The Role of For-profit Educational Leadership Styles in Creating Shared Values

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Capstone Project:
The Role of For-profit Educational Leadership Styles in Creating Shared Values

Diyang Yu

University of San Diego
Abstract

Based on previous studies that assert that for-profit organizations have the capacity to create value in education, I assume that the private educational sector can take on a great role in advancing educational outcomes. This study explores assumptions about organizational culture and adaptive leadership styles as a basis for creating shared value (CSV) in the education for-profit sector. Through integrating educational leadership theories and leadership characteristics in CSV practices, the adaptive leadership characteristics appeared in this study present the values and assumptions for leaders. Based on this concept, the study generates some common factors from adaptive organizational culture and the culture behind CSV practices, such as long-term orientation and stakeholder values. Therefore, based on this conceptual framework, this study aims to measure the relationship between leadership styles and creating shared value practices in for-profit educational organizations by using mixed research methods. Quantitative and qualitative data were collected through a survey and with interviews.

The results of this research revealed that adaptive leadership styles are positively associated with creating shared value practices and adaptive organizational culture is positively related to (CSV) engagement.

Keywords: for-profit organizations, organizational culture, adaptive leadership
The Role of For-profit Educational Leadership Styles in Creating Shared Values

According to the Global Educational Monitoring Report (2017), only 83 percent of the children who go to school at all complete elementary school, and just 45 percent of youth aged 15 to 17 will finish secondary school. Moreover, even at the most basic level, 250 million primary school students were unable to write and read in world (United National Statistic Division, 2017). Conventionally, the government prepares talent to organizations for the workforce, but are far from fulfilling the needs and standardized requirements of the organizations or corporates. In a report regarding current talent, 63% of CEOs are increasingly worried about finding talent with the right skills (PwC, 2014). At the end of 2017, two million people were unemployed (United Nations, 2018). This reality has proven that governments, nonprofits, and school leaders have had limits even though they have long struggled to overcome these challenges. It is possible that if for-profit organizations assume a proactive role in improving educational outcomes, this will help to overcome the global educational crisis.

According to the analysis of FGS reports, a new goal of most organizations is to improve educational outcomes (Kramer, Hills, Tallant, Wilka & Bhatt, 2018). Indeed, most organizations have depended on the government to prepare talent for the workforce. As a result, organizations have a limited role in cultivating necessary skills in their talents (Kramer et al., 2018). Furthermore, some organizations are limited by rarely investing in research needed to design products that optimize learning even though they are involved in developing educational products and solutions. Relying on philanthropy programs has been inadequate to address the magnitude of the worldwide education challenge. Research shows that most organizations have had a small impact on the success of large-scale education systems (Kramer et al., 2018).
Currently, some leading organizations have already created projects aligned with their core business to fill unmet educational needs to try to overcome these constraints. This could be addressed as “creating shared value.” When for-profit organizations generate economic benefits for their businesses while simultaneously addressing unmet educational needs, they create shared value in education (Kramer et al., 2018). Overwhelmingly, companies in the education sector have additional opportunities to create shared value. From a marketing point of view, they face explosive increases in the need for quality education. As the middle-class grows, the overall market for educational products and services has expanded 50% from $4.4 trillion in 2012 to 6.2 trillion by 2017 (Kramer et al., 2018).

In fact, all for-profit organizations have the capacity to create value in education, which is not only dependent on their specific needs and capabilities, but also on leaders’ foresight and values. In educational settings, although the accountability-driven policy context and role of contingency in shaping leadership is crucial, leadership has a significant indirect impact on student outcomes (Muijs, 2011). For this reason, school sector leaders often stand in the spotlight because of growing responsibilities and expectations (Hitt & Tucker, 2016). As school leaders, they have considerable potential in creating learning environments for teachers and students and in enhancing the learning outcomes (Hallinger, Bickman, & Davis, 1996). For decades, leadership in education has been subject to research and has resulted in numerous styles of leadership, such as transformational leadership and servant leadership (Deniel, Hondeghem, & Dochy, 2019). Therefore, this research is based on the assertion that the private educational sector can take on a great role in improving education at scale.

This paper uses existing literature to provide an overview of leadership theory in education and the leadership characteristics in CSV practice. By summarizing leadership values
and assumptions in context, adaptive leadership styles emerged as a frame style in initiating and implementing creating shared value practice. Moreover, the literature also emphasized overlapping characteristics between adaptive organizational culture and the culture in organizations that create shared values in a business context.

As a result, the research measures the linkage between adaptive leadership styles and the extension of CSV practice engagement. In contrast to conventional studies, the research connects the educational leadership styles to organizational culture through a business lens in a certain strategic program related to “creating shared values.” In addition, it also focuses on demonstrating the relationship between adaptive leadership styles and creating shared value projects in educational field.

The purpose of this research is to gain a profound understanding of organizations and leaders whom endeavor to create values in education sectors, especially in for-profit educational organizations. I hope these findings can inspire more for-profit organizations to embrace a shared value mindset in education, to restructure the education pipeline as a dynamic ecosystem, and to provide more opportunities to youth for educational success.

