



The Prince's
Responsible
Business Network

Toolkit Series

HOW TO ACTIVATE EMPLOYEES ON RESPONSIBLE BUSINESS

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Part of our
Six Catalysts of Responsible Business Series



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TOOLKIT

HOW TO ACTIVATE EMPLOYEES ON RESPONSIBLE BUSINESS

The evidence is clear - there is insufficient progress being made on the Global Goalsⁱ, also known as the United Nations' Sustainable Development Goals, and businesses need to act if they are to be met. At Business in the Community (BITC), we're aiming to increase the pace and scale of responsible business action to tackle those Goals.

To achieve this, we have researched the greatest barriers and drivers of responsible business and identified [Six Catalysts of Responsible Business](#) - actions that will accelerate, scale and perpetuate sustainable, inclusive and fair corporate actions to tackle the biggest issues facing society. This guide covers tips for responsible business practitioners.

ACTIVATE EMPLOYEES AT EVERY LEVEL OF EVERY FUNCTION

Empower and equip employees to act individually and within their teams to advocate for faster, bolder corporate action.

Why activate employees?

Activating employees is key to delivering the business action that is needed to meet the Global Goals by 2030. Responsible businesses that activate their employees increase their impact on their most material issues for four main reasons:

- **Better implemented and more effective strategies.** Responsible business strategies that are co-created with employees are more likely to succeed. Research from McKinsey showed that 97% of transformations without employee engagement failedⁱⁱ. Additionally, our research with a range of BITC members identified a lack of employee engagement as one of the greatest barriers to responsible business action.
- **Creating a culture of responsible intrapreneurship to innovate for impact.**

Responsible innovation reduces risk, increases financial sustainability, and ultimately increases levels of innovation through greater levels of stakeholder engagement, including equipping every employee to identify opportunities for impactful changeⁱⁱⁱ. For example, Electricity North West improved biodiversity of substations by 85% and created £189,290 of social value in one year because of an engineer's idea^{iv}.

- **Employee action drives senior leaders.** Engaging employees allows them to constructively challenge the pace and ambition of their employer's impact, as well as accelerate responsible business action through their day-to-day work, by considering the impact of every decision they make. Throughout the last decade, we've seen many examples of employees challenging employers on issues



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they are passionate about, such as at Salesforce^v or Google^{vi}, resulting in greater transparency from leaders regarding business decisions, as well as increased dialogue with employees on said issues.

- **Responsible businesses can harness their employees' passion to drive change.** [BITC's Just Transition research](#) has shown that an incredible 84% of the UK public have made sustainable changes to their personal lives, however, only 4% have been supported by their work to do the same. By tapping into this passion and equipping colleagues to act, businesses can accelerate their responsible business goals.

Case study: Electricity North West (ENWL) has activated its employees via a 'top-down' 'bottom-up' approach, providing a platform for employees to join the responsible business conversation. As a result, when an employee had the idea to beautify and increase biodiversity around their substations, ENWL recognised this idea and launched the Transforming Our Spaces project across nine sites. The initiative has cleared rubbish and fly tipping from the area, as well as encouraged collaboration between ENWL employees and local communities¹. The land surrounding these sites has become rich communal spaces, achieving an 85% success rate in transforming these sites into low-maintenance, self-pollinating, attractive spaces and delivering a social value of £189,290. The huge success of this project has led to a roll out of this initiative with the hopes of increasing biodiversity and wildlife in the surrounding areas of more than 100 sites by 2028.

