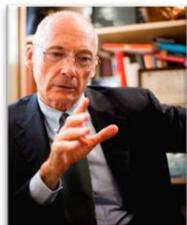


Conversation with Dr. Michael Bond on Economic Inequality



[Dr. Michael Harris Bond](#) is the Visiting Chair Professor of Psychology at the Hong Kong Polytechnic University. He earned his PhD in Psychology from Stanford University and his main research interests include social perception, the social psychology of language use, impression management, aggression, relationship issues of trust and affection, especially as applied to cross-cultural interaction. Professor Bond delivered a talk on “Out-group Trust” under the Stu Clark Distinguished Speaker Series at the I. H. Asper School of Business on February 5th, 2013. Trust is a known casualty of income inequality in a society. Therefore, BEIF engaged Dr. Michael Bond in a freewheeling conversation on economic inequality, business and management research. A few excerpts from that interview are below.

BEIF: Thanks for joining us, Dr. Bond. Could you reflect on how economic inequality affects business organizations?

Dr. Michael Bond: People in the developed world tend to be quite concerned about inequalities in societies, their own and others. Even to be concerned about someone beyond your neighbourhood is an achievement, however. I think it’s an achievement of civil societies, which have mastered the basic problems of living, to be concerned with issues other than just day-to-day survival. But, business is disconnected from such concerns of civil society; everything in business is predicated on the bottom line, the defining line for everything.

So, what is it in our experience of growing up in a social system that predisposes or enhances the likelihood that we will have some concern for people we don’t know? In such a society, we can be more trustful. We can trust strangers, partly because we know they take our interests into consideration; we know if they don’t, then they’re going to get into legal and public relations trouble. To sum up, economic inequality erodes the trust that is needed to conduct market transactions.

BEIF: How do you think business organizations can reduce inequality and why should they do so?

Dr. Michael Bond: Well, how about profit sharing? Just talking off the wall here. Suppose a company engages its employees with profit sharing. Like ‘John Lewis’ in Britain, this is a company that shares its profits with its employees. With a system like that, you can get people working like blazes.

Policies! Policies that apply to everybody, like health care policies, for example. Everyone is equal in terms of their fatedness to be subject to illness and death. What does a company do to put provisions, which promote greater equality in health care access into place? So, all our employees have access to healthcare not just the upper level. All of our employees have access to a pension plan even though they may not be earning much. Companies can act on those sorts of issues that are within the ambit of the company in terms of policy.

For companies, it can be a very powerful marketing tool to claim that you're doing the right thing. A lot of companies are involved in CSR activities and will trumpet them widely in order to generate good publicity for their company. Particularly, when that contribution is seen to improve the lot of everybody where it becomes tangible how I am benefitting from the fact that this company is into these green projects. So, I think companies can be more proactive in that way in having a strategy about what and why they are doing these sorts of community endeavours.

Through their efforts to reduce inequality, business enhances trust within a society. And what does that do in a social system where people have that confidence in the system? Does it potentiate volunteerism, or corporate social responsibility, and does in turn that higher incidence of CSR build a kind of society with positive outcomes in terms of development... what happens between you and me because we know and feel that we are functioning within such a social system? Are we potentiating certain human outcomes in these systems? Now, we have to start measuring these things! Then, we can show the reasons why businesses should care about social issues like economic inequality.

BEIF: Thanks a lot, Dr. Bond. We appreciate your taking time to speak with us.