

## The Role of Business in the 21st Century

This talk is based on a multi-dimensional overview on the role of the businesses in the 21st century. I submit a perspective from my childhood in Hong Kong, China to my return later as an American business executive instrumental in growing the economies of the Asian Pacific region.

Today we are advancing business development at an unprecedented speed and magnitude. Massive economic expansion is going into regions with little consideration of the cultural and environmental effect of such action. The prevailing business assumption is that economic development is beneficial and worth the human and environmental costs. Another common belief is that factoring in the social and environmental concerns is a financial drain on businesses.

In the last twenty years, consumers and businesses are beginning to see the very real and heavy price we as people and businesses pay for these concepts. The economic consequence of not paying attention to the social and environmental results of unchecked economic development is increasingly costly. Businesses are beginning to see that considering all stakeholders' interests instead of only shareholders' immediate interests can be good for the financial bottom line. I speak about how the conscious consumer and other social and environmental factors are transforming the operating strategy of 21<sup>st</sup> Century companies.

In my business dealings in 120 countries around the world, I always remembered my youthful experiences in the developing world. As a business executive I have worked with factories all over the world to establish higher standards. We improved working conditions, wages and minimum age for the workers. We also set standards for the materials and dyestuffs used in the manufacturing and packaging process. It was not an easy task, we had resistance both from our own financial departments as well as the factories. Gradually we won both sides over as they saw that the improved conditions resulted in better quality goods, less defects, healthier happier workers and higher productivity which resulted in a better bottom line for everyone.

We also worked with our competitors to try to establish industry wide standards for garment manufacturing. It was a slow and often difficult process; cooperation between competitors in the same field is regarded with suspicion and oftentimes the threat of government regulation. We were only partially successful until we began to get help from other sources: the social and environmentally conscious consumers and non-governmental organizations.

Global business is making permanent modification in the livelihood of millions of people all over the world. People's standard of living as measured by food, clothing and shelter improved. Life spans increased with better access to health care and education. These are good things. Yet there is a heavy price that we are all paying for this. We are losing the wisdom and heritage of many cultures. We are destroying and paving over priceless natural resources that have extensive effects on our planet and the future generations. We are creating a culture of hyper-consumerism and short-term thinking. We are approaching dire global consequences with our rampant unmitigated growth. What is our future?

This is our opportunity and wake-up call to take bigger steps in balancing the good and bad of economic globalization. People worldwide are now asking the hard questions about development versus the social and environmental costs. They are more motivated to vote for their core values with their buying habits and investments. Businesses can take action and benefit economically from being a responsive world citizen with conscious social and environmental practices. In fact to ignore this trend will cost the businesses more in negative publicity, loss of customers and often times government regulations and penalty.

What I offer are some concrete steps to move the agenda forward. Through experience, I have found four defining principles which have helped me and my colleagues establish and maintain integrity and ethics in business and life. These principles have helped us succeed and excel in today competitive business environment. I trust that they will be useful for you and your organization in your decision-making processes.