

WHO'S HOLD YOU ACCOUNT

CHRISTINE BADER WANTS TO FILL COMPANIES WITH CORPORATE IDEALISTS.



“I don’t believe that idealism and business acumen are mutually exclusive—in fact, I think quite the opposite.” Christine Bader has spent her career at the intersection of the corporate and nonprofit worlds, aiming to instill responsibility in corporate practice while adding value.

She worked at BP for nine years, leaving in the wake of the 2005 Texas City explosion, as the company’s progressive priorities were starting to shift, and before the Deepwater Horizon disaster. But throughout her tenure there, she writes, “my goal was to align the interests of the company and the community, not to compensate for or distract from wrongdoing.”

Her hope now is to illuminate a path for idealistically minded people who want to make a real-world impact by helping companies run more smoothly, more efficiently, and for the benefit of both local communities and broader society. Her new book *The Evolution of a Corporate Idealist: When Girl Meets Oil* (Bibliomotion) is “meant to be a diary from myself and others of what it’s really like, and what it feels like, to do this work.”

Bader, a visiting scholar and lecturer at Columbia University and a human-rights adviser to BSR, spoke via Skype.

YOU DESCRIBE YOURSELF AS “PART OF A GLOBAL ARMY OF PEOPLE FIGHTING FOR BETTER SOCIAL AND ENVIRONMENTAL PRACTICES INSIDE MULTINATIONAL COMPANIES.” WHY WOULD A COMPANY HIRE A SELF-DESCRIBED CORPORATE IDEALIST?

I would actually ask: How can you *not* want an army of corporate idealists inside your company? How can you *not* have people who care deeply about the company’s impacts on the world, and about its stakeholders? People who care what we are doing in the world, and about our role in society? *Everybody* should be a corporate idealist. I hope that senior executives are the most idealistic of all.

BEING A CORPORATE IDEALIST SOUNDS MARVELOUS—YOU GET THE BENEFITS OF BEING PART OF A FOR-PROFIT COMPANY WITHOUT FEELING AS THOUGH YOU’VE SOLD OUT.

Well, keep in mind that a company doesn’t need someone who just wants

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to be the in-house NGO. They need people with real skill sets. They need people who can translate the language and passion of idealism into things that the business can actually *do* and act on. Companies need idealism, but they also need people to get stuff done, who know how to turn the cranks and make the widgets and get the stuff out of the ground. A lot of people I talked to for the book discussed their role as translators—you're translating what external stakeholders demand into particular company functions and processes.

I asked one of my advocate friends whether she could ever work at a company, and she said, "I don't think that I could, because I couldn't stomach the feeling that I was complicit in a company's problems, even if I was trying to solve them." Plenty of people don't want any part of the corporate world—they're happier working at, say, Amnesty International. And when people ask me, "I want to do good in the world—where should I go work?", I have to tell them that it depends. Whether

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BY MATTHEW BUDMAN



they end up in a company, in a nonprofit, or in government is deeply personal. We all have to find the setting in which we're going to thrive. And that might change over time.

WHEN MOST COMPANIES HIRE PEOPLE TO RUN CSR OR CORPORATE-CITIZENSHIP EFFORTS, ARE THEY EXPECTING THEM TO STOP AT ORGANIZING VOLUNTEER PROGRAMS?

It depends on the company. People send me a lot of CSR job postings so I can share them with my networks, and I got one from a large financial-services firm that said "Manager, CSR," and I thought, *Great, they're going to hire somebody who's going to look more carefully at the risk level of their investments and make sure they don't undermine the global economy again . . .* and it turned out that the job was to manage their employee volunteerism program. Which is nice, but it's not the stuff that I care about.

People ask me, "Should I take this CSR job? Will I be doing real work, or will I just be ordering matching T-shirts for people to go paint a wall?" And what you have to do is step back and ask, *What are this company's ten or five or three greatest tensions with society, and is this job working on any of those? If it's a mining company, am I working on its carbon emissions, or on the impact the company has on nearby communities?* If you're not, maybe it's not a real CSR job.

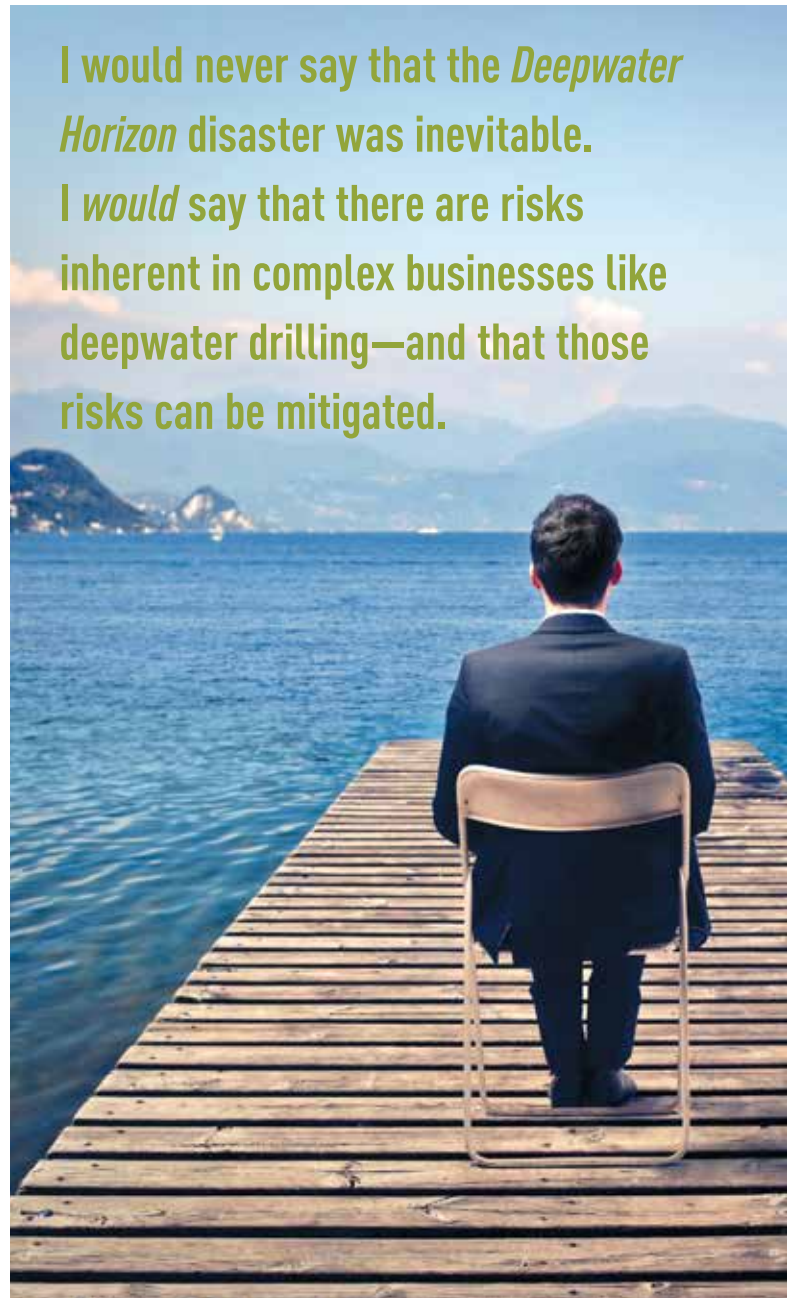
OF COURSE, WHEN IT COMES TO COMPANY RESOURCES, THERE'S ALWAYS A BALANCE. DO IDEALISTS FIND THEMSELVES PRESSED TO MAKE "THE BUSINESS CASE" FOR ANY INITIATIVE OR CHANGE?

Sure, and I have mixed feelings about that. Every business needs to do cost-benefit analyses and weigh risks and opportunities. I get that. But sometimes pushing the business case can go too far down that road. If my company is thinking about investing in a conflict zone, I might make the case that we need to hire thirty community liaison officers and set aside *this* much money for partnerships with international NGOs; that might mitigate some of the risks—for instance, that we might be complicit in genocide. But if I present it as an ROI calculation, I might end up in a conversation in which I'm asked, "What if we hired only ten community liaison officers—would that mean there's only a 50 percent chance that we'd be complicit in genocide?" At some point, it's silly, and it's OK to point that out. The business case is not gospel—it's one way we make decisions. It's a tool, not a commandment.

YOU SPENT NINE YEARS AT BP, WHERE YOU WERE, AS YOU PUT IT, "LIVING THE CLICHÉ OF DOING WELL AND DOING GOOD." THEN, YOU SAY, "BIG OIL BROKE MY HEART." THERE WERE ACCIDENTS AND SCANDALS,

*I would never say that the **Deepwater Horizon** disaster was inevitable.*

I would say that there are risks inherent in complex businesses like deepwater drilling—and that those risks can be mitigated.



AND THE COMPANY WALKED BACK ITS PROGRESSIVE STANCES. IN RETROSPECT, WAS IT INEVITABLE THAT BP WAS UNABLE TO LIVE UP TO ITS RHETORIC?

I wouldn't say it was inevitable; I would never say that the *Deepwater Horizon* disaster was inevitable. I *would* say that there are risks inherent in complex businesses like deepwater drilling—and that those risks can be mitigated. I do not think this is a case for not taking bold stances. We need bold stances; we need bold leadership. When Lord Browne set the ambitious targets to reduce the company's greenhouse-gas emissions, they were beyond what a lot of people thought was

BEYOND PRODUCT SAFETY

BY ROB SHIMP

I spent twenty-eight years as a manager and technical expert in Procter & Gamble's Global Product Stewardship organization, which has responsibility for product safety for people, environmental safety, sustainability, and regulatory compliance for P&G's three hundred-plus brands sold around the world. P&G has a longstanding commitment to such programs—in fact, its emphasis on the environment dates back to the early 1960s, when several laundry-detergent ingredients were discovered to cause some fairly significant issues. This led to the establishment of a center of experts responsible for ensuring that when the company's products are released to the environment after use, either down the drain or out with the trash, they will not cause adverse consequences.

Over the course of my P&G career, the company progressively expanded the scope of its environmental programs beyond product safety and its operations' direct environmental aspects—say, releasing manufacturing wastewater into a river—to the broader aspects of its overall environmental footprint. This involved, for example, looking at suppliers in the company's value chain and how they use natural resources to produce ingredients, as well as using product innovation to improve consumer products' performance and environmental quality. Thus, the company's attitude became much more holistic.

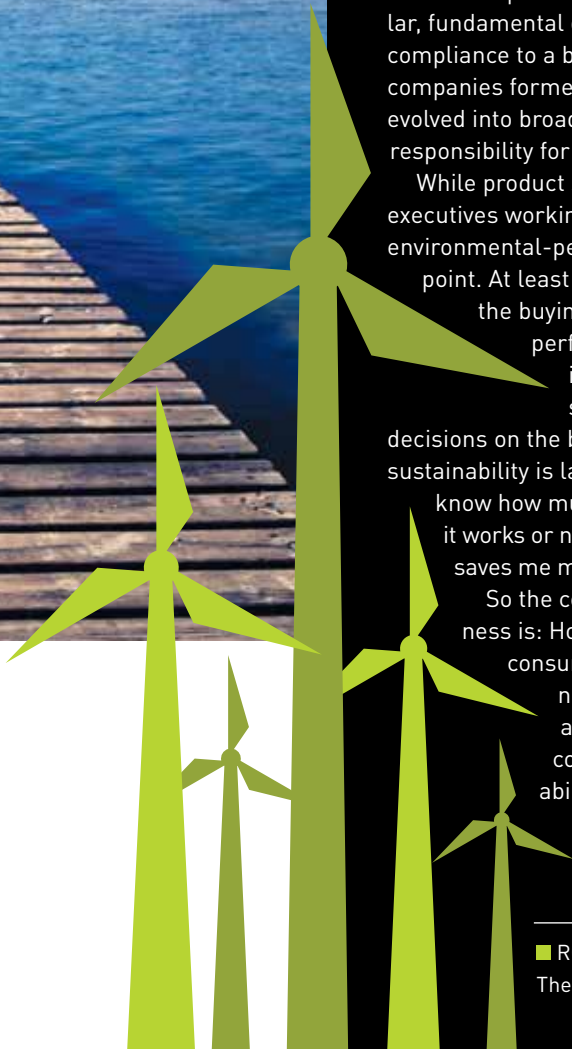
My experience at P&G and in work with members of The Conference Board's Product Stewardship and Regulatory Affairs Council is that many companies have seen a similar, fundamental growth in their environmental programs, from a focus on safety and compliance to a broader set of priorities. While the specific drivers vary, many of these companies formed environmental departments back in the '60s and '70s that have evolved into broader sustainability and product-stewardship organizations with overall responsibility for what happens to products at multiple stages of their life cycle.


While product safety and compliance are clearly core values, the challenge for executives working on sustainability is getting the company to value its broader environmental-performance and social-governance aspects from a business standpoint. At least in the consumer-products business, most companies often find that the buying public is reluctant to accept tradeoffs: They want a product that performs just as well as the product they have now, costs the same, *and* is better for the environment. Consumer research pretty consistently shows that only 5 to 10 percent of consumers really make purchase decisions on the basis of their environmental values. One of the reasons is that sustainability is largely invisible to the consumer: When I stand at the cash register, I know how much a product is going to cost; when I use it at home, I know whether it works or not. But I can't really see its sustainability aspects, unless the product saves me money through reduced energy or water use, or I can recycle its package.

So the central challenge for defining how sustainability supports the business is: How do you get recognition for often-invisible product attributes when consumers have other interests? It's like anything else in business—companies have a whole list of competing priorities. The first need is having a quality, affordable product that people will buy and that makes the company a profit. Sometimes the less tangible priorities like sustainability get set aside unless there is a clear signal from the marketplace.

Having said this, I think companies continue to make tremendous strides in many areas related to how they operate and how they value sustainability, and I am optimistic for the future.

■ ROB SHIMP is president of TightLine Answers LLC and program director for The Conference Board's Product Stewardship and Regulatory Affairs Council.





possible. And then the company achieved them. So I'm a big fan of setting big goals, as long as companies put in place processes to back up those goals. That's what BP did for greenhouse-gas emissions, and it's what people are realizing that companies need to do for *all* their goals.

Accountability is the key. John Ruggie, who was U.N. special representative for business and human rights when I worked for him, used to say that the era of declaratory CSR is over. It's no longer enough to say, "We respect human rights. We are part of the societies where we operate." *Show me* what it means to do that. What are the processes that you have in place? What are your policies? Who's accountable?

SPEAKING OF THOSE PROCESSES: TO A LOT OF PEOPLE, IT ALWAYS SEEMED A LITTLE INCONGRUOUS THAT BP—FUNDAMENTALLY A PETROLEUM COMPANY—WAS TAKING THE LEAD ON CLEAN ENERGY AND CLIMATE CHANGE. WERE PEOPLE INSIDE CONCERNED THAT BP WAS WORKING AGAINST ITS OWN BEST INTERESTS?

No—and that's why I joined the company. This was an energy company looking to the future of energy. Yes, the mix was vastly skewed toward fossil fuels, but CEO John Browne clearly saw where the world needs to go, and that was inspiring. I wasn't looking to join an oil company! I went to business school hoping to work in a company that was thinking about its role in the world, and what better place than BP?

