

research report june 2017

CHANGE BUSINESS FOR GOOD



managers speak out on sustainability

how CSR is changing business

excerpt

new angles

early
strategies

Excerpt

This document is an excerpt of the full report.

The full report, also named Corporate Package, is in two parts: “Managers Speak Out on Sustainability – How CSR is Changing Business” (38 pages) and “Is CSR changing business? - Detailed Findings” (55 pages). The full report is available to purchase for internal use at the purchaser’s company.

Purchasers of the Corporate Package have permission to share the documents with other employees in their organization. They may distribute the two parts of the report, in print or electronic format, uniquely within their organization.

The present excerpt can be shared and distributed everywhere.

**For more information visit the website
dedicated to this research:**

www.is-CSR-changing-business.com

IMPORTANT

The utmost care has been taken in compiling and analyzing the information contained in this document. The interpretation, views and opinions expressed on the basis of the results are those of the authors. They do not necessarily represent those of the individuals who participated in the survey.

Executive Summary

Managers Speak Out on Sustainability

How CSR is changing business

This report lets us hear the voices of managers in international corporations and reveals their desire to take CSR into new territory, beyond compliance and brand image.

Surveyed during first quarter 2017, the 130 managers who participated in our research share an interest in sustainable business, each with a different personal experience and perspective. Half of them have direct responsibility for CSR, half do not. From 25 countries, a wide range of functions and 107 large companies, their voices combine to tell a compelling story about how far CSR has come in the last five years.

Part 1 of the report presents insights and analysis from the study in 5 thematic chapters. Part 2 sets out detailed findings in the order of the original questionnaire, with many verbatim citations. The identity of respondents and their companies has of course been protected to preserve confidentiality.

We specifically targeted senior and middle managers because this population is in contact with the widest range of a company's stakeholders. They have direct knowledge of top executives' priorities and they lead the teams charged with achieving the business objectives. At the same time they are in contact with suppliers, customers and local communities. We consider they are the real "change makers" in organisations. Their views on CSR and change are views that executive teams need to hear.

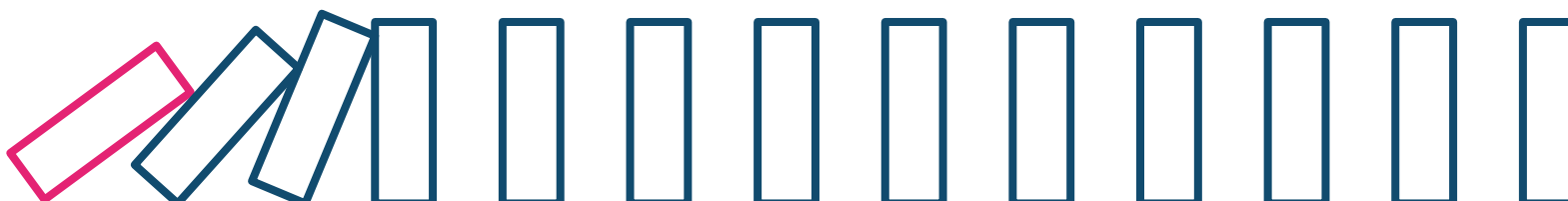
These managers communicate with insight and lucidity their experience of leading CSR in business, their understanding of the barriers to change, their impatience with the business-as-usual corporate culture and the challenges of integrating sustainability. They emphasise the importance of external stakeholders and creating positive impacts. Their combination of optimism and pragmatism points the way ahead for establishing truly sustainable and responsible business.

Some key findings cast light on the last 5 years of CSR and sustainability progress:

- **75%** believe the business case for sustainability is clearer today than 5 years ago
- **69%** of managers report that their companies aim to create new business models and transform (up from 30% five years ago)
- **83%** report that CSR has changed their jobs over the last 5 years
- **60%** say they now give more weight to human rights and ethics in their business decisions
- **56%** say that companies' vision and strategy have to be transformed for sustainability to work.

However...

- **64%** believe risk management and compliance remains the number one driver of CSR
- **54%** regret that the benefits and advantages of sustainability are not yet given enough weight by their executive teams
- **35%** suggest that the biggest barrier to change is the pressure for short-term results versus long-term thinking
- **38%** believe human rights have no or little relation to business responsibilities today.



Executive Summary

Managers believe the impetus for change is coming from employees at all levels, not just top executives. They see their colleagues and teams at times challenged by the complexity of implementing CSR. They express frustration with those at the top who remain blind to the strategic importance of sustainability. They see many more people mobilized on sustainability than 5 years ago, more innovation of sustainable products and services, and growing importance of ethics and transparency. They reveal what is working well and less well, what have been the drivers of change and what obstacles are impeding progress today. There is a wealth of detail in what these experienced and forward-thinking managers have told us, much of it outspoken, surprising and thought-provoking.

The report distills a number of key messages and concrete actions that capture the can-do optimism and grounded realism of these managers:

1. Large corporations have passed the **'tipping point'** on CSR, acknowledging the **business case** and its place on the strategic agenda.
2. The old focus on CSR reporting to ensure **compliance** and enhance **corporate image** is evolving into a more integrated, transformative approach **vision, strategy and innovation**.
3. Companies are **integrating** standards, innovation, human resources and community relations.
- 4.

6. Managers are impatient and frustrated that things are not moving fast enough towards full integration of sustainability into **decision-making** and **measurement**.

7. Moving beyond classic **explicit sponsorship** leadership from **empowerment**.



1. Raising the bar on CSR

Corporate ambitions on CSR are evolving	7
Strategies and levers of CSR integration	8
The business case for CSR is gaining traction	9

2. The focus and pace of change

Managers want faster, more concrete change	11
CSR is producing pockets of change, not yet transformation	13
Success stories reveal disparity of CSR achievements	14

3. Creating positive impacts

Managers desire positive impacts	17
Managers enabling across-the-board positive impacts	18
Human Rights make it onto the business agenda	19
Diversity is leading CSR integration	20
Transparency is the way forward	21

4. Managers' role in change

Managers in all functions are embracing CSR	23
CSR adds value to management	24
Managers from all functions are taking the lead	25
Pathfinders and champions at work	26
We can't lead this change on our own!	27

5. Overcoming barriers to change

Sustainability pioneers face pressure for short-term growth and profitability	29
Change is hampered by lack of vision, ROI expectations, and system inertia	30
Resources managers need to accelerate CSR integration	32
The triple change challenge for CSR integrators: culture, business model, leadership	32

Research methods and team

Whom we talked to and how	35
Early Strategies and New Angles, research partners	37

