics is a distinct research field and yet, according to Brand (2009), is ‘significantly multidisciplinarian in character” (p. 429). This is because, perhaps, ethics are of interest to business scholars because they influence decisions, behaviors, and outcomes (McLeod, Payne & Evert, 2014). In societies where understandings and expectations of business’ role in society are evolving, the scope and the extent of business ethics inquiries are continuously broadening. That is, scholars across academic and professional backgrounds locate or relate their studies to the field of business ethics with normative as well as practical inquiries into ethics-related issues, such as what is considered as ethical conduct, what drives such conduct, and how business should understand as well as act upon their place in society in aligning with evolving social and ethical values.

For instance, there is growing research in all areas of ethics and corporate social responsibility (CSR) that govern the activities of a firm and the value systems that underlie their business activities (Goel & Ramanathan, 2014). While business ethics covers areas of moral principles and decision making, governance issues and codes of conduct for a business, Goel and Ramanathan (2014) posit that meaningful CSR, both as a concept and also as a set of actions, is a subset of an overall paradigm of business ethics. In management and organizational communication-related fields, for another example, as put by Stohl and Ganesh (2014), ethics are at the heart of communication studies. For these authors communication inquiry is pragmatic as well as normative, identifying good, effective and useful communication processes, or conversely, critiquing destructive and unjust practices. Thus, foundational communication debate across generations of research revolves around issues of communicative ethics.

Due to its multidisciplinary character, as Brand (2009) describes, one of the issues of business ethics research has been the lack of coherent research methodologies, or a convergence on a canon of accepted research methods (Campbell & Cowton, 2015). While the issues of reliability, validity or trustworthiness are key to questions of method selection in any field, as pointed out by Campbell and Cowton (2015), the epistemological questions are particularly challenging in business ethics with so many influences and academic approaches. This is reflected in my own process of PhD study, where one of the major challenges has been finding an appropriate method for answering ethics-related questions in the context of organizational ethics research.

The decision to adopt an interpretivist research paradigm for the partnership studies was derived from a critical realist ontological and epistemological understanding of organizational ethics. According to a critical realist ontological position, there is an objective reality about organizational life and truth about ethics-related issues in that life. Epistemologically speaking, however, a critical realist position points to the inherent limits to our ability of knowing this objective 'reality' and 'truth'. That is, our knowledge of organizational life is necessarily constrained by the ways in which we acquire such knowledge. For me, this is an empowering realization through which the researcher is able to acknowledge their own role in the research process. As put by Crane (1999), "there is not an absolute concrete corporate morality, but there is one that exists through the subjective experience of various actors and groups of actors inside and outside of the organisation'' (p. 245).

A general contribution of this thesis, therefore, is to offer a particular perspective in understanding ethics-related issues from interpreting the experiences of individuals in an organizational context. In line with Crane (1999), it is the meanings that those individuals apply to ethical issues that are the focus for the research. Through studying the ‘lived experience’ of the individuals, using an ‘interpretive phenomenological analysis’ approach, this PhD study emphasizes the importance of understanding organizational ethics by investigating how ethics is experienced by the individuals in the organizations. The reality of the organizational life being uncovered, in this sense, is the one that is accessible through interpreting those experiences shared and articulated by the participants.

One of the key subjects in this PhD study, for example, is ethical governance. Conceptually speaking, there is usually a distinction between managerial duties and those of governance. According to Bird (2001), “management systems are expected to initiate, lead, administer, and operate, governors are expected to oversee these activities and judge authoritatively whether and to what extent they are in the best interests of their organizations” (p. 300). That is, in comparison to managerial functions, the purpose of governance is to make decisions at a higher level beyond day-to-day operations. In practice, as well, many organizations ascribe long-term planning and ethical decision making to a governance body, whereas managers generally associate themselves with daily administrative duties.

At a first glance, this seems to be the case for the partnership managers I interviewed for this study, since many of them, too, referred to a higher functioning body that fulfills governance duties. However, in discussing their personal experiences in managing partnership activities, a different aspect of their organizational life was revealed, where the managers practice ethical governance in their daily activities in the partnership process. This was demonstrated, for example, from their recognition of the importance of ethical governance in partnerships (Cornelius & Wallace, 2010; Idemudia

& Ite, 2006; Benatar, Daibes & Tomsons, 2016), to emphasizing entrance level governance in terms of selecting ethical partners (Rosas & Camarinha-Matos, 2009; Martínez, 2003; Kraak & colleagues, 2012), to utilizing relationship and trust-based governance mechanisms in managing partnership processes (Abramov, 2009; Getha-Taylor, 2012; Müller et al, 2014).

