Corporate Moral Motivation

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ABSTRACT

Corporate motives are obscure, but important and undertheorized. This article seeks to begin filling that gap. Many stakeholders have reason to interpret and assess corporate motives: evaluation and prediction of corporate behavior seems an unavoidable part of life in a market economy, and evaluating and predicting corporate behavior seems to require understanding what motivates that behavior. But attempts to interpret corporate motives are often hindered by either skepticism about the existence of corporate motives or cynicism about their content. It is also hindered by our lack of a clear theory of just what it is that corporate motives consist in, or would consist in. This article seeks to contribute to discourse regarding corporate moral motivation by exploring the role motives play in corporate behavior, exploring epistemic issues regarding whether, or the extent to which, corporate moral motives are amenable to interpretation, and finally, exploring two different contexts in which at least attempting to interpret corporate motives might be sufficiently important to justify the trouble.

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INTRODUCTION

Corporate motives are obscure, but important and undertheorized. The public sphere is rife with speculation about corporate motives, but such speculation is seldom well informed. Motives for major strategic decisions are shrouded in secrecy, and subject to all manner of dissimulation. Divining the motives behind

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corporate behavior has proven particularly contentious when the behavior in question is putatively *morally motivated* behavior. The modern wave of corporations avowing commitment to Corporate Social Responsibility (CSR) and to "green" production methods has been met with skepticism and charges of "greenwashing." While moves toward acknowledging social responsibilities have generally been welcomed, the consuming public has expressed concern that firms should not just *do* the right thing, but that they should do the right thing *for the right reason*. In other words, motives matter.

This article seeks to contribute to discourse regarding corporate moral motivation in the following manner. First, we explore what corporate moral motives are. We next examine the role that motives play in corporate behavior (differentiating motives from intentions), ask just what the motives of non-human entities might consist in, and touch on the debate over attributing mental states to such entities. Next, we move to explore the crucial epistemic issue, asking whether, or the extent to which, corporate moral motives are amenable to interpretation. If they exist, can they be *known?* We explore some of the barriers to interpretation, and the various sources of evidence that might shed light on corporate motives. Finally, we discuss two contexts in which it might be useful – difficulties aside – for specific stakeholders to expend effort to attempt to determine what it is that motivates moral behavior. Both regulators and consumers will in some cases have good reason to be interested in what it is that motivates corporations. Regulators need to know what motivates corporations to establish effective regulations—ones that pull the right motivational "levers." Consumers want to know what motivates corporations in order to make purchasing decisions that reflect their own values. Whether determining corporate motives is sufficiently useful to these stakeholders to justify the considerable difficulties involved is left open for discussion.

I. WHAT ARE CORPORATE MORAL MOTIVES?

Corporate moral motives are a subset of corporate motives. But any discussion of corporate moral motives requires first asking what a motive is.

It is important to differentiate *motives* from *intentions*. Though lay language tends to conflate them, motives and intentions are importantly different. Intentions are *plans* to perform some action. On the other hand, motives are *reasons* to perform some action. The difference is well illustrated by a forensic example. Imagine that I, standing on a dock, throw a canoe paddle towards a drowning man. One important question here is what my intention is. Am I throwing a buoyant piece of wood *to* him? Or am I throwing a dangerous projectile *at* him? In other words, what is it that I'm trying to accomplish? What is my *intention?* My *motive* for throwing a paddle, however, is distinct from my intention. If indeed I am trying to throw the paddle to him, am I trying to save him because he's a friend, or is it because he owes me money? Those motives are distinguishable from a moral point of view.

We can likewise distinguish—at the very least for purposes of everyday conversation—corporate intentions from corporate motives. When Walmart assigns high-efficiency fluorescent bulbs prominent placement on its shelves, and sells them at a very good price, we might say that their *intention* is to sell a lot of light bulbs—the intended accomplishment. The motive might be to have a positive environmental impact, or to placate critics, or to increase profits by jumping on the "sustainability" bandwagon. Which of those motives we impute to Walmart might well have a very significant impact on our moral evaluation of the firm in this context. Motives are morally important because, among other things, they are a more direct indicator than intentions are of the agent's values and principles; a single intended course of action—dramatically lowering prices, for example—might be rooted in either laudatory values (e.g., a focus on the interests of the poor) or in antisocial ones (e.g., a lack of respect for fair competitive practices).

