

## **“Waddock, Inc. and the Responsibility Thing”**

**Sandra Waddock. *The Difference Makers: How Social and Institutional Entrepreneurs Created the Corporate Responsibility Movement.***

(Sheffield: Greenleaf, 2008)

A Review by William C. Frederick, July 2008

This is a remarkable book about two dozen remarkable leaders. Collectively, they have advanced the cause of corporate responsibility—that is, “made a difference”—by creating and applying a network of global codes, responsibility principles, accountability mechanisms, transparency devices, and stakeholder discourse methods—all of these intended to bestir today’s global corporations to chart a more publicly acceptable course of action. They are indeed, as the book’s subtitle declares, a new breed of entrepreneur working in the cause of worldwide social improvement.

There are names here you will instantly know—John Elkington of SustainAbility, Steven Lydenberg of KLD, Alice Tepper Marlin of CEP, Allen White of GRI, Simon Zadek of AccountAbility, George Kell of UN Global Compact—plus other contributors whose candle may have burned less brightly but with no less intensity. Their time in the sun, as author Waddock emphasizes, has been mainly the quarter century from around 1980 to the present, constituting “a social movement”. You hear the Difference Makers tell their separate stories in their own words. And what fascinating stories they are!—uncertain beginnings, surprises both good and bad, occasional setbacks, fortuitous links, unexpected victories, sheer luck—but always an uncompromised determination to press ahead against the odds, against business skepticism, against public indifference, against leftist critics who believed they were selling out to the enemy as well as neocon ideologues who saw their actions as undermining the very foundations of capitalist society.

Waddock skillfully weaves selected passages from their accounts in chain-like fashion to reveal the early emergence of social investing, its subsequent full-blown development, the expansion into employee, consumer, and environmental issues, the creation of global standards and human rights principles to guide corporate policy, and the literal invention of networking agencies to spread the word directly to firms, governments, educators, and the public citizenry worldwide. While you may have heard of Ceres, the Caux Round Table, the UN Global Compact, the Global Reporting Initiative, Business for Social Responsibility, Social Accountability International, and all the others, you now need to find out how and why they were born. And this is not just dull “history” but a lively account of how these social inventors translated generalized concepts into operational systems—how they got from yesterday’s ideals to today’s imposing structures of corporate responsibility and accountability.

The Difference Makers were not poured from the same mold. Some began in the staid world of finance and remained (or returned) there. Others were young idealistic radicals. Childhood religious concerns for the poor and hungry, as reflected in parental

practices, drew others to social and eventually global causes. One is a former socialist now convinced that working *with* capitalists is more realistic than working *against* them. Some started life as would-be actors, some as lawyers, others as economists. A few emerged from the grim realities of post-WW II Europe. Still others tagged along with parents whose jobs took them here and there around the world, thus acquiring an early and valuable worldview. A few got involved as business entrepreneurs or corporate staff worried about social justice or environmental decay. Several now consult with and advise business firms about governance and various social issues. Some had links to related United Nations programs or the foundation world. Almost unbeknownst to one another or what they collectively were creating, by the late 1990s the main features of a global responsibility structure came into view.

This is no revolutionary movement. As Waddock points out, the Difference Makers were “working towards change from within the current economic system. . . . It is the inside-the-system counterpart to the antiglobalization activism by non-governmental organizations (NGOs) and others . . . .” It is also rather curious that half of the main participants and their organizations have close professional associations with the Boston area, either beginning there, developing their careers there, or gravitating there over the years—including Waddock. Could this be a reminder of that famous *New Yorker* map of the USA ballooning New York far beyond its geographic bounds?

It is gratifying—but another reminder about the persistent lag of public attitudes—to note that 5 (actually 6 as you will learn later) of the Difference Makers are professionally accomplished women: Alice Tepper Marlin, Joan Bavaria, Amy Domini, Jane Nelson, and Judith Samuelson. If you don’t know these names, now is the time to learn about their achievements on the corporate responsibility scene.

I think it is fair to ask whether the Difference Makers believe they have made a real difference that will last. In Waddock’s words, that would be “the achievement of environmental sustainability, more equity across the peoples of the world, and greater accountability from companies. These changes go way beyond what the difference makers have yet been able to effect . . . .”

Surprisingly—perhaps even alarmingly—they are not at all sure about the long-run outcome. Ecosystem collapse, lack of global governance systems, nationalistic competition, failure of leadership, short-term profit goals, decay of democracy, entrenched interests, wealth-poverty gap, corporate greed, lack of social expertise—all of these stand as obstacles. And remember, this is the group that explicitly set out to “work within the system.” If *they* are in doubt, what *is* the answer? And who has it? About the best they can come up with amounts to a mish-mash that includes new think-tanks, corporate role models, designing prototype companies of the future, encouraging a global federal system of government, educating leaders who can integrate business and social values, and emphasizing local and regionalized initiatives. This rather indeterminate outcome makes even an enthusiastic supporter of the Difference Makers’ efforts wonder if voluntary societal initiatives are really enough to confront the mind-boggling range of problems posed by, and to, the corporation in a globalized world. Only Allen White and

his Corporation 20/20 think tank, and to a lesser degree Steven Lydenberg, seem willing to completely uproot the corporate tree and start over again with a new seedling more capable of producing an entirely new kind of public interest fruit.

At the beginning of this review, I deliberately spoke of “two dozen” Difference Makers who are featured in this book, although their actual number is only 23. The baker’s-dozen difference is, of course, the book’s author, Sandra Waddock. As James Walsh says in the Foreword, “Sandra Waddock is a difference maker.” Author of books and articles about corporate responsibility, former editor of the *Journal of Corporate Citizenship*, a recognized world authority on business-society relationships, an indefatigable worker and colleague in the struggle for workplace human rights, and a veteran of her own early struggles as a woman to gain her well-deserved professional status, Sandra Waddock clearly is a *Difference Maker extraordinaire*.

You owe it to yourself and to your students to get better acquainted with all two dozen Difference Makers.