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TRANSCRIPT

Diversity -- Who Needs It?

Given by
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The George W. Woodruff School of Mechanical Engineering Annual Distinguished Lecture was established in 1990 to honor an engineer who has made an outstanding contribution to society and to provide a forum for that person to address the Georgia Tech community.

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Euan Baird is Chairman of the Board, President, and Chief Executive Officer of Schlumberger. He joined the company in 1960 as a field engineer, and from that time until 1974 he held various field assignments in Europe, Asia, the Middle East, and Africa. From 1974 to 1979 he was the Personnel Manager and Vice President of Operations for Schlumberger Technical Services in Paris. In 1979 he became the Executive Vice President in charge of worldwide wireline operations for Schlumberger Limited. He held this position in New York until October 1986, when he was elected to the positions he currently holds as Chairman of the Board, President, and Chief Executive Officer.

Euan Baird has been a Trustee of the Haven Management Trust since 1994, a Trustee of the Carnegie Institution of Washington since 1998, a member of the Prime Minister's *Comité National de la Science* in France since 1998, a Member of the Prime Minister's Council of Science and Technology in the United Kingdom since 2000, and a Member of the Board of ScottishPower since December 2000.

Mr. Baird attended Aberdeen University in Scotland and Trinity College in Cambridge, England. He received an M.A. degree in Geophyiscs from Cambridge University in 1960. In 1995 and then in 1998, he received the LL.D. from Aberdeen University and Dundee University, respectively. In 1999 he received a D.Sc. from Heriot-Watt University in the UK.

Mr. Baird was born in Aberdeen, Scotland in 1937. He is married to Angelica Baird; they have two daughters.

INTRODUCTION

[Editor's Note: This transcript is an edited version of Dr. Baird's lecture. To view the original lecture here on our web page, click on the George Woodruff Medallion to view the webcast.]

Ladies and gentlemen, good afternoon and thank you for the very kind introduction. One of the problems of getting up in the world is that the introductions tend to get longer and longer, so I will get on with what I have to say without further ado, but it is a great honor and a privilege to be with you.

Today when I looked at Georgia TechÑI have been around your school. It is a very impressive place and you are indeed very lucky to be part of this wonderful university.

As part of my preparation for this talk, I was directed to your web page. There I was on vacation in the wilds of Denmark waiting patiently while 30 megabytes of information crawled slowly out of cyberspace. The results, however, were impressive. It gave me a clear picture of The Woodruff School of Mechanical Engineering and another lesson in the power of the Internet to make knowledge more accessible.

You will be relieved to know, however, that I am not going to talk about the Internet and all the dramatic things it's doing to the

business world. Instead, I will talk about basic cultural aspects of companies, which change much more slowly than technology and are fundamental to long-term success. In particular, I'll discuss the role of diversity in the development of a company.

In fact, though I hardly needed a refresher course on your university since I already knew you from the quality of the engineers Schlumberger has recruited over the years -- and I see this afternoon we are still at it -- that Georgia Tech ranks among the best engineering schools in the world. As a southern gentleman might say, your reputation precedes you, but in a good way. You may have already noticed from my accent that I am neither from Georgia nor the South. Actually I'm from the North, and I don't mean north of the Mason Dixon Line either. I'm from Aberdeen in the north of Scotland.

The Scotland of my youth was, as you might imagine, the antithesis of a diverse society. I always felt that the emergence of so many tartans in Scotland was probably an attempt to compensate for the lack of human diversity. Without any undistinguishing features, the tartans made it possible to recognize the enemy in the heat of battle.

When my father was appointed Professor of Medicine at Aberdeen University it created uproar. Not because he wasn't a good Scot, but because he had graduated from Glasgow University, a full hundred miles further south.

For us at the time, if you had asked about the importance of diversity, the answer would simply have been, "Who needs it?"

I now live in New York, which must be one of the most diverse communities in the world. Diversity plays an important role in the social and political dynamics of a society to a point where the restrictions imposed by political correctness can impair one's ability to express ideas fervently and simply.

