

Aspen BSP Business Leaders Dialogue
July 25-28, 2002 – Aspen, CO
Business and Trust: The Role of Global Corporations

Introduction

Aspen BSP's Business Leaders Dialogue in July 2002 considered *Business and Trust: The Role of Global Corporations*. The Business Leaders Dialogue is a unique opportunity for participants to engage in frank discussions with their peers about the changing role and shifting public expectations of corporations. Aspen BSP prepared this report to capture the spirit and terrain of the wide-ranging conversations; in keeping with the off-the-record nature of the event, comments are not attributed to individual participants. We hope the report sparks further reflection and dialogue on the difficult dynamics of trust and we welcome your comments and reactions.

Individual Stories

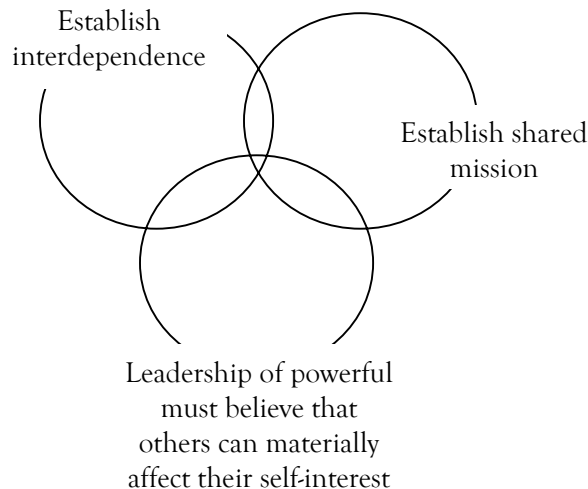
The Business Leaders Dialogue is grounded in the real-life experiences of participants; each participant shared with the group a challenge of trust they face in real time. Several participants depicted bleak situations involving HIV/AIDS, poverty, and other social challenges. Participants explored how they could be most effective as change agents, questioning whether they are better suited to work on the individual or the macro level, and considering how to scale up change efforts and insure that these efforts are sustainable. Several stories depicted challenges inherent in institutionalizing trust—through the design of business models, through internal communication policy and norms, through organizational design, and through marketing and branding strategies. Participants also wrestled with questions of how to build and maintain trust among employees, consumers, corporations and government—challenges rendered more difficult in light of widely diverse cultural backgrounds within and between these groups. Other stories depicted the declining level of trust between the North and the South, the fragility of trust, and the importance of incentive systems in building or destroying trust.

Emerging Themes

Building on the individual challenges, working groups identified emerging key questions and explored relationships between players that are significant for the Dialogue's topic. For example, groups examined the relationship between the U.S. and the E.U., the relationships between North and South, and the importance and sustainability of cross-sector bridges. Several themes emerged from this work:

➤ **Trust versus control—the role of power in relationships.** “Trust is good; control is better.” We often find ourselves behaving as if we believed these words from a sign observed by one participant in the German forest. Overriding our tendency to control first requires a sense of mutual dependence. Our interdependence can be brought into sharp relief in negative ways (through world crisis, for example) or

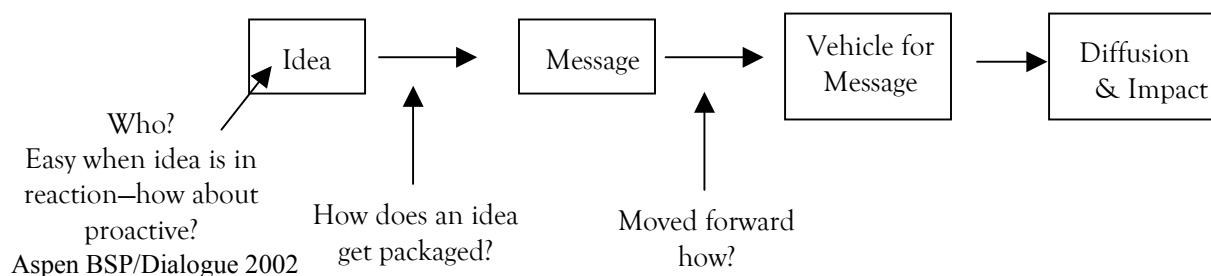
positive ways (through creation of a shared value system, though this is easier to do in “closed containers”). Next, we need a shared mission—a reason to engage—especially in situations where unilateral action is possible. Lastly, the powerful *must* understand that others can materially affect their self-interest. It is the powerful who can then take the lead in communicating our interdependence to a broad audience. When these three interlocking conditions exist, as shown here, trust can flourish and we can work collaboratively to improve the human condition.



➤ **Relationships between business, government and NGO/Civil Society.** Participants here highlighted the importance of shared risk, responsibility and accountability, the importance of a very clear sense of roles and responsibilities, and the need for a collective conversation to develop a common vision of a way forward. This last item may in fact be the most important, and these common values should not be fixed, but allowed to continuously develop as relationships develop.

