



PROBLEMS AND SOLUTIONS FOR MODERN COMPANIES OPERATING IN COMPLEX SOCIAL ENVIRONMENTS

Overview:

A modern company's investments cannot be safeguarded from social conflict through traditional approaches. In today's dynamic social environments, individuals, groups and segments of society have the ability to negatively impact operations through litigation, protests, strikes and production disruptions or stoppages. Large scale urbanization, increasing competition for natural resources, the spread of extremist ideologies, poverty, and natural disasters, combined with a population youth bulge in underdeveloped regions, will further stress the state's ability to provide basic services. The magnitude, occurrence and severity of these population-centric events will increase existing social tensions and manifest into social conflict. As social tensions and unrest increase, so will the demands on companies to protect their investments, safeguard their operations and provide services to the communities where they operate.

Problem:

Companies operating across the globe, especially those in austere environments are "unknowingly" locked in identity conflicts with the communities where they operate.

"PREVENTING LOCAL COMMUNITY CONFLICT IS A MAJOR ELEMENT OF EFFECTIVE CORPORATE RISK MITIGATION."

Most companies do not fully comprehend the impacts of identity conflict or the costs associated with community conflicts. They typically rely on physical and technical security practices and corporate social responsibility (CSR) initiatives to manage community risk. These approaches are outdated and do not address the identity conflicts

that exist in contemporary complex social environments. Moreover, formal agreements with governments do not safeguard operations from the effects of identity conflict and often times intensifies existing social tensions, which leads to violence. Social tensions are further compounded by globalization, modernization and unprecedented access to telecommunications technology, thereby allowing ideas, information and messages to quickly spread across physical and geographic boundaries.





Solution:

Today's complex social environments require companies to adopt new approaches to understand the socio-cultural dynamics that drive instability. By understanding the fundamental principles that generate identity conflicts, companies can identify the challenges and opportunities that lie within the human terrain. Culturally attuned analysis and in-depth understanding of a target group's identities, beliefs and world views enhance CSR programs, augment physical and technical security, identify potential risks and mitigate the negative impacts of community conflict. It also allows decision makers to allocate resources more effectively, safeguard reputational risk and reduce losses that arise due to community conflicts.

**EXECUTIVES HAVE A
FIDUCIARY OBLIGATION
TO ENGAGE LOCAL
COMMUNITIES.**

