

# THE ETHICS OF ORGANIZATIONAL CHANGE

"Change? Change? Why do we need change?  
Things are quite bad enough as they are."  
—Lord Salisbury

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1. David W. Miller serves as an independent external ethics adviser to Philip Morris International (PMI) and is compensated for his counsel. He was asked by PMI to write a white paper considering the question of “the ethics of change” in a corporate and wider organizational context. He engaged his colleague Michael J. Thate to partner with him in this project; Dr. Thate 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 Dr. Miller serves on the faculty and leads 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.

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## **1. Change, constancy, and costly avoidance**

In boardrooms across the world, leaders are facing high-stakes decisions with increased intensity and regularity. As many social commentators have noted, all manner of life is speeding up. The reasons for this acceleration are legion and 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 reap societal rewards and valuable commercial opportunities; it can also exacerbate existing 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 of resources in the area of change management. That is, organizations are getting shrewder on confronting change with some measure of design and proactive thought.

The problem of change, or impermanence, has been a perennial riddle across histories, literatures, and cultures. The ancient Greek philosophers Heraclitus and Parmenides, for example, famously disputed the issue. The former suggested change was the fundamental nature of reality. The latter claimed change was an illusion—a mere appearance occurring within something fixed and eternal. It all depends,

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of course, on the manner in which we are speaking if we want to say something meaningful about permanence or impermanence. From the perspective of the natural world, for example, 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; our observations freeze the frame giving the illusion of constancy. And yet most of us can identify at some level with Alphonse Karr’s quip that “the more things change, the more they stay the same.” When considered within a wider scope, styles, histories, and human behavior seem to fall into a kind of rhythmic meter.

“The more things change,  
the more they stay the same.”

These are not insignificant discussions in contemporary corporate culture in general or in change management in particular. Should an organization pivot or stand firm with respect to the shifting currents of market or cultural forces? In some instances, the progressive choice will present itself as obvious. As a collective society, we are—or would like to think that we are—waking up to the ways in which enrichments and burdens are unequally distributed. And yet institutional responses to clear cultural corrections are difficult to disentangle from divisive politics. Similarly, defunct operating models and scandal present clear instances of necessary change. The manner in which an organization should pivot from such models or scandal, however, is not always apparent. Some instances of cultural force are not clear or permanent and are potential distractions. For

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example, should organizations anchor in proven harbors when rival fleets chase after the latest fad? These are rarely easy decisions.

Change, of course, is inevitable. The dynamic flow of the infinities that emerge from within international exchange ferry us all along its currents. Nimble and calculated *pivots* can thus be signs of a healthy organization. Avoidance of the issue in such currents often leads to drift; that is, change without purpose. External forces such as social unrest, stakeholder activism, pandemics, technological innovation, market volatility, and environmental fragility introduce sudden and forceful disruptions. In the past few years, we have witnessed some organizations pivot toward responsible change in such situations. We have also witnessed organizations chase after societal trends with cringy, ineffective, and expensive results. We have also witnessed organizations that have chosen to do nothing in the face of such destabilization with varying results.

## The inevitability of change effects a clash with future sentiment.

Our better sensibilities from the future will make all of us look like ethical barbarians. We now acknowledge the horrid treatment of marginal 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 are likely to be judged severely by future generations. Given this inevitable clash, how should we as a society poise ourselves in the present against past practices now deemed disreputable?

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One strategy has seemingly consisted of recent social movements that have employed varying degrees of social shaming to bring embarrassing prior behaviors of individuals and organizations to bear upon their current operations. That is, scandals and unsavory practices are raised in order to bar those whom such groups deem as toxic actors from current market participation and possible redemption. Spotting injustice, surely, should be welcomed. And shame is sometimes a useful social tool for correction. Shame, however, can also work the opposite way, and impede progress toward the very goals social movements advocate. Moreover, who could possibly stand against such a court that limits evidence only to historical instances? Who is without sin? Every individual and institution will be judged wanting when measured against the dictates of future taste.

## How do organizations and leaders reckon with their past that conflict with the sensibilities of the moment?

These are questions of no small urgency. How do organizations and leaders reckon with their past that conflict with the sensibilities of the moment? They must; but how? Promises to change, of course, are not uncommon. Actual transformation, however, is far rarer. How can we assess a threshold between the two?

