



## MARKKULA CENTER FOR APPLIED ETHICS

### **The Board's Responsibility for the Corporation's Soul**

**Running Time, 5:25 minutes**

#### **Summary**

Varian Medical Systems Board Chair Richard Levy argues that the role of a corporate board is not just to fulfill their legal and fiduciary duties, but also to bring diversity of opinion and experience to corporate decision making and to take responsibility for what he calls "the soul of the corporation."

#### **When to Use This Video**

- To introduce the idea that a board has more than legal and fiduciary duties
- To introduce the concept that a corporation has responsibility to stakeholders beyond shareholders and that sensitivity to these obligations can be called the soul of the company

#### **How to Introduce the Video**

- Varian Board Chair Richard Levy serves on a wide range of boards and was earlier CEO of Varian Medical Systems. He is a respected senior figure in Silicon Valley. He spends a lot of time thinking about the role of boards and now serves as the chair of the Advisory Board of Santa Clara University's Markkula Center for Applied Ethics.
- Levy emphasizes the value of diverse perspectives on a board. Think about what diversity might mean for a company you know.
- Levy makes a distinction between the heart and soul of a company. See if that's a helpful concept for you.

#### **Questions to Ask After Viewing the Video**

1. Do you agree that a board has any responsibilities beyond the fiduciary and legal obligations to shareholders?
2. Why is diversity on a board useful? How much and what kind of diversity do you need?
3. What is the heart of a company and what is the soul of a company?
4. How can a board enhance the soul of a company?

#### **Concluding Comments Instructors May Wish to Make**

- There is an ongoing debate among board members and scholars between a narrow and board view of a board's responsibility.
- It can be difficult for an individual board member to raise an ethical or "soul" question in a board meeting dedicated to financial discussions.