Not included - Chapters 1 to 5 - pages 6 to 33



**research method
and team**

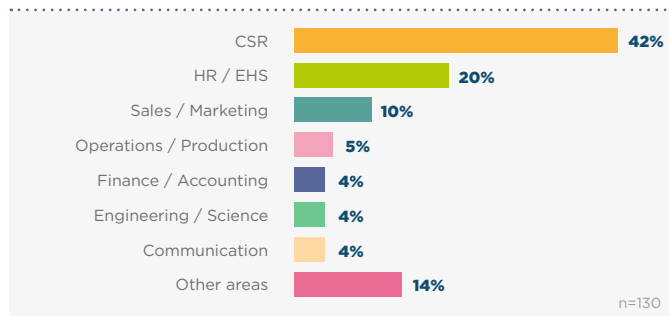
Research method

Whom we talked to and how

Methodology and respondent profile

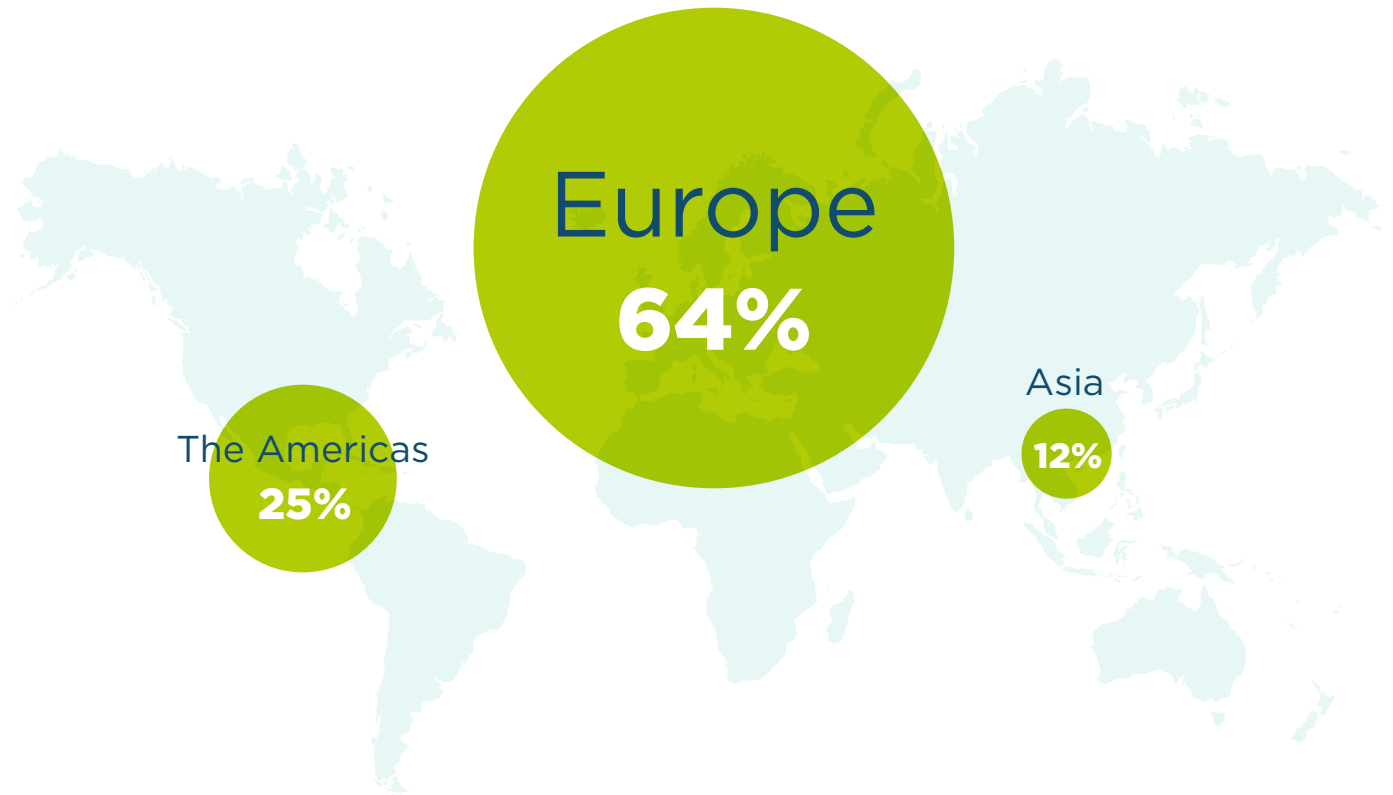
The on-line questionnaire was available from mid-January to end-March 2017. Over 1,500 managers in companies with over 2,000 employees were contacted, of these 28% have over 10,000 employees. We considered 130 responses in this report.

Job areas



Half of the sample have a CSR role which we define as those with CSR or sustainability in their title plus those working on CSR for at least half their time.

From 107 companies: A.S. Watson Group, ABB, **Abbott**, AIG, Air France-KLM, Alcon, Allianz, Alstom, American Express, Aperam, Arla Foods, Arriva Group, **Arup**, **at&t**, **Atos**, **Axa**, Axway, Bacardi & Company Ltd., Barilla, Bertelsmann, Blackbaud, **BNP Paribas**, Bombardier, British Gas, **Camso**, Care International, China Ting Group, Club Med, Comerica Bank, Commerzbank AG, Conduent, CSC, Dansk Supermarked Group, Dentsu Aegis, Deutsche Bank, Diageo, Ecolab, Engie, Ericsson, **Essilor**, **Euroclear**, Fiat Chrysler Rimaco S.A., Flextronics, Fullerton India, G4S Plc, GE Power, General Cable, Genpact, Georgia-Pacific LLC, Hanesbrands Inc., HSBC, Huntsmann, **IBM**, IHS Markit, IKEA, IL&FS Education and Technology Services Limited, **Jaguar Land Rover**, Jindal Steel & Power Ltd., Kering, Kerry, Kroger, L'Occitane, **L'Oréal**, La-Z-Boy, Lagardère, Level 3 Communications, Lloyds Banking Group, Lowe's, Luen Thai Holdings Limited, Marks & Spencer, Merck, Merck KGaA, Merial, Metro, **Microsoft**, Monsanto, Mott McDonald, Mphasis, NovoNordisk, O2, Omya, OP Financial Group, Oracle, Osram, Oxy, Pepsico, Philips Lighting, **PwC**, Renault Nissan India, Royal Canin, Saint Gobain, Sealed Air Corporation, Sephora, Smithfield, Stanley Black & Decker, **Symrise**, The Body Shop, The Goodyear Tire & Rubber Company, The University of Nottingham, **United Technologies**, Vale, Walgreens, Wavestone, Whirlpool, Xerox, Yahoo, Zebra Technologies. (In bold: multiple responses)



