

# Argumentative essay on the corporation

[Business](#), [Company](#)



## The Corporation

Business communities specifically the people behind it primarily create products and services for the purpose of money and profit. Trade and industry are privately controlled and operated for the purpose of generating profits. Many companies or corporations have been accused for incorporating evil agendas as they try to devour much profit as much as they can from others' expense. The creation of sweat shop, an example of a working environment where employees are "exposed to various kinds of exploitations like working for long hours for little pay regardless of any laws mandating overtime pay or a minimum wage" (Williams 2008, p. 29), the fashion companies that use animal fur for designs and other companies that abuse the environment are just examples of business applications where their sense of morality is in question. The documentary film "The Corporation" produced and directed by Mark Achbar gives a wider perspective about the role of the corporation in the society and how these corporations approach those given roles. The documentary challenges the conventional wisdom about businesses exposing a deeper reality. Contemporary people, since it do not directly affects them, readily accepts the business' social practices without making further attempts to seek or research of their possible destructive and exploitative social practices. The documentary film however tries to unleash a deeper reality in the corporate management.

After the rise of the corporation in the 1880's to early 19th century due to industrialization, the filmmakers chart its swift to how corporations is already motivated by power and wealth. Externalizing costs through effective public

relation strategies has been used as a ploy by some corporations to make money, to skirt the law and to skew accountability. Initially, the documentary film illustrates that a corporation, that will eventually be an institution, is a person that has rights but its only obligation legally is to take care after the common interests of its stockholders. Taking this reality at a face value, there is a great possibility that a great number of people in business world will take advantage of this. They will only pursue collective self interest within the stockholders even at the expense of human value or need since after all they don't have any other concrete obligations but only to look after the interests of its stockholders. The documentary film presents the deeper reality through demonstrating series of case studies to illustrate different aspects of the corporations' "personality". There are businesses who struggle to balance profit with morality. They struggle to limit working hours, to ensure fair pay, to improve health, benefits and safety standards. The presentation of "sweat shop" that allows the occurrences of child labor, very low pay and poor working conditions in some third world Asian countries like Vietnam and Cambodia is a concrete example of how some corporations have the incapacity to experience guilt. Some entrepreneurs don't want to shell out money for the benefit of their employees. Businesses are predominantly in capitalist and consumerist economies who apparently aim to earn profit that will increase the wealth of its owners. Most businessmen take risks in putting up work and business only for financial return. Apparently, the institutions take advantage their legal limited responsibility to maximize profit. Since institutions are not legally accounted for social and environmental cost, they are primarily driven by gain and profit.

The documentary film apparently emphasizes the corporation as a person without conscience. According to its psychological analysis criteria, corporation or institution though it is a non biological entity is considered a legal " person" who is diagnosed as a Psychopath-- a person who is incapable to think logically and with morals. The corporation though according to the established psychiatric definition in the documentary is being described as " callous unconcern for the feelings of others, deceitfulness: repeated lying and conning others for profit, reckless disregard for the safety of others and failure to comply with social norms with respect to lawful behaviors" (The Corporation). In serving the shareholders' financial growth, corporations do all the possible manner of shortcuts and exploitation even if it means putting the environment and humanity into compromise.

Are these CEOs and CFOs and COOs and managers and researchers and stockholders so beyond human that, let's say, the deaths in Iraq and the destitution of the farmers and the tumors and allergies and obesities of children, and the melting of the Greenland ice cap and the shifting of the Gulf Stream are, to them, just the cost of doing business? Or are they just beyond stupid and blind, so that they, alone among humans, have no understanding of the interconnectedness of all natural systems? (The Corporation)

Today everything now is incorporated to 'market'. Most people create products or services for profit. Market is becoming a culture. Almost all physical objects now carry advertising and almost all visual manifestation is calibrated with advertising. Business corporations truly attempt to

commodity every aspect of human experience. Almost everything is created and commercialized for the sake of money and profit- mostly by those selfish individuals. For example oil product that is initially produced to run mechanical and technological inventions are now innovated to create more products that sometimes complicates human life. Businesses' continually create and innovate products and services that are not even indispensable just for the purpose of gaining profit.

