Chapter 6

How Can a Business Organization Be Made Moral?

Up to this point, both the text and cases of this book have assumed that there was time to decide what was the equitable or "fair-to-all" thing to do when faced with a situation in which some individuals, groups, or organizations associated with the firm were being harmed or having their rights ignored in ways outside their own control, while others were being substantially benefited. Both the text and cases emphasized the need to analyze this situation by combining the economic outcomes, legal requirements, and ethical duties to reach a balance that was logically convincing, before acting. That, both the text and cases then explained, was the way to build individual attitudes of trust, commitment, and effort and organizational behaviors of cooperation, innovation, and cohesion. Finally, both the text and cases of this book concluded that those moral aspects of management, when combined with the practical aspects of management—preparing a mission statement to reflect the values and goals of the firm and then designing the financial supports, the performance measures, incentive payments, and the "don't do" lists to reinforce those values and goals—would lead to competitive success in the rapidly changing global economy.

But, suppose that there just isn't time to do all this. Suppose that a judge within a courtroom has issued a verdict demanding change, or that a majority of the board of directors is insisting upon change, or that national newspapers and television news programs are reporting, in very graphic terms, the need for change. In short, what do you when a major problem or managerial crisis occurs? This is the topic of this last chapter. How can this be done? Figure 6.1 shows the steps.

Rather than working through this graphic with definitions in very exact terms of each of the steps in responding promptly and forcefully to a managerial crisis, I should like to lead off with an example of the need for that combination of immediate and forceful action. The example is the wreck of the *Exxon Valdez*. This wreck created the largest oil spill—11,000,000 gallons—that had ever occurred in the United States, up until the British Petroleum well blowout in the spring of 2010. It caused severe environment damage along large stretches of the Alaska coastline, killing seabirds, ruining fishing grounds, and resulting in massive financial losses for both company stockholders and local residents alike. This was a managerial disaster that did not have to happen,