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# Social Entrepreneurship - 15 - How Social is Too Social

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## Details

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**By Scott Bellows**

Naisola languished in her job as a marketing executive in one of Kenya's leading deposit taking microfinance (DTM) institutions. She completed her MBA in 2010 and expected that the degree would launch her into a more meaningful career.

Naisola desired to change the world and impact society. She felt that microfinance might help boost the working poor into the middle class.

However, following four years in microfinance, Naisola saw the DTM up scaling away from serving its original mission. The DTM found it cheaper and more profitable to provide salary loans instead of financing mama mbogas to emerge out of poverty.

Salary loans did not appeal to Naisola. She did not feel the passion behind helping those who already attained a salary. What Naisola desired was a more purely social business with deeper impact.

Now, many readers might advise Naisola to go work for an NGO. An NGO, in theory, should focus exclusively on its social mission and helping society. However, she felt that NGOs did not possess sustainability.

Naisola's dilemma revolves around the debate about the extent of social mission should exist in companies. A "social" corporation focuses on three factors of success: people, planet, and profits. Many firms just utilize some corporate social responsibility (CSR) through funding a few initiatives and gaining public relations, but not focusing their core products on items that change the world. Also, many companies obsess over CSR for public relations, but treat their own employees poorly.

An extreme opposite of NGOs, we think of a tobacco firm making cigarettes. The cigarettes kill their clients, so people are not a focus of such a firm. The cigarettes pollute the environment, so the planet does not concern a tobacco company. But, instead, the tobacco firm cares exclusively about profits only.

In the middle of the spectrum, Safaricom's development of mobile money helped positively change how every person in Kenya may pay for products and services, save money, and send money in safer easier ways. However, Safaricom famously does not only focus on the people outside its firm, but also on recruiting and rewarding its own employees. Safaricom exists as one

of the few firms in Kenya that actively recruit people with physical disabilities to work in the company. Many blind employees work in the Safaricom call center who might find it difficult to find work unless another open-minded employer recruits.

On the complete other side of the spectrum from tobacco companies, Namaste Solar in Colorado might arguably exist as the most socially conscious business in the world. The company saves the planet by reducing reliance on fossil fuels and pollution through the proliferation of solar energy. So, Namaste Solar's whole product line helps the world.

Further, Namaste Solar makes significant profits and experiences solid growth. The firm covers a planet focus and a profits focus. However, what makes Namaste Solar stand out revolves around how it treats its people. The company's staff might arguably be the most empowered workers at any company in the world.

Now, how many Business Talk readers work in companies or NGOs where the organizational strategy is decided by executives locked away with no input from employees? How many of you do not even know your entity's strategy at all? Conversely, how many of you CEOs actually involve employees at every step of the way on all decisions?

Take the thought process deeper. How many readers work in places where executive managers make decisions that deep down in your heart is the wrong decision for the organization? Even if you feel that wrong corporate decisions are being made, does your company provide a platform for you to provide your feedback on corporate strategy or decisions?

Namaste Solar did not make any strategic decision or write any business plan without the involvement of every single employee. Then, before any major changes, Namaste Solar's policies required that all employees vote with 100% agreement. As one could imagine, employees felt a huge sense of empowerment and loyalty to the firm.

However, how much employee involvement is too much? Would such a situation work in Kenya? Would Kenyans desire to have a say in every aspect of their employers' business? On the flip side, how long might it take for decisions to come to fruition? Would it take too long? The costs of extensive employee involvement: time. The benefits of extensive employee involvement: employee motivation, happiness, and loyalty.

Namaste Solar eventually lowered the voting threshold to 60% employee approval for decisions because it took too long to pivot and change course. Employees remain deeply loyal to the firm and feel proud of its social focus: people, planet, and profits.

Which Kenyan company might empower its employees the most? Which Kenyan firm might exist as the most social in the whole nation? Continue the discussion and give ideas through Twitter on #USIUEntrepreneurshipWeek.

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Next week, we explore "How to Fund your Business Venture". Read current and prior articles on [www.usiu.ac.ke/blog/businessdaily](http://www.usiu.ac.ke/blog/businessdaily) ([../blog/businessdaily](http://../blog/businessdaily)) .

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