

# The Bad Guy Question

*Thoughts on the margin vs. the mainstream*

BY MARJORIE KELLY

**T**HERE'S A QUESTION I've been hearing with surprising frequency these days—a question that many of us in socially responsible business seem stuck on, and therefore a question that might tell us something interesting, if we prod it and poke at it a bit: to see just why this particular query, at this particular time, is so intriguing.

At a Santa Barbara discussion about the new organization Businesses for Social Responsibility (BSR), I heard the question put something like this: "What do we do if bad-guy corporations want to join our group? Won't they just be using it as a cover?"

At a Chicago meeting of the Investors' Circle—which focuses on venture investing in socially oriented enterprises—the question took a different form: "What would your magazine do," my lunch companion asked me, "if a corporation poisoned well waters with toxic waste, and later came to you to advertise?" With less dramatic framing, it's a question we hear often: "How do you decide who is allowed to advertise in your magazine?" Or sometimes: "You don't let just anyone advertise in *Business Ethics*, do you?"

At their core, these questions about advertising and membership and using social responsibility "as a cover" boil down to one question, which is this: Should corporations with bad reputations be allowed to affiliate with the socially responsible movement?

We might call it the Bad Guy Question, and it's usually asked with an implied negative answer: No, we can't let the bad guys in, they'll make a mockery of what we stand for.

And it is true, of course, that we ought to stand for something real and not phony—and this is difficult at a time of such great distrust in business. But even so, I believe we should answer the question in the affirmative: Yes, by all means, let them join, let them advertise, find a way to welcome them, for the whole point of the movement is to welcome everyone. If we preach only to the converted, it's like running a fitness club and saying only the trim may join, no fatties welcome here.

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## It's time we think of ethical business not as the fringe, but as the leading edge.

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Or like opening a church where only smiling true believers may attend, and those with doubts or troubles are sent away. It may be a way to make the anointed feel special—but it's certainly no way to *change* anything.

It seems to me that if a corporation—even a so-called bad corporation—decides it's advantageous to be seen as socially responsible, that's a marvelous first step, and one that ought to be applauded. It's an acknowledgment that social responsibility has become a key part of a corporation's reputation. And if a corporation then decides to join BSR (as everyone ought to), they'll see that our way of doing business really is compelling, and they'll come around to it. Businesspeople are smart that way; they're good at reading the writing on the wall.

I don't share the seemingly pervasive worry that some wolf will don sheep's clothing and invade the flock. Instead, I find myself concerned about the opposite issue: that companies will be turned off by our elitism (You may be using recycled paper, but is it 100 percent post-consumer, unbleached recycled paper—printed with soy ink?).

It may well be that, at some point, some blemished corporation will take credit for ethical actions when their behavior overall is less than pristine, but we might think of this not as a scam, but as an opening move in the right direction—like a messy adolescent at least admitting he *ought* to pick up his room. Would we rather they didn't care a whit about the whole thing? For if we greet corporations with cynicism whenever they make a tentative (and yes, perhaps inadequate) movement toward responsibility, who could blame them for throwing up their hands and saying, Whatever we do is never enough, so forget it.

I would suggest that we ask ourselves

some questions deeper than the Bad Guy Question. Such as: Are we truly aiming to transform the way business does business? Or do we expect to remain forever at the margin?

Can we dare to dream big enough—to dream of a day when social ideals will take their place on the mainstream business agenda? Or do we fear that only a few will ever care?

The Bad Guy Question implies an unconscious feeling of marginalization, because it's based on a defensive posture of us-against-them—which in the long run is not productive. The question also carries other unconscious premises that I think deserve a closer look. Indeed, if I were to unpack the assumptions behind the Bad Guy Question, I would name four:

1. That the good guys can be separated from the bad guys.
2. That it's our job, as believers in socially responsible business, to judge who's good and bad.
3. That we are by definition the good guys, and dividing ourselves from the bad guys will keep us pure.
4. That if a known bad guy does something ostensibly "good," it's a ploy.

