WHITE PAPER

FALL 2024

U.S. EDITION

THE ETHICS OF ORGANIZATIONAL CHANGE

PHILIP MORRIS INTERNATIONAL

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“Not everything that is faced can be changed, but nothing can be changed until it is faced.”
—James Baldwin

[1] I, David W. Miller, serve as an independent external ethics adviser to Philip Morris International (PMI) and am compensated for my counsel. I was asked by PMI to write a white paper considering the question of “the ethics of change” in a corporate and wider organizational context. I engaged my colleague Michael J. Thate to partner with me in this project; he is independent of PMI and does not have a direct relationship with them. The research methodology and subsequent findings and views represented in this white paper are the authors’ only and were not influenced by nor do they necessarily reflect the views of PMI. Nor do they represent the views of Princeton University, where I serve on the faculty and lead a research team exploring contemporary questions at the intersection of faith and work with a particular accent on values, ethics, and character-based leadership in the marketplace.

1. Change, constancy, and costly avoidance

In boardrooms worldwide, leaders face high-stakes decisions with increased intensity and regularity. As many social commentators have noted, life is speeding up. The reasons for this acceleration are legion and are not unrelated to the variables that affect economic volatility: natural disasters, social unrest, pandemics, wars, legislative irresponsibility, de facto dictators, technological disruptions, and so on. For those poised and prepared, rapid acceleration can confer societal rewards and valuable commercial opportunities; it can also exacerbate inequalities, fuel social and environmental crises, and nudge corporate practices toward recklessness. Organizations are waking up to the realities and regularities of marketplace upheaval by investing sizable sums in change management. That is, organizations are getting shrewder about confronting change with some measure of design and forethought.

The problem of change, or impermanence, has been a perennial riddle and focus of debate across history, literature, and cultures. The ancient Greek philosophers Heraclitus and Parmenides, for example, famously disputed the issue. The former suggested change is the fundamental nature of reality. The latter claimed change is an illusion—a mere appearance of newness occurring within something fixed and eternal.

Permanence or impermanence depends, of course, on the context in which one is speaking. From the perspective of the natural world, there appears nothing more, well, “natural” than change. Dynamic organisms are constantly adapting to their dynamic environments and vice versa. Everything is moving and mixing. And yet, most of us can identify at some level with French novelist Jean-Baptiste Alphonse Karr’s quip that “the more things change, the more they stay the same.”

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Our observations freeze the frame, giving the illusion of constancy. When considered within a wider scope, styles, histories, and human behavior seem to fall into a kind of rhythmic meter or Mandelbrot set.

How best to manage change is not an insignificant discussion in contemporary corporate culture. Should an organization pivot or stand firm in response to shifting market or cultural currents? In some instances, the progressive choice—to pivot and change—will appear obvious. For instance, as a society, we are—or would like to think we are—waking up to the ways in which enrichments and burdens are unequally distributed. Surely, that demands immediate change. Yet, institutional responses to clear cultural corrections are difficult to disentangle from divisive politics. What some see as social progress, others regard as ill-intentioned zealotry. Similarly, defunct operating models and scandal would seem to necessitate a course correction for a company. How an organization should pivot from such models or scandal, however, is not always apparent. In some instances, cultural pressure to change is neither clear nor permanent and is a potential distraction. Should, for example, organizations anchor in proven harbors when rival fleets chase after the latest trend? These are hardly easy decisions.

Change, of course, is inevitable. The dynamic flow of the infinities that emerge from within international exchange ferries us all along its currents—and not always in an organization's preferred direction. Nimble and calculated *pivots* can thus be signs of a healthy organization. In contrast, avoidance of the issues within such currents often leads to *drift*; that is, change without purpose. And then there are the sudden and forceful disruptions that shake things up—typically, external forces such as social unrest, stakeholder activism, pandemics, technological innovation, market volatility, and environmental fragility. In the past few years, we have witnessed organizations pivot toward responsible change in such situations. We have also witnessed organizations chase after societal trends with cringy, ineffective, and expensive results. And we have witnessed organizations that have chosen to do nothing in the face of such destabilization, with varying results.

