

The Culture of Union Carbide

By Wil Lepkowski

Assembling a fully descriptive portrait of Union Carbide through its transformation since 1984 is an elusive undertaking (see my post- script). That is because, as with all corporations, at least four worlds intersect within its closed institutional system, each painting its own canvas. First is the financial realm, demarcated by the company's performance on Wall Street; second, the complex managerial world of covert strategies, veiled motives, and risky decisions; third, the human world of the Carbide work force; and, fourth, the symbolic world- the sturdy and reliable image that the corporation seeks to present to its customers, its shareholders, and the public.

Sharply different, too, are the confident, masculine, all-is-well, all-will-be-well mentalities at the headquarters level in Danbury, Connecticut, and truer-to-life existence of smells, and Louisiana, of Carbide the grittier, sounds, laughter, emergencies at Carbide's operating plants in West Virginia, Texas, and elsewhere. Carbide's saga is replete with drama--much known, a great deal hidden--because of the legal, financial and media pressures that bore down on it from late 1984 through 1989, when the case reached the Indian Supreme Court. It survived, and bears its combat medals proudly--though as regards Bhopal rather stiffly, often evasively.

So the post-Bhopal Carbide brought into rough focus in this chapter is no anatomically correct rendering of a complex organization but instead a shifting cubist melange. The parts are recognizable but they frequently seem oddly disconnected. The legal Carbide hardly fits an outside observer's expectation of the ethical Carbide, though Carbide clearly that assessment. The scientific Carbide officials would dispute especially as regards toxicological research on methyl isocyanate--would hardly live up to science's exacting demand for all the toxicological facts about a controversial molecule. And the journalist's ideal of a Carbide candid about itself, willing to take a reporter aside and describe the agonies of decision, conflicts rather predictably with the reality of a corporation bent on preserving shareholder value by protecting its image.

Historically, Union Carbide's corporate structure likewise displays a cubism of its own behind the company's hexagonal logo. Separate, unrelated fiefdoms of industrial gases, metals and alloys, carbon electrodes, agricultural products, chemicals and plastics, and specialty products each jealously adhered to their own corporate personas, presenting an image of a company perpetually searching for focus. New ventures would emerge according to fashions of the managerial moment, only to flounder in indecision and isolation, and ultimately disappear. To Wall Street, the pre-Bhopal Carbide seemed a benign, in- bred, poorly managed, under-performing, company that never could quite "get its act together," an image that dogged the company from the mid-1960s until its systematic dismemberment into the monolithic ethylene-based petrochemical company it returned to by 1993. 1

What all Carbiders have always held in common, though, was pride in technology and the feeling of being treated fairly and humanely by the company. Carbide's top managers, in my judgment, displayed the once stereotypical mentalities of the engineer: regimented, narrowly focused, business-first, hostile to the social and political values of the environmental community, but paragons of dedicated citizenship. 2

Until the late 1980s, when continuous restructuring and layoffs led to serious declines in the morale of its workers and depressed confidence in management, 3 Union Carbide commanded extreme employee loyalty and security. Though less than a sixth the size it was before Bhopal, Carbide still ranks as a large chemical company, employing around 14,000 people in plants along the Houston Ship Channel, the petrochemical alley running down from Baton Rouge to New Orleans in Louisiana, the Kanawha Valley of West Virginia, and dozens of other places.

In the Kanawha Valley, many Carbide families reach back to the company's beginnings in 1917. Bonds are powerful among Carbiders, as well as between Carbiders and the various social and commercial institutions in the Valley. To be a Carbider--at least to be one still remaining with the company--is to wear a badge of reliability, responsibility, and stability. When reminded of the Bhopal disaster, a Carbider always replies that the cause was sabotage at a plant operated by Third World foreigners. The American company could not possibly have been responsible. 4

Before Bhopal, "the whole chemical industry operated on the basic assumption that what we did within our fences was none of anyone's business," commented one Carbide community relations official in Charleston interviewed in 1991. "And the people outside the fences didn't think it was any business of theirs, either. Bhopal changed all that, and for the better." Yet, ironically, what really brought new consciousness to Carbide, he added,

was not so much Bhopal as the serious leak of a mixture of aldicarb oxime that took place nine months later at its plant in Institute, West Virginia. "That one really shook us," he said. "We said it couldn't happen to us here and it did. That's what really kicked in these new attitudes." 5

But Bhopal remains central to Carbide's damaged identity. The noble mythology of the chemical calling (high service to society) made the enormity of the disaster especially jarring to Carbiders. It was their children who had to face classmates in the disaster's aftermath. Carbiders felt not only the shame of identification with the affected company but also the insecurity of wondering about the survivability of their jobs. And those fears were well placed. As a result of the corporate dismemberment during the 1980s and early 1990s, tens of thousands of former Carbiders were either let go or with some degree of relief became part of such companies as Ralston Purina, Rhone-Poulenc, First Brands, UCAR Carbon (the name of a new company formed by the sale of half of Carbide's carbon products division to Mitsubishi), and Praxair. This dissection almost certainly could have been avoided had Carbide made an early \$600 million settlement on damages with the Indian government.

