The Social Worker as Shopper: Applying a Model for Ethical Decision Making to a Dilemma in Resource Management

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Abstract
This paper applies the steps of an ethical decision-making model for social work to a management situation involving resource allocation in a nonprofit organization. The ethical dilemma is presented by way of a hypothetical case study, in which a social worker’s responsibility to clients is in conflict with the worker’s responsibility to society.

Key Words: ethical decision making; social work management; resource allocation; client well-being; social responsibility

Introduction
In their 1994 article, Applewhite and Joseph apply an ethical decision-making model for social work to a clinical practice situation involving self-harming clients. The purpose of this paper is to apply the steps of their model to a management situation involving resource allocation in a nonprofit organization. The present analysis is applied to an ethical dilemma, presented by way of a hypothetical case study, in which a social worker’s responsibility to clients is in conflict with the worker’s responsibility to society. Following Applewhite and Joseph’s model, this paper will discuss the following: relevant literature, the role and rank of relevant values and principles, personal biases, the relative merits of various options, a chosen ethical position, and strategies for implementation. Although the case example used is in the field of nonprofit management, this paper is primarily concerned with a social worker’s ethical obligations, not techniques of effective management. Whereas in actuality social work managers must weigh carefully their responsibilities to staff members and boards as well as to clients and the broader society, this paper will focus on the particular ethical conflict between client well-being and social responsibility.
A social worker was recently named executive director of a small community-based nonprofit organization serving immigrant families who have left their home country primarily as a result of war, extreme poverty, or oppressive labor conditions. The agency provides case management, therapy, childcare, food and clothing, referrals, and transportation to agency programs and outside appointments. It is the only agency of its kind in the area and receives funding from the government, philanthropic foundations, and churches.

For the length of the social worker’s employment at the agency, there has been an implicit agency policy of socially responsible shopping. Food for the childcare program, as well as office furniture and supplies, are purchased from a local fair-trade co-op, and gasoline is purchased only from a company that participates in human rights agreements.

In recent months, the community has experienced a rapid increase in immigration, raising the demand for services. The social workers, who have already increased their work hours, suggested that the agency hire a part-time social worker to take on additional cases, and expand childcare facilities by converting storage space.

The volunteer board of directors has been looking into possibilities for expanding services. Some board members have suggested that the agency could significantly cut costs by buying gas from a cheaper supplier and getting all food, office supplies, and additional furniture required for the expanded childcare room from the cheapest retailer. In addition to freeing up current funds, they argue that such measures would increase the agency’s cost-benefit ratio, enhancing its competitiveness for future funding. The board is split on the issue. Having a high level of trust in the professional opinion of the executive director, they have requested she submit a statement of her recommendation. The social worker sees the decision before her as an ethical dilemma. She recognizes not only the current potential to serve more members of the community who are in need, but also the agency’s need to achieve increasing levels of efficiency for donors. She is also aware that the cheaper retailer has had verified accusations of child labor, hazardous working conditions, and low wages, and that the only cheaper gas company hires paramilitary groups with histories of human rights abuses to provide security at its foreign plants. She sees a direct connection between such practices and the previous life circumstances of the agency’s clients.

In essence, the social worker is faced with a conflict of responsibilities. There is a clear responsibility to manage resources efficiently and to provide services for the client base, but
agency employees are in agreement that there is also a responsibility to the broader society, particularly to challenge social injustice and promote the well-being of those around the world who are at risk for oppression and maltreatment.

**A Review of Consumer Responsibility Ethics for Nonprofits**

**Responsibilities of Nonprofit Agencies**

Although attention to Corporate Social Responsibility (CSR) has been steadily increasing since at least 1989 (Kapstein, 2001), there is no apparent literature on the issue of whether nonprofit organizations should take CSR into account in their purchasing decisions. An extensive abstract keyword search of several major nonprofit journals, as well as diverse databases, revealed a wealth of articles on relevant topics, but none on this ethical issue. While the absence of literature on this topic presents challenges for analysis, discussion of related issues sheds light on its complexity.

In their study of nonprofit executives, Jurkiewicz and Massey (1998) found that a preference and capacity for ethical reasoning was associated with leader effectiveness in nonprofit organizations. The authors claimed that a perception of ethical practice on the part of the board and director is critical to both public trust and donor support. In this situation, the social worker is asked to fill an ethical leadership role, as well as the role of advisor to the board of directors, whose responsibility to ensure sound financial management in agencies is widely recognized (Inglis, Alexander, & Weaver, 1999).

