

REFLECTION #4

WHAT IS YOUR DIVIDEND?

There is a segment of our society that is engaged in a special race. This is no cross country style race that requires a high level of stamina and tact and is dominated by the Kenyans in international marathons and events. This is a short dash. The more punch packed in the thigh and chest muscles the better. What is needed to win this race is a pedigree of clout and level of acceptance that has been built over time. For some of the racers winning this race is not a problem. Their muscles are used to winning and so win they will. Actually this breed of muscular racers is looking for weaker racers to carry on their own backs. They want to help other racers win on the condition they will own the medals of those assisted. Actually soul and body as well as the medal won by the weaker racer. There was this set of racers the other day who announced they had arranged to race together only for us to be told a few days later there was a change of heart. That was not surprising as change is the only thing constant in life. Some other racers are claiming to come from a heritage of racers. They brag to have over time helped others to win so now they do not have any problem winning this race. Whatever arrangement is looked into, agreed on or carried out, winning is very important to all participants in this race. Timekeeper and Medal Presenter Charles Soludo has set the clock to count down to the last second and the clock has started running so like it or not the race is on. The dividend for this set of racers is attaining the twenty five billion naira minimum capital base. And they had better get this dividend if they want to remain in this second set of racers.

This set of racers spell their dividends also in currency terms. They produce all manner of goods and services. Each year they have a financial year end ceremony of closing their financial books and declaring a profit. Their objective is to attain a higher figure to report in the current year than the previous. It is not a total indictment whenever that does not happen as factors such as economic downturn can be blamed for a dip in profit figures. This does not stop the Board members and top management from collecting their entitlements. The annual general meeting, which is when report cards are read out, will most likely end with a lot of arm pumping and back slapping as the Board tells the management team well done. The corporate world must always win her race.

And yet we have another set of racers. Such racers are exemplified by people like Mother Theresa and Aga Khan. They took it upon themselves to live selfless lives. The latter in her life time is reported to have had such a selfless existence that when given a limousine as a gift, she auctioned it and put the proceeds into the work she was doing among the poor. Her work was simplicity personified. She accepted the sick and the neglected poor on the streets of India. She washed them, dressed their sores, bathed them and put clean clothes on them. Lepers and urchins alike told endless accounts of how she personally took care of them. Like that of Mother Theresa, the goodness of the work of Aga Khan has spread all over the world. Individuals continue to tell stories of how their lives were affected for better when they came in contact with these selfless people. Every day a wide range of organisations and individuals continue to render selfless service to humanity. Their dividend tends to be counted in the number of lives touched and improved. Some work silently in their immediate community, while others work noisily and internationally. Living legends of our time like Alhaji Shehu Shagari are worthy examples to emulate. Most advertised greetings on his recent 80th birthday celebrated his service to nation and community. At a time like this when people are only thinking of themselves, he is a breath of fresh air. Counted among his dividends is certainly not a fleet of limousines.

As one ponders on the second set of racers, one cannot but wonder what they have put into the lives of those they use to achieve their own dividends. The third set of racers tends to depend on the second set. Non profit organisations depend on businesses for funding and resources. For many years there has been a push towards building better relationships between business and development. The worldwide move to achieve this has mainly used the vehicle of Corporate Social Responsibility also called CSR. Being that the greatest cash machine is the corporate world and as

such the greatest possible contributor for real terms development, the focus is to make players here more responsible to their environments. As Ian Johnson, Vice President, World Bank said “business is good for development and development is good for business.” There cannot be one without the other. History shows that business not government creates a nation economically. Government creates the enabling environment that encourages or hinders development. Entrepreneurship, employment and wealth are the creation of the corporate world, but as Björn Stigson said “business cannot succeed in a society that fails”. Development depends on business which depends on government. We all need each other to succeed. But how the corporate world can be more responsible to development remains the question.

Secretary General of the United Nations Kofi Annan gave direction when he said “there are many positive ways for business to make a difference in the lives of the poor – not through philanthropy, though that is also very important, but through initiatives that over time help to build new markets.” Yes we all know that corporate activities are designed to build new markets, but a giving miniscular amount to non profits has proved inadequate. For there to be any meaningful impact in the future and improvement of the famous bottom-line, certain competencies need to be addressed now.

What is the understanding of society by the corporate organisation? What is their chosen role in the community? How do you engage the end various sectors of society? How are partnerships built is another crucial consideration in CSR. External as well as internal capacity is important to reaching targets. Hostile communities have been known to sabotage the best of advertised intentions and this is not peculiar to oil producing communities. Ask brewers who have to go into markets considered volatile due to religious considerations. As the wise ones and young ones also now say, the only thing permanent is change. Questioning business as usual also helps to open new ideas. Focus group discussions have been seen to bring out the true voice of the customer, and this is not peculiar to your external customers. The internal ones also have their say in your future achievements. In this age of accelerated development and for societies like ours with such unprecedented levels of poverty, a strategic view of your corporate reason for existence will help you see innovative windows of opportunities that can aid harnessing maximised results. Doing business with the poor as major stakeholders opens a new vista in this millennium like never before. Maybe that is among the reasons this year has been declared the international year of micro credits.

Having a closer touch with the developments on-going, making input into the life of your community and being more socially responsible corporate entities may not stop your business from being another Enron, or having the experience of Indomie noodles product, but it will help your partnerships, risk management, investor relations training of your staff and suppliers and corporate governance issues. Our almighty Standards Organisation of Nigeria should start measuring how many smiles corporate organisations create through the year and award a certificate for that.

Going through her annual report, I cannot but give it to Cadbury Nigeria for her innovative measures to touch the lives of children. But I ask how many of such children come from schools in the real rural parts of the country. Is this another case of the haves having more? Your next report should tell us where the “magic” children come from. The dividend Princess Diana is remembered for by the poor she affected is her care and her smile.

As Muhammed Yunus once said “poverty is unnecessary. People are capable of getting themselves out of poverty. All they need is opportunities. They are not waiting for charity or handouts. Charity is good, but it is not good enough. If you turn it into a business proposition, then it’s very powerful, but it can run on its own steam.” The dividend out of corporate social responsibility turns lives around for the better. I still ask what is your dividend?