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## 2. Institutional history as a source for transformation

A key distinction to make in this regard is between tweaks at the margin and change at the core. In our prior work, “Toward the Restoration of Trust,”<sup>2</sup> we suggested that the seeds of the latter reside within an institution’s own history. (Or, as we phrased it: “Institutional history always already contains its own resignifications”; Thesis §9.) This, we argued, is not revisionism; rather, it is a kind of “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/sites/g/files/toruqf446/files/documents/\\_Towards%20a%20Restoration%20of%20Trust%20-%20May%202021.pdf](https://faithandwork.princeton.edu/sites/g/files/toruqf446/files/documents/_Towards%20a%20Restoration%20of%20Trust%20-%20May%202021.pdf)



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## Crisis or scandal are often recurrent drivers for organizational change.

The source of each is usually not determinative. Whatever the source, crises and scandals tend to prompt a survivalist mindset where reactionary change is the only response. As such, the cliché “never waste a good crisis” is more likely to lead to short-termism and recklessness. People and organization eventually forget the pain of the crisis (or are naturalized to it) and revert to their earlier priorities and motivations. On the heels of ethical lapses, promises of change peddle fast. Such promises therefore ring hollow.

## Neither scandal nor crisis, therefore, is the best driver for sustainable and transformative change.

History is filled with promises of change made in the white, hot light of rolling cameras only to be broken after the news cycle passes. Whether a government agency failure (e.g., poor regulatory oversight leading up to the Great Recession of 2008), a corporate disaster (e.g., product recalls or worse), a religious institution scandal (e.g., sexual misconduct), or

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nonprofit organization misconduct (e.g., corruption and financial malfeasance), organizational history is littered with eventual inertia on the other side of initial commitments to change. Neither scandal nor crisis, therefore, is the best driver for sustainable and transformative change. They never reach the core issues.

## Change at the core is when an organization transforms.

Challenges to authentic organizational change in such instances are many, including the scale of integration, earning pressures, upfront pivot costs, R&D investments, lack of needed talent mix, company-wide commitment, and executive execution. If, for example, compensation models and promotional schemes continue to reward reckless pursuits of short-term profits and growth to the neglect of an organization's stated change, an organization will likely repeat its folly. At a moment when history is proving to be a threat to leaders and organizations, we are suggesting institutions confront their past as a driver for change at the core. Change at the core is when an organization transforms. Organizational transformation, of course, is difficult even if performed with genuine intent and commitment. The challenge to any sustained transformation is a proper accounting for the variables of change. Consider some of the following.

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- Was the pressure for change internal (e.g., leadership changes, employee demands) or external (e.g., regulatory agencies, market shifts, public pressure, pandemics, wars, etc.)?
  - Was the change an intentional pivot or 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 of accountability set in place to hold an organization's purported change accountable?
  - Has an organization been transparent on its reasons for change?

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### 3. The Transformation Assessment Model

Earlier business scholars such as John Kotter and Bernard Burnes wrote seminal pieces on what we today call “transformation.” For over a decade, Kotter studied more than 100 domestic and international companies that were seeking a fundamental change of their business model. In 1995, he wrote “Leading Change: Why Transformation Efforts Fail,” one of the most-read *Harvard Business Review* articles ever, positing eight errors that such companies make. In 2011, Burnes published an equally compelling piece in the *Journal of Change Management*, entitled “Why Does Change Fail, and What Can We Do About It?”

The foundational insights from these two scholars remain valid and helpful. Missing from both analyses, however, was a recognition of the many exogenous entities and events outside of an organization’s control. We alluded to these above: i.e., social upheaval, stakeholder activism, pandemics, political interference, technological innovation, or economic volatility. Such external forces can impede or derail a planned transformation at any time during its execution.

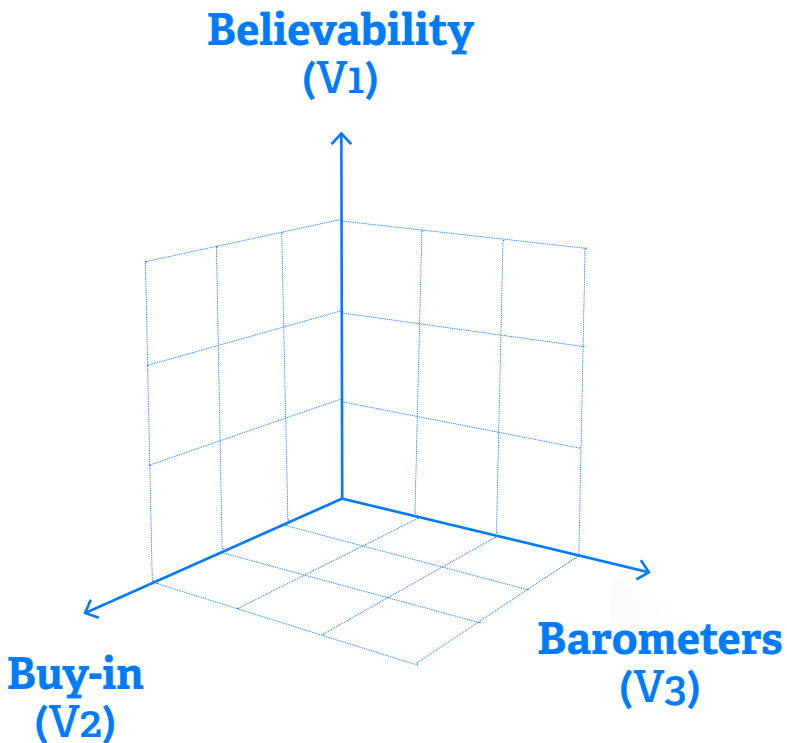
To address these challenges, we suggest use of the transformation assessment model (TAM), a three-part framework to aid organizations and their leadership, as well as exogenous stakeholders and actors, to assess the viability of transformation plans and progress. These external entities

