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Section 4: Paper 8

Can Corporations Care?

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Corporations have a reputation for being thought of as monolithic, greedy, anti-community and unethical organizations. This view of companies is found through cultural portrayals of corporations, in the arguments of those who protest corporate activity, and even in ethics research that regards business activity as oppositional to ethical activity, with some recent commentators going so far as to call corporations “psychopathic.”ⁱ Certainly the recent media reports of business scandals, the financial crisis and much business activity is not helping to change this view of businesses. This public view is also aided by the value position attributed to and accepted by many business people that the responsibility of the corporation is to pursue profit, playing by the legal rules as required. Indeed, Edward Freeman claimed that we have too long accepted the “business sucks” story and that we need to create a new narrative.ⁱⁱ The burgeoning discourse on Corporate Social Responsibility (CSR) can perhaps be seen as a means of trying to change that story and show that economic and ethical behavior are not antithetical.

This paper is part of a larger project of developing a new narrative for talking about business activity. Feminist approaches to social life have traditionally been explicitly about changing the narrative, and I believe that a feminist approach to ethics, namely the ethics of care, can help provide the foundation for a new narrative within business and business ethics.

The ethics of care may seem like an odd place to start a new narrative, given its emphasis on personal relationships of care and, in particular, the kinds of paradigmatic care that have driven a great deal of care analysis, namely that of mothers and children, and caregivers. However, I think the ethics of care framework holds great promise for two reasons. First, as I shall discuss later, care goes beyond the personal and is actually political and social in nature. To ignore this is to ignore a great deal of the ethical issues in care activities. Second, companies are already invoking care language in their discourse regarding CSR. Companies are trying, not just to present themselves as responsibly minded, but to present themselves as *caring*. The phrase “we care” is increasing in use within statements of corporate responsibility.ⁱⁱⁱ There are also other indications that the care discourse is a worthwhile one to investigate, namely the existence of initiatives whose goals are to provide companies with a ‘caring’ brand. Two examples of these movements are found within the organizations *Imagine Canada* and *The Centre for Companies That Care*. The aims of these initiatives are to make what they call “caring corporations” more visible and to mobilize, network and educate businesses that are interested in being “branded” as caring. The approach of these two organizations is similar to that of organic certification, where companies apply for certification and then can claim to be organic if they meet the criteria set by either the law or the accrediting agency. In the case of caring corporations, corporations apply (usually with a fee) to be considered for ‘certification’ of a sorts with regards to their caring natures.

At the core of both initiatives and the use of caring language more broadly within the discourse of social responsibility are the presuppositions that it is possible for companies to be entities that care and that care is ethically good. In what follows, I want to more closely examine both claims. It is my position that companies can indeed care as entities, that all companies and

businesses are engaged in caring activity, and most importantly that the presence of caring actions of corporations does not automatically mean that they are acting ethically. Before I do so, however, I will begin with a challenge to my entire position.

A Foundational Objection

This challenge runs like this: Companies, as the ultimate representation of the self interested individual, stand in relations to consumers, suppliers, and other companies as self-interested actors. Milton Friedman's account of corporate social responsibility to increase profits for the shareholders is the backdrop of ethical responsibility for this landscape.^{iv} And, this critique would say, corporations are not interested in identifying and meeting the needs of individuals, which is foundational to care, but instead are interested in exploiting consumer wants and desires. Joan Tronto, whose account of care I shall explicitly draw upon later, implies that corporate activity is not compatible with conceiving of actions as caring when she states that "[t]o play, to fulfill a desire, to market a new product or to create a work of art, is not care."^v Companies cannot care because caring is not possible within the specified goals and culture of corporations and businesses. (Non profits of course would not be subject to this particular criticism.)

