Institution: University of Reading

Unit of Assessment: 30 Philosophy

Title of case study: Philosophy and fair business: using ethical understanding to create change in Reading and beyond

Period when the underpinning research was undertaken: 2003-2019

Details of staff conducting the underpinning research from the submitting unit:

Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Emma Borg	Professor of Philosophy	1 October 1998 - present
Professor Brad Hooker	Professor of Philosophy	1 October 1996 – 31 July 2019

Period when the claimed impact occurred: 2015 - 2020

Is this case study continued from a case study submitted in 2014? N

1. Summary of the impact

The events surrounding the financial crash of 2007-8 highlighted the very real human costs incurred when bad ethical practices are allowed to flourish in business. These events made clear that philosophical work on the relationship between businesses and the societies they serve should have a central role to play in influencing the attitudes of private sector organisations, and in raising awareness of the ethical dimensions of their activities. By providing rigorous underpinning research and thought-leadership for a local social enterprise 'Ethical Reading'*,* Emma Borg and Brad Hooker's work on what private sector organisations owe to society has had a material impact on business thinking and practice, raising ethical standards across the Reading Borough area and informing the national understanding of these issues.

2. Underpinning research

Hooker's influential research in moral philosophy, in particular his work on fairness, underpins this case study. He has critically evaluated John Broome's theory that fairness consists in the proportional satisfaction of moral claims (output 1). Hooker has also considered whether, while there are many differences that fair rules must ignore, fairness requires that some important rules are sensitive to differences in what people need and deserve, including what people deserve on grounds of reciprocity (output 2). One component of Hooker's overall moral view, which he defends against attack by Peter Singer, is that moral requirements should be suitable for publicity; suitable for teaching as part of moral education, suitable for guiding behaviour and reactions to behaviour, and suitable for justifying ones behaviour to others (output 3).

During the period of Hooker's research on fairness, the business world saw a massive upheaval due to events related to the financial crash of 2008. Hooker and Borg recognised the fundamental importance of these events and both felt that Hooker's work on fairness had important implications for the debate. Initially, their collaborative research focused on the financial services sector, exploring how we should construe the causes of the crash – as primarily epistemic failings or involving genuinely moral problems. As part of this collaborative work Borg and Hooker undertook a series of exploratory meetings with leading stakeholders from a range of sectors and firms, culminating in 'Trust in Banking' (June 2016) – an invitation-only workshop hosted by the City law firm Freshfields Bruckhaus Derringer. The exchange of ideas at this event led to the production of 'Epistemic virtues versus ethical values in the financial services sector' (output 4), in which Borg and Hooker argued that events around the financial crash involved specifically moral failings. If correct, this limited the ability of regulation to bring about change. Instead what was needed was a change of culture and purpose in organisations. Institutions needed to specify a 'social purpose' and to articulate the ethical values the firm intended to promote that goes beyond 'window-dressing'. Furthermore, Borg and Hooker suggested that firms needed to make greater investment

in ethical training for employees, where this training needed to incorporate philosophical, specifically ethical, understanding in order to avoid being a mere 'tick box' exercise.

Following discussion of these issues in output 4, Borg recognised the need to further explore the theoretical underpinnings of the notion of 'social purpose'. This led her to argue for the relevance of the Enlightenment thesis known as 'doux commerce' – that business can and should be a force for social good in its own right. She argued for crucial revisions to the original thesis, stating it as operating at the level of systemic relations between business and society rather than at the level of individual moral characteristics. Further, she linked the thesis to social contract theory, holding that in this form it provided a crucial theoretical basis for public calls for business to be done in a more ethical manner. She also argued for a new 'social licence' form of regulation to embed the demands of a firm's social purpose. Presentation of these research ideas took place in a range of venues – including briefing documents for the Liberal Democrat Party, a public lecture at the University of Reading and a talk at the Institute of Business Ethics culminating in output 5.