The fact that we often speak of corporations as having intentions does not prove that they actually do. Whether it really makes sense to talk about "corporate" motives is not an easy question. Corporations are complex entities, legally regarded as juridical persons in most jurisdictions. And we regularly attribute actions to them, for a wide variety of purposes. Market analysts, for example, regularly speak of how The Coca-Cola Company is expanding its market, or what new product Apple Inc. has released, rather than speaking of the relevant actions taken by senior decision-makers at those companies. And companies are frequently concerned to convey to the public that they are motivated in specific ways—by concern for customers, for the environment, and so on. But motives, like intentions, are generally regarded as mental or at least quasi-mental states.[1] Our paradigmatic cases of motives and intentions are found in human minds and human behavior. Doubt abounds regarding the mental states of animals, for example, but there is little doubt that mentally competent adult humans have a range of motives and formulate intentions to do things. Whether corporations, on the other hand, have or can have something approximating the mental states that we commonly attribute to humans, states that we call "intending" and "having a motive," is a nontrivial problem.

Skepticism about the existence of corporate motives (as well as intentions, beliefs, etc.) generally revolves around the simple fact that corporations do not have minds in any literal sense. Some argue that motives are a purely mental phenomenon, and since corporations do not have minds, they therefore cannot have motives.[2] This of course is too quick; indeed, it begs the question against corporate motives. For if we can describe a sense in which corporations do have

1. I include the term "quasi-mental" in order not to beg the question against motives or intentions on the part of things (like corporations) that do not have minds, strictly speaking.

2. For a version of this argument that focuses on the capacity for responsibility, rather than the capacity to have motives, see Manuel G. Velasquez, *Debunking Corporate Moral Responsibility* 13.4 BUS. ETHICS Q. 531 (2003).

motives, then we will have *ipso facto* described a weak sense, at least, in which corporations have minds.[3]

Even if we avoid the question-begging assumption that motives must be "mental" phenomena, in the strict sense, and hence open up the possibility that corporations can have motives, hard problems remain in terms of identifying just what it is that corporate motives consist in.

A skeptic may maintain that, even if we set aside the presumption that motives are strictly mental phenomena, the possibility remains that corporations lack whatever functional capacities (mental or otherwise) are required in order to have motives. This form of skepticism is familiar from debates over whether corporations can have *intentions*. Corporations, it is sometimes said, cannot have intentions because they seem to lack the requisite mechanisms.[4] Intentionality requires the possession of desires and beliefs, and it is implausible (so the argument goes) to hold that corporations have desires or beliefs in anything but a metaphorical sense. The literature defending the notion of corporate intentions—more precisely, the literature on whether corporations have intentions and, if so, what they consist in—has its modern roots in the influential work of Peter French,[5] and good recent work in the area is exemplified by the work of Denis Arnold.[6] Arnold argues that French effectively rescues corporate intentionality from critics by appealing to a revised understanding of agency, one that is rooted not in the having of beliefs and desires (things that French admits corporations might not be capable of) but rather in the ability to formulate plans. Thus, French accomplishes a defense of the idea of corporate intentionality by arriving at a plausible account of what it is to intend something, and by finding corporations capable of manifesting the requisite ingredients of that account.

Something similar, presumably, could be said about the attribution of *motives* to corporations. Corporations might well be capable of having motives, but we would need a clear analysis of what corporate motives consist in, given that corporations do not have minds in the usual sense. For example, does corporation A's having motive X consist in its having a certain set of policies, or a specific incentive structure for employees, or a specific number of employees or board members who themselves possess a certain (perhaps parallel) motive? Each of these is *prima facie* plausible, but we have seen as yet no consensus as to which makes the most sense.

3. It is worth noting the parallel between those who deny the existence of corporate motives and intentions and those who hold to the eliminativist position in the philosophy of mind, according to which the mental states of the kind that we humans typically attribute to each *other* simply do not exist. In both cases, it is unclear how to integrate skepticism into our interpretations of others and into our reactive attitudes towards them.

4. *See, e.g.*, Manuel G. Velasquez, *Why Corporations Are Not Morally Responsible for Anything They Do*, 2 BUS. & PROF. ETHICS J. 1 (1983).

5. *See* Peter A. French, *The Corporation as a Moral Person*, 16 AM. PHIL. Q. 207 (1979).

6. *See* Denis G. Arnold, *Corporate Moral Agency*, 30 MIDWEST STUD. PHIL. 279 (2006).