This showcases the methodological strength of studying organizational ethics from the viewpoint of individuals' experiences, because it was only through interpreting those experiences that I was able to answer the research question posed in the article presented in Chapter three - To what extent do cross-sector partnership managers recognize and practice ethical governance? In using such an interpretivist-based method that focuses on analyzing personal experiences, this study shows that there is a cognitive gap between the partnership managers' understanding of governance responsibilities and their actual practices. That is, while partnership managers exercise ethical governance practice to various extents, most managers do not associate themselves with the roles and responsibilities of governance. Instead, they tend to attribute such practices, normatively or in practice, to a separate governing entity.

On a theoretical level, this study contributes to the development of more fluid concepts of organizational management and governance in terms of ethical practice. It considers how managers approach inter-organizational relations in their daily managerial activities, and how these activities may or may not be recognized as part of ethical governance in the partnership process. The study points to the increasing convergence between managerial functions and governance duties, particularly in the context of cross-sector partnerships where there often is a lack of clear guidelines, structures, or effective monitoring and sanctioning mechanisms (Rasche, Bakker &

Moon, 2013). As ethical duties are increasingly being viewed as an integral part of management functions (Brammer & Millington, 2003; Tracey, Phillips & Haugh, 2005; Pless, Maak & Stahl, 2012), it is important to investigate further, from the managers' perspective, what formal, informal, and mixed arrangements in partnership activities influence their experiences of organizational life, as well as their understanding of ethical practices in their own role.

On a practical level, this study shows that the partnership managers experience dynamic ambiguity surrounding the notion of governance. Many managers do not see themselves in governing roles, let alone as 'governors'; yet heightened awareness of such roles can have important implications for mutual understandings across institutional boundaries, partnership legitimacy, and inter-organizational accountability. Thus, recognition of the range of activities and outcomes related to good governance can assist managers and their employing organizations in assuming greater responsibility (rather than deflecting or further dispersing it) and empower them to engage more fully in ethically driven partnership governance.

That is, more specifically, as partnership managers recognize their role beyond administrative duties and function at the governance level they will be better placed to act based on the long-term interests of the organization. Managers will, for instance, place an emphasis on values and ethics-based governance practices throughout the partnership process, rather than being more narrowly focused on the entrance stage of the partnership. Moreover, in considering the long-term sustainability of the partnership as well as the organization, managers are more likely to pay attention beyond individualized relationships and engage with more formal and effective governance mechanisms at the inter-organizational interface. This will require, overall, a type of convergence between managerial and governance duties, where managers internalize ethical governance as a part of their daily managerial functions and enhance ethical practices through effective governance mechanisms. Such convergence would need to be acknowledged at all levels of the organization.

Another key topic in this PhD study lies in the subject area of value and ethics-based motivation, addressed in Chapter four. As part of the partnership project, in particular, the research presented in this article provides insight into the managers' experiences and perspectives in terms of what they consider as valuable for engaging in collaborative activities, both personally and organizationally. In this sense, the study analyzes both the moral constructs of the individuals, and through these individuals' understanding and experience, the ethical engagement of their organizations. The purpose of examining the motivations behind partnership engagement, in general, is to provide an early indication of its potential for creating positive social change (Seitanidi, Koufopoulos & Palmer, 2010), and, overall, the likelihood of its success (Chou & Pramudawardhani, 2015).

From the partnership managers' perspective, ethical leadership is highly important in driving successful partnerships. That is, as indicated in partnership literature, ethically aspired leaders play a significant role in forming and shaping collaborative engagement (e.g.: Crosby & Bryson, 2005; Maak, 2007; Kolk, Dolen & Vock, 2010), dealing with ethical dilemmas and conflicting value systems between partnering organizations in collaborative activities (Brown, Treviño & Harrison, 2005; Crane, 1998; Le Ber & Branzei, 2010), and creating an ethical climate within the organization as well as the partnership (Mayer, Kuenzi & Greenbaum, 2010; Shin, 2012; Demirtas & Akdogan, 2015). While the participants identified a range of individual-based qualities that promote successful partnerships, such as personalities, skillsets, and capacities, however, some pointed to the ethical qualities of certain leaders as the most influential factor in the partnership process. As these participants described from their experience, long-term, meaningful partnerships, where more socially oriented objectives are met, are likely to be developed by leaders with high moral and ethical pursuits.

