Finding a Purpose in Business

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Sarina Sorrenti *highlights the importance of conscious thought and the degree of reflection required in the creation and maintenance of a sustainable business.*

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Most of us spend the majority of our waking hours in some form of employment or working environment. It is seldom, however, that we ask ourselves what are we are working for and what we are trying to create. Yet these are key questions and to examine them can lead to a better understanding of how we might gain a greater return from our investment in work.

Some days, we have a clear definition of what business is all about while on other days…well let's just say it sometimes gets a little grey. My own definition of the word *business* has evolved as I have worked through and reflected on my various roles within the business community.

I am first generation Australian, my parents having migrated from Southern Italy in the 1950's. I, like many other people with migrant parents, experienced at first hand the impact of the 'hard work' ethic. My own direct involvement in the workforce began when I was a mere eight years old, growing up on a dairy farm in the 'peaches and cream' district of northern Victoria. For me, at that time, weekends were filled with chores such as picking and packing fruit, cutting thistles, feeding cows and chickens: it was all hands on deck. The family farming experience introduced me to the importance of planning, preparation, developing contingencies and generating multiple sources of income.

Growing up in the country and being an integral part, as Chief Strawberry Packer, of the family farming business, I soon became aware that the business was the vehicle for creating a secure future for my parents, my three siblings and myself. My parents worked ten to twelve hours a day, seven days a week during peak seasons – and what drove them through this fierce application to work was their need for *security*. Nor it is difficult to understand why security was such a driving force. Their own childhood poverty, their lack of educational opportunities and their desire to provide greater opportunities for their own children all became important elements in their determination to establish a degree of security. Back then, of course, I was oblivious to this view and just took for granted that life was about work. I now realize that my parents' hard work was undertaken to ensure that their children had a better life.

I escaped the country as soon as I could and university was my white horse. What did I study? … Business of course. My passion for drama, dance and English literature were deemed by my family to be unlikely to provide any real job opportunities, so I followed in my older brother's footsteps and studied accounting. It didn't take me long to realize, as I spent my student days in developing trial balances and cash flow statements, that my creativity and passion were not being fully stimulated. I enrolled in a simultaneous marketing degree and completed both degrees at the same time. That 'hard work' ethic, it seemed, had followed me to the city.

Sixteen years ago, business represented for me primarily freedom from a rural community. Learning about management theories X and Y and how to develop a marketing plan was a bit interesting but it lacked a sense of the vitality for which I craved. It wasn't until the final year of my studies that I became more interested in the psychology of business. The idea occurred to me that a business could be an open system, where individuals could use their unique talents and skills to create true value (both financial and non-financial) and fulfill 'real' client needs. I guess this became my first conscious business definition. I then entered the multinational work force with my idealistic view of business and my 'hard work' ethic. My first career position certainly did not disappoint me.

The six wonderful years (1990-96) I spent at Kodak, where my roles moved rapidly from a Graduate to a Quality/Change Management and Marketing Consultant, enabled me to grow, learn and develop. My naivety, freshness and desire to make a positive contribution were nurtured, reinforced and supported.

Together, the Business Unit Managers and myself applied the philosophies of Deming, Senge and Covey and reaped positive results. The Kodak experience helped me to form a personal *mantra* – always to question what value I am creating and steadfastly to remove NVA (Non-Value-Adding) activities from my professional and personal life.

Then the bubble burst.

Global strategic changes in structure, divestment of businesses, loss of key people; all took their effect and suddenly the old paradigm of management reappeared. Command/control financial focus re-asserted itself and we started to lose all that we had gained. A new definition of business presented itself to me; that of a company being in existence primarily to satisfy its shareholder's needs. This definition didn't fit with my mental model and so I left and looked for a place where my idealism could be appreciated and nurtured and where I could help other businesses realize their potential.

My time with the Australian Quality Council (AQC) exposed me to the vagaries of business – sub-optimization, waste, re-work, under- utilization of people and poor management decision-making. I was under constraint to 'officially grow up'. Over those three years, I consulted to many multinational organizations, State and Federal public sector offices, not-for-profits and community-based entities. My definitions of business started to multiply, vary within and across themselves, and became contradictory. My earnest intent to help

organizations realize their potential and be more successful was not well received. It was if I was speaking a foreign language or that I came from Mars.

I do recall conversations with like-minded colleagues in which we shared stories about the reality of clients' business environments. That reality both shocked and disappointed us. During these conversations, we seriously reflected on whether or not we had it all wrong. We began to wonder whether business *is* only about money, paper shuffling and keeping people submissive and under control.

My definition of business underwent another round of awakening. I was on the brink of becoming quite cynical about business; of entering, a mental *cul de sac* in which most of us have found ourselves once or twice in our careers.

But I had made several important discoveries. I had learnt that personal gain, ego and power have a tremendous amount of influence in the business arena. I had also learnt that businesses are made up of individuals whose personal gain at times was more important than the creation of true value (both financial and non-financial) for all their stakeholders.