**Conceptual Framework**

**Leadership Theories in Education**

In the educational sector, leadership is a function of knowledge and experience that allows educational leaders to choose appropriate leadership styles for the right context. Educational leaders need to recognize that the building is no longer separate from community (Calabrese, 2004). Organizations have a responsibility to address social needs and create benefits for their local community. To provide effective educational leadership, leadership is first identified. Based on the overview shared by most definitions, leadership is a phenomenon of
influencing in which “an individual exerts intentional influence over others to structure activities and relationships in a group or communities” (Yukl, 2002, p44). For sake of the present review study, leadership will be approached through a variety of lenses rather than focused only on educational sectors. In conclusion, by using leadership paradigm, this research focuses on how leaders influence strategic processes instead of focusing on leader-follower dynamics. The conceptual framework is represented in Figure 1.

**Figure 1. Conceptual Framework**

1. Educational leadership Theory
2. Creating Shared Value in Education
3. Adaptive Organizational Culture
4. Culture in Creating Shared Values Practices

Adaptive Leadership Attributes → Leadership in Creating Shared Value Practices

Creating Shared Value in the Education Sector

Taking a shared value approach to education sector, organizations are enabled to recast the debate about the private sector’s stance in education through a lens of mutual opportunity: an opportunity for companies to increase profitability and strengthen long-term sustainability, and an opportunity for local society to leverage the unique capabilities of business to solve education challenges (Kramer et al., 2018). In education, strengthening regional clusters by improving
educational outcomes in the regions and increasing productivity in their value chains are often intertwined.

Generally, adaptive thinking is needed when organizations are processing their strategic transition (Schein, 2017). The nature of adaptive thinking is to have strong ideas about what to do and how to do it. Founders have well-articulated theories of their own about how groups should work. The motivation of new programs begins with someone willing to do something different. If the program has been approved by the organization, a new target is born. As an example, Schein (2017) stated,

Ken Olsen created DEC because he wanted to build small interactive computers that did not exist in early 1950s. Singapore miracle came about because Lee Kuan Yew and his colleagues wanted to change a moribund British colony into a viable third-world city-state economy. (p. 203)

The history of Apple, Amazon, and Microsoft, among others, show leaders that have strong intentions to do something different. In other words, leaders create changes. If the vision and values are adopted by group and produce success for the organization, the organizational culture evolves and survives (Schein, 2017).

**Organization Culture with Adaptive Mindset**

Organizational culture is an essential tool for organizations to adapt to dynamic environments and to survive in the long term (Schein & Schein, 2017). Environmental threats contain competition, adaptive innovation, and advance stakeholders’ needs (Gittleson, 2012). In many cases, scholars have tried to identify the impact of culture, such as organizational effectiveness. From this concept, culture traits have been used to recognize its performance dimensions (Costanza, Balcksmith, Coats, Severt, & DeCostanza, 2015). Adaptability, one type
of organizational cultural trait, helps to illustrate why some organizations survive but others do not. As far back as 6th century B.C., Sun Tzu contended the significance of flexibility and adaptability for a country or an organization in changing the situations and facing the challenges (Tzu, 1963). In the research of Pearce (1993), organizations need to evolve a capability that allow adaptation to such environmental changes.

Culture is a characteristic of an organization as personality is a characteristic of an individual person (Verdu-Jover, Alos-Simo, & Gomez-Graz, 2018). It has been used as symbols shared in the group. Based on this conception, this research is built on the relationship between organizational cultures and adaptive mindset of leadership.

The adaptive organizational change is a human endeavor rather than a scientific application of techniques and skills (Eriksen, 2008). Since many scholars explore the premises of adaptive culture to facilitate understanding of its evolving and changing attributes, Kitayama (2002) argues that the adaptive mindset can be broken down into two parts: cognitive level and applied level.

In cognitive level, adaptive mindset creates contexts for reconsidering established shared values and recalculating needs according to social demands, thereby determining how culture evolves (Verdu-Jover et al., 2017). Based on literature analyses, we used stakeholder orientated culture as one dimension to represent adaptive mindset. In leader-stakeholders relationship theory, leaders are weavers who bring together different resources and people to follow a shared and morally sound vision (Maak & Pless, 2006). Therefore, the research examines leadership role though secondary stakeholder lens.

In applied level, adaptive mindset creates contexts for reconsidering the vision from sustainable stance, which is beyond the cognitive level. Without the power of interests as
premises, the actions and strategies of the organization displays the value of how they perceived the relationship between the outside environment and organization developmental direction (Freeman et al., 2018). From literature review, the research used long-term orientation values to demonstrate another dimension to show adaptive mindset.

**Culture in Creating Shared Value Practices**

To approach social issues from a value of perspective, organizations must treat them as “peripheral matters” (Porter & Kramer, 2011). While a business organization yields benefits, there are three dimensions that could address social concern: sustainability, stakeholder relationship and supplier chain access (Porter & Kramer, 2011). To cope with the dimensions of adaptive culture, the literature generated two sides, which drive leaders to make informed and explicit decisions with regard to stakeholders: *Stakeholder Orientation* and *Long-term Developmental Orientation*.

The stakeholder theory (Freeman, Harrision & Zyglidopoulis, 2018) is used in the research design process. In stakeholder theory, the organization interacts with primary stakeholders directly, which is essential to organizational operations, and interacts with secondary stakeholders indirectly. Examples of secondary stakeholders are community members and the natural environment. Therefore, the secondary stakeholders can lightly influence the operation of an organization (Freeman et al., 2018).

In conclusion, by connecting with organizational culture in creating shared values, this research also focuses on shedding light on practitioners’ values and beliefs when dealing with stakeholders, either implicitly or explicitly. Therefore, according to above focus dimensions, we can observe the leadership values throughout the organization with CSV practices. Based on extant research and reasoning, this research will examine two hypotheses:
1. Adaptive leaders are positively related to CSV practices.