130 respondents

- 43% women
- Average age 47 years
- 50% CSR jobs/over half their time on CSR
- All levels of management represented

107 companies

- Over 2,000 employees
- Manufacturing 29%
- Finance 15%
- Communications 15%
- Wholesale and retail 10%
- Other tertiary activities 21%
- Other primary and secondary activities 10%

28 core questions of which 25 open-ended or with comment options
January - March 2017

Research method

Who we talked to and how

How the managers positioned themselves in relation to CSR

Our sample attracted a group of managers who are largely positive, informed, open minded and active. The 57% of open-minded non-CSR job-holders gives a real indication of change-potential and growing leadership. A significant 83% of CSR job-holders self-identify as company CSR leaders.

“More than CSR, concept of sustainability which includes CSR transformed from Environmental Health and Safety to sustainability.”

“Being sustainable and ethical is a key pillar of our growth strategy and a non negotiable.” (Manufacturing)

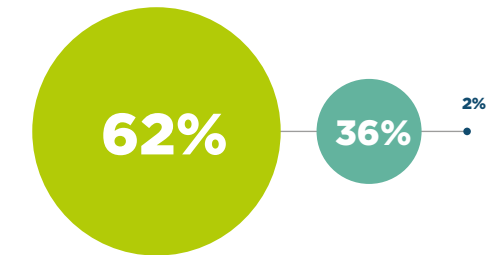
“I feel that traditional values have a place in CSR, trade negotiations and business dealings- and am concerned that as globalization has progress, commitment to those values is eroding.” (Communications, non-CSR)

How respondents refer to themselves, by CSR vs. non-CSR role

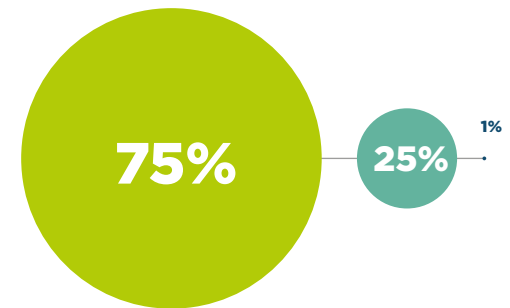


How concerned are you with CSR?

Compared to your peers in your industry or sector



Compared to your peers inside industry or sector



Early Strategies and New Angles, research partners

Early Strategies

*Be an early adopter.
Think smart, act with purpose.*

We believe that any organization can change for the better. We believe that change happens through people, when they agree, adopt and then embody strategies and plans. In a rapidly changing business world, we help companies and their managers revisit where necessary their vision, mission and strategy, in capturing the internal and external wisdom, and making the most of collective intelligence.

Early Strategies is a consulting boutique created in 2008. We work on three distinct change areas: sustainability progress, technology adoption and behavioral science applied to organizations. Our services include strategy and implementation consulting, executive coaching, and the publication of research reports.



Cécile Demailly

Founder
Early Strategies
Paris

New Angles

Change business for good

Our mission at New Angles is to change business for good. This is not as simple as it sounds! Pursuing sustainability means changing your business model, working with a wider range of stakeholders to create new sources of value and profitability. It requires long-term thinking and a firm sense of purpose. We support executive teams to take ownership of their business's real impacts, in empowering their managers to take account of non-financial outcomes when making decisions. We are ready to work with you and your colleagues in tackling these changes, and in building your capacity for sustainable leadership.

Since 2015 New Angles is a Certified B Corporation. To find out more about the B Corp movement see www.bcorporation.net



**Jacob Mayne
Amanda Harding**
Principals
New Angles
Paris

new angles

early
strategies

www.is-CSR-changing-business.com