3. References to the research

The research meets the threshold for 2*, representing a significant expansion of research on fairness and innovative development of theories on 'social purpose'. It has been published in peer-reviewed journals and volumes with established academic presses.

1. Hooker, B (2005). 'Fairness', *Ethical Theory and Moral Practice* 8, pp. 329-52. DOI: https://link.springer.com/article/10.1007/s10677-005-8836-2
2. Hooker, B (2014). 'Utilitarianism and Fairness', in B. Eggleston and D. Miller (eds), *Cambridge Companion to Utilitarianism*. Cambridge University Press, pp. 251-71. DOI: https://www.cambridge.org/core/books/cambridge-companion-to-utilitarianism/utilitarianism-and-fairness/084BDD64CCC27D268DA114432C87A517
3. Hooker, B (2016). 'Wrongness, Evolutionary Debunking, Public Rules', *Etica & Politica* 18, pp. 135-49. DOI: https://www.researchgate.net/publication/303737899_WRONGNESS_EVOLUTIONARY_DEBUNKING_PUBLIC_RULES
4. Borg, E. and Hooker, B (2017). 'Epistemic Virtues vs. Ethical Values in the Financial Services Sector', *Journal of Business Ethics*, pp. 1–21. DOI: https://link.springer.com/article/10.1007/s10551-017-3547-x
5. Borg, E (2020). 'The thesis of "doux commerce" and the social licence to operate framework', *Business Ethics: a European Review,* Online First 2020. DOI: https://onlinelibrary.wiley.com/doi/full/10.1111/beer.12279

4. Details of the impact

Borg and Hooker's work on what private sector organisations owe to society has had a material impact on business thinking and practice. It has helped raise ethical standards across the Reading Borough area and informed the national understanding of these issues. At a macro-level, changes have been made to expected standards for all firms operating in the Reading area and at a micro-level changes to practice within specific firms have taken place.

A. Dissemination of theoretical ideas behind ethical business to industry groups
Borg and Hooker consulted with a significant number of potential stakeholders in 2015 and '16, including financial services (Barclays, HSBC, Deutsche Bank, Morgan Stanley, and the Bank of England), legal services (Freshfields Bruckhaus Derringer), politics (Jesse Norman MP) and third sector institutions (the Banking Standards Board, UK Finance, Institute of Business Ethics, the Financial Services Consumer Panel at the Financial Conduct Authority, and the St. Paul's Institute). Representatives of these stakeholders were invited to the 'Trust in Banking' workshop in June 2016, hosted by the leading City law firm Freshfields Bruckhaus Derringer (E1). Borg and Hooker ran the event and presented at it, helping both to disseminate their ideas outside of academia and, crucially, providing feedback from non-academics on their research. Their findings were then delivered to other stakeholders, including at the concluding panel discussion for the

'Centre for Competition Policy annual conference (2016)' and via invited briefing papers for the Banking Standards Board.

B. Collaboration with Ethical Reading

As a result of these engagement activities and following discussions with the Institute of Business Ethics in London, Borg and Hooker initiated contact and collaboration in March 2018 with a social enterprise organization – 'Ethical Reading'. Ethical Reading exists to make Reading a better place to live and work through helping organisations do the right thing by each other, the wider community, and the environment. Currently, Ethical Reading has over 1000 individual members plus over 40 business partners, including large organisations such as Santander, Boyes Turner LLP, Shoosmiths LLP, Litchfields, and the Unite Union, together with small–medium sized (SME) organisations such as Reading Football Club, London Irish, and Jacobs the Jewellers. Ethical Reading's reach with SMEs is particularly significant given that about 60% of the UK workforce is employed in this size of organization according to the UK's Department for Business, Energy and Industrial Strategy. Reading Borough Council, Thames Valley Police, and the University of Reading are also recognized supporters (E2).

