

TO MAKE A DIFFERENCE, WE NEED TO BRING BUSINESS ON BOARD



By Tom Levitt

We must seek out powerful allies elsewhere, including in the business world to build the bigger we, we've learnt in our Joining Forces cell. Tom Levitt writes here about the opportunity to link up in new ways with businesses.

I was speaking at a global conference on corporate volunteering in Australia, a few years ago. The audience was 500 community organisers and volunteer managers, from business and the social sector around the world. The speaker following me got the biggest cheer when she said 'We at [name of bank redacted] are scrapping team volunteering days!'

Why the ecstasy? Because too often such days, involving paintbrushes, litter pickers, tee-shirts bearing the corporate logo, exist to serve the needs of the company and not society. If you want to do team building – and only team building – go paint balling.

'Corporate Social Responsibility', without qualification or explanation, really has become meaningless. For too many people it means ticking boxes or opting in to temporary activities separate from the normal course of events. 'CSR' has come to mean 'Charitable Superficial Response'. Let's leave it behind, stuff it behind the fax machine and move on.

The focus I believe should be on 'purpose', a reason for being which goes beyond, or even comes in front of, making money for a company's owners. The very term company derives from the Latin meaning to 'break bread with' – a social not just economic purpose. Over a century ago the Lever brothers, W.H. Smith, Jessie Boot, and others founded companies which had a real social purpose.

And the good news is that more and more companies are rediscovering their social purpose, and taking action accordingly. From the pharmaceutical company that asks the children's charity to help it prioritise future product development, to the business that extends its paternalism from its own employees to those in its distant supply chain, because they're equally important in delivering its mission. From the SME that decides to pay the Real Living Wage and not just the legal minimum 'because that's who we are', to the corporate that deliberately buys products from a social enterprise, recognising that it's a sustainable way of doing good by proxy.

These are all relatively small decisions; but together they make a big difference. Part of their impact is to make the host companies both better places to work and even – the evidence shows – more profitable in the long term.

The company that tries, succeeds. ‘TRIES’ stands for ‘Transparent, Responsible, Inclusive, Ethical, Sustainable’:

- **Transparent:** light is a great disinfectant and a company that acts in a transparent fashion is inviting its stakeholders to trust it. ‘We have nothing to hide’ is a great claim, especially if it’s true.
- **Responsible:** taking responsibility for your company’s full impact on the world and not just the nice bits that suit you.
- **Inclusive:** every governance expert will tell you that diverse boards and diverse workforces work better than monolithic ones.
- **Ethical:** treat your employees like partners; invest in them, get them on board with your company purpose. Walk the talk on ethics.
- **Sustainable:** thinking and acting long term: you don’t want to be here today and gone tomorrow.

My preferred term is ‘Company Citizen’. A company is a legal form which includes corporates, SMEs, social enterprises and even charities. A company is also a social organisation. Being a citizen, after a moment’s thought, describes a balance of rights and responsibilities; exercising those freedoms allowed under the law, tempered by duties to others and a sense of self-discipline. A decent citizen thinks of the future, not just the present, and is motivated by factors other than, or in addition to, money.

‘Company Citizen’ tells you all you need to know about an organisation. It is an active, a doing role; it matures and progresses. It plans, maps out its future in a proactive way in order to achieve its mission. It has values and a sense of purpose.

The potential for businesses to make a difference is huge. The turnover of Oxfam is about £1 million a day. This is equivalent to a single large Tesco store. If just one per cent of the business sector’s revenue were to be applied to doing good that would dwarf what charities can achieve.

In recent years the funding provided to charities from private businesses has reduced. But in some cases this is because the businesses are taking on social projects themselves. For example, the Wates company is training prisoners so that on release they can take up jobs in the construction industry. This is good for the business too, helping to create a skilled and potentially loyal workforce.

The social sector has its own unique role. But in partnering with business, and acting as advocate, in raising the gaze of business from the short term to the long term, and in raising the moral and practical issues, it is possible to establish a win-win situation for business, the planet and society. And that I believe is the way to go.

Tom Levitt is a former MP, and author of the ‘The Company Citizen: Good for Business, Planet, Nation and Community’. He is also an Advisory Board Member, Centre for Responsible Business at Birmingham University, and co-founder of Fair for You.