Plotting the Corporate Value Gap

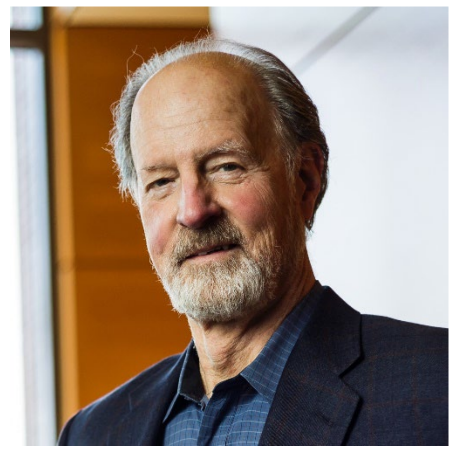
BROWN BAG SERIES

Hoffman Center for Business Ethics

Thursday, October 19th, 12:30 P.M. – 1:45 P.M.

Register for Zoom

Business scholars and managers alike are confused by two languages, one of efficiency and the other of deep or "intrinsic" values. Each set of linguistic rules refuses translation into the other. Scholars patch stakeholder interests into optimization strategies even as managers patch heroic mission statements into profit targets. Making a shift from an object-centered to an agent-centered perspective, and from theoretical to practical reason, opens a new door. It provides a promising conceptual tool for confronting managerial dilemmas, namely, the "value gap," and this, in turn, facilitates targeted changes for corporate governance. The "value gap" is defined as the deviation of *ideally efficient corporate actions* from *ideal corporate actions*, that is to say, of actions that optimize efficiency from those that optimize all social value. Cartesian coordinates can be used to plot the value gap.



Thomas Donaldson

Mark O. Winkelman Professor

Professor of Legal Studies & Business Ethics

The Wharton School
University of Pennsylvania

BENTLEY UNIVERSITY
Hoffman Center for Business Ethics