Any talk on diversity given in America today will conjure up high ideals of fairness, justice, and opportunity for all. And so it should. But for diversity to play an important role in the dynamics of a company, it must be supported by a sound business case. And with the help of my Schlumberger experience, it is this case that I would like to outline for you this afternoon.

I make no apologies for drawing on my Schlumberger experience. Ever since many, many years ago when my children -- I have two daughters --still cared about whether I made a fool of myself on occasions such as this. I had recently been asked to give a talk at a dinner and the discussion around the table was what should I talk about, so the eldest, who is actually quite a nice person and generally is quite helpful said, "Well, why don't you talk about Schlumberger," And the youngest, without looking up from her plate, said, "It's the only thing you know anything about anyway." I have followed their advice ever since.

Two years ago *The Economist*, the publication in London, published a survey of companies that have been successful over periods much longer than any business or technology cycle. All the companies in the survey had one thing in common, which is a very good start in life. They also shared the following characteristics: they were financially conservative, they were very sensitive to their surroundings to the point of being paranoid, they tried to create a cohesive sense of belonging, and they were tolerant, open and flexible.

Schlumberger has been around for 75 years and we can certainly identify ourselves with this list. I think the unique part is that we have developed a solution to tackling the issues of sensitivity, cohesion, and tolerance; and in a word, it is the importance that we have given to diversity.

Diversity means many things to many people. At a basic level, we tried to define it in the 1993 annual report with the following words to our employees: "Your uniqueness is a valued contribution to our overall culture and is not a barrier to your development." Sounds simple, sounds easy, but the devil is in the details.

The Economist's survey emphasized the importance of having a good start in life, and I don't think that any company has had a better one than Schlumberger. Two French brothers, Conrad and Marcel Schlumberger with their father acting as their venture capitalist, founded the company in 1919.

Here is an extract from the contract -- he actually signed a contract with his sons which set out the ground rules for his investment, and it starts: "For their part, my sons agree not to dilute their efforts by working in other areas. This field is large enough to occupy fully their inventive genius, and to explore it properly they must devote themselves entirely to it. The money given by me is my contribution to a work primarily scientific and secondarily practical. I consider this work of great importance and I am greatly interested in it. Marcel will bring to Conrad his remarkable ability as an engineer and his common sense. Conrad is, on the other hand, a man of science. I will support them."

Pierre Schlumberger was as concerned with the human qualities of his investment as any successful venture capitalist today. With their father's money and support, the brothers proceeded to pioneer technology, which was to revolutionize the way our companies explore oil and gas. They also laid the foundation of a company culture based on people and technology.

I joined Schlumberger as a field engineer in Libya in 1961 at age 23. At the time the company was still owned by the Schlumberger family and there were less than a thousand employees. Revenues that year were $130 million and our activities were confined to providing specialized measurement services to the oil and gas industry.

Although we operated all over the world, the monarchy was almost entirely French and American. Today, 40 years later, Schlumberger is a truly international service company working at the leading edge of huge global commodity businesses such as the oil and gas and utility market; where we provide services and products that improve the efficiency of our customers.

At the end of last year, Schlumberger had more than 60,000 employees, revenues of around $10 billion, and a market capitalization of $45 billion dollars. This sort of growth is what you might expect from any successful international company.

However, the most significant change Schlumberger has undergone is cultural. Today we have employees from 140 countries around the world. The mix of graduate engineers by continents reflects almost exactly the revenues generated, not our origins.

Unlike most other companies, this diversity is not confined to the lower levels of management. Today, amongst the top ten managers there are six different nationalities. There are no women.

Recently I reviewed the list of the 15 star performers in their 30s who will be running the company in ten years' time. This list included three Americans, three British, two French, and one each from seven other countries. There are now four women on the list.

This broadening of our cultural base was no accident, nor was it a response to some external constraints or government regulation. It was a consistent strategy executed over the last thirty years.