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We must consider, too, that the inevitability of change effects a clash with future sentiment. Our future sensibilities will make all of us today look like ethical barbarians. We now acknowledge the horrid treatment of marginalized groups, and we are waking up to our mistreatment of animals and the environment. What we eat—be it Kobe beef or kale and beets—and how we power our lifestyles will likely be judged most severely by future generations. Given this inevitable clash, how should society consider accepted practices of the past that are now deemed disreputable?

One strategy of recent social movements has been to employ varying degrees of social shaming to bring embarrassing prior behaviors of individuals and organizations to bear upon their current selves. That is, scandals and unsavory practices are raised to bar so-called toxic actors from current market participation and possible redemption.

Spotlighting injustice, surely, should be welcomed. Shame is sometimes a useful social tool of correction. However, shame can also have the opposite effect and impede progress toward the very goals social movements advocate. Moreover, who could prevail in a court that limits evidence to historical instances? Who is without sin? Every individual's and institution's past behaviors and attitudes will be judged wanting when measured against the dictates of current sensibilities.

These are questions of no small urgency: How can organizations and leaders reckon with pasts that conflict with the sensibilities of the moment?

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They must, but how? Professions of change, of course, are not uncommon. Actual transformation is far rarer. How can we assess the threshold between the two?

2. Institutional history as a resource for transformation

A key distinction to make regarding organizational change is between tweaks at the margins and change at the core. In our prior work, “Towards a ‘Restoration of Trust’?”[2], we suggested that the seeds of the latter reside within an institution’s history. (Or, as we phrased it there, “Institutional history always already contains its own resignifications”; Thesis §9.) This, we argued, is not revisionism; rather, it is a “tensive moment of possibility,” an opportunity “to redress and perhaps build on the vibrant potential living amidst a company’s own special traditions and histories.” Within the wisdom traditions of Judaism, for example, we see this enacted in the story of King Josiah and the “discovery” of the book of law in the temple (2 Kings 22). Josiah’s discovery of forgotten oracles and guiding principles for a righteous life set the course for reform, which, in turn, forestalled an impending disaster. By way of analogy, what oracles, forgotten wisdom, or founder narratives in an organization’s past might position an organization for a change at the core? What would Steve Jobs say? Or Bill Hewlett and Dave Packard? Or Richard Branson?

2 https://faithandwork.princeton.edu/news/2021/david-w-miller-davos-world-economic-forum

Crisis and scandal are often recurrent drivers of organizational change.

Crisis and scandal are often recurrent drivers of organizational change. Whatever their source, they tend to prompt a survivalist mindset where reactionary change is the only response. As such, the cliché "never waste a good crisis" will likely lead to short-termism and recklessness. People and organizations eventually forget the pain of the crisis (or are desensitized to it) and revert to their earlier priorities, practices, and motivations. On the heels of ethical lapses, promises of change fade fast—and ring hollow. History is filled with promises made in the white-hot light of rolling cameras, only to be broken once the news cycle passes. Whether a government agency failing (e.g., poor regulatory oversight leading to the Great Recession of 2008), a corporate disaster (e.g., product recalls or worse), a religious institution scandal (e.g., sexual misconduct), or nonprofit organization misconduct (e.g., corruption or financial malfeasance), organizational history is littered with instances of eventual inertia on the other side of initial commitments to change.

Neither crisis nor scandal is the best driver of sustainable and transformative change.

Neither crisis nor scandal, therefore, is the best driver of sustainable and transformative change. They never get at the core issues. Challenges to authentic organizational change in the wake of such instances are many, including the scale of integration, earning pressures, upfront pivot costs and R&D investment, an inadequate talent mix, the absence of a company-wide commitment, and poor executive execution. If, for example, compensation models and promotional schemes continue to reward the reckless pursuit of short-term profits and growth, an organization will likely repeat this folly even at the cost of neglecting its stated plan of change.