At the organizational level, on the other hand, the participants perceive partnership activities as largely driven by strategic motivation. This is in line with mainstream partnership theories that while cross-sector collaborations in general have an inherently social and moral dimension (Cooke, 2010; Calton, et al., 2013; Groundwater-Smith, et al., 2012), such engagement must have embedded strategic values for all participating partners (Jamali, Yianni & Abdallah, 2011; Stadtler & Lin, 2017; Le Ber & Branzei, 2010). The partnership managers provided a variety of specific examples in emphasizing the strategic value of partnerships, ranging from the value in brand and reputation, policy and social compliance, through to an increasingly commonplace approach of strategic stakeholder engagement. In contrast to most of these examples, some participants discussed their understanding of more ‘meaningful collaboration’ which is driven by an emphasis on organizational ethical practice, legitimacy, and commitment to ‘common cause’.

Whether it is from an individual perspective, or at the organizational level, therefore, one key contribution of this study is to highlight the importance of having a strong ethical dimension in the partnership motivation. This is because, as revealed by the managers’ experiences, while partnerships are driven by a variety of factors, individuals and organizations are more likely to generate successful and meaningful collaborations when they are motivated by a commitment to social and ethical goals. For practitioners, since examining motivation can help indicate partnership potentials (Seitanidi, Koufopoulos & Palmer, 2010; Chou & Pramudawardhani, 2015), managers can access the ethical elements of their prospective partners' motivation in entering the partnership and determine the possibilities for creating long-term, meaningful relationships.

Furthermore, the research presented in Chapter Four contributes to the ongoing debate of the strategy-ethics mix, with the underlying question of whether or not socially responsible practice can be incorporated as a source of strategic advantage. In simpler form, as asked by Husted and Allen (2000), is it ethical to use ethics as strategy? While some have argued for an integrative view of the strategy-ethics mix (Campbell & Kitson, 2008; Key & Popkin, 1998; Crane & Matten, 2004), based on broad assumptions of 'shared value creation' in various forms (Porter & Kramer, 2011; Austin, 2010; Calton, et al., 2013; Vurro, Dacin & Perrini, 2010), others have questioned the fundamental concept of 'shared value'. For instance, Dembek, Singh and Bhakoo (2016) argue that 'shared value' has become a 'management buzzword' and spread into the language of many disciplines. The authors posit that there is, overall, a lack of clarity on what exactly constitutes 'shared value' and call for more incorporation of multiple perspectives, especially views from societal stakeholders. Similarly, Crane, et al. (2014) contest the concept of 'shared value' in arguing that it ignores the tensions between social and economic goals and is based on a rather simplistic view of the role of business in society.

In discussing their understanding of the motivation for partnership, it was clear that most managers were comfortable employing the language of 'shared value' to describe what they consider as mixed strategic incentives and ethical goals. However, further analysis reveals that their use of the term ‘value’ is ambiguous, because, as shown by the accounts of many participants, the actual nature of what is valuable is varied. That is, it cannot or should not be assumed that all partners in a cross-sector partnership hold a common idea of what is valuable and, thus, what value is to be generated. In many cases, the participants were simply referring to ‘added’ value, where each partner can benefit through participating in the partnership, without a pronounced or emphasized commitment to any common cause. It is, therefore, unwise to take for granted such an integration of ethical and strategic motives in partnerships, simply because the language of ‘shared’ value is embraced.

Accordingly, this study posits that the semantics of ‘value’ do matter. ‘Buzz’ words such as ‘shared value’, ‘common goals’, and ‘added value’ need to be specifically discussed and clarified by all partnering organizations so that there is no misunderstanding. It should not be assumed that these terms do, in fact, hold a ‘shared’ meaning. To pretend that they do would be disingenuous; to blindly assume that they do would be naïve. Language is important as it carries with it meanings that can be manipulated and that determine action. It is suggested that both practitioners and researchers pay special attention to the potentially multiple meanings ascribed to key terms, such as ‘value’ in order to avoid generic assumptions, and the actions that ensue from those assumptions.

This ties back to the other key point raised in this paper: for truly successful and meaningful collaborations, they must entail ‘meaningful’ pursuits, with a strong emphasis on the social and ethical dimensions of value creation. As revealed by some partnership managers’ experiences, long-term, meaningful partnerships require a true integration of strategic and social goals, where partnering organizations share values and goals in the sense that they hold commitment to a ‘common cause’. In other words, the social and ethical dimension of partnership motivation must be emphasized to focus collaborative efforts on how societal actors can best mobilize useful elements across spheres to address social causes. However, it still remains to be argued, or proven, whether such a strategy-ethics mix can be truly integrative, with capacities for positive change.

