

Social responsibility begins at home

Public opinion has forced companies to consider their social responsibilities to the environment and developing countries, Dr Leandro Herrero believes they should first look at the state of their own backyards.

Talk to anyone about a company's social responsibility and some of the first images that come to mind are the rain forest in Brazil, with the associated need for conservation, and the sweatshops in the Far East, where small children make T-shirts for the West. In other words, things far away from home; big multinational stuff, the sins of globalisation that the Seattle warriors fight by burning McDonalds' franchises. Society is a nice concept that, if a bit vague, a bit idealistic and a bit moral, fits well in company mission statements. After all, imagine the alternative. Do you know of any company that would admit to wanting to pollute the environment, destroy social relationships or run workplaces like concentration camps?

The trouble with global social responsibility is that it distracts from what is happening next door or downstairs. Companies that are 'socially responsible', by the stereotypical standards of no-pollution-no-child-labour, may in fact operate socially irresponsible policies affecting their own staff. Sumantra Goshal, a professor at the London Business School in the UK, refers to the atmosphere in some companies as being like 'Calcutta in summer' – a suffocating environment. Such companies may have mission statements espousing their commitment to social responsibility; promising no pollution of rivers while ignoring the daily pollution of the minds of their workforce. Let's face it. Goshal is right. Some working environments are not nice. High levels of internal politics and personal wars, disregard for employees, who are just numbers on a spreadsheet, and irrational contingency policies (hire fast/fire fast) may lead to a Calcutta-in-summer workplace, even if the company swears it will never dump a chemical in the nearby river.

Social responsibility, like charity, begins at home: in the manager's office next door and

downstairs in the human resources department and the labs. It has to do with understanding that people spend a great deal of their daily life working for organisations and that the company, whether it wants to recognise it or not, has a social responsibility to them. This involves a duty to provide an environment that respects the individual, enhances the human condition and values the employee. Surely, if it is good for trees, it must be good for humans.

Those who think this is airy-fairy stuff are no different from those who think that the chemical plant's pollution of the river is a necessary evil if business is to meet its objectives. Years ago, such people got away with murder because the population was largely ignorant of the issue, or silent or insensitive. Today such practices make headlines that backfire on the company in a way it can't afford. Some years from now, Calcutta-in-summer workplaces will make similar headlines with similar consequences.

As a self-confessed novice in matters green, who still needs to be reminded what a recycling box is for, it may seem strange that I should use 'green examples'. I am not bringing them here as an expert practitioner but to compare and expose the double standards of so-called social responsibility.

The circadian mind of a manager

One of the behaviours that one finds in a less than socially responsible environment is a kind of management schizophrenia. Outside the office, a manager may be a kind, civilised and perhaps church-going human being. But at work he transforms himself into a careless nine-to-five manager who, quite frankly, may not give a damn about the working environment as long as 'the numbers are achieved' (and his bonus is safe). Perfectly reasonable human beings become very unreasonable managers on entering the office, as if affected by some sort of toxic gas. Once in the office, toxic management takes over. It's as circadian as night and day.

A company's obvious need to have policies and procedures is a perfect excuse for toxic managers. They say, "Sorry, it's not me, I have to do this, it's company policy"; or "If it were up to me I would allow this but I don't make the rules"; or "I can't allow you to do that because everybody will expect the same". And the employee is denied a small privilege that would have made no difference to the running of the business, but that might perhaps have made all the difference to a working mother, such as a little flexibility in her daily hours.

Managers who hide behind company policies – "I don't make the rules" or "I have to treat every-

Some companies promise not to pollute rivers, yet they create their own toxic working environment for employees

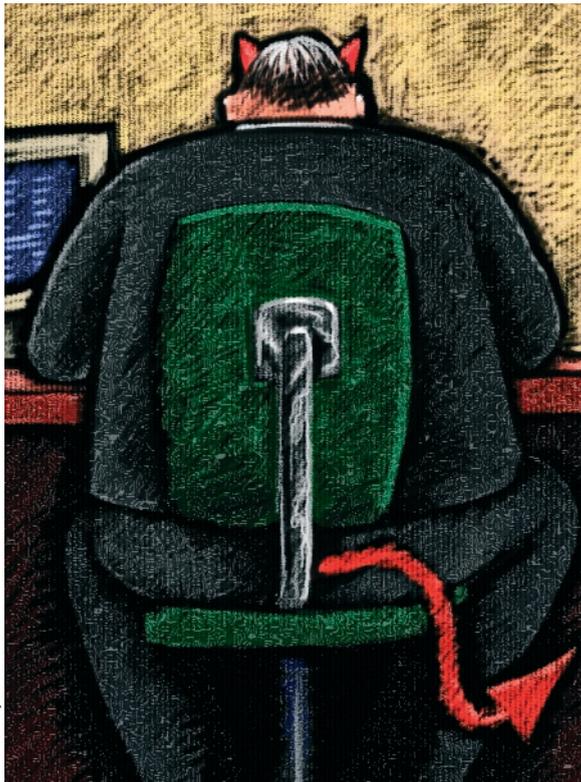


Illustration by Rob Wilcockson

Perfectly reasonable human beings can reveal a darker side in the office.

one the same way” – are often simply lying. In many cases, they do have the power and ability to interpret company policy. They could grant an exception to the rule and accord the individual a special concession because common sense says that the rule was not invented to make life difficult.

One of the best defence systems of the toxic manager in the Calcutta environment is the use ‘internal equity’ as an ‘all-seasons’ argument. “We must see the equity aspects of this issue in the organisation,” a manager or an HR leader says. “We can’t give this to Smith or it will set a precedent.”

That kind of argument assumes many

things, but the one that always puzzles me is that it presumes that everyone in the organisation will want the same as Smith. This is not true in most cases. For example, I did an MBA sponsored by my employer. As I remember, there were no rigid criteria about who could do it. I knew a couple of colleagues like myself who were sponsored. My boss did not have a long queue of people in his office wanting to do an MBA. As a matter of fact, it was hard work that some of us did on top of our normal workload. In another organisation such an opportunity would not have been available because (here it comes) “it would not be fair in terms of internal equity”.

Fairness, the greatest parapet

Fairness is a word that can be used with a great deal of semantic discretion. Many managers – and many HR departments – seem obsessed with defending fairness. And yet, under this parapet, they exhibit the greatest unfairness of all, that of homogenisation. Fairness, as unilaterally dictated and interpreted, may boost the manager’s moral ego but may not impress anybody else. Salary differences between staff, executive privileges, boards driven by personal gain, are all unfair, yet they are part of daily life.

At this point you may be convinced that I am determined to paint a dark picture of business life. Let me be clear: I know business life can be highly rewarding and enlightening. I also appreciate that much work takes place in non-Calcutta environments. But the cynical way that corporations deal with so-called social responsibility

should not be covered up. The company is socially irresponsible despite all its ‘care for the environment’ policies when all it achieves is a good track record of clean rivers, but it is a place that is not worth working in as internal mental pollution merely replaces external pollution. Blame it on my lack of environmental education, but I can’t stand those environmentalists who care about recycling their memos, who dispose of tin cans in special containers and who use the same hotel towel every day to save water, while they pollute the working environment for the people working for them. Maybe we should have offices or cubicles painted in green for those managers.

Pending revolutions

The customer revolution took place in the 1980s with a proliferation of customer services departments. Today these are the baseline; they don’t raise eyebrows of admiration any more. Companies are supposed to have them. The quality movement focused on quality as a final end; today this is the starting point. In five years time you won’t see an ISO logo on letterheads or the company van. Now as the shareholder revolution is beginning to take off, the actions of boards and management are increasingly scrutinised. The next big revolution will be the employee revolution. At that point, toxic management will be uncovered and companies that are internally socially irresponsible will make the headlines. Those companies that are brave enough to look themselves in the mirror and identify socially irresponsible internal practices, and are brave enough to do something about them, will win the game.

You and I know of companies full of nice people. In many cases, however, it is as if we are saying: “Individually, we’re all basically good guys; collectively we can be a bunch of arrogant people who use the excuse of rules dictated somewhere else to exercise power and control.” If a working environment can produce and nurture Calcutta-in-summer managers, who otherwise are nice guys individually, this environment is toxic; you should avoid it if you can. And that’s the problem, the “if you can”. After all, a few million people live in Calcutta, many can’t afford to be anywhere else and, indeed, some may even like summer there.

Social responsibility is not merely a green issue or an ethical corporate governance approach which takes a stand on not polluting rivers and not cutting trees in Brazil. It must begin at home – in the office next door, in the manufacturing plant or in the project team. None of this is taught in business schools. SM

•Dr Leandro Herrero writes on a management topic each month in Scrip Magazine. He heads the Chalfont Project, a human capital architecture consulting firm based in the UK. He is also a visiting professor at DUXX Graduate School of Business Leadership.