At a moment when history is proving a threat to leaders and organizations, we are suggesting institutions confront their pasts as a driver of change at the core. Change at the core is when an organization transforms.

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Organizational transformation, of course, is difficult even if performed with genuine intent and commitment. The challenge to any sustained transformation is a proper accounting of the variables of change. In assessing any change program, an organization should consider the following:

- Was the pressure to change *internal* (e.g., leadership shifts, employee demands) or *external* (e.g., regulatory agencies, market shifts, public pressure, pandemic, war)?
- Was the change an *intentional* pivot or an *unintended* drift?
- Was the change grounded in a higher-order purpose, purely profit-driven, or reactionary?

- Did the change occur on the margins or at the core?
- Were a variety of voices, constituencies, and stakeholders involved or consulted to help define the process, design, and end goal?
- If there was harm or offense in prior business models, were those who were harmed or offended considered and consulted in the design of the new direction?
- Are metrics and measures in place to hold the organization accountable for the purported change?
- Has the organization been transparent about its reasons for change?

3. Transformation Assessment Model: All the way down and all the way around

In earlier decades, business scholars such as John Kotter and Bernard Burnes wrote seminal pieces on what we today call "transformation." In 1995, Kotter published the findings of a 10-year study of more than 100 U.S. and international companies pursuing a fundamental change to their business model. He wrote one of the most-read *Harvard Business Review* articles ever—"Leading Change: Why Transformation Efforts Fail"[3]—positing eight errors such companies make. In 2011, Burnes published an equally compelling piece in the *Journal of Change Management*, "Why Does Change Fail, and What Can We Do About It?"[4]

The foundational insights from these two scholars remain valid and helpful. However, both analyses failed to recognize the many entities and events outside an organization's control. We alluded to these above—e.g., social upheaval, pandemics, political interference, technological innovation, or economic volatility. Such external forces can impede or derail a planned transformation at any time during its execution.

To address these challenges, we suggest applying the Transformation Assessment Model (TAM), a three-part framework to aid organizations and their leadership in assessing the viability of their transformation plans and progress, as well as the potential impact of exogenous

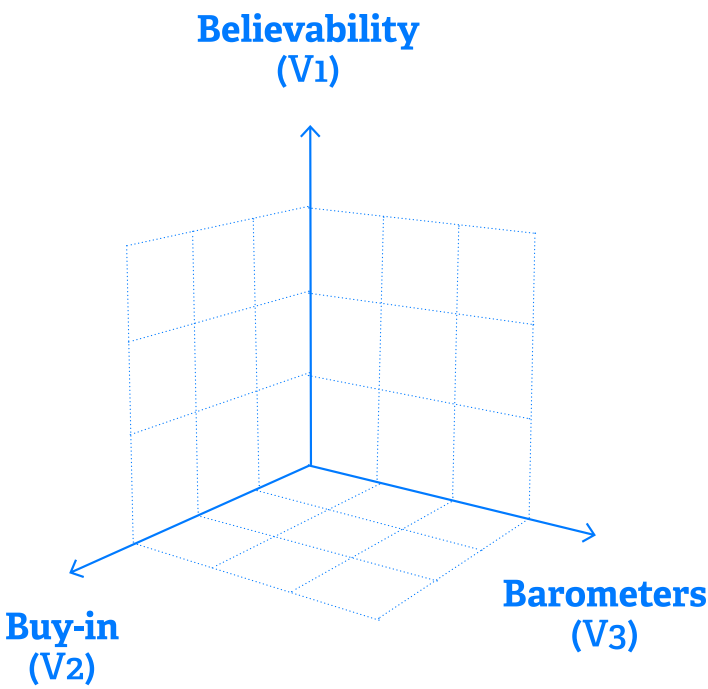
3 https://hbr.org/1995/05/leading-change-why-transformation-efforts-fail-2

4 https://www.tandfonline.com/doi/abs/10.1080/14697017.2011.630507

stakeholders and actors. These external entities might also benefit from employing the TAM framework to assess the ethicality of their missions, methods, and means.

