Inside the Corporate Responsibility team: How is the way business values its CR function changing?

Breakfast Roundtable
November 2016
Background

Both [Acre’s 2016 CR Salary survey](#) and [CAF’s FTSE 100 Corporate Giving 2016 research report](#) identified strategic insights into the CR function. We thought it would be interesting to discuss these with CR leaders from across different business sectors, and to understand what challenges and opportunities lay ahead for the role.

Foreword

Stefan Stern, Director, High Pay Centre; FT Columnist; Visiting Professor Cass Business School

Company boards recognise that responsibility in business is of growing importance; customers, regulators and governments are all taking a greater interest in how businesses operate. This presents an opportunity to corporate responsibility professionals to make a bigger impact and have greater influence at work than ever before. Can they manage to do this? Our discussion focused on this central question, but also considered the potential of CR in business more generally, and how this is changing. You can read more about the lively and wide-reaching conversation here.

Introduction from CAF and Acre

At CAF and Acre we are seeing businesses starting to think differently about their CR, using their assets (be they intellectual, financial or material) in increasingly strategic ways.

CAF’s report on corporate giving by the FTSE 100 demonstrated that large companies are maintaining their commitment to giving as a percentage of profits, but that they are thinking more strategically about how they earn their “licence to operate” and give back to society. Within the organisation we are seeing new structures emerging with less - “command and control” and more adaptive or even disruptive operating models - which challenge the core businesses to think creatively about future commercial opportunities and act more sustainably.

As a result, the social and business sectors in some cases appear to be converging and operating on a continuum, increasingly seeing value in learning from each other to broaden their skill and mind-sets. And, so we see new forms of collaboration, new partnerships and more investment in employee and stakeholder engagement.

Acre’s CR Salary Survey openly highlights the issue of CR professionals’ remuneration. Whilst salaries are increasing relative to expertise and value offered, the data suggests that people working CR functions are underpaid compared with colleagues in other business functions and it is not clear why. Is this merely a measure of the how business values this function, or is it a reflection on the way society values socially-focused occupations more generally? CR professionals are well trained, educated and experienced professionals. Most have ten or more years' experience in the field and all work on complex and critical issues for the business.

And so our breakfast roundtable explored the changes in the way business is valuing its CR teams. This paper features perspectives from two leading practitioners and a summary of three characteristics of CR professionals that emerged from the wider discussion – that they need to be purpose-led, collaborative and persuasive in order to maximise the value they add both to business and society.
The Practitioner perspective

In the past there have been strong reputational drivers for CR, especially within consumer brands, but it felt like an operation on the side of the business. In many businesses, over time CR has become more mainstream. At Mars, for example, we view corporate citizenship as essential to attracting and retaining the best talent. We are increasingly seeing our CR work being embedded throughout the business. Ultimately, if successful, CR professionals will need to sort out new ways of working within the business (e.g. becoming more commercial, engaging directly with suppliers and focusing more specifically on a set of consumers) or they will be out of a job. Companies are starting to see the benefits of embedding CR into the business and likewise CR professionals will need to become more engaged with the business.

There is still a lot of skepticism about CR and this perhaps ties into the salary question and how companies value their CR teams. Internal stakeholder engagement as well as employee outreach and support at board level is crucial to the long term success of CR.

Kristin Hughes,
Global Director of Health, Wellbeing and Sustainability, Mars Food

We are seeing the emergence of a breakdown of trust in capitalism, as significant groups of society are left behind, for example as evidenced through the ongoing analysis surrounding the UK Brexit vote. Increasingly industry wide collaboration is required to develop CR strategy, working with government and the third sector - charities, community and voluntary groups. Cooperation with government is more likely to be demanded of business in future. In fact there feels to be a blurring of the responsibilities at times between businesses and government and CR is therefore moving more into the focus of policy makers.

CR professionals are in turn having to bring business leaders into these discussions, placing influencing skills at a premium. CR professionals are required to be agents of change both within the business and across sectors.

Christine Tate,
Head of Corporate Responsibility,
British Gas (UK energy sector)
Purpose-led

The group discussed how a clear business purpose and understanding of what this means, to different stakeholders, should be the starting point for CR. By starting with purpose, CR functions can align better with the overall business strategy, engage stakeholders more effectively, establish partners that share their purpose and ultimately have a greater impact. The results that are delivered will be reflective of the unique contribution of that business to society.

