

Peace Through Commerce: Business as a vocation

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This is part two of Oliver Williams' commentary on "Peace Through Commerce." Part I is available here: ["Peace Through Commerce: The new role for business."](#)

In contemporary business literature, the term "license to operate" is often used to convey the idea that meeting society's expectations is part of the implicit social contract between business and society. Failing to meet society's expectations can result in tough regulation, e.g. the Sarbanes-Oxley law, or loss of discretionary power. This may explain why many companies have become proactive in meeting society's expectations; some, for example, by collaborating with NGOs in designing and implementing ethical norms for the global community.

Companies either alone or partnering with NGOs have taken on numerous projects to assist the poor around the globe. Motives are always difficult to fathom, but clearly some business leaders want to reach out to the poor because they are concerned. In a November 2004 *Fortune* article about his company's projects throughout the world, Jeffrey Immelt, CEO of General Electric, commented: "The reason people come to work for GE is that they want to be about something that is bigger than themselves. People want to work hard, they want to get promoted, they want stock options. But they also want to work for a company that makes a difference, a company that's doing great things in the world." Building community and doing great things in the world are goals that flow from the identity and culture of a business; they are intrinsic objectives.

What we are experiencing is that, under the influence of the wider society, there is a broadening of the values of many business people and, hence, a broadening of the values of capitalism. To be sure, this phenomenon is not present in all business, but a growing number of business people want to make a difference. They are asking about ultimate purpose, about what most deeply matters in life, and they want to chart a life plan that draws on the full range of resources of the human spirit.

This new focus is what many describe as a focus on spiritual values. From this standpoint, sustainability reflects the connectedness of business with the wider society. Business must not only take responsibility for its own activities, but also for some of the problems in the wider society.

This wider vision of companies, the belief that doing well and doing good are not opposites, is championed by many management scholars. Jerry Porras and James Collins in "Built to Last" discuss a number of these "visionary companies." For example, Merck Pharmaceutical Company has a mission statement which includes that the company "devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines, but also help deliver them to the people who need them." Merck's employees feel good about their company and this has reportedly enhanced productivity and decreased turnover of employees.

The UN Global Compact

One new initiative to promote and enhance peaceful societies is the United Nations Global Compact. Founded in 2000 by the then-Secretary-General of the UN, Kofi Annan, the Global Compact is intended to increase and diffuse the benefits of global economic development through voluntary corporate policies and programs.

By promoting human rights and labor rights, enhancing care for the environment and encouraging anti-corruption measures, the 10 principles of the Global Compact are designed to enable more peaceful societies. Initially comprised of several dozen companies, the Compact as of 2010 had over 5,000 businesses and 1,000 NGOs in 135 countries. The objective is to emphasize the moral purpose of business, with member companies setting a high moral tone throughout the world. In 2007, Ban Ki-Moon, UN Secretary-General, expressed the mission well: "Business practices rooted in universal values can bring social and economic gains."

The mission of the Global Compact is to foster the growth of humane values in the global society. The underlying insight is that without the values embedded in the Compact—for example, trust, fairness, integrity and respect for people—global capitalism would eventually lose legitimacy in the wider society.

There is much evidence from surveys on trust that people are increasingly losing trust in business. Public trust in business institutions and leadership is at a low level. For example, the 2009 Edelman Trust Barometer – an annual survey that measures public trust in business and institutions – found that globally, only 29 percent trust information about a business provided by the CEO. In the United States, only 38 percent trust business to do the right thing. As people come to trust business less and to judge that trusting the behavior of business is risky, there is more pressure for stronger organizational control systems; that is, rules, regulations and laws.

When people perceive that business is not only seeking its private good but also the common good, and that this is embodied in a mission statement and a widened purpose and activity, there is a slow retrieval of trust in business. This retrieval of trust is manifest in the response to some of the endeavors of signatory companies of the Global Compact.

In the book, "Peace Through Commerce," 10 case stories of what companies are doing are presented in some detail. For example, in rural sub-Saharan Africa, General Electric provided not only equipment, but, perhaps more importantly, management skills so that the indigenous people could be a part of the project, taking ownership and improving the clinics and hospitals. The GE program in Africa has been cited as a good example of how to aid a developing country. Employees of GE are proud to be part of this program.

Other examples include health-care company Novartis, which has a whole range of programs from curing millions of leprosy patients, to providing better seeds and promoting more effective agricultural practices in sub-Saharan Africa, to educating rural poor on how to keep healthy and prevent disease. Novartis' leaders, following its company values and vision, have taken measures to try to solve some of the world's problems. Also, IBM employees give more than

3.5 million hours of volunteer service each year, and the company's annual contribution budget exceeds \$150 million annually.

All these efforts flow from the company's mission statement and core values, which provide a vision to deliver sustainable value to customers, employees, and investors as well as communities. This vision is summarized well in a 1969 statement of IBM's then-CEO, Tom Watson Jr.: "We accept our responsibilities as a corporate citizen in community, national and world affairs; we serve our interests best when we serve the public interest. We acknowledge our obligation as a business institution to help improve the society we are part of."

The Business Leader as a Noble Vocation

This essay argues that a growing number of business leaders and firms are taking on projects in the wider society to alleviate poverty. This is done by many leaders, not because business caused these problems, but rather, because these executives are thinking and feeling human beings who realize that their organizations might have the managerial talent and resources to act where governments are unable or unwilling to do so. These leaders have a sense of being called upon to make a difference, to make the world a better place for them having been there.

This "calling" is often discussed with the term "vocation." This "servant leadership" perceives the interconnectedness among life and all its enterprises, especially business and the environment. While it is true that some of this activity is done simply to respond to society's expectations, there are a growing number of leaders who do it because they believe it is the right thing to do. To be sure, there are still many flaws in the economic system, yet there is hope that men and women with a moral compass will help shape our public and private institutions toward a more just world.

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