

Values and Faith In Business

For many Americans morals and values in business would seem more and more to be a contradiction in terms. But Thrivent Business Leaders Forum has invited Delta CEO, Richard Anderson to be their guest speaker on this very topic here in MSP on April 7.

In fact, in some areas Delta and Richard Anderson do exhibit moral leadership. Delta's actions around the disaster in Haiti are commendable. Other charitable campaigns that Delta has undertaken are appreciated.

Morals are defined by the dictionary as "conforming to a conception or system of right behavior". This means that Richard Anderson's or Delta's morals must be examined from more than just their charitable activity. The Corporate Leadership Team's actions toward their workers is equally, if not more important.

In 2006 Northwest Airlines saw an opportunity to replace union aircraft cleaners with workers making half as much - \$9 and \$10 per hour. In late 2009 Delta decided to replace those aircraft cleaners in MSP with workers from Delta Global Services that were hired at minimum wage, \$7.25 per hour.

As any adult in the United States knows, including Richard Anderson, it is impossible to live on this wage. This wage consigns the worker to poverty, to a life of constant insecurity, to a life working 2 and 3 jobs just to scrape by. But Delta Air Lines proceeded with their plan because it drove down costs and made them more competitive. Would a neutral observer classify this as moral behavior?

We can see the same pattern with the spreading use of Ready Reserve. It gives Delta the ability to have a supply of "just in time workers", a spigot they can turn off and on as they need. They can lower labor costs dramatically at the expense of the Ready Reserve worker.

Many corporations, including Delta are expanding the use of "disposable workers", workers who get no retirement benefits, no medical insurance and no future. Again, would a neutral observer classify this as moral behavior?

Of course, the CLT's answer to this might be - 'To remain competitive we need to constantly reduce costs. We must be able to employ labor at the lowest cost. Otherwise we will lose our competitive advantage and we won't make money.' Similar arguments were used by industrialists to justify child labor at the turn of the 20th Century. This is not a moral argument or a presentation of faith, but a business argument.

If Richard Anderson feels that he is forced to make less than moral decisions because of the pressure of the marketplace, we would be happy to join with him to fight in Congress for industry regulation that would stabilize wages at a liveable level. Then airlines could compete based on customer service and efficiency, not on a race to the bottom for their workers. Now that would be moral and ethical.

To make reservations for Richard Anderson's appearance at the Thrivent Business Leaders Forum go to thrivent.com/businessleadersforum. The forum will take place from 8AM -8:40AM on April 7. 20 minute Q and A to follow. The event will be held at 625 4th Ave S. in downtown Minneapolis. Please attend.