This critique assumes that competition and self interest are characteristics of an approach to social life that is rooted more within a traditional liberal conception of self, whereas the ethics of care starts from the interconnected and dependent relations that people have. While the ethics of justice is centered on protecting our rights and freedoms, the ethics of care aims to identify and meet the needs of individuals. On first glance, this may seem to deny companies a space in caring activities by virtue of their very reason for existence. Furthermore, some will be quick to point out that capitalist culture has actually exacerbated the injustices people experience

both locally and globally, for example the increasing divide between the rich and the poor. Recent movements like the Occupy movement and student protests in Quebec are exemplars of the view that the business model cannot promote social justice and thus could not possibly be compatible with care.

It is tempting to be cynical in response to claims of caring on the part of companies and businesses. One could accuse companies of “care-washing,” similar to green washing where companies attempt to capitalize on environmental concerns without actually making efforts to engage with the environment on an ethical level. There is certainly an underlying suspicion that companies that engage in these types of branding are more interested in the resultant boost to their public relations image than any sustained ethical engagement with society.

Can this criticism be countered? I believe so, at least in part. I want to focus on two aspects of care: the conception of care as a virtue and the understanding of care as a process, in order to show how companies can indeed be described as caring, and that all companies actually do engage in caring activities.

Care has often been conceptualized as a virtue^{vi}. Being a caring person is often seen as a virtue, in particular one linked to feminine behavior. For example, caring mothers are upheld as paradigms of virtuous mothers. Being a caring person within a virtue account of care requires that one cultivate a caring attitude and engage in caring activities with a caring attitude. Within the ethics of care the good life, at which the development of virtues is aimed, is about developing, maintaining and nurturing the relationships within which we are inevitably placed.

There is room within this account of care to think about corporations as having caring dispositions. One might object saying that only people can have virtues, given that virtues are about character, but it is possible to develop an account of corporate character. Geoff Moore, for

example, argues that corporations and other organizations can be described as having a corporate character and can be seen as pursuing internal and external goods.^{vii} This leads him to conclude that, at least according to Alysdaire McIntyre's account of virtue, corporations can be virtuous. He writes: "A virtuous corporate character is the seat of the virtues necessary for a corporation to engage in practices with excellence, focusing on ...internal goods...while warding off threats from its inordinate pursuit of external goods."^{viii} Just as a person must balance the pursuit of personal interest against other goods in order to be virtuous, so must a corporation balance the pursuit of profit with other goods. Being a caring corporation means that the corporation has adopted values and policies which allow it to pursue caring activities with excellence.

Recognizing that corporations can be virtuous in some part answers the concern about 'care-washing', and allows us to more closely examine whether the claims of corporations to be caring are genuine. For example, both *Imagine Canada* and *The Centre for Caring Companies* market their initiatives to companies via the benefits such membership will have such as branding (the use of the trademarks of the organizations for PR purposes), and having publicity and access to media through the organizations. These benefits are explicitly aimed at showing how the business can justify such membership from a profits-based approach to decision making.

But those who are good carers do so not out of self interest, but out of recognition of the responsibility to care for others. Care as a dispositional attitude simply means that one is inclined to act in a caring way and from a caring attitude. This certainly seems at odds with a motivation of self interest which seems to be at the heart of most rationales for why businesses are extolled to be caring. If the only way to get companies to act as caring companies is to appeal to the success they will encounter as businesses, then this is not actually being engaged in caring and is an ethical flaw, not only within the discourse of ethics invoked by the business

community but particularly within initiatives such as *Imagine Canada* and *The Centre for Caring Corporations*. The reason companies should care is because it is the right thing to do.

From the perspective of care as a virtue, a company that is caring is going to be responsive to the needs of those in its community. This need not be insurmountable in the face of capitalist activity. Freeman himself notes that the purpose of the company is not profit, but to create value. Certainly some of that value is in the form of profit for shareholders, but some value also must be created for other stakeholders. If a company does not create value for consumers, suppliers, communities and other stakeholders, then it cannot be virtuous. But companies can exhibit virtue when they have policies and practices in place which enable them to act to further their purpose to create value. When corporate culture is such that ethical and responsive behavior is a core value and is enacted by members of the organization, then virtue is cultivated in the company character. In being responsive to stakeholders and identifying and meeting the needs of those who are in relation to the company, a company can legitimately claim to be caring in keeping with the account of care as a virtue.