It is unlikely that we will be able to say that corporate motives are in any straightforward way reducible to some underlying set of facts about corporate structures or the motives of individual corporate insiders. It seems likely that corporate moral motivation is best thought of as supervening upon such things, but that does not automatically make the interpretive task any easier. Describing a relationship as supervenient means that we can acknowledge that A depends on B, without automatically implying that A is reducible to B in some direct way. It is also likely that corporate motives can be "multiply realized," with any given motive potentially reflecting many different underlying arrangements of persons, policies, and procedures. It is easier to be confident that some supervenience relationship exists than it is to be confident about just what it consists in.

One possibility is that corporate motives be seen as embodied in (or at least supervenient upon) policy documents, including articles of incorporation and to Mission, Vision, and Value Statements, which state the objectives of the company. Alternatively, we might point to the abstract goal of all for-profit corporations, namely the pursuit of profit. We might stipulate, in other words, that corporations are, in all instances, motivated by a drive for profits. But both of these suggestions fall prey to the same objection. Companies are directed and managed by real people, and real people often deviate from policy. A particular decision might deviate significantly from, and even violate entirely, *written* corporate objectives. It would be odd, for example, to insist that Enron's motive in devising its complex system of "Special Purpose Entities" was to maximize shareholder value *simply* because maximizing shareholder value was the company's written goal or because that's "what corporations are for." To understand what motivated Enron's accounting wrongdoing, we clearly need to look not just at the stated goals of Enron, but at the egos and motives of Enron executives like Andrew Fastow and Jeffrey Skilling.

A second possibility is to locate intentions in the objectives formulated by the living, breathing people who make up the company. It might be suggested that a corporation's intentions are in some sense the sum or product of the intentions of those individuals. This suggestion however is too vague to be of any practically utility. We would still need an account of how it is that corporate motives are constituted by, or emerge from, the various motives had by the many people within the corporation.

In at least some cases, it may well be possible to provide some such account. In some situations, we may well find it relatively easy to attribute motives to a corporation, and to say what those motives are, through analyzing the documented motives of individuals within the company. For example, imagine that a pharmaceutical company is forced to revise its sales practices in the face of threats of prosecution. Assume that everyone at the company views the company's current practices as perfectly acceptable, but nevertheless recognizes that going to court over those practices is risky. Accordingly, the company changes its ways. What was the *company's* motive for such change? *To avoid prosecution*. The answer seems simple enough in this idealized case.

But other cases will make us more skeptical about straightforward identification of motives with some combination of the motives of individual human persons or groups of persons. And such skepticism can persist *even if* we avoid insisting that only things with minds in the usual sense can have motives. Even if we accept that literal minds are not necessary and that corporations are indeed the kinds of things that can have motives, we might nonetheless find that in particular situations, doubt remains about the possibility of identifying anything we could call a corporate motive.

Imagine, for example, a situation in which a greeting card company decides to start using 100% post-consumer recycled paper in its products. Next imagine, quite plausibly, that this decision took place only after much internal consultation. Next, imagine that the key constituencies within the company unanimously supported the move to recycled paper. This scenario seems to have the makings of one in which we can identify a unified corporate motive, based on the consensus of key internal stakeholders. But suppose further that when asked by the media *why* they supported the move—i.e., what their *own* motives or reasons were—various insiders gave (honest) answers such as the following:

- CEO: "This move will be an important part of my legacy."[7]
- Senior Board Member: "This will build long-term value."
- VP, Regulatory Affairs: "This will get us ahead of the regulatory curve."
- Chief Communications Officer: "This will make a great press release."
- Chief Human Resources Officer: "This will be great for employee morale."
- Rank-and-file Employee #1: "It's just the right thing to do, morally."
- Rank-and-file Employee #2: "God gave us this Earth to protect."

In such a circumstance, what could possibly be identified as the *corporate* motive? Certainly, in this or other situations, we might offer suggestions as to the "best explanation" for a corporate decision and call that the "corporate motive." We might be able to draw a 'line of best fit' among the extant data points constituted by the expressed motives of the various internal stakeholders. Maybe in some cases, a majority of individuals within the company would share a single motive, and so we could reasonably point to *that* as the "corporate motive." But it seems that clear cases are likely to be the exception, rather than the rule. In situations like the one described above, we might more reasonably say that *there simply is no answer* to the question, "What was the company's motive in switching

7. On the significance of legacy building in executive decision-making, see Matthew Fox, et al., *The Legacy Motive: A Catalyst for Sustainable Decision Making in Organizations*, 20 BUS. ETHICS Q. 153 (2010).

to recycled paper?"[8] The point here is not that corporations are not the sorts of things that could have motives; the point is that we lack a theory of what would *constitute* such motives generally. Nor is the point here merely epistemic. It is not just that it is hard to determine what may have motivated a particular corporation in a particular circumstance, though that is certainly true. The point is that, in many cases, there simply may not be anything that we could, even in principle, call the "corporate motive." Even if we strongly believe that corporations are the kinds of things that can have motives, there may be situations in which no single corporate motive exists.

