

Business for Inclusive Growth: What's the B.I.G. Idea?



Businesses have enormous potential to contribute to social progress through their normal business operations. As stated by the FSG Consulting Group:

*"...the most advanced companies have begun to look at social engagement through a different lens. Rather than seeing business and society in opposition, they recognize the enormous potential of business to contribute to social progress."*¹

This is sometimes called an "inclusive growth" or "shared value" approach to business. **Here are some important ways your business can help build a better world while improving your business performance.**

A Stable Workforce

Jobs provide income for families as well as the chance to grow and contribute to the community. Our families, our economy and our society are at their best when people not only have jobs, but have good jobs.

A "good job"² is one that:

- Provides fair wages
- Respects workers' rights
- Gives people the chance to grow and develop
- Provides an inclusive and stable work environment.

Here are a few ways you can provide a good job for your workers.

- **Compensation:** Pay workers a wage sufficient for them and their families to have a decent standard of living, as well as health benefits and pension savings opportunities.
- **Job Security:** Provide full-time permanent employment wherever possible and ensure predictability in scheduling. Minimize part-time or contract work wherever possible.
- **Flexibility:** Provide flexibility in working arrangements to allow employees to balance their work and family commitments.
- **Learning:** Provide training and other opportunities for workers to grow and develop their interests, talents and skills.
- **Safety:** Commit to the highest standards of Occupational Health and Safety.

* **Research shows that organizations that provide good stable jobs are also more productive and profitable.**

A Diverse Workforce

There is a wealth of talent in diverse communities that remains untapped. Creating a more diverse workforce brings important new insights and perspectives into our organizations while also helping to address inequities in society.

Grow your organization's diverse talent by:

- **Hiring for Diversity:** Recruit talent from all communities, especially those that have faced barriers to employment such as women, racialized and Indigenous and persons with disabilities.
- **Managing for Diversity:** Create a culture that celebrates diversity and actively seeks to promote diverse talent within.
- **Leading for Diversity:** Strive for diverse representation in leadership including executive and Board positions.

* **Research shows that companies that hire, manage and lead for diversity are more innovative and thereby more productive and profitable.**

Leveraging Your Supply Chain

Companies have enormous potential to influence the world around them through their purchasing practices. Consider extending the values and standards you expect in your own organization to those of your suppliers.

This can be done by:

- **Ethical Procurement:** Choose to do business with contractors and suppliers that share your social and environmental standards and values. Give preference in the bid process to companies that meet social, ethical and environmental standards.
- **Social Procurement:** Choose to do business with contractors and suppliers from marginalized communities that have faced economic barriers. This could include contractors from low-income neighbourhoods, or businesses led by women, immigrants, racialized persons or persons with disabilities.
- * **Research shows that companies with higher expectations from their suppliers tend to have better quality as well as enhanced reputational benefits that attract customers and employees.**

Expanding Your Customers and Markets

Businesses provide products and services that people need. Yet, not all people have the same access to them. Companies have a great potential to grow their business and improve the well-being of people by ensuring everyone can have access to their products and services.

Here are some ways your business can grow by serving customers the market often ignores:

- **Redesign Your Products and Services:** Change your business processes, product or service to make sure everyone can have access to your product or service regardless of their income, gender, ability or other barrier.
- **Design New Products and Services:** Develop new products or services specifically designed to meet the needs of people or communities that have been disadvantaged.
- * **Research shows that companies that invest in serving underserved populations or communities benefit from increased innovation and a better reputation.**

Building Your Reputation

To bolster your reputation and be public with your values, consider baking these practices into your business model.

- **Get Certified:** There are many certifications your company can obtain that demonstrate your business' commitment to building a better world. In some places you can be certified as a Living Wage employer or as a Fair Trade company.
- **Become a B-Corporation:** A B-Corporation is a particular kind of certification that demonstrates compliance with a range of ethical, social and environmental standards. For more information about the benefits and process for becoming a B-Corporation, visit www.bcorporation.net/en-us/movement/global-network.

Reaping the Benefits

- * **Research shows that companies that adopt these kinds of inclusive strategies are more productive, profitable, and innovative while providing higher quality products and services. They also benefit from a more stable workforce and supply chain, have access to new sources of capital and markets, and are better able to manage risk. For more information about the business benefits of inclusive growth see *Business for Inclusive Growth: Doing Better by Being Better*, the second info sheet in this series on Inclusive Business.**

Sources

¹ Bockstette, V. and M. Stamp (undated). *Creating Shared Value: A How-to Guide for the New Corporate (R)evolution*. FSG. Available (online): [https://www.sharedvalue.org/sites/default/resource-files/Shared Value Guide.pdf](https://www.sharedvalue.org/sites/default/resource-files/Shared%20Value%20Guide.pdf)

² Shareholder Association for Research and Education. (undated). Available (online): <https://share.ca/issues/decent-work/>

About Us

This fact sheet was prepared by the New Economy Roundtable: an initiative of the Canadian Poverty Institute at Ambrose University. The New Economy Roundtable is a of businesses, governments and non-profit organizations dedicated to creating decent work and an inclusive economy. The New Economy Roundtable is a member of Business Fights Poverty, a global community of people, companies and organizations passionate about building an equitable and resilient future. For more information visit: www.povertyinstitute.ca/new-economy-roundtable