The commercial case for activating employees

In addition to the fact that greater employee engagement leads to greater action on the biggest issues in society, there is also a clear commercial

case for action. Activating employees on responsible business improves business performance in four key ways:

- **Talent acquisition.** 79% of applicants consider a company's purpose before applying^{vi}. KPMG also found that 26% of CEOs that are seeing significant demand for greater Environmental, Social and Governance (ESG) transparency and reporting say that the biggest demand is coming from employees and new hires^{viii}. This is particularly enhanced for the Gen Z workforce, with 86% of young talent preferring to support or work for companies that care about the same issues as they do^{ix}.
- **Talent retention.** Purpose-driven companies experience 40% higher levels of workforce retention^x. Employee retention is critical to growing a business and minimising costs during an economic turbulent period. High employee engagement can save \$16.1 million annually for a company of 10,000 employees, including by reducing employee turnover^{xi}. 79% of CEOs expect their organisation's headcount to increase over the next 3 years^{xii}, but recruiting will get consistently harder with an ageing population, the 586,000 who left the workforce during the pandemic without plans to return^{xiii}, and the expected continued constraints to immigration due to Brexit. Recruiting a new employee is already expensive, costing an average of between six and nine months of salary, and this is likely to worsen with the trends above^{xiv}.
- **Productivity.** Companies with a highly engaged workforce have been shown to have 17% higher productivity than companies with a disengaged workforce^{xv}, due to engaged employees reporting lower absenteeism and being motivated to complete their tasks on time to reach their goals and objectives. Other studies show that addressing workplace wellbeing increases productivity by as much as 12%^{xvi}, and that employee engagement and wellbeing are reciprocal. According to the Achievers Workforce Institute 2021 Culture Report on Belonging at Work, employees who feel supported to take care of their physical and

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mental wellbeing are 2.5 times more likely to feel a strong sense of belonging, and thus more likely to be engaged, productive, and resilient^{xvii}.

- **Revenue growth.** Employee value proposition is becoming increasingly important for CEOs, with KPMG's 2022 CEO Outlook marking it as the top operational priority to achieve growth objectives over the next three years^{xviii}. Research shows that when employee engagement is high, so is the return on assets, net margin, customer satisfaction and company reputation^{xix}. Furthermore, companies with a highly engaged workforce have been shown to have 21% higher profitability^{xx}.

What can you do to activate employees?

Employee engagement activities traditionally involve volunteering, which is a valuable way to inspire employees to spend time working on areas they are passionate about outside of work. However, research suggests that responsible business must be embedded in one's job design to strengthen the relationship between responsible business action and employee engagement^{xxi}, and increase both the business benefit and societal impact. Therefore, companies must work to ensure that employee engagement on responsible business cuts through all levels of the organisation.

To realise the benefits listed above, the following are actions that responsible business practitioners can take, aligned with our three categories of actions for employees.

Learning and Development

The first level of employee engagement in responsible business is top-down, ensuring all employees are familiar with the organisation's responsible business strategy and how it links to their role.

- **Run mandatory responsible business training** to communicate your strategy and upskill employees on areas such as the Global Goals, with additional sessions for those whose roles are most crucial to the success of the strategy.
- **Integrate responsible business targets** into all employees' roles across the business and

ensure these are followed up in performance reviews.

- Organise inter-team **responsible business competitions** that link back to the overall responsible business strategy.
- Create resources to support teams to ensure their **team purpose links back to organisational purpose**.

Case study: Salesforce's Embedding Purpose Tool

Salesforce uses a tool called V2MOM, standing for vision, values, methods, obstacles, and measures. The use of the V2MOM starts at the highest level, with the CEO, who sets annual targets according to the company's core strategy. This cascades down to all the employees, embedding the company vision throughout the organisation. Employees can read each other's V2MOMs, which generates a sense of trust and collaboration. Employee performance is based on achieving all objectives on the V2MOM, including ESG goals, rather than just financial metrics.

Case study: SRO Motorsports Group's Team Sustainability Challenge

SRO Motorsports Group created a team sustainability challenge, encouraging friendly competition to become the most sustainable team¹. By motivating employees through the incentive of trophies and the opportunity to unleash a more competitive side, its hope is to encourage all employees to boost their environmental activism as well as the business' sustainability. The competition launched in 2022 and focused on carbon emissions, water, and waste management, with learning resources provided and criteria given to achieve points within the competition.