But this worry is not sufficient to push the question of corporate motives off the table. Our common moral practices involve making judgments about the behavior of corporations, and not merely about the behavior of individual employees or even executives. We seem to have the same inevitable 'reactive attitudes' toward corporations as PF Strawson famously suggested we have toward our fellow humans.[9] In other words, we seem stuck with the fact that we just *do* talk about the moral behavior of corporations, and so talk of corporate *motives* seems unavoidable. Further, there may be particular situations in which arriving at what is at least a rough approximation of corporate motives serves important practical purposes (though just what those practical purposes may be is a question to which we return in a subsequent section.)

For present purposes, I set aside the hard problem of specifying what corporate motives consist in, and focus next on what we can do, in practical terms, to determine what has motivated a corporation in a particular situation. This may seem counter-intuitive. How can we decide where to look for corporate motives if we do not know what corporate motives even *are*? But the two questions—the ontological question and the epistemic question—are in fact deeply interrelated. Given the evident difficulty of arriving at a unified theory of what should count as a corporate motive, the motives we *attribute* to corporations will be heavily dependent on the kinds of evidence we see as relevant and have access to.

II. DIVINING MOTIVES

The obscurity of motives is a very general phenomenon. Even with regard to our fellow humans, determining what reasons particular individuals have for particular actions is far from straightforward. Indeed, there is evidence that we are not even very good at determining our *own* motives, much less others' motives.[10]

8. Consider the following: what was the U.S. public's motive for electing Donald Trump? There simply is no answer to that question. A significant minority of the U.S. population voted against Trump, and those who voted *for* him presumably did so him for many different reasons. There is just no plausible sense in which that all adds up to a collective motive of any kind.

9. This point was made most famously by Peter Strawson. Peter Strawson, *Freedom and Resentment*, 48 PROC. BRIT. ACAD. 1 (1962).

10. On the extent to which humans are ignorant of their own morally relevant cognitive processes, see Daylian M. Cain & Allan S. Detsky, *Everyone's a Little Bit Biased (Even Physicians)*, 299 J. AM. MED. ASS. 2893 (2008).

And when it comes to understanding the motives of complex entities such as corporations or committees or legislatures, the problem is compounded even further.[11] The general obscurity of motives is a key reason, for example, for the inclusion of a preamble in organizational policies and in pieces of legislation. While the motives of committees and legislatures are often unclear and cannot always be read plainly from the wording of laws and policies, a preamble allows lawmakers and policy-setters to indicate explicitly what their motives were in drafting the provisions that follow.[12] The inclusion of a preamble signals the drafters' recognition that the motives underpinning a decision can be difficult to determine from the outside.

What about insiders? Among insiders, for example, senior managers might be thought to be a special case: they might have, after all, substantial access to what might be considered the very best evidence regarding corporate motives. Senior managers will, in some circumstances, have been party to the deliberations that led to particular corporate policies, products, and projects. At very least, they are likely to have direct access to candid accounts of such deliberations from colleagues. This means that, so long as they can avoid or minimize the sorts of perceptual distortions noted above, managers have as good a chance as anyone to ascertain corporate motives.[13]

But it is worth noting why even insiders may have trouble discerning corporate motives. As noted above, corporate motives are complex and often obscure; this is true even from the point of view of insiders. Indeed, an insider might plausibly be expected to see corporate behavior through a particular lens of one sort or another, and that lens might be as likely to distort as to illuminate. For example, an insider might be too much under the sway of the dominant corporate culture, and hence, believe (and give voice to) the "party line" regarding why a particular action was taken. Alternatively, insiders may fall prey to the "false consensus effect,"[14] essentially assuming that the corporate motive corresponds to

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11. It is worth noting that corporations are far from being the only complex entities for which interpretation and assessment of motives might be useful. Everett, Neu and Martinez, for example, have delved into the motives of increasingly important labour monitoring organizations. Attempts to understand the motives of various national governments also clearly play an important role in international relations. *See* Jeff S. Everett, Dean Neu, & Daniel Martinez, *Multi-Stakeholder Labour Monitoring Organizations: Egoists, Instrumentalists, or Moralists*? 81 J. BUS. ETHICS. 117 (2008).