The directors of Ethical Reading are leading business experts with many years of experience, but none have specific expertise in ethics. Through a range of collaborative projects, Borg and Hooker provided the foundational research needed by the organisation, influencing the thinking and practice of Ethical Reading. In turn, this has influenced the thinking and practice of their business partners. Hooker is now a Director of Ethical Reading (providing day-to-day thought leadership for the organization) and leads on the Ethical Cities operational guide (aiming to roll out the blueprint of Ethical Reading to other cities worldwide); Borg sits on their Advisory Council (meeting 4 times a year to decide overall direction and focus) and has spoken at business breakfast briefings and other events. Borg, Hooker and several academic colleagues from the University's Philosophy Department delivered a programme of 13 lunchtime webinars for business partners, on topics such as 'What is right and wrong in business?', 'What role do managers play in creating an ethical workplace?', and 'What is implicit bias and what does it mean for ethics at work?' In addition, the ideas articulated in output 4 on ethical training have influenced the form and content of Ethical Reading's 'Healthy and Ethical Workplaces' training course. The Directors state that Borg and Hooker have become 'a go-to resource', contributing to the 'content, thinking and rationale' of the organization and adding 'weight and credibility'. Furthermore, their work is 'definitely valued by [business] partners', who find them 'credible and effective' (E3).

C. Ethical Reading/Reading Borough Council's ethical recruitment charter

One of the most significant collaborations with Ethical Reading concerns Ethical Reading's Code of Ethics and Guidelines for Implementation, based on Borg and Hooker's research (E4). Consultation took place at an intensive half-day workshop involving Borg, Hooker, representatives of Ethical Reading and a number of their Partners. This collaborative process resulted in Borg and Hooker writing the Code of Ethics which has now been formally adopted by Ethical Reading. Since then Ethical Reading has provided the Code to its business partners as a primary resource on business ethics. A launch event for the Code in 2019, was attended by key local stakeholders, including members of Reading Borough Council. The CEO of Reading Council noted the Code of Ethics will 'encourage everybody that's involved to act and think ethically in how they go about their business, so we can build a town we're really proud of' (E5). Impressed with the Code, the Council approached Ethical Reading to co-produce an Ethical Recruitment Charter. This Charter utilizes three of the key values set out in the Code of Ethics (respect, transparency, and fairness) and sets a gold standard for recruitment practices across the Borough. As one Reading Councillor noted 'It's not that people are trying to treat applicants badly, they just don't know how to treat them well. So that's what [the Charter] does really simply and clearly – this is what you need to do to treat people well' (E6).

The Charter was launched in March 2020, with the Council becoming the first signatory. The COO of The Association of Professional Staffing Companies called the Charter 'a fantastic initiative'. It has served to codify and embed best practice for organisations in the Reading area, with signatories reviewing recruitment practices to bring them in line with the demands of the Charter. Its influence on recruitment practices is set to continue, with the Associate Director of recruitment

agency Eximius Group commenting: 'We believe as a Charter it can become a trademark for the Reading area' (E6).

D. The WorkInConfidence ethical metrics tool
One of Ethical Reading's partners, WorkInConfidence (a firm that has adopted the Code of Ethics, E7) has collaborated further with Borg and Hooker, following the attendance of the COO at the public lecture given by Borg ('Doing Business Better: Should Reading Firms have a Social Purpose?', 2019). The COO said 'things in the talk resonated with what [our organization is] trying to do' and the firm subsequently invited Borg to work on the co-production of a new business survey tool for assessing organisations along ethical dimensions and improving performance on key indicators. Borg's work has included applied research, co-production of draft materials for the tool, and supervision of a Philosophy PhD student on an internship working on the project. The theoretical elements have now been delivered and WorkInConfidence are stress-testing the product with key members of their client base (which includes NHS foundations, alongside private sector companies such as Hobbes). WorkInConfidence's COO has stated that Borg and the intern have 'done more to move [this project] forward than I could possibly have hoped for…We wouldn't have been able to get this far this fast' without their input and expertise. The product will 'help [WorkInConfidence] deliver greater value to the organisations we sell into' and, once rolled out, will enhance firms' ability to identify ethical problems and raise performance against these measures (E8).