For the two big projects I worked on there, in Indonesia and China, the work that I did was very much aligned with the success of those projects. It wasn't just about the company becoming a better corporate citizen. In the extractive industries, you cannot get a project up and running and operate it smoothly if the community around you is rioting and blockading your access roads and sabotaging your equipment. And in manufacturing, some companies are realizing that if you invest in your workers' health and well-being, productivity is higher and turnover is lower. Look at the companies that have signed on to the Aspen Institute's Principles for Long-Term Value Creation.

But plenty of companies *don't* understand this, because the investment is a big upfront cost. And the pressures are all toward short-term results, even though in extractive industries the time horizon is closer to thirty or forty years.

AFTER BP, YOU WORKED ON A U.N. INITIATIVE WITH JOHN RUGGIE BUT FELT DRAWN BACK TO FOR-PROFIT BUSINESS. WHY?

The U.N. work was fascinating—to be part of these multilateral, multi-stakeholder initiatives and see represen-

tatives speak on behalf of their countries. It was really exciting. But after a while, it became a little bit less exciting. Having had on-the-ground experience, I wanted to know: If I were going back to Indonesia and going out into the field on Monday, what would I do differently because of this conversation?

The people who have chosen to work in settings such as the United Nations believe very strongly in the power and effectiveness of U.N. declarations and treaties and documents. They are really good at the details of that work—for instance, understanding why it matters that the Human Rights Council endorsed the Aspen Principles and why every word of the principles has implications.

But we all need to figure out where we're most effective, and that was just not my milieu. I found myself empathizing with the corporate representatives in these meetings, saying, "OK, but what am I supposed to do when I get back to the office?" I found myself hungry to get back out in the field. The problems are urgent, and I want to help companies do something *tomorrow*.

WHAT COMPANIES ARE WILLING TO DO TOMORROW IS OFTEN SO SMALL, THOUGH. IS WORKING TOWARD INCREMENTAL CHANGE THE MOST FOR WHICH A CORPORATE IDEALIST CAN HOPE FOR?

It depends on the environment and the company and the industry, obviously. There are moments of transformation in the career of a corporate idealist; when new leadership comes in, at the top of the company or at the board level, there is an opportunity to really change the way a company does things. But people should not expect a revolution every day.

DO IDEALISTS END UP STUCK IN BOXES IN WHICH THEY'RE THE DESIGNATED SKEPTICS WHO NEVER CONVINC ANYONE?

Oh, sure. A lot of people I interviewed told me, "I'm the conscience of the firm." At first you say that with pride, and eventually you say that with some cynicism. If you're not having any impact, maybe it's time to leave. But we don't want a situation where everybody who's idealistic goes into a nonprofit and all the people without moral consciences go to work in companies. That doesn't make for a sustainable society.

DO IDEALISTS THINK OF THEMSELVES AS WHISTLE-BLOWERS?

Corporate idealists are doing the work that they do so the whistleblowers won't need to blow the whistle. They're trying to address these problems before they escalate to the point where somebody feels the need to go elsewhere to solve their problems.

THAT'S TRUE WITH OUTSIDE STAKEHOLDERS AS WELL, RIGHT?

Absolutely. A lot of the work of the corporate idealist is doing outreach and opening channels of communication so you can catch these things before people feel like they need to resort to extreme measures.

ESPECIALLY WHEN THOSE EXTREME MEASURES INCLUDE RIOTS AND SABOTAGE. THIS GETS AT THE LARGER ISSUE OF WHAT THE HUMAN-RIGHTS RESPONSIBILITIES OF CORPORATIONS ARE. IT SEEMS TO BE A MORE IMPORTANT QUESTION NOW THAT COMPANIES HAVE TAKEN OVER SO MANY OF THE ROLES THAT GOVERNMENT ONCE DID.