12. Anne Winckel, *The Contextual Role of a Preamble in Statutory Interpretation*, 23 MELB. U. L. REV. 184, 210 (1999) ("Historically, preambles have been used by the courts, not only to aid the interpretation of ambiguous sections and to assist in determining the mischief to be remedied by the Act, but also to determine the intentions of Parliament, as context for clarifying the possible meaning of substantive sections, and as a guide for when to limit 'general' substantive provisions."); Kent Roach, *The Uses and Audiences of Preambles in Legislation*, 47 MCGILL L.J. 129, 129 (2001) (Stating that modern legislative preambles "seek to establish legitimacy by providing a narrative of the origins and purposes of the legislation.").

13. Members of corporate boards of directors arguably constitute a special class of "managers" in the broadest sense, ones with special responsibilities and often notoriously poor access to information. The challenges they face in interpreting corporate motives warrant separate consideration.

14. Gary Marks & Norman Miller, *Ten Years of Research on the False-consensus Effect: An Empirical and Theoretical Review*, 102 PSYCHOL. BULL. 72 (1987).

their own personal motive for supporting the project in question. As DiNorcia and Tigner argue,

> People's discernment of their own motivation is notoriously error-prone. While strangers, whether observers or stakeholders, often see things that insiders do not, they too can err in attributing motives to others. And the information available is typically limited. Discernment is hampered still more when pretense, hypocrisy, deception, denial, self-deception, and cognitive dissonance come into play. This is especially likely when high stakes are at risk, as they are in many business decisions. Uncertainty, like moral complexity, is the norm.[15]

In short, there is no particular reason to think that insiders will *automatically* have a privileged understanding of corporate motives.

So where can we look in order to begin to ascertain corporate motives in particular situations? Our focus here will be on *moral* motivation. In particular, we will focus on what motivates behavior that is, in a broad sense, ethically good behavior.[16] When a company, for example, adopts 'green' production processes, or donates a portion of profits to worthy causes, or institutes particularly progressive labour practices, where can we look in order to determine what that company's motive(s) might have been?

The simplest move, of course, is to assume a single motive for all corporations in all situations. This is famously the assumption made by standard economic models, which assume that profit-maximization is the only relevant motive of corporations.[17] Thus, when a company does something that seems to outsiders to be morally good, the standard economic assumption would be to assume that there is, behind that behavior, some calculation suggesting that said behavior will, in fact, be conducive, directly or indirectly, to maximizing profits. And such simple models do, of course, have their virtues. Like all models, the profit-maximization model provides a useful approximation by simplifying a complex reality, trading off (as Friedman points out) descriptive accuracy against analytic utility.[18] The assumption of profit-maximization functions as a kind of null hypothesis, apparent deviations from which are interesting and warrant investigation. But such models are best understood as applying in the aggregate, to corporate behavior as a whole, rather than to the behavior of particular corporations in particular situations. It may well be true, as a generalization, to say that companies engage in morally-good behavior when they see it as a way of building

15. Vincent Di Norcia & Joyce Tigner, *Mixed Motives and Ethical Decisions in Business*, 25 J. BUS. ETHICS 1, 7 (2000).

16. Motivation for bad behavior is important too, but the focus here will be on good behavior, since that is where we tend to see the most cynicism and skepticism.

17. This is closely related of course to the assumptions made by Rational Choice Theory, viz. that individual human agents consistently behave in a way that seeks to maximize their own utility.

18. Milton Friedman, *The Methodology of Positive Economics*, *in* ESSAYS IN POSITIVE ECONOMICS, 3 (reprt. 1966) (1953).

long-term value, but that doesn't mean that profit-seeking is the right explanation for any particular company's behavior in a particular situation. Real companies are run by real people with an enormous range of values and ambitions, and real companies are configured in a great many ways to transform those individual values and ambitions into corporate behavior. Even where profit-seeking is a stated goal of the company, there is no reason to assume that the net result will be behavior motivated by a desire for profits. Thus, while profit-seeking may be an explanatory starting point, it is not a good candidate for an adequate theory of corporate motivation in particular cases.

The same worry applies to other generalizations that arise out of academic research. As useful as such research may be for illuminating patterns of corporate motivation, it is much less likely to explain motivation in particular cases. Take, for example, a study by Bronn and Vidaver-Cohen, which sought to determine what it is that motivates corporate "social initiatives."[19] The authors conclude, *inter alia*, that interest in improved corporate image, or a desire to publicly demonstrate moral leadership, were "the strongest reasons for corporate involvement in social initiatives."[20] But such generalizations, while useful in helping us to understand patterns of motivation, do little to help us understand why particular companies behave as they do in specific situations. To say that one set of motives is "strongest" is not to say that it is universal. In particular cases, we are going to need to look at the facts of the situation and work from there.

