



SOUL
Joey A. Bermudez

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Two decades ago, I was roused from momentary slumber in a seminar room when a speaker on Business Ethics popped the question: “Does anyone here doubt that he has a soul?” There was loud laughter and incredulous chuckling. Everyone believed it was a rhetorical question; everyone was certain that he had a soul.

Does a business enterprise have a soul?

In the last two weeks, two events made me ponder this question more than usual. The first was an integrity workshop where small and medium entrepreneurs examined the potential applicability and usefulness of an innovatively designed framework for combating corruption in business. The second was a forum on corporate social responsibility where doctors and executives of the Manila Doctors Hospital unveiled their organization’s social vision.

If soul is incorporeal essence, then the soul of a business is its character. Behavior is what truly manifests character. Regardless of what its corporate credo says, a company’s character will be judged by what it does. A company’s mainstream actions, not its fringe activities, collectively define “what it does”. When a company decides to do its core business in a manner that is right, just, and fair to all, it raises the bar for the rest of the corporate world. Whether the rest of the pack follows suit or not, society is already made better by the positive action of one company. In contrast, a company that ingeniously circumvents the rules of fair engagement and runs its mainstream business in a manner that injures society is an intrinsically bad company, regardless of how much it spends on fringe philanthropy.

In the integrity workshop, one could sense the entrepreneurs’ anguish over the sort of corruption that is inflicted on people who desire nothing more than to do business above board. The business registration and licensing process is made frustratingly slow for those who follow standard procedure. Those who want something faster can “grease the wheels” to make them turn quicker. A restaurant owner described how he would routinely be held hostage by the approvers of local construction permits whenever he had to beat a lessor-imposed deadline for opening his outlet in a mall. It is not truly a free world when one has to pay extra to get something that he is entitled to in the first place.

The penalty for blowing the whistle on the greasy hands is a torturous walk through the business registration and licensing process as the bureaucratic conspirators silently jeer. What is a legitimate businessman to do in an environment like this? He has two decent choices. One is to damn the system and allow his business to die a slow death in the hands of the bureaucratic mafia. The other is to pack his bags and migrate to a land where he is given a fairer chance at an honest living. Do we still wonder why millions of Filipinos produce over \$20 Billion worth of economic wealth every year while steering clear of their beloved homeland?

During the workshop, someone asked if small and medium entrepreneurs could borrow best practice from large companies in dealing with corruption. Why not? But let us be careful not to

precipitately assume that “big brother” is “better brother”. When it comes to integrity, size does not matter. Some of the most creative and subtle techniques of corruption were hatched and incubated in the innermost sanctums of big business. Up close and from afar, intelligence funds and congressional pork barrel do not look very different from the non-auditable slush funds maintained by some large companies to take care of extraneous payments that are difficult to explain. In one respect, state-owned corporations actually do their private counterparts better. The former do not have in their organizational charts a box for a senior person with a curious title but whose secret role is to “fix the regulators” or keep the public from finding out what they should about the company. Finally, “inflicted corruption” is not just about bureaucrats squeezing juice from private business. It is also about big business squeezing blood from small enterprises through lopsided supply chain relationships.

In the forum at the Manila Doctors Hospital, it was refreshing to see doctors who live a high-stress life of emergencies and unpredictable routines cheerfully apply their passion and unspent energies to the promotion of socially inclusive medical care through grassroots community programs. On the other hand, their non-medical colleagues proudly spoke about their homegrown program for managing hospital waste. To be fair, the passion and the pride are only part of the story. Not to be ignored is the management discipline and structure that was superimposed on these programs to make them sustainable. It was encouraging to hear doctors talk about how they tweaked the balanced scorecard to recognize the importance of social responsibility. Many people in high corporate places today do not even know and do not care to know what the balanced scorecard is all about.

Surely, business enterprises do not have an afterlife, the single most compelling reason for any human believer to want a healthy soul. Many enterprises outlive their human founders. Contrary to the cynical joke about bad grass living longer and good guys dying young, well-behaved enterprises can reasonably aspire for longevity despite the occasional wounds inflicted by the dark side. And if an enterprise that has kept its soul clean must die after fully serving its economic purpose, it should at least leave an enduring legacy. We need not be disheartened by Shakespeare’s lament: “The evil that men do lives after them; the good oft gets interred with their bones.” Yes, the death of a bad enterprise produces a stinking aftertaste and leaves in its wake a traumatized society. The world has never rested in peace after Enron and Lehman. But no, a good enterprise that dies does not bring its good deeds to the grave. The sole heir of all the value that it created in its lifetime is a society that has become incrementally stronger and, hopefully, more enlightened.

(The article reflects the personal opinion of the author and it does not reflect the official stand of the Management Association of the Philippines. The author is Chair of the MayBridge (Asia), Inc. and the MAP President in 2009. Feedback at map@globelines.com.ph. For previous articles, please click <http://www.map.org.ph/admin/mtf.php?dir=MAPping%20the%20Future/Corporate%20Governance>).