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Corporate Social Responsibility



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When E.M. Forster urged us to "only connect" in *Howards End*, his great 1910 novel, he was addressing our very human need for understanding that we are never truly alone in the world, that our actions have consequences, that our well-being depends on how we treat each other.

Over 100 years later, in our age of hyper-connectivity, surveillance and transparency, that primal need to connect is more important than ever. But connection today is not only between us as individuals, but between us in the public and private spheres, between the corporate and the personal, the corporation and the consumer, the executive and the citizen.

The social contract of doing right by others extends past our individual actions to embrace how businesses behave in their communities, beyond the bottom dollar.

This need for corporate responsibility, or connected capitalism as it was termed by Neville Isdell, former CEO of Coca-Cola Co., speaks profoundly to a new generation on the cusp of real-world careers.

Isdell believes that if business is going to continue to have a broader social license to exist and operate without more extensive degrees of regulation, then businesses must recognize that it's in their interest to be connected to the community, to civil society.

By doing this, business becomes less of a scapegoat for society's ills and more of an example of how to be a responsible corporate citizen.

"The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges," Michael Porter wrote in the *Harvard Business Review*.

Corporate responsibility, connected capitalism, shared values -- whatever you call it -- matters to me. How do we best prepare our students for their business careers? Their technical understanding of business issues is important, but they must also find ways to broaden their thinking and examine the wider world in which they'll soon work. At Baruch's Zicklin School of Business, where I'm dean, we're looking at how students can more fully understand and implement that connected way of thinking. And to my delight, students are already hungry for it.

What's thrilling for me as an educator is that every time we've invited students to participate in programming that explores the intersection of community with corporatism, we are oversubscribed: we have more students interested in learning about connected capitalism than we have slots to accommodate them.

Perhaps I'm getting beyond my own area of expertise, but I think this field is something that resonates with the millennial generation -- it values how business works in people's personal lives and in their communities.

For the coming semester, Noel V. Lateef, president of the Foreign Policy Association, is leading one of our most popular courses, teaching the FPA's "Great Decisions" policy book -- which highlights eight important current foreign policy decisions affecting Americans.

Lateef explores these decisions through a business lens, and how they influence how a business student should be thinking about conducting business going forward. The course at Baruch weaves together these evolving concepts, finding that business needs to take a much broader view of who a corporation's constituents are and how to interact with a community of constituents.

From my perspective as an educator and university administrator concerned with business, I've seen connected capitalism and corporate responsibility grow from conception to implementation over the past decade. Coca-Cola, for example, invests in clean water projects around the world. Not only because Coca-Cola needs clean water for its beverages, but because a healthy community is important to business overall. This is thinking beyond the next quarterly earnings report and examining the combined impact of an interaction between the environment, business and the community.

Similarly, even the mining industry has been stepping up in this regard. The mining sector has realized that interacting with the community affects the triple bottom line: people, planet, profits. Mining companies are instituting what they call a social license to operate, which refers to the acceptance of mining companies by local communities. These companies want more than government permission, but "social permission" to conduct their business.

I realize we're far from there: many businesses remain focused on short-term profits at the expense of longer-term goals and overall sustainability, especially in relation to the community.

But it's heartening to see that today's students are eager to learn more about the intersection of business and personal, of corporate responsibility, of connectedness. Progressive corporate changes over the past decade will become that much more widespread as a new generation enters the marketplace knowing that corporate responsibility can be profitable for the community as well as the corporation.