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### Below the Bottom Line

#### The Cores That Wield Corporate Power

Art Kleiner

*Mr. Kleiner is author of [The Age of Heretics: Heroes, Outlaws, and the Forerunners of Change](#).*

These questions strike to the heart of the qualities that separate an organization-like a corporation-from a community. There has been much unnecessary frustration and mis- because people tend to confuse the two, and some of those dynamics are playing out post-World Trade Center war as well.

Corporations have two conflicting loyalties. First, like all organizations, they exist to im- prove the welfare of a "core group" of people. The makeup of this core group varies from compar- ing company. Sometimes, it's the founder and close associates. Sometimes, it's a "ruling" group like the Fords or DuPonts, plus executives who have made themselves indispensable. Sometimes, it's key investors and stakeholders. Often, it's primary "bottlenecks"-peop- le who control an important function, like finance or production. Only very rarely does the core include most employees, any customers, and all but a few shareholders.

You can always tell who's in the core group because people think of their benefit when they make a decision. They think that pleasing the core group is part of their job . . . and if they threaten the core group in any way, others around them will let them know-and correct it post-haste. Everything else a company does, including returning investment to shareholders and satisfying customers, is largely a means to this end.

In that sense, "ending world hunger," "seeking social justice," and "redistributing wealth" are viable goals only so long as they serve the wants and needs of the core group. Except for that, it's not that simple.

These questions ask how corporations should be governed, and how they should behave. It makes no sense to ask this unless we understand the forces that make them behave. Core groups and callings are two of those forces. Neither is intrinsically bad. Organizations are core groups, or they would have no energy. They would not achieve. Indeed, the combination of a core group driven by a global, technology-enhanced infrastructure is what has given corporations their unprecedented power.

I would like to see every corporation's true purposes-the values and demands of its co-

made public and explicit. Only then can people judge the potential impact of a company world around it. And only with that kind of information can people, inside and outside the company, make an effective bid for change.

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