Then a new word emerged in the theorist's vocabulary. More and more at more and more business forums, individuals began to speak of *sustainability*. Sustainability was defined in 1987 at the World Centre of Economic Development Conference, as 'development that meets the needs of the present without compromising the ability of future generations to meet their needs'. Paul Hawken expressed the idea much more simply in his book *The Ecology of Commerce*, when he wrote: "Leave the world better than you found it. Take no more than you need. Try not to harm life or the environment. Make amends if you do".

My initial interaction with the concept of 'sustainability' started back in 1993 when I heard David Suzuki speak at a healthcare conference. He spoke passionately about environmental sustainability and the accelerating human consumption of the earth's natural resources, with the implication this had for future generations. For me, it was as if a thunderbolt had blasted through the clouds and I became aware of a much broader and a more diverse set of stakeholders upon whom business exerts both direct and indirect influences.

My definition of business took on another form – a form that was encapsulated in the idea of value (financial and non-financial). It now seemed imperative to me that value needed to be added, not merely to individual companies or company individuals but to shareholders/owners, clients, employees, communities *and* future generations.

The question becomes: can a business really be held accountable for how it effects the community and future generations? Increasingly, the answer to this question appears to be yes. More and more instances are coming to hand of organizations being held accountable and in some cases being judged to be liable. Companies such as HIH, Exxon, Onetel, spring to mind.

Perhaps there are those who suspect that while it is possible to apply sanctions against large corporations, those at the big end of town and in the traditional 'brown industries', it is much more difficult to hold small businesses accountable. But this need not be the case.

If we go back to the founding forms of business, the old general store, the core purpose of the store was to provide for the whole community at a price that permitted the store-owner to make a reasonable living. The general store was a community hub. It was small enough to allow the owner to know most clients by their first name. Needs were more basic. There was less packaging and bulk purchasing; less consumerism and less waste. The practice of recycling, reducing waste and re-using were unconscious ways of communal living that were not questioned. They stemmed from necessity. Is it not possible, we must ask, that if small business could do it then, could it not do so again?

In 1999, my curiosity in wanting to determine whether organizations did or could exist in association with a deliberately embraced social cause, drove me to working on a thesis. The thesis addressed the question: how do organizations apply environmentally sustainable and innovative practices? The research provided some evidence that some organizations appeared to be operating in a financially, environmentally and socially responsible manner *all at the same time*. This seemed to support the contention that responsibility can be applied in the three domains of finance, environment and social policy – and that it can be applied to these domains not separately but holistically.

Increasingly, organizations are using the Triple Bottom Line (focus on financial, social and environmental issues) as a key strategy for differentiating themselves from their competitors and at the same time create a more positive future for all their stakeholders. Organizations as diverse as Ikea, Interface, The Body Shop, Volvo, BP, Manningham City Council, Wollongong City Council and others, all provide encouraging examples of what can be achieved where the philosophy of the Triple Bottom Line is applied.

The dilemma we face is that, typically, Australian managers tend to look at social issues e.g. employee development, customer service, community partnerships and environmental issues such as recycling, reusing and emissions management, as 'nice-to-haves' but not as critical or fundamental to business success. Perhaps this is because, for most businesses, the primary motivation is the making of money. If we create businesses 'just to make money', as Peter Senge said at the 1994 Systems Thinking Conference in Melbourne, it is akin to the human body existing "just to breathe". We are underestimating the value (financial and non-financial) we can create in business. We have forgotten what we knew innately as children - how to have fun, experience joy and feel pride in what we do. The human tragedy represented by this lapse in memory is all the more emphatic when we acknowledge that most of us spend most of our waking hours in these institutions we call business.

When a business is created, the business becomes a statement or reflection of the owner's (shareholders) personal values. Responsibility for the creation lies with the owner. Many business owners forget this and, instead of reflecting, learning and redesigning their own ideal organization, apply poor practices taken over from other organizations. Many senior

managers work long hours and apply a "hard-work ethic" without questioning whether there is a better way to create greater value (both financial and non-financial) that involves spending less time and doing things differently. A review of the definition of business can provide business owners with innovative ideas that can enhance the value of their business.

I then moved to creating my own business where I could dabble without constraint this fuller business definition.

As has been demonstrated above, my definition and understanding of business enterprise has changed over the years. Needless to say, I cannot say what my definition might be in the future but for the present, one thing is clear: for today, my definition of business embraces the concept of sustainability. Of course, when it comes down to essentials, a definition of business will be personal and may well vary from organization to organization. Ongoing change will force new models upon us. Finality in this matter is a long way ahead of us: in the meantime, what is of basic importance is that we continue to reflect and modify our understanding. More organizations need to take the opportunity to reflect on their purpose and become conscious of what it is they are creating. If businesses do not take the time to reflect it will be little wonder if Australia continues to produce mediocre business performance.

As Socrates said: 'The life which is not reflected on is not worth living'. And of this we may be sure: any philosophy of business that fails in these responsibilities is bound to contain the seeds of its own destruction.