Up to the editing of this chapter in mid-1993, Carbide was well embarked on a campaign to demonstrate to all its publics its determination to be "second to none" in environmental and safety matters. But the effort of winning over the public has been a difficult one for Carbide, owing it least partially to its past. Of no help was the 1985 aldicarb oxime leak, or the March 1991 explosion of an ethylene oxide unit at its petrochemical plant in Seadrift, Texas, which killed one person and injured thirty-two. For that accident, the Occupation Safety and Health Administration fined Carbide \$2.8 million, reprimanded Carbide for ignoring several internal safety audits that urged preventive measures in the explosion area, and withdrew a safety award the agency had given Carbide months before. The report conjectured that had the accident occurred during the workday, rather than at 1:00 A.M., more than four hundred might have been killed. 6 As a result of the Seadrift explosion, a group of community activists formed an organization they called "Citizens Concerned About Carbide" in response to what they felt was Carbide's less-than-forthcoming behavior within the surrounding community following the Seadrift explosion. By the end of the year, they were petitioning the Chemical Manufacturers Association (CMA) for violating the principles of its Responsible Care accident prevention program. The effort failed, but their actions resulted in the launching of a continuing dialogue between the two sides over the sharing of relevant safety information between the plant and the community.

I have dwelt at length on this background in order to say simply that attitudes at Carbide as a company are representative, even stereotypical, of traditional chemical industry attitudes in America before and since Bhopal. Before Bhopal, it distrusted environmentalists with lightly veiled contempt. Now, though inbred defensive attitudes persist, it recognizes the tides and even characterizes itself as a "green" company. 7 Carbide's attempt to locate two small chemical plants in Kingman, Arizona against strong public opposition offers one illustration of its new attitudes. 8 Because two chemically unrelated plants were involved, entailing different aspects of Arizona's environmental legislation, the action aroused a swirl of corporate and citizen misperceptions. But in the end Carbide learned important lessons of community relations that were not lost on corporate headquarters. 9 Carbide succeeded in building the plants through considerable compromises with the community, through almost unprecedented negotiation between plant managers and citizen groups, and at a price that barred any further chemical development in Kingman. At Seadrift it was learning, with much more difficulty, to deepen its exposure to the local public. For what community activists were pressing for was in essence internal co-management of the plant's accident-prevention system by establishing an inspection corps made up of outside experts.

As Carbide's then-president, William Lichtenberger, told shareholders during the company's annual meeting in April 1991, the high costs of environmental control and safety engineering are "absolutely necessary to meet our responsibilities to our people, our neighbors, and to the planet." It was only when the 1990s began, six years after Bhopal, that high-level Carbiders began so explicitly to express the company's responsibility to the earth's ecology and to employ such verbal icons as "planet" in their rhetoric.

The Mind of Union Carbide

Is there any final summation, any accurate generalization, of the "mind" of Union Carbide as reflected in its behavior during the eight years since Bhopal? Answers must be cautious because they are personal and are mostly derived from inference.

Carbide can justly claim to have been misrepresented and unfairly abused in its attempts to bring assistance to the Bhopal victims. Self-righteousness certainly pervaded all sides--Carbide, the Indian government, and activist groups--during the entire drama. Industrialists may have a heart as individuals, but their professional devotion and sense of survival cling tenaciously to the financial bottom line. To have admitted any mistakes in managing the relationship with its Indian affiliate would, to Carbide officials, have spelled destruction to their company. Yet corporate officials do agonize, do stumble, and do get muddled in the process of establishing policy. When in 1984 I asked one Carbide officer how he would have managed UCIL, he answered simply and probably accurately: "I would have kicked ass."

Carbide worked hard to portray itself as a passive victim of foreign-investment laws and rules in India. Other companies ridiculed this stance, but, then, none of them suffered a Bhopal. According to its own account, Carbide also became a victim of India's radical politics and technological backwardness and finally of an alleged saboteur. Beginning as the party "morally responsible" for the disaster, Carbide painted itself finally with continuous brush strokes as the moral victor. And Carbide did not fail to receive its share of support from the financial and popular press. 10 Especially supportive was a 1988 broadcast of the CBS program "60 Minutes" that sympathetically described Carbide's frequently thwarted attempts to bring humanitarian aid to the victims.