**T**HERE ARE NO DOUBT good and bad *actions*—like safe vs. unsafe handling of toxic waste—but it's often hard to make such clear judgments about entire companies. What if the company that mishandles waste does so by accident? What if that company also offers above-average wages and on-site child care? And what if the vegetarian cafe down the street, which is worker-owned and socially progressive, pays terrible wages—and ends up causing an outbreak of food poisoning? Who's the good guy and who's the bad guy?

In practice, the emotional demarcation is often made between smaller, alternative, entrepreneurial companies on the one hand, and huge multinational corporations on the other. But when we see corporate executives quit to start their own companies, or ethi-

cists going into corporations as consultants, it becomes clear that the dividing line is only in our heads: In reality the line is entirely permeable.

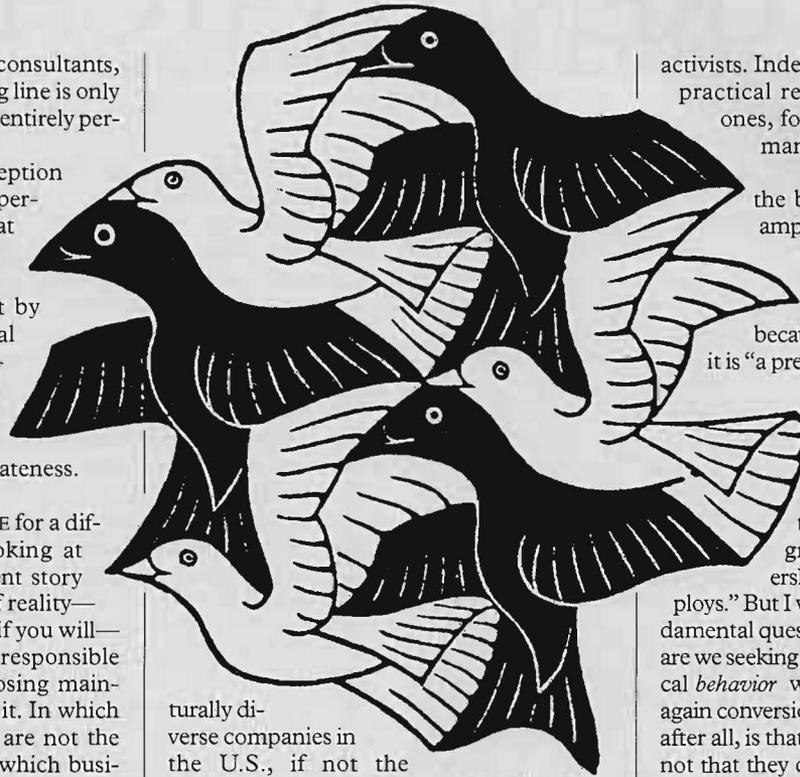
So why does this misperception about good guys and bad guys persist? I suspect the reason is that we've fallen prey to the stereotype that sees most of business as greedy and callous, so that by definition, the only way ethical business can exist is at the margin. For if it's true that business-as-usual is a morass of evil, we can maintain our purity only by jealously guarding our separateness.

**B**UT PERHAPS IT'S TIME for a different way of looking at business, a different story about the shape of reality—a different vision, if you will—in which socially responsible business is viewed not as opposing mainstream business, but as leading it. In which ethical ways of doing business are not the fringe but the leading edge. In which business is not hopelessly and inherently evil, but is evolving toward greater social awareness. For I believe this picture is in fact much closer to the truth.

In case we hadn't noticed, the styles of management we're championing are fast shaping up as the future model for all of business. To take just one example: *Business Week's* recent special issue on "Reinventing America" is full of talk about the coming shift from autocratic to inspirational leadership styles, from homogenous to culturally diverse workforces. "The new paradigm values teamwork over individualism," the magazine proclaims. "The new form of organization is based on a network of alliances and partnerships, not Sloan's self-sufficient hierarchy. And it is governed by an independent board with a broad view of the company's constituents, who include not just shareholders, but also employees, suppliers, customers, and the local community."