E. Impact on national debate on ethics in business
Borg and Hooker's work has helped to inform public understanding of ethical issues in business. Public dissemination of their research has occurred through numerous blog posts for 'Ethical Reading' and the University of Reading. Borg's University of Reading public lecture (2019) resulted in several members of the public contacting Borg subsequently to discuss the issues raised in that presentation. Their work has also contributed to the national business ethics conversation, in particular through Borg's invited role on the Steering Committee of AcaBEN (an academic-business network run through the Institute of Business Ethics) and the invited talk she gave to their conference (December 2019). Their work is playing a significant role in advancing political and regulatory debate in this area. For instance, they held a series of meetings with, and submitted invited briefing documents to, principal sector-specific organisations, such as the Banking Standards Board (2015-16). They also briefed representatives of the Liberal Democrat party during 2018, including discussions with their Chief Economic Advisor; E9), exploring potential changes to regulatory frameworks.

Borg and Hooker continue to influence change, currently with a project funded through a British Academy Special Research Grants: Covid-19 award – 'Reshaping relations between the state and the private sector post-COVID-19?' (July 2020-April 2021). As part of this project Borg and Hooker have produced a briefing document on the social licence framework, which is aimed at politicians, regulators and think tanks; they have also submitted evidence to the EU Sustainable Corporate Governance Initiative, the UK Tax Inquiry and the UK Greening post-Covid Recovery Inquiry. As a result of this activity, Borg has been invited to take up a post as an Independent Advisor on the newly formed HMRC Professional Standards Committee. This post will commence in January 2021 and will enable Borg to continue raising the profile of the social licence framework as a model for reshaping state and business relations at a government level (E10).

Borg and Hooker's collaborative research partnership has had a significant impact on business thinking and practice, resulting in deep rooted changes in the Reading area but also extending to the national debate. Through the collaborative creation of the Ethical Recruitment Charter, those applying for jobs in the Reading area will be treated in line with core ethical values. Through co-creation of the WorkInConfidence ethical metric tool, the business practices of that company have been influenced and, once rolled out, the tool will raise ethical standards across WorkInConfidence's client organisations. Through webinars, public lectures and briefing documents, Borg and Hooker have advanced public and regulatory understanding of the role that philosophical ideas about fairness and social purpose have to play in bringing about better business practices. Starting locally, Borg and Hooker have shown how embedding awareness and

understanding of ethical issues, alongside practical support for creating more ethical structures and behaviours, can help to improve the way we do business.

5. Sources to corroborate the impact
- **[E1]** "Trust in Banking" brochure and delegate list
- **[E2]** Ethical Reading website: https://www.ethicalreading.org.uk/
- **[E3]** Interviews with the Directors of Ethical Reading
- **[E4]** Ethical Reading Code of Ethics brochure
- **[E5]** Film of the Code of Ethics launch event
  https://www.youtube.com/watch?v=gD3CDMlc2-8
- **[E6]** Film of Ethical Recruitment launch https://vimeo.com/412710102/ebdd54604e and Ethical Recruitment website: https://www.ethicalreading.org.uk/programmes/business-ethics-and-culture/ethical-recruitment/
- **[E7]** WorkInConfidence's blog post on their adoption of the Code of Ethics: https://www.workinconfidence.com/2019/09/09/workinconfidence-to-adopt-the-ethical-reading-code-of-ethics/
- **[E8]** Interview with the COO of WorkInConfidence and film of Borg's public lecture that instigated discussions:
  https://www.youtube.com/watch?time_continue=1136&v=fSBtCgrqETo&feature=emb_title
- **[E9]** Invited briefing paper for Liberal Democrats' Chief Economic Advisor, November 2018
- **[E10]** Reshaping relations between the state and the private sector post-COVID-19