



BSR Conference 2008 | Sustainability: Leadership Required Jeffrey Immelt, General Electric

Plenary Session Summary

Thursday, November 6, 2008 | 8:30–9:30 a.m.

Speaker

- Jeffrey Immelt, Chairman and CEO, General Electric

Highlights

- Immelt described five points of corporate social responsibility (CSR) and the current business environment: the economic crisis has created a “reset” world; there’s an imperative for business to turn people’s fears about competitiveness into confidence; strategic CSR and a focus on profitability can help create long-term viability; it’s necessary to engage with others; and globalization is key for improving competitiveness.
- Profitability and strategic alignment of CSR is important in creating long-term, successful programs.
- Globalization of companies like GE is essential to competitiveness, innovation, and economic growth.

Memorable Quotes

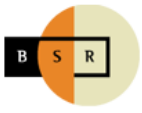
- “We think about CSR starting from the core and moving outward, not as some weird parallel path ... or something that we do at the end of the day when we have 15 minutes to kill.”
- “There is no gray area in transparency—you either do it or you don’t. ... This allows you to build a company that is based on trust.”
- “The most important part of CSR is ‘corporate.’ You have to make money.”

Overview

In his plenary address, Immelt highlighted five points on the changing role of CSR in the current business environment:

1. The economic crisis doesn’t represent a cycle; it represents a “reset.” Industries will be restructured, and strategic engagement with government will become more essential. Transparency and accountability are also more important than even six months ago. Business leaders who understand this fundamental change will prosper.





Business for Social Responsibility

2. People are afraid because they don't think they can compete. The average consumer doesn't understand what's happening on Wall Street and the implications of the financial crisis, such as why they can't get financing for a car. Immelt asserted that business has a responsibility to teach people how to compete, and he went on to describe the private sector's role in supporting competitiveness by developing energy, health care, and education, and providing financial assistance that promotes innovation.

3. CSR has to be strategic. Immelt elaborated on the importance of "mainstreaming" CSR and "making it about profit" to ensure its long-term viability. If CSR is strategically aligned with business goals, it never becomes superfluous or redundant. Immelt outlined four pillars of a successful CSR program:

- Remember the first part of CSR is "corporate"—you have to be competitive.
- Run your company on trust, which means compliance, governance, and transparency.
- Have a long-term commitment to your people.
- Orient your company to solve social problems.

4. Engagement with others is essential. Immelt said that in the early years of his career, he had a "healthy dislike for environmental NGOs," but "the only thing you can do in a reset world is learn how to engage." He credited his change of mindset to a more pragmatic approach leading to successful engagement between GE and NGOs.

5. If your company commits to and executes the first four things listed here, you can earn the right to compete globally—and we need to allow companies to globalize. Immelt views corporate globalization as essential to competitiveness, and he detailed some of the economic benefits that GE is able to provide as a result of globalization. Elaborating after a question from the audience, Immelt stated that despite the bad name that conglomerates sometimes have, globalized organizations like GE are by nature diversified and better able to navigate economic challenges.

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This summary is also available on www.bsr.org/bsrconferences/2008/session-summaries.cfm.

