



RESONANCE

SOCIAL ENTERPRISES: ALIGNED AND IN STEP, CAN MOVE MOUNTAINS



By **KAREN NEOH**
karen.neoh@leaderonomics.com

LONG before I started working for a social enterprise, I worked for an animal hospital – covering everything from consoling families distraught by the loss of a beloved pet, transporting wildlife to a sanctuary, to poking my head into the ventilation system to figure out what was causing a problem.

It wasn't a start-up nor an NGO requiring everyone to jump in and help – it was the largest and renowned veterinarian teaching hospital in the United States managed by the Massachusetts SPCA.

A social enterprise's primary purpose is its social and/or environmental mission – it tries to maximise the social good it creates balanced against its financial goals, while an ethical business attempts to minimise its negative impact on society or the environment (*Social Enterprise UK*).

At the hospital, the social mission was clear and was indeed the primary purpose because the welfare of the animals was always top priority – whether it meant everyone on the team setting aside their own differences to focus on caring for a patient, or taking on the expenses for a pet when the owner could no longer afford to.



EVOLUTION OF ENTITIES

According to Bloomberg, one of the most disruptive ideas in our history is Milton Friedman's *A Friedman Doctrine – The Social Responsibility of Business Is to Increase Its Profits* which appeared in the New York Times Magazine in 1970.

Today, "shareholder value" has been supplanted by "corporate social responsibility", "triple-bottom-line accounting", and "stakeholder value", all pointing to the evolution of companies to have a higher purpose beyond making a profit.

It is worth noting that looking back further to 1943, the Johnson & Johnson (J&J) credo came into being – stating that the company's first responsibility was not to investors but to doctors, nurses and patients; employees; communities and finally to stockholders. The J&J credo unites its people till today, and is the reason why some choose to work there.

Culture setting: As a leader, what role do you play in culture-setting and clearly communicating the vision and mission of the company?

EVOLUTION OF ENGAGEMENT

"To attract and retain talent, business needs to show millennials it is innovative and in tune with their world-view. By working together and combining their different skills, business, governments and NGOs have an opportunity to reignite the millennial generation and make real progress in solving society's problems." – **Barry Salzberg, chief executive officer, Deloitte Touche Tohmatsu Limited**

Millennials want to work for organisations that foster innovative thinking, develop their skills and also make a positive contribution to society.

The *Deloitte Millennial Survey 2014* found that 74% of millennials believe businesses have a positive impact in the communities in which they operate, however they believe business can do more to help society in terms of resource scarcity (68%), climate change (65%) and income inequality (64%). In the UK, with record

levels of graduate unemployment, a reported 238,000 people start a social venture every year.

Increasingly, students are setting up social ventures alongside their studies (*The Guardian*). And closer to home, Aon Hewitt reports that Gen-Y in Malaysia are also seeking more meaningful tasks in the workplace.

Hot on the heels of Gen-Y, the Gen-Z are said to be determined to change the world and that social entrepreneurship is one of the most popular career choices (*US Department of Labor*).

Culture alignment: In a diverse and multi-generational workforce, leaders need to ensure culture alignment – aligning daily policies and leadership practices into a set of consistent experiences for an organisationally-driven workforce.

FROM ENGAGEMENT TO EMPOWERMENT

One of the first hospitals I visited in India had recently been granted the international accreditation by JCI (Joint Commission International). While appropriate processes were emphasised, one of the key lessons was observing how every employee worked together – knowing how their individual roles contributed to excellence in patient care – from hospital administrators to housekeeping to doctors and nursing staff, everyone was engaged and empowered to play their role in ensuring patients had the best care experience.

What is the impact of greater employee engagement and empowerment?

In the UK, a rehabilitation unit was selected to be run as a social enterprise led by nurses. The result? Patients were able to return home more quickly than acute wards, with a saving of £2.7M (MYR15.1M) per year for the National Health Service. These results were attributed to the fact that

- they were empowered as an organisation
- they had the autonomy to channel resources to identified needs
- the organisation is staff owned and staff-led, and so highly motivated

Culture coaching: As a manager, do I create enough opportunities for my team to do what they do best every day?

ENGAGEMENT EXCELLENCE

In light of the relatively new experi-

ence of social enterprises as it is defined today, and indeed, the varied definitions of social enterprises, clarity in communicating the organisational goals, vision and mission are imperative. Leaders play an important role in the four stages of engagement excellence:

- Stage 1: Culture setting
- Stage 2: Culture alignment
- Stage 3: Culture coaching
- Stage 4: Culture motivation

To learn more of these four stages of engagement excellence, do go to www.leaderonomics.com/leadership/the-4-stages-of-engagement-excellence by Joseph Tan.

CONCLUSION

Observing the rising trend of social enterprises in countries like the UK and Canada and the recent launch of the Malaysian Social Enterprise Blueprint, the priorities of our youth to make a difference in the world, and the keen interest of business schools worldwide in the study of social enterprises, my prediction is that the growth in impact investing and social entrepreneurship will continue into the future. Our leaders of tomorrow would need to consider this element in the running of organisations.

■ *At times, Karen makes painful and unpopular decisions to stay true to her values and to maintain the integrity of her work. Helps her keep a smile on her face!*

B THE CHANGE

B-Lab redefines "success" in business, so that all companies compete not only to be the best in the world, but the best **for** the world. B corps are for-profit companies that pledge to achieve social goals as well as business ones. They are regularly certified by the nonprofit B Lab.

Today there are more than 1,000 B corps in 33 countries representing more than 60 industries.

Warby Parker is an example of a B corp. Its production and distribution is carbon-neutral, and, for every pair of glasses it sells, it distributes another in the developing world.

The Warby Parker experience: having a social mission is an important way to attract and retain talented employees, and is also an important selling point with consumers.

They have no trouble raising money, and co-founder and co-CEO Neil Blumenthal says, "Your ability to have an impact on a large scale is just greater in the for-profit world, and that's chiefly because of the capital and the talent available to you."