Imagine a three-dimensional graph with:

- *Believability* as the vertical vector
- *Buy-in* as the horizontal vector
- *Barometers* as the depth vector



This framework can function as an assessment tool employed by internal and external stakeholders.

This framework can function as an assessment tool employed by internal and external stakeholders (e.g., customers, investors, regulators, activists, media, and others in the public domain) who have a material interest in the purported transformation.

Each vector consists of an "all the way down" component—e.g., from the most senior executive to the most junior employee—and an "all the way around" component—that is, integrated and measured across the expectations and perspectives of all stakeholders.

- *Believability.* Believability lives on the other side of clarity and transparency. Is there clarity as to why an organization is transforming? Rationale and context matter, particularly when hitting headwinds, employee dissent, inevitable setbacks, and external scrutiny. The context of why an organization is purporting to change matters. With what level of transparency is an organization willing to disclose the rationale and context of change? Self-criticism and honesty in matters relating to the context and motivations of change increase an organization's believability.

- *Buy-in.* Are we talking about a fresh coat of paint or a systems remodel? Are we talking about tweaks along the margins or change at the core? Does the board and executive leadership team have a long-term commitment to the purported change? Or is it a probationary trial? Is there consensus among key stakeholders on the new direction? Are the incentives and financial models repurposed and aligned to support the change all the way down and all the way around? Is there a willingness to make hard and unpopular decisions? Is there willpower to release—with suitable consideration—long-serving and loyal talent where attitude or "fit for purpose" no longer exists?

- *Barometers.* Barometers are essential instillations within the transformation process. Thresholds must be established that reflect where an organization stands in the transformational process and delimit what will no longer be tolerated. The barometers we suggest are grouped into three categories: people, process, and scrutiny.

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a. *People*

There are many types of people, talent, and fit-for-purpose challenges with respect to organizational change. Employees who once possessed needed skills may not be able or willing to adapt to the transition and requirements of the new business model. We envision a bell curve comprising three kinds of employees: those who "get it" and buy in early, those who sit on the sidelines taking a wait-and-see attitude, and those who reject the transformation plan. In some ways, the wait-and-see group is the most significant management challenge. Yesterday's loyal and valued employees may be tomorrow's impediments to transformation. The necessary searching, onboarding, and integration of new talent—or the promotion of existing talent—and acquisition of needed skill sets can cause tension, jealousy, and resentment. Further, there is the inevitable transformation problem of top talent (new or existing) feeling like they are redesigning and rebuilding a new plane while at the same time ensuring the current plane lands safely at its destination. Managing the problem of employee exhaustion, burnout, and frustration through transitions is a reality to be expected, monitored, and addressed.

b. *Process*

Transformations do not focus solely on implementing new systems, products, and business models. There must also be clarity on which current operations and tasks must stop and when. Another critical transformation decision is whether to accomplish the necessary changes organically or accelerate the process via mergers and acquisitions, spinoffs, legal restructuring, or the liberal use of consultancy services. How will the transformation be funded? And at what point (if ever) does the company sell or drop the outmoded products and services?

The transformation team itself also requires organizational and structural decisions. For example, is the team a standalone office or entity with funding and authority to make decisions? Or are transformation team members inserted within and reporting to existing operating divisions and units?

Is the transition strategy a standalone silo entity, or is it integrated vertically and horizontally throughout IT, operations, R&D, finance, and marketing?

c. *Scrutiny*

Transparency and candor are crucial. Employees and other stakeholders are quick to lose trust and confidence in leadership when these two elements are missing. The candid sharing of bad news, delays, and setbacks is critical to credibility. Equally, transparency about the motivation for the transformation is vital, including, as appropriate, acknowledgment of prior “sins,” harm, or wrongdoing. Stakeholders value frequent, consistent, and honest communications (internal or external). This must include a plan for managing regulatory involvement and oversight, internal audits, and other fiduciary responsibilities.