The question is why was it done? Is diversity good for business? Does a customer care that its suppliers are diverse? Why would and even should a shareholder care?

Diversity is often considered as a goal in itself, an end in itself, or simply the right thing to do. In some countries, such as the U. S. and Malaysia, it has been subject of government legislation to oblige companies to help them promote social cohesion. However, in the competitive world of international business, these reasons are simply not good enough.

Diversity has to be supported by a sound business case, which will sustain the determination of the company as it goes through the very painful changes needed to achieve diversity and equality. The renowned and often misunderstood Scottish economist and philosopher -- and there are a lot of Scots that are not properly understood -- Adam Smith observed in his work, *The Wealth of Nations*, that every corporation endeavors to impart capital so that its products may be of the greatest value and by pursuing its own interests it frequently promotes that of society more effactually than when it really intends to promote it.

It's not that we at Schlumberger do not care about doing the right thing, but we believe like my fellow countryman Adam Smith

that the way we can best serve the world in which we live is to focus on making our business successful.

Rationale for Diversity

So let me explore the business rationale for diversity. In my brief introduction I described the business profile of Schlumberger as an international technical services company. We have translated this profile into three values, which guide our daily decisions. They concern people and their motivation, the fact that technology is the cornerstone of our competitive advantage, and that profit is the guarantor of future growth and independence.

What I propose to do now is to show you how diversity has an important impact on each of these values. First, letÕs explore people and their motivation. Our customers come from the four corners of the world. They are all different, and although they want basically the same thing from us, namely, good service, they display enormous variations in what they mean by that term. ExxonMobil does not want to be serviced in the same way as Pertamina, the Indonesian oil company.

To understand these variations we have to capture, inside the company, the diversity of our customers through the people we hire. As a result, we are committed to hiring the best young graduates we can find in the countries in which we work.

In 2001 we will hire 4,000 engineers, 28 percent of them will be women, in more than a hundred countries around the world. In this area we are no different from many other global companies. It is only when we consider how to motivate these young people to be successful employees that the differences appear.

What motivates anyone to join a company in the first place and then stay and be productive? I know what works for me and I'm sure for everyone else in this room. I want to work in an organization that gives me responsibility and then recognizes and rewards me for the value of my contribution, not merely as a function of my background or diploma, an organization that understands that I have ambitions to grow professionally and personally and makes it possible for me to do that.

Unlike most companies, Schlumberger believes that these principles have to be applied equally to everyone. We understand that giving the same training and career opportunity to everyone means allowing, indeed encouraging, some aspects of the culture of the company to change in order to accommodate the increased diversity which will arise from equal opportunity.

Most international companies, whether it's IBM, BP, or TotalElfFina simply cannot bring themselves to take the fundamental cultural changing step, which leads to true diversity. They have nurtured their American, British, or French cultures for too long to risk losing them.

They either make the acceptance of all aspects of their western culture a condition for access to equal opportunity or they accept cultural differences but relegate them to a regional status which can never offer the same richness of career opportunities.

Giving diversity the ability to express itself makes our culture dynamic and is a source of strength and adaptability.

Business Case to Support Diversity

I spoke earlier about the importance of a business case to support diversity. What does this total commitment to diversity bring us? First and most simply, is the wonderful feeling of working in a company where being different is good news and not an impediment to advancement. It pays off handsomely in terms of everyone's motivation and creativity. People are proud to work for a company where there are no hidden agendas about advancement.

Second, it makes for a company, which is united in its differences and is constantly questioning the status quo.

Thirdly, it brings us benefits in our customer relations. How would it be possible for us to treat Pertamina as a first-class customer if we treated our Indonesian engineers as second-class citizens? Respecting and absorbing different cultures in this unique way is a huge competitive advantage.

And what about gender diversity? This is an opportunity, which we only started to take seriously some ten years ago. As a result, we are not as far along as we should be and indeed lag behind many American companies.

