

## *CST, CSR and the Purpose Driven Company*

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This paper examines the philosophical basis of the three models of the corporation: the shareholder, the stakeholder, and what the paper names the purpose driven company<sup>1</sup>. To do this it examines the early works of Peter Drucker. The claim of this paper is that Drucker's writing on management and the pragmatism of most business people rests on an unacknowledged debt to Catholic Social Teaching, particularly in the understanding of the person.

This claim is made by examining two things: Peter Drucker's early writing and three models of the company, shareholder, stakeholder and the purpose driven company. The paper examines Drucker's definition of the purpose of business and the goods of management before turning to companies which exemplify the purpose driven corporation using a modern study of visionary companies by Collins and Porras and the characterization of the Living Company by Arie de Geus.

By drawing out the similarities between Drucker's vision and its embodiment in the visionary and living company, the paper seeks to show that the purpose driven model of the corporation is based on a vision of the person and society which is closest to Catholic Social Teaching and which contrasts with the vision of the person as *homo economicus* of the empiricist social science which is the basis for the shareholder and the stakeholder models of the company.

Drucker's first book, *The End of Economic Man* published in 1939, linked the failure of the ideologies of capitalism and Marxism to the rise of the fascist and Stalinist powers. His main concern was the survival of human freedom. He stated that the capitalist creed was that the profit motive was the means 'by which the ideal free and equal society would be automatically realized' (35).

The concept of man as an "economic animal" is the true symbol of the societies of bourgeois capitalism and of Marxist socialism, which see in the free exercise of man's economic activity the means toward the realization of their aims. Economic satisfactions alone appear socially important and relevant. (43)

He explains the failures of economics as a science, 'it can supply no "laws" of economic cause and effect –the criterion of a science'. (44) In the actual economies of Russia and Europe of the 1930s, 'the teachings of economic science have ceased to correspond to social reality' (46). The masses no longer accept the economic realm as the supreme realm;

especially after the failure of Marxism to realize a free and equal society. And ‘the very essence of Europe [is] that it conceives man as free and equal ...With Christianity, freedom and equality became the two basic concept of Europe; they are themselves Europe’ (47).

His second book, *The Future of Industrial Man* published in 1943, took the argument a step further. He outlined the features of the industrial societies and the problems of power and accountability within them.

If the corporation is the representative social institution and if management is the decisive social power, mass production in big units is the representative social form of our society. (68)

He claimed that modern companies are institutions which embody the social contract theory of ethics (52). He found that the industrial revolution had changed society: a mercantilist society with its conventions of power and responsibility based on property, primarily land ownership had been overtaken by a revolution which left the holders of true power unaccountable. Drucker rejected the contention of both the orthodox capitalist and the orthodox Marxist that property is socially constitutive.

The original corporations, such as the East India Company, were based on the delegated authority of the political government. The new corporation is independent of the political authority, arising from property rights not as land, but as shares. The modern corporation is thus a political institution; its purpose is the creation of legitimate power in the industrial sphere. It is the social contract theory’s institutional embodiment (52). The shareholders hold sovereignty, but the managers have the power. The managers’ power is unfounded, unjustified, uncontrolled and irresponsible power, even though the men themselves may be, as Drucker claimed most managers were, moral, upright, well-intentioned human beings. (59)

With his starting point of respect for the individual, he investigates work on the assembly line. The employed worker in modern day mass production industry has no social status or function. Being socially disenfranchised, productive work is not enough to solve the social problem of the industrial worker. Free society will endure only if the free government in the political sphere and free rule in socially constituted sphere balance and check each other. Functioning industrial society must give function and status in society to individual members of the industrial system; give social meaning to purposes, acts and desires of individuals. Power must become legitimate rule through fulfilment of a social purpose.

*The Concept of the Corporation*, first published in 1946, was in Drucker's words 'the first study of a major institution of this new pluralist society of institutions, in addition to being the first study of the constitution, structure, and internal dynamics of a major business enterprise.' (ix) The essence of this new institution is the diversity of the knowledge, skills and people brought together and directed by management to produce something new. He retained his viewpoint as a political theorist and saw that the institution of the corporation was an instrument for the organization of human efforts to achieve a common end (20-1).

He identified the corporation's purpose for existing as making something, at a profit, in order that the organization would continue to exist. Profit is not the purpose of a business activity, but a limiting factor on it. Profit is a measure of performance, an insurance premium against the risk involved in the gambling on the future, and the resource which funds new capital and those unprofitable activities which are social needs.

