What Motivates Companies to Act Responsibly



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When facing complex global challenges, ethical leadership plays a crucial role in determining whether companies prioritise societal well-being or profits.

Business leaders faced significant ethical challenges during the Covid-19 pandemic. Pharmaceutical companies stood at the centre of the storm, developing vaccines in record time while balancing the immense pressure to maximise profits while saving lives. Yet, not all companies responded in the same way when it came to distributing vaccines fairly across the world.

The Covid-19 pandemic was an unprecedented crisis. By mid-2021, several vaccines were already in circulation, with billions of doses administered. But the way these vaccines were shared between countries was anything but fair. While poor countries struggled to secure enough doses, wealthier nations hoarded vaccines and eventually discarded millions of doses stored beyond their use-by-date. In the first year alone, as many as one million deaths could have been avoided in poorer countries if distribution were more equitable, although other factors may also have played a role.

In our research we explored why some companies stepped up to support the global life-saving effort while others seemed to focus on profits. At the heart of this difference lies ethical leadership, which we've narrowed down to three key factors: having a values orientation, giving voice to those values, and providing a vision for the future. These three ?Vs? were pivotal in how companies approached vaccine distribution. They also apply more broadly to leaders facing ethical challenges and questions of responsibility, such as those encountered by social media companies today.

Factors at play

Set up as early as April 2020, the global initiative COVAX was designed to help prevent this inequity by distributing vaccines fairly worldwide. More than 170 countries, including at least 80 higher-income countries, joined the effort, but not all vaccine makers gave their full support.

Through semi-structured interviews with COVAX stakeholders, including pharmaceutical companies, public health organisations, NGOs and grant-makers, we found several reasons behind these differences of opinions. Some companies genuinely wanted to do the right thing. For example, AstraZeneca, which worked closely with COVAX, supplied its vaccine on a not-for-profit basis during the pandemic and saved millions of lives as a result. In contrast, companies like Pfizer, which needed special cold storage for its vaccine, chose to limit its involvement with COVAX, arguing that its product wasn't suitable for all settings.

Company leadership played a significant role in these decisions. Leaders who pushed their teams to collaborate with COVAX often had a broader vision for their company's role in society, while others were more focused on short-term profits and securing deals with wealthy nations. What every company had in common was an environment that was rife with pressure, often exerted at the very highest political levels.

For example, Pfizer CEO Albert Bourla noted Israeli Prime Minister Benjamin Netanyahu's persistent efforts to secure a vaccine deal for Israel, Netanyahu having contacted Bourla ?30 times?. Our data, however, suggests that the leaders of the vaccine-producing companies could - and in some instances did - resist such political pressure.

The role of ethical leadership: The three Vs

So, what makes some business leaders choose to do the right thing? Our research points to the importance of ethical leadership, specifically focusing on three key traits: having a values orientation, giving voice to these values, and providing vision for the future.

Values orientation

Ethical leaders make decisions based on more than just financial gain - they're driven by a sense of moral responsibility. AstraZeneca's CEO Pascal Soriot, for example, adhered to the agreement with Oxford University to provide the vaccine at cost during the pandemic, demonstrating a commitment to public health. While other companies may have focused on profit, Soriot's values led AstraZeneca to prioritise saving lives.

For business leaders, it's not always easy to make choices that align with moral values, especially when financial pressures are high. But those who succeed find inspiration and strength in their ethical beliefs, making decisions that benefit both their company and society.

Beyond the CEOs' own moral values, companies could also draw on their professed values, purpose and mission statements. Such was the case at Johnson & Johnson, whose **credo** and vision led it to develop a one-shot vaccine better suited to the developing world than the two-shot standard.

Giving voice

It's not enough for leaders to hold strong values - they also need to speak up about them. Leaders who give voice to their values inspire their teams and create a company culture where doing the right thing becomes the norm. For instance, Astra-Zeneca's leaders jumped in and helped their company sign deals when their team's negotiations with COVAX hit an impasse.

Companies that struggled with COVAX often experienced difficulties because their leaders failed to champion these values internally. In contrast, companies whose leadership clearly communicated the importance of global public health saw their employees work tirelessly to overcome the challenges of vaccine distribution. In an interview, Johnson & Johnson's then-CEO Alex Gorsky sent a strong message by saying that his company ?didn't want to make a dime out of this [crisis].?

Providing vision

Ethical leaders don't just focus on immediate problems ? they also look to the future. They understand that doing the right thing today can help build a better world tomorrow. Leaders with such vision see their role as shaping the future of their industry.

For example, during the pandemic, Soriot emphasised that vaccine makers weren't in a race with each other - they were in a race against the virus. His vision was one of global cooperation, where companies worked together to overcome a public health crisis rather than compete for profit. This kind of long-term thinking is crucial for leaders facing complex challenges like pandemics.

Providing such vision could even help industries manage existential threats. For example, the pharmaceutical industry should never underestimate the threat that regulators may limit intellectual property rights if they find that these rights constantly neglect the public good.

Ethical leadership makes the difference

The Covid-19 pandemic was a test for business leaders around the world. Some rose to the challenge, using their power to ensure that life-saving vaccines reached as many people as possible. Others focused on securing profits and making deals with wealthier nations.

Our research shows that the difference often came down to ethical leadership. Leaders who were guided by values, spoke out about their beliefs and had a clear vision for the future were more likely to engage with initiatives like COVAX and prioritise global health over profits. These leaders didn't just make a difference in the pandemic ? they set an example for the entire business world.

As we look to the future, the lessons from the pandemic are clear. In times of crisis, ethical leadership is more important than ever. By fostering a values-driven approach, giving voice to those values, and providing a vision for the future, business leaders can help their companies navigate challenges while making a positive impact on society.

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