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might also benefit from employing the TAM framework to assess the ethicality of their own mission, 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.



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# This framework can function as an assessment tool by both internal and external stakeholders

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

Each vector consists of an “all the way down” component—i.e., from the most senior executives and offices to the most junior employee—and an “all the way around” component—that is, integrated and measured throughout 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 undergoing transformation? Rationale and context matter; particularly when hitting headwinds, employee dissent, inevitable setbacks, and external scrutiny. The context of why an organization is purporting change matters. To what level of transparency is an organization willing to disclose regarding 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.

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- **Buy-in.** Are we talking about a fresh coat of paint or a systems remodel? Are we talking about tweaks along the margin or change at the core? Does the board and executive leadership team have 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 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 general categories: people, process, and scrutiny.

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**a. People**

There are many given people, talent, and fit-for-purpose challenges with respect to organizational changes. 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 of sorts comprised of 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 are the biggest 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 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. They are also clear as to what current operations and tasks must stop and when. Another critical transformation



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decision is whether to accomplish the necessary changes organically or to accelerate the process via mergers and acquisitions, spinoffs, legal restructuring, or liberal uses of consultancy services. How does the transformation get funded? And at what point (if ever) does the company sell or drop the outmoded products and services? The transformation team itself also begs many organizational and structural decisions. For example, is the transformation team a stand-alone 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 stand-alone silo entity or is it integrated vertically and horizontally throughout IT, operations, R&D, finance, and marketing?

### c. Scrutiny

Transparency and candor are crucial. Stakeholders and employees are quick to lose trust and confidence in leadership when these two elements are missing. The candid sharing of bad news, delays, and setbacks are critical in retaining credibility. Equally, transparency on the motivation for the transformation is critical, including, as appropriate, acknowledgment of prior “sins,” harm, or wrongdoing. Internal and external communications that are frequent, consistent, and honest are valued by stakeholders. This includes a plan regarding how to manage regulatory involvement and oversight, internal audit plans, and other fiduciary responsibilities.

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## The language of “burning one’s ships” has been used in leadership literature to communicate this “all in” mindset

Pervading each of these markers is an internal mindset and cultural commitment of “not turning back” 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 an 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 from 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 the burning our ships image, we can think 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.

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#### **4. Social harm and the ethics of exclusion**

To be clear, when motivated primarily by scandal, unrelenting public critique, declining profitability, or parroting social trends, we share the suspicion of organizational tweaks made along the periphery. Promises of change often rhyme with more of the same. 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 Twitter accounts, there are plenty of charlatans of change. The nonprofit sector, including government agencies, NGOs, activist groups, lobbyists, and religious organizations, are not immune to ethical shortcomings and disingenuous methods. Nor are special interest groups committed to calling out unfair practices and ethical lapses in others.

We suggest a healthy  
and prosocial scrutiny spread  
across all 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 their critics for the sake of improving the ethical standards of their production complexes. The food provider has been around for ages. Their past practices thus reflect standards of the time with respect to animal welfare that today are perceived as inhumane and cruel. 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 their 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 refused to work with those with past organizational stains? How should we think about such exogenous entities and actors—often with seemingly noble social goals—who exclude and attempt to ruin their target

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organizations from partnering or even participating in discussions to improve the future well-being of their products and industry?

A measure of suspicion is warranted regarding the actions of both parties. The food leader's past business model is becoming increasingly untenable; so, of course, they recognize the need to pivot. Their believability is thus rightly questioned. What if, however, their approach of the animal right's agency was genuinely intended to co-design external as well as internal buy-in for their new direction, as well as the barometers that would indicate thresholds of change? How should we think of the 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 were summarily "canceled"?