The institution is meant to effect specific functions but institution is becoming commercialized. The public relation tactics of institution through advertising, pop culture and corporate propaganda are their subtle ways to manipulate the public. They make these public relations strategies appealing to manipulate the public through impulsive purchase of their products. Companies lie to the public and media all the time. Consumers on the other are easily persuaded. Corporations used advertising as a form of money making. Advertising supposedly gives the public with an accurate information about the benefits and features of particular services and products. They also employ exaggerated news illustrating their products' positive cause for the public. The business' public relations in terms of news and advertising has been redefined-- they became an enticing way to catch consumers' attention, gets them walk to a store and make an impulsive purchase. Moreover they use money to suppress investigative news story to maintain the established good image of the company.

Most businessmen in contemporary world used to say that a corporation or institution is not just to gain profit but a business should have a social responsibility or social conscience to promote desirable social ends (e. g.

providing a good working atmosphere, avoiding pollution and discouraging discrimination). The usage of the general term "corporation" is indeed a safe way since it does not directly imply who is truly responsible. Social responsibility according to Milton Friedman in his article "The Social Responsibility of Business is to Increase its Profits" should not be directed to a corporation since a corporation is an artificial person and an artificial person can not be literally responsible. In order to be more credible and to feel these businessmen's vigor in saying that their business should have social responsibility, Friedman believes that corporate executives and proprietors should personally feel responsible. The sense of social responsibility should be directed within them-- that is using "we" and not merely using the word "corporation" because it lacks conviction. Apparently the sense of social responsibility of a corporation depends on the executives' and proprietors' principles, inner intentions and level of performance. Furthermore Friedman also believes that "there is only one and only one social responsibility of business-- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud" (Friedman). It is given that businessmen create business for the purpose of primarily generating profit and so no one could question that by nature they are selfish. But one should produce without deception and exploitation. One should use the resources properly without putting the others' well-being into compromise. Doing this, their social responsibility is applied. They can acquire profit as much as they can but these businesses. They may not be totally constructive but they should not at least destroy.

The concepts of virtue, values and morality promotes individual and collective welfare and thus good by definition. True that proprietors should work and produce without manipulation and exploitation. But will these concepts always applicable in the business world? This question came out since creating money and profit often dominates the entrepreneurs' motives in creating business. In corporation and institution specifically, it seems that business is business. Since corporation has the sole accountability to their stockholders, it is inevitable that " social issues are peripheral to the challenges of corporate management" (Business 1978). Their intention to put the corporation or institution together, they inevitably prioritize the collective interest of the group. Corporation dominant institution should work together for a common end. However corporations are becoming artificial creations whose business mindset is purely for the sake of money. Knowing the human nature there is no such thing as enough in profitmotivation.

However according to the CEO and founder of Whole Foods John Mackey in his article " Rethinking the Social Responsibility of Business" disagrees with how people approach and see proprietors. He says that it is not true " that the only social responsibility of a law abiding business is to maximize profits for shareholders". This, for him, if in case applied is not base from selfish purpose and intentions.

I believethat the enlightened corporation should try to create value for all of its constituencies. From an investor's perspective, the purpose of the business is to maximize profits. But that's not the purpose for other stakeholders--for customers, employees, suppliers, and the community. Each of those groups will define the purpose of the business In terms of its

own needs and desires, and each perspective is valid and legitimate (Mackey).

He believes that to invest a “ long term shareholder value” to your constituencies is better than investing time and money to charity. Those constituencies in return will automatically bring it back to their employees and people.

Profit is basically essential to any corporation. Profit is the only way for the business to have a sense of continuity in terms of operation and management. However, great corporation should not only aim to generate profit but to solve problems but not to create another one. Corporation and institution should basically accomplish something bigger for the business itself and for the people whom they serve. To complement this can actually complement. To incorporate morality in business is a personal responsibility of the executives and proprietors. Virtue, values, and moral concepts in business at the end are illustrated in terms of how owners operate or manage their business specifically in terms of production, human resource and decision making. The sense of morality and values of a specific company is seen in how the management and production affect the employees and consumers as well as in the quality of products and services.

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