

NAME/TITLE

A Blueprint for a Better Business?: Uniting corporate purpose and personal values to serve society

<http://www.blueprintforbusiness.org/Home>

Date commenced: September 2012

Contributors, funders, political or ideological position

The Archbishop of Westminster, the Most Rev Vincent Nichols, has sponsored the initiative which has been led by a working group made up of representatives from across business and the Church.

[The Framework of Principles] will link to the body of learning from which it is drawn. This body of learning includes Catholic Social teaching and Aristotelean value ethics but seeks to represent principles shared by those of other faiths as well as those of no faith.

ABOUT/KEY MESSAGES (in its own terms)

The aim of the initiative is to rally business leaders to explore the business need for change and how a rediscovery of corporate purpose and a focus on personal values might best be brought together in the service of society.

Aims for the next 3-5 years

- To articulate a universal Framework of Principles to be used as the key benchmark by business and by business commentators in judging the appropriateness of business behaviours;
- To encourage people working in business to feel better able to bring their values to work and show how these values are applied in practice

Does this initiative offer any compelling narrative for business leaders in particular, i.e. about the purpose and role of business and financial institutions, about values and ethics, about the relationship between business and society?

Reforming corporate culture is a long-term ambition but this initiative is one which gives business leaders themselves the opportunity and space to explore, in practical ways, how to take responsibility for restoring purpose, in its broadest sense, back into business life.

The *Framework of Principles* represents a summary of principles designed to be used to guide decision making in a business context. For example, it might be used to help define, describe or refine the purpose of the business, challenge and refine behaviour codes, such as values and codes of conduct, and to consider when thinking through resolution of business dilemmas. Behaviour codes and the actions taken in response to business dilemmas need to be aligned to the stated purpose to reinforce the authenticity of purpose. Considering the extent to which the prosperity of the enterprise comes from that purpose (and not from activities designed to serve the enterprise's interests alone) will also help test the authenticity.

<http://www.blueprintforbusiness.org/Home/About/Framework-of-Principles>

WHAT QUESTIONS IS THIS INITIATIVE TRYING TO ANSWER?

How might a return to the universal moral principles advocated by religions of all kinds contribute to reshape business in a very practical way?

WHAT PROBLEMS IS THIS INITIATIVE ADDRESSING/ATTEMPTING TO SOLVE?

'A Blueprint For Better Business?' comes at a time when trust in businesses and business leaders globally has fallen, and the role of faith in society is being openly debated.

'A Blueprint For Better Business?' launched at a conference in Central London on 18 September 2012. Current and future leaders of the UK's top businesses came together to explore how corporate culture has become skewed, or perceived to be skewed, in one direction: towards the pursuit of short-term financial gain at the cost of personal dignity and long-term business and societal benefit. The conference addressed this situation and explored what a new blueprint might be that will allow a culture to flourish that better serves us all.

The way business operates is increasingly under public scrutiny. And this is leading to a growing public unease that, in many cases, all is not as it should be. Sometimes businesses are regarded as entirely self-serving, ignoring or even working against the public interest. They are not trusted.

Many people engaged in business share these wider public concerns, and look for ways to rectify them. They are aware that trust has declined; they are also aware that trust is necessary for business to function. But they also know that trust has to be earned. There is increasing recognition among business leaders that the internal culture of business, including its underlying values, beliefs and principles, has to be candidly examined to see in what way it has contributed to this breakdown of trust. Are business people too narrowly focused on the bottom line, on maximising shareholder value in the short term? Do these perspectives blind them to the effects of their actions on wider society?

One striking theme to emerge is the disconnection many business people feel between the way they behave in their ordinary social and family lives and how they feel obliged to behave when engaged in business. There is even a name for it - the "divided life".

There may even be an assumption in the business world that behaving properly, that is to say with an intact set of moral standards, is bad for business.

HOW DOES THIS INITIATIVE IMAGINE CAPITALISM WILL BE DIFFERENT IN THE FUTURE?

- [Business will reconnect with Society]
- [Business leaders will act in accordance with the Framework of Principles]

WHAT RECOMMENDATIONS DOES THIS INITIATIVE MAKE FOR THE VARIOUS ACTORS

National governments/regulators

Our dialogue with the political community is aimed at encouraging cross party support for action rather than being sponsored by any single political party. This process has started with awareness briefings with representatives of each party and institutions that are associated with particular parties. We have also made a submission to the Tyrie Commission on banking standards.

Trading corporations/business leaders/collective business institutions

A Framework of Principles was developed for the 2012 conference. This has been subsequently discussed with academics, theologians and business and is being further refined to enhance its link to the body of learning from which it is drawn. This body of learning includes Catholic Social teaching and Aristotelean value ethics but seeks to represent principles shared by those of other faiths as well as those of no faith.

Investors: individuals and institutional

We have been developing a dialogue with the investor community to tackle issues such as how investors can encourage companies to embrace the principles as a practical way to enhance long term value, signalling to investors their commitment to this agenda, influencing the allocation of capital to such investors and shaping the understanding of fiduciary duty to explicitly encourage seeking both a financial return and a return to society.

Financial institutions

International institutions

Does this initiative have anything to say about major medium to long term economic and social issues

- Supplies of the essentials of life: Food, Water, Housing, Energy and Transport
- Climate change, resource depletion, loss of biodiversity
- Population growth and demographic change
- Economic growth, innovation, employment, the distribution of income and wealth
- The governance of business and the financial system; public trust
- The respective roles of government and business
- The respective values of economic, social and environmental capital

Ahead of the launch conference for 'A Blueprint for Better Business?', an online survey was put to delegates. For the analysis see:

<http://www.blueprintforbusiness.org/Home/Resources/Conference-2012-Survey-Analysis>

General conclusions that might be drawn are that the Financial Sector respondents seem aware that they are in the spotlight and the not-for-profit sector is more sceptical of business than those within business.

In Summary

It does need more work but an early analysis of the survey results could be seen to indicate the following narrative:

- Business is very important in people's lives
- Business is not inherently bad
- The best businesses can combine financial success with societal benefits
- A decision making proposition based around human dignity and common good can help define a mobilising purpose and can led to an alignment of purpose and profits and the behaviours to attain those profits
- There is a divide between what businesses say about their purpose – and genuinely believe – to how they seek to make profits
- The purpose of business needs to be more explicit
- Any closed system – and by implicitly excluding societal institutions like faith the markets may be a closed institution – would benefit from an external benchmark of behaviours