Analysis of "Globalism without Tears: A New Social Compact for CEOs"

Corporate social responsibility, especially in a global environment, is a paramount concern for today's business managers. No standard of rules has been established for global conduct which leaves management with some serious issues to tackle. In his article, Jeffrey Garten provides five suggestions on how to improve corporate citizenship and help to bring management into a postconventional level of moral development (D&M).

The first of which is to be proactive and transparent. With the surge of recent scandals and poor ethical decision making, it's plain to see that once a corporation gets a bad reputation it can take years and immense resources to repair the damage. Management needs to be on top of all issues before they arise and be actively engaged with all ethical situations regarding employees and the environment. Transparency needs to be a focus as well through independent auditing of financial and social policies and procedures. Secondly, corporations should not only comply with, but go above and beyond the expectations of industry associations with regard to working conditions. This can be achieved through the forming of voluntary, company-led groups which look out for social and labor concerns (Garten). Third, global companies should expand their engagements with NGOs and nonprofit organizations. This means developing close relationships with various public-relations groups to promote collaboration to solve complicated social issues. The fourth suggestion is for corporations to keep pressure on NGOs to ensure that they practice the same high level of standards that they expect from the corporate world. NGOs are subject to the same ethical pitfalls as the corporations they scrutinize and can misrepresent data, whether intentionally or not, which can severely damage the reputation of innocent corporations. Garten's final suggestion is for companies to push governments and international organizations to develop a standard set of rules for global conduct. This would serve to reduce the gray areas when making decisions with ethical implications and corporations would have clear boundaries when dealing with the treatment of all stakeholders involved.

This article provides business leaders with some insightful views and helpful strategies for keeping corporate citizenship high in a world of international business. The technology of today allows the public to instantaneously witness and pass judgment on any wrongdoing or unethical decisions that businesses make, therefore it's crucial for business leaders to take steps such as those suggested above to improve corporate citizenship. The impact of guiding a company along a path of virtue and accountability cannot be fully measured and may prove to be costly in the short run, but maintaining a good corporate citizenship is the right thing to do for all stakeholders involved. This has a direct impact on recruiting outstanding employees which should be a goal for any organization as William C. Ford, Jr. explains: "If you want the best and the brightest then you have to build a company they can feel good about" (Garten 5). Studies are also beginning to show that businesses who demonstrate good corporate social responsibility perform better financially and gain a competitive advantage in their markets (D&M).