



Everyone's Business Reputation Tracker

Public Attitudes Report 3

August 2019

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The UK stands at a crossroads. The decisions our leaders will take in the next few months will shape the future of our country for the next generation.

For some this represents a period of great optimism and opportunity for the country to redefine itself. For others, a period of uncertainty and a moment of retreat from the world stage.

Whatever the view, the future of the UK depends on business playing a full and genuine role in society. But that can only happen if politicians see business as a partner to work with rather than a problem to be solved.

The latest *Everyone's Business* tracker tells us that during a chaotic and uncertain political period, the public is increasingly looking for business to provide leadership and direction. Business's role in providing valuable jobs and wages is well understood. But more than eight out of ten people also see that businesses and their leaders can - and often do - take a proactive stance on issues from employment rights to climate change to diversity and inclusion. Put together, this has led to an encouraging improvement in business's overall reputation.

But the risk for the UK is that one in two expect business to find the year ahead difficult. People are concerned about what that will mean for jobs and wages, as well as our ability to tackle significant social challenges. This threatens not just prosperity, but how the UK improves the way in which prosperity is distributed and shared by all those who drive our country forward across all regions and nations.

Our research shows the scale of the challenge. One in four people don't expect to share any of the benefits of future business success. **So now more than ever, business and government need to answer the question – how do we become a country of prosperity, shared?**



Josh Hardie
Deputy Director-General, CBI



The state of business reputation

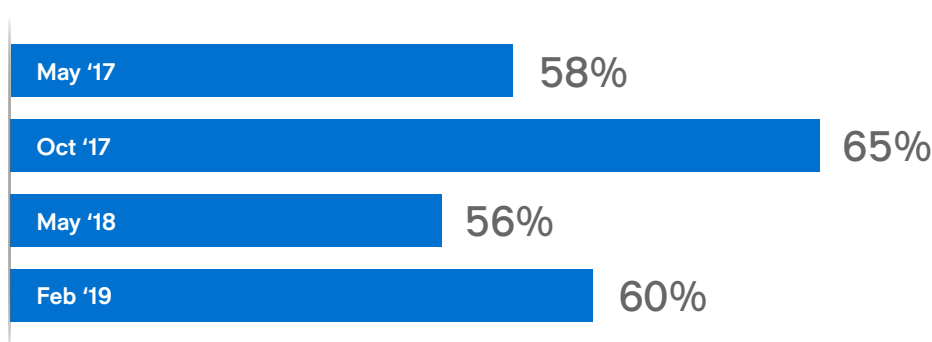
Business reputation bounces back as companies are increasingly recognised as a force for good during a turbulent political period

The last edition of *Everyone's Business*, published in September 2018, saw business reputation fall to its lowest level since May 2017 following a series of events and scandals in the business community that had a chilling effect on business reputation.

The start of 2019 has seen this reputational chill start to thaw, with three in five (60%) of UK adults feeling that business reputation is good – a 4% increase since May 2018.

We're also seeing a more positive picture on an industry level. Every sector of the economy benefits from improved public ratings, including previously embattled sectors such as financial services, transport and construction. The key question, as ever, is what is driving this upward trend?

Reputation of UK business



The answer can be found in the renewed efforts from business to show how profit and purpose go hand in hand. For example, since the last tracker, Capita announced that it will put two employees on its board, BT has come forward with an ambitious employee share ownership scheme, and Julian Richer has transferred 60% of his Richer Sounds shares into a John Lewis-style trust. A sea change of behaviour is starting to take hold across the business community, as firms lead from the front in building purpose into the heart of their operations.

As a result, the public is aware of the role of business as a force for good in society (58%). However, just over two in five (42%) believe that businesses are improving people's lives in their local areas, suggesting that companies need to better communicate how they are working for the benefit of their local communities.

Finally, similar to previous wave results, the people's sentiment towards their own employer continues to outpace their views on other businesses, with more than three fifths (77%) of workers describing their relationship with their employer as positive.

The cost of reputation on business

The reputation of a firm has a direct impact on its bottom line
– but how much continues to depend on the actions the company takes