2. Adaptive attributes in the organizational culture is positively related to CSV strategical engagement.

**Literature Review**

**Adaptive Leadership Style**

In study of school leadership, Bush and Glover (2003) stated that “leadership can be understood as a process of influence based on clear values and beliefs and leading to a ‘vision’ for the school.” The vision is articulated by leaders who seek to gain the commitment of staff and stakeholders to the dream of a better future for the school, its students and stakeholders (Deniel, Hondeghem, & Dochy, 2019). Grissom and Loeb (2009) proposed that effective school leaders are people who manage to combine and understand their community needs, and have the capability to allocate resources where people are needed. For academic success, leadership is not only an individual acting in a certain position but a process in which change initiatives must emanate from key stakeholders, all of whom are engaged in that process (Randall & Coakley, 2007). What makes school leadership so difficult is whether people have the capability to distinguish differences between technical challenges and adaptive challenges (Linsky & Lawrence, 2011). In higher education, adaptive leadership can address required action in contemporary education institutions in a more flexible way than transactional leadership theory (Khan, 2017).

Adaptive capability is the ability to change one’s state, or condition (Colombi & Smith, 2012). To deal with natural resource dynamics during periods of release and reorganization, four factors are associated with adaptive capacity and interact across temporal and spatial scales: surviving in change and uncertainty; nurturing diversity for resilience; integrating different types
of knowledge for learning; and seeking for opportunity towards to realize social-ecological sustainability (Berkes, Colding, & Folke, 2008). Furthermore, adaptive leaders can move quickly and swiftly from one area to another, able to manage a diverse range of complex situations and able to quickly interpret and to smoothly adapt to a fast-changing environment (McPherson, 2016).

**Education aligns to business.** Thirty years ago, the Secretary’s commission on Achieving Necessary Skills (SCANS) initiated research to examine the demands of the workplace and determine whether the current and future workforce is capable of meeting those needs. The research included 31 representatives from different schools, businesses organizations, unions, and governments in the United States. The report sent to the public in 1991 that suggested to all employers that there are huge gaps between the situation of students and the needs of potential employment organizations. As a result, the report advocated that all the educators and employers need to keep mind that they can create the environment for which students could adapt to success in future workplace (SCANS report for America 2000).

In 2010, the Summit Series conference used three days to discuss how businesses could help close the gap. At the end, there are three suggestions from the meetings: effectively using the existing platforms, figuring out the needs and identifying your capability, and offering help through your business (Ferenstein, 2012). As the conference mentioned, an established pathway for business-school partnership already existed. Businesses could check out the platform, such as National Lab Day or Gates Foundation, to post business partnership needs and could peruse classrooms with needs that match theirs and offer resources (Ferenstein, 2012). Furthermore, Wendy Kopp, founder of Teach for America, suggested a two-step way for organizational leaders who want to initiate their own unique project and are looking for the best starting point.
First, to know the reality, leaders could visit high performing schools in under resourced communities because these schools could provide idiosyncrasies, which can make or break a new education initiative. Second, school founders or leadership teams should be “very committed, very driven” to keep the new program running. The most essential conclusion for this meeting launched an optimistic signal: businesses could offer value to education industry since what runs a successful business is the same as what runs a successful schools and school systems (Ferenstein, 2012).

As a business management concept, creating shared value is a controversial theory because people doubt if it is feasible to create social benefits and restructure management model to realize sustainable development at the same time. From an organization side, creating shared value provides a useful strategy framework that “stimulates optimizing innovation” rather than transformative innovation (Reyes & Scholz, 2019, p.7). However, leaders conceptualized transformative change or adaptive change in a variety of ways. Tipping point leadership theory emphasizes that once people engage in certain values and energies, conversion to a new value will spread like an epidemic bringing about fundamental change very quickly (Kim & Mauborgne, 2011). Conventionally, transformation rests on moving the majority but takes times and resources, exerting a disproportionate influence on performance. But tipping point leaders executes new strategy in a fast and low-cost way by redistributing resources. For the strategy of creating shared values, any system of organizations has resilience to get people to face the issue and to remove the contradiction in a very tactful way (Caulkins et al., 2013). Therefore, to realize transformative change, leaders could stimulate innovation first; then, people will grasp the need for change and accept responsibility for it.
For-Profit Education Creates Value

Creating shared value defined as operating practices that enhance the competitiveness of a for-profit organization while synchronously developing both social and economic environment in the community in which they served (Potter & Kramer, 2011). The theory introduced by Michael E. Porter and Mark R. Kramer claims that shared value could bridge the social development and economic progress, unleashing the next wave of global growth. In order to create shared value opportunities, the organizations need to reconceive products and markets, to redefine productivity in the value chain and to enable local community development (Potter & Kramer, 2011). The theory emphasizes on seizing the opportunities through the lens of shared value that generate greater company growth and innovation, and also greater benefits for society (Potter & Kramer, 2011).

