

# 8 reasons social value isn't working for your business

01

## You aren't using your people

Companies that create meaningful social value allow their employees the agency to bring their best self to work. Research confirms that having more autonomy, or 'self-determination' at work leads to better employee motivation and engagement, and we know that more engaged employees are more productive. When you empower your staff, social value creation happens much more easily because \*they\* can usually see quite easily what changes need to be made and they are given the agency and responsibility to make it happen.

02

## Your organisation is siloed

Social value can often fall victim to being siloed. If Division A is tasked with procuring the most cost-effective widgets and Division B is responsible for reducing your carbon footprint but these departments are not talking to each other or working towards compatible KPIs then 'change' can very quickly grind to a halt. There is no simple solution, but fundamentally you need to make sure that everyone across the business understands what you are trying to achieve and is working towards the same goal.

03

## Social Value sits on its own

Lots of organisations have recently invested in whole social value departments. While this isn't necessarily the wrong approach, it's worth remembering that social value creation only works if it is embedded strategically across the whole organisation. That means, these teams need to have a seat in the C-Suite and report directly to the board. They need to have the power to bring together lots of different parts of the organisation and help people join the dots, as well as ensuring that every business decision is accounting for social, as well as economic value.

04

## You're afraid to commit to real change

A problem we see time and time again is social value being viewed as a short-term tick-in-the-box or a side project. You've invested in one day of diversity training. Tick. You organised one day of volunteering. Tick. You launched a charitable foundation. Tick. These things might look nice in your annual report but they miss a bigger opportunity to do something more impactful.

The best social value comes from scrutinising your existing operations and identifying areas where you can make permanent, positive change. It also happens when you leverage your business' unique skills and expertise to benefit people, places and the planet - not just your profits. This isn't something that happens overnight and it probably won't be the cheapest option, but this isn't just about 'doing the right thing', it's also about future-proofing your business. As Claire Bodanis, author of "Trust Me I'm Listed", told us: "Ultimately companies that continue to just prioritise profits won't survive in the future."



05

### You aren't being honest

It can be tempting to use 'social value' as an excuse to parachute ideas you were planning to do anyway. The problem is that staff will see right through this. Even if the idea is popular, it will make them cynical about future initiatives. And if the idea isn't beloved by your teams? Then social value becomes purpose-washing and it won't work because your staff aren't on board. You also risk losing your staff because research shows a growing number of employees want to work at companies that reflect their values and have a social purpose. Business is complex. It is not always possible to opt for the most popular option for a number of reasons, but whatever you decide, make sure you are honest with your teams and clearly evidence your decisions.



06

### PR doesn't align with purpose

In 2022 there is nowhere to hide. Consumers will join the dots and if your narrative is flimsy and isn't aligned with what's really happening in the rest of the business (or your supply chain!) then it will result in a massive dent to your reputation – and your profit margin too. As John O'Brien and David Gallagher explain in their book, 'Truth Be Told: How Authentic Marketing and Communication wins in a purposeful age', "leadership of a purpose-powered business and its communication strategy starts with its truth aligned, capable of explaining why the business exists and how it draws an emotional connection between that core truth, its behaviours, and product credentials."

When it comes to communicating change, ease off the PR pedal until you can evidence your efforts are really making a difference, or be prepared to share the whole journey with your stakeholders – ups and downs

07

### You're excluding stakeholders from decision-making

Good social value starts with conversation. (Incidentally 'that's why 'Samtaler' is the Danish word for 'conversation'). But all too often social value decisions are the bright ideas of people in boardrooms with little input from the supposed beneficiaries. Housebuilding is a classic example of this, when public consultations often happen after plans have been drawn up which means it's too late to make significant changes. Plot in time to genuinely listen to and engage with all of your stakeholders BEFORE making decisions and actively involve them in decision-making wherever possible and throughout your social value journey. .

08

### You don't understand it

We get it. There's a lot of jargon. social value, purpose, ESG, social responsibility, community benefit – all often used interchangeably and in vague unrealistic ways. It's one of the reasons some prefer to follow Friedman's shareholder theory which suggests companies should focus on maximising profit for their shareholders above all else.

Whatever you choose to call it, the solution will be unique to your organisation. There is no best practice template and if you simply copy and paste what other people are doing you'll end up with something performative (and likely expensive) that will fizzle out. economic value.