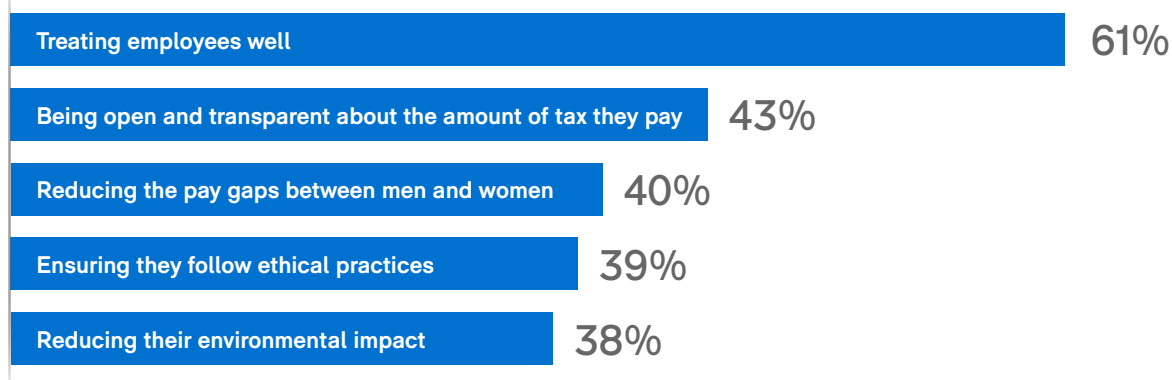
Every CEO will know the damage that a bad reputation can have on their firm. At a time when a negative press story can wipe millions off a company's share price, the old adage that "there's no such thing as bad press" no longer holds true. But we now know that the impact of a bad reputation runs far deeper than troubling headlines.

The *Everyone's Business* tracker demonstrates that a bad reputation impacts various levels of a business, affecting everything from sales to the talent a company attracts. Nearly four in five UK adults (79%) are less likely to buy this company's products or services and 76% are less likely to work for them.

Having a strong reputation also creates a sense of loyalty and trust that can make a company influential and resilient in the face of adversity. More than four in five UK adults (81%) are less likely to recommend a company's products or services if it has a bad reputation.

So how do companies build a good reputation? The public, as both consumers or employees, want to shop and work with companies that have a purpose. More than half of the public state that they are more likely to buy (55%) from and apply for a job (53%) with a company that has a clear social purpose. For instance, survey respondents namechecked John Lewis and Lush as two companies which had a good reputation over the past 12 months. In keeping with previous *Everyone's Business* research, being known for treating employees well and taking a stance on social issues were some of the most influential factors in their perception of these companies.

Which of the following would improve the reputation of UK businesses?



The cost of reputation on business

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The reputation of a firm has a direct impact on its bottom line
– but how much continues to depend on the actions the company takes

The relationship between employers and employees continues to be fundamental to business reputation, with three in five (61%) feeling that treating employees well would improve a business' reputation.

However, less than half of employees feel their employer supports their health and wellbeing (49%). Similarly, only one in two (48%) feel their employer cares about their work-life balance. This indicates there is more for businesses to do to engage with their employees. Offering tailored benefit packages or flexible working schemes could be a route to do this with just under a third (31%) of workers stating that they would like to see their employer offer this.



At this time of economic uncertainty, it's more important than ever for business to recognise the link between purpose and reputation, trust and customer loyalty. This year's tracker provides examples of companies that have 'baked' purpose into their business, putting it at the top of the boardroom agenda and consequently reaping the rewards.

Importantly, it also highlights the value consumers place on employee wellbeing, plus the role of the employee in being an advocate of purpose and influencing whether their employer is perceived to be 'walking the talk'. Business leaders therefore need to ensure they not only find their purpose, but also truly live it.

Eleanor Turner
Head of Corporate Reputation and Purpose, Porter Novelli London





A sustainable, purpose-led approach drives business success for Anglian Water

As a provider of a vital service, Anglian Water has always held itself accountable to high standards. Over the last decade, the company has taken several steps to entrench its commitment to working in the public interest, prompted initially by the implications of climate change and regional growth in the East of England on its operations and customers.

This journey started with the board embedding sustainability into all its business operations by setting a single set of sustainable business goals and launching Love Every Drop. In developing its next 5-year business plan, it conducted an intensive customer engagement strategy with 500,000 customers. This resulted in 10 long-term outcomes for the business, ranging from fair charges and fair returns to a flourishing environment and a resilient business.

To ensure it is meeting the public's expectations, Anglian Water has also set up an independent online customer community to provide a forum for debate and to test ideas. Eight customers from this forum now sit on a customer board which feeds into Anglian Water's management board to debate issues in more detail. As the company thinks about its next investment cycle, this group is ensuring the business is continuously thinking and challenged on its wider societal role alongside internal mechanisms.

Anglian Water continues to demonstrate how a sustainable, purpose-led approach is not only desirable but intrinsically linked to business success. This year, all water companies have signed up to a 'Public Interest Commitment', which commits the industry to continue delivering wider benefits to society, above and beyond the provision of water.

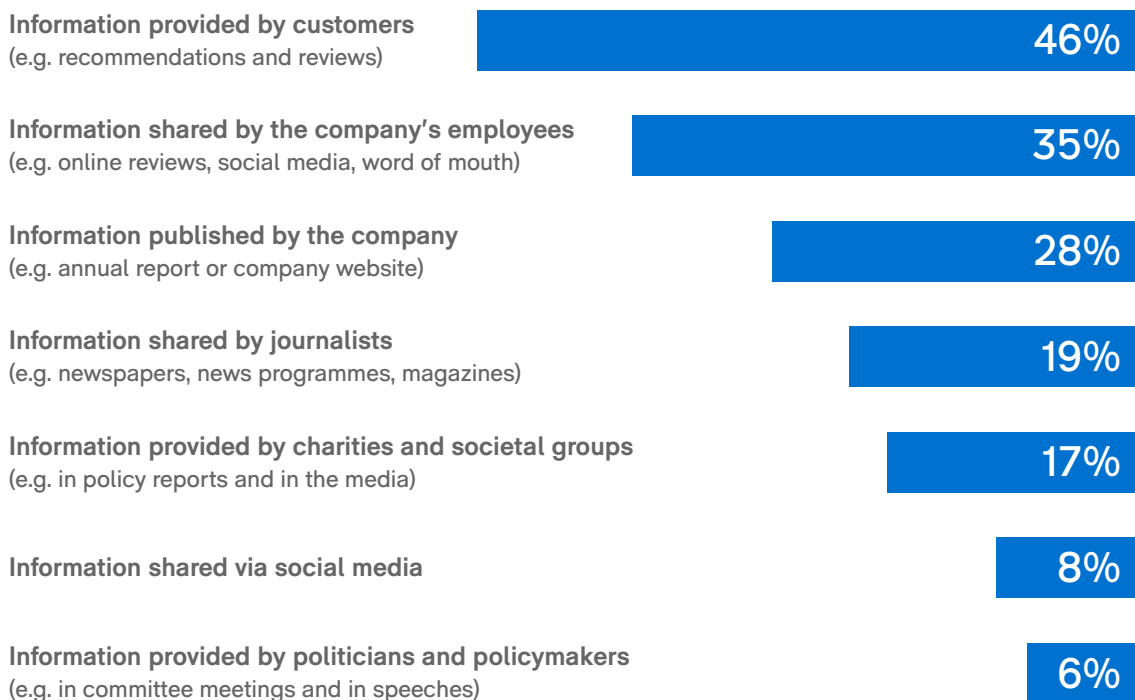
But Anglian Water has already gone further. Alongside existing corporate governance transparency measures, they have recently locked in public interest and purpose for the long term by changing their articles of association to require their directors to consider the societal and environmental impact of the company's decisions alongside the financial implications. Anglian Water is the first utility and the largest company in the UK to take this step towards becoming a public interest company.

Employees as ambassadors

Shifting societal expectations has changed the role of the modern business leader

Delving deeper into the relationship between consumers and companies, the effects of a shift online for consumers are evident. Rather than turning to companies themselves for information, people are more inclined to trust information from other customers, with almost half (46%) seeking views from other customers compared to only one in four (28%) who look to information published by the company. The table below shows the most trusted sources for information about a company.

Sources of information



While the public seems sceptical of information communicated by companies, they are more receptive to the information shared by company employees through means such as online reviews or social media. The public wants information from the people on the ground, and many only wish to hear from business leaders when the issue at hand is relevant to their industry (44%). Further evidence suggests that employees may indeed be better advocates for their employers than CEOs. Nearly three in four (72%) describe business leaders as very far removed from the world of ordinary people. CEOs intent on building purpose into the heart of the operations should consider utilising a wider network of advocates if they are to convince the public that their intentions are genuine.



UK Power Networks puts employee engagement at the heart of its business

UK Power Networks believes looking after its employees is the best way to deliver great service for customers. The company is recognised in the Sunday Times Best Companies list, leaping from 29th to 9th (2019) in three years and praised for its 'outstanding commitment to workplace engagement'.

The company runs the overhead lines and cables to distribute electricity across London, the South East and the East of England. It employs around 6,000 employees, of which 50% are field based, working tirelessly to 'keep the lights on', whatever the weather, for more than 8 million homes and businesses across their patch.

Employee engagement starts with a simple shared vision. Every employee can say what this is, and every aspect of the strategy to deliver this is clearly measured. This, together with updates on performance, successes and key messages, is regularly communicated right across the organisation, whether in face-to-face meetings, or through digital platforms, posters and magazines – so everyone feels part of the journey.

The Chief Executive and his senior team visit teams working across the network footprint at least twice every month. Leaders are authentic and build trust. Employees are encouraged to challenge, be open and honest, ask questions and share ideas. Recognition is clearly given for great performance, where employees are truly living the values of the organisation or have gone the extra mile.

Listening to employee feedback only works if it is then acted upon to bring about change. Employees said they wanted more focus on mental as well as physical health. So UK Power Networks launched WorkingWell, an employee wellbeing plan, which prioritises mental health. More than 170 employees have been trained as Mental Health First Aiders. This has had a positive impact, with increased awareness of the links between personal circumstances and work-related illness, and the importance of talking about issues that can affect us all.

The company visibly shows a clear commitment, from the very top, to make UK Power Networks a great place to work.

Fixing the foundations

The public isn't blind to the changing economy but want business to focus on getting the basics right

Discussing the current business environment, one in two (49%) UK adults think UK businesses will find the next 12 months difficult. While this is somewhat unsurprising with Brexit uncertainty ongoing and politics in flux, the public is keen for businesses to focus their efforts on getting the basics right. From a consumer perspective, people want to buy from companies that deliver excellent customer service and provide good value for money. But increasingly we're seeing the public raise the bar when it comes to what is considered the "business basics".

The public values the role that successful and sustainable businesses play in underpinning our economy and society. They also recognise that businesses can act as problem solvers on key issues. The top social issues the public identified were climate change (32%), public health (22%), and equipping employees with the skills needed for the future (28%).

However, changes and challenges to the modern workplace have left an indelible impact on the public consciousness. The public wants to interact with businesses that care about their employees. Whether it's by listening to and valuing the contribution of employees (49%), offering training and development (53%), or through a relentless focus on health and wellbeing (49%), the public will reward companies that prioritise their staff. The prize on offer for the UK is huge.

Get this right, and business can help the country take a giant step towards delivering a truly inclusive economy.



In recent years we have seen the emergence of the 'conscious consumer'. It's almost a given that people want businesses to meet their expectations when it comes to their more tangible needs such as excellent customer service and good value for money. However, more and more we're seeing consumers redefine the "basics" and entwine their ethics in their purchasing habits. They don't just want to champion issues like health and wellbeing behind closed doors, they want to buy and work for companies that support this too.

Adam Wilson
Associate Director, Opinium



Case study

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WSP employees are empowered to deliver a Future Ready world

Built environment projects, such as One Blackfriars, the Shard and Crossrail, will exist beyond our lifetimes so it is crucial that everything from their design to construction anticipates how they will operate many years from now.

WSP has established Future Ready, a programme that challenges all its people to see the future more clearly and to design and advise for this future as well as today in all its work. Future Ready covers four main themes – future society, climate change, technology and resources. It's led to ground-breaking designs and projects - for example, addressing loneliness in urban environments and designing for 2050's zero carbon UK.

Initially an idea that was tested with a few clients in the UK, the programme has quickly scaled throughout the business, and now all 48,000 employees around the world are tasked with adopting the programme's approach. While still on the journey to fully embedding the programme, leadership commitment, training, sharing and celebrating success and business systems have been integral.

Future Ready has helped WSP underline its purpose, set itself apart from its competitors and deliver stronger performance. Staff have felt empowered, valued and relish having a clear purpose beyond business growth. It's also been a factor in attracting both young and experienced talent. Among clients, WSP has been praised for its innovative designs and advice and in 2019, WSP was recognised as Company of the Year at the Global Good Awards.

The foreword to this report sets out starkly the challenge ahead; how do we become a country of prosperity, shared? The results from the latest *Everyone's Business* tracker shows that there is progress to build on.

All demographics of the UK economy – including women, part-time workers and lower-income groups – are beginning to report a more positive relationship with their employers. But clearly there is more work for companies to do – and this latest tracker tells us where firms must place their focus.

1. Treating employees well is the key for unlocking a reputation dividend but also the first step to delivering prosperity, shared.

- Only 1 out of every 2 people believe their employer supports them with their development and wellbeing.
- Investing in each employee's physical and mental good health, and their progression, can therefore deliver reputational gains and boost productivity.

2. The very best companies inspire trust and confidence because they are driven by a purpose to make a difference to society.

- Being clear about the purpose that underpins your business is a good long-term investment – creating loyalty and contributing to a company's resilience.
- The next generation of consumers and employees will reward companies with a clear purpose. In the race for top talent, those who ignore this shift in societal attitudes do so at their peril.

3. Businesses must do more to empower their best advocates and explain how they contribute to public good

- People trust other customers' recommendations about companies, significantly more than information provided by the companies themselves.
- Coordinating a network of customer and employee supporters can help a business celebrate its achievements and value in a way that resonates with the public.

As the UK steers its post-Brexit course, a new wave of economic, social and technological change will reshape our country, posing challenges and opportunities for how we live and work. We have the chance to build a UK that is not only more prosperous but also fairer. The latest *Everyone's Business* tracker outlines the pathway for starting to reach that summit.



**For further information on this report,
or for a copy in large-text format, contact:**

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The charts and data points contained in this publication represent the results of research conducted by Opinium Research for the CBI and Porter Novelli from 1st – 5th February 2019.

Opinium conducted an online survey of 2,000 UK adults. The sample has been weighted to reflect a nationally representative audience. If the base is not otherwise specified, then the results in that table reflect the full sample.

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