The concept of creating shared values is built on top of the concept of corporate social responsibilities (Potter & Kramer, 2011). Corporate social responsibility focuses on bring up social goods by consistently thinking about the environment and communities (Potter & Kramer, 2011). Based on theory from Adam Smith (2010), corporations have emphasized merely on boosting development and maximizing profits by pursuing their own interest in which the big environment has tolerated that selfish action and even sometimes illegitimate behavior. Moreover, Friedman (1970) contended that the social responsibility of business is to increase its profits for their own by raising the price to customers (since the corporate social responsibility has to be paid by customers not by organizations) and by lowering the wages of some employees who work at lower-level. Nevertheless, the purpose of engaging in philanthropic activities is complicated to understand, such as some of their activities initiated in a strategical way to improve the reputation (Moon, Parc, Yim, & Park, 2011). Porter and Kramer (1999) evaluated
that charity foundations have not been fulfilling their purpose in cultivating social change. They indeed thought that “foundations have been just donors rather than value creators with their resources at their disposal.” We could not ignore that nonprofit organization is one of driving force at changing society, but in some way, people believed that business could offer more opportunities, stronger impetus, and better-conditions to foster social change (Porter & Kramer, 2011). Compare with the concept of corporate social responsibility, the concept of creating shared values rests on the premise that both economic and social progress must be addressed using value principle. In response, in order to achieve greater social impact and spend money in a worthy way, Porter and Kramer (2011) asserted four ways of strategy in creating social benefits for philanthropist: first, targeting the best grantees; second, motivating other funders join into team; third, exerting leadership to improve performance of grant recipients; last, evaluating the whole activities from long-term development side. Therefore, business has the ability that builds the connections between economic and social concern.

In fact, based on the results from FSG report (2014), all the organizations can create shared value in education, but the driving force is based on their needs and capabilities. By engaging with education systems to cultivate knowledge and skills, for-profit can overcome a lack of talents and develop their communities for potential (Kramer et al., 2014).

Organizational Culture

Organizational culture has been defined extensively as a set of values and belief in a group (Verdu-Jover, Alos-Simo, & Gomez-Graz, 2018). Schein (2017) claimed that each organization is confronted by two fundamental questions: how to deal with the environmental problems in which they exist in and the human problems that arise in collective life. In every group, founders start the culture-formation process by imposing their own assumptions, values,
and beliefs about how work should be done on their followers and employees. Leaders must overcome the difficulties through identifying the missions and manifesting the identity of organization. Thus, how leaders and members identify their in-group roles and orientation of organization becomes the central part of organizational culture. In addition, since the identity of organization “who we are” will limit the strategic options, organizational strategy is also part of the culture (Schein & Schein, 2017). The aim to fulfill all the indispensable functions, organizational culture has capabilities to address issue and to provide stability and meaning to all members. These assumptions include: articulate goals, routines and behavioral regularities, performance measurement system, learning ability, power distance, human relations and integration of external survival issues, and internal issues (Schein, 2017).

In addition, the two mechanisms, primary embedding mechanism and secondary reinforcement and stabilizing mechanism, are the tools that leaders use to teach their organizations how to perceive and behave based on their own conscious and unconscious convictions (Schein, 2017). These two mechanisms can perform a wide range of functions in the group, depending on the different stage in the organization (Schein, 2017). In early growth stage, primary is essential but secondary is only likely to support. But if the organization stabilizes, secondary mechanism will become more important than primary. In conclusion, the group culture is revealed founder’s stereotype and values, but also reduces the uncertainty. Therefore, leaders need to be aware of what culture they create (Schein, 2017).

**Adaptive Culture**

Dean and Kennedy (1982) suggested that culture is the result of the pressures of the environment. In line with this perspective, Markus and Kitayama (2010) conducted a research study of culture and self that cultures and selves define and build upon each other in an ongoing
cycle of mutual constitution. Based on this perspective, culture is not simply norms and values but also the product of loosely organized elements, such as strategies, practices, and mindset (Kitayama, 2002). In group, individual behavior is not necessarily determined by internalized values (Verdu-Jover et al., 2018).

Based on the study from Barney (1986), firms that have required characteristic cultures can obtain sustained superior performance from their culture. From his perspective, culture is static, defined by specific values, beliefs, and assumptions, and is internalized by groups (Saffold, 1998). The organizational culture rarely shifts from one type to another. However, the adaptive cultures could encourage the organization to face environmental change (Kotter, 2011). Moreover, the evidence for the existence of four cultural traits, involvement, consistency, adaptability, and mission, indicated that these characteristics are positively associated with the perceptions of performance (Denison & Mishra, 1995). So understood, the above studies illustrate that adaptive culture has been described as the degree to which an organization can swiftly shift their strategies, behaviors, and systems (Verdu-Jover et al., 2018). With the influence of adaptive culture, organizations can also perform under environmental pressure in a positive way (Zheng, Yang, & McLean, 2010). Since adaptive culture is defined as a dynamic perspective, the culture adaptive attributes could change and respond well to different environmental conditions (Kotter, 2011). In addition, the culture could be determined by ways of organizational thinking and acting if we interpret culture as dynamic (Cooke & Rousseau, 1988). Similarly, culture links to organizational practices and learning capacities. Therefore, leaders can change culture through implementing practice or changing the mindset.

Adaptive Culture Characteristics
From the research of building adaptive culture in organization, Brown (2018) concluded five dimensions that are used to help organization to release current paradigms and break the glass ceilings to genuinely adapt changes. These five dimensions are: outcomes, individuals, organizations, industry, and society. This research will focus on individual dimensions and social dimensions of adaptive culture. Specifically, adaptive culture can be conceived as several sets of interacting subsystems (Morgan, 2006). Firstly, according to Morgan (2006), adaptive culture can be open and flexible when change in the environment becomes the order of the day. Furthermore, departure from the mechanistic mode, adaptive culture uses more open mode where the need to innovate was an essential condition for survival (Morgan, 2006). Essentially, the successful adaptation of organization achieves a balance or compatibility between strategy, structure, technology, and commitments to needs of people (Morgan, 2006).