The motivation for cutting program costs is described as two-fold: maximizing current client services and ensuring funds for the future; however, these can be treated together in discussion because what donors expect is precisely that client services will be maximized with given funds. There is no shortage of evidence for the necessity of proving organizational efficiency in order to maintain support. Commentators frequently note that nonprofits are under intense pressure due to the combination of increasing competition for grants, declining government funds, business savvy donors who demand measurable outcome achievements, and expectations of enhanced performance with low costs (Hodgkinson & Nelson, 2001; Moxley & Bueche, 2002; Alexander, 2000).

As the ethical dilemma illustrates, survival in this type of environment can preclude decision-making based solely on agency values. Lindenberg (2001) has suggested that the value-
based culture of the nonprofit sector is often in conflict with the demands of the new business model. He firmly asserts that NGOs that fail to “adapt their strategies and promote greater impact, efficiency, and accountability” will not survive, despite their “good intentions” (p. 248). Efficiency is generally conceptualized in cost-benefit terms (cost per client or cost per service), so expanded services and lower program costs are clear goals. Accountability and impact can be harder to grip. Koppell (2005), in his discussion of “Multiple Accountabilities Disorder,” claimed that organizations are operating under demands for various types of accountability, and that it is impossible (and unhealthy) to attempt to fulfill them all. In a simple statement of accountability, he stated that it “reflects the ideal relationship among leaders, contributors (living and dead), the community, and society” (Five Dimensions section, para. 2).

The nonprofit’s relationship to the broader society is central to this ethical analysis, and there is some support in the literature for the possibility of including impact on society (through responsible shopping) in an evaluation of agency effectiveness. For example, Richmond, Mook, and Quarter (2003) discussed two models of social accounting that include the effect of agency services on non-clients. In a study of nonprofit adaptation, Alexander (2000) found that organizations often expanded their mission or client base as a strategy to attract more funds. In the case under discussion, the agency could potentially work consideration of foreign workers into its mission. The risk here, as Alexander’s study subjects revealed, is of alienating donors who are faithful to the current mission.

**Socially Responsible Consumer Behavior**

The literature discussed thus far clarifies the dilemma in terms of risks and possibilities regarding budget allocations. A separate issue requiring investigation is the meaning, purpose, and effectiveness of socially responsible consumer behavior (SRCB). Analysts and commentators are in agreement that the rising focus on CSR has forced corporations to take ethics into account and to prove ethical conduct in order to stay competitive; several have noted that SRCB is often viewed as a more effective tool for addressing social injustice than petitioning the government (Kapstein, 2001; Springen & Miller, 1991; Muldoon, 2006; Mohr, Webb, & Harris, 2001; Hertz, 1999).

This recognition of success is usually tempered, however, by skepticism that pressure results in only superficial marketing ploys, or in real changes with significant negative side effects. Kapstein (2001) has questioned whether the CSR “crusade” has the capacity to effect positive
change in the lives of workers, because of what he perceives as Western ethnocentrism and the
difficulty of operating a firm under intense pressure. Kapstein offered the case of Nike’s decision
to not employ anyone under 18, to avoid accusations of child labor, which he claimed forced poor
Asian young people (who finish school well before that age) to seek less desirable employment.
He also noted that monitoring procedures employed by corporations are often severely inadequate.

Even if SRCB is taken as effective and feasible, it must be recognized that, as one shopper
out of millions, it is nearly impossible for a small agency to change corporate behavior on its own.
However, an interesting theme that occurs in the literature is that of responsible shopping as a civic
duty. As previously noted, some view SRCB as more effective than government involvement.
Hertz (1999) suggested that in Britain, shopping replaced voting as the primary form of civic
engagement. Muldoon (2006) asked the logical question, “Can product choice be reframed as
another arena for participatory democracy?” In response, she quoted Jeremy Rifkin’s affirmation
that by doing so “we assure our responsibilities as active participants in the decisions that affect
the future course of our society, civilization, and ultimately, the planet” (All by Myself section,
para. 4).

The last relevant question concerning SRCB that the literature addresses is how to set a
standard of adequacy. If the agency decides to make an explicit policy in favor of SRCB, how
would it distinguish a responsible company? Mohr et al. (2001) noted that information can be a
stumbling block to SRCB, because most people are ignorant about the companies from which they
buy. To address this problem, several groups have developed CSR rating scales. For example, the
RepuTex Social Responsibility Rating System includes measures of the following categories:
corporate governance, workplace practices, social impact, and environmental impact (Grossman,
2004) . The problem with this system has been illustrated by Muldoon (2006): any given
corporation may score high in some areas and low in others. Purchasing from fair trade distributors
may seem safe in this way, since social responsibility is their central mission; however, there are
some groups, such as the education group Worldwrite, who contest that fair trade certification fails
to make any significant difference in the income of the poor (Das-Gupta, 2005).

**Ethical Framework for Consumer Responsibility for Nonprofits**

**Salient Values and Ethical Principles**
Investigation of this dilemma surfaces quite a few relevant values and ethical principles. The general values derived from society are well-being, efficiency/stewardship, justice, and integrity. This dilemma can be viewed as a choice between increasing the well-being of clients or of non-clients. Since well-being is a value intended for all people, this is a conflict. Efficiency is highly valued in American society, so cutting costs and serving more clients can be viewed as upholding efficiency and being a responsible steward of donated resources and taxpayer dollars. The elements of justice most salient in this situation are fair terms of trade and just labor conditions for workers, values we uphold with domestic and international laws. Lastly, the value of integrity is important to those in management positions. Integrity in this case could be viewed as maintaining the trust of donors through responsible budgeting, or as avoiding hypocrisy by not contributing to practices that cause the problems faced by the clients being served.

Both sides of the issue are also supported by various ethical principles. If the focus principle is the greatest good for the greatest number, the choice seems in favor of cutting costs. Changes in a single small organization’s spending patterns will not change the business practices of corporations. Cutting costs will, however, lead to a real change in services, making the clients better off. A principle of subsidiarity (meeting human needs at the lowest possible level of social organization) supports putting clients’ needs first, because they are in the agency’s community and can be better served by its resources. A human rights principle could support both sides, including rights to life, liberty, dignified working conditions, and social services. If rights are hierarchical, however, the former rights would trump the latter, suggesting a preference for foreign workers. An egalitarian principle, which seeks to benefit those in the worst circumstances, seems to preference the good of foreign workers, because in the sense that the clients have moved to a place of relative safety and freedom, they are now better off. Lastly, the social work principle of challenging social injustice suggests that social workers should not support or benefit from the exploitation of others.

Standard 3.07(b) of the NASW Code of Ethics (1999) states that resource allocation in an agency should be “open and fair” and that in cases of scarcity “appropriate and consistently applied principles” should be used. Figuring out what is fair and appropriate in this case is the goal of this paper. The very first ethical standard, 1.01, states that “[i]n general, clients’ interests are primary” and that “social workers’ responsibility to the larger society” is only supreme “on limited occasions.” This may suggest that, when in doubt, one should side with the client. In addition,
standards 3.09(b) and 3.09(g) state that “social workers should work to improve... the efficiency and effectiveness of their services” and “be diligent stewards of the resources... wisely conserving funds... [and never] using them for unintended purposes”. It could be argued that donors intend funds to be used to maximize services for clients and expect efficiency in this matter. However, standard 3.09(d) states that social workers should practice ethically, regardless of agency policies, and promote policies within their agencies that are consistent with social work principles. According to standard 6.01, social workers “should promote social, economic, political, and cultural values and institutions that are compatible with the realization of social justice” “from local to global levels.”

It is also important to consider the values of the clients in this situation. It is well recognized that SRCB is a phenomenon focused on affluent citizens of developed countries. Clients at the agency are unlikely to hold consumer responsibility as a value or perhaps even to understand it conceptually. Even if they were educated about the issue, it is unlikely that they could afford to spend their own money anywhere but the cheapest retailer.

In establishing a hierarchy of values, it seems most appropriate to do so in light of the purpose, standards, and ethical mandate of the social work profession. Considering the presented situation and the opportunities and limitations of the role of executive director, it seems that well-being is the highest value, followed by integrity, justice, and lastly efficiency and stewardship. Enhancing human well-being is the primary mission of the social work profession. Integrity follows because it encompasses all of an individual or agency’s ethical behavior. Justice, broadly construed, is more removed from the social worker’s control, but is more important than efficiency, which tends to be valued more in the broader society than in social work.

**Personal Bias**

Before moving on, it is appropriate to consider potential biases that may affect the social worker’s ethical deliberation. The first recognizable bias stems from personal experience and lifestyle. The social worker in this case has been incorporating social responsibility into her spending decisions for many years; it is a part not just of her own lifestyle, but of the agency’s culture. There is, however, a counter bias: the tendency to be more concerned about the people in one’s own community than about people one has never met. The social work profession tends to be focused on domestic problems; the lack of social work literature on the issue of unethical foreign
business practices illustrates this. While social workers ought to try to be aware of the needs of poor and vulnerable people around the world, it is often difficult to have as much compassion for anonymous “others” as for the people in need that we meet.

