Oxford IRG Impact Study – Driving More Humanized Growth

Executive Summary

In a rapidly changing global landscape, the concept of business growth has undergone a profound transformation. Companies today are no longer defined solely by their capacity to generate profits for shareholders. Instead, they are increasingly seen as integral parts of a larger societal ecosystem, responsible for creating value for all stakeholders, including employees, customers, communities, and investors.

The Institute for Real Growth (IRG), in collaboration with the Future of Marketing Institute at the Saïd Business School of Oxford University, led the IRG Impact Study to explore this paradigm shift, identify the drivers of Humanized Growth, the roles of the Board and each of the C-Suite functions, and a deep dive on role the CMO and Marketing. This executive summary distills the essence of the study's overall findings.

Five Drivers of Humanized Growth

The study identifies five key drivers that differentiate overperforming organizations – those practicing Humanized Growth - from their counterparts. These five drivers provide a framework for understanding and implementing strategies that prioritize all a business's stakeholders' interests alongside traditional financial metrics.

1. Ground: Connecting to Human Stakeholder Reality

Humanized growth begins with an understanding of the impact the organization has on all stakeholders. It involves aligning with the reality of the world around us and recognizing the importance of stakeholders in shaping a company's success. Overperforming organizations demonstrate an aligned understanding of stakeholders, engage them, and include stakeholder perspectives in strategic decision-making. Transparency is a hallmark of organizations grounded in humanized growth, both in good times and bad.

2. Reimagine: Future-Centric Vision and an Aspirational Role for the Business

Organizations achieving Humanized Growth adopt a future-focused vision that includes utopian and dystopian elements. They reimagine the emerging world and define their role within it. Such companies prioritize long-term thinking, develop a compelling vision of the future, and articulate a clear corporate purpose. Leaders in these organizations paint a persuasive picture of the future that inspires all stakeholders to rally behind it, aligning their minds, heart, and will with the company's purpose.

3. Focus: Holistic Strategy with a focus on Adaptive Change areas.

Overperformers develop a holistic strategy and focus on the adaptive change areas. It is fine to prioritize a stakeholder as long also you also spell out how you add value for all their other key stakeholders. Overperformers embrace the complexity of the overall value creation strategy and use this holistic strategy to support short-term decision in the context of the long term strategy, as guidance for everything the company does, all the way to its CSR activities.

Overperforming organizations identify areas of adaptive change (transformative initiatives) and performative change (day-to-day operations) and manage these differently. They recognize the need to stop initiatives not aligned with their strategy and create alignment between strategic priorities and senior leader incentives.

4. Organize: Driving Systemic Change and Interdependencies
Humanized Growth involves breaking down functional silos and driving systemic change within organizations. Overperforming organizations recognize the importance of driving more interdependencies and collaboration across the business. Empowering employees closer to stakeholders more enables quicker, more relevant decision-making. Furthermore, collaboration extends beyond the organization, encompassing partnerships in the industry and with NGOs, governments, and regulators. Overperforming organizations excel in this regard, embracing collaboration even in challenging contexts.

5. Unleash: Role Modeling Da Vinci Humanized Growth Leadership
Leaders in organizations pursuing humanized growth exhibit Da Vinci leadership qualities, which encompass empathetic, right-brain and left-brain thinking. They create an environment where employees feel safe to share ideas and collaborate. Unleashing the collective power of the ecosystem behind the corporate vision, these leaders prioritize active listening, vulnerability, servant leadership, and open communication. Their approach fosters an inclusive culture that aligns employees and partners with the company's purpose.

Key Insights and Implications
The IRG Impact Study generates a host of critical insights that have far-reaching implications for organizations aiming to drive more Humanized Growth:

1. **Intangibles are the New Tangibles:** The study underscores the growing importance of intangible assets, including brand value, customer data, employee loyalty, and reputation. As businesses shift toward stakeholder-centric models, leaders must develop strategies to measure and manage these intangibles effectively.

2. **Incentives Alignment:** Overperforming organizations recognize the need to better align their leadership incentives with their long-term growth strategies, promoting stakeholder value creation. This alignment encourages leaders to consider factors beyond financial metrics when evaluating success.

3. **Collaborative Ecosystems:** Collaboration with stakeholders beyond the organization's boundaries, such as NGOs, governments, and regulators, is essential for Humanized Growth. Overperforming organizations excel in this area, embracing the complexities of collaborative endeavors.

4. **Transparency and Authenticity:** Transparency, both in good times and when facing challenges, is a hallmark of organizations pursuing humanized growth. Authenticity and a deep-rooted connection to the company's purpose are vital in fostering trust among stakeholders.

5. **The Role of Leadership:** Da Vinci leadership, characterized by empathy, vulnerability, and open-mindedness, plays a pivotal role in driving Humanized Growth. Leaders must create a culture that empowers employees and fosters collaboration.

Conclusion: Charting the Path Forward

The IRG Impact Study serves as a beacon for organizations navigating the shifting tides of business growth. It provides a comprehensive framework for leaders and executives to embrace Humanized Growth and create lasting value for all stakeholders. As the business landscape continues to evolve, the study's insights and findings will help guide organizations toward a more sustainable, responsible, and prosperous future.

In the face of profound change, organizations have the opportunity to reevaluate their purpose, strategies, and leadership approaches. By embracing the drivers of Humanized Growth outlined in the results of this study, they can chart a path forward that not only benefits their shareholders but also empowers employees, serves customers, supports communities, and contributes to a more equitable and sustainable world. True growth is not merely measured in financial terms but in the positive impact an organization has all its stakeholders, that is society at large.

For more information about the IRG Impact Study please scan QR code: