

SUSTAINABLE INCLUSIVE BUSINESS IS NEW WAY OF CORPORATE SOCIAL RESPONSIBILITY

Sustainable inclusive business is new way of corporate social responsibility

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An official of Kenya Red Cross Society helps Wanjohi Kangangi, the managing director of CMC Motors Group, donate blood in March, 2016 in a blood donation drive that is part of the company's corporate social responsibility. PHOTO

In Summary

- Full business cycle should have positive impact on people and the planet.
- Sustainability should be pursued as part of core business and not as tokenism to make the corporation look good.
- An inclusive business directly reaches people living at base of the economic pyramid.



By **KARIN BOOMSMA**
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The private sector has always been viewed as a lone and mean player in the development agendas of many countries. Companies are perceived to be only interested in making profits, sometimes at the expense of the people or the environment.

This notion pushed businesses to embrace corporate social responsibility (CSR), which requires companies and businesses to set aside part of their finances for projects that positively impact the communities around.

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This notion pushed businesses to embrace corporate social responsibility (CSR), which requires companies and businesses to set aside part of their finances for projects that positively impact the communities around.

There are various reasons why businesses choose to engage in CSR. One is that business has a role to play in solving some of the challenges facing society. Some of these challenges might be brought about by the operations of the business. It is also argued that CSR activities enhance the public image of a business, giving the impression of a company that cares about the people. A research published in the *Harvard Business Review* in 2015 proves this, with 84 per cent of those interviewed in matters

philanthropy agreeing that CSR improves the social standing of a business.

In as much as corporate social responsibility is beneficial and provides solutions to some of the challenges facing society, it also gives the impression of a company or business focused only on looking good at the expense of long-lasting impact.

NOT OBLIGATION

CSR has always been viewed as a nice thing to do and, therefore, not an obligation. Many businesses are faced with the dilemma of looking as if engaging in CSR also plays a role in achieving the goal of the business, which is making profits. Some companies end up not having CSR in their operations.

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The concept of sustainability and inclusiveness seeks to create a bridge between the responsibility of a business to society and the environment, and the core goal of the business, which is making profit. This ensures that corporate social responsibility does make business sense – by ensuring that the activities of the business have a positive impact on people, the planet, and profit.



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Sustainability ensures that the core business undertakes its operations and gains profits without affecting the ability of future generations to do the same. This is achievable through embracing green solutions at the workplace such as renewable energy solutions and proper waste management.

POSITIVE IMPACT

Inclusiveness means bringing in every stakeholder and having a positive impact on people at the bottom of the pyramid through affordable, high quality, and need-based products. Inclusiveness can also be at the core of the business through increasing the engagement of employees in an organisation. This goes a long way in improving quality of work, communication, and transparency.

Simply put, the new way of corporate social responsibility is sustainable inclusive business, which means running your business in a responsible, sustainable, and inclusive way. The full business cycle should have a positive impact on people and the planet.

Sustainability should be pursued as part of the core business and not as tokenism to make the corporation look good. An inclusive business directly reaches people living at the base of the economic pyramid.

The new CSR is a commitment to sustainably invest in people and the planet. It is the little steps taken to integrate low-income people into the value chains. It is about empowering people to participate in markets as producers, buyers, suppliers, and consumers. It is also about empowering employees and investing in the community where the business is located.

Karin Boomsma is project coordinator, Sustainable Inclusive Business Initiatives.

karin@sibkenya.com

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