The initial business rationale was very simple. It is simply not credible for us to say that we want to hire the best graduates we can find and finish up with only men.

But we have come to realize that the business case for gender diversity goes much deeper than that. We strongly believe that the way those employees will want to co-manage their business and private lives will change enormously over the next few years.

We want to be in the forefront of these changes and create an environment where people, and particularly women, are not faced with what I call unacceptable choices. An example of which might be to give a young woman the choice between having a family and a brilliant career. This is simply not in the interest of the company, nor I imagine the person concerned.

Again, to get there we need to change the culture of the company. We are convinced that a strong presence of women, at all levels of management in our company, is essential to making these necessary changes. Progress is slow, but we have reached a very important inflection point. Our male employees are beginning to understand that this is not just a womanÕs issue but implies major changes in the way the company will be managed and that there will be important benefits for everyone, male and female. However, buy-in by the existing male establishment is an important first step in making any fundamental change.

Diversity and Innovation

So let me talk now about diversity and innovation. In our long-term quest for world-class technology, we have come to understand that no continent or culture has a monopoly of creativity. In addition, allowing this diversity to interact can produce the most surprising results.

Since the creation of our first research center on the East Coast of North America in 1948, we have built a worldwide network of engineering and research centers all the way from Palo Alto, California to Europe, China and Japan. These centers promote diversity and also serve as antennae gathering ideas from the intellectual capitals of the world.

By the mid-1980s we were paying a high price for this commitment to diversity. Due to poor communications, the multiple centers became isolated and too independent making redundancy of effort a serious problem and productive interaction sporadic.

In 1985 we asked BBN, a company in Boston who had developed the U.S. military Arconet, to design a global IP network for us. This network quickly overruled the R&D organization and began to have an impact on all parts of the company.

Four years ago the full potential of the system caused us to implement some of the most sweeping organizational changes that the company has ever undertaken. What we have done is used our Internet to remove the barriers and layers between the various parts of the company and make the customer the main focus for everyone.

At first it helped our R&D centers to share knowledge. Now we have extended that shared knowledge to include manufacturing and operations.

Today, seventy percent of our 60,000 employees work on line. The arrival of plentiful bandwidth has enabled us to decentralize

the product development process. We no longer have one part of the company innovating and the other providing customer service. Now everybody can be involved in both.

A recent example can best illustrate the change in the innovation process. Last year we created a satellite research center on the campus of King Fahd's University in Saudi Arabia along with the oil company Saudi Aramco.

The underlying technology for the centers comes from, and is supported by, several groups in Schlumberger. Such virtual teams, which include non-Schlumberger specialists working together in a secure private network, have greatly improved our product quality and time to market.

In fact today, for a company to rely on propriety products developed in separate product centers, which are often late and nonstandard when they are commercialized, is becoming a high-risk strategy that requires very high returns.

These reparations to the world around us also help to combat the uniformity of outlook very often associated with companies that have very strong cultures. In a world where change is the only thing you can be sure about, uniformity can be a very serious weakness.

Diversity and Society

Let me now talk about the influence of diversity on society. For a company to be a long-term player in the world of business, it must become a trusted contributor to societies in which it operates. This means not only generating wealth through its sustained profitability but also playing its role as a responsible citizen. In practice this comes down to being nonpolitical and highly ethical.

Our unique world culture makes being non-political easy. We have never contributed to any political campaign anywhere in the world, and we don't think any business should. I think that major corporations like Schlumberger already have all the political access they need to influence government politics without getting even more by paying for it.

More importantly, being non-political ensures that we are not perceived as part of the foreign policy of any country. Our products and services come without political strings, which can be pulled when the behavior of the host government is deemed politically inappropriate.

The issue of unilateral trade sanctions is a complicated one, but we believe that it should be up to the individual companies and their employees to decide when it is inappropriate for a company to operate in a particular country. Culture diversity gives us a much more balanced view of the world and its problems.