Throughout the papers presented for this PhD, the moral and ethical influences of individuals form an importance aspect of the discussion. Broadly speaking, ethical leadership is a highly significant subject in organizational ethics research, through its emphasis on the effects of ethically aspired leaders in driving as well as governing ethical organizational practice. In highlighting this aspect in organizations, two of the papers included in this PhD focus on individuals’ ethical and moral influences, particularly through engagement with the theory of virtue ethics. This is because, in contrast to other prominent approaches to ethics, virtue ethics provides a useful perspective in making sense of various business ethics issues with an emphasis on the moral character of the individuals and its transformational influences in driving ethical business conduct.

The first paper presented in this thesis, Chapter two, regarding the New Zealand wine industry, contributes to a greater understanding of the theory of virtue ethics and its applications in business and organizational ethics studies. Building on Moore’s (2002; 2005; 2008) treatment of Alasdair MacIntyre’s practice-institution schema, the paper discusses how individuals, as moral agents, can serve to promote virtuous business conduct and help foster a moral and ethical climate in the organization and in society at large. The study uses interview data from a broader study of the New Zealand wine industry as explanatory examples and argues that while many companies' sustainable practices are still largely market-based, such excellent business practices are often driven by individuals' moral and ethical pursuits.

Since this paper was written in the earlier stage of my PhD study, an important implication for me is that business may be viewed as a human enterprise with embedded ethical and moral values. That is, while an organization cannot fully assume the characteristics and functions of a moral character, it is capable of moral and ethical actions through individuals in the organization. As such, the fundamental issue of business ethics – how business should behave – may be translated into the question of how individuals, as moral agents, can promote virtuous business conduct and help foster a moral and ethical climate in the organization as well as in society at large. Business is, in this conception, according to Solomon (2004), a human institution in service to humans.

Essentially, this 'human' based understanding of business was what led me to studying organizational ethics through human experience, and hence the use of a phenomenological approach for the later studies. As explained earlier in the introduction chapter, in carrying out the study of partnerships, a subset of the data became prominent, where the impact of a certain individual was highlighted. Although this was a small data set out of the partnership study, it was significant in contrast to other partnership cases as an exemplar of the positive influence of individuals on ethical practice.

The last paper included in this thesis, Chapter five, therefore, focuses again on the theory of virtue ethics as an approach for understanding the moral reasoning behind business engagement with social and ethical practices. More specifically, this paper offers an explanatory framework by applying virtue theory to van Marrewijk's (2003) theory of agency and communion. This theoretical framework helps conceptualize the role of individuals in effecting change in organizational value systems and highlights the importance of individual values and beliefs in driving virtuous business conduct. In this sense, it aligns with the wine industry paper in emphasizing the transformative influence of personal ethics and values in shaping organizational practices.

Moreover, van Marrewijk's (2003) framework of *agency* and *communion*, describes vividly how an organization may respond to external factors, either self-preserving, self-adapting (*agency*), or self-transcending and self-dissolving (*communion*), and how such response can lead to change in its value systems. In van Marrewijk's conception, the evolution of value systems is a holarchical process which occurs in the interplay between *agency* and *communion* tendencies. That is, in the ongoing tension and interplay between *agency* and *communion*, an organization can either reach a higher value system or resort to its older forms. For the transcending and evolution process to succeed, it requires both an evolving social context that demands change, and strong *communion* tendencies that foster change.

In applying the theory of virtue ethics to van Marrewijk's framework, this paper highlights the moral character and virtuous behavior of individuals as an exercise of such *communion* tendencies that serve to effect change in the organizational value system. It thus offers a more contextualized understanding of organizational ethics, where the increasing social and political pressure placed on the corporate landscape is a catalyst for change. When ethical leaders in organizations respond to such change, with moral and ethical leadership, they destabilize the organization's older value system and promote the transcending process of moving into a higher level of value system. As shown in the partnership example (Chapter five), with the growing embracing of a collaborative community partnership approach by senior management, a higher pursuit of organizational values was derived from the moral and ethical character of an individual and integrated, at least to a certain extent, at the organizational level.