Participants also tackled the difficult question of money, noting: “the money question is always there, but when is the best time to bring it up?” Non-profits sometimes begin conversations with the other sectors with requests for donations or challenges to business models, but it may be more optimal to work on creating a shared value system first—out of which conversations about money will happen naturally.

➤ **Scaling up from local relationships.** When we look at specific local initiatives, we see that “scaling up” particular activities is not always possible or desirable. Participants in this group suggested that it is necessary to honestly assess “the principles [of an initiative] which transcend setting.” If we look, for example, at the Fulbright program, whose core principle might be defined as intimacy, we can see that scaling up would be ill-advised. “Scaling on” (expanding a program’s offerings, but not its reach) may instead be appropriate in some cases. Whether scaling up or scaling on, trust plays a critical role. Trust is not easily transferable and so must be reestablished at each level. This depends on outstanding communications and involving the right people. As we move from an idea to that idea’s diffusion and impact, participants delineated a role for corporations or well-known persons to “carry” the message to a broad audience.



Key Conclusions

As the Dialogue closed, participants shared “next steps” in relation to their individual challenges and they also articulated new insights. Taken together, these insights gave shape to several themes, including:

“How high does the water need to be?” Participants spoke of the “height of the water” as a symbol of the urgency of our societal challenges. But what has to happen for us to *really* get a sufficient sense of urgency? Do we need better “weather forecasting” so that more people understand the threat of a flood? Do we need better reporting? Or both? The water seems higher after we recognize our mutual interdependence—but how do we get to “a sufficient we”? How in particular can the powerful be led to recognize their interdependence with the less powerful? How can long-term thinking be taken to scale so that the powerful see the connections?

Rules or Values? What is the role of norms, rules, laws, and regulations vs. individual or organizational values in managing corporate social impact? Are rules-based approaches “running out of space”? One participant drew on his legal experience to illustrate the limits of control: it is impossible to draw up a contract that accounts for all possibilities, and the provisions of a contract therefore are only sufficient when trust exists between the two parties. In the same way, norms, rules, laws and regulations cannot account for all the ways in which a corporation may impact society, especially in our rapidly-changing global environment. Acting on the basis of individual or organizational values can fill the gap between behavior that is *regulated* and behavior that is *optimal* for the corporation and the society.

And the relative importance of rules and values differ in different cultural contexts, as we can see now in the different approaches taken in the U.S. and the E.U. to business and society issues. How can this be managed in the context of a multi-national corporation?

Local or Global? Many participants articulated the paradox of knowing that the challenges represented by objects at the center of the Dialogue’s circle are “huge” and global in nature—but still feeling that “we can only act in our own spheres.” One participant answers “local or global?” by advising “not to strive for global solutions, but to always be taking what you are doing to the next level of complexity. And then this will begin to intersect with other things and then global solutions will arise like mosaics.” Another offered: “start with smaller initiatives and see what is working—then capture real experience in small ways and see what happens as you get more complex.” A third participant outlined two possibilities: scaling up a particular project, or scaling up by leveraging the learnings and lessons from particular projects. The latter option requires that we listen and learn from each other’s initiatives.

A fourth participant voiced a counterpoint: big, highly visible initiatives *do* shift the story, and they have a very important, if indirect, effect on the context in which smaller initiatives operate.

What can we learn from examining the process in which we ourselves engaged over the course of this Dialogue? Participants frequently looked to the dialogue process itself to reflect on the topic of trust. How did we create an environment of trust during the Dialogue? As one private sector participant speaking to the group about a NGO participant put it: “[She] stereotyped me and I did the same to her. In a different environment, I might have blown off her comment, and why didn’t I do that here?” Another added: “The question is how can we hear hummingbirds?” How can we establish contexts where we can hear one another?

Participants repeatedly emphasized the importance of more cross-sector Dialogue. One important topic of such dialogues would be clarification of the roles and responsibilities of each sector. One participant stated that recent blurring of the lines between sectors is both hopeful and confusing. Over the course of the weekend, participants wondered if it is time for a fundamental reevaluation of the roles played by each sector. But even without such elemental changes, there was a call for more dialogue to identify “common ground” among sectors and to better understand one another’s current roles and responsibilities. One participant added a note of caution: clarification of roles is not a panacea. He referred to the article about the Chad-Cameron pipeline in the Dialogue’s pre-readings: “It seems to me that [in that situation] responsibilities were quite well-defined ... and yet at the end of the article there was profound gloom that anything good was going to happen.”

Individual relationships matter. Participants repeatedly stated that the key to trust is to work on individual relationships. One participant concluded that although relationship-building is “subjective,” it is critically important. Another expressed frustration at our tendency to blame our failed relationships on “communication problems.” The real culprit, he thought, is lack of attention to the quality of the relationship itself. A small group during the meeting identified many factors for successful relationships, including the importance of adequate time for relationship building, perseverance, continuity, discipline in small things, specific shared goals, and equal power. They acted on their insights by pledging to be responsive to one another on a best-effort basis and invited the whole group to join them.

Leadership matters. And as delineated above, participants urged each other, as leaders, to take the initiative in broadcasting our interdependence, our social inequities, and good news about initiatives for social change.

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