

‘The cause of disability does not lie within the individual but within the way society is organised. It’s the way society treats me that makes me disabled. We need to change society at all levels starting with the new generation. I want people to see what I can do and not what I can’t do’

Michelle, 25

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In the new Millennium businesses need to rediscover their social conscience, to recognise that they are involved in *shaping society*, not just *selling* to it

Tony Blair is seething. The famous grin has disappeared, along with all the jobs at the Siemens factory in his constituency. It doesn't matter that he runs the country. It doesn't matter that the factory was set up, just after the election, with hefty financial support from the Government. Siemens says it must close. Nothing the Prime Minister can do.

Bill Gates is fuming. The more successful he is, the more he is hated. He creates jobs, and wealth and millionaires – yet he's branded an ogre. He gives billions to charity, and receives scorn in return. What's he to do, lose money? Go bust? How would that help anyone?

David Robinson, the director of Community Links, is sighing. His East End charity's gone from strength to strength, after 21 years of passionate work. He's got blue-chip supporters, hefty donations, great volunteers. But still he sees a depressing picture, in which business puts its social conscience in a box marked 'charity', but most of the time utterly ignores the issues that that box raises.

What is going on? Three different people, three different sectors, three different frustrations. Politicians are frustrated because the world of big business seems to be usurping their power. Businesses are frustrated because the world is expecting more of them in areas they know little about. Charities are frustrated because their world seems to be as marginalised as ever, while the issues they deal with are somehow more intractable than before. And in the middle of all this are the people on the receiving end of these three sectors: voters, customers, charity 'users'. Very often they are the same people, and they are frustrated too. They

can see what needs to be done in the world, but aren't as clear as they used to be about whose job it is to do it.

Politics, business, charity. As we move into the new Millennium, the relationships between these sectors are excitingly fluid, with huge opportunities for us to make them work better, to everyone's benefit. But if that is going to happen, they need to be clear about their respective roles. I'm going to concentrate on business. The early industrialists were very clear about their social role. They knew that their business success depended on productive workers. Workers who lived without adequate food, shelter and education were not productive. So in the absence of a welfare state, the leaders of the first great companies stepped in to provide meals, homes and classrooms for their workers and their families. It was a case of enlightened self-interest: 'I look after you, you work hard for me.' And, in this sense, the Rowntrees and Rockefellers were not just businessmen. They saw themselves as agents for the good, part of the system, a force in the land.

Go to Rockefeller Plaza in New York City, and you'll see what I mean. Stand directly opposite the GE building, the tallest skyscraper. If you've ever seen a photo of festive New Yorkers ice-skating in the open air, it will have been taken from here. But look down for a second. In front of you is a bronze plaque. On it are inscribed the words of Joseph D Rockefeller. A businessman. This is what he had to say:

'I believe in the supreme worth of the individual and his right to life, liberty and the pursuit of happiness.

I believe that every right implies a responsibility; every opportunity, an obligation; every possession, a duty.

I believe that the law was made for man and not man for the law; that government is the servant of the people and not their master.

I believe in the dignity of labour, whether with head or hand; that the world owes no man a living, but that it owes every man an opportunity

to make a living.

I believe that thrift is essential to well ordered living and that economy is a prime requisite of a sound financial structure, whether in government, business or personal affairs.

I believe that truth and justice are fundamental to an enduring social order.

I believe in the sacredness of a promise, that a man's word should be as good as his bond; that character - not wealth or power or position - is of supreme worth.

I believe that the rendering of useful service is the common duty of mankind and that only in the purifying fire of sacrifice is the dross of selfishness consumed and the greatness of the human soul set free.

I believe in an all-wise and all-loving god, named by whatever name, and that the individual's highest fulfilment, greatest happiness and widest usefulness are to be found in living in harmony with his will.

I believe that love is the greatest thing in the world; that it alone can overcome hate; that right can and will triumph over might.'

These are amazing words. Whether you consider them to be the self-indulgent pontifications of a pompous egomaniac, or the poetic declarations of a passionate visionary, you've got to admit that it's hard to imagine today's business leaders speaking in these terms. Certainly they are not words which would fit comfortably alongside the bland mission statements that litter the reception areas of the modern corporate world. However much you paid them, I don't suppose the management consultants would come up with this kind of stuff.

Rockefeller, though, hailed from a different age: his words show that, for him anyway, there was no distinction between making money and making the world a better place: it was all part of the same 'project', as we've now learned to call these things. Back then, civic duty mattered as much as share-holder value.

Another great business figure once expressed a similar view in

a more direct and less overblown manner. Think of those occasions when your boss has addressed you and your fellow workers together – perhaps at a Christmas party, or an annual get-together. Have you ever heard anything like this?

'I want to discuss why a company exists in the first place. In other words, why are we here? I think that many people wrongly assume that a company exists to make money. While this is an important result of a company's activities, we have to go deeper to find the real reasons for being. As we investigate this, we inevitably come to the conclusion that a group of people get together to exist as an institution that we call a company so that they are able to accomplish something together that they would not be able to accomplish separately – they make a contribution to society, a phrase which sounds trite, but is fundamental.'

That was Dave Packard, founder of Hewlett-Packard, speaking to a group of his staff around 40 years ago. Of course it's easy to knock it as pious rubbish – the sort that simply forms one stage in the classic life-cycle of a successful businessman. You know the story from a hundred profiles in the financial pages: invent money-making scheme at the age of 12; don't go to university; get job in huge industrial conglomerate; challenge decisions of dunderhead middle managers; get rebuffed; bump into chairman in lift; reveal plan for huge cost savings; become chief executive; become 'hatchet-man'; become 'nice'; do good works; write philosophical memoir; become head of arts/charity/sporting organisation; retire to mansion. In other words, the richer you become as an individual, the more you go on about 'society'. You can see this traditional model at work today – each survey of corporate philanthropy reveals new recruits to the army of do-gooders, more billions chucked in the charity box. The 1999 *US Chronicle of Philanthropy's* charity donation league table records Bill Gates heading the list at \$17 billion, followed by the Packard Foundation at \$13 billion, and the Ford Foundation at over \$11 billion.