Finally, in several places throughout the thesis I have discussed organizational ethics from an individual's perspective, and then at the organizational level. This 'divide' is not desirable, though it helps distinguish different angles and perspectives for discussion. One key contribution of this study, as argued earlier, is the understanding of organizational life from the perspectives of individuals' experiences. And if we truly listen to what the individuals say about their organizational life, we will notice that in most cases it's a fluid experience where their personal moral constructs are mixed with, as well as influenced by, their interpretation of the daily activities they experience in the organization. In fact, since we are taking the viewpoint of business as human institution in service to humans, we would do well in fostering a fluid understanding of individual and organizational ethics, and investigating how to best integrate individual and organizational ethics for amplifying the moral and ethical influences of individuals in such human institution.

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CHAPTER SEVEN CLOSING REMARKS

Date: 16 march, 2020

Location: My desk in the bedroom, Bangkok, Thailand

WHILE I am thinking hard how to close this thesis, my Line APP started vibrating like crazy – shut up, Line, oh man, we are really living in an age of over-communication – but that is another issue. I should have put my phone on Do Not Disturb – that is again a different issue, or maybe not.

I tried to hold myself off from checking the phone for as long as I could. But I am only human. And the phone was within an arm's length. So it was not my fault that I checked.

By now there were over a hundred messages from different school Line groups, notice boards, parent groups, sport squads, etc. There had been a nervous buzz going around about a speculation that they were going to close all schools in Thailand from 18th March. Some hours later, we had confirmation from the school – yes, it was happening.

Now I was in panic mode. How was I going to finish this thesis (now two weeks to go) with three children (one near teenager) stuck at home. And say what? I will have to keep them up with online learning?

My very virtuous husband had now said he would take days off to enable me. Between his moral support and taking deep breaths, I returned to my desk. Just remembered I hadn't thanked him in my already written Acknowledgements, for putting up with me throughout my PhD journey; even *I* could see I wasn't always my usual lovely self.

Okay now he was saying maybe not quite “taking days off” as much as “working at home”. Yeah that makes sense. After all he is on a UN task force to gauge the economic impact of the COVID-19 virus in the Asia Pacific region. I wonder how that is going.

My older daughter, the near teenager, thought she rather looked forward to staying at home while still chatting with her friends online non-stop. But then when I made her think there might not be internet, she freaked out and said that would be the end of the world.

Yes. Each generation has a different ultimate scare, haven’t we?

One of my supervisors in some feedback to me wrote “virus” instead of “virtue”, the other supervisor called it a “Freudian slip”, to which the former supervisor replied: “Indeed virus is on everyone's minds, tongues, and hearts”.

*** *** ***

The current pandemic already has overwhelming impact on many aspects of our lives. It affects us in dynamic ways, from each and different individuals, organizations, to cultures, societies and political systems. The lack of good responses in many cases, as much as the crisis itself, is a symptom of some of the choices we as societies have made. That includes, at a more surface level, perhaps, what kind of relationships we have with the environment, how the public health systems are organized, and more generally, how societies are governed. But more profoundly, we have to think deeply about what we have chosen as the main priorities and motivations that drive societies forward, what kind of morals and values we are passing on to future generations, and whether human society as a whole is in sustainable forms.

In the beginning of this thesis, we spoke of Beck, Bonss and Lau's (2003) conception of second modernization. A central aspect in entering into the second modernization, according to the authors, is the need to 'expect the unexpected' and make decisions 'beyond certainty'. In our current crisis, where the 'unexpected' and the 'uncertainties' seem to have taken the central stage of our daily life, it is a particular time to reflect on some of the questions raised in Beck, Bonss and Lau's account of second modernization. How are we experiencing the multiplicity of boundaries and rationalities in our social, economic and political systems? Are we facing an increasing level of institutional, collective and individual difficulties in coordinating such multiplicity of networks and subject boundaries? What about emergent issues with institutionalized, cooperative decision-making through ad hoc, subpolitical negotiations? In their own words, Beck, Bonss and Lau ask: "How far does the perception of global risks transform the concept of rationality in science and law?" (29).

These questions are representative of a fundamental challenge of our time – how societies can be best governed? One of the papers included in the thesis deals with the issue of governance in the settings of cross-sector partnerships. But some of the discussions may be applicable to a broader context. Given that the focus of this thesis is on 'ethics', we could perhaps consider the relationship between ethics and governance in several layers: ethics through governance, ethics of governance, and ethics as governance.