The language of "burning one's ships" has been used in leadership literature to communicate this "all in" mindset.

Pervading these markers is an internal mindset and cultural commitment of "not turning back"—existing at every level of the organization. That is, the transformation has effectively set the new course in an organization's long-term direction. The redesign is thorough enough that there can be no going back. In older parlance, the language of "burning one's ships" has been used in leadership literature to communicate this "all in" mindset. The image comes from Alexander the Great burning his vessels after crossing the Dardanelles into Asia Minor and Cortés setting his ships ablaze after landing in Mexico in the 16th century. Our modern sensibilities may bristle at this violent metaphor. Perhaps, instead of burning, we can think of repurposing our ships. That is, everything in the organization is repurposed for the sake of a prosocial direction that is co-created across stakeholder segments. The machinery, the mechanics, the metrics—all parts of the ship must be repurposed to ensure a systems change toward an organization's stated transformation goals.

4. Social harm and the ethics of exclusion

To be clear, when professions of transformation are motivated primarily by scandal, unrelenting public critique, declining profitability, or a desire to parrot social trends, we view them with suspicion. Be they the weeping minister caught with their pants down, investment firms caught playing fast and loose with irresponsibly leveraged positions, or the cringy and insincere repetition of hashtags on corporate social media accounts, there are plenty of charlatans of change. The nonprofit sector, including government agencies, NGOs, activist groups, and religious organizations, is not immune to ethical shortcomings and disingenuous methods and motivations. We suggest healthy and prosocial scrutiny spread across stakeholder segments.

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Consider two anonymized and hypothetical scenarios:

- Scenario One: A large organization in the food industry approaches a prominent animal rights organization with the stated intention of learning from and partnering with its critics to improve the ethical standards of its production complexes. The food provider has been around for ages. Its past practices thus reflect the standards of earlier times concerning animal welfare—standards that today are perceived as inhumane. The animal rights organization declines the food provider's invitation. They state in no uncertain terms that they will never partner with the food industry leader. "We don't want to partner with you," they say in response to the invitation, "*we want to end you.*"

Any organization whose practices lead to the mistreatment of animals or the damaging of soil health and the environment should be called out and held accountable. If such an organization attempts to pivot from past harms wrought by their prior business model, a measure of skepticism as to their motivations is not unreasonable. How should we think about the example above? What should we make of an organization that reaches out to its fiercest critics in an attempt to co-design a new direction? How should we think about the critics who refuse to work with those bearing organizational stains? How should we think about such exogenous entities and actors—often with seemingly noble social goals—who exclude and attempt to prevent their target organizations from even participating in discussions with relevant third parties to improve their policies and practices?

A measure of suspicion is warranted regarding the actions of both parties. The food leader's past business model is becoming increasingly untenable, so it recognizes the need to pivot. Its believability is thus rightly questioned. What if, however, its decision to approach the animal rights agency was genuinely intended to effect positive change in its organization? What if they had internal buy-in for the new direction and the barometers that would indicate thresholds of change? How should we think of the animal rights agency's stated desire "to end" the operations of the food industry leader in this regard? What is lost if incalculable years of industry knowledge, scientific discoveries, and vesting capital are summarily "canceled"?

- Scenario Two: In light of the U.S. government's increased regulation of internal combustion engine (ICE) vehicles, a major automotive manufacturer repurposes its business plan to accommodate and take advantage of the inevitability of the electric vehicle (EV) market. This hypothetical manufacturer, let's say, has a history of evading regulatory requirements and gaming protocols for ICE vehicles. Moreover, its manufacturing plants up until this point have reflected minimal concern for green energy measures. Early adopters within the EV market and environmental agencies are naturally suspicious of the automotive manufacturer's intentions. They are split, however, on how to respond to the manufacturer's blitz into the EV market. Some recommend cautious cooperation. Others argue that a public relations campaign that spotlights the company's past misdeeds and sows seeds of distrust should be the response: A scandalous past is a likely indicator of a scandalous future.

What we are suggesting above with the Transformation Assessment Model is a degree and depth of organizational repurposing that will naturally reflect an organization's intentions. Suppose in Scenario Two that the horizontal vector of buy-in and the depth vector of barometers are low or nonexistent. The automotive manufacturer's track record of unethical practices and cheats already renders the vertical vector of believability rather low. Are those lobbying for a public relations campaign against the automotive leader therefore "correct"? Is a collective effort to exclude the company from the EV market the proper course?

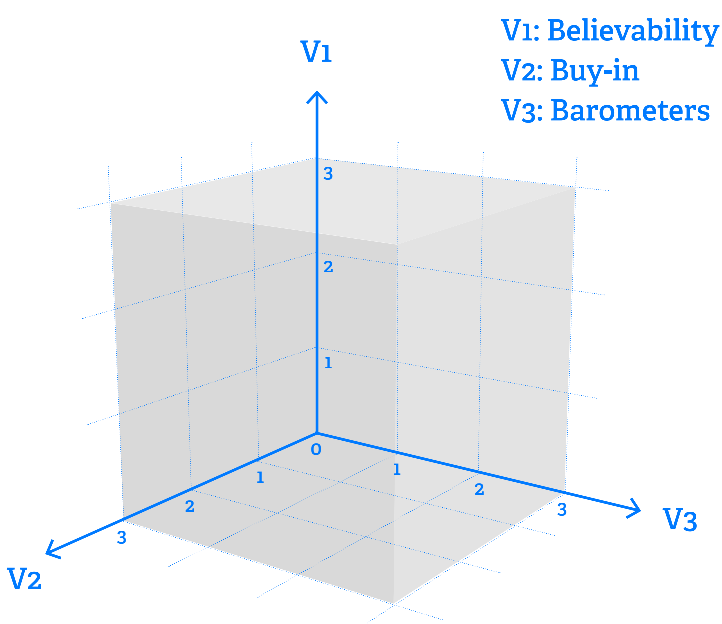
> Canceling and excluding can evoke the worst of our species—e.g., a judgmental and holier-than-thou fundamentalism bent on destruction, violence, witch hunts, and crusades.

There is something in cancel culture or exclusionary practices that is worth considering here. As mentioned, shame can sometimes be a powerful and effective corrective when leveraged for prosocial outcomes. It can also spotlight actual harm and wrongdoing that may otherwise go unnoticed due to legal maneuvers or obfuscation. Moreover, it can give wronged parties a "hot mic" in ways legal and regulatory procedures cannot. And yet, there is also something inhumane and unnatural about cancel culture. It assumes a purity none of us can measure up to. It often denies due process and can promote mob justice. It acts finally and fully with what is oftentimes incomplete information. It prevents individuals or organizations from moving on after appropriate restitution has been made. Canceling and excluding can also evoke the worst of our species—e.g., a judgmental and holier-than-thou fundamentalism bent on destruction, violence, witch hunts, and crusades.

What we are proposing through the TAM framework is a nobler suspicion and criticism—a criticism attuned both to past wrongs and to what can be self-serving tactics of exclusion and noncooperation. The above three-dimensional framework can be used as an assessment tool—an audit that analyzes an organization's purported transformation and the motives of those who question its genuineness and integrity. Such an assessment is more effective in holding organizations and their critics to account and is a more prosocial alternative to the ugly specter of cancel culture.

Passions make for poor judges of justice.

Passions make for poor judges of justice. They cloud the rule of law and its undergirding precepts of justice and liberty. Where there are crimes, there must be just punishments. And when those punishments are served and restitution (financial or societal) made, we need to develop more civilized redemption and restoration practices. Our proposed framework is an initial step toward a nobler criticism and a prosocial suspicion, both for those purporting to change on the other side of scandal or harmful practices and those purporting to advocate for the public good or other prosocial agenda.