He identified General Motor's great strength as their programme of decentralization, where responsibility and freedom to make decisions were pushed out from the central office to the local operating units. The federalism of GM balanced the division's decision making with strong central support and a top management that focused on strategy. The weakness of GM was labour relations:

For the great majority of the automobile workers, the only meaning of the job is in the pay check, not in anything connected with the work or the product. Work appears as something unnatural, a disagreeable, meaningless and stultifying condition of getting the pay check, devoid of dignity as well as of importance. (179)

He understood that it did not matter if the factory was state or privately owned, the problem with the industrial system was the alienation of the workers and the way their work was constituted. His recommendations focused on the work the workers were asked to do. He didn't question mass production per se, but he did separate the characteristics of mass production: standard and interchangeable parts, each process broken into simple, unskilled tasks, and the controlled flow of material. Within the factory he wanted to restructure the assembly line by starting with the human worker. He used the example of the factory producing RAF sights, the assembly line as normally run could not produce a product which had the precision required. By changing the production process, so that one worker built a complete sight and called for materials and parts as he needed them, the process was

satisfactory to the workers, as it engaged their intelligence and allowed them to exercise control and it resulted in high-quality precision products.

He never denied that large organizations would be hierarchical, 'But also everybody from the boss to the sweeper must be seen as equally necessary to the success of the common enterprise' (141). In short, he thought the major lesson of the war was 'the extent to which in our pre-war economy we let go to waste that most precious of all creative assets, human inventiveness and imagination' (190).

In 1955 he published *The Practice of Management*<sup>2</sup> which brought together his insights with case studies of companies. He claimed that most businessmen would define a business as 'An organization to make a profit' an answer Drucker considered false and irrelevant. Profit is not the explanation, cause or rationale of business behaviour and business decisions, but the test of their validity (32-3). He defined the purpose of business as creating a customer through marketing and innovation. The first duty of business was to survive. The business must therefore operate at a profit and create the next generation of managers. The business must not undermine social cohesion. It must recognise its employees as having membership in a variety of institutions none of which can claim them entirely or alone; and it must give them equal opportunities for advancement on ability and performance. (380).

Drucker's writing, especially his view of the person, in these four works is consistent with CST. He rejected de Mandevilles' characterization of capitalism, that 'private vices become public benefits'; Drucker illustrated this attitude in his reaction to Alfred Sloan's account of his years at General Motors, *My Years with General Motors*:

Sloan's book ... knows only one dimension: managing a business so it can produce effectively, provide jobs, create markets and sales and generate profits. Business in the community; business as a life rather than a livelihood; business as a neighbour; business as a power center—these are all absent in Sloan's world. This too is what Sloan meant by 'professional management' 307

Drucker, in contrast, believed that corporations must be managed so as to make the public good become the private good of the enterprise (385-6). Drucker had rejected from the start the supremacy of the economic realm. His acknowledgement of a good beyond the market sets him apart from those who believe the business of business is business and related the corporation to the common good of the society, and kept business aware of its social responsibilities. He saw moral integrity as the most important quality of the individual

manager; and proposed tests for business decisions: ‘What would be the public reaction if everyone in industry did the same? What would be the public impact if this behaviour were general business behaviour?’ (380)

Drucker rejected the *homo economicus*, the construct of economics who moves through life seeking only to satisfy his preferences. He stated his anthropology in the Foreword of that book:

This analysis confines itself intentionally to the social and economic sphere, though I do not believe in the materialist interpretation of history. ...the material ...is of no greater, though of no less, importance than the other pole, the spiritual—corresponding to man’s dual nature as belonging at the same time to the animal kingdom and to the kingdom of heaven. (xvi)

In *The Practice of Management* he revealed his philosophical assumptions:

The human resource—the whole man—is, of all resources entrusted to man, the most productive, the most versatile, the most resourceful. (257)

The Bible is still the fullest measure of man’s nature. Aeschylus and Shakespeare still the best textbooks of psychology and sociology, Socrates and St Thomas Aquinas still the high-water marks of human intellect. (366)

Drucker’s work is based on his conservative view of humanity as essentially flawed. Given this, each person’s humanity must be respected. Because humans are not perfectible, no rule by elite will produce benefits worth disregarding the sacrifice of the individual’s dignity and freedom. He rejects rule by an elite, whether a majoritarian tyranny in politics or a bureaucratic elite of planners in economics.

Drucker’s thought in these early works anticipated the encyclical *Centesimus Annus*:

- it is not possible to understand the human person on the basis of economics alone, nor to define the person simply on the basis of class membership. (§24)
- Whereas at one time the decisive factor of production was the land, and later capital ...today the decisive factor is increasingly *the person*, that is one’s knowledge, especially one’s scientific knowledge, one’s capacity for interrelated and compact organization as well as one’s ability to perceive the needs of others and to satisfy them. (§32)
- Profit is a regulator in the life of a business, but it is not the only one; *other human and moral factors* must also be considered which in the long term, are at least equally important for the life of a business. (§35)

We have seen that Drucker had a similar emphasis on the person, not understood as economic man, but as a full human being with a material and spiritual side; he also identified knowledge and skill in organisation as the new creator of wealth: ‘modern mass production is not based on raw materials or gadgets but on principles of organization—organization not of machines but of human beings’ (1972, 21). This isn’t surprising given Drucker’s claim that the only basis for freedom is the Christian conception of man’s nature as weak and imperfect but still bearing God’s image (1943, 102). Drucker’s vision of the corporation as a hierarchy which values each member, whatever position within that hierarchy they occupy, is consonant with the teaching of CST that the person as the centre of social and economic life. Further, his description of the purpose of business as creating a customer through innovation and marketing, and the manager’s skill in organisation as a source of wealth is similar to John Paul’s:

It is precisely the ability to foresee both the needs of others and combinations of productive factors most adapted to satisfying those needs that constitutes another important source of wealth in modern society. (CA §32)

Finally his mode of reasoning follows the pattern of CST, placing the individual human in a network of relationships within society, and in a spiritual realm. Therefore, his conception of a good company would be consistent with CST.

We can summarize the characteristics of the good company that Drucker identifies:

- It is focused on long term survival
- Profit is not the purpose of the organisation but the measure of its efficiency
- It gives primacy to human beings who, as customers, as workers, as knowledge workers and as managers, form a human community which will be hierarchical but in which each and every person is necessary and valued. It develops leaders within the community.
- It recognises that it exists in a web of social relationships with duties to the state, local communities, and the intermediary organisations of society.

These four characteristics make up what I am calling the purpose-driven corporation.

All three models of the corporation: shareholder, stakeholder and the purpose driven corporation rely on the profitability of the business. The three models differ in how the measure of profit is used. The shareholder model of the corporation describes the good of the corporation as maximizing shareholder wealth.<sup>3</sup> The stakeholder model describes the good

as creating wealth for the stakeholders (Alford 2001, p 57). Both models see profit as the purpose of the corporation. They remain in the mindset of classical economics, with the concept of the person as an autonomous actor seeking preference satisfaction, and the understanding of morality as consisting of procedural rules of justice. The failure of both models to produce successful companies that last over long periods of time reflects their misreading of human beings, and the thin descriptions of human actions whether as employees, customers, managers, or shareholders.

The purpose-driven corporation describes the good of the organisation in terms of a task achieved, with profit serving as one measure of corporate health. In contrast to the shareholder and stakeholder models it has a thicker description of human action. Human beings are not motivated solely by economic motives. It is described in David Packard's words:

I think many people assume, wrongly, that a company exists simply to make money. While this is an important result of a company's existence, we have to go deeper ...[my conclusion is that a company is] a group of people [who] get together and exist as an institution that we call a company so they are able to accomplish something collectively that they could not accomplish separately. (Collins, 56)

This model of a corporation sees human beings as value-driven, sociable, seekers of meaning:

‘“Man needs three things: to love, to be loved, and to create. Any institution that can provide the opportunity for all of these will succeed.” So it was reported to me, Patrick E. Haggerty told the Society of Security Analysts in NY at the period he was in his prime, building Texas Instruments Incorporated into one of the most innovative enterprises of all times.’ (Langan, fn p 135)<sup>4</sup>

The purpose-driven corporation, described in the four points from Drucker, is described in two characterisations of successful corporations: visionary companies in *Built to Last: Successful Habits of Visionary Companies* by James C. Collins and Jerry I Porras<sup>5</sup> and living companies in *The Living Company* by Arie de Geus<sup>6</sup>. Arie de Geus in *The Living Company* started with Drucker's first standard of a good organization, it survives. de Geus points out that corporations as institutions have a history of only 500 years; the average life expectancy of a multinational company — Fortune 500 or its equivalent— is between 40 and 50 years. He discovered this in the study Royal Dutch/Shell did to discover companies which in their history had successfully weathered some fundamental change in the world around them. They discovered four key factors to corporate longevity:

Longlived companies were sensitive to their environment.