Ethics through governance: If a society desires higher ethical standards it must develop the forms of governance that will enable fuller moral and ethical pursuits. 'Ethics through governance', therefore, emphasizes a fundamental ethical concern: how societies can be best governed in the interest of creating common good and fostering human development. So then, what would such a form of governance look like? There is no simple answer, particularly in an age of multiple boundaries, rationalities and subjectivities. But perhaps understanding ‘what is considered as ethical governance’ is a good place to start.

‘Ethics of governance’ is about knowing the criteria and principles of good governance. It emphasizes not only the ethical dimension of good governance, but also the capacity for promoting ethical and virtuous behaviors in society at large. We stand much better chance to fulfill social and ethical goals if working with a governance structure with a high ethical dimension. That is, a governance structure and system that is guided by high moral standards and embraces ethical values such as inclusion, equality, and human care. Easier said than done? Quite possibly. But, we know enough to know that we must try, and we know enough to know where to begin.

‘Ethics as governance’ then focuses particularly on how to best implement mechanisms and frameworks that can help ensure high ethical standards in social governance. It should not only help identify ethics-based governance mechanisms, but also provide practical guidance in terms of how to effectively implement and evaluate the governance process. Such measures would necessarily incorporate both formal and informal governance mechanisms, which are informed by high ethical standards, and are facilitated by ethical practices. Moreover, while organizational and social governance cannot fully be based on individuals’ ethics and value systems, an integration of individual ethics and collective ethics is required to bear the potential ‘moral loss’ in the process of embedding human care in our governance frameworks.

Another key theme explored in this thesis is the subject of motivation. In essence, the study of ‘motivation’ is to understand the reasons behind the actions of a person, or groups, such as an organization, an institution, a society. When we talk about ethics-based motivation we put an emphasis on the moral dimension of why an action has been carried out. While major accounts of philosophies provide different bases for reasoning in making sense of moral motivation, they commonly attend to the same key question: what makes an action morally worthy. The consideration of moral motivation thus inherently involves making normative judgement on one's action - has an action been made because it was for the greater good, or out of a sense of moral duty by the actor, or simply because that it felt good for benevolent reasons?

Through whatever base of reasoning a moral judgement is reached, it cannot remove the human actor, the moral agent, in making such judgement. That is to say, any moral motivation necessarily entails human agency in making assessments of what they believe to be moral, whether their reasons are founded in desires, rationalities, or sentiments. So then when we discuss moral motivation in the context of, for example, organizations, whether private, social or administrative, we invite some of the fundamental questions as whether these can be treated as moral actors and are capable of making moral decisions. In other words, it raises the question whether moral attributes can be applied to collective actors.

In this regard, many may lean towards the claim that actions carried out by collective actors, such as those of an organization, can be evaluated as ethical or unethical, but not in terms of morality. There is truth in that. However, insofar as human actors are involved in these actions, morality *can* be a source of reasoning on which ethical motivations and practices are based. That is, while an organization, for example, cannot fully assume the functions and characteristics of a moral agent, it has access to moral bases because of human involvement and thus is capable of attaining a moral dimension to its motivations as well as actions. When we consider ethics-based motivation in the context of an organization, an institution, or a society, then, we highlight that moral dimension as a result of human involvement, especially of those with high ethical and moral standards.

Ethics-based motivation, therefore, emphasizes the processes whereby individuals, through their own means of moral reasoning, elevate the moral ground of others, foster an ethical climate, and transform behaviors. Collective actors, in this sense, despite diverse structures, arrangements, and purposes, can be motivated by ethical goals when infused with individuals' moral and ethical sensitivities. Of course such a process must be enabled by the culture, structure, as well as the institution of the collective actors. But that is perhaps for another thesis. To this end, just as with the development of ethical governance, the integration between individual and collective ethics is of crucial importance to amplifying the influences of human actors, as moral agents, in motivating ethical practices within groups, organizations and society at large.

Two of the papers included in this thesis focus on the ethics of individuals, and the transformational influence of such individuals. The theory of 'virtue ethics' features prominently in both papers due to its emphasis on the moral character of individuals and how the virtuous acts of these individuals can act as a powerful catalyst in transcending social practice to a higher value system. So, in the few words I have left in closing this thesis I would like to indulge myself once more in some of the fundamental thoughts of an Aristotelian philosophy on virtue ethics and human nature.