- **Scenario two:** In light of the European Union's (EU's) impending ban of the production of internal combustion engine (ICE) vehicles in 2035, a major automotive manufacturer repurposes its business plan to accommodate 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, their manufacturing plants up until this point reflect minimal concern for green energy measures. Early adopters within the EV market as well as environmental agencies are naturally suspicious of the automotive manufacturer's intentions. They are split, however,

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on how to respond to the manufacturer's blitz into the EV market. Some consider cautious cooperation. Others argue that a public relations campaign that spotlights their 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 in section three 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 either low or nonexistent. The automotive manufacturer's track record of unethical practices and cheats already renders the vertical vector of believability rather low.

There is something in cancel culture or exclusionary practices that is worth considering ... yet there is also something inhumane and unnatural about cancel culture. It assumes a *standard* of purity up to which none of us can measure.

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Do those lobbying for a public relations campaign against the automotive leader therefore “correct”? Is a collective effort to exclude them from the EV market the proper course?

There is something in cancel culture or exclusionary practices that is worth considering in this regard. As mentioned above, shame can sometimes be a powerful and effective corrective when leveraged for prosocial outcomes. It can also spotlight real harm and wrongdoing that may otherwise go unnoticed on account of legal technicalities. It can also give a “hot mike” to wronged parties in ways that legal and regulatory procedures cannot. And yet there is also something inhumane and unnatural about cancel culture. It assumes a *standard* of purity up to which none of us can measure. It often denies due process and can promote mob justice. It acts finally and fully with what is oftentimes incomplete information. It also prevents individuals or organizations from moving on after appropriate restitutions have been made. Canceling and excluding can also enact the worst of our species: e.g., a judgmental and holier-than-thou religious fundamentalism bent on destruction, violence, witch hunts, and crusades.

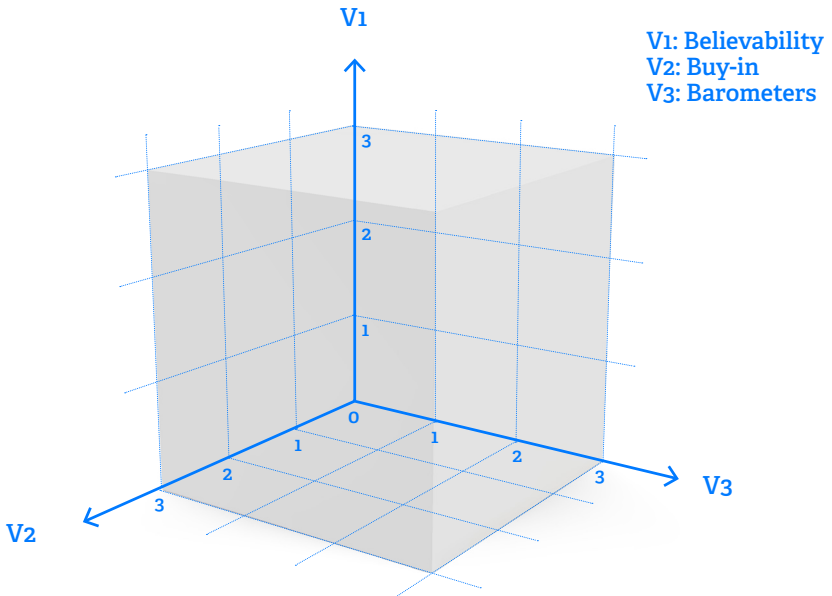
What we are proposing through the TAM framework is a nobler suspicion and criticism; a criticism attuned both to past wrongs as well as to what can be self-serving tactics of exclusion and refusals of collaboration. An application of the three-dimensional framework in this regard can be used as an assessment tool—a kind of audit that both analyzes an organization’s purported transformation as well as those who might question its genuineness and veracity. Such an assessment is not only more effective in holding organizations and their critics accountable but is also a more prosocial alternative to the ugly side of cancel culture.

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# 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 paid for, we need to develop more civilized redemption and restoration practices. Our proposed framework is as an initial step toward a nobler criticism and a prosocial suspicion both of those purporting to change on the other side of scandal or harmful practices, as well as those purporting to advocate for a public good or other prosocial agenda.





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## 5. A prosocial and practical path forward

Recall from section three how each of the three vectors represents a dimension of authenticity (or not) and ethicality (or not). Such a framework can be leveraged to aid organizations and their leadership to assess the viability of their own transformation plans and progress. They can equally help the market assess 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 zero (lowest) to three (highest). The lowest aggregate score would thus be zero; the highest score nine (i.e., a score of three across each vector). A cumulative score of zero to three would reflect a verdict of “unlikely” with respect to an organization's transformation plan; a score of four to six would lead to a verdict of “uncertain”; and a score of seven to nine would earn a verdict of “likely.”

