

The Challenge for Business and Society: From Risk to Reward

By Stanley S. Litow

The compelling challenge for business and society today is to address cross-sector corporate citizenship in an innovative, meaningful and effective way, transitioning from risk to reward. What do I mean by risk? Well, there is a significant risk facing the private sector if it continues to be viewed in an entirely negative way. That risk is considerable.

While views may fluctuate with respect to the public's view of business or government, a decidedly negative view of business will, if it continues lead to a range of actions in the near term that could have any number of negative results. If the past is prologue to the future such negative views will inhibit innovation, creativity and job growth and impede positive economic development. Put simply, there is a cost of doing nothing. There is also an escalating risk to business if it invites continued criticism resulting from some bad actors that engage in unethical and unacceptable behavior, even while others function in a positive way. Businesses that behave poorly and don't treat their corporate responsibility seriously face the risk of alienating their customers, their shareholders and their employees. Their corporate life span will be short and largely unsuccessful.

But there is another side to the coin. It is about turning risk into reward and realizing sustained value. And there is a significant reward to both business and society if corporate responsibility is treated with an importance equal to executing effective economic success. It is not separate but in fact integral to businesses and society's economic success. Businesses that have strong principles and values undergirded with a deep appreciation of the direct link between ethical conduct and business success, and display their leadership in the way they conduct themselves and inspire others are in fact more economically successful companies. They attract and retain better talent, and they have fewer risks to their reputation, their brand, and their bottom line. Those that work in partnership with government and civil society to address societal problems in an effective way can take their business performance to even higher levels by building community stability.