Poor ethics is one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the public and private sector, and particularly hurts the poor. There is a growing body of evidence to indicate that companies with poor ethics are placing themselves at risk.

There is no country in the world where bribery, for example, is either legally or socially acceptable. So why is corruption of this nature so prevalent?

Poor ethical behavior rises, more often than not, by a lack of understanding and respect for unfamiliar cultures. It is not just a developing world issue. The assumption made by many companies that bribing is a way of life outside their own borders contribute significantly to the problem.

Our commitment to diversity bridges this understanding gap and makes it easy for us to see how unacceptable corruption is in all countries. Most people behave ethically in the environment that they understand, which is usually where they come from.

Due to our multicultural base, Schlumberger is at home everywhere.

Our fight against corruption is twofold. First of all, the international experience we give our engineers exposes them to the highest international standards in ethical behavior. Their national pride makes them very intolerant of any lowering of these standards in their home countries.

Diversity is a basic part of our culture and values that has taken many years to develop fully. It is the greatest single advantage we have over our competitors.

Diversity strengthens our ability to respond to changing environments and demands and is a strategic business imperative that is critical to ensuring organizational viability.

Detailed long-term strategic planning in my view is a contradiction in terms. The world of technology and business is changing so rapidly that the only way for a company to succeed over the long-term is for it to be flexible, innovative, and open-minded.

Creating a Diverse Workforce

Creating a workforce which is diverse in culture and experience and giving it the ability to express itself is the most effective way of ensuring that a company is capable of adapting to a changing world.

Schools like Georgia Tech represent the reservoir of talent from which our oil system is built so that we have very strong vested interests in your success.

Allow me to describe to you the type of young graduates we would like to recruit. We would like young graduates who have been stimulated about learning and have been taught to think and express those thoughts clearly. Technology is changing so fast that much of what is learned at school becomes obsolete very quickly. Companies must become responsible for providing the lifelong vocational learning needed to get the job done.

We also want young graduates who have been taught to respect each other and to enjoy working as a member of a team and, finally, who have had their horizons broadened by the pleasure of working and living in a very diverse college environment.

In this respect I know that around the world engineering schools are systematically behind on gender diversity. It is an issue where there is a great deal of buck passing.

When recruiters fail to increase the number of female recruits, they often point to the low percentage of women in engineering schools--generally less than twenty percent. Colleges, on the other hand, claim that the number of applications from high schools is insufficient, while teachers in high schools point to girls dropping out early from technical subjects. We haven't quite got around to blaming the mothers yet, but this will probably come in due course.

Summary

At the risk of never being invited again, let me tell you what I think. I think the methods of teaching of engineering and science are out of date and the reaction of women to these subjects is only an indication of the fact they are indeed quite smart. It should be a wake-up call for us all to redefine what a technical education should be and make the necessary changes.

I think it is extremely important that a great school like Georgia Tech gets its fair share of young talent, male and female, and it is equally important that society broadens its understanding of science and technology by exposing a much larger percentage of its young citizens to a technical education.

Thank you very much for your attention.

QUESTION-AND-ANSWER SESSION
(Edited Material)

Q: Your last comment that you made was that engineering or science education is not what it should be, can you elaborate a little bit more?

A: Well, first of all, I'm talking about the output. I am not talking about the process.

I am basing this on the fact that it is simply not normal that here we are in a society and a world that is becoming increasingly technology intensive and that society in general is almost going backwards. First of all, we have politicians who are, generally speaking, completely ignorant of most of the technical issues. And I am not talking details, I am just talking in general. Furthermore, I think that the pool of talent that is probably missed the most is that from women; therefore, we have to adapt our technical education so that it is much more attractive to a larger student group than it is today.

If you look at most of the figures about the number of people getting a higher education and the number of people taking technical subjects, that percentage is going down, whereas the issues are going up. I think this is a real problem and one of the no-brainersÓ is to listen to what women say or what young girls say about why they don't like technical subjectsÓ and adapt them to become a lot more interesting. That's all.