What can an organization learn by identifying internal assessment discrepancies?

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While we could assign values and steer the analysis, a richer, more impactful, and more ethically insightful use of the transformation assessment model is for an organization to self-assess and appraise itself. Do we score ourselves as zero or three, 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 have a different self-assessment on one or more vectors than others? If so, why? What can an organization learn by identifying internal assessment discrepancies?

Equally, TAM can be used by external actors and entities to self-assess their agenda and intentions viz-a-viz the transforming organization. And where appropriate, there can also be a role 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 each of the above two scenarios through the TAM framework to illustrate how it can work. Note that these assessment scores are hypothetical and illustrative in nature only, not prescribed or necessarily accurate.

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## Scenario one: Food sector

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 did initiate conversations and a partnership opportunity with the animal rights organization. And yet increased decency toward animals is trending toward an historical inevitability. Moreover, past actions placed profitability ahead of animal welfare concerns. Assigning a high value of believability is thus unwarranted. Let us assign a one out of three in believability.

Regarding buy-in, let us suppose that though the most senior level executives remain largely intact, they hire new talent in key positions with expertise and proven performance records in the areas of animal welfare. The new leadership take programmatic steps to raise the new initiative to a central position within the messaging and culture of the company. The leadership even lets go longstanding talent that disapproves of the purported change. The leadership completely repurposes its metrics, processes, and incentivization structures to align 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 them a three out of three in terms of buy-in.

The food leader also establishes both internal and external thresholds and barometers (people, process, and scrutiny) at every level of their organization to reflect where they

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stand on the new direction. They also commit to self-assessing themselves with the framework at the end of each quarter as a show of commitment to their stated direction of being an industry leader that is committed to animal welfare. Let us assign them a three out of three in terms of barometers.

Their hypothetical total score in this illustration would be a seven—rendering a verdict of “likely.”

### **Scenario two: Automotive sector**

Now let us consider the automotive manufacturer. Their believability score is tricky to render. On the one hand, considering EU directives the transformation from an ICE manufacturer to EVs is an inevitability: External regulations dictate that they must change their business model. And yet, as we discussed, pivoting driven mainly from crisis in most cases proves unsustainable. Moreover, as stated above, their past actions rightly raise suspicions. Let’s therefore assign them a value of one.

Regarding buy-in, let us suppose that they have one chief goal: dominating the EV market. The automotive manufacturer is committed to profit maximization and market share, not the environment. Though they hire the best talent to accomplish their goals, the motivating force in reaching these goals remains largely unchanged. Little is done in their plants or other areas to match their environment-friendly marketing with respect to their EVs. At the level of buy-in, therefore, though they are dedicated to being a leader in the EV market, they appear to miss

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the motivating principles driving the EV turn in the automotive industry. They therefore receive a two.

Let us also assume that in terms of barometers (people, process, and scrutiny), their benchmarks reflect, again, profit and market share goals. These benchmarks are reflected across their people and processes. They therefore receive a mark of one.

With a hypothetical total score of four, their purported change is “uncertain.”

Both scenarios reflect the inevitability of change: times, tastes, and markets rush along the Heraclitus’ River of Flux, i.e., a never-ending flow of constant change. And yet in the case of scenario two, the truism of Karr appears operative: Purported change tends to be anchored in the harbors of past deeds. It is significant to note that though both scenarios score low in believability, scenario one is likely to make good on its efforts of transformation considering 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 their suspicion of the food industry provider’s believability, it is not insignificant that their criticisms do not engage the other two vectors. Campaigns to exclude and “cancel” the 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

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one out of the three vectors, one could be justified in a measure of suspicion in their own motives.

Scenario two is more complicated. The TAM exercise reveals a likelihood that past shortcuts and indifference toward 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. 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, however, the 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. And from the perspective of internal actors within the automotive manufacturer, aligning the vectors could well prove a lane of promotion and career advancement. Both in terms of internal strategy and external criticism, short-termism and reactionary campaigns prove not only ineffectual but effect antisocial harm.

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## 6. Toward a nobler and more inclusive way

As 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 by other actors might exist.

“Mercy without justice is the mother of dissolution; justice without mercy is cruelty.”

The 13th-century jurist Thomas of Aquinas wrote that “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 wider society. The transformation assessment model is an effort toward a nobler suspicion coupled with hope in an age where relying solely on good intent too often proves detrimental and naïve. TAM and our other reflections here are an attempt to break the logjam

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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—of all parties involved—desperately in need of healing and institutional transformation. We invite you to join the conversation.