



## Where performance meets purpose

**Host:** Burt Rea, Managing Director, Deloitte Consulting LLP

**Guests:**

- Gideon Maltz, Executive Director, Tent Partnership for Refugees
- Michael Gretczko, Principal, Deloitte Consulting LLP
- David Mallon, Vice President and Chief Analyst, Bersin™, Deloitte Consulting LLP

**Burt Rea (Burt):** When is it right for companies to take a public stand on social issues? We are talking with Gideon Maltz, executive director of Tent Partnership for Refugees about how companies can leverage their core business to make a meaningful social impact. Then we will talk with my colleagues, Michael Gretczko and David Mallon, about what it means to be a social enterprise that combines business and social purpose, and ways companies can make the shift.

So, the topic that we were looking to chat about with you is this whole idea of the social enterprise and it kind of goes beyond the idea of social responsibility and really expands our thinking to be more of an ecosystem view of how organizations are taking on a broader, more comprehensive social role in our lives, in our society, and really playing a broader role in this shareholder value and charitable donations, and I think our objective in speaking with you is to really explore how you guys are

going beyond the boundaries, if you will, of traditional social responsibility.

**Gideon Maltz (Gideon):** Yeah, absolutely and I think what you've laid out, a lot of that rings very true for us in the refugees' base.

**Burt:** So, I guess let's start at the beginning. What inspired your founder to start this organization to focus on the lives and livelihoods of refugees? ➔

**Gideon:** Yeah, so it was really, I think, two connected trends. The first was Hamdi Ulukaya's experience as a founder and CEO of Chobani, where he had started Chobani with a small factory in upstate New York, was looking to hire people in the community, learned that a number of refugees were being resettled there and were looking for work themselves, and decided both as a humanitarian and business measure to start hiring refugees, and found over time that they made for terrific, motivated employees, and as Chobani expanded, he continued to bring in more refugees both in New York and then in the new factory in Idaho as well. So, one part was a very positive experience as a business with refugee employees and then the second trend was as the global refugee crisis became worse and worse, especially with Syria and then on top of Syria with the military campaign by Islamic State in Syria and Iraq, and at that moment it sort of, I think, compelled him to put these two things together and decide that there was so much more that businesses could be doing, much like Chobani had done in the face of this global crisis, and so he set up Tent with a very specific mission of encouraging and helping businesses to do more for refugees.

**Burt:** So, in thinking specially about Tent, how do you take this sort of large societally driven mission and make it operational for businesses and for people? what's the operational approach?

**Gideon:** Yeah, absolutely, I think the approach that we have developed over the time, I think really reflects a lot of hard thinking about what business's comparative advantage is, and that's something that we went through a fairly long process in consultation with a number of companies in our network. And so the first step for us was to really try to home in on where we thought the business community at large could actually have the most impact, and we felt that was specifically on one element to the refugee crisis, which was the fact that it's not just a sheer numbers of people coming across the border, it's that refugees are displaced for longer and longer periods of time, and that's one, and two, refugees displaced today is likely to be displaced for

20 years or more and so on that long-term issue, that issue of and the challenge of how do you integrate refugees into their newer society? How do you integrate them into the economy? We thought that was the issue that businesses were actually uniquely placed to address because that's all about creating jobs and delivering services and supporting entrepreneurs and enterprises, and so we really homed in on that issue of integrating refugees into the economy and into society, and I think this is consistent with a broader trend across corporate social responsibility, really homed in on the idea of businesses having the most impact if they actually leverage their core operations rather than just making a financial contribution, that in thinking about this as a long-term economic challenge, a company would have much greater impact if they could hire refugees rather than just write a one-of check. I think the step is then within that sort of insight or organization that even within that, each company is situated very differently in terms of what is optimal for it to do, and so we have taken an approach of really believing that there isn't one size fits all for a particular company and that different companies have different opportunities and different geographies and different constraints, and so the second step we take is to try to think through with a company specifically what it can do, and then the third step is really trying, this is very much a work in progress, they are really trying to distill the best practices and the lessons learned from what companies have done so far to make it a little bit easier for companies embarking on this for the first time and so that's sort of how we've tried to pull down a very large issue to something that's a little bit more manageable.