I guess these business benefactors think they're being generous, decent and kind. In a sense they are. However cynically you choose to view their motives, you can't pretend that they don't give away significant stacks of cash. But the truth is, the amount of money that these businesses give to charity – whether corporately or through individual donations – is a pittance when measured against the financial size of the businesses themselves.

So let's go back to Dave Packard. I don't think his words about a 'contribution to society' are pious rubbish. I love his words, because they reveal a grasp of the true potential for business to do good. Not by giving away half a per cent of pre-tax profits to charity, but by seeing that a company's social contribution can and should be deeply entrenched in the everyday life of the business: in the products and services it sells, in the way it manufactures, in the way it treats its employees and suppliers, in the way it advertises, and in how it behaves in the community. Seen in these terms, social responsibility is not some kind of luxury for successful businesses, but a key to their success. The motivation for a business to think and act in this way should not be altruism, or philanthropy – but profit, because profit is the necessary fuel to finance a company's mission.

Dave Packard may have seen things this way, but soon after he made his mission statement the idea of making a 'contribution to society' fell out of fashion in business circles. Missionary industrialists were gradually replaced by corporations owned by share-holders. Value, not values, became the order of the day. As welfare states were established, more of the burdens of social responsibility were assumed by the state.

Thus the public sector was born and bred – a new force for good which would feed the hungry, house the homeless and teach children. All paid for through higher taxes, all delivered through the increasingly complex machinery of government. All-powerful, all-

embracing. In this new world, people trusted the institutions of government to look after them. And in many ways, governments did: the growth of public education and health, social insurance, and countless other developments are testament to that.

But now look what's happened. As the century closes, the pendulum swings. Governments are fearful of taxing us, so they don't have the money they need to deliver their promises. The more they break their promises, the less we trust them. So governments have less and less power to do the things they want to do.

Business, meanwhile, is gaining more and more power. As a result of privatisation and deregulation, companies are now supplying services that used to be delivered by the state. Through marketing and communications, they've created brand names that we trust more than many of the old-established state institutions. And through liberalised financial markets, businesses are becoming global players on a scale that often puts the public sector in the shade. That's why Tony Blair was seething.

Unlike the early industrialists, though, today's companies are not led by social crusaders. They are led by business people, pure and simple. These people tend not to focus on their company's 'contribution to society' – why should they? It's not their job, not how their performance is measured.

This is what we need to change in the new Millennium. Business shouldn't stop being business-like when it comes to social issues. Quite the reverse: it's precisely by applying business skills to social challenges that the greatest progress is likely to be made. At the same time, companies, by seeing their social contribution as part of everyday business practice, will themselves benefit commercially. If you know that your customers care about education, why not use your regular contact with them, and the power of your brand, to help? Encourage parents to read with their children. Encourage your staff to be reading mentors. Help your

customers provide equipment for schools.

It's true that much of this goes on already. Open any annual report, visit any corporate website, and you'll find words on social responsibility, community involvement, that sort of thing. These words will describe any number of excellent projects. But it's still seen as separate. It's not seen as *part* of the business, whatever the rhetoric says.

Too often, companies feel threatened when social issues are raised, and retreat into the arms of Lady Charity – 'If you want to know about our social commitments, look at our corporate giving.' But this completely misses the point. Such businesses fail to recognise the power they have, and they fail to exploit the opportunities this brings. I'll show you what I mean with a little case study from the US.

Aetna is one of America's largest insurance companies. A few years ago, it ran a campaign which, albeit on a small scale, encapsulates everything I've argued for. Rather than describe the campaign in great detail, I'll just reproduce the words of the advertisement that accompanied it:

**Every year, drunk drivers cost Aetna's
policy-holders at least \$100 million.**

**Video cameras in police cars help
detect and deter drunk drivers.**

**We gave 10,000 video cameras to
police departments last year.**

**Aetna's policy-holders save money.
People don't die.**

Aetna. A policy to do more.

The beauty of this initiative is the clarity with which social and commercial objectives are aligned. There's no 'them and us', just a simple story which says: by helping out with a social issue, we benefit as a business, you benefit as customers, and we all benefit in our local communities. If Aetna can do it in America, don't tell me that businesses can't do it over here. They just need the confidence to go out on a limb, to state with conviction that they're involved in shaping society, not just selling to it.

If the business community is reticent, government and charities are in many ways ahead of corporate thinking in this area – perhaps because they need business so badly. The Prime Minister gave a clear endorsement of this approach not so long ago when he said: 'The 21st-century company will be different. Many of Britain's leading businesses are recognising that every customer is part of a community, and that social responsibility is not an optional extra.'

For a political leader to acknowledge – and indeed encourage – the participation of business in addressing the social issues his Government was elected to face, is a huge development, and one that must be sustained.

So, in the new Millennium, we need to *socialise* the commercial sector, and we need to *commercialise* the social sector. They'd both benefit, and government, business and charities would all find themselves helping to meet each others' goals, rather than worrying about why the goal-posts are moving.

Each of the sectors should do the things they do best, and each maximise its contribution to society. As each plays its part, each will gain its reward. Tony Blair, Bill Gates, David Robinson: in the years ahead, you could all be smiling.

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