

FACTSHEET

LEVERS OF RESPONSIBLE BUSINESS: WHAT CAN ACCELERATE IMPACT?

In 2022, Business in the Community (BITC)'s Responsible Business and Strategy team set out to identify the greatest barriers and enablers of responsible business or (Environmental, Social and Governance) ESG action. We started by reviewing relevant research papers, leading journals and books, to consolidate a long list of potential factors that can accelerate or hinder change. By combining the frequency with which these factors were mentioned in the research with the experience of responsible business practitioners from leading businesses, via BITC's Global Goals Leadership Team, we produced this prioritised list of **levers of responsible business** that multiply effort to maximise impact.

Employee engagement

The most commonly cited barrier to and enabler of responsible business action was employee engagement. Predominantly, this referred to middle managers who acted as blockers to change. Secondly, the empowerment and engagement of employees was a significant determinant of the success of a responsible business change programme. This aligns with broader business transformation, where greater employee engagement makes business transformation 3.8 times more likely to succeed.

The factors affecting this level of engagement were mainly levels of knowledge, skill and experience, the extent to which a responsible culture, purpose and values set were embedded, and the extent that responsible business intrapreneurship was encouraged. There was some evidence that impact-related remuneration was a factor, but this was seen to be a less significant factor.

For more information, read on our website the Toolkit on [How to Activate Your Employees on Responsible Business](#).

Leadership direction

Second to employee engagement, the priority that all senior leaders give to responsible business, how they are accountable for responsible business outcomes, and their clarity of direction were critical determinants of success. In addition to the factors that activated employees listed above, remuneration linked to responsible business objectives through a balanced scorecard or equivalent had a greater impact for leaders, however this is not a [ubiquitous solution](#).

Additionally, a single passionate leader has been shown to have a disproportionately positive effect. Whether this is due to lived experience or the desire to build a legacy, there is an opportunity for more leaders to own and drive this agenda in their firm.



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Business Alignment

An outcome of greater employee and leader engagement, businesses with a clearly embedded triple-bottom line saw greater acceleration of their responsible business programmes. Moving away from a culture that prioritises solely profit requires a clear business case and theory of change, a [responsible approach to innovation](#), and ultimately a [responsible core-business strategy](#) that aligns impact and commercial goals.

Other stakeholders

Whilst not in control of responsible business practitioners, the demands of clients and customers are often a major driver of change, especially for senior leaders. Capturing and sharing these demands, anecdotally or quantitatively, can add weight to the business case for responsibility.

Additionally, we have recently seen a decrease in pressures from stakeholders and investors in this space, but they remain a significant factor for many businesses. The same can be said for action by competitors and the desire to not be left behind and maintaining a brand image aligned to impact and purpose.

Finally, the ability of a firm to influence their suppliers can be a barrier or enabler of responsible

business, especially for more mature firms, although this is becoming of increasing importance as businesses take greater action on their scope 3 emissions and supply chain diversity.

For more information on collaborating with your stakeholders, see our [Stakeholder Capitalism report](#).

Additional external factors

While not the key determinants of success for many, the following can be useful for certain businesses depending on their sector, material issues and maturity: awards & recognition, ESG ratings and reporting, media coverage, and third-party scrutiny and advocacy. Compliance with legislation and regulation also falls into this category, as well as some businesses finding existing regulation a barrier to action, however the relevance of this factor predominantly affects the most leading businesses, specific sectors and businesses working on certain material issues.

To help you to pull these levers, we have launched our [Six Catalysts of Responsible Business](#): evidence-backed actions, written guides, events and advice to equip businesses to overcome the greatest barriers to responsible business action.

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- find out more about our [Responsible Business and Strategy](#) work
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team today to learn how membership of BITC can help you take your responsible business journey further, and drive lasting global change.

RESOURCES USED

- [Social sustainability tensions in multi-tier supply chain: A systematic literature review towards conceptual framework development](#)
- [Barriers and drivers for enterprises to transition to circular economy](#)
- [Barriers to the Implementation of Strategic Corporate Social Responsibility in Shipping](#)
- [The Drivers and Barriers of CSR: A comparison of the MENA region and Western countries](#)
- [Responsible Business: The Textbook for Management Learning, Competence and Innovation](#)
- [Harvard Business Review on Change Management](#)
- [Responsible Innovation: Managing the responsible emergence of science and innovation in society](#)
- [The Sustainable Business Handbook](#)
- [Why Corporations Fail to Do the Right Thing](#)
- [Barriers for social audit and lack of action](#)
- [BITC's Responsible Business Tracker Insights](#)
- [B Corporation Certification and Handbook](#)
- [Institute of Corporate Responsibility and Sustainability](#)
- [Social Value UK, Maximising Your Impact](#)
- [ISEAL Credibility Principles](#)
- [Future Fit Benchmarks](#)
- [McKinsey How to Beat the Transformation Odds](#)