**Burt:** Yeah, that's a wonderful structure, and I think it's so insightful to think beyond just entering the host country because that's all the media and the popular press who have been focused on is gaining entry or not being allowed entry, and the really more sophisticated way to think about the issue is how can we help people thrive, assuming that they are allowed entry into the country, it almost becomes part of the argument that if we are going to allow entry, don't we have

some responsibility to help people thrive while they are here for whatever length of time, whether it's two weeks, a year, or 20 year, so great extension of the issue.

**Gideon:** Yeah, absolutely, and I will just say that's actually true that, the point you just made is true in high-income countries like the United States or Canada where once refugees are resettled here, we certainly all have a stake in making sure that they integrate effectively and become contributors. But it is also true for the majority of refugees that are in the neighboring countries much closer to the frontlines, like Turkey or Jordan, that even there we also have a stake as an international community, as a business community, and trying to make sure that they are productive contributors to those countries, which are even more burdened than the US or Canada.

**Burt:** Right, this type of a program, this type of approach intrinsically mollifies the concern of the country, that wait a minute, we are going to be overtaken by this population, how could we possibly support them when in fact what we are saying is this could be a self-sustaining population that can support themselves if we give them just a little bit of help upfront.

**Gideon:** Absolutely. Absolutely.

**Burt:** Wonderful. So, tell me about what entices or encourages or drives businesses to become members of the Tent Partnership for Refugees? What value do they see for their part of the bargain?

**Gideon:** Yeah, I think it's two elements. The first set of value proposition is the global network of companies that we're trying to build and sort of set our best practices that we are trying to distill from those companies in some ways. The most challenging area for companies is how to communicate efforts to support refugees to the public, given the different sort of political currents here. So the first value proposition is just access to this network, and the second value proposition is that we offer our services to companies to work with them one-on-one in

a very sort of tailored way to help them think through what it is that they can do that will maximize impact and minimize difficulty and expense and being very disruptive to their operations. We don't have comprehensive on-the-ground expertise, but we work very closely with the organizations that do, so that if we can go through a process of working with a company to a point where they know that they want to do something with their suppliers in Jordan, we can then connect them to the right implementing partners on the ground, and I should say that because we are fully funded by Hamdi, we were able to offer these services for free for companies. That's also perhaps part of the deal.

**Burt:** So, how are businesses uniquely positioned to address refugee integration and inclusion in the workforce?

**Gideon:** It's our conviction that the way that they can best integrate refugees into the economy is really in three areas in particular. One is by supporting refugee businesses and enterprises, and an example of that is an Italian insurance company that is working to support 500 refugee small businesses in Europe. A second way is for companies to deliver and adapt sometimes their commercial services to better reach refugees, and so there is a financial services company, for example, that is figuring out how to better integrate refugees into the financial system, and that's an area where often refugees are unintentionally excluded. Companies can help to bridge that gap. And then on the hiring/supply chain side, for example, on the hiring side is a major global company that has committed to hiring refugees in Canada, Sweden, Brazil, at maybe entry-level jobs and on the supply chain side there's a furniture and home furnishings company that is now selling products in its stores worldwide that were produced by refugee women and Jordanian women in Jordan.

**Burt:** I love the idea of multiple ways to make a difference and make an impact, and it sounds like you are able to connect companies with a way of contributing that's unique to them or that capitalizes on their unique strengths and capabilities.

**Gideon:** Yeah, absolutely and I think our experience is that, that is both how they can often have the most impact, but also how that is also what can ring most true for the brand and the most valuable for them from a branding and reputational perspective.

**Burt:** Thinking internally within the organization, how are you seeing companies tell the story for their own employees? Is there a sense of contribution, is there a sense of wow, this is great to be part of something bigger than our organization? How are companies telling the story inside their organization?

**Gideon:** It is so important for companies to tell the story internally before they share it externally. What we've heard from a number of companies is that there is a lot of internal enthusiasm for this sort of work. A couple of companies have shared anecdotally that they actually are seeing higher levels of enthusiasm, higher levels of retention among general workers who actually are involved in these sorts of projects or have the opportunity to work alongside refugees, that it does inject a sort of meaning into their sort of their daily work lives.

**Burt:** What other aspects would you say it's important for companies to be global citizens, to think of themselves as global citizens?

