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THE NATURE OF THE CORPORATION >The Corporation is Moral

First of all corporations are constituted under the laws of the land. And law among other thing is an expression of society's values, preferences and even its ideals. Secondly corporations are closely regulated, not just in the formal way by government but in countless other ways in which they try to act in ways that are sensitive and responsive to a variety of different communities, constituencies and institutions. And I'm not saying they do this because they've got motives of angelic purity. But they are responsive in the same way that politicians in a democratic society are responsive to the environment around them.

So in this sense of ongoing continuous sensitive accountability I'm not at all inclined to describe them as amoral. Third when a corporate system works well as it does, as it has been in the United States for a good while, and especially in the west decade or so. It's producing wealth. It's producing jobs, opportunities, training. Not to mention little things like funds going into the coffers of insurance companies. And trust funds and governments. Basically supporting a lot of people's retirement, health care and a vast number of other institutions.

If you look at the individuals who run these organizations, if you went up to one of them and said what's it like working here in the amoral corporation. I think they would look at you oddly and they'd probably try to usher you from their office, having made the assumption that you're a slightly odd person. Or somebody's at least seeing the world and talking about things in a way that's quite different from them.

The vast majority of people who devote their lives and an enormous amount of their time and energy to running organizations think they are doing something valuable. Again their motives are human motives, they're complicated, they're varied. They're high and low. But they believe they're doing something important. Now it may not fit some moral philosopher's narrow somewhat technical definition of right and wrong, or good or bad.

But in the broader sense I described a few moments ago building an organization, providing jobs, paying taxes, earning profits. Even the excitement of competing hard and fairly and winning as a member of a team in a competitive market. Are all things that have a good deal of value, and I think genuine moral value.

The people who come to work every day whether they're in the factory or the executive offices don't undergo sort of personality transplant once they cross the corporate property line.

They bring some combination of who they are, how they've gone to school and what they've seen on TV the night before. So corporate morality is partly a reflection of popular morality. It's constrained however by the fact that under the

law corporations do have clear obligations to serve the interest of their owners. That also I think is an important moral obligation. And hence another source of corporation's moral, corporation's morality.

ETHICS AND VALUES > Don't Be A Hero

Well my view is that if you're working in a for profit company in the Anglo American system of capitalism your principal obligation is to work for the long term economic interests to the owners of the business. If you take that job that's the principal, it's not the only but that's the principal obligation that comes with the role. Inevitably there will be conflicts between that obligation and your own values and commitments. And what people should do is try to find ways to do both.-

I don't think the world typically is benefited by heroes who say, well these are my values, I quit. Or this is what the company needs that's what I'm going to do unthinkingly. I find both of those extreme forms of dedication, initially unattractive. I think heroism should be about the last resort.

Martyrdom, whistle blowing, quitting over principles; these are things you can only do once or twice in a career. And once you've done them you've often, you have forfeited the opportunity to influence subsequent decisions inside that organization. So I would view exiting however heroically as a last resort.

MARKETING TO KIDS > It's Ok If It Doesn't Work

Well on the question of advertising to young kids I'm inclined to say that it's fine so long as it doesn't work very well. I think I'm saying that as much as a parent as some sort of authority on business ethics. Most parents have probably been in these awful situations where the advertising actually has worked to a degree and you can't get out of a store without either severely disappointing your child or creating a scene. Or else buying something that the kid has had etched into his or her mind.

I think that this is probably an area that requires careful guidelines. As a practical matter it's hard to imagine anybody, any country terminating advertising to young kids. It's going to continue. So people need to work together I think and find, and look at the facts about how powerful it is. And my hunch is as time goes by these ads will grow only more powerful. And see what sort of guidelines might be appropriate.

At some point a company might be succeeding in getting the kids to like the brand and fight to buy the product but they're turning off the parent. So to some extent there are probably some built in limitations. But if you ask me to imagine a world where psychologists use all of their skills to assist extremely sophisticated campaigns. The result of which is that if McDonald's gets to a kid by the age of

four it's got that kid for life. I'd have serious reservations about the ethics of that and I'd be inclined towards laws and regulations to control it.

REGULATION > Fear of The Spotlight

I think there's actually a wide range of restraints on companies. First of all there are lots of laws, there's lots of regulation. Secondly there's the media which exerts pervasive, and on the whole I think extraordinarily positive influence restraining companies. I think actually far more good has been done in the world by executives saying that if we do such and such we're going to be on Sixty Minutes, or we're going to be on the local news, than has been done by all the credos and value statements and all the rest.

... And a brand isn't simply a pretty picture and a name that's been repeated endlessly to induce some sort of Pavlovian response. A brand is a complicated source of meaning, trust, reliability and guidance.

And so a lot of companies are restrained what they might otherwise do for fear that it will impair their brand. Which nowadays is often a far more important asset than the factories, or in some cases even the management of a particular company-

CORPORATIONS AND GOVERNMENT > Cover Your Bases

Well companies have a pervasive influence on American life. If you look back at the 2000 election there were staggering amounts of cash shoveled in the direction of both major parties at all levels of government by organizations of all kind but principally by companies. Now why do they do this? They do this so that whichever party wins they can have a lobbyist knock on the door and say look how much we've given you could we have a few moments of your time.

STRATEGIES FOR CHANGE > What's It Going To Take?

Well I think the protests against the World Trade Organization, other groups have not yet resonated in my judgment with middle America. I think they're more likely to resonate if unemployment goes up. If there's scandals involving politicians and companies, I think what will aggravate and maybe mobilize the middle classes if they sense that they've listened to too many menus when they've telephoned their bank for service. When they've had too many flights canceled. When they've had too many experiences of being consumers ready to spend money and being treated by complete indifference by a large corporation.

THE FUTURE > Carpe Diem!

You know the Catholic church I suppose has been around for 2000 years. It's had some good centuries and some bad centuries.

But this institution, the corporation is going to be around for a very long period. It may have a rough sledding for a decade or two. It did arguably a decade or two ago. But I think its resilience has already been demonstrated and the opportunities for it to grow even stronger are really astonishing. They're there and I think the smart people in these organizations will seize them.