Whereas the organization adapts to its changing world, culture is evolving as well. Failure is necessary in adaptive organization and people can distinguish between adaptive challenges and technical challenges (Brown, 2018).

**Culture in Creating Shared Value Practices**

**Stakeholder-oriented leadership mindset.** Maak (2007) showed that leaders with a responsible mindset are a relational and inherently moral phenomenon in a global stakeholder society that do not exist in traditional dyadic leader-follower relationships or focused on questions of leadership effectiveness. Besides, Maak contended that business leaders must deal with moral complexity resulting from a multitude of stakeholder claims and need to create an enduring and mutually beneficial relationship with all relevant stakeholders. Furthermore, he suggested that a responsible leader needs to weave durable relational structures and ultimately networks of relationship with are rich in ties to otherwise unconnected individuals or groups.
Therefore, leaders with responsibility mindset may result in the creation of value networks of multiple stakeholders, which enhance contribute to both sustainable business and the common good.

The stakeholder theory claims many main insights in which stakeholders can be of importance on the variety of ways. The stakeholder theory is defined as 'a genre' rather than a set of hypotheses (Freeman, 1994, p. 409). The stakeholder theory from Freeman (2012), aims to provide advice that leaders can use to create better value for the range of their constituents, tools that managers can use to understand better how value creation and trade take place. With a better understanding of how stakeholder theory work, people could identify how different moral perspectives inspire different interpretations of the value that leaders create (Gooyert, Rouwette, Kranenburg, & Freeman, 2017). More importantly, using the language of stakeholders fosters it positive for business executives and theorists to see business and ethics as integrated, rather than always in conflict.

Additionally, one of the study directions informed by recent advancements in stakeholder theory is focused on stakeholder engagement (Gooyert et al., 2017). In Bryson's stakeholder theory studies (2004), it shows that there might be a considerable gap between what a focal organization perceives as the benefits of its stakeholders, and what the stakeholders themselves think are their benefits. Moreover, the study showed by Calton and Payne (2003), upgraded the communication with stakeholders that could help to understand their needs and reduce the complexity in the decision-making process. Distinguishing informing, consulting, and co-deciding are all the manifestation of stakeholder engagement (Green & Hunton-Clarke, 2003). In the opposite side of view, the views and goals of stakeholders are not known and might conflict during strategic making process (Rosenhead, 1992). Also, either typology of stakeholder
participation requires time and resources. However, involving stakeholders in analyzing problems and identifying solutions boosts the impact on community (Nutt, 2002).

Based on the study of the role of stakeholders, the result emphasizes the importance of accuracy to identify the perceptions of the current situation and goals of stakeholders (Goover et al., 2017). With many examples of practitioners' ideas on the current situation and goals that are out of line with their stakeholders, Nutt (2002) concluded that business organizations run the risk of misinterpreting stakeholders' concerns and delayed implementation when stakeholders are not engaged enough. The research of exam stakeholders-oriented bank and bank performance has shown that banks' performance is positively associated with their orientations toward fulfilling corporate stakeholders' interests (Behery & Eldomiaty, 2010).

Creating shared value and its nexus to long-term development. Shared value in education is not philanthropy. Instead, it is a strategy that increases profits by elevating the effectiveness of education systems at scale (Kramer et al., 2014). In the report The Strategic Sourcing Lifecycle, Lamoureux (2017) stated that over 70% of consumers say they are more likely or much more likely to buy from companies with robust and proven policies on sustainability and ethics. Environmental economist Delmas and Pekovic (2012) found that companies that voluntarily adopt international "green" practices and standards have employees who are 16% more productive than the average. By contrast, Unilever missed an 820 billion opportunity by not committing sustainability (Vizard, 2017). Nestle deeply embeds to Creating Shared Value strategy and believes that Nestle will be successful in the long term by creating value for both their stakeholders and for society. The reports of the Global Youth Initiative (2017) revealed that the initiative generated a positive business return on investment and an even higher social return. The organization with long-term orientation values will tend to prioritize the long-range
implications and impact of decisions and actions that come to fruition after an extended time (Lumpkin, Brigham & Moss, 2010). Therefore, long-term orientation is one of the premise of CSV that leaders tend to concentrate than other factors.

**Rationale Statement**

Being an educator who has worked in a for-profit organization for four years, I have many expectations from both myself and my organizations. During those four years, I served as an educator in two international schools, which is famously tight with unreasonably high tuitions and occupied the abundant education resources in local communities. Compared with other government schools, I can see the power of capital pushed boundaries away of which constraints the education growth. Indeed, in China, around the start of the current millennium, formal education becomes available to majorities rather than just to a small elite. However, still, much more poverties area in this world cannot get access any to education or unable to cover the basic needs. The unbalance of educational resources distribution between the supply of educational resources and the demands blocks low-income students to break the cycle of poverty. Besides, to break the solidification of social class, it is necessary to establish more platform for youth under poverties through resource reallocation. Aligned with my personal experience, it is grateful to see the connection between education and life success. My knowledge helps me to overcome the threats and seizes the opportunities to realize my value. Likewise, I hope my knowledge can also advocate the business community to aware of the needs and to trust their capability to improve our education status quo.