**Gideon:** So, I think it goes back a little bit to what you and I were chatting about at the very beginning which is that there is no question that both consumers and employees are looking for companies to do more and that they want to find meaning in where they work and that is pushing companies to play a more significant role and that being particularly pronounced on issues where governments have abdicated responsibility to some degree. And I think climate change and the refugee crisis, I think both of those are issues where I think there is a sense that governments could have done more, but because they haven't done enough, there is a real need for businesses to step into that bridge.

**Burt:** It's almost as if we think of the world getting smaller and smaller and it becomes more apparent that what happens in one corner of the world is impacting me in another corner of the world. It's sort of like saying hey, there is a hole on your side of the boat, but that's not my problem, so wait a minute, we all are in the same boat. So what one piece of advice would you give to others who want to be able to influence or tackle some of these larger societal issues, and certainly this is one that is so poignant, but there are many others. How would you advise others to get started?

**Gideon:** Yeah, I think for companies for thinking about issues like this, I think it's really about trying to figure out what particular piece of the puzzle they are uniquely positioned to address and to understand for a particular company what exactly their core competencies are, their values are, and what that leads to in terms of addressing something that is very narrow, very practical, consistent with that, rather than trying to do too much and falling short. So I think it's about finding areas of practical opportunities for intervention in a way that reflects the operations, the brand, the values.

**Burt:** I love this idea of what unique capabilities do you bring to the problem, what can you as an organization do that no one else can do. That's inspiring.

**Gideon:** Yeah, that's something which we feel so strongly about from a perspective of what's good for the company, from a perspective of what's going to have impact, and from the perspective of what is going to motivate the company to keep doing it and to scale it up over time rather than it just being a one-off action and response to a headline that then dissipates.

**Burt:** I think it also requires a little bit of effort on the part of the organization, which makes them more invested.

**Gideon:** I think often it's easier to write a check to support an organization, it's harder to actually go through a process of figuring out exactly how to adjust aspects

of a business operation, but it's exactly that investment that generates more buy-in and also generates more impact in the long run.

**Burt:** And sustains it.

**Gideon:** Exactly, exactly.

**Burt:** Well, Gideon, thank you so much for sharing these thoughts. This has been really insightful and a real pleasure to speak with you. Thank you.

**Gideon:** Absolutely, thank you as well.

**Burt:** We just heard from Gideon Maltz about how the Tent Partnership is mobilizing the private sector to support refugees. Next, I will be joined by my Deloitte Colleagues to dive a bit deeper into what it means for organizations to become social enterprises.

Hello Michael and David, and welcome to the podcast. We would love to have you introduce yourselves. Michael?

**Michael Gretczko (Michael):** Michael Gretczko, I am a principal at Deloitte. I am excited to talk about the social enterprise today.

**Burt:** Wonderful, welcome. And David, David Mallon joining us.

**David Mallon (David):** Hi, this is David Mallon, I am chief analyst for Bersin, and happy to be here as well.

**Burt:** Wonderful, and David is our cohost for CapitalH, of course, so great to have you both with us. Just talking a bit about this idea of performance and purpose in organizations, it's a big departure from the old days of the only purpose of an organization is to increase shareholder value. To be a truly social enterprise, companies are not only actively managing trends that are shaping their business world, but also listening to their employees, stakeholders, and communities. How do you find organizations succeeding at this? How are companies best listening and responding to the needs of these groups? and Michael, let's start with you.

**Michael:** I think it's a really important topic. I think a lot of what we are seeing is organizations starting to understand that in order to have an effective business strategy that allows them to have the kind of brand they want to with their clients, as well as the kind of brand they want to have with their employees, they need to be sensitive to and reacting to these trends in the market and the perspective and perception of their people and their clients. In order to accomplish that, it's really about having a multifaceted listening strategy, listening to what clients are saying and customers are saying in social media in response to your product feedback. It's about internally with employees making sure that you are creating lots of forms for people to share, both in group settings through digital channels, through the conversations that managers have with their employees every single day. And I think one of the trickiest parts of this is figuring out which of that signal that comes in you should take action on and which of that signal and input you should hear, but perhaps not take action on. I think a lot of organizations are trying to navigate that right now in this very unique time that we have got.