Q: You mention that companies should be left alone regarding international sanctions. Regarding sanctions against Iraq, for example, what difficulties or challenges has that posed to Schlumberger and how has Schlumberger overcome such reality?

A: Well, in the case of Iraq, I think the situation is very different from the normal sanction problem. I think the ones that are the most problematical are the unilateral sanctions.

Today the United States of America has some sort of sanction against 42 countries in the world, and for not particularly good reasons in my opinion.

Now, in the case of Iraq, I believe and we believe that when the international community decides that one of the effective ways of dealing with Saddam Hussein is by sanctions, we very naturally comply with those sanctions, even though I feel uncomfortable about the method and not particularly hopeful that it will do any good.

I think one thing we can be sure of when we apply sanctions in that way is that the groups that will really suffer are the average persons -- this we can be sure about. How it will influence the politics of the country is not at all obvious, and I think there is a perfectly good case indicating that the sanctions have strengthened the hand of Saddam Hussein, not weakened it.

But anyway, that's a very difficult judgment call. When the United Nations says we're going to make it an international protocol we follow it.

Q: You mentioned your networking capability and clearly for an international company this is important. There is a very big discussion and debate going on here at Georgia Tech, as well as at other academic institutions, about the use of the Internet and telecommunications for education.

I was wondering if you had any insight -- I know it's great to get information, but were there any surprises that came across to you when you were implementing your network, as well as any shortcomings that we should be aware of or be thinking about when we start to talk about web-based courses?

A: Well, the biggest impact on our organization is that a young engineer, who is in many cases not any older than lots of people in this room, is able to consult from Kalimantan in real time with the people in Houston, Paris, Tokyo or wherever. They are able to get the technology, information, and advice and so forth when they really need to. This is the biggest single difference -- getting the knowledge there when you need it.

But the other thing that really surprised me was that it was an enormous motivator for the people in the products end they were able to get in direct contact with the person actually using the product therefore obtaining much more effective feedback. Being able to interface directly with who you want to is one of the most attractive parts of the system.

Q: You mention that there are some universities that are happy with 10 percent of their women students being engineers. Now imagine you're a dean at one of those universities that really doesn't care about this low percentage of women and we are your faculty. Could you tell us -- what would you say in the first five minutes? What would you do to change the culture within this university?

A: Well, I think, first of all, you have to convince people that it's in their interest. And as you well know, that's not always very easy when you're talking about the future.

It is a very difficult concept, but what we did at Schlumberger was we started the numbers game. With all the downside that has, if we hadn't kick started it with that type of approach, I don't think it would have ever started. But the sooner you get off the numbers game, and I would say it took us about three or four years to get away from the numbers game, then it goes on its own.

Q: Being a student navigating through engineering schools and being female, the bottom line about engineering school is that it's hard and it takes a lot of encouragement to get through it. Whether you do well, whether you do poorly, it's still a lot of work. And one thing that is on the forefront of my mind is how will I be taken seriously in industries, in firms that have historically been male dominated or have not moved at the same pace with the rest of the firms in today's society in the past 10 to 20 years.

You mentioned that the senior leadership of Schlumberger is still all male. What sort of measures have your recruiting teams and your managers taken to encourage women to stick with it, to not look around and notice that, Hey, I'm the only woman in the room,Ó or I'm the only woman on this team?Ó Just what policies and practices has Schlumberger put in place and also some of your counterparts in the oil and gas industry?

A: Well, it's a very good point you bring. I mean obviously when you're starting to change process, it's fine to have a very good concept of where you want to finish up, but there is a period that is quite tough.

There is a critical mass issue that when you're the one woman in a room, I don't care how tolerant the environment is, it's still a little bit odd. When it gets up to being half-and-half, then it gets much more natural.

But as you say, I think the greatest progress we've made in Schlumberger is that the men now understand it's a whole cultural issue and it's good for them, too.