**Methodology**

This research used mixed methods to examine the relationship between adaptive mindset and CSV engagement. To test the first hypothesis, this research adopted the quantitative research
approach that is more able in yielding generalizable conclusions on cause and effect relationship. To examine the second and third hypothesis, this research used a qualitative research method to tap into the deeper meanings of human experiences (Rubin & Babbie, 2017). Since this research have already had specific hypotheses for following study, quantitative study was considered to provide direct evidence to exam the hypotheses on the effects of adaptive leaders in CSV practices and adaptive leadership mindset impact on CSV practice engagement. In quantitative research part, this research included all members (member and leadership level) from separate sources to avoid errors. In qualitative research part, only leadership level participants completed the interview. But the research also followed up with the team members to ask for their ratings of the performance of their leaders in CSV practice engagement.

**Participants**

The respondents represent for-profit educational organizations; they were recruited through contacts of employees of for-profit educational organizations in both China and the United States. These for-profit organizations are including training organizations, local private school, and international school. Most organizations have CSV-related program, but some organizations do not have CSV-related program. To support of all respondents for the study, confidentiality was provided. The questionnaires were distributed via email.

For the first part of the research, respondents returned 82 questionnaires from 10 different organizations. In the second part of the research, eight respondents from seven different organizations received interview through video calls or phone calls. Therefore, 82 questionnaires from 82 respondents and eight interviews were included in the data analysis.

In the survey phase, the size of organizations in this study ranged from 50 to 35,000 people. Of this group, 80% of research organizations have CSV-related program. Among these
organizations, 20% of organizations are in the U.S. and one of these organizations has less than 50 employees.

Table 1

Demographic Information of 82 respondents and 10 Organizations

<table>
<thead>
<tr>
<th>Organization Size</th>
<th>Organizations have CSV-related programs</th>
<th>Organizations do not have CSV-related programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 50</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>50-99</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>100-499</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>500-999</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>more than 999</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experience Level in Organization</th>
<th>Organizations have CSV-related programs</th>
<th>Organizations do not have CSV-related programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Level Superintendents/Director</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>School Principles</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Assistant Principles</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Program Director</td>
<td>22%</td>
<td>6%</td>
</tr>
<tr>
<td>Department Administrator</td>
<td>27%</td>
<td>7%</td>
</tr>
<tr>
<td>Instructional Coordinator</td>
<td>4%</td>
<td>0%</td>
</tr>
<tr>
<td>Student Counselors</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Teacher/Instructor</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Location of Organization</th>
<th>Organizations have CSV-related programs</th>
<th>Organizations do not have CSV-related programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>70%</td>
<td>10%</td>
</tr>
<tr>
<td>United States</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Note. Demographic information of 82 respondents

Twelve percent of respondents are in the top-level leaders in their organization (Directors and Principals); 70% of respondents are above the middle-level of their management teams, such as Assistant Principals, Program Director, and Department Administrator. Only 4% of respondents do not have leadership-level positions. Overall, the collected data include more
information in the middle-level of management. Table 1 shows the demographic profile of the respondents.

In the interview phase, eight respondents received the interview through video call. The average time for each interview was 35 minutes. Data show that 75% of the participants represent middle-level management and one of the respondents is the executive director. In summary, all the collected response was from management level.

**Measures**

Five dimensions developed from the previous theorizing were used to measure adaptive leadership traits. They involve interpretations by the participants to the CSV-related program in their organizations: stakeholder relationships, the sustainability of organizations, time orientation, evolving and learning mindset, and perception of business innovation in education. In addition, the questions also measure some values regarding educational outcomes.

A sample item is “Q6. Do you agree with the statement of ‘create better products is the best way to pay back to our customers’?” This five-item scale was rated by respondents. Respondents were asked to rate on a 5-point scale (1 = strongly disagree, 5 = strongly agree) their degree of agreement to the items of this and other scales used in the study. Appendix A has all the items for the study's measures.

For the interview, the research arranges interview questions from general to specific (Kingry, Tiedje, & Friedman, 1990). For the interview of this research, four questions are were identified for use with eight participants based on survey questions. The questions asked about the participants’ intention to work in the education industry, who was in charge the operations in their organizations where they worked, the perceptions of business innovation and challenges in education, and how they interpreted the CSV-related program in their organizations.
Analyses

Among several recommendations on aggregating data from individual to the group level, this research uses the concept that the characteristics being rated are “macro perceptions” or shared views of the certain group (James, 1982). In this study, we followed this theory of aggregating individual data to the organizational level.

In research, data analysis was intended to answer the research questions concerning adaptive leadership traits and CSV-related project engagement. As a result, data coding was applied for qualitative data analysis and thematic analysis was used with the text being divided into small sentences (Creswell & L., 2011). These codes were tested for patterns and organized into themes across the individual dimensions (Starks & Trinidad, 2007).

Findings

The research questions were asked to determine the whether there is a relationship between adaptive leadership traits and CSV practice engagement; moreover, the interviews were asked to determine whether the adaptive organizational culture can influence leaders perceived CSV-related program. The findings answered all research questions through five themes (stakeholders, sustainability, time-orientation, innovation, and interpretation of business in education) emerged that revealed adaptive qualities are positively related to CSV practice engagement in educational organizations. The research result from respondents is available in Table 2.