**Burt:** It's an interesting challenge because I think some organizations are feeling like okay, you are telling me I have to pay attention to all this stuff and I have to act on everything that I see and I think the more sophisticated approach is be selective, be strategic, react to what's critical to your business strategy and what's going to resonate with your stakeholders, with your customers, with your employees, with your markets. David, what say you? How is your thinking on this?

**David:** If you'll indulge me for a second, I will approach it from sort of a research angle. So there is this concept we talk about in the social enterprise of social capital, and it comes originally for research, sociology research. It's about communities, it's about networks, it's about the value of the ties that bind. We, as individuals, we bring certain value, but when we bind together, we are greater than the sum of our parts, right? So that created value in those relationships,

that's a capital, and just like every other capital an organization has available to it, it can be spent, it can be used to help further grow capital. And so social enterprises are organizations that recognize that need to cultivate that social capital, to invest in it, to understand its importance in their long-term success. So it's interesting, this conversation of where to put your time and energies, or to even think that this something that is, let's say, put upon an organization, the social enterprises are the ones that get, this isn't necessarily something new, it has actually been part of how they differentiated themselves all along, but especially in today's world where there really is no transparency anymore, no organization is an island, organization is entirely a master of its own destiny. We are better when we are investing in the ties that bind internally between employees, teams, leaders, so on and we invest in the ties that bind us to our wider ecosystems, our workforce ecosystems, our communities, our public institutions, society at large. And the degree to which we are growing that social capital, that's how we are getting ahead.

**Michael:** I love that, David, and I think something that's really interesting about that you just told two points is, you know, one, I think we are starting to see that balance, the balance sheet, if you will, a social capital to get much more centered on businesses as we are seeing this decline in trust with governments around the world, and that's been reported in a number of studies that we are seeing that. I think secondly, one of the things that I found really interesting for the organizations that I think are doing this well is, they are very focused on, as you call it, the network of connections, so how are employees treating employees, and that's about teaming and having a respectful workplace and an inclusive workplace. How are employees and their managers interacting and that connection and that's about leadership and management effectiveness. How are employees connected and relating to the organization they work for, which is more about engagement and the experience they have? And I think the best organizations

do understand the need to sort of break down all those different relationships, to be sensing and then to be influencing how effective they are in promoting, as you call it, that social capital and increasing that social capital.

**Burt:** So I think it's really interesting you talk about ecosystems. I had the opportunity earlier to speak with Gideon Maltz, who leads the Tent Partnership, which is an organization that makes connections across different corporate sponsors and members of their organization to provide support to refugees, and different companies are able to bring their unique talents and capabilities to that cause, not just in a donate money kind of a way, but provide jobs or provide unique products or services or make connections in other ways so that idea of ecosystem I think is really embodied by this work that Gideon and his organization are doing. What other examples are you seeing where companies are really innovating in this idea of ecosystems?

**Michael:** Yeah, I mean just to talk for a minute about Tent. I think it's a fabulous organization, I mean what I thought was fascinating is we are talking here a bit about businesses embracing a social mission and how they sort of adjust the way they operate to do that. I think what's interesting about Tent is it's a social mission that really adopted the language and the frameworks of business, you know, they talk about supply chains and service delivery and impact investments, terms that normally we would hear more in a kind of for profit and business world, so I think they have done a really nice job figuring out how to partner with the private sector. I think when it comes to ecosystems, I think what we are increasingly finding is that organizations that want to be successful need to have a defined place in the ecosystem. For us at Deloitte Consulting, you know, we believe it's our responsibility as a leading professional services provider to help create ecosystems between clients who have business issues and need help solving those with technology providers that are automating work or helping organizations better understand the world around them, including a workforce,

with government organizations that are either regulators or providing input around standards and perspectives, and I think all organizations have gotten a very clear view for their role in the market and how they operate, and I think we are starting to do some really interesting things there as well.

**Burt:** I agree, and kind of proud of what we are doing, hopefully it's a leading example. David, you talked about a research lens. What are you seeing as some of the challenges that organizations are coming up against? What are the watch-outs?

**David:** Well, I will connect the dots between a couple of things Michael said so far. One of the biggest challenges is companies trying to decide, are there causes they should be more involved in or are there particular issues they should listen more to? Where should they just put their time and energies? And I guess what we are finding is, there is really no substitute for authenticity. There is no substitute for having a clear north star. Be very clear about your organization and what you see your purpose is. You can't be reactionary or truly opportunistic in today's world. If you stand for everything you stand for nothing in that regard, right? But if you know who you are and you are consistent to that north star, it doesn't mean you have to go fight every fight. On the contrary that would probably be more harmful than good. It also doesn't mean you have to necessarily be entirely altruistic. If your organization's main focus is revenue creation, that's fine, be clear about it to your employees, to your wider stakeholders, be true to yourself, and authenticity will win out more so than thinking that this is essentially just an evolution of corporate social responsibility, it's not. The other is when you are listening to all those groups, when you are listening to your employees actively be that in traditional data collection means via engagement surveys or just talking to them or creating venues for them to talk to you or listening to your wider stakeholders and so forth, start with some amount of humility. Seek what's the cliché, seek first to understand, don't presuppose that you know what's in the hearts and minds of these audiences, your employees, your wider stakeholders, don't

just see this as data collection, don't just see this as projects or programs with milestones to complete. Engage these groups across multiple channels all the time, and feed what you are hearing back to the multiple audiences within your organization that need this information. Avoid what's called in the research confirmation bias, don't go out looking for evidence to support what you've already believe to be true. Listen openly, be prepared to do something with what you hear even if it's just to be honest that you are not going to respond or change in some way.

**Burt:** I think that authenticity point is really important, again because of the radical transparency that we are living in today. If you are not authentic your people will know, the market will know it, and then you are hanging out there. I guess I would like to close with what's the human capital role in all this, and how do HR leaders contribute?

**Michael:** I am happy to take a first shot, David. I think this is an area where human capital leaders, HR leaders, can really carve out ownership for this. If we think about all the different functions within an organization, you know, marketing historically has been very oriented to the voice of the customer and have real discipline around that, but there is rarely been, sort of a part of the organization where everything that's happening external to the organization and internal sort of comes together and helps chart an assessment of your values as David suggested earlier. You know, having clarity around that vision is really important, and I think it speaks to culture, it speaks to the relationship employees have with their organization, it speaks to what the organization stands for, and I think HR has often played a role as a guardian of culture and a guardian of the value system, and here there is this opportunity to actually combine that, you know, I think what was a historical charter for many HR organizations, and directed towards something that's actually bottom-line impacting that is really about their competitive nature and what and how the organization competes effectively on the world's stage.

**David:** I would just add there are places that HR traditionally played in the growth of its people, its leadership development programs, for example, and then how it creates venues to collect and hear from the voice of the employee, engagement surveys and the like, right? Those are both places where we can take them to a next stage, we can grow a new kind of leader that is practiced in creating networks, that's practicing creating connections, understands the value of that sort of always-on listening, and so we can take what we have traditionally done forward.

**Burt:** David, what is one step that you would offer based on our research that companies can take to sort of connect a purpose and make that story real for their stakeholders and constituencies?

**David:** At the risk of just sourcing what I was saying earlier, I think it's about knowing who you are, and it's about being consistent about that across all of the potential places where you might talk about it, so this is more than brand, let's put it that way, but this should show up in places like brand, both your product brand in the market as well as your employer brand in the market. It should show up in what you talk to your prospective employees about, it's what you should talk to your new employees as they are being onboarded. It's what you should talk to them at every stage of the employee experience, that there is just a consistency, and that consistency doesn't mean that none of this can ever change, but there is still a clear sense of who you are and where you are going and there is no substitute for that.




**Burt:** I like that and again I think the keyword you said before was authenticity, that's really the watchword. Fantastic. I think we're at our time. David, Michael, thank you very much for joining me. Really appreciate your insights, and thank you for joining me here.

**David:** Thank you Burt.

**Burt:** As we've heard today, operating as a social enterprise means actively managing the trends that are shaping today's world and listening to stakeholders inside and outside the organization. Thanks to our guests, Gideon Maltz and Deloitte leaders Michael Gretczko and David Mallon, for sharing their insights and experiences. Tune in next time to explore the link between an organization's culture and operating as a social enterprise with our guest Deb Hicks, chief people and cultural officer at Dana Farber Cancer Institute. Deb will talk to us about why and how they have been tackling diversity and inclusion and accessibility as part of a broad cultural transformation.



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