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Businessman's Social Responsibility for Today's Society
-A Practical Case-

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I. Presentation

I would like to share with you the practical case of the company in which I work and what we are doing regarding Corporate Social Responsibility (CSR).

The enhancement of business ethics could be summarized in three major moments: 1) its apparition in the seventies in the United States under the term "Business Ethics", whilst at Europe was called "Ethics of the Enterprise". 2) At the end of the 20th Century, after the "great corporations' scandals", people became aware that trust is a "scarce resource" but of a vital importance by being the one that brings together the members of a society. It then appeared maxims such as "ethics is profitable", "ethics pays" and it arose a successful movement of ethical reflection directly tied to companies. 3) In this 21st Century, in the face of globalization, our incipient "enterprise ethics" has started to stop seeming as necessary or that it stands short. The capital mobility, the speculation, the "short-termism", the inequality between countries and the growth of unemployment are part of the new challenges that any "business ethics" will have to face.

So, finding ourselves in that third moment, we are asked to extend our horizons, to go beyond what we had anticipated to verify, the theoretical intentions.

The performance of a company cannot be evaluated solely on monetary terms. At present, the company must express its value in terms of the triple dimension: economical, social and environmental; for this reason it is spoken about CSR in such an increasingly manner that it has become an obligatory hallmark for the life of businesses.

Everywhere, it is heard the perception of this topic as an instrument for the businessman to be successful, to increase his market share, to establish better synergy relationships with businessmen of the sector and/or of the productive chain and, above all, to be socially accepted.

CSR makes reference to a foundation that serves as an underneath motivation: the putting in practice of an ethics as a basis for businesses. There are even

some people who declare that “ethics is a good business” but I would add that it is so if it is founded on the Social Doctrine of the Church (SDC).

As it was once said by Cardinal Etchegaray, the Church canonizes people but not organizations nor ideologies. So that, rigorously speaking, good or bad choices are taken by specific persons and this also applies to enterprises, even though at present the topic regarding if businesses are moral entities or not is still under discussion.¹

Concerning responsibility, there is no doubt that it represents the flip side of freedom, since each person enjoys as much freedom as the responsibility that is capable of assuming; and this also applies to businessmen –who enjoy freedom, if and only if, they are and feel responsible of their own actions.

I would like to indicate three fundamental ideas for the structuring of my thesis:

1. Purposes of the company.

Under this topic I will point out the objectives of the company and will stand out what I consider to be the CSR, I will briefly mention, as a synthesis, what it has been done in Mexico about this matter.

2. Marhnos case.

I will describe what we have been doing to enhance CSR in our company and will explain the process that currently is taking place at Marhnos.

3. The Social Balance.

I will explain Social Balance as a specific instrument of measurement of the progresses made on CSR.

II. Purposes of the company

1. Objectives of the company

The company is characterized for its capacity to serve the common good by reason of the well organized work that has been maintained through time, its research and testing practices, its capacity to identify and satisfy requirements, its courage to risk investments, its stable creation of sources of labor and its capacity for income generation and distribution. Therefore, the company requires living the solidarity, which is “*a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual, because we are all really responsible for all*”.²

¹ Cfr. Lozano Josep, *Etica y empresa*, Ed. Trotta, Madrid, 1999.

² John Paul II, *Sollicitudo Rei Socialis*, 38.

a) External economical objectives

These objectives are oriented to the satisfaction of social needs, by providing goods and services of high quality and generating added value.

b) Internal economical objectives

These objectives are the ones that make reference to a just and equitable distribution of the aggregated economic value, with which all members of the company may obtain that which is necessary for their wellbeing and progress: wages, fringe benefits, security benefits, dividends, etc.

c) Internal social objectives

These objectives contribute to the development and growth of the members of the company that is, to their well-being. The SDC insists that members of a company must become aware that the community where they work represents a “good” for all, and not a structure that allows exclusively the satisfaction of the interests of some.³

d) External social objectives

These are the objectives of the company directed to contribute with the development and growth of the social community. Therefore, the company must take into consideration: its suppliers and subcontractors, the enterprise organizations and/or civil society, its physical surroundings and the environmental care –such as energy and water savings, and any program concerning recycling practices.

In this respect, the SDC indicates that the company must be a united community –not exclusively centered in corporate interests, it must tend to a “social ecology” of work and contribute to the common good including the safeguarding of the environment. It is also necessary and crucial to recognize that the legitimate search for benefits and the creation of wealth must be harmonized with the unrelinquished protection of the dignity of the people involved in the company.⁴

2. Definition of CSR

Anyone before being a businessman is a citizen and before being that a person, so that he has responsibilities with his society, responsibilities that are common to all the citizens. The company, as a human group, assumes responsibilities with the community in which it is built up. In what does this social responsibility consist?

³ Cfr., *Compendium of the Social Doctrine of the Church* 339.

⁴ *Ibid.*, 340.

The CSR consist in developing useful products and services that satisfy needs, generate added value and that are distributed equitably, with the commitment of the enterprise to enhance a sustainable economic development, facilitating an integral development of the people, their families, the local community and the society in general, in order to improve their quality of life with environmental care.

“The framework is the promotion of the common good”.

In other words, we businessmen are asked to be promoters of the human development within the company and society. This requirement arises from the “cooperation principle” which aims to surpass the historical conflict between capital and labor and assumes tasks such as the respect of human rights, justice, care of creation, communitarian involvement, responsibility regarding the quality and social usefulness of its products; in addition to the responsibilities with the workforce, shareholders, clients, suppliers, subcontractors, etc.

For the accomplishment of these responsibilities, we need to create the necessary conditions that enable and enforce a true humane growth of the people related to the company, and of their families, so that each person, the whole person and all the persons increase their knowledge, increase their wealth and increase their “being”. Among all the people in the society, we businessmen are the better positioned for the achievement of these goals.

