

Top World Business Issues

What's keeping global business leaders from sleeping peacefully at night? PENNY HAW asked around.

Environmental issues

Deputy CEO of the Johannesburg Stock Exchange Nicky Newton-King's list of "a number of concerns" begins with climate change. Why? "Because of the unpredictability it brings in its wake and the impact that it potentially has on issues as diverse as food production, housing and insurance," she says.

West to East

"The most pressing issue facing the world is the shift from West to East," says Clem Sunter, chairman of the Anglo American Chairman's Fund and leading South African scenario planner recently honoured by Stellenbosch University's Institute for Futures Research. "The top five economies by 2030 could be China, the United States, Japan, Germany and India. Think how much this would alter the present world, which has been dominated by the West since 1400."



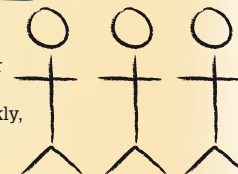
Measurable marketing

USB marketing lecturer, Prof Frikkie Herbst, believes that marketing has never been more challenged to demonstrate unmistakably its contribution to the long-term value of organisations. Modern-day marketing, he says, needs to show results and be measurable.



Developing people

Human assets are becoming more diverse and more central to business performance, while intellectual capital and other intangible assets provide the fuel for business innovation and growth. The development of people – training them, making them productive quickly, and retaining them – is a pressing concern. There is a critical demand for good leadership: "The leadership vacuum creates a culture of poor performance and a 'don't care' attitude," says Luhabe.

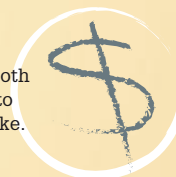


Governance and corruption

Governance encompasses issues of corruption, transparency, accountability, delivery of services and participation. Good governance – i.e. authority that is efficient, effective and fair – is considered by many to elude too many organisations. "[The resulting] relationship crises make effective communication impossible because there is no trust or respect," says chairperson of the Industrial Development Corporation and the International Marketing Council, Wendy Luhabe.

Poverty

Newton-King believes the increasing gap between the rich and the poor – both within countries and on a global scale between nations – is of real concern to business because it potentially foments radical behaviour, unrest, and the like.



At the mercy of technology

"My immediate response is that technology will not allow us to get away from work!" says USB information systems management lecturer, Martin Butler, answering e-mails from a beach in Phuket. On a more serious note, Butler says that he fears that the innovative application of social networking will shrink the 'global village' into a 'global room', and that business will have to respond accordingly. "First, IT allowed us to communicate 24/7 with anyone, anywhere in the world – reliably and at low cost. The next step, I believe, is that enterprises, suppliers, customers and business partners must rise to the demand of co-existing and communicating at a deeper level, using next-generation internet sites such as Facebook and Second Life," he says.

Some evidence

> Responding to a recent study on the impact of climate change on business, Sir Nicholas Stern, former chief economist for the World Bank, said: "Climate change is the greatest market failure the world has ever seen."

> China is the world's fastest-growing major economy. The country's success is played out on equity markets in Shanghai and Hong Kong, both of which reached record levels in 2007.

> The panellists of a recent World Bank International

Business Forum symposium on corruption found that being tough on corruption unquestionably benefits business and that companies should actively pursue zero tolerance of bribery and corruption.

> "We believe that the leading global companies of 2020 will be those that provide goods and services and reach new customers in ways that address the world's major challenges – including poverty, climate change, resource depletion, globalisation and demographic shifts." (Manifesto for Tomorrow's Global Business,

signed by eight major businesses, which are members of the World Business Council for Sustainable Development (WBCSD) Tomorrow's Leaders group.)

> The recently released IBM Global Human Capital Study 2008 found that organisations cite leadership capability as one of their top workforce challenges. According to the study "companies are finding themselves with a leadership vacuum, with fewer individuals who have the knowledge and experience to guide others through necessary business transformations".