From the results of survey, in stakeholder dimensions, 78% of leaders agree that providing better services is the best way to pay back to stakeholders. Besides, 79% of leader valued student’s success as equal to the success of the organization. As can be seen, providing good products and facilitating student achievement is important; it can help to improve the
performance of the organization. This finding supports the statement of Randall and Coakley (2007) that leaders are people whom are engaged in a process in which change initiatives must emanate for key stakeholders. This characteristic could be related to one of the characteristics of adaptive leadership, stakeholder-orientated. Long-term orientation was another dimension need to be measure in this research.

Table 2

Quantitative Research Questions and Results

<table>
<thead>
<tr>
<th>Q2. Do you agree with the statement that “the powerful of business can be leveraged to positively change education”?</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
<td>56%</td>
<td>9%</td>
<td>24%</td>
<td>7%</td>
</tr>
<tr>
<td>Q3. Do you feel that your work is the best way to serve your personal value?</td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neither Agree nor Disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>41%</td>
<td>26%</td>
<td>18%</td>
<td>0</td>
</tr>
<tr>
<td>Q4. Do you believe that the power of data and technology has enabled education to create a new learning method?</td>
<td>Very Likely</td>
<td>Likely</td>
<td>Either</td>
<td>Unlikely</td>
<td>Very Unlikely</td>
</tr>
<tr>
<td></td>
<td>67%</td>
<td>33%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Q5. How you rate the necessity of enhance organizational ability of innovation in educational sector?</td>
<td>not necessary at all</td>
<td>not necessary</td>
<td>sometime necessary</td>
<td>necessary</td>
<td>necessary all the time</td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
<td>10%</td>
<td>26%</td>
<td>55%</td>
</tr>
<tr>
<td>Q6. Do you agree with the statement of “create better products is the best way to pay back to our customers”?</td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neither Agree nor Disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>57%</td>
<td>21%</td>
<td>11%</td>
<td>11%</td>
<td>0</td>
</tr>
<tr>
<td>Q7. For an educational institution, do you agree with the statement of &quot;delivering and improving student outcomes could measure its’ success”?</td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Neither Agree nor Disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>40%</td>
<td>5%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Q9. For which of following statement do you preferred?</td>
<td>Short-term remedial solutions that help fix the problems that already exist and help us get quick wins</td>
<td>Long-term durable and structural changes that are required inside the education system or through the involvement of business.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24%</td>
<td>76%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Regarding time-orientation understandings, 76% of leaders are preferred long-term durable and structural changes that are required inside in education. Apparently, long-term orientation is undoubtedly crucial to most of the leaders. The finding strengths a previous study Lumpkin, Brigham, and Moss (2010) that contended, organization will tend to prioritize the long-term implications and impact of decisions and actions that come to fruition after an extended time.

Unsurprisingly, 100% of people believe that new technology and learning method could positively foster youth to change their thinking concepts. For educational innovations, 80% of respondents endorse the importance of innovation enhancement in organizations. This result highlights that most of the education leaders have strong intentions to do something different and to adapt new skills applying into teaching methods. this finding is supported by previous studies that leaders with adaptive capabilities are enabled to shift from one area to another (McPherson, 2016).

For the perspective of business in the education, 72% of leaders believe that capital has the power to leverage the positive change in education sector. Studies have shown that most of the leaders tend to believe the business can make definite impact on education development. Hence, this finding supported previous studies that strong driving force can foster organization create shared value in education (Kramer et al., 2018).

Surprisingly, 56% of respondents feel that their occupation is the best way to serve personal values (lead to the process of “ego realization”). Furthermore, 49% of respondents believed that intrapersonal skills are important, such as determination, sense of responsibility, and self-worth; 35% of respondents perceived interpersonal skills is more essential than others,
for instance, the ability to communicate, work collaboratively, and problem-solving, which is what most major companies would say is in greatest demand.

From the results of the interview, the first finding is that none of the respondents is the initiator of the CSV program. Their perception regarding CSV-related program is only based on their observations of the program’s current status (Table.3).

Table 3

*Qualitative Research Questions and Themes*

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>In for-profit educational institution, there is a distinct divide between those who work in education and view outcomes from a societal perspective and those who work in the private sector and view outcomes from a business perspective. In your position, which outcomes you believe is most important to you?</td>
<td>Thinking Skills</td>
</tr>
<tr>
<td></td>
<td>Intrapersonal Skills</td>
</tr>
<tr>
<td></td>
<td>Interpersonal Skills</td>
</tr>
<tr>
<td>In organizations, we can use several dimensions to distinguish culture. As long-term and short-term are one of the social culture dimensions, how you identified your organizational culture to either of these?</td>
<td>Changing duration</td>
</tr>
<tr>
<td></td>
<td>Combination</td>
</tr>
<tr>
<td>The recent research evidence suggests that the low-income students who tend to have less access to high-quality teachers, based on your experience in educational sectors, what is needed for organization to create greater value for the lower-income students?</td>
<td>Business Sustainable Value Opportunities</td>
</tr>
</tbody>
</table>

To evaluate the results of education outcomes, seeing outcomes from a social perspective must be different as seeing the outcome from a business perspective. As a leader in a for-profit educational institution, almost half of leaders (4 out of 8) mentioned that they put the efforts on improving thinking skills of students, such as how they apply literacy, numeracy, and scientific knowledge. Furthermore, the interpersonal skills, such as determination, sense of responsibility and self-worth, valued high among the leadership level. But the near-universal agreement is the necessity of interpersonal skills improvement. Interpersonal skills, which is what most major
companies would say is in greatest demand, are include the ability to communicate, work collaboratively, and problem-solve. To realize this objective, must deepen the reconstruct the design of teaching and reform the way in teaching practice. This is supported by the previous study from Grissom and Loeb (2009) that effective leaders can understand their community needs and create opportunities to reallocate resources to fulfill people’s needs.