Creating a culture of responsibility

Embed a culture with all employees involved in responsible business activities, informing the organisation's responsible business strategy and reinforcing responsibility in every aspect:

- Engage with employees through a **formal materiality assessment** as part of strategy development. For more information on how to do this, refer to our toolkit '[How to develop a responsible core-business strategy](#)'.
- **Create a responsible business network**, working with existing employee networks to amplify employees' voices on responsible business issues.
- Nominate **responsible business champions** for different teams to promote the responsible business strategy within each team.

Case study: JTI UK's Environmental Taskforce

JTI UK launched its 'Environmental Plan 2030' in 2020, setting out ambitious targets to reduce the impact across five key focus areas of its UK operations and value chain: emissions, energy usage, waste management, water usage and engagement. The Plan is owned and delivered by the UK Environmental Taskforce, which comprises representatives from all functions of the business who act as change-makers within their respective departments. The Taskforce is responsible for delivering the plan and reporting progress towards the targets to JTI UK's Board, which has ultimate responsibility for achieving the targets. The Taskforce meets on a quarterly basis to assess progress, identify opportunities and overcome barriers to meeting the targets. The Taskforce has been integral to key initiatives such as including ESG criteria in all UK tenders since 2021 and diverting 100% of on-site waste from landfill by 2023.

Case study: Anglian Water's Net Zero workshops

Anglian Water realised the language barrier of the corporate strategy was hindering relationships with stakeholders, so it launched workshops with stakeholders and younger employees¹. This created a network, giving insights from unheard employees to increase the diversity of voices in these conversations, with Anglian Water learning from these sessions and becoming better advocates for the issues its stakeholders are most passionate about.

Intrapreneurship

Employees are incredibly valuable in understanding the way the business operates, what works and doesn't work, so encouraging employees to act as changemakers creates innovation and co-created solutions to responsible business challenges. Equally, businesses that have the greatest employee engagement on responsible business create the space for employees to advocate for the issues that concern them and confidently challenge the company to improve its responsible business activities. Suggestions from employees should feed directly into strategy planning, and employees should see their input reflected in any resulting actions.

- Organise **methods for employees to raise concerns**, with options for anonymity, that are reviewed and reported back regularly. This could be a suggestions area on the employee intranet, or a more formal employee forum where employee representatives bring forward issues on behalf of a wider cohort.
- Establish channels to **increase responsible business innovation**, such as innovation workshops, a CEO mailbox or a monthly innovation call, where teams can share ideas for new products or processes linked back to the responsible business strategy.

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- **Report transparently** and celebrate the change that has resulted from employee challenges and celebrate these successes. Equally, ensure that any suggestions not actioned are still responded to, with explanations as to why. Coupled together, transparency and celebration allow for a greater understanding of the organisation's priorities and decision-making processes, in turn improving future suggestions.

Case study: BITC's Employee Representatives

BITC works closely with a group of employees who have volunteered to be employee representatives. Executive Team members such as the Head of HR and COO meet regularly with the employee representatives in the 'Employee Forum', where they discuss feedback and issues raised by employees. Employee representatives act as the voice for all employees and as such hold drop-in sessions and consultations with employees on organisational changes, ways of working and policies. With the support of the employee representatives, BITC has implemented many leading-edge initiatives, such as a more inclusive parenting leave policy, an enhanced flexible working policy that includes a working from abroad provision, as well as gained insights and feedback from employees on the organisation's overall people and engagement strategies and priority areas such as its race commitments and targets.

Case study: JTI UK's Sustainability Champion Network and the move to electric vehicles

The Sales Lead from JTI UK's Environmental Taskforce needed an effective way to keep in touch with the company's UK field force of almost 300 Business Advisers on sustainability issues. The Sales Sustainability Champion Network was created so that one person on each regional sales team acts as a conduit between employees on the ground and the Environmental Taskforce.

Communication flows both ways – the Sustainability Champions gather ideas and feedback to share with the Taskforce, as well as deliver sustainability communications to their teams on the ground, such as eco-friendly driving tips or how to responsibly dispose of business waste. The Network has been an important element of driving responsible business innovation at JTI UK, for example, the Sales Lead and the Network were instrumental in the company's move to hybrid cars, an issue they were passionate about, researched, piloted and advocated for. 53% of JTI UK's Business Advisor team now drive hybrid cars and, by the end of 2023, this will be 100%. From 2024, JTI UK plans to start transitioning its salesforce fleet to fully electric cars.