For Aristotle, philosophy is about practical wisdom – wasn't there an argument somewhere in the opening chapter about whether philosophy still has any practical relevance?...... The practical wisdom in the theory of virtue ethics is not constituted by set criteria, or principles, *per se*, or at least not in the way of a categorical imperative, or principle of utility. Rather, it is to do with the pursuit of moral excellence, and the virtuous character within human nature which we can and must nurture to live a good life. Our goals and actions, therefore, should not be driven by desired outcomes or a sense of moral duty, and there are no boxes to tick. If we aspire to live the good life that Aristotle describes, we shall, instead, strive to be a virtuous person and a virtuous person will naturally do the right thing - like the many virtuous individuals mentioned in this thesis who have not only achieved moral excellence in themselves, but also have lifted the moral ground for those around them. They are, in an Aristotelian conception of 'virtue ethics', the moral exemplars.

Not all of us are moral exemplars, or at least to begin with. The good news is, however, according to Aristotle, this is something we can practice. Yes, we can practice 'virtue', by staying close and learning from the moral exemplars, by finding and nurturing the goodness within ourselves, and simply by flourishing human nature. I cannot be certain if Aristotle ever spoke about whether there is a better or lesser time to practice 'virtue', but perhaps experiencing crisis at a collective level is one such time to carry out some good practice. I know, here's one we have ample opportunities to practice and become better at: being kind to one another.

I close with a quote from 'The Origin of Virtue' (Ridley, 1996, p. 144):

> Virtue is indeed a grace – or an instinct as we might put it in these less Augustinian days. It is something to be taken for granted, drawn on and cherished. It is not something we must struggle to create against the grain of human nature – as it would be if we were pigeons, say, or rats with no social machine to oil. It is the instinctive and useful lubricant that is part of our natures. So instead of trying to arrange human institutions in such a way as to reduce human selfishness, perhaps we should be arranging them in such a way as to bring out human virtue.

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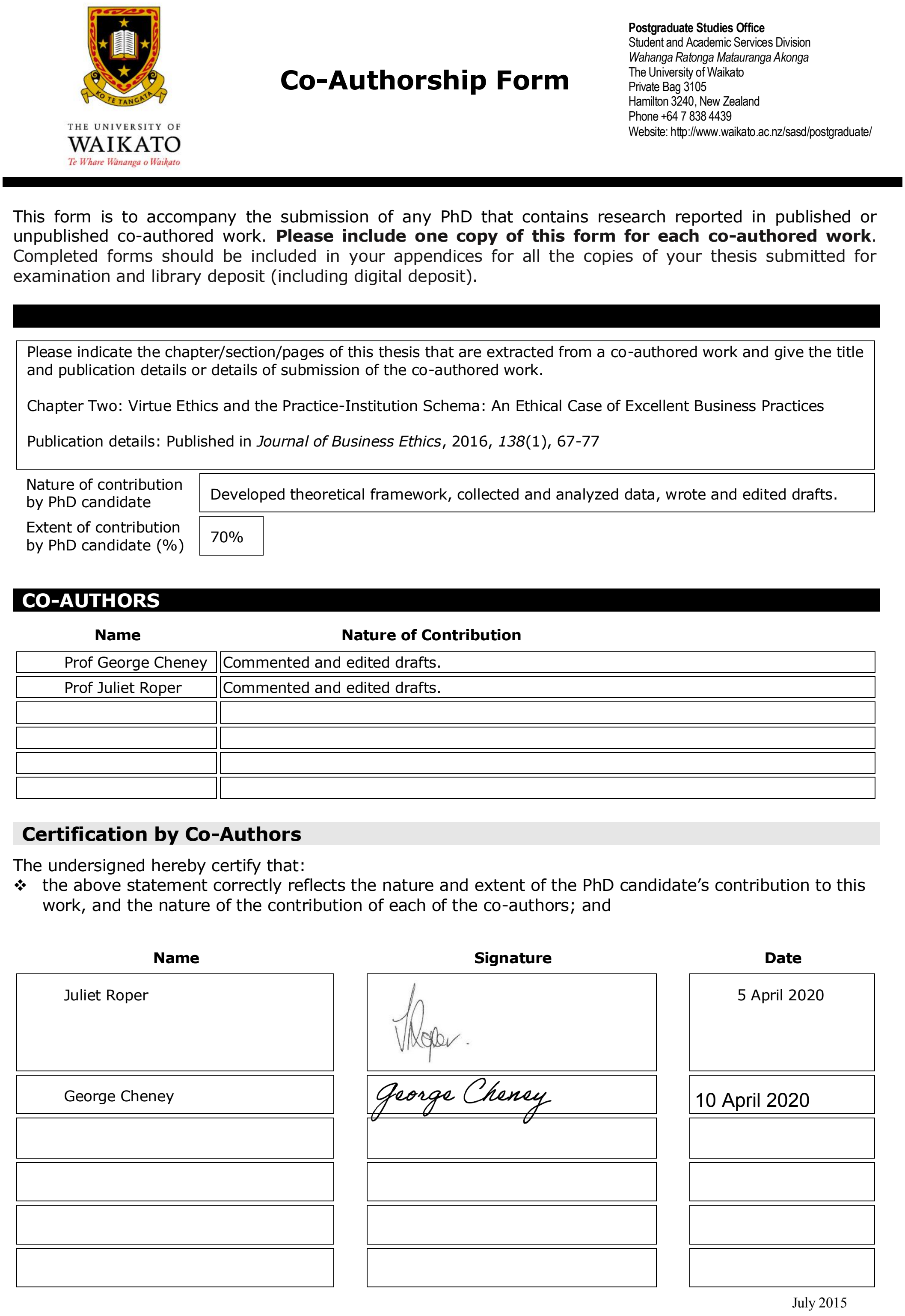
APPENDICES