3. *Marhnos case*

In Mexico, the promotion of CSR has been a persistent effort of USEM (UNIAPAC Mexico) but this activity must be strengthened and, above all, requires our creativity to accomplish the implementation of measurement systems that facilitate the processes that enable us to be better persons and therefore, better corporations.

At Marhnos, to put into practice the CSR we have based ourselves on the structure designed by several organizations –USEM among them, pooled in ALIARSE (Aliance for CSR). The “CSR emblem” of ALIARSE makes reference to four basic areas:

- I. Enterprise ethics/culture
- II. Quality of life within the company
- III. Support to the communities where we carry out our operations (social tie and impact)
- IV. Environmental improvement (care and preservation)

Process:

The process undertaken by Marhnos to implement the CSR was based on its culture, that is, its mission, vision and values.

An interactive Organizational Culture Committee was integrated seeking a consensual definition of:

- i. Manual of Culture
- ii. Code of Conduct (guideline of the expected manners in our business scopes and practices with internal and external agents)
- iii. Manual of worthy and secure construction (the specific implementation in our projects)

It is competency of the committee the implementation and enforcement of the culture of Marhnos in a continuous process and of permanent enhancement.

Thus, we define our Mission, Vision and Values:

MISSION (Reason for being): Develop integral products and services of construction, infrastructure and services, and real estate of high quality, that produce an added value for the client and prosperity to our people and the society.

VISION (What we want to achieve in the future): Being recognized as the most reliable organization due to the integrity of its people and to the high technology and innovation implemented in the development of its products and services.

VALUES: (We define five):

- Integrity
- Humane growth
- Service
- Innovation and creativity
- Social commitment

The reference and action framework of the organizational culture consists on the fundamental principles of the SDC:

1. Respect for the dignity of the person
2. Subsidiarity

3. Solidarity
4. Common wealth
5. Justice

4. *The social balance*

a) Towards a definition

The implementation of the administration and management tool named Social Balance is a specific way for measuring CSR in the company.

The Social Balance arises from the definition that every company makes of its mission, vision and values and, based on that, it measures its growth and efficiency, regarding its ethical formation, to operate assisting the integral development of its workforce, their families and the support to the community and preservation of the environment.

The Social Balance of businesses may vary according to their activity sector, which means that for some features a company may have a higher “weigh” in certain issues but not in others. Therefore, there is a need to implement an adequate meter for each considered concept, since “what is not measured is not improved”.

In the Social Balance we must know all the social assets, starting with the people that collaborate in the company since they are the basis for its development. As we are used to say at USEM, the company is a community of persons, not only an “equity society”.

b) The Census

In multiple occasions I have heard that the most important and valuable asset in a company is its people and usually it is given for granted that it is so. Surely, if I asked you if you know the employees of your own company, you would say that you do. But I would dare to say that in many cases the direct managers or persons in command do not know their immediate teammates. Usually the entrepreneurs and business managers, the chief executives and persons in command do not know their coworkers or, at the most, they just know their name and profession.

If we do not know our coworkers, the saying “the most important asset in a company is the people” becomes a fallacy, for if we consider someone to be important he could not remain unknown to us.

After founding out at Marhnos that our coworkers were not sufficiently known by us, we immediately took actions and started out by developing a method that we

called “The Census”. It consists of the filling of a card/record for each person of the company so that it enables us to know the basic facts of them and their families. For the implementation of The Census we had in mind that its objective is the facilitation of an integral development of the people.

Many companies count on a similar document but it must be completed with facts such as: your home address, the status of your home (owned or not), the activities of your spouse, the main activities of your children and their schooling status, etc. These are necessary facts that enable our better understanding of our employees, instead of the scarce knowledge of their name.

We already have at Marhnos a document that allows us a closer knowledge of our collaborators, their material needs and their main concerns, and always in strict observance of the respect for their dignity and rights. This document is revised on each evaluation by the immediate person in charge and this means the first step towards the better understanding of his coworkers. The Census also enables the implementation of an employee’s integral growth plan which, at the same time, will enable a general plan for the company that will include the specific indicators for measuring its internal social objective as well as the integral growth of its entire workforce. It is essential to consider that the starting point is the person, that is, the specific “being” of the person and not what the company “thinks” the person should be.

In the case of Marhnos, the essential areas considered in The Census are:

- Health
- Housing
- Education (employees and their families)
- Training
- Recreation (cultural)
- Significant relationships

The main objective is the Integral Growth of the Person.

External social objectives:

- Support to the community
 - suppliers/subcontractors
 - intermediaries
 - closest community

- Preservation of the environment
 - sustainability
- Contaminants/recyclable or recoverable materials
- Energy and water savings

At present, we are focusing on the establishment of the indicators for measuring each and every one of these components. As I have already stated, “what is not measured is not improved”, therefore, it is necessary to implement these indicators but considering “the person” at the starting point of their design.

As you may understand, if we include the economical and social objectives of a company, internal and external, we will achieve what we call Corporate Social Responsibility. At this point, I must insist that CSR is not something added to the company that compels it to execute an assortment of actions unrelated to its own activities. On the contrary, CSR must be considered as the efficient development of the productive activity of a company, always in strict observance of the respect for the rights of the implicated persons and institutions.

For UNIAPAC, to achieve a higher development of the critical conscience and the design of the indicators that would enable us to clearly identify how our companies are becoming into better companies is a great challenge.

The experience that we have attained with the instrumentation to establish the bases and starting the process of being a CSR has been very illustrative and enriching. I call it a “process” because the implementation of CSR is an objective that extends itself ad infinitum, that is, a process in which we will always be working to improve continuously, a process in which there will always be areas of opportunity.

Thank you, very much.