It is quite likely that most companies cannot legitimately claim to be this sort of company, as their motivations and corporate culture will prevent such a description of their corporate character and actions. That is, it is unlikely that most companies actually are caring, from the perspective of care as a virtue.

There is, however, one conception of care which, arguably, requires that we conceive of all companies as engaging in caring activities. This is the notion of care as rooted within a process-based account of care. This notion of care is most clearly explained by Joan Tronto in her work, *Moral Boundaries*. Tronto examines caring activity as a process which requires various levels of involvement and is not just personal, but public, social and inevitably political.

The first level is “caring about” where decisions are made about what needs or interests need to be met. The second level is “taking care of” where one decides how to go about meeting that need. The third level, “care giving,” is when one implements the decisions made at the taking care of level. And finally, for the process to be complete “care receiving” must occur, where uptake of the care giving occurs and the need is actually met.^{ix}

A few things must be noted about this process. First, the various levels could be done by one person very quickly, for example a parent changing a diaper goes through all of these levels (identifying the need, figuring out where to do it, gather the supplies, doing the changing, having the baby stop crying in response). Or, the care process can be distributed amongst a great number of people with the process taking time. For example when the need is identified to address a famine, policies are drafted, money spent, food gathered/delivered and people receive the food). Secondly, this is a process that is not inherently virtuous or ethical. This process can meet the needs or interests of people who do not deserve to have them met, this process can unduly burdens some people over others through the distribution of caring activity, and the care giving can be done so poorly as to prevent actual needs being met. In other words, engaging in caring activity does not mean that one is acting well, nor acting virtuously. This implies that care activity is a species of activity that is subject to our moral evaluation. Care can be either a good or bad caring activity in its entirety or at any point in the process, and this approach is useful for thinking about corporate activity.

All companies can claim to be caring in the sense that they engage in activities which are aimed at maintaining and responding to the interests of those with whom they have relationships of interdependence. To say that a businesses is engaged in caring activity from this perspective simply means to say that it has identified the interests of a particular group, has made decisions

about how to meet these interests, has engaged in activities to meet them, and that they have been met with success and uptake on the part of the care receiver. It is thus my contention that all companies care in this sense, but that many do it poorly because they fail to pay attention to one, some, or all of the following:

- a) whose interests are being met
- b) how it has been decided to carry out the activities
- c) who is carrying out the care giving activities and under what conditions
- d) how well the people whose interests are purported to be met are being listened to

Caring well means justly choosing the interests the business is going to be meeting, carrying out those goals in ways which are just and ethical, being fair to those who are carrying out the hands-on care giving activities and ensuring that these activities work to actually meet the interests one has identified. Companies that ignore the interests of the community, who only pay attention to the interests of shareholders, who ignore the environmental impact of their activities, who treat their employees unfairly, who overpay their executives, who underpay their support staff, are engaged in bad caring activity

Implications?

Care is not merely a matter of committing to meeting the interests of others. It is a matter of meeting the interests of the right people, in the right way. Companies that believe that their responsibility is to increase the profits of shareholders are indeed caring. They are caring for their shareholders. The problem is that this is not good care given the vast number of other stakeholders in the business community. Ethical, and virtuous, care is another way to characterize the balancing of interests amongst those members and how we make those decisions must be a matter of justice as well. Good caring activities require the disposition to care, that is,

to consider the interests of other stakeholders beyond profit. This framework more clearly allows for an evaluation of companies' claims to care as well as the care initiatives.

Take for example, a business like Imperial Tobacco, which actually lays claim to the title 'caring affiliate' through *Imagine Canada*. In the non-normative, strictly process-based account of care, Imperial Tobacco does engage in caring activity. It has identified certain interests (shareholders and the interests of consumers to meet their desire); it has decided to meet those needs by selling cigarettes; it has developed (allegedly) slightly less harmful methods of tobacco consumption and claims not to target children; it has people engaged in the care giving activity of harvesting, making and selling the tobacco, and consumers are pleased with the product.