Still Carbide's image during the Bhopal episode was that of a company that had decided to play legal hardball with the disaster. While it claimed moral responsibility, it seemed to shun any deeper spirit of reparation or of understanding Indian culture. How can one explain that? There is a form of dishonesty, or perhaps more properly structural self-deception, built into the process of corporate reparation in an industrial disaster. Such a posture (based on the implicit proposition that "we do everything well, carefully, caringly, and safely") may be unavoidable, because liability is always just around the corner in any chemical operation. But it exists nonetheless, supported by two kinds of institutional pressure. The first is the need to put only the best face forward to shareholders, present and future. The second is the unavoidably litigation-resisting character of the modern U.S. corporation, which translates into the position "we can make no mistakes that can be admitted to."

In the Bhopal case, the first imperative led to Carbide's attitudinal "atonement" through its establishment of new safety and environmental practices within the company. Bhopal drove Carbide to do good for its own workers, as it also led to the still deficient community right-to-know law in whose promotion Carbide played a leading role. At the same time, the second imperative pushed Carbide to distance itself from the disaster victims in Bhopal. While it "atoned," it also detached.

Union Carbide, in my view, had every reason to reach out for public understanding--to more fully atone, as it were, for an accident that occurred under its blue and white logo in a distant part of the world. Warren Anderson spoke of Carbide's "moral responsibility," and it seemed just the right tone to take in those early days. But it raised false expectations that Carbide would seek creative solutions as the legal picture became more and more tangled and contentious. Later, Carbide transmuted "moral responsibility" into self-righteousness, becoming moralistic, even close-minded, about Bhopal. To Carbide, the settlement was a closure that allowed it to walk away from India, to evade the fuller atonement that moral responsibility implies. Bhopal could have been the opportunity for Union Carbide to display legal and moral innovation: a disaster one company decided not to turn its back on. Instead, it negotiated not a commitment to continuing stewardship at Bhopal, but an uncreative, even antiquarian, way of notarizing its moral responsibility for what was (and is) a unique, ongoing tragedy.

In the summer of 1989, during a long interview at Washington's Metropolitan Club and later in his office, I asked Ronald Wishart whether Carbide bore any long-term responsibility to atone for Bhopal. The answer given by Wishart was that atonement implied guilt, which Carbide never intended to admit. But Wishart misread his Christian theology. The idea of atonement in the Christian tradition is not primarily about the atoner's guilt; it is about sacrifice as an act of reparation for the sins of others. By its silence, its self-righteousness, its lack of scientific integrity in failing to pursue the toxicology of methyl isocyanate, and its refusal to bring to justice any Bhopal plant "saboteur," Carbide shunned the ideal of corporate moral responsibility, while publicly embracing the concept. 11

In 1989 Carbide's chairman, Robert Kennedy, was elected chairman of the Chemical Manufacturers Association (CMA). The theme of his speech before CMA's 1989 annual meeting was the chemical industry challenge of regaining the "trust and confidence of the public." He said: "We can sit back and wait for the public to

come to its senses and discover us doing good, or we can stand up strong and tall and say what we're doing, what we've done already and what we're going to do. There is a growing need for predictable, consistent environmental stewardship from nation to nation and region to region around the world. The chemical industry has a great opportunity in the years ahead to make new history."

Eight days after Kennedy's speech, an internal memo was distributed among Carbide's public affairs strategy group. It concerned an environmental activist organization known as the Citizens' Clearing House for Hazardous Waste (CCHHW) formed by former Love Canal activist Lois Gibbs. The memo characterized CCHHW as "one of the most radical coalitions operating under the environmentalist banner," with "ties into labor, the communist party, and all manner of folk with private/single agenda." CCHHW's agenda, the memo said, was to "restructure U.S. society into something unrecognizable and probably unworkable. It's a tour de force of public issues to be affecting business in years to come."

Carbide officials discount the memo's significance. What it did do was expose a lingering mentality the company finds difficult to shake, even after Bhopal--that "radical" elements of society somehow conspire against the virtues embodied by American industry and, perforce, against civilization itself. But by Earth Day 1990, just as the Washington Post was about to publish the text of the memo, its author sent an apology to Gibbs. That gesture could also be construed as an offer of reconciliation, another step in Carbide's long voyage toward renewed respectability.