Part of what corporate idealists are supposed to do is to say, "Well, actually, this is *not* the company's responsibility." It's not unbounded. That's a big part of what the U.N. debate over the principles was about—trying to carve out the boundaries of corporate responsibility. A whole part of that exercise was to bring back the role of the state and make it part of the conversation again.

This is a big problem with how the CSR conversation has evolved—we've sort of given up on governments. If you look at places like where I was in Indonesia for BP, companies are expected to assume the responsibilities of the state. That is neither appropriate nor sustainable. So that's a big part of an idealist's job: helping determine the boundaries of responsibility of your company.

IS IT HARD FOR A COMPANY TO STAY WITHIN THOSE BOUNDARIES? I MEAN, YOU NOTE THAT BP WAS OPERATING IN A HUNDRED COUNTRIES AND HAD 100,000 EMPLOYEES.

That's absolutely true, but at the same time, it's not an excuse. Smaller countries don't have fewer human-rights responsibilities for their citizens than big countries do. It does make it more complex, though. Small companies are often part of vast supply chains, and that's often where things start to fall through the cracks.

SPEAKING OF HUMAN-RIGHTS RESPONSIBILITIES: EVEN NOW, AFTER THE DEEPWATER HORIZON DEATHS, DO EXECUTIVES REALLY SEE PROCESS SAFETY AS A HUMAN-RIGHTS ISSUE? HUMAN RIGHTS SEEMS LIKE AN ISSUE THAT'S RELEVANT ONLY OUTSIDE THE UNITED STATES AND CERTAINLY NEVER WITHIN A COMPANY.

When you're talking about loss of life, it *should* be relevant in the United States! Right to life is definitely in the United

Nations Declaration of Human Rights.

In the circle in which I travel, we ask questions about what a company's human-rights approach means for things like safety. What does it add to business processes? I think it did make a difference in my work in Indonesia, when we started to talk about the impacts the company had, using the language of human rights. And it represented a shift in mindset from the CSR approach of a company cherry-picking issues to care about. It was putting rightsholders at the center and thinking: These communities and individuals have human rights—thirty of them listed in the U.N. Declaration—and we the company must make sure we are not infringing on any of those rights. Ideally, we'll help contribute to them.

YOU'VE MENTIONED THE UNIVERSAL DECLARATION OF HUMAN RIGHTS A COUPLE OF TIMES, AND OTHER STATEMENTS AND TREATIES. FOR MANY IN THE BUSINESS WORLD, IT'S ALMOST A TRUISM THAT MISSION STATEMENTS AND THE LIKE ARE MORE OR LESS MEANINGLESS BOILERPLATE. JUST LOOK AT ENRON'S "CODE OF ETHICS." HOW VALUABLE ARE THESE STATEMENTS?

I think unifying statements *should* change how a company operates, but they are valuable only if the intent is to back them up with more specific policies and processes. If it's just a piece of paper, that's not very interesting to me. If you can show me how a mission statement is incorporated into how the leadership team is paid, that is *very* interesting. If you're saying that these four values are important to you, show me the CEO's performance contract and how it's organized by those four values.

LAST: YOU SAY "THAT BIG BUSINESS CAN MAKE THE WORLD A BETTER PLACE." THAT'S THE KIND OF STATEMENT THAT MAKES PEOPLE—AT LEAST PEOPLE OUTSIDE OF BIG BUSINESS—ROLL THEIR EYES. WHAT DO YOU SAY TO CONVINCE IDEALISTS?

Big companies enable us to live the lives that we want to live. They provide goods and services that have kept us all alive. I tell people, "Let's take an inventory of what you're wearing and what is in your bag, and let's write down how many brands you're wearing and carrying right now." The last time I did it, on my body and in my bag I had something like thirty brands. And I'm not a big consumer.

Yes, companies can do some really horrible things, but they also enable us to lead the lives that we want to lead. And I just want to see them not hurt people as they're doing it. ■