

SAVING THE CORPORATE SOUL

(From *Sojourners*)

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“Think about how much of our lives we spend at work,” the executive of a New York publishing house said wistfully to me. “Then consider how ambivalent—and perhaps a bit ashamed—most of us feel about the corporations that employ us. I know that I want my life to count for something more.”

He is not alone. Corporate workers from the mailroom to the highest executive office express dissatisfaction with their work. They feel crushed by widespread greed, selfishness, and quest for profit at any cost. Apart from their homes, people spend more time on the job than anywhere else. With that kind of personal stake they want to be a part of something that matters and contribute to a greater good.

What is it about the corporation that makes joining it feel like we’re making a bargain with Mephisto for our soul?

Nearly fifty years ago, my father launched his professional career in the corporate world, joining General Electric in a management training program. He then made a horizontal move to Union Carbide and finally fled the corporate world altogether a few years later to start a family-owned retail business. My dad had no specific conflict with

the corporation, and, now in retirement, he wrestles with the what-ifs had he stayed and patiently climbed his way up the corporate ladder. At the time, however, my dad deplored the feeling that he was becoming just another number in an impersonal organization, a cog in the machine.

In his 1956 classic *The Organization Man*, William Whyte gave ample evidence that my father did not face his spiritual struggle alone. Whyte showed that the growth of large organizations, while leading to vast economic and political changes, was having an equally dramatic impact on the individuals who worked inside them. Their collision with the corporate structure stripped workers of a sense of uniqueness and forced them to make decisions not of their own choosing. Whyte's radical conclusion: "We do need to know how to cooperate with The Organization but, more than ever, so do we need to know how to resist it."

That legacy is still deeply rooted in our popular consciousness. Recall the number of movies you have seen that feature heroic characters who fight to save their community against the greed of a corporate giant. Hollywood has made an icon of the underdog fighting incredible odds to do the Right Thing.



Is it really meaningful then to talk of a corporate "soul"? After all, the corporation was created in part to protect individuals from being held personally responsible for the actions of a public entity. It also offers a more efficient structure for aggregating capital that yields the potential for higher profits. None of these objectives depends on promoting the dignity and worth of individuals or their communities. The corporation's harshest critics depict it as a cold, calculating machine.

But I believe that a corporation has the potential to act with soul when it puts its resources at the service of the people it employs and the public it serves. That journey begins once a company seeks to align its mission with the values of its workers. It is unrealistic to expect that all of the workers' values will match those of the company, of course. But when that alignment improves, the morale of the company is transformed.

Precisely for that reason, senior managers need to step back occasionally from the tyranny of the urgent and ask their own people, "Why is it that you want to work here?" If workers cannot get inspired about the company, they will not communicate a compelling message to customers. A vital corporation helps its people to think, plan, and express their dignity in the way they carry out their daily tasks on behalf of the enterprise. In other words, it tends to its soul.

Workers, in turn, need to evaluate honestly what their company stands for. If its core ethos violates their personal values, and they are unable to change the environment to align who they are with the real company mission (rather than the published one), then it may be time to start looking for a new place to work.

The market alone cannot guide our decisions. Although the market is a dynamic platform for producing meaningful social goods, it is inherently bent toward impersonal ends. Read Tom Higa's story and I think you will agree.

How Much Is Enough?

Tom Higa operated his Chevron gas station on a corner block in San Francisco for more than twenty-five years. It was the old-fashioned kind of shop where the attendant

would wash the windows and kick the tires. Tom began working as an attendant in 1964. After eight years of hard work, he took over as owner and picked up the station lease with Chevron.

In 1989, Chevron told Tom the shocking news that it would not renew his station lease. The underground storage tanks on the property were in need of replacement at a cost of about \$150,000. Oil company officials expressed that the station was outdated and no longer matched the Chevron image.

Tom didn't see it coming. He had consistently met or surpassed the gas sales goals Chevron had set for his station; in fact, his operation was returning on average a healthy 12 percent profit. "I wasn't going to become a millionaire, but I earned enough to keep my family secure and deliver a good return to the corporation. I don't know what profit level it would take to satisfy Chevron," wondered Tom.

The financial analysts at Chevron headquarters had indeed crunched the numbers and concluded they could do better. By closing Tom's business, demolishing the station, and building a commercial building on the site, the property could return at least a 15 percent profit margin. Chevron corporate saw it as a clear-cut business decision to maximize its profits.