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Postgraduate Studies Office
Student and Academic Services Division
Wahanga Ratonga Matauranga Akonga
The University of Waikato
Private Bag 3105
Hamilton 3240, New Zealand
Phone +64 7 838 4439
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Chapter Two: Virtue Ethics and the Practice-Institution Schema: An Ethical Case of Excellent Business Practices

Publication details: Published in *Journal of Business Ethics*, 2016, *138*(1), 67-77

Nature of contribution by PhD candidate	Developed theoretical framework, collected and analyzed data, wrote and edited drafts.
Extent of contribution by PhD candidate (%)	70%

CO-AUTHORS

Name	Nature of Contribution
Prof George Cheney	Commented and edited drafts.
Prof Juliet Roper	Commented and edited drafts.

Certification by Co-Authors

The undersigned hereby certify that:

- the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Juliet Roper	JRoper.	5 April 2020
George Cheney	George Cheney	10 April 2020

July 2015

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Co-Authorship Form

Postgraduate Studies Office
Student and Academic Services Division *Wahanga Ratonga Matauranga Akonga* The University of Waikato
Private Bag 3105
Hamilton 3240, New Zealand Phone +64 7 838 4439
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Chapter Three: Ethical governance in cross-sector partnerships: The role of managers

Submission status: Submitted, on the 28th of March 2020, to the Special Issue of *Journal of Business Ethics*: Multistakeholder engagement for the Sustainable Development Goals: Ethical and organisational challenges

Nature of contribution by PhD candidate	Created theoretical framework, collected and analyzed data, wrote first draft and edited drafts.
Extent of contribution by PhD candidate (%)	60%

CO-AUTHORS

Name	Nature of Contribution
Prof Juliet Roper	Provided advice on the purpose and the scope of the paper, commented and edited drafts.
Prof George Cheney	Provided advice on the purpose and the scope of the paper, commented and edited drafts.

Certification by Co-Authors

The undersigned hereby certify that:

- the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Juliet Roper	JRoper.	5 April 2020
George Cheney	George Cheney	10 April 2020

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Private Bag 3105
Hamilton 3240, New Zealand Phone +64 7 838 4439
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Chapter Four: What is valuable? Ethics and motivations for cross-sector partnerships

Submission status: Prepared for submission

Nature of contribution by PhD candidate	Developed theoretical framework, collected and analyzed data, wrote and edited drafts
Extent of contribution by PhD candidate (%)	60%

CO-AUTHORS

Name	Nature of Contribution
Prof Juliet Roper	Provided advice on the purpose and the scope of the paper, commented and edited drafts.
Prof George Cheney	Provided advice on the purpose and the scope of the paper, commented and edited drafts.

Certification by Co-Authors

The undersigned hereby certify that:

- ❖ the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Juliet Roper	JRoper.	5 April 2020
George Cheney	George Cheney	10 April 2020

July 2015

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Student and Academic Services Division
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Chapter Five: From agency to communion: The role of virtuous individuals in elevating organizational values

Submission status: prepared for submission.

Nature of contribution by PhD candidate	Created theoretical framework, collected data, wrote and edited drafts.
Extent of contribution by PhD candidate (%)	70%

CO-AUTHORS

Name	Nature of Contribution
Prof Juliet Roper	Prof Roper provided editorial guidance throughout.

Certification by Co-Authors

The undersigned hereby certify that:

- ❖ the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Juliet Roper	JRoper.	23 April 2020

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