Viewpoints

Can Companies Save the World?

ADD A COMMENT October 01, 2010 by Andrew Hahn

When I consider the role the private sector plays in addressing educational and social service needs in society, I vacillate between whether it's a good thing or bad thing. One minute I am resentful of the big claims and arrogance some business leaders display when working for social change. On the other hand, I often admire particular initiatives supported by corporate philanthropy and generally applaud business-inspired management practices when applied to nonprofits.

Let's start with a critical view of business involvement.

Michael Edwards, formerly of the Ford Foundation, writes in his new book, Small Change: Why Business Won't Save the World, about big businesses' self-congratulatory assertions that they are making life better for the little guy at the same time business is cajoling and even transforming nonprofits to run like the private sector.

Edwards unveils the array of business-inspired principles in the not-for-profit sector and documents how foolish it is to expect the business sector – minus a strong, value-driven and even confrontational civil society sector – "to save the world."

He warns that the influence of business practices in the nonprofit field can be dangerous and that the strong force of the private sector often thwarts or robs grass-roots organizations of the ability to stay focused on their original charter. The movement to mimic business practices, such as return-on-investment models, in the nonprofit sector is a mixed blessing, according to Edwards. He sees little evidence or glory in what has been dubbed by others as "philanthrocapitalism" – namely the belief that the more nonprofits behave like private firms, the better off we'd all be.

Just when I was beginning to accept this dim view of corporate engagement in social issues, along comes America's largest retailer, Walmart, with an initiative that causes me to reconsider my concern about the value of private-sector solutions.

Consider what Walmart is doing to promote college access for its own employees, many of them
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youths and young adults lacking post-secondary degrees.

Walmart announced in June that it has entered into an agreement with the online American Public University (APU) system, a for-profit firm that originally was established to offer military personnel academic credit for the training received. Under the agreement, APU will offer Walmart employees a 15 percent tuition discount, and Walmart will provide tuition assistance to employees working for their degrees through the online program.

Many Walmart "front-of-store" employees lack the human capital skills to advance, and tens of thousands of Walmart employees lack a college degree. This is clearly a proactive strategy in which Walmart is trying to offer educational and professional advancement as it had never done.

This new benefit is also a good example of the ways businesses can engage in a social change strategy, in this case, college access, not as a charitable activity, but instead a regular employee benefit. It is Walmart "walking the talk" and potentially demonstrating this on a large scale.

There is one interesting twist I'd like to note. In the Walmart and APU initiative, academic credit will be given by APU for work done at Walmart on the job. Fortunately, this isn't academic credit for any old work experience, but will be awarded only when Walmart workers have achieved specific job-related competencies. Credit is for achievement and not just for holding down a job at Walmart.

In this era of economic uncertainty, especially in regard to one's own education, why not award college credit for learning and working on the job? The Walmart and APU initiative focuses on skill achievement in a broad array of settings such as commercial safety, finance fundamentals, and retail shipping and receiving.

All of this adds up to an innovation with broad implications for young people. My hope is that other businesses will try a similar initiative that is suitable to their particular workforce. The idea of getting college credit for working and learning is an appealing one.

I know some readers will be shocked when I suggest Walmart as an example of inspired business engagement in a social issue. Edwards' Small Change: Why Business Won't Save the World presents another compelling side of the coin.

The debate on the business role in society is an old one. The Walmart college access initiative is a