

Businesses taking a lead to make the world better

The third Stewardship Asia Roundtable brought together participants from organisations across 20 countries. Themed “Enduring Principles in Changing Times”, the Roundtable was rich and engaging, with diverse perspectives from various parts of the value chain.

Participants discussed the principles that help a business endure and contribute to its sound stewardship, and how these principles can translate into tangible action in the form of well-stewarded investment choices that make the world better. This report summarises the highlights of the conversation and the insights that were surfaced.

For some years now, there has been a growing global recognition that business as usual is not working – not for the environment, not for society, not for the communities in which businesses operate, and, as the financial crisis of 2008-2009 demonstrated, not even for the economy. Businesses now face challenges such as extreme short termism, rising nationalism, and increasingly intrusive government presence. And, as recent political upheavals in the Western hemisphere have shown, society at large is increasingly less willing to accept the status quo. At the same time, stewardship – including elements such as responsible governance, sustainable development, inclusive progress as well as purpose, principles and values related to business – has gradually begun to enter the mainstream discourse on business.

This is crucial, because today’s large corporations have great influence over the future of critical industries, and thereby over the direction that society takes. They have the resources to address regional and global issues that transcend individual companies and individual nations, possibly even to a greater extent than government. With this power comes commensurate responsibility. Business needs to step forward and take the lead in finding solutions to present-day problems, especially achieving major objectives that cannot be met by the efforts of government alone. At the very least, businesses must make a conscious evolution to move with the times, which includes exercising good stewardship.

The Sustainable Development Goals – the 17 global goals towards ending poverty, protecting the planet and ensuring prosperity for all – are the most outstanding example of long-term global objectives that can only be attained with the participation of private business. Not incidentally, these goals also represent massive business opportunities for those with the resources to invest in them.



On a smaller scale, within the company itself, it is important to align management with top leadership. There needs to be a sense of ownership and motivation running deeper than stock compensation. However, such value percolation takes a long time and may not be practical in a market that currently encourages short tenure and accompanying short term attitudes.

Business leaders need to look beyond short-term transactional measurements such as share prices, and focus on instead on areas such as impact and sustainability. At the very least, key performance indicators must change. Management behaviour towards stakeholders could be incorporated into internal KPIs and incentives, or accountability for externalities could be implemented through initiatives such as sustainability reporting. ■