Tom panicked. He was nearing fifty with two young children. Chevron officials suggested he might enter a computer-training course. To Tom, the idea was absurd; such a career detour did not match his skill set or his interests. He knew what he had a passion for, and that was running a gas station.

The neighbors were upset as well. They wanted a service station in the community, not another commercial building. "The whole neighborhood loves this place,"

remarked one of Tom's longtime customers. "They're honest and friendly and trustworthy and they give real good service. Isn't that the kind of image a company wants?"

The neighbors sent hundreds of letters and a long list of signatures on a petition to Chevron urging them to reconsider. Copies also landed on the desk of San Francisco Mayor Art Agnos. Agnos backed a thriving private sector in his city, but he also took seriously his responsibility to protect the interests of citizens. He placed a call to Chevron's corporate headquarters, and within days one of its senior managers paid a visit to his office.

The mayor asked the Chevron manager whether the neighborhood had presented an accurate picture of Tom Higa's business. Did Tom really hit his numbers of gas sales quarter after quarter? Yes, the manager confirmed, but then went on to review for Agnos the business case, emphasizing how the corporation could raise its profit margin with its plan.

Agnos searched for a compromise. How about delaying the plan for another eight to ten years until Tom was closer to retirement age? No, the manager responded; the company was determined to move forward now.

His stubborn and callous attitude angered Agnos. The mayor informed him that Chevron's plans to develop the property might not go as smoothly as the company had projected. In fact, he threatened him on the spot with a stringent environmental impact procedure that in all likelihood would lead to delays and substantial unforeseen costs.

A pitched political struggle ensued. Agnos and the city council went ahead with the environmental impact legislation, Chevron's plans to re-purpose the property were thwarted, and Tom Higa's Chevron went on to operate at a healthy profit for another decade.



A behind-the-scenes piece to this drama underscores the values at stake. As mayor, Agnos held a quarterly luncheon with the chief executive officers of the major corporations with headquarters in San Francisco. The atmosphere turned chilly shortly after the mayor's showdown with Chevron. Agnos recalls entering the dining room to an awkward silence. Moments after all were seated, the CEO of one of California's major banks raised his voice so that all gathered could hear: "Arthur, you realize that we're pretty upset at you over this environmental legislation."

Agnos paused a second before replying, "Okay, I guess that's understandable, but let me give you my perspective. Here's a man with a family to support, owner of his own franchise for sixteen years, the business is thriving. Then a wealthy corporation announces it's going to shut him down. He's always made money for the company, yet some green analyst in headquarters figures on paper the company can make a few percentage points more. So let me ask you something: How much is enough?"

All conversation and movement came to a stop. Agnos, it seems, had uttered an unpardonable blasphemy. The bank executive came back with emotion: "Arthur, the very fact that you can ask that question terrifies me."

Agnos let another agonizing half-minute pass, then drove home his point: "So, guys, I ask you again: How much is enough? Since none of you have responded, I guess the answer is, there's never enough no matter what the cost."

Agnos had raised the relevant question: How does a business calculate the value of personal livelihood and community vitality? For the financial analysts at Chevron, at least, the Right Thing to do lies plainly in front of us in the numbers.

But raw numbers can tell many tales. The effort to close Tom Higa's business may have ended up being more costly than Chevron anticipated. First off, it could not quantify the financial impact of a tarnished company reputation once the saga was dragged through the media. Nor could it calculate the strategic impact on other Chevron franchises once word spread that reaching—and even surpassing—targets for gas sales would not protect them from foreclosure. Finally, it could not put a financial figure on the low morale of Chevron employees at corporate headquarters, who surely felt something less than pride in their company's efforts. In short, a strong business case can be made that Chevron's decision to close down Tom Higa's service station was costly indeed.

Truth be told, the corporate crisis is as much spiritual as it is financial. Yes, fortunes are won or lost on the ability to anticipate trends and create products that meet those demands. But capitalizing on innovation is not enough today. A company's success also hinges on whether, in the eyes of its employees and the public, it honors a common sense of justice.

To thrive, corporations will need to take account of this crucial shift in social values. Dispirited workers do not perform well; low morale saps the passion and creativity that otherwise would be unleashed on behalf of a company's mission. Corporate workers are looking for a new vision, a path to save the corporate soul. And just maybe their own.