**Options for Managerial Action**

While there are innumerable possible ways to respond to this ethical dilemma, it is best to narrow discussion to a few of the most viable and ethically attractive options. There seem to be three broad categories of possibility—keeping current policy, changing shopping behavior, and a combination of both—as well as some steps within these categories that could potentially mitigate the weaknesses of each option. As well as highlighting the strengths and weaknesses of each in terms of upholding the values given in the hierarchy, the ethical theory that is seemingly compatible with the option is noted: pure consequentialist, deontological (rule-based), virtue-based, or classical teleological (considering the intention, act, circumstances, and consequences).

The first option available to the social work manager is to recommend that the agency uphold the current policy of socially responsible shopping. This approach favors the principle of challenging social injustice, siding with the social worker’s responsibility to the broader society over the responsibility to clients. In this approach, a global responsibility principle is favored over a principle of subsidiarity. This option maximizes the value of well-being from an egalitarian perspective because it favors the well-being of the worst off but minimizes the value of well-being from a utilitarian perspective because it sacrifices definite and significant gains in the well-being of clients for unlikely and insignificant gains in the well-being of foreign workers. As some members of the board will surely recognize, this option minimizes the value of efficiency, choosing to incur higher costs for the provision of fewer services. It could be seen as maximizing integrity by keeping the worker and agency from any complicity in atrocities and human rights violations, or as betraying integrity by not using resources to maximize services, as donors who have put their trust in the agency expect.

If the social worker were to choose this option, there are several ways that she could improve upon the current policy. The first would be to make the policy explicit, so that it could be defended in the event that the agency’s purchasing practices were questioned. The second would be to establish a system for evaluating which companies have acceptable levels of CSR. As Lindenberg (2001) highlighted, it is not enough for the agency to have good intentions when it
comes to governance. Adopting a system would be a move toward accountability. The agency could also write letters to make companies aware of their spending decisions, which would potentially increase the impact of such decisions, though most likely not by much. These steps would make SRCB easier to defend if it were to be questioned, but the social worker would have an additional decision to make whether to reframe the agency’s mission statement to include SRCB. Not drawing attention to the choice for higher spending minimizes risks to future funding, thereby upholding client well-being. The option to publicize the decision, however, has the ethical advantage of maximizing integrity, because it notifies donors up-front about how money will be spent by the agency. It could also mitigate concerns about efficiency by including SRCB as a program benefit, as discussed above in reference to Richmond, Mook, and Quarter’s work (2003). The downside of this option is that it has potential to alienate donors and discourage future funding (Alexander, 2000).

Overall, this option seems to be best supported by a deontological (rule-based) ethical perspective. The social worker could decide that the responsibility to uphold social justice should not be compromised and that under no circumstances should the social worker support human rights violations. SRCB could be construed as a civic duty incumbent upon the worker. A deontological perspective would place the integrity of the worker as a higher value than the consequences of the decision for client well-being, which would be the strength of this ethical option, particularly in the last form discussed.

The second option the social worker could choose would be to recommend that the agency change its spending patterns in order to cut costs. This approach maximizes client well-being by enabling the agency to provide more and better services to current clients and to expand its client base to serve more people in need. This option also maximizes efficiency by getting the most services with the allotted budget. It upholds the responsibility for stewardship of finances by spending donors’ contributions in a way that maximizes outcomes specified in the agency’s mission and objectives. Since donors tend to value efficiency, this both maximizes client services in the present, and makes the organization more competitive for future funds (Hodgkinson & Nelson, 2001; Moxley & Bueche, 2002; Alexander, 2000). As the inverse of the above situation, this approach could be seen as maximizing integrity by honoring the trust of donors, or as betraying integrity by indirectly contributing to practices that are the cause of client problems. This approach
does not uphold the responsibility to the broader society or the principle of challenging social injustice; in this case, the agency benefits from lower prices gained partly at the expense of worker maltreatment.

It is possible for the agency to attempt to uphold the principle of challenging social injustice within the significant constraints imposed by the decision to buy from cheaper retailers. An alternative approach to encouraging CSR through boycott is to attempt to influence corporations as a customer. Members of the agency could commit to writing letters to corporations from whom they buy encouraging them to improve their business practices. This may even be preferable to the previous agency policy, which was to boycott but leave the boycott unnoticed by the corporation. This approach attempts to uphold both responsibilities—to clients and to the broader society—but maximizes client well-being. This approach may be liable to a claim of hypocrisy for asking for change while simultaneously benefiting from low prices; however, as long as it is the clients who benefit (no one at the agency gets a raise because of it), the staff can avoid that accusation.

