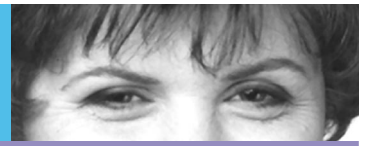


SOCIAL RESPONSIBILITY



FOR THE FUTURE

By Lori L. Silverman

Traditional ways of measuring organizational success have focused on productivity and profit. But with accelerated change, organizational success and wealth is being redefined to include intellectual capital (the sum total of individual and organizational knowledge available in the firm) and social accounting (the company's contributions to global responsibility and the health of the planet).

What is causing this increased interest in social responsibility and accountability? Some of it is from customers who are becoming more demanding of the organizations whose products and services they purchase. In some places it is the community in which the organization is located that is outraged because of environmental pollution. Pressure from government entities may be increasing and more visible. Or, it may be coming from the enlightened personal values and philosophy of the organization's owners. In any case, an organization's commitment, and that of its leaders, to social responsibility can only serve to make the world a better place.

TO THE PLANET

As a result of the Industrial Revolution, with its apparent disregard for the environment, there has emerged an increased focus on the health of the planet. If we believe that the world needs to be managed as a living, breathing system composed of many interconnected parts, then it becomes imperative to develop a sustainable society. A sustainable society, according to Lester Brown of the Worldwatch Institute, "is one that satisfies its needs without diminishing the prospects of future generations." Case in point. In May of this year, 3M Company decided to phase out products that contained a chemical called perfluorooctane sulfonate (PFOs) because of possible, although unproven, health risks in humans. This meant that its Scotchgard fabric protector (a product that repels

stains), which brings in \$500 million in annual sales (over 3% of total company revenue), has been discontinued.

From an environmental perspective, individuals and organizations must become concerned not only about the impact of chemicals, waste, and emissions; they also need to be concerned about better use of raw materials. The world's supply of raw materials can no longer be viewed as infinite. It has become necessary, for personal and organizational financial health, to eliminate or minimize by-product waste. One approach to integrating economic growth and environmental protection is zero-emissions manufacturing, or complete elimination of waste by reusing or recycling all the raw materials an organization takes in. While zero emissions may not be cheaper, its proponents claim it can help an organization to make more money. Namibia Brewers Ltd. in Tsumeb, Namibia, is the first company to commit to building a plant based on zero emissions principles. This plant has been projected to produce seven times more food, fuel, and fertilizer than a conventional operation, and create four times as many jobs.

TO SOCIETY

The philosophy that guides socially responsible organizations is one in which the organization transforms itself into a community where work takes on deeper meaning and satisfaction. Inherent in this philosophy is the belief that

organizations are defined by their roles in society, not just by their products or services, or company image.

Socially responsible organizations commit to a higher purpose that is grounded in their values and guiding principles. At Tom's of Maine, a company which produces personal care products, the company's products are all made using natural ingredients, developed using non-animal testing methods. Ben & Jerry's Ice Cream (which is now owned by Dreyer's) is dedicated to the creating and demonstrating a new way of linking its financial success to the prosperity of others. It gives away 7.5 percent of its pre-tax earnings to projects that are models for social change. McDonald's has chosen to uphold animal-welfare standards. For example, the slaughterhouses that provide beef, chicken and pork to McDonald's, have been told by the company to reduce the stress and suffering of these animals during the slaughtering process. In addition, McDonald's is forcing egg farms that supply the company, to give laying hens more room and to stop practices such as withholding food and water so that the hens lay more eggs.

These organizations recognize that they exist to serve society. The values that are a part of this recognition are themselves different. They include: taking responsibility for the health and welfare of society and the planet as a whole; recognizing the importance of the common good; ensuring equality through freedom of expression and equal rights; and demonstrating respect for all life.

YOUR CHALLENGE

Each and every organization on the planet has an obligation to serve the planet and society. To ignore this obligation is to neglect one's responsibility to make the world a better place for those who inhabit it today and will live here in the future. This is not a simple challenge. For many organizations, this means rethinking existing business practices, policies, procedures, and systems. What can your organization do give social responsibility a high importance in its business operations? When will your company get started on this critical task?

Article appeared in the September 2000 issue (Vol. 5, No. 1) of *The Australasian Powder Coater Painter-Fabricator*. All uses, including reprints, require advance permission from the author.

Lori L. Silverman is the owner of Partners for Progress, a management consulting firm dedicated to helping organizations achieve and maintain a sustainable competitive advantage. She is also the co-author of *Critical SHIFT: The Future of Quality in Organizational Performance* and the upcoming book, *Stories Trainers Tell*. Lori can be reached by e-mail at lori@partnersforprogress.com.

For additional free articles, go to www.partnersforprogress.com.
