

# CSR and Talent

*A quick-read report for CEOs on the benefits of CSR*

There is ample evidence that Corporate Social Responsibility (CSR) is important for talent recruitment and retention. With significant competition to attract and retain the top talent, CSR is one compelling way to appeal to prospective employees and engage current employees.

## The Stats Tell a Story...

- 61% of employees say that it is important to them to work for a company that contributes to the local community (MetLife *Role of the Company Survey*, 2017)
- Job candidates who received information about an employer's CSR submitted wage bids 44% lower for the same job than applicants who did not receive CSR information (Fortune, 2016)
- More than 9 out of 10 employees are willing to trade a percentage of their lifetime earnings for more meaningful work (Harvard Business Review, 2018)
- Employees who felt their values aligned with their employers were more than twice as likely to be satisfied in their jobs (78%) and feel loyal to their companies (77%) than those whose values didn't match (32% and 31%, respectively) (MetLife *Role of the Company Survey*, 2017)
- Turnover dropped 57% among employees most deeply connected to their companies' giving and volunteering efforts (Benevity, 2018)

## A Look at the Next Generation of Leaders...

- Millennials will soon make up 50% of the workforce and 64% of millennials consider a company's CSR commitments when deciding where to work, and 88% say their job is more fulfilling when they are provided opportunities to make a positive impact (Cone Communications, 2016)
- 83% of millennials say they would be more loyal to a company that helps them contribute to social and environmental issues, versus a 70% U.S. average (Cone Communications, 2016)
- More than 50% of millennials say they would take a pay cut to find work that matches their values, while 90% want to use their skills for good (Fortune, 2017)
- 90% of MBAs from business schools in Europe and North America prefer working for organizations committed to CSR (Stanford Graduate School of Business, 2004)

## A Deeper Dive into CSR and Talent...

Corporate Social Responsibility (CSR) is quickly becoming a crucial part of any company's long-term strategy – especially in the war for talent. An effective CSR initiative enriches the community and contributes to improving the company's culture, boosting staff engagement, and helping to retain the best people. Success in creating a business that really makes a difference can be the difference between holding on to your key staff or losing them to competitors.

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A 2015 study by The Lewis Institute at Babson College and IO Sustainability indicates that **businesses with a commitment to CSR could see productivity increases of 13% and turnover reductions of up to 50%.**

“Companies engaged in CSR are perceived as more attractive employers than those lower in CSR. Prospective applicants’ job pursuit, the probability to interview, and probability to accept a job offer are positively associated with a company’s CSR,” was one of the findings from the report.

**A 7.5% increase in employee engagement was another finding.**

The report stated that, “workers, who were informed about a CSR program, were willing to accept a lower wage (up to 5% pay cut) and were more likely to go ‘above and beyond’ for the employer by doing extra work not required for payment.”

**More studies show that today’s talent is choosing purpose over perks.**

A study from the Stanford Graduate School of Business revealed that 90 percent of MBAs from business schools in Europe and North America prefer to work for organizations committed to CSR.

Findings from the 2015 Cone Communications Millennial CSR Study point out that millennials are prepared to make sacrifices to create an impact on issues they care about. This may include paying more for a product, sharing products rather than buying, or taking a pay cut to work for a responsible company.

**CSR attracts talent and enhances reputation.**

Offering a strong and well-communicated CSR program is helping transform businesses into magnets for the best talent. According to The Deloitte Millennial Survey 2017, 59% of millennials believe businesses solve the challenges that concern them and are not fully realizing their potential to alleviate societal concerns.

This highlights how new generation employees pay considerable attention to the social impact that businesses have on the wider community. They are becoming more ethically-minded. It is, therefore, important for millennials to find a business that aligns with their views and provides a platform for them to make a difference.

**CSR creates a culture of engagement.**

Everyone wants to feel proud of the company they work for. If people have a positive outlook towards the way the company operates and they align with its methods, they are far more likely to be engaged in their work and dedicated to helping the business achieve its goals.

Kenexa Research Institute performed a study on CSR program perceptions and discovered that 86% of those satisfied with their employer’s CSR commitment had high levels of engagement, which is a vital component for any successful organization.

These studies show that companies with a strong CSR commitment will create a workforce that is proud, motivated and engaged. This will help the company generate profits by recruiting and retaining top talent and increased productivity.

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