But which facts might be relevant to divining corporate moral motivations in specific cases? We can begin by citing various sources of information that might give insight into corporate motivation. Such sources might include:

- corporate articles of incorporation;
- corporate mission, vision, and value statements;
- corporate press releases;
- a corporation's history of behavior, both recent and distant;
- the views of the company's competitors, suppliers, and other industry insiders;
- media interviews with senior executives;
- the competitive landscape to which a corporation must respond.

As we hinted at above, each of these sources of information is highly imperfect, as a guide to what has motivated a particular piece of corporate behavior. Written documents may well have been ignored by decision-makers. Corporate press releases may be public relations exercises that bear little relationship to the

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19. Peggy Simcic Brønn & Deborah Vidaver-Cohen, *Corporate Motives for Social Initiative: Legitimacy, Sustainability, or the Bottom Line?* 87 J. BUS. ETHICS 91 (2009).
20. *Id*. at 94.

historical truth. And even senior insiders themselves may be deluded or may have reason to be less than honest about the reasons they or their colleagues had for the decisions that were made. And media reports or academic studies may be flawed by relying on one or more of these other manifestly imperfect sources of information.[21]

The result is that understanding—or even approximating—a corporation's motives inevitably requires a complex interpretive process, triangulating between multiple alternative sources of information. Given what was said above regarding uncertainties concerning just what it is that corporate motives consist in, we should always be somewhat circumspect in declaring that we have figured out what it was that motivated a particular bit of corporate behavior. The process for doing so is necessarily a highly fallible one, and is subject to any number of well-documented cognitive biases. Consider, to take just one example, the implications of what is know as the 'correspondence bias,' which Gilbert and Malon describe as the "tendency to draw inferences about a person's unique and enduring dispositions from behaviors that can be entirely explained by the situations in which they occur."[22] The pervasiveness of this cognitive bias implies that observers of corporate behavior are apt to leap to conclusions about how that corporation "always behaves" or what "always motivates" that corporation, when a simpler description of situational factors would in fact provide a fully sufficient explanation for the observed behavior. In other words, we will tend to see persistent motives even where none exist.

Thus, the pursuit of corporate motives seems difficult and perhaps even quixotic. Some will be tempted to ask, "Why bother?" In order to move this investigation forward, we will ask whether there are particular circumstances in which it might prove useful or necessary even to attempt to determine what a corporation's motives are. It is worth pointing out again that there are many situations in which outsiders seem habitually to try to interpret corporate motives. One of the most basic elements of strategic management, for example, involves predicting the behavior of competitors; gaining an understanding of competitors' motives is an important part of that. In fact, motivational factors account for two of the four corners in Michael Porter's famous "Four Corners Model" for predicting competitors' behavior.[23] But our focus here will of course be more narrowly on moral motivation, and on the particular stakeholder groups that might want to know what it is that motivates the appearance of morally-upstanding behavior.

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21. Consider, for example, the study by Bronn and Vidaver-Cohen into corporate motives for 'social initiatives.' Their evidence came from interviews with corporate managers, and hence is only as reliable as managers' memories and their forthcomingness. *See id.*

22. Daniel T. Gilbert & Patrick S. Malon, *The Correspondence Bias*, 117 PSYCHOL. BULL. 21, 21 (1995).

23. See JIM DOWNEY & TECHNICAL INFORMATION SERVICE, THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS, STRATEGIC ANALYSIS TOOLS: TOPIC GATEWAY SERIES NO. 34, (2007) for a succinct explanation of the Four Corners model.

Moving to tackle the question of divining corporate motives from the point of view of particular stakeholders is crucial for two reasons. First, the circumstances of particular stakeholders determine whether the effort required to reach a reasonably accurate understanding of corporate motives is warranted by the purpose at hand. That is, it depends on the stakeholder's particular stake. And second, the particular circumstances will reveal what kinds of resources (in particular, what sources of information) are available to the particular stakeholder in attempting to assess corporate motives. There are, for these reasons, no 'general' answers to the questions of whether and when it is useful to attempt to divine corporate motives: the answer will always be agent-relative.