To wait for the outcome in the CSV program, the short-term goal is to help to identify the direction in accomplishing the long-term roadmap goals. In turn, based on the long-term goals, setting down several short-term goals could use as guidance and make the ultimate goals come true. The meaning of short-term goals existence is a help to fix the problem that already emerges rather than helps program getting quick success and earning benefits. Correspondingly, the long-term goals are required by the inside of education system that could make a durable, and structural change through the involvement of business.

Business has great influence on the education sector and becomes meaningful to society when it creates changes and is thus of great contemporary value. “the most useful contribution of business to society is making profits and product: business is a force for good in itself” They are more likely to believe that the power of business could create a more socially and environmentally sustainable world rather than to blame the commerce as an evil force.

Conclusion

In for-profit educational organizations, the development of leadership in creating shared value practice is limited because people normally place their hope on nonprofit institution and government support. Thus, this research has attempted to prove the capability of creating shared values by current leaders in the for-profit education field. As a result, this study develops and examines a theoretical framework pertaining to: 1. How is the relationship between adaptive
leadership and CSV practices in for-profit educations. 2. How is the relationship between adaptive organizational culture and CSV strategical engagement.

Through a scale field research of leaders, the results reveal the importance of adaptive leadership values and assumptions in CSV practice endeavors. Even though the long-term orientation and stakeholder value is well-accepted by most of the people (Porter & Kramer, 2011), organizations are still struggling with whether business can align well with philanthropy. Based on the results of this study, leadership capabilities and organizational culture can create leverage in creating social benefit at least in local communities. Moreover, the adaptive leadership style plays a critical role of initiating and supporting the shared value practices. This study also suggests that the organizational culture is a key element to support CSV practice by providing an appropriate environments, such as stakeholder-orientated context and long-term focus environment.

According to the findings, stakeholder relationship and long-term orientation were found to be the most essential values that leaders evaluated higher than other characteristics. In for-profit organizations, perceiving business as a power to leverage education development is another essential found from research. The leadership attributes that emerged from the research is well matched with adaptive leadership characteristics: long-term focus, stakeholder-oriented, and innovation adapted. With adaptive cultural background, the leaders become more responsible for their communities’ members, especially for youth.

Limitations and Suggestions for the Future

Several limitations of this study should be addressed. First, the sample size was relatively small. In addition, the data was collected from a very homogenous sample. Given that the samples are only from China and the United States, it is possible that the diversity within the
sample is minimal. Furthermore, the parameter of limitations is that the research lacks a comparison group. The research assumed that in the for-profit education field with social benefits, the leaders are indicative of the innovation and organizational changes, which might not relate to the existence of creating shared value program. However, the common features of leadership in for-profit educations might be substantial enough to reevaluate even the research’s overarching conclusions. All for-profit education, for instance, share in the extent of the challenges and threats, which come from public schools or nonprofit organizations. The organizations without social benefits programs face the similar difficulties as a research group. How marketing competition enhances or diminishes the leader’s willingness to adapt to long-term CSV constitutes a fascinating inquiry worth investigating.

But, despite these limitations, future studies could use the same framework but apply a different lens. First, innovation and new technology evaluated high among leadership level in for-profit organizations. The large corporations that are more sensitive to the financial markets than small size group. However, the small size corporations are more likely to react quickly to customer needs than large-size firms (Reyes & Scholz, 2019). The research questioned that whether the small size of organizations subject to comparable resource allocation constraints, or they are more likely to adapt innovation investments that match the values of the executive level or owner (Ortiz-Avram, Domnanovich, Kronenberg, & Scholz, 2018).

In conclusion, there is room to further investigate for-profit school leadership, much to discover about how organizational cultural and economic environment effectively motivates leadership to align more community members in their organization.
References


Appendix A. --- Interview Protocol

1. Introduction:

Thank you for agreeing to be part of this research participants and I appreciate your willingness. You have been asked to participate in a research about leadership in the for-profit education industry and you can choose whether to participate in the research and quit at any time. We will fully respect your answer and they would not be judged by any of parties, moreover, we want to hear different point and would like to hear from individuals.

2. Purpose of research

The purpose of this interview is to find out your perception of leadership in the for-profit education field and your opinion and understanding regarding CSV-related programs. The research needs your honest input and open thoughts.

3. Confidentiality

There are no right or wrong answers and all opinions and perspectives will be respected. What is present during this conversation would only keep by interviewers and would be recorded. But your responses will remain anonymous and no name (Organizations and individual participants) will be mentioned in the report.

4. Interview Questions

a. In for-profit educational institution, there is a distinct divide between those who work in education and view outcomes from a societal perspective and those who work in the private sector and view outcomes from a business perspective. In your position, which outcomes you believe is most important to you?
b. In organizations, we can use several dimensions to distinguish culture. As long-term and short-term are one of the social culture dimensions, how you identified your organizational culture to either of these?

c. The recent research evidence suggests that the low-income students who tend to have less access to high-quality teachers, based on your experience in educational sectors, what is needed for organization to create greater value for the lower-income students?