Though it isn't named as such, one couldn't find a better definition of "stakeholder management," the idea that's been fashionable in ethics circles for years—now being trumpeted as the future paradigm for "postmodern managers." It's just one example of how the "marginal" ideas of ethical business are taking hold in the mainstream.

Consider, for example, some of the companies *Business Week* holds up as models: One is Saturn Corporation, the path-breaking division of GM where "teams of workers manage everything from budgets to inventory control, often without direct oversight from top management." Another is Levi Strauss & Company, which *Business Week* says is recognized as "among the most ethnically and cul-



turally diverse companies in the U.S., if not the world"—where 56 percent of its employees come from minority groups.

Wake up and smell the coffee, Ann Landers might tell us: Non-hierarchical, culturally diverse, worker-empowering companies are *not* on the fringe anymore. Socially responsible ideas aren't confined to some renegade enclave, where we must struggle to maintain purity amid a tide of opposition. The world is changing. It's moving our way: And the election of President Bill Clinton is the most powerful sign of this—a sign that a new generation is coming to power, with new values.

We have been taught for decades and decades that business values and social values are in entirely separate camps, and ne'er the twain shall meet. But we have today an historic opportunity to bring them together—especially as the new administration comes to power. More than a few leaders in the socially responsible business movement were movers and shakers in the Clinton campaign, and progressive economic views promise to have a real presence in the White House come 1993. Clinton himself shows an impressive awareness of social business issues: talking in a *Rolling Stone* interview, for example, about South Shore Bank in Chicago and its mission of rebuilding the deteriorating inner city through housing rehabilitation loans—and voicing a hope that such models of community banking will spread throughout the country.

These are hopeful times, and socially responsible business is poised to play a major leadership role in the coming years. But we should prepare ourselves for a change—for it may not be that the mass of businesspeople will soon be calling themselves social

activists. Indeed, they're quite likely to give practical reasons, rather than idealistic ones, for adopting these new styles of management.

Certainly that's already true of the business press. I note, for example, that *Business Week's* mention of Levi Strauss in its special issue didn't applaud the company's diverse workforce because it is enlightened, but because it is "a precious asset in serving culturally diverse markets." It is, in other words, good business.

Some might be dismayed by this lack of idealism, and complain that corporations are adopting social programs—such as employee ownership or recycling—simply as "PR ploys." But I would urge us to go back to fundamental questions about our purpose: What are we seeking from corporations? Isn't it ethical *behavior* we're after, rather than a born-again conversion to social activism? The point, after all, is that companies do the right thing, not that they do it with idealistic fervor.

I do believe it's possible for large corporations to be sincere in their embrace of social ideals, for I've seen it happen, many times. But I also think it's stretching things a bit to ask for universal corporate sincerity. If we're waiting for executives to transform themselves into a race of angels, we might wait a very long time.

If in the meanwhile we wish to avoid the fate of remaining forever marginal, we must allow our ideas to be adopted by those with less fervor. Indeed, I suspect every cause loses its fervor eventually—and that's a sign that progress is being made, a sign that a once-radical innovation is becoming part of business-as-usual. It's instructive to recall, for example, that union activists at one time literally lost their lives in demonstrating for the forty-hour week: a cause that no one today even thinks of as a "cause." It's simply the way business is done.

And perhaps that's as it should be. Perhaps it's the ultimate role of every movement to make itself obsolete by making its oncedaring ideas commonplace. That may be part of the natural growth process for new ideas: that idealists plant the seeds and nurture them protectively—but once those ideas mature, they become simply part of the landscape. They no longer need fervent protection, because they're no longer in danger of being mowed down. Like the forty-hour week, they've become institutionalized.

If this is true—and I think it is—it puts the Bad Guy Question in a new light: What should we do when so-called bad corporations want to join our movement? We should celebrate. We should breathe a sigh of relief and say, ah, yes, now we're getting somewhere. ☘