The search costs associated with divining a corporation's motives with any degree of certainty are likely to be significant. In some cases, finding out may be easy (and hence cheap), but such cases are likely to be rare. In very small firms where the CEO's motives constitute the firm's motives, and where the CEO announces her motive publicly and is known to be candid about such things, we can more easily ascertain the firm's motives. Likewise, in some larger firms, clear governance structures and an easily-accessible paper trail (e.g. public pronouncements by key decision-makers within the firm) might make it relatively easy to say with confidence what the motive of the firm is. But surely such situations will be few. More commonly, the information required to assess a corporation's motive in a particular situation—assuming a relatively sophisticated account of what constitutes such motives—is likely to be prohibitively difficult to obtain. Certainly some of the relevant information will be publicly accessible, in the form of articles of incorporation, annual reports, Securities and Exchange Commission filings, and so on. But there are costs associated with accessing even public documents. Even given a clear conception of what counts as a corporate motive, it might well require something akin to the efforts of a dedicated investigative reporter, or perhaps even a congressional hearing, to acquire the relevant data in order to arrive at a determination in a particular case.

In spite of the challenges discussed above, there may be particular circumstances in which attempting to determine—or at least to approximate—corporate motives is especially useful, or even unavoidable. Of course, as noted above, speculation about corporate motives is incredibly common, something most of us do, perhaps on a daily basis. But such speculation typically amounts to little more than the bystander's idle curiosity. And idle curiosity will, by definition, never warrant the expenditure of energy and resources required to tackle the difficult task of interpreting corporate motives. Information is not free. Acquiring it implies costs, even if only in terms of our own attention. And so boundedly-rational agents (whether individuals or organizations) must make decisions about when to go to the trouble of attempting to determine corporate motives.

Thus, even if we assert (in spite of the problems discussed earlier in this article) that corporations' motives are knowable, we must admit that we cannot know *every* corporation's motives. This suggests that it would be wise to prioritize, and engage in this sort of diagnosis only when doing so is especially useful. So when do we *need* to know a corporation's – or more generally, another agent's—motives?

We identify below two different circumstances, involving two different archetypical stakeholders, in which divining corporate motives is particular important. For each of these, we will consider why this stakeholder is particularly interested in, or in need of, examining corporate motives, as well as what resources are available to this stakeholder in attempting to divine corporate motives.

A. Case #1: Consumers

Consumers will sometimes have reason to want to understand what motivates various companies. Companies themselves recognize this fact, which is why so much modern advertising is focused on conveying the impression of pro-social corporate motives. The most obvious case in which consumers will to want to understand a corporation's motives is when those motives are not merely of peripheral interest, but actually have some bearing on the quality of a product to be purchased. If an estimation of a corporation's motives can inform predictions about the quality of its products, then such information can clearly have a direct on consumer choices. Indeed, research has shown that consumers' perceptions of corporate motives have a significant effect on purchase intentions.[24]

But consumers may also have reason to want to understand corporate motives even where those motives are anticipated to be of little predictive value. For many modern consumers, consumption is in some broad sense political. Such consumers want their purchases not just to meet their needs, but also to reflect their values.[25] Thus they care not just about the virtues embodied in the products they purchase, but also the values embodied in the motives of the companies with which they deal. That is, they want to buy things from companies whose values align with their own. Hard-core devotees of organic agriculture, for example, want to know *why* Walmart is now selling organic produce, because such consumers see their food purchases not just as satisfying a particular short-term need for nutrition, but as making them part of a broad political movement that rejects modern, chemical-intensive agriculture.

But information about the values implicit in corporate motives is really only useful if the consumer is able and willing to change his or her purchasing behavior based on the information gleaned. Where choice is limited, information about corporate motives becomes less useful to consumers. An individual who has no choice but to purchase from a company the motives of which she dislikes is free to harbor that dislike in her heart, but it does little to expand her autonomy as a

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24. Mark D Groza, Mya R. Pronschinske, & Matthew Walker, *Perceived Organizational Motives and Consumer Responses to Proactive and Reactive CSR*, 102 J. BUS. ETHICS 639 (2011); Pam Scholder Ellen, Deborah J. Webb, & Lois A. Mohr, *Building Corporate Associations: Consumer Attributions for Corporate Socially Responsible Programs* 34 J. ACAD. MARKETING SCI. 147 (2006).

25. *See* A. M. Marcoux, *Is a Market for Values a Value in Markets?* 31 REASON PAPERS 97 (2009) (demonstrating an argument that casts doubt on whether this is a positive trend. We treat it here merely as a fact).

consumer. In such a situation, access to information about corporate motives might be an expensive luxury.