Case study: NatWest's Amplifier Group


NatWest has formed an 'amplifier group' network across the business to gain insights from employees as to where they should focus attention and be better advocates¹. This led to identifying business behaviours that were both limiters and liberators of purpose, increasing empowerment to act across all employees to create energy from within the business.

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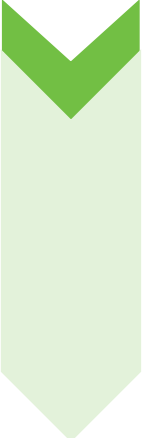
HOW TO CREATE A CULTURE THAT ENCOURAGES EMPLOYEE ACTIVATION

Measuring and changing the culture of a business can be complex and takes a long time. Ultimately, it is a business transformation, so it can be useful to develop a plan aligned to the different stages of business change. The following framework shows the best practice for implementing change, including that for responsible business, with specific examples of creating a culture that encourages employee activation and practical examples of these from JTI UK.




Understand the change: Engage with a diverse group of colleagues to gauge the current level of understanding, opportunities, and barriers to greater engagement. We suggest building a working group to help steer the change, such as a Responsible Business Network. BITC's [Embedding Purpose Report](#) and [Stakeholder Capitalism Toolkit](#) can be used for inspiration on how to do this effectively.

JTI UK puts employees at the heart of its sustainability strategy, and the business knew it was important to involve its employees when conducting a UK materiality assessment. The team worked with 43 senior and relevant employees to identify a longlist of sustainability issues facing the UK market. The company then consulted its 500+ UK employees on this longlist through facilitated workshops at a conference, using their views to determine a shortlist of sustainability issues most material to the business. This allowed JTI UK to focus on the most pressing issues for its business and its employees, ensuring employees were bought into the sustainability strategy from the start.



Design the change: agree with your working group the interventions that are likely to have the greatest impact on the barriers and drivers of employee engagement, such as the examples showcased above, how you'll enact the change, and what your success measures will be.

JTI UK identified priority initiatives for its UK sustainability strategy and focused on how it would be resourced, ensuring that responsible business activities and KPIs were built into employees' job roles. A focus area for JTI UK was to reduce its environmental impact. The UK Environmental Plan 2030 was written in partnership with key business functions, with input and final sign-off from the Board. The Environmental Taskforce was created to own and deliver the plan, and to report progress against targets to JTI UK's Board, which has ultimate responsibility for achieving the plan.



Communicate the change: it's important to bring colleagues on this journey with you, so communicate the following to your colleagues:

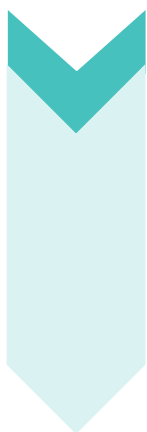
- **Why** are you making this change and what happens if you don't? Aim to create a sense of urgency and excitement.
- **What** are you going to change and **when**?
- **How** will responsible business be incorporated into individuals' or teams' roles?

This final question is important and often ignored. This is your opportunity to bring change to life for your colleagues. Consider the following:

- Responsible business training to equip people to better understand your strategy and how they fit into it. JTI UK uses conferences, videos and intranet communications to engage employees in their sustainability strategy.
- JTI UK held meetings and workshops with priority teams to help them understand their role in making change happen.
- Appoint responsible business champions in key teams and/or locations to embody the change, support colleagues, and challenge behaviours not in line with the organisation's strategy and values. JTI UK consulted with its board and its employees so they felt equipped to act as ambassadors.
- Include responsible business KPIs in both individual and team targets and objectives.

