

SOCIAL RESPONSIBILITY

What Good Business Looks Like

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As COVID-19 continues its advance, it is showing that much that we believed was wrong. Things that seemed impossible a few months ago have suddenly come to pass. As it turns out, thousands of businesses, universities, and other organizations *can* pivot to a totally virtual environment in days, not years. Societies divided by politics and inequality *can* quickly come together in shows of mass solidarity. The pollution over China *can* magically disappear.

As conventional wisdoms tumble one by one, the door to bold new thinking has been opened. At the end of last year, we would have insisted that developing a cure to a previously unknown disease would take years to get off the ground. But within 90 days of coronavirus being sequenced in January, 200 clinical trials for 79 potential treatments and 49 possible vaccines were underway. Our conception of what humankind is and isn't capable of has been upturned overnight.

That means these are days for challenging dogma — nowhere more so than in how we understand the role of business in our societies.

Fifty years ago Milton Friedman famously wrote that “the social responsibility of business is to increase its profits.” The doctrine of shareholder supremacy was born and, notwithstanding a growing movement towards a more conscious capitalism, continues to reign.

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Suddenly, even that axiom feels less self-evidently true than did it a few months ago. We are seeing a rising number of companies showing up in this crisis with humanity. They are stretching themselves to support stakeholders other than their investors: employees, customers, suppliers, and wider society. For businesses facing an

existential threat — those in travel or retail, for instance — this may not be an option. At the other end of the spectrum there are, of course, opportunists seeking to profiteer from this tragedy. But in the middle are countless companies — many more than we could have predicted — showing their better side.

Fashion companies are turning over factory lines to produce face masks. Manufacturers of all kinds are retooling to fill ventilator shortages (industry leader Medtronic has even shared its patents and designs with competitors to help meet demand). Singapore Airlines is deploying first aid-trained staff to hospitals short on manpower. Mumbai's iconic Taj Mahal Palace Hotel is filled with doctors and nurses, sparing them the risk and time of commuting. Uber is offering 10 million free rides and food deliveries for

health care workers, senior citizens, and others affected by the outbreak. Walmart has paid cash bonuses to hourly workers. Unilever has extended €500m of credit across its value chain. CHROs from Accenture, Lincoln Financial Group, ServiceNow, and Verizon designed and built a platform called People + Work Connect in 14 business days, to connect companies forced to lay off or furlough people with those urgently looking to hire. Hundreds of companies are participating. Archrivals Google and Apple are teaming up to develop smart phone technology that will alert users if they come into contact with other people who are infected.

This pandemic is turning out to be a grim but vital reminder that we human beings are here on this planet to take care of each other — and business is a way we can do that at scale. Capitalism, for all its dangers when unfettered, remains the most powerful tool we have ever invented to channel human ingenuity to meet human needs and elevate us to new heights. When the private sector pivots to serve the greater good, its reach and power is immense.

The disruptive forces that have been unleashed by the coronavirus can enable rapid and potentially permanent shifts in mindsets and social norms. Our vulnerability and empathy have been awakened and it is possible that, after all this, the expectations on the private sector will be fundamentally altered, for the better. We now have a rare chance to hard-wire into our psyches this more enlightened conception of what good business looks like. The process of expecting more from corporate leaders had already begun, manifest in the demands of the millennial workforce and the choices of more responsible consumers. It will now accelerate.

How a CEO or company showed up in 2020 will be a new and powerful yardstick by which they are measured. Companies that demonstrate a lack of empathy, that don't stretch themselves to serve others, that remain silent or self-serving, whose leaders refuse to share in the economic pain, risk finding their brands and reputations permanently scarred. The growing clamor is for more responsible and caring C-suites. Perhaps, just perhaps, our future will be shaped by a kind of reverse Darwinism: survival of the kindest and most benevolent, rather than the most ferocious and self-obsessed.

It's a wonderful vision, and one we can now dare to imagine. One thing we can be sure of: COVID-19 is not the last such disruption we will see. "Black swans" — rare historical events — will become increasingly common in the future. Whether it is the coming crisis in our broken food system, future pandemics, or climate change, other larger challenges await. These days are a prologue, basic training for larger tests that loom ahead; it is only a matter of time until our business leaders are challenged again. The lesson unfolding in front of us is that companies need to prepare to meet future crises with sound balance sheets, caring leadership and genuine compassion. Those that do will be celebrated, rewarded, and cherished.

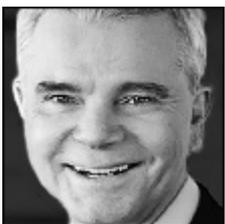
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