

Reshaping the Language of Business

How new language helps make the case for ethics. **BY MARJORIE KELLY**

"Everyone wants the magic formula, how to make the value proposition for ethics," Marjorie Doyle, chief ethics and compliance officer for DuPont, said to me recently. What ethics officers struggle with, she explained, is how to sell ethics to top management. "Things have gotten much too short-term, and I say that coming from a 200-year old company," she continued. "Sometimes it gets to be silly season and companies are driven by day traders, which means they're answering to the wrong people."

Doyle isn't the only one troubled by short-termism these days. In late November, U.S. Chamber of Commerce President Thomas Donohue gave a speech urging companies to stop issuing quarterly earnings guidance. "There is something fundamentally out of balance when short-term considerations become so dominant ... that the long-term view is lost," he said. Short-termism has driven us to "dangerous new heights," he added, when "we focus on a company's numbers and ignore its business."

It's encouraging to hear such talk from the Chamber of Commerce. Donohue's warning about focusing on numbers and ignoring the reality of business stakes out territory where ethics can make a value-added contribution to top management, since CEOs are trapped by short-term demands more than anyone. As Donohue put it, "core business attributes — like having customers and a sound strategy — are much more important than what the financial statements say from quarter to quar-

ter." From an ethical standpoint, one might add that the ultimate core attributes are human relationships between buyer and seller, and company prosperity can be sustained only when such relationships are trustworthy.

The most recent reminder of this came with the fall of Refco, the trading firm where the CEO was found to have hidden massive debt off the balance sheet, and clients deserted overnight. As the *New York Times* reported in mid-October: "The rapid downward spiral of Refco is an illustration that on Wall Street what often matters most is not so much the size of the balance sheet that keeps a firm solvent as it is the character of the man at the top."

Such examples remind us that ethics is central to business, not peripheral. Helping others to see this is a matter of language, and the vocabulary includes terms like *short-termism*, *character*, *reputational risk*, *stakeholders*, and *human capital*. These terms stretch the language of business to encompass moral values. A recent innovation is the phrase *moral liability* (see page 7). As the British consultancy SustainAbility has written, moral liability arises "when a company violates stakeholder expectations of ethical behavior in such a way as to put business value

at risk." The phrase emphasizes that ethical issues inhabit a conceptual field larger than the law, since the law is often a lagging indicator of societal expectations.

What's underway, as such phrases arise, is a re-linguaging of business. Companies focus too much on numbers because business language itself is numbers-based. It's the language of financial statements, of profits, costs, liabilities, assets, and returns. As Dale Spender wrote in *Man Made Language*, "All naming is of necessity biased and the process of naming is one of encoding that bias, of making a selection of what to emphasize and what to overlook." A language of numbers tells us to overlook human issues like trust and character.

Reshaping business language to talk about moral values is reminiscent of the task feminists faced thirty years ago — articulating a feminine sensibility using a language replete with masculine bias. As Shoshana Felman wrote in the 1970s, "The challenge facing the woman today is nothing less than to reinvent language." At a time when women were identified by their relationship to men — as "Miss" or "Mrs." — the term "Ms." signaled independence. Similarly, "mankind" was replaced with "humankind," diminutives like "poetess" were questioned, and people began to see "he" didn't represent both genders.

While such shifts might be seen as packaging, they're more foundational. As cognitive theorists George Lakoff and Mark Johnson pointed out in *Philosophy in the Flesh*, most thought is unconscious, operating beneath awareness. This "cognitive unconscious" contains tacit beliefs that shape thinking. We can only see that which we can name.

If the language of profit and loss sees only numbers, the emerging language of character, short-termism, reputational risk, and moral liability allows us to see the perils of that narrow focus. Such a language can help sell ethics, because it helps business function better. **EE**



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