



# Return on Action

The new social contract for business

US Research Report  
March 2020



# Foreword

We believe we have reached a tipping point in how people view the role, responsibility, and ability of businesses to impact the world around them. Beyond just generating profits for their shareholders, there is a growing expectation for business to drive meaningful change in our society.

We decided to work with PwC to better understand the views of one of the most important stakeholders of business - the employee workforce. This research was conducted across Australia and the United States to find out where the line is between business influence and responsibility, and what the new social contract for business really is in a world where today's employee will guide leadership decisions and change our workplaces for the better.

Our research ultimately revealed that employees want businesses to ensure we are making the world better, not worse. Faced with government inaction on some of our biggest problems, it's the business community that can step up and act. The time for companies to focus solely on Return on Investment and shareholder profit is ending. This report reveals the potential Return on Action if we truly act on the key issues impacting our employees, communities, and society.

The research contained in this report has been completed with the advice and assistance of PricewaterhouseCoopers Consulting (Australia) Pty Limited

“As business leaders, we have an awesome responsibility. Employees want us to ensure we are making the planet better, not worse. Faced with government inaction on some of our biggest problems, it's the business community that can step up and drive meaningful change.”

Mike Cannon-Brookes, Co-Founder, Co-CEO, Atlassian

“Many companies focus only on the Return on Investment and delivering profit for shareholders. But times have changed. As business leaders we should listen to the views of the workforce; focusing on our impact on society delivers a return of its own. It's now on us to respond ”

Scott Farquhar, Co-Founder, Co-CEO, Atlassian

# Executive Summary

## What matters

What's Next

Questions for business leaders

## What matters

The U.S workforce is calling for bold action from business in a new landscape of expectation, where accountability and leadership around social issues is no longer a nice-to-have, but an imperative.

Health, including mental health and wellness, and cost of living are the most important issues for U.S. workers, across all generations.

We are active. The workforce is personally engaged on the issues that matter most, but younger generations are more likely to take action than older generations.

These workers transfer their own desire for action to their employers.

**Socially engaged workforce**

**69%**

of employees and 85% of Gen Z have personally acted on an average of five societal issues over the prior twelve months

**New mandate for business**

**60%**

agree business should be just as concerned with their societal impact as their financial performance

**Clear opportunity zones**

**61%**

of Gen Z employees agree that business has the ability to improve the impacts of climate change if they act now

**Reward for action**

**59%**

of Gen Z and 57% of Millennials agree that a business known for speaking out on issues important to them is more attractive as a future employer

**Risk of inaction**

**43%**

of Gen Z employees agree that if their employer were to act in a way that did not align with their personal values, they would quit their job

# Executive Summary

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What Matters

What's next

Questions for  
business  
leaders

## What's next?

### How far is too far?

An appreciation of the social issues which matter to employees is critical insight for business leaders. How far is too far? There is majority support for businesses which set policies on issues that align with employee values.

### Collaboration is key.

The majority expect their employers to hold government to account, as long as business and government also work together.

### New rules of attraction.

A workplace that allows employees to have their say and takes action on important social issues is more attractive to employees. Communicating and measuring progress is critical to maintaining momentum and making a sustainable difference.

### Walk the talk.

Most agree their current employer isn't active enough ; inaction will drive some workers to leave. By demonstrating leadership and accountability, businesses can harness the energy of new generations.

# Executive Summary

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What Matters

What's next

## Questions for business leaders

### Questions business leaders should be asking



How deeply do we understand the social issues that matter to employees, and how do they align with the core purpose and impact of the organization I lead?



How are we involving our workforce in shaping our social impact strategy and in executing on social priorities? How can I create a two-way dialogue with employees to understand what matters to them?



What are we doing to make a difference? To what extent does the character and behavior of the business I lead meet the expectations of all stakeholders?



Do we have the right infrastructure to drive, manage and communicate social issues to our workforce? Are the actions taken impacting the employee culture in a meaningful and positive way?



How can I best use my voice and influence as a leader to hold myself and others to account on important social issues? How authentically and effectively is progress being communicated to build confidence and trust of all stakeholders?

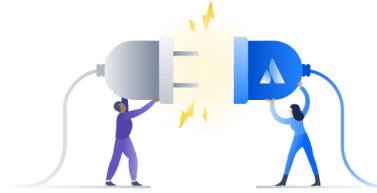
# Three key takeaways



## The U.S. workforce has high expectations of business

Business should be accountable for their decisions and actions when it comes to social issues, and take stronger leadership action, particularly regarding the economy and the environment.

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## Younger generations are taking matters into their own hands

Younger generations are engaged and active on social issues that matter to them and expect the same of business and employers. The degree of alignment between values and business action is a powerful force in determining employer appeal.

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## Opportunity emerges out of heightened expectations

Authenticity, alignment with values and stated positions, supported by meaningful action that is integrated into the business strategy are clear opportunities for business.

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## TAKEAWAY #1

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**The U.S. workforce has  
high expectