

Corporate Sustainability and Social Entrepreneurship: Part Three

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Elisabeth Murdoch, daughter of media baron Rupert Murdoch and a successful media executive in her own right, recently criticized her brother James, a top executive at News Corp., for pursuing profit at all costs.

According to a Reuters [article](#), she told a group of television executives at the Edinburgh Television Festival that “profit without purpose was a recipe for disaster and the phone hacking scandal at the News of the World tabloid – which has badly hurt her father Rupert Murdoch’s News Corp empire – showed the need for a rigorous set of values.”

Elisabeth Murdoch is quoted as saying: “Personally I believe one of the biggest lessons of the past year has been the need for any organization to discuss, affirm and institutionalize a rigorous set of values based on an explicit statement of purpose.”

By contrast, her brother James addressed the same gathering in 2009 “asserting that the only reliable, durable and perpetual guarantor of media independence was profit.”

These two opposing viewpoints sum up the debate within the corporate world over the proper role of a company; i.e. whether maximizing shareholder value is the only purpose of a corporation or if the pursuit of a “double bottom line”, seeking profit and doing social good, is an appropriate course of action.

Clearly, the pursuit of profit at all costs can lead to public relations or other problems if directors and executives are not careful. This in turn can harm a company and its bottom line. Thus a broader understanding and social concern seem important to every company in its quest to maintain and enhance shareholder value.

The question becomes whether that concern can be further harnessed to corporate advantage, by pursuing social good in a manner that not only avoids pitfalls but generates opportunities for maximizing value through new markets and new business.

Dow Chemical is one of many companies that has pursued a double bottom line in seeking new markets. The company worked to “sell cutting-edge water filtration devices to the poor in third world countries.” [[Sustainability Meets Profitability](#), 11/1/2007] In doing so, it pursued a market opportunity with profit potential while doing social good.

Future articles in this series will look at other companies pursuing a double bottom line and the legal argument for doing so under corporate governance laws across the United States.

Read [Part One of this series](#) on Corporate Sustainability and Social Entrepreneurship.

Read [Part Two of this series](#) on Corporate Sustainability and Social Entrepreneurship.

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