

Enron: Rankism Writ Large

By Robert Fuller

Outrage turns to dread as we come to terms with the truth: Enron is merely a symptom of a corrupted system. The situation brings to mind those old engravings that show pickpockets working a crowd of Londoners gathered to witness the hanging of a pickpocket.

In the world of business, it is common for the high-ranking to use the power inherent in their rank to exploit the low-ranking. At Enron, top executives and their cronies lined their pockets at the expense of employees, shareholders and the public. More generally, executives and their board members award themselves salaries thousands of times those paid their employees, while shielding their retirement savings from down-side risk. The victims of corporate corruption are selected as targets for no reason other than that they are weak and vulnerable. Enron executives selected their victims not according to color or gender, but according to rank.

Like racism and sexism, corruption is a betrayal of American ideals, and, like them, it poses a mortal threat to American democracy. To root out the injustice that issues from corruption, we must address a kind of discrimination that we have overlooked until now—rank-based discrimination.

We are handicapped by the lack of a term for rank-based abuse and discrimination, a word that communicates its malicious intent and its devastating impact. When abuse, discrimination, and injustice are race-based, we call the result racism. When the abuse is gender-based, we call it sexism. By analogy, rank-based abuse, discrimination, and injustice might be called “rankism.”

In itself, rank, like color and gender, is neither good nor bad. When it is earned and exercised appropriately, rank is a legitimate and virtually indispensable tool of management. But when the high-ranking abuse their authority, those of lower rank experience discrimination and injustice not different in their material and psychological effects from the discrimination and injustice that we have learned to disallow when the targets belong to trait-based identity-groups.

Rankism is abuse and discrimination stemming from a misuse of rank. It’s a dysfunction that occurs in all hierarchies—in government, business, families, the workplace, schools, and healthcare organizations.

Although we are hypersensitive to the indignities and injustices that befall us as individuals, we are slow to organize against injustices that affect everyone. Nonetheless, overcoming the discrimination and injustice resulting from corruption is within our power. But we will need to go beyond strengthening regulatory agencies and reforming accounting practices and campaign finance, as critical as those reforms are. The change

required is comparable in magnitude to the transformations America has undergone to address other historic injustices.

In the last half-century, we have seen blacks, women, homosexuals, and people with disabilities organize against indignity and injustice. Movements built by these groups succeeded in replacing a social consensus that sanctioned discrimination and injustice with a consensus committed to equal rights. A closer look at racism and sexism, however, reveals that color and gender differences are not the actual sources of abuse and discrimination. Color and gender function rather as indicators of vulnerability. As with the victims of corruption, the actual targeting criterion for perpetrators of the familiar isms is rank. For this reason, an all-inclusive approach might now do more to further the interests of identity-based groups than the splintering, sometimes divisive politics of recent years. A practical way to extend justice at this point, is to attack the underlying cause of indignity and injustice, regardless of who is targeted. That cause is rankism.

It might be objected that rankism is human nature. Yes, but it is equally human nature to combine forces against such exploitation and place limits on the authority vested in rank. Once we have identified a misuse of power and given it a name, we have repeatedly succeeded in putting the abusers on the defensive, and then in reducing their numbers to the vanishing point. We have overthrown kings and tyrants and placed political power in the hands of the people. We have reined in monopolies with anti-trust legislation. We have limited the power of bosses through unionization. Just as we have dismantled Jim Crow and dispelled the feminine mystique, so too we can disenthral ourselves with the “somebody mystique” that underpins corruption and rankism in all its guises.

Given its proper name, “rankism” will be seen for what it is-abusive, discriminatory, and unjust-and it will become as hard to defend as are racism and sexism. As rankism loses its sanction, the business environment will become as inhospitable to Enron-like corruption as America is to discrimination and injustice against blacks and women. Rank-based discrimination is destined to take its place alongside racism and sexism in the waste bin of history.