It is worth noting that of the various stakeholder groups discussed in this article, consumers make up the only group not composed primarily of sophisticated economic actors. Consumers' resources, including access to information as well as access to sophisticated models of corporate motivation, are strictly limited. In addition, corporations expend considerable resources in order to "manage" consumers' perceptions of their motives; one need not be entirely cynical to expect that such efforts are as likely to hinder, as they are to promote, accurate understanding. This points to an important additional reason for more-sophisticated intermediaries—including for example regulators and consumer advocacy groups—to expend additional effort in their own attempts to understand corporate motives as part of fulfilling their duties to consumers. Of course, regulators and advocacy groups may have their own agendas, which may not consist entirely of providing consumers with the unbiased information about corporate motives that they need in order to make free and autonomous choices.

B. Case #2: Regulators[26]

Regulators have a clear interest in understanding corporate motives, both in general and in particular cases. The specific shape that regulations should take depends very much on the perceived motivational structures of the organizations that will be regulated.[27] Regardless of any skepticism about corporations as moral agents, there is little doubt that corporations are in some sense agents, capable of having their behavior modified by suitable incentive structures. Hence, when it comes to policies aimed at modifying corporate behavior, the policy approach best taken (of which regulation in the narrow sense is just one option) depends very much on what is believed will motivate the appropriate behavior. Where organizations are thought to be easily motivated by moral concerns, for example, the most suitable policy tool might be moral suasion. Organizations that are highly averse to bad publicity should perhaps be threatened with "naming and shaming." Organizations motivated by money should be threatened with fines or taxes, and offered rewards and tax rebates. Organizations whose behavior is most readily motivated by the prospect of jail time for senior executives ought to be threatened with just that, at least where the behaviors in question are sufficiently anti-social to warrant it.

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26. Judges constitute an important subset of regulators, in the broad sense—ones who may wish to understand corporate motives in order to make appropriate sentencing decisions. Sentencing Guidelines, for example, may reward corporations for instituting ethics and compliance programs – essentially for demonstrating that they are motivated to avoid wrongdoing. But I set aside forensic contexts for purposes of this article.

27. *See* Michael S. Barr, Sendhil Mullainathan, & Eldar Shafir, *The Case for Behaviorally Informed Regulation*, 25 NEW PERSPECTIVES REG. 41 (2009) (demonstrating an attempt to bring insights from behavioral economics to bear on regulatory design).

Regulators often have access, at least in principle, to significant resources that could help them understand corporate motives. Governments can commission studies, command corporate executives to appear before legislative committees, and use the data-gathering powers of various regulatory agencies to acquire statistical data. The fact that regulations must be typically written to apply to a wide range of organizations[28] is a double-edged sword when it comes to the need to interpret corporate motives. On the one hand, regulators are justified in relying on well-validated generalizations—perhaps drawn from scholarly research—about what motivates corporations in general or in a particular sector or industry. On the other hand, regulators do not typically have the luxury of focusing their attention on a single organization in order to really figure it out. Regulators are hobbled by the breadth of their remit, essentially being forced to write one-size-fits-all regulations to govern an enormous number of organizations that may, in fact, feature quite different internal motivational structures.

CONCLUSION

Moral assessment of corporate behavior is a persistent feature of life in a market society, as are attempts to influence corporate behavior. As Lynn Sharp Paine argues, the pervasiveness of corporations in modern life essentially makes moral assessment of them unavoidable.[29] Such efforts at moral assessment seem inevitably to require that interested parties arrive at some approximation of what has motivated corporate behavior, but corporate motives are far from transparent. Speculation about corporate motives is seldom well informed, relying as it does on a haphazard collage of rumor, innuendo, and corporate puffery. If our practice of evaluating corporate motives is to continue in good faith, we need to do better at it. It should of course be noted that, from certain philosophical points of view, motives are themselves not morally relevant at all. To a strict consequentialist, what matters are the consequences of corporate behavior rather than the reasons behind such behavior. But even a strict consequentialist will be interested in corporate motives when those motives are seen as persistent and as likely to influence outcomes. In some cases, at least, benefiting from more favorable consequences of corporate behavior requires paying attention to causal antecedents, including motives. We would do well to work harder to determine under what circumstances the effort to ascertain such motives is worth the cost.

28. The key exception of course would be rules written specifically to govern the behavior of a single regulated monopoly.

29. LYNN SHARP PAINE, VALUE SHIFT: WHY COMPANIES MUST MERGE SOCIAL AND FINANCIAL IMPERATIVES TO ACHIEVE SUPERIOR PERFORMANCE (2003).