

### **ANOTHER ETHICS FOR THE COMPANY**

What is ethics? Good conduct. From a religious standpoint, ethical conduct is first and foremost respect for others and for the commandment "Thou shalt not steal." In economics, however, religious morality becomes ineffective. Doing good, avoiding evil, showing social responsibility are precepts that are too complex to be appreciated in a globalised and interconnected market. For example, since October 2008 stigmatising trader-speculators has become a favourite sport. In fact many traders work for a pension fund which is obliged to produce inordinately large returns to finance the long-term pension payments to senior citizens – the demographic sector with the most growth worldwide. In comparison with this problem, global warming is a mere detail.

There is an alternative to religious morality that is compatible with the market economy – the ethics of creators, especially composers, painters and writers. This demands good conduct not only in relation to others but also vis-à-vis work. In other words, while ethics in the traditional sense means good conduct, creators' ethics means good work. Paradoxically, paying attention to doing one's own work well before thinking about other people could indeed have a more positive impact on others, similar to that already produced by the invisible hand of art on human societies in giving meaning and providing inspiration. Introducing creators' values into the company would involve replacing prospects of individual pleasure by the joy of collective creation.

The creator's way is a middle way. Unlike the ultraliberal, creators seek joy above all else, but unlike the religious, they do not reject pleasure. However, the path they follow is demanding and effort, doubt and uncertainty are constants. But people who invent accept this as the price to pay for good construction. This is an attitude that could lead to the germination of an undeveloped potential within the company since creators and members of a company have many points in common. The creator also hopes to succeed; he has financial relations with other professionals and competes with other creators; he too is subject to the influences of society. As for the company, all the studies show that challenges in the work itself are the initial source of employee motivation, well ahead of salaries.

The creator's approach develops the valuable features that companies seek. All creators maintain privileged links to the sustainable, the rare and the beautiful. Sustainability of construction means leaving a positive footprint. Rarity means making an original contribution to company progress. The pursuit of the beautiful is quite simply living better. In our "knowledge societies" where mind is in the process of replacing matter as the prime source of wealth, these values will certainly become the company's prime mover. For the company, this will mean reinventing some aspects of its organisation, as has already been done by models like Google, Pixar or Semco, a Brazilian capital goods company.

More specifically, the question arises as to how to implant creators' ethics in the company?

- (1) First of all, by cultivating the disinterested act in one's work. Why? Because, according to the composer Maurice Ravel, "conscience compels us to turn ourselves into good craftsmen." In this sense, it is counterproductive to distribute bonuses worth several times the amount of the salary since it undermines the capacity of the workforce for disinterested action to the point of being

degrading. From a collective standpoint, Wikipedia and Linux prove that charging nothing is economically viable.

- (2) “Small is powerful.” At Semco, the constitution of small people-sized production units has led to the development of workforce versatility and independence and ultimately to improved productivity. At Zara, the short distances between the textile workshops and the sales points mean that the company is more reactive to the markets and pollutes less. At Pixar, film-makers are asked to discuss their work together on a daily basis. As a result, bad ideas are rapidly identified and the perception of failure undergoes a radical transformation, whereby a bad idea subsists as the trace of something that has been attempted. “Small is powerful” is also behind Amazon’s Long Tail business model in which large numbers of products are sold in small quantities. Cutting-down or segmenting the company can be seen as one of the solutions put forward for solving the “Too big to fail” of the big finance companies.
- (3) By practising openness within the company and with the outside world; in other words, by practising sharing and attentive listening. Google offers its unfinished products to the blogger community and gets free collaboration from them in improving its products. An example is the controversial creation of a digital library. If the ethics issue is relevant here, it should be referred to the libraries and not to Google.
- (4) By preferring quality to quantity – the axiom is increasingly relevant in markets where offer exceeds demand.
- (5) By giving precedence to the long-term over the short-term. This approach was the subject of a famous article explaining the success of Japanese companies (Hamel and Prahalad, 1989, “*Strategic Intent*”). For the authors, envisaging a strategy in the long term means developing a sense of direction, discovery and destiny within the company.

The problem of ethics in the company needs to be envisaged at two separate levels – individual and collective. The latter, which is far more complex, must take account of the relations among individuals in the company and the company’s relations with its environment, on different scales and over time.

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