Union Carbide after Bhopal is a permanently changed company. Its officers may personally have profited by the breakup of the company after the OAF takeover attempt, but it is deeply scarred and permanently pained by the experience. Kennedy won for himself and Carbide their self-described "fistful" of awards from the chemical industry. But in the post-Bhopal era, this whole industry is in the process of transformation toward sensitivity and gentility in planetary stewardship. Belatedly, Carbide, too, seems to have learned the right vocabulary and has, by all indications, finally "got it."

At the 1991 annual meeting, Carbide's legal counsel and director, Joseph Geoghan, would tell me: "Bhopal is going to be the kind of overhang that will always drive Union Carbide and the industry toward improved results. Everything we do will be put in the context of Bhopal." Yet by 1992 Carbide seemed to be refocusing itself into oblivion. Entities bought only a few months before were being offered for sale. All that was left of the Union Carbide that before Bhopal had employed almost 100,000 people was its Chemicals and Plastics core, with a smattering of unwanted specialty operations and a work force only 14,000. Kennedy was described as revived at the prospect of running a company now so tightly focused. Yet in 1993 UCC continued to struggle for profitability. The world market in ethylene-based chemical commodities remained in a deep recession. Added foreign capacity intensified the competitive pressures on Carbide. Prospects were grim.

As a boy during the 1940s, I remember attending frequent movie matinees that would often run cartoons featuring the characters Bugs Bunny and Porky Pig. Each feature would close with Porky focused at the center of a large circle. Before "The End" appeared, and while the band played its merry tune, the circle would diminish in size to a narrower and narrower focus before disappearing entirely, taking Porky with it. As the circle narrowed, Porky would intone his goodbye to the audience with his cheery, "That's All, Folks." And then, Porky gone, the theater screen would darken to silence. So it may be with Carbide, except that the story is hardly a funny cartoon, and there is no applause.

1. This judgment is based on informal conversations with former Carbiders and others familiar with the chemical industry. Carbide, however, has been considerably written about in the financial press. See, for example, *Forbes* (December 10, 1990): 106; *Business Week* (October 29, 1990): 70; and *Wall Street Journal*, January 23, 1992, p. A1, for critical accounts of Carbide's corporate prospects.

2. Corporations are careful to remain "off the record" in their honest attitudes toward the environmental community. This judgment, however, is based on my own years of reporting on the environmental movement, including involvement in several off-the-cuff conversations with industrialists over the years.

3. An internal survey of Carbide employees, conducted late in 1991 and published in its company magazine, reported a widespread decline in confidence toward top management. See *Union Carbide World* (December 1991).

4. These assessments are self-evident to anyone who has spent any time living in or visiting a chemical plant community. The chemical industry culture has indeed not been studied to any extent. But in my own visits to the Kanawha Valley and through conversations there, I repeatedly was struck by the strong sense of honesty and integrity of Carbide employees, along with a thin-skinned readiness to defend the vulnerable record of the company. Carbide, after all, was also responsible for the worst industrial disaster in American history--the, infamous mass silicosis tragedy during the construction of the Gawley tunnel during the 1930s by Carbide's metals division. See Martin Cherniack, *The Hawk's Nest Incident* (New Haven, CT: Yale University Press, 1986). Carbide omits that episode from its histories.

5. Interview with Thad Epps, director of community affairs, UCC, South Charleston, WV, July 1991.

6. Memorandum dated June 28, 1991, "Request for consideration of approval of an egregious case," p. 4. Confidential internal report by the Occupational Safety and Health Administration, 1992.

7. Cornelius C. Smith (UCC vice-president, community and employee health, safety, and environmental protection), "Bhopal Aftermath: Union Carbide Rethinks Safety," *Business and Society Review* 75 (Fall 1990): 50.

8. *Chemical & Engineering News* (January 1, 1991): 15.

9. *Chemical & Engineering News* (May 13, 1991): 14

10. See, for example, *Barrons*, February 1988, lead editorial.

11. According to much Western Christian tradition (using biblical sources such as Isaiah 53: 4--5 and Mark 10: 45), the act of atonement in the sacrifice of Christ delivers all persons out of bondage to their sins. A self-emptying, reconciling act, the atonement does not simply cancel debts up to the present, but also covers all future debts. Belief in this theory is in turn inherent in the ethical value system in the West. Union Carbide assumed the mantle of "moral responsibility" for the Bhopal disaster, thus inviting a deeper examination of what such a claim does indeed represent for corporate human beings in a disaster on the scale of Bhopal.