

CSI that makes a real difference

By  Jeff Nemeth

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Globalisation, connectivity, and common interests are uniting formerly unrelated groups. But how do you manage reputation in the fast-moving context of digital media, where critical views can make or break a brand in a second?



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The answer is meaningful and authentic corporate social investment that makes a real difference.

In the 21st century, the word 'community' has taken on an entirely different meaning with the advent of new technology. In the past, a community was considered to be a group of people living in close proximity or a group of people who share a similar cultural background.

Nowadays, 'community' describes a group of people who share similar interests, and increasingly on digital platforms. These people may not even live in the same country or even know of each other's existence, but the cohesive nature of technology means they all have an eye into what is happening in the sectors of society that matter to them.

For many people on the African continent Facebook and Twitter will be their very first exposure to the internet, and the channels through which they connect. This increased proliferation of 'eyes' has shocked many high profile organisations into reactive reputation building exercises - often met with derision by a cynical public. As social media continues to entrench itself into our lives, transparency into the functioning of governments, as well as corporations, is increasing.

Giving back responsibly

Unfortunately, bad news tends to travel faster than good news and managing this in the digital landscape is a function of being authentic, honest and open about your activities. Authentic good news often centres on giving back responsibly, which is why multinational companies are eager to boost their reputations through corporate social responsibility (CSR).

CSR is about developing communities, giving back to those who are less fortunate, and making the world a better place. Just as important is the natural environment; ensuring that the ecology of our habitats is stable and balanced while we drive up production to meet society's needs.

Companies can practice social responsibility by donating to national and local charities. Whether this involves giving money or time depends on the individual need. However, there is a difference between building real value into communities and only being seen to do the right thing.

In reality, the ecosystem of a global manufacturing business is dependent on the community in which it operates. Not only do businesses need to maintain good relations with the members of local communities, they also often employ the same people in their plants.

Employing locals

The typical multinational approach is to import skills to maintain continuity of production - but there are actually far-reaching benefits of employing locals in these businesses. The biggest benefit is that no one can bring a better insight into the local market than people from the surrounding community. However long an expat may live in a country, he or she will never have the same level and depth of insight into what makes an economy tick.

Ethical labour practices contribute indirectly to the community; by treating employees fairly and ethically, companies demonstrate their commitment to their reputation in the community. Education, employment equity, preferential procurement, enterprise development and management transformation all form crucial elements of CSR. The added benefit is that they align to the government's broad-based black economic empowerment policies.

According to the Better Business Journey report by the UK Small Business Consortium, 88% of consumers said they were more likely to buy from a company that supports and engages in activities to improve society.

Ultimately community members, and their future generations, are the customers. Not only should companies support the community and create sustainable environments, but they should be working to improve the quality of life of employees and increase their ability to buy the products. It just makes business sense.

Integral part of business

Increasingly, CSR is becoming recognised as an integral part of doing business. US and UK companies in the Fortune Global 500 spend \$15.2bn a year on CSR activities. Research by economic consulting firm EPG found that there was a clear difference in how American and British companies approached CSR.

In-kind donations, such as donating free drugs to health programmes or giving free software to universities, accounted for 71% of the \$11.95bn spending on CSR.

In the UK, while donating goods and services in kind was the largest component of the \$3.25bn CSR activity, it totalled just 46% of the total. Employee volunteering and fundraising made up 34% and cash contributions 20%. CSR should be more than just about giving away goods or time to people who are less fortunate.

The ultimate goal should be to improve people's quality of life so that they become strong partners over a lifetime. It's less

about donation and more about sustainable and meaningful impact that affects generations of people.

We need to see people go from being unskilled to highly trained, and occupying leading positions. In particular, at Ford, we also need to encourage entrepreneurs in our automotive sector in order to further nurture the development of new skills and talent; and support initiatives that enable their families to be educated, healthy and productive.

Establishing relationships

It may seem a lofty ideal, but the community we serve is the world. South Africa has over 52 million citizens, but if we can reach a broader African continent with our Better World message, we establish a relationship with one billion potential customers, employees and partners.

We place just as much value on our social function as we do on our core business function, because they are interlinked. At this stage, we may not fully understand just how deeply those connections go or how to properly harness them. But the key is willingness to learn.

One community-driven experiment is our Riders-For-Health programme, which aims to bring medicines and healthcare workers to people living in remote and inaccessible areas across Africa. The data driven healthcare project uses Ford Rangers and Everests fitted with Ford OpenXC technology to assist with mobilising rural outreach healthcare and collect data.

The spin-off for Ford is that we will be able to use the information for various applications, including infrastructure development, population studies, health research, marketing information and a host of others. This is only one of the long-term social projects that will directly impact on the way we grow our business and the automotive industry to bring smart transport to Africa and the world.

Whichever way one views the concept of community, the true meaning is bringing people together to make a better world.

ABOUT JEFF NEMETH

Jeffery Nemeth was appointed president and CEO of Ford Motor Company of Southern Africa (FMCSA), effective January 1, 2010. In addition to his role as president and CEO of FMCSA, Nemeth was also appointed president and CEO of Ford sub-Saharan Africa, effective October 2013.
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