I think strangely enough, one of the things that helped us to convince a lot of our pioneering women that we're serious is that we can point to the cultural change being made and say, look, we stuck with this for 30 years. We decided to go with gender diversity. Why should we quit on that now?

Q: I've heard you talk about ethnic diversity and gender diversity and I was wondering if you thought it was important for companies to reach out to the gay and lesbian community.

A: I think it's not a question of reaching out. I think it's a question of the fact that we're interested in diversity full stop. I talked about the fact that diversity means tolerance in all aspects, and that's what we're after.

Q: Do you use a general methodology for exciting creative thinking of engineering for solving a very difficult problem?

A: One of the major mistakes that I have made through my career as chief executive was that when I was first appointed, I thought that because I was the chief, I was supposed to decide everything and this was a tragic mistake because the people much further down the organization had much clearer ideas of what the real problems were and had much more clear ideas of finding the solutions. So what we have done over the last five or six years is developed a technology of putting groups together that are charged with coming to creative solutions to established problems. I'm talking mostly about organizational things.

We had, for example, a thing called Forum 2005, which was held six years ago where we asked a group of 35 young people about 35 years of age to come with a vision, a picture of what they wanted the company to be like in 2005. Now, you know, long-term strategy is supposed to be what CEOs are all about.

So off they went. I told them that I didn't want a book, I didn't want slides, I just wanted an image and if we agreed on the image, then we could work a plan out as to how we were going to get there.

So off they went and about six months later I started getting feedback that they were going to make a play. I thought, these people are not actors; this is going to be a disaster. So anyway, I shouldn't have worried because they came with, I think, one of the most creative sets of skits about how Schlumberger should be in 2005 that I had ever seen. It was not only funny, it was extremely prudent and they came with a lot of very creative ideas. I talked about the fundamental changes we made in the organization four years ago. That was based on their recommendation. As a matter of fact, several of them said that if they had realized I was going to take them seriously, they might have thought a little bit more about what was recommended. Nevertheless, that sparked a tremendous amount of really creative thinking because people felt that they were in charge of something, they had a really important mission to fulfill, and they had something to contribute.

So I think the answer to what we do and what anybody should do is ask much more contribution from young people because they have a much bigger stake and longer term future.

Q: In the earlier discussion you mentioned the importance of ethics in Schlumberger. Now, the ethics of a culture or people are often dependent on that culture in the sense that Schlumberger is an international company with international problems. How do you resolve ethical conflict when you have differing sets of ethics based on different cultures?

A: Well, I would question the premise of that question. I think there are basic ethical issues that do not change with culture. Although some people say they do.

It's extraordinary to me, in Europe for example; they are unable to pass a law about outlawing bribery outside their own country. In other words, in Germany it's a very strong penalty to bribe a German company yet you can bribe a British company if you want. Now, the British have the same thing. They say you can't bribe in Britain, but Italians, no problem.

So my point is that every country doesn't like bribery, there's no tradition of bribery, but what very often happens is foreign companies go in and they're told that's the only way to do business, they don't take the trouble to understand the country, they just go along with it. And that's what we refuse to do.

We have common values. We apply them in every country. We have, for example, common values for the environment, which we apply whether there are government regulations or not because we believe it is important.

ANNOUNCEMENT

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Will Be Given By

The Honorable John H. Sununu
President
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Van Leer (ECE) Auditorium
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The Woodruff School of Mechanical Engineering is the oldest and second largest of nine divisions in the College of Engineering at Georgia Tech. The School offers academic and research programs in mechanical engineering, nuclear and radiological engineering, and health physics. The enrollment includes more than 1350 undergraduates and 616 graduate students. Studies are directed by a full-time faculty of 69 professors, 18 research faculty, and four academic professionals, who are supported by 49 staff members. The George W. Woodruff School of Mechanical Engineering is the first educational institution to be designated a Mechanical Engineering Heritage Site by the American Society of Mechanical Engineers.

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