

# 13<sup>th</sup> International Conference on Corporate Social Responsibility

17<sup>th</sup> January, 2019, Hotel Taj Lands End, Mumbai (India)

Responsible Business Leadership and Corporate Citizenship

Prof Colin Coulson-Thomas\*

Contemporary boards face a range of inter-related challenges. In some cases they impact upon many aspects of corporate operations, different functions and a variety of stakeholders. Certain of the challenges also bring related opportunities and create new possibilities. But directors are often confronted by vested interests and defenders of the status quo.

Determining to whom challenges and opportunities can and should be delegated and to whom one should turn for objective advice is problematic. There is much more counsel on dealing with particular aspects of problems than there is advice on holistic solutions.

Labelling certain activities and responses as socially responsible raises the question of whether all corporate activities should be socially responsible. Should companies have a social as well as a business purpose? This was the case with some early corporate entities. Given the impacts of corporate activities, if boards aspire to be socially responsible should they also accept responsibilities to a wider range of stakeholders?

Key questions are responsibility to whom and for what. A start could be to identify where a company could have the greatest impact. For example, could concentration and focus create a historic opportunity to remove the threat of leprosy? The disease has been a scourge of mankind since when the founders of the world's great religions walked upon this earth.

In 2017, the last year for which we have an annual WHO report, India accounted for almost 60% of new globally reported cases of leprosy. There are opportunities to increase awareness, early detection and treatment, stop discrimination and promote inclusion.

Board aspirations often fall far short of possibilities. Trust in business and business leaders is at a relatively low level in some countries and among certain groups. Young people in particular are sometimes cynical and wary in their views of business. They see a gulf between the rhetoric of concern for the environment and widespread practices such as built-in obsolescence, shortening the life of products and withdrawing servicing and support to force disposal and replacement purchasing rather than repair.

They see current business priorities, practices and models continuing largely unchanged, while the actual and potential costs of coping with the consequences of climate change and other maturing risks rise exponentially with every year of delay.

We need to reassure young people that we are not mortgaging their futures - and our children's and grand-children's futures - for our own short-term benefits.

Owner entrepreneurs and controlling families sometimes feel they have more freedom to change direction and be socially responsible than others. Some of those who feel the weight of responsibilities to creditors and to shareholders may be subject to imaginary constraints if they have not engaged stakeholders and discussed alternatives with them.

Certain constraints do not apply to our personal lives. Are we prepared to live simpler, less resource intensive and probably healthier lives in order to improve the prospects of future generations? Are we ready to make do with less so that in their lifetimes our children and grandchildren do not lose things we take for granted?

Why is it that so many people appear to have lost touch with the natural world, our impact upon it and the systems thinking of Indian ancient wisdom that stresses the importance of living in harmony with nature? Thinking young people ought to be worried. Will they spend their later years scavenging for rare minerals on mountains of our contaminated waste?

Every year in India there are another 20 million young people looking for activities to occupy their time. Business leader rhetoric stresses how important and valued their people are. Their actions sometimes automate current activities, replacing people with machines and/or AI and other applications rather than enabling new possibilities for them.

Incremental improvement of current practices and models may not be enough to address many of the challenges we face and seize related opportunities. We need “get out of jail” cards. Creativity, innovation and entrepreneurship could be the answer if we embrace them.

We may need to look beyond the usual suspects and those whose views of what is possible derive from a previous era. Throughout history some of the biggest breakthroughs have come from outsiders. As business leaders, we need to inspire creativity, encourage and enable innovation and support entrepreneurship and social entrepreneurship.

Later today at this conference a new micro, small and medium enterprise centre is being launched. Actively trading companies often have premises, accounts and HR departments and - importantly- direct access to potential customers. They hold licenses to operate and they have a trading history. We have all of these things that most start-up entrepreneurs lack.

As directors why don't we appeal for ideas, including ideas for alternatives to our current offerings and ideas for more sustainable and less environmentally damaging business models? We should call for both internal and external ideas. We could offer to work with selected entrepreneurs to help them commercialise promising ideas. In some cases we could do this on a collaborative basis and take an equity stake.

As directors and business leaders we face a number of choices. Some of these relate to the corporate purposes and priorities of entities for which we are responsible. Others relate to our own roles. Developments are underway to help business leaders to better understand what it is to be socially responsible and develop responsible leadership skills. An example is the Institute for Responsible Business Leadership of which I am a Fellow. Inspired by a UN initiative to develop more responsible public sector leaders, it aims to support CEOs.

As responsible business leaders we need to engage with younger generations upon whom the future of mankind depends. We need to open up to them and engage, involve and trust them. We need to inspire them by articulating challenges and opportunities in terms of causes that capture their imaginations and motivate them.

We need to be role models of more socially responsible leadership. We need to pass on the batons of creative enterprise, inspired entrepreneurship and more inclusive capitalism. We need to build the cultures and working and learning environments and put in place the mechanisms and models that will allow younger generations to use current and future innovations, their time and natural resources wisely.

\*Prof. (Dr) Colin Coulson-Thomas, President of the Institute of Management Services, has helped directors in over 40 countries to improve director, board and corporate performance. In addition to directorships he leads the International Governance Initiative of the Order of St Lazarus, is Director-General, IOD India, UK and Europe, chair of United Learning's Risk and Audit Committee, Chancellor and a Professorial Fellow at the School for the Creative Arts, Honorary Professor at the Aston India Foundation for Applied Research, a Distinguished Professor at the Sri Sharada Institute of Indian Management-Research, Visiting Professor of Direction and Leadership at Lincoln International Business School, and a member of the advisory board of the Aravind Foundation and ACCA's Governance, Risk and Performance Global Forum.

An experienced chairman of award winning companies and vision holder of successful transformation programmes, Colin is the author of over 60 books and reports. He has held public appointments at local, regional and national level and professorial appointments in Europe, North and South America, Africa, the Middle East, India and China. He was educated at the London School of Economics, London Business School, UNISA and the Universities of Aston, Chicago and Southern California. He is a fellow of seven chartered bodies and obtained first place prizes in the final exams of three professions. He obtained the CSR Lifetime Achievement Award at the 2018 CSR Leadership Summit. Details of his most recent books and reports can be found on: <http://www.policypublications.com/>