Make the change: once you've gone live with your change, you have the opportunity to continue to reinforce the new behaviours:

- **Show.** Role model and explain the change, as well as train and equip people to act:
 - Continue to run a combination of mandatory and optional responsible business training on your strategy, how employees can be involved, and your material issues.
 - JTI UK's Environmental Taskforce was created to engage representatives from all functions of the business to deliver the UK Environmental Plan 2030 and report to the board on progress towards the targets.
 - JTI UK also created its Sales Sustainability Champion Network so that one person on each regional sales team acts as a conduit between employees on the ground and the Environmental Taskforce.
- **Reward.** Celebrate and compensate change, encouraging people to act:
 - Work with HR to mandate that colleagues need to align their objectives with the business purpose, values and/or responsible business strategy.
 - Create a mechanism for people to nominate colleagues throughout the year for their responsible business actions. This can be rewarded either with a 'thank you' from a senior leader, or a small gift.
 - JTI UK runs internal achievement awards to recognise employees who are contributing towards achieving the UK Environmental Plan.
- **Guide.** Use policies and processes as 'guardrails' that guide people to act:
 - Ensure that recruitment, reward, and procurement policies reflect the responsible business strategy and are updated regularly.
 - Develop a 'new ideas framework' for employees to submit their responsible business ideas and innovation.
 - Shift from volunteering time to responsible business time, to give people an allocation of time to act in a way that they feel furthers the responsible business strategy.
- **Align.** Ensure products, services, partnerships, and positioning align with the change, ensuring the change fits the business and culture:
 - Work with your responsible business network to identify the barriers to greater action and collaborate to overcome them.



Refine the change: measure the success of your changes and adjust your approach continually to create a robust, effective new culture. Measures of success could include an annual employee engagement survey with questions about understanding and action on responsible business, and engagement with any new processes (e.g., the number of responsible business behaviours rewarded per quarter).

JTI UK conducts employee surveys on a bi-annual basis to gauge understanding and sentiments towards sustainability and encourages feedback and ideas through the Environmental Taskforce and Sustainability Champions, often sparking new projects and routes to meet its environmental targets.

For more information and support on how to implement this in your business, please contact [BITC's Advisory Services team](#).

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ENDNOTES

ⁱ <https://unstats.un.org/sdgs/report/2022/>

ⁱⁱ <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/successful-transformations>

ⁱⁱⁱ <https://www.bitc.org.uk/report/responsible-innovation-framework/>

^{iv} [Electricity North West: helping nature thrive - Business in the Community \(bitc.org.uk\)](#)

^v <https://www.protocol.com/bulletins/salesforce-nra-gun-control>

^{vi} <https://www.washingtonpost.com/technology/2018/08/17/facing-backlash-google-says-plan-censored-search-engine-china-early-stages/>

- vii [New Survey: Company Mission & Culture Matter More Than Salary - Glassdoor Blog](#)
- viii [KPMG 2022 CEO Outlook - KPMG Global](#)
- ix <https://capitalmonitor.ai/factor/social/a-clear-esg-policy-is-now-the-baseline-for-hiring-young-talent/>
- x [Purpose-driven companies | Deloitte Insights](#)
- xi [Unleashing the Human Element at Work: Transforming Workplaces Through Recognition \(workhuman.com\)](#)
- xii [KPMG CEO Outlook - UK - KPMG United Kingdom](#)
- xiii [UK workforce shrinks after sharp rise in people choosing to leave work | Economic recovery | The Guardian](#)
- xiv [What is the true cost of replacing an Employee? | News | Centric HR](#)
- xv <https://news.gallup.com/poll/241649/employee-engagement-rise.aspx>
- xvi <https://www.mentalhealth.org.uk/explore-mental-health/publications/how-support-mental-health-work>
- xvii <https://www.achievers.com/resources/white-papers/workforce-institute-culture-of-belonging/>
- xviii [KPMG 2022 CEO Outlook - KPMG Global](#)
- xix Schneider, B., Yost, A. B., Kropp, A., Kind, C. & Lam, H. (2017). Workforce engagement: What it is, what drives it, and why it matters for organizational performance. *Journal of Organizational Behavior*, Volume 39, pages 462-480.
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