Longlived companies were cohesive, with a strong sense of identity.

Longlived companies were tolerant.

Longlived companies were conservative in financing. (12-15)

Collin and Porras compared pairs of companies in the same industry analysing organizing arrangements, social factors, physical setting, technology, leadership, products and services, core values, purpose and visionary goals, financial performance, and the markets and environment. The visionary companies were selected from a list generated by a survey of CEOs across industries which asked them to generate a list of five companies they considered 'highly visionary'. The comparison companies were the good companies, not the poor performers, within the same area of business.<sup>7</sup> The visionary companies survived: they had an average founding date of 1897 (Collins, xiii); all except Sony and Walmart had existed for sixty years or more (de Geus, 15).

Drucker insisted that the good company has a purpose and profit was a measure of their efficiency in achieving it. Collins and Porras define purpose: 'When properly conceived, purpose is broad, fundamental, and enduring; a good purpose should serve to guide and inspire the organization for years, perhaps a century or more' (76-7). The visionary companies use profit to measure success in pursuing purpose: 'Contrary to business school doctrine, "maximizing shareholder wealth" or "profit maximization" has not been the ...primary objective through the history of visionary companies' (Collins 8) Visionary companies pursued a cluster of objectives, one of which was remaining profitable. But through their work they are guided by a core ideology—'core values and sense of purpose beyond just making money. Yet, paradoxically, the visionary companies make more money than the more purely profit-driven comparison companies' (Collins 8). The Royal Dutch/Shell study confirmed Drucker's insight about purpose being primary and profit the measure. They found that 'The profitability of a company was a symptom of corporate health, but not a predictor or determinant of corporate health' (de Geus 14). The common factor in both studies was that visionary companies and longlived companies were able to adapt and change without compromising their cherished core ideals (16).

Drucker's third point is the human resource is the greatest resource of the business, and that each human should be equally valued, although they have different roles. The company is seen as a human community with shared goods and not just a collection of individuals who

share an economic goal. The core ideals in the visionary and long-lived company give expression to the purpose that the human actors share. It is not just making money, it is a way of doing business, a statement of valuation of goods. The mission statements of the visionary companies include what the classical economist would consider extraneous moralizing. 3M includes innovation, absolute integrity, respect for individual initiative and personal growth. IBM's includes giving full consideration to the individual employee, spending a lot of time making customer's happy, going the last mile to do things right. Johnson and Johnson says the company exists 'to alleviate pain and disease', 'We have a hierarchy of responsibilities: customers, first, employees second, society at large third, and shareholders fourth'.

The existence of strong core ideals in the visionary companies has a surprising effect. They are not great places to work for everyone—only for the people who fit the core ideology. Collins and Porras write: 'If you go to work at a visionary company, you will either fit and flourish—probably couldn't be happier—or you will likely be expunged like a virus. It's binary. There's no middle ground.' (8) Core ideology unites management's tasks; within that community the management's task is to align every aspect of the organisation — goals, strategies, policies, processes, cultural practices, management behaviours, building layouts, pay systems, accounting systems, job design — with the core ideology<sup>8</sup>.

Thomas Langan in 'The changing nature of work in the world system'<sup>9</sup> cites similar evidence pointing to making the human person central to the understanding of a company behind the success of the Tandem computer company whose sales grew from nothing to \$300 million in sales in seven years. The company's core beliefs were listed as:

- 1 All people are good,
- 2 People, workers, management and company are all the same thing,
- 3 Every single person in a company must understand the essence of the business.
- 4 Every employee must benefit from the company's success.
- 5 You must create an environment where all the above can be true. (132)

Tandem was founded by Jimmy Treybig, formerly of Hewlett Packard, a visionary company. It is interesting that none of its core beliefs related to a task that this company would do; Hewlett-Packard's purpose is technical contribution to fields in which we participate. (Collins, 69) Tandem was bought by Compaq Computer Corp., which reputedly 'imposed a sales strategy that focused on short-term closes, low prices, low margins and high sales volumes' (Schick). When Hewlett-Packard bought Compaq Computer Corp, Tandem, after

thirty years, became part of Hewlett-Packard, an event described as a homecoming by Hewlett-Packard people (Schick).

