

Leadership in Corporate – Community Initiatives


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... no one should underestimate the usefulness of business working with society, both locally and internationally. Business and business people are the largest group seeking understanding of the cultures and ways of other countries and peoples in an endeavour to promote trade. That all countries have trade with each other may be the greatest chance for world peace.

(Bruce Plested, Executive Director Mainfreight Annual Report, 2004).



Company & Community as one





George Cadbury








Scene from Bournville village.





- Joseph Rowntree ...
New Earswick
- Titus Salt ...
Saltaire (Ashworth, 1951).

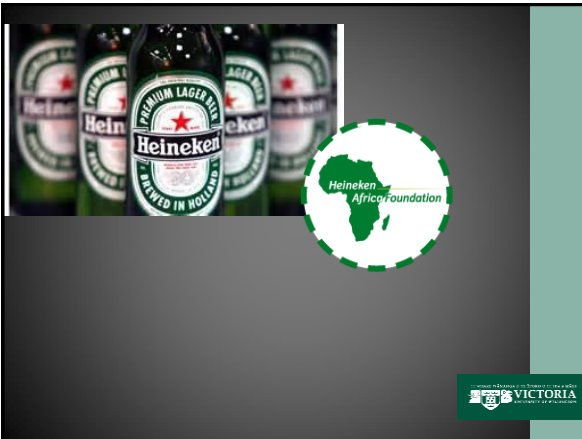
Corporate Philanthropy & Strategic Philanthropy



Strategic Philanthropy

- philanthropy helps to “support effective dialogue with society and strengthen the bank’s image” (p. 539);
- ... contributes to “the formation of a stable social environment” (p.540);
- ... improves the “quality of life of our company employees and their families, local communities and the social context of their lives” (p.540).

(Blagov & Petrova-Savchenko, 2012)



... and leadership?

Murky discussions

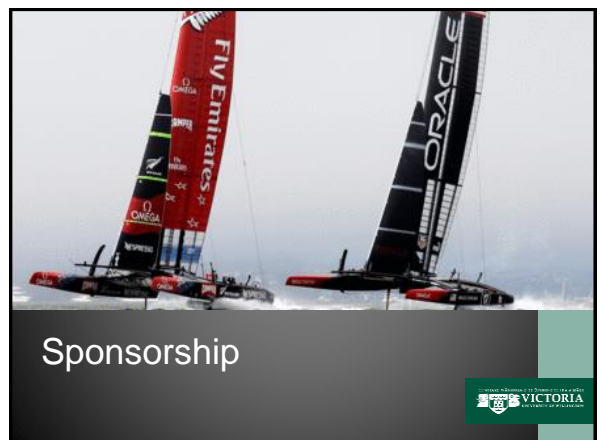
- Too personal? Too influential?
- But self-identity, values and more personal characteristics necessary



- **Russia:** “Basic prerequisites of corporate philanthropy, shared by virtually all responding companies, include the presence of a corporate culture and **socially responsible leadership** that facilitate conscious reactions to external appeals and to internal initiatives for charity”

(Blagov & Petrova-Savchenko, 2012, p.544, emphasis added)

- **Heineken:** challenges faced by managers were “intertwined with the ethical debates on the role of business in society” highlights concepts of “nurturing and caring and their relevance for corporations and their manager.” (Cranenburgh and Arenas, 2013)




Sponsorship






... and leadership?

- Too personal?
- Increasingly formalised
- But also
 - Need a champion or advocate
 - Need a vision



- *“The decision-making process starts from a strategic perspective ... from a consideration of our business and the needs of our business. ... [we also need to] be a good citizen and to take account of the needs of the community. Having said that it also makes good business sense so there’s a coincidence between those two. I don’t see them as there being any dissonance between them.”*
(participant quote from Daellenbach, 2012)



if New Zealand isn’t successful, then [our company] will not be successful. If New Zealand is successful and is growing and is dynamic and is diverse then we will be successful as well.
(CEO)

(participant quote, from Daellenbach, 2011)



Shared Value

- Advance competitiveness *and* social conditions
- “creating economic value in a way that also creates value for society by addressing its needs and challenges” (Porter & Kramer, 2011, p.64)
- “the community needs the company to be successful [and] the company also needs the community to be successful” (Porter & Kramer, 2011)
- Value is relative to costs ... and is measured



Shared Value



- Eg – Developing customers at CEMEX
- *Patrimonio Hoy* provides low-income families living in urban and semi-urban areas with access to building materials such as cement, concrete blocks, and steel. ... microfinancing, technical advice, and logistical support. www.cemex.com/SustainableDevelopment/HighImpactSocialPrograms.aspx
- Involved considerable consultation and reflection with communities.

(Also see Letelier et al, 2011)



Shared Value

- Eg creating clusters in Vietnam ... shrimp processing
 - Involved three “networks” – economic, social and policy
 - more energy efficient, less waste is produced, less polluting because of wastewater treatment (Anh et al, 2011)



... and leadership?

- Shared value initiatives often involve
 - For profit
 - Not for profit &
 - Public sectors
- Collaboration is key
- Solving problems that cannot be solved by one company
- Leaders are “facilitating and negotiating”



Social entrepreneurship

- “organizations that seek to apply market-based solutions to social issues such that benefits accrue primarily to targeted beneficiaries, as opposed to owners” (Miller, et al, 2012)
- For-profit and not-for-profit



Forbes top 30

- Jordan Kassalow (optometrist) ... sells ready-made reading glasses to people in the developing world.
- Jane Chen’s company manufactures a sleeping bag-like device called the “Thermpod,” which warms low-birth weight babies in hospitals and clinics that have unreliable electricity and heat lamps that don’t always work.

• <http://www.forbes.com/sites/helencoster/2011/11/30/forbes-list-of-the-top-30-social-entrepreneurs/>



Social entrepreneurship and leadership?

Would be nothing without it



... and leadership?

- Social entrepreneurs are “driven by a cause or a need they have spotted and taken up”
- They
 - **Envision**
 - **Engage**
 - **Enable**
 - **Enact** (Thompson, 2002, p. 416)



Social entrepreneurs

- Vision
- Risk takers (Tan, Williams, & Tan, 2005)
- Have compassion
 - “a prosocial emotion that connects an individual with a suffering community” (p. 621).
 - “other-oriented” - directed to the community rather than the self
 - it involves an amount of empathy with the community
- facilitates more integrative thinking - taking into account multiple perspectives and alternatives
- commitment to the cause / society / need.
 - (Grimes, McMullen, Vogus, & Miller, 2013; Miller et al., 2012)



Social entrepreneurship

- a business perspective underpins social entrepreneurship, but social need is a stronger motivation
- Profit may not be an outcome at all (Miller et al., 2012; Tan et al., 2005).



Who are the leaders?

- Understand business & social needs together
- Vision
- Power and authority to drive “the unknown” – take risks
- Has compassion
 - borne out of the individual's background, experiences and values.



What's next?

- Encourage pro-social thinking
- Teach pro-social thinking
- Study / measure
 - Leader response / leadership thinking



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