5. A prosocial and practical path forward

Recall from *Section 3* above how each of the three vectors represents a dimension of authenticity (or not) and ethicality (or not). An organization's leadership can leverage such a framework to assess the viability of their transformation plans and progress. The framework can equally help the market assess the methods and motivations of external stakeholders—including skeptics and ideologically hostile actors. Let's explore a practical application of the Transformation Assessment Model.

Each vector consists of an assessment value scaled from 0 (lowest) to 3 (highest). The lowest aggregate score would thus be 0; the highest score, 9 (reflecting a score of 3 across each vector). A cumulative score of 0–3 would reflect a verdict of "unlikely" with respect to an organization's transformation plan; a score of 4–6 would reflect a verdict of "uncertain"; and 7–9, a verdict of "likely."

What can an organization learn by identifying internal assessment discrepancies?

While we could assign values and steer the analysis, a richer, more impactful, and more ethically insightful use of TAM is for an organization to self-appraise. Do we score ourselves a 0 or 3, or somewhere in between, on each of the vectors across and throughout the organization? Does top management self-assess more optimistically than the rank and file? Does one division or operating arm assess itself differently from other groups on one or more vectors? If so, why? What can an organization learn by identifying internal assessment discrepancies?

Equally, external actors and entities can use TAM to self-assess their agenda and intentions vis-à-vis the transforming organization. Where appropriate, it might also be helpful for neutral outside observers, consultants, or auditors to perform the TAM analysis on both the transforming organization and the exogenous actors who might prevent or pave the way for collaborative learning and progress. Organizations and their stakeholders can self-assess and other-assess and then explore and learn from vectors with differing scores.

Let's run the above two scenarios through the TAM framework to illustrate how it can work. Note that these assessment scores are hypothetical and illustrative only, not prescribed or necessarily accurate.

Scenario One

An organization's past actions are a convincing predictor of its future actions. When there is a gulf between what an organization has done and what it says it will do, the *believability* value cannot be high. The food provider initiated conversations and presented a partnership opportunity to the animal rights organization. And yet, increased decency toward animals is trending toward a historical inevitability. Moreover, past actions placed profitability ahead of animal welfare concerns. Assigning a high value of *believability* is thus unwarranted. Let us assign the organization a 1 out of 3 on that vector.

Regarding *buy-in*, let us suppose that though the C-suite executives remain largely intact, the company hires new talent in senior positions with expertise and proven performance records in animal welfare. The new leadership takes programmatic steps to raise the new initiative and approach to a central position within the messaging and culture of the company. The leadership even lets go of longstanding talent that disapproves of the purported change. The leadership completely repurposes its metrics, processes, and incentivization structures to align with and reflect the new priorities. They also commit a sizable budget to technological innovations that attempt to mitigate the intractable representational problem in animal welfare. Let us, therefore, assign the organization a 3 out of 3 in terms of *buy-in*.

The food leader also establishes internal and external thresholds and barometers at every level of the organization to reflect where it stands in relation to its new direction. It also commits to self-assessing with the framework at the end of each quarter as a show of commitment to its stated direction of being an industry leader committed to animal welfare. Let us assign the organization a 3 out of 3 in terms of *barometers*.

The hypothetical total score in this illustration would be a 7—rendering a verdict of "likely."

Scenario Two

Now let us consider the automotive manufacturer. Its *believability* score is tricky to render. On the one hand, given the federal policy directives and growing public sentiment, transforming from an ICE manufacturer to a maker of EVs is inevitable: External regulations dictate the industry must change its business model. And yet, as discussed above, pivoting driven mainly by crisis rarely proves sustainable. Moreover, as stated above, the company's past actions rightly raise suspicions. Let us, therefore, assign the organization a value of 1.

