

Do corporations have to behave like psychopaths?

This month:

- Corporations as robots
- Giving feedback

I've been having an on-off email correspondence with a friend of mine about whether organisations, and specifically corporations should have rights and what these might be (he happens to be a Professor of Business Ethics). To get us to the area I want to discuss, the easiest thing to do is to quote from his end of the latest exchange.

"My view of rights is not far off yours and Bentham's; the problem is, corporations cannot exist without having (legal) rights – that's what they are, artificial legal entities defined by the rights that the law gives them. We could, of course, abolish corporations – though GM, Ford, many of the Banks seem to be beating us to it by abolishing themselves. As for corporations being loving and caring, have you seen the Bakan documentary (called "The Corporation")¹ in which he compares corporations to the DSN IV definition of a psychopath, concluding, of course, that corporations meet every one of the characteristics of psychopaths? Lack of ability to care about others being one of them. So why do we have corporations, and if we are going to have them, what rights should they have (since they have to have legal rights)?"²

I want to link the thoughts in this quote with the comments in the previous Newsletter about 'Building a company fit for a human being', the programme of research led by Gary Hamel.

Corporations are a form of organisation that have been established precisely to further objectives that are predominantly independent of the interests of the people either leading or working in the organisation. The limited and always derivative exceptions are when the incentives, e.g. share options, tie in self interest to corporation interests or when the wellbeing of those people is in the interests of the corporation.

Now, if corporations are driven by and solely focused on their founding objectives as set out in their articles of association (essentially maximising the 'bottom line')³, then it should be no surprise to us that their behaviour is psychopathic, should it?

All relationships made by corporations are by definition instrumental. To make the contrast, 'caring about others' is something we expect humans to do simply as part of being human, moral beings.

And if this is what we require (allow?) of our corporations then we should also not be surprised that their employees are managed, led, motivated or simply seen in ways that, however benign or permissive, are essentially instrumental in nature. You may remember that Hamel in his piece about human organisations still talks about people in this way.

Milton Friedman asserts in the Bakan

book, 'Hypocrisy is virtuous when it serves the bottom line. Moral virtue is immoral when it does not.' The point Friedman is making is that things like corporate social responsibility are just another form of means that might be necessary – and should not be undertaken unless they are necessary.

Here we have, perhaps, the underlying question that faces all of us trying to make work a place suitable for humans. If what has been said so far is true then we are actually asking ourselves to live within institutions that **by their very nature** cannot treat us as human beings. This is, in itself, a fascinating and troubling state of affairs given the generally social nature of all else that we do.

And lest we should think that public bodies and charities do not share these characteristics, just reflect on your own experiences. It's a matter of extent. And, having had some dealings with family companies over the years, I can say that the only people they treat differently are precisely the members of the family.

Does it have to be the case that to get the benefits we all to some extent seek (stuff, mainly) that we have to subsume our humanity to what are in effect virtual robots to which we add our intelligence, creativity etc but over which we have limited control? Because, to answer the question about why we have them, we have corporations precisely to get all that stuff that we all want.

Google may have 'Do no harm' as their credo. But here again we have what not to do, rather than how to be. And isn't 'do no harm to humans' the first law for robots? Somewhat gives the game away!

And this doesn't feel like a communism v capitalism question, either. For one of the other challenging things we know is that public corporations treat people just as badly or worse and tend over time towards incompetence and corruption – as well as producing the Trabant!⁴

This may be the greatest intellectual challenge of our time. At the very point that billions in China and India are joining the industrial world we are currently asking them (to be honest they have little choice in the matter) to live out their lives in these robotic corporations. It may be better than what they had before or have now (may), but can we offer nothing better to ourselves and them?

Perhaps part of the answer is to look at what we actually want from these product-producing organisations, public or private. Part of what we want or need is a clearer understanding of whose interests these organisations are to pursue and what those interests are. This latter is probably the more difficult challenge. As humans our interests are staggeringly different and contradictory (assuming, say, that basic needs are met). And is that precisely why single minded organisations are attractive for all their psychopathic behaviours? They deliver the stuff without us having to be clear about our shared interests?

I said in the November Newsletter that 'We need to describe where we work in ways that mean that we will freely give of our creativity, our imagination, our passion, not for some instrumental reason but intrinsically because we are giving of who we are in a place where we can be a human being.' In effect, the problem is larger than that. We have to describe (and then create) ways of working together that deliver this without submitting ourselves to the robotic.

As the old year goes out, here's a challenge for the New.

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1. The Corporation – the pathological Pursuit of Profit and Power by Joel Bakan, 2004, Free Press. "The Corporation" has also been produced as a documentary film.
 2. For more like this see *Ethics and Capitalism* edited by John Bishop, University of Toronto Press, 2000
 3. In whose interests corporations should run is not as straightforward a matter as Friedman's oft quoted shareholder interest seems to imply.
 4. See <http://www.youtube.com/watch?v=MQwj0EqQQJw> for details.

The Double Meaning of "Feedback"

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"Have you ever felt frustrated with an employee who continually comments that they'd like more feedback - when you feel that you've given the person just about as much feedback as is humanly possible or remotely sane? What more is there to say?"

I found this posted on a blog by Tammy Erickson on November 25, 2008 9:51 AM. She goes on to say that "'Feedback" is one of those loaded, double-meaning words in today's workplace - words that connote very different things to members of different generations."

She reports that there are generational differences around how people receive feedback. One might say that our socialisation process conditions how we take it. She then gives some useful information on how to give feedback to baby-boomers, the x generation and the y generation.

Now, until quite recently I was terrible at receiving feedback and look back with some sympathy to those who had to give it to me. Frankly I took anything vaguely critical as an attack on me. This was, of course, about me and not about the fact that I am a baby-boomer.

The point here is related to much of what I have been banging on about in recent Newsletters. We give feedback in relation to people's roles at work. We do our best to be sensitive to their needs and characteristics. But there is a line we don't cross (except in the most exceptional of circumstances) about why people respond in particular ways. That is, there's a line that says something like, "This is about them and I'm not responsible for them." And we're back to becoming robots ourselves.