CR functions also need to encourage business leaders to think at a system level, across different sectors of the economy, to identify this unique role for the business. Companies need to understand where they are best placed to intervene, and how best to utilise their skills and assets to make a difference. For some businesses this will mean lending their brand or commercial expertise to a social cause, for others it might mean encouraging their customers to change behaviour and do the right thing. This understanding about where and how they can have a social impact is central to their purpose as a sustainable business.

Collaborative

Some social challenges have to be tackled collectively in order to maintain a market for business. Whether preserving a sustainable supply of raw materials or changing public behaviour towards a less sedentary lifestyle, we have seen some of the world’s largest companies decide to collaborate to address an issue that untackled, could ultimately destroy their core business.

Continuing to compete without acknowledging a shared agenda can result in destroying business and social value; working together allows for creative thinking and a far greater impact that could ultimately increase business profitability and sustainability. The group saw scope in the future for the CR function to encourage collaboration between competitors in a sector where a shared ‘burning platform’ creates a case for joint action.

Cross-sectoral partnerships also provide opportunities for collaboration and these partnerships are becoming more strategic, going beyond financial support to charities. For example a business might bring more value through its brand and its advocacy to drive social change, and this can be transformative for an NGO or charity. Likewise, there is a genuine opportunity for joint learning, experimentation and innovation through sharing mindsets and skills between commercial and non-profit sectors.
Persuasive

As a disruptor and potential source of challenge to the business, persuading and influencing were discussed by the group as essential skills for CR professionals. Increasingly they must be able to communicate with a wide range of stakeholders and to adapt their language to the audience. The key to constructing and delivering a business case successfully is through use of the language of shareholders (return on investment, net present value).

Where possible, the CR team should aim to demonstrate both commercial and social value for CR activity. For example, through enhanced employee or customer engagement. We heard how progressive CR professionals are developing new ways of working, drawing on transformational approaches such as design thinking and storytelling, to harness the most positive outcomes in different parts of the business. Ultimately CR can be seen as a source of innovation and new models and ways of working in the process of change.

As CR becomes more influential and embedded in the mainstream of the business, it appears to be valued more comparably with other business functions. Again, this was seen as a trend that could lead to CR salaries becoming more competitive.

CR teams need to evolve and have access to fresh thinking. The group felt that the function will need to draw on a increasingly wide pool of talent, with a variety of experience and skillsets. Some might come from a more diverse range of backgrounds and move between roles and sectors, bringing new perspectives and approaches. This in turn could enable CR professionals to have greater impact in future both across business and at a board level.

Finally the group saw an important role in making the case for standardised reporting at an industry level, which is not set by regulators or government. This will assist with transparency and help keep businesses accountable to their commitments beyond financial return.

Conclusion

In an increasingly transparent world, with higher expectations from customers and employees alike, we are seeing CR enhance its influence across mainstream business and broaden out into public policy discussions. This presents both challenges and opportunities for CR professionals.

Enlightened businesses will be placing more value on CR skills to help them design strategies to open up previously untapped sources of value, whether through accessing new markets, new propositions or new sources of talent. CR teams will require both an understanding of how to create value for society as well as the ability to think differently, innovate and turn this into commercial value, thus ensuring sustainability. Just as there have been drivers in recent years for commercial thinking and skills within the NGO and charity sectors, we are starting to see the value of more diverse, cross-sectoral thinking in the corporate world.
About the **Writers**

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As a Manager at Acre, Olivia’s focus is to lead the team that hires skilled professionals into NGOs, intergovernmental organisations and professional associations. She has a strong track record of successfully sourcing specialist individuals, globally. After completing an Applied Biology degree at Newcastle University, Olivia worked in PR and advertising, consulting to the UK’s leading brands. Her keen interest in sustainability and environment brought her to Acre in 2007.

**Laura Dosanjh,** Senior Corporate Advisor, Charities Aid Foundation  
Laura is a Senior Advisor in the Corporate Clients team at Charities Aid Foundation, supporting corporates to develop and deliver high impact CR strategies. She brings a wealth of experience of working across private, public and charity sectors as a strategy consultant and advisor. Previously she was Director of Applied Innovation at the Young Foundation, a Senior Strategy Advisor at the Audit Commission, has an MBA from INSEAD Business School and began her career at McKinsey.

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