de Geus has a binary classification of corporations which would place the stakeholder and the shareholder into the economic company:

The first type of company is run for a purely economic purpose: to produce maximum results with minimum resources. This sort of 'economic company' is managed primarily for profit. ...[it] is not a work community... The second type of company, by contrast, is organized around the purpose of perpetuating itself as an ongoing community. ...return on investment remains important. But managers regard the optimization of capital as a complement to the optimization of people. The company itself is *primarily* a community. (121-6)

de Geus describes the company which is a community as a *persona*, a term from William Stern. Stern's central argument was that the crucial distinction between persons and things is that things are the dead objects in the world, affected by events. Persons decide to make things happen. The *persona* is goal oriented, conscious of itself, open to the outside world, and alive but having a finite lifespan. (104-5) de Geus claims that there is not only a Royal Dutch/Shell *persona*, but that Royal Dutch/Shell is like a set of Russian dolls, one *persona* inside another. He names the nesting *personae* as individual, team, work group, division, company, corporation, and society. (108-9).

One of the differences between the two studies is the value de Geus places on diversity within a company. Collins and Porras had discovered visionary companies are not good for every one and did not pursue diversity within those who accepted the core ideology. de Geus had discovered that to be longlived a company needed to be tolerant, open to new people and ideas. Just as monocropping in agriculture results in improved yield in the short term even while it creates long term problems of soil depletion and possible famine if a threat to the single crop appears; so in business diversity in people is needed, diversity in outlook but commitment to the core values. de Geus's commitment to diversity is strengthened by his use of biological metaphors for the company: the company as a *persona*, the company as a flock, the company as a river. In each metaphor there is a balance of the unity and the diversity.

de Geus, like Drucker, describes the economic company as the counterpart to the *homo economicus*: 'a perfectly rational creature, making choices based on self-interest—and entirely unrelated to anything in real life.' (208). His 'economic company' includes both the shareholder and the stakeholder model of the corporation. The stakeholder model has a more

realistic vision of the environment within which the corporation is doing business; but both models are focused on the wrong good, from the perspective of long term corporate survival. de Geus points out that corporate law still sees the shareholders as the owners of the property and therefore the carrier of ultimate power, and the managers as extensions of the capital equipment. Shareholders pressure managers for quick return on their invested capital. de Geus has noted how corporate law enshrines the mercantilist assumption that ownership is power, leaving managerial power ungrounded. Drucker had identified this in 1943.

A living company, a human community, can be demolished by turning it into an economic company. de Geus gives a plan:

1. Declare that the company isn't profitable enough. Henceforth, your goal will be a specific amount of return on capital employed.
2. Develop an action plan in which all assets will be trimmed back across the board to meet these goals.
3. Follow the plan. (155)

He identifies the human costs: by dividing the company into those who are members of the community and those who are outside the community, motivation is lowered, initiative and responsibility disappears. He cites a company which restructured, losing many workers, that found productivity of the remaining workforce dropped by 15%.

Without the mutual trust that comes from an implicit contract, the managers in the company will pay as much attention to their salaries and compensation as they will to the needs of the company. Therefore, there is much more probability of serious error simply because their attention has been diverted. (147)

He distinguishes between an implicit contract and the guarantee of life-long employment. The implicit contract is that the worker knows he will not be discharged simply to save money. Drucker cited IBM's commitment to their employees through the depression. He cited an IBM executive:

'It is not correct to say that we managed to maintain employment during the depression because we grew. We grew because we had committed ourselves to the maintenance of employment. This forced us to find new users and new uses for our existing products. It forced us to find unsatisfied wants in the market and develop new products to satisfy them. It forced us to develop foreign markets and to push export sales.' (1955, 256)

The visionary company and the long-lived company both fall within the purpose-driven model of the company which I have derived from Drucker's early writing. Drucker's success in identifying what actually makes business successful in the long term comes in part, I believe, from his approach. He wrote as a political theorist, he understood corporations as subsidiary institutions of the larger society, between the individual, family and the state.

Charles Handy, in an article in the *Harvard Business Review* has caught up with the Drucker of 1943:

The old language of property and ownership no longer serves us in modern society because it no longer describes what a company really is. ... We need a new language to release our thinking, and I suggest that it be the language of polity. A public corporation should not be regarded not as a piece of property, but as a community—although a community created by common purpose rather than by common place. (Handy)

It is unsurprising that Drucker and John Paul II share a vision of the good company. Both men experienced Europe in the 1930s and 1940s. Clearly, Drucker had a mature understanding of Christianity which he brought to his work, though he only made it explicit in very few places.

