Humanizing Growth

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Context

CEOs and businesses today are being pulled in every direction by better informed and more demanding stakeholders; their employees and customers, the community they serve, and their investors. It is almost impossible to get this right; Many of the 2019 Business Round Table declaration signatories have since been accused of doing too little, others have been fired for doing too much. COVID-19 and the financial crisis have led to a renewed focus on the bottom-line and ESG has become highly politicized.

The Challenge

An overwhelming majority of business leaders understand the importance of stakeholder value creation, but many don't talk about it for fear of being accused of greenwashing or being 'woke.' This doesn't mean that nothing is happening: According to WTW Global, some 77% of listed companies now include ESG metrics in their incentive plans – up from 68% just a year ago. But, because many companies are 'flying under the radar,' valuable lessons learned are not being shared. Leaders need a roadmap with practical recommendations and examples for how to shift from short-term shareholder-only orientation to sustained value creation for all stakeholders.

The Central Message

The IRG Impact Study data and findings show that *there is a way to successfully pivot* from shareholder primacy to stakeholder value creation.

The results show that ninety percent of overperforming companies view stakeholder value creation as a business *opportunity*, not as a *risk*. These leaders have moved past the polarizing language and understand that sustained business growth can only be achieved by creating value for *all* their stakeholders. We call this 'Humanized Growth.'

Humanized Growth

Winning businesses drive superior revenue growth *and* sustained value for all their stakeholders. How? The IRG Impact Study data shows that these overperformers:

- *Ground* their business strategy on a firm understanding of *their own company's* DNA, values and beliefs, and *their stakeholder's* perspectives, reality, needs, and interests.
- *Reimagine* the future of their market with a positive future vision and guide strategic decision making with a crystal-clear view on the role their company will play.
- *Focus* the business with an integrated strategy, educating their stakeholders and aligning executive rewards with new shared value metrics, and that they address short-term business challenges in the context of this long-term strategy.
- Foster *interdependence* and collaboration across the functional silos inside the company and across their external partner ecosystem.
- Role model *Da Vinci Leadership* traits by combining analytical, creative, and empathetic leadership attitudes and behaviors.

Evidence
The IRG Impact Study is the first global, cross-C-Suite study on the pivot from shareholder primacy to value creation for all stakeholders. The study findings include data from over 450 C-Suite interviews and 750 online survey responses by academics, experts, and practitioners from 61 markets, with deep dives on the Board and 5 C-Suite roles, and an AI analysis of the interview recordings and 112K business leader social media posts.

The study was conducted from February to October 2023 by the Institute for Real Growth (IRG) and the Future of Marketing Initiative (FOMI) at the Oxford University Saïd Business School, in partnership with the National Association of Corporate Directors (NACD), Society for Human Resource Management (SHRM), Association of Chartered Certified Accountants (ACCA), Global CMO Growth Council, Spencer Stuart, FGS Global, WARC, The B Team, Mindshare, Cheung Kong Graduate School of Business (CKGSB), Yale Program on Stakeholder Innovation and Management, Arthur W. Page Society, KennedyFitch, Carv, and the UK Marketing Society.

Usefulness
Our findings and practical recommendations are illustrated with real-world examples and tales from the trenches from B2B and B2C leaders globally and include overall C-Suite as well as specific function-specific learning.

The authors
The authors led the IRG Impact Study and Advisory Board. Marc de Swaan Arons and Frank van den Driest are the IRG Founders, Professor Andrew Stephen is Vice-Dean of Research at Oxford University's Said Business School, and Angela Ahrendts serves on multiple boards and is the former CEO of Burberry and Apple Retail. The authors bring experience and authority and have all previously published books and HBR articles.

About the Institute for Real Growth (IRG)
The Institute for Real Growth (IRG) helps business leaders worldwide drive more Humanized Growth by connecting them to peers, experts, and best practices. The IRG conducts research, offers advisory services, and delivers executive leadership programs to inspire and help implement Humanized Growth programs. The IRG is independent, operates as a not-for-profit and is supported by WPP, Meta, Google, and Tata Consulting Services and many other partners globally.

About the University of Oxford Saïd Business School Future of Marketing Initiative (FOMI)
The Oxford Future of Marketing Initiative (FOMI) brings world-class business academics and senior executives from some of the world's largest companies together to address difficult and complex business challenges. FOMI exists because of the need to infuse practice with evidence-based solutions to complex business problems. No one—academic or practitioner—should do it alone as they approach these issues. Instead, we believe that collaboration, knowledge, experience sharing, and scientific research are the ways to move forward in a data-fueled, technology-focused world.