A choice for this approach seems like a better fit with a consequentialist ethical perspective. Spending conserved resources on clients will improve client well-being, and changing spending will, in reality, have little or no impact at all on the retailer and gas company’s practices. The utilitarian principle of the greatest good for the greatest number is upheld and the approach is more justifiable through a utilitarian cost-benefit analysis. This option could also be compatible with a deontological approach if the primary rule was to maximize client well-being. A combination approach, such as the classical teleological, would also be compatible with this decision, as it does not ignore principles, but treats the consequences of action for human well-being as morally relevant.

The third option the social worker could choose would be to maintain the current policy of socially responsible shopping in some priority areas and adjust spending in others to cut costs. The ethical strength of this option is that it seeks compromise between the prevailing views of the board members and staff and seeks to uphold the values of both positions. The weakness of this approach, of course, is that because it splits between the two sets of values it fails to maximize any of them. It results in a dilution of the effect of either option, the positive effect on clients of cutting costs and the positive effect on corporate practices of SRCB. It may be easier to justify because it
represents an honest effort to meet competing demands, but it also seems like a less principled position.

If the social worker were to choose this option, it would be necessary to establish a ranking of issues of concern to staff and a system for evaluating CSR, as discussed above. The difficulties of establishing a system for rating CSR were highlighted in the literature; establishing agency priorities would add to this complexity. Overall, this approach seems most easily justified by a teleological approach with a particular emphasis on the worker’s intentions, or by a virtue framework which would value the social worker’s desire for moderation, balance, and compromise in decision-making.

**Conclusion**

Based on the systematic analysis presented in this paper, the social work manager in this situation recommends adjusting spending to cheaper retailers in order to cut costs and expand client services. In order to maximize as much as possible, the value of social responsibility and the principle of challenging injustice within this decision, the social worker suggests that staff write periodic letters to the corporations from whom they buy.

The primary reason for siding with this option is that it maximizes, in actuality, the value of human well-being, which was given first priority in the value hierarchy. This option also seems most ethically defensible from the classical teleological approach. It seems in this case that a deontological approach is not adequate, because there are competing duties that cannot be equally fulfilled. Since a social worker has responsibilities to both clients and society, there seems to be no reason to prefer the rule of social responsibility, as was suggested above in the discussion of the option for SRCB.

The circumstances of agency service are also ethically relevant. First, the social worker is not acting by herself, but on behalf of the agency and its clients. As a manager, the social worker in this situation is ethically obligated to consider the impact the decision will have on the well-being of clients. If, as is assumed, the agency’s shopping decisions have no real impact on the well-being of foreign workers, then the social worker would be sacrificing actual client well-being for a principle with only hypothetical impact. Second, even if SRCB is a civic duty, it would seem to be morally defensible to sacrifice other low-impact civic duties for good cause (for example, to miss voting in order to address a client crisis).
Although there is some suggestion to the contrary, this decision need not be seen as a violation of integrity. In reality, it is highly unlikely that a donor or client would question the integrity of this decision, because SRCB is not, as of now, a widely held value in American society. More importantly, the manager stands to gain nothing personally from this decision, but only to benefit clients; the manager has acted with good intentions and tried to resolve the issue in the best way. Based on the literature, this option is more efficient and preferable for securing future funding, although these aspects played a smaller role in the ethical deliberation. The only value sacrificed with this option is social responsibility, which the manager will still attempt to uphold through letter writing. The reasons for choosing this approach over the compromise approach are the weakness noted above: it fails to maximize any values, dilutes the positive impact on client well-being, and is difficult to implement.

Since the social worker in this case is asked to weigh in on a disagreement, any option she chooses will need to be implemented with skill and consideration of potential reactions. Since the social worker is in a management position and has board support, it seems her first step would be to address the concerns of staff members, who were not consulted. It is the staff who implement the implicit policy for SRCB and who will be implementing the new policy, including shopping adjustments and probably letter writing. It is important to be sensitive to the staff’s values regarding social responsibility, and to the differences in power among the staff, the manager, and the board.

The first thing the social worker would do in this case is to discuss the issue openly at the next staff meeting, first explaining the board’s concerns, then laying out her opinion, supported by the research. In this explanation she would emphasize her concern for clients and her own sense of inner conflict. After summarizing her intended recommendations and listening to staff response, she would encourage staff members who are concerned about this decision to collectively write a statement to the board, which she would agree to submit with her own. She would encourage them to make it a positive statement, rather than argumentative.

The manager would then notify the board members if they would be receiving an additional statement, and explain her reasons for getting staff input, emphasizing good management practice. She would volunteer to meet with the board to further discuss the issue. Knowing that the board highly values the social work manager’s professional opinion, it is assumed that they will choose
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