Drucker, Collin and Porras, and deGeus share a rich anthropology. They recognise how complex the human beings are, how many goods are available and attractive to them, and that individuals will make choices between goods that are not predictable. All three give a thicker description of human action than the empiricist social science, and consequently, produce accounts of a good company which is open-ended, because they recognize human beings' capacity for innovation. This thick description of human action is an unacknowledged inheritance from the natural law foundations of Catholic Social Teaching, or more generally, the Judeo-Christian intellectual history of Europe.

Drucker claimed that modern companies are institutions which embody the social contract theory of ethics (Drucker 1943, 52). This I think is correct, as the corporation is constituted by an agreement within a society on law and governance. It also, as the visionary companies demonstrate, may hold members of the corporation to higher standards of ethics than one might expect with a minimalist definition of a social contract. As such it is both the organization of autonomous individuals who may have any or indeed no standards of morality, and it is a human community which means that the company goes beyond the procedural justice of the law and shares core values which guide the members of the organisation in their decision making. This paper claims that most business people within them would profess an ethics of pragmatism, the question they are interested in is 'What works?' If they are intelligent and diligent managers, they discover quite quickly that the largest problem or obstacle is getting human beings to behave in a desired way. If they are good pragmatists, they will experiment with techniques of management and examine their

assumptions until they produce results that they desire. de Geus recounts this experience as a young man fresh from university:

The theories back at business school had mentioned labour, but there had been no talk of people. Yet the real world, the refinery, seemed to be full of them. And because the workplace was full of people, it looked suspiciously as if companies were not always rational, calculable and controllable. (26)

Because CST can give an account of human beings which is fuller and closer to reality than most accounts found in the management guides to economic companies, it has much to offer to today's manager. Much of Drucker's enduring value as a guide to management arises because he always has worked with a concept of the human being in society, and a human being with a spiritual dimension. When the pragmatists turn to Drucker's books and find that they 'work', they are building on the insights of CST. This may be the way to open more conversations and get CST better known in business schools and boardrooms.

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- <sup>1</sup> I use this designation for corporations which define a purpose first, and then use profit as a measure of their success. It is a bare descriptive term, with none of the philosophical depth of Alford and Naughton's common good model; however, it is descriptive of businesses which do not fall into either the shareholder, stakeholder, or common good model.. See Alford
- <sup>2</sup> The value of this book can be seen in its publication history: First published 1955 Reprinted 1955, 1956, 1945, 1961 (twice) 1962, 1963, 1966, 1967, 1969 (with corrections), 1975, 1979, 1984. First published as a paperback edition 1989. Reprinted 1994, 1995, 1996, 1998, reprinted with a new cover 1999 Reprinted 2001,2003, 2004, 2005.
- <sup>3</sup> This is described as the 'shareholder model of organizational purpose' by Alford and Naughton, and contrasted to the Stakeholder model and the Common Good model. They discuss the justifications put forth by advocates of the shareholder model on pages 258-259, fn 16.
- <sup>4</sup> Collins and Porras, however, found that Texas Instruments, unlike most of the visionary companies—and certainly unlike Hewlett Packard—appeared to make financial sales goals 'the driving force and put much less emphasis on the "why" of it all' (58).

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<sup>5</sup> London: Century Limited, 1996.

<sup>6</sup> London: Nicholas Brealey Publishing Limited, 1999.

<sup>7</sup> The companies in the study were (with the visionary company listed first) 3M to Norton; IBM to Burroughs, American Express to Wells Fargo, Citicorp to Chase, Ford to GM, General Electric to Westinghouse; Hewlett Packard to Texas Instruments, Johnson and Johnson to Bristol-Meyers, Merck to Pfizer, Motorola to Zenith, Sony to Kenwood, Proctor & Gamble to Colgate, Philip Morris to R J Reynolds, Wal-Mart to Ames, Walt Disney to Columbia Pictures and Nordstrom to Melville.

<sup>8</sup> The common good model of the corporation as proposed by Alford and Naughton (2001 p 60-69) is similar to these, but more theoretically complex making explicit the concepts of the common good, foundational goods and participatory goods. The authors state: "The great strength of this model is its realism: unlike the shareholder model, it respects the "kind of agent we are," and presents the corporation as part of the fabric of human life and development." (2001, p 68-69)

<sup>9</sup> *Communio* Summer 1984