Regarding *buy-in*, let us suppose the company has one chief goal: dominating the EV market. The automotive manufacturer is committed to profit maximization and market share, not the environment. Though it hires the best talent to accomplish its goals, the motivating force to reach these goals remains essentially unchanged. Little is done in its plants or other areas to match its environmentally friendly marketing communications concerning its EVs. At the level of *buy-in*, therefore, though the company is dedicated to being a leader in the EV market, it appears to miss the motivating principles driving the EV turn in the automotive industry. It, therefore, receives a 2.

Let us also assume that, in terms of *barometers*, the company's benchmarks reflect, again, profit and market share goals. These benchmarks are reflected across its people and processes. It, therefore, receives a mark of 1.

With a hypothetical total score of 4, the organization's purported change is "uncertain."

Both scenarios reflect the inevitability of change: Times, tastes, and markets rush along Heraclitus' River of Flux, e.g., a never-ending flow of change. And yet, in the case of Scenario Two, Karr's truism appears operative: Purported change tends to be anchored in the harbors of past deeds. It is significant to note that though the companies in both Scenario One and Scenario Two score low in *believability*, the business represented in Scenario One is likely to make good on its transformation efforts in light of its repurposed design throughout the *buy-in* and *barometers* vectors. And yet both invite continued suspicion and accountability.

In Scenario One, though the animal rights organization is justified in its suspicion of the food industry provider's *believability*, it is not insignificant that its criticisms do not engage the other two vectors. A campaign to exclude and "cancel" the food industry organization would be, in effect, a campaign to erase billions of dollars, decades of industry experience, and tens of thousands of jobs. Such a campaign introduces conflicts and tensions that seem to shortcut the undergirding values of systemic justice. Moreover, because the interest group considered but one of the three vectors, one could be justified in a measure of suspicion regarding the group's motives.

Scenario Two is more complicated. The TAM exercise reveals a likelihood that past shortcuts and indifference to environmental considerations will reemerge in some manner at some point. How, then, should environmental groups, EV competitors, and regulators respond? It would be shortsighted to think any organization is wholly good or bad. The politics of exclusion, even of an organization like that in Scenario Two, would destroy real jobs, erase real capital, delete real industry knowledge, and ignore real talent within an organization committed to effecting environmentally responsible change.

Instead of a campaign of exclusion, TAM reveals the need for increased and focused scrutiny. On the part of regulators, deeper dives into the books and under the hoods are warranted. On the part of environmental interest groups, social shaming could be leveraged to call out the discrepancies between the vectors. From the perspective of internal actors within the automotive company, aligning the vectors could prove a lane of promotion and career advancement. In terms of both internal strategy and external criticism, short-termism and reactionary campaigns prove both ineffectual and antisocial.

6. Toward a nobler and more inclusive way

Given that we live within an economically enmeshed and interdependent society, we argue that one should encourage and allow for the possibility of positive, prosocial institutional change, even as legitimate suspicion on the part of other actors might exist.

> "Mercy without justice is the mother of dissolution; justice without mercy is cruelty."
>
> —Thomas of Aquinas

The 13th-century jurist Thomas of Aquinas wrote, "Mercy without justice is the mother of dissolution; justice without mercy is cruelty." This is the balancing act required by a civil society rafting along the currents of change. Past harm often merits punishment, suspicion, and increased regulatory attention. And yet, disallowing the opportunity to change and transform freezes what could flow forward to generate productive ends and outcomes for institutions, their stakeholders, and broader society. The Transformation Assessment Model is an effort toward a nobler suspicion coupled with hope in an age when relying solely on good intent too often proves detrimental and naïve. TAM and our other reflections here are an attempt to break the logjam of trust and distrust, of ideological self-righteousness and rigidity with merited critique and a robust plan to transform.

We hope this offering is a fresh way for interested parties to frame, consider, and measure the ethics of organizational change—for all parties involved—in a world desperately in need of healing and institutional transformation. We invite you to join the conversation.

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