

# Do the right thing: why CSR makes good business sense.



## 2020 Future of Work research.

We commissioned two rounds of research by Longitude, an FT company, to identify trends in the future of work, innovation and technology. In total, over 1,100 executives from a wide range of industries across Europe, the Americas, and Asia Pacific responded. These surveys offer a rare opportunity to understand attitudes toward the Future of Work before the COVID-19 pandemic, how those plans fared as businesses faced restrictions and the impact on strategy for the future.

As part of this research we created a Future of Work Index which scores companies on their preparedness. The top 20% of companies in the index, we call the Pioneers, had seen significantly greater growth over the previous three years and were much more positive about the future. This series of blogs look at the differences between this group and the bottom 20%, the Late-movers, on a wide range of factors, including technology priorities, leadership and talent management.

If apocalyptic movies have taught us anything, it's that a pandemic will quickly cause society to disintegrate into selfishness and looking out for number one. Except, that isn't quite what's happened with COVID-19. Instead we have seen communities come together to help one another, and that goes for the business community too. Hotels have provided free beds for healthcare workers. Companies such as Dyson, Ford and a collective of F1 teams have thrown their engineering might behind the drive to develop ventilators and PPE. And all manner of individuals and businesses – from authors to zoos – have gifted their services to help home-schooling kids.

Corporate social responsibility (CSR) is nothing new. But it seems the pandemic has sharpened organisational focus on 'doing the right thing'. In our new Future of Work report, we surveyed business leaders at the start of the year and again in May after the crisis had hit. 59% of respondents to our later survey felt that CSR initiatives and doing more to support the community had grown in importance since the pandemic began. Driving this growth is not just a sense of duty. Doing the right thing also makes rational business sense too.

Here's a few ways that organisations are extracting value from CSR.

### Attract and retain the best people

A central element of CSR is playing a positive role in the communities in which you operate. And certainly, being viewed favourably by a local population full of potential employees can be a great help when it comes to attracting and keeping the best people.

Part of this is what many associate with CSR – helping out those in need. More than two-thirds (70%) of respondents to our survey said they would do more to support customers in financial distress as a result of the pandemic. And part is simply looking after those people that work for you already. Three-quarters (75%) of respondents reported their organisation would do more to protect their employees' wellbeing.

Three-quarters of respondents to our first survey said that digital skills were even more important post-COVID-19, and over half (51%) said difficulty recruiting these skills posed a major threat to their business. Some organisations are making developing skills part of their CSR efforts. More than one in three (35%) respondents reported that their organisation had been working with schools or universities to develop a curriculum for tomorrow's workforce. The school benefits from otherwise untapped knowledge. And the organisation helps educate the talent pool from which to select the next generation of potential employees.

# More from our Future of Work series.

## Research report



Read the full Future of Work report for more details of this research.

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## Webinar series



Watch our series of Future of Work webinars.

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## Differentiate and build awareness

In global marketplaces, standing out from the crowd using traditional methods – such as branding or product development – often requires massive investment, significant resources and a comprehensive legal team to ward off copycats. CSR provides a fresh, new space in which creative enterprises can differentiate from the competition. What better way to demonstrate your engineering excellence than rapidly developing a ventilator? Want to put your restaurant at the heart of the community? Deliver free food to healthcare workers.

In some cases, even getting your foot in the door means formalising your CSR activities. To fulfil their own CSR policies, many larger enterprises will only entertain suppliers that can demonstrate they are actively reducing carbon emissions or behaving ethically as part of the request for quotation (RFQ) process.

For many, CSR is a vital part of building awareness and loyalty in their customer base. And probably goes some way to explain why 71% of respondents said that CSR was important to the success of their overall business strategy.

## Cut costs and your impact on the environment

During times of financial uncertainty, it's tempting to batten down the hatches, and cut all costs and initiatives that aren't viewed as vital to day-to-day operations. Activities such as lessening the enterprise's environmental impact would traditionally be first on the pile for another day.

But environmental sustainability has remained firmly on the agenda despite the current uncertainty. Exactly half of respondents to our survey said that reducing their carbon footprint was more important now than before the pandemic. And with good reason. Environmentally-friendly suppliers, raw materials and products are now very much in the mainstream.

Additional choice means that the eco-premium has all but disappeared in many industries. Energy-efficient equipment often has a payback time in months rather than years. Recycled cardboard is a more cost effective – and customer approved – packaging choice than shiny new plastic. And government incentives often make the green option the more viable capital investment. This is why many view the eco choice as something that helps cost cutting, not works against it – even in times of uncertainty.

## CSR: a tool for the times

We've long been told that CSR is good for the bottom line as well as the soul. But the pandemic has seemingly amplified this. Yes, it's human nature to help others in a time of crisis. But organisations big and small are finding that CSR is an effective way to navigate through the pandemic, and put themselves in a better position for the future.