But is this *good* care? I would argue not. It could not be good care when the one providing the care ignores the health interests of the people with whom one is in relation. It cannot be good care when one recognizes that what one provides is inherently harmful and that the harm cannot be mitigated and one responds with "but people need to be free to make their informed choices." This would be analogous to saying, "My children should be free to take drugs if they are informed about the risks, and what's more, I'll give drugs to them!" It is one thing to defend a person's right to purchase/partake in a product that is harmful; it is another to say that one can ethically be the provider of such a product as a caring person/organization. From an ethic of care perspective, such activity cannot be caring. Any attempt on the part of this company to claim to care ethically should be met with a healthy dose of skepticism.

An approach which focuses on justice in process also would require paying attention to what sort of caring activities the company is engaged in or supports. One of the significant problems with the *Imagine Canada* initiative is that the central criteria upon which a company can lay claim to the title 'caring' is that it donates 1% of its pre-tax profits to charity. But there

is no requirement here that the charity be one that is ethically good. If a company donates money to a charity that is engaged in practices that are discriminatory, for example, then the caring attitude of the company is suspect. Whether the charity meets a legitimate interest, how it does so, and who is doing the care work are questions that should be asked. For example, if a company espoused its caring attitudes and activities by contributing financially to the Boy Scouts in the United States, one could ask if this is just caring activity given the ways in which the Boy Scouts holds discriminatory views towards gays and lesbians.

In conclusion, then, it is my position that all companies (and indeed, most organizations including universities, hospitals, and governments) are engaged in caring activity. This says very little, however, when it comes to claims about their virtuous character. Caring done poorly is not worthy of ethical applause. Corporations that want to legitimately claim caring language as descriptions of their activities must not only engage in activities that meet the needs of identified stakeholders, but must also cultivate a caring disposition, namely the capacity to be genuinely and justly responsive to all of the stakeholders within their communities. Who is cared for, how that care giving occurs, and how those who engage in caring activities are treated must be the focus for any corporation that can be ethically caring.

ⁱ *New York Times* William Deresiewicz, “Capitalists and Other Psychopaths.”
http://www.nytimes.com/2012/05/13/opinion/sunday/fables-of-wealth.html?_r=4&

ⁱⁱ R. Edward Freeman, “The Business Sucks Story,” *Te Darden Graduate School of Business Administration Working Papers* (1996).

ⁱⁱⁱ See for example the following caring claims and perspectives by corporations: “Each and every day, we strive to make a difference to people, and at Spectrum Health Care we maintain a culture that values caring, trust and responsiveness in all that we do.” (Spectrum Health); “We Care-Corporate Social Responsibility” (Adam Software) “WE CARE embodies SNC-Lavalin's key corporate values and beliefs. WE CARE about our clients, our employees, the communities in which we live and work, the environment and the quality of our work, and we are committed to meeting or exceeding client expectations on every project.”(SNC-Lavalin) “Responsible Operations” We care about each other, our communities and our world... Working at Sherritt means being part of a culture that cares.” (Sherritt International).

^{iv} See Milton Friedman, “The Social Responsibility of Business is to Increase its Profits,” in Thomas Donaldson and Patricia Werhane (eds.), *Ethical Issues in Business: A Philosophical Approach, 8th Edition*, Upper Saddle River, NJ: Prentice Hall, 2008, 34-39.

^v Joan Tronto, *Moral Boundaries: a Political Argument for an Ethic of Care*, New York, NY: Routledge, 1994, 105.

^{vi} See, for example, Sara Ruddick *Maternal Thinking: Toward a Politics of Peace*. New York, NY: Ballentine Books, 1989.

^{vii} Geoff Moore, “Corporate Character” *Business Ethics Quarterly* 15 (4):659-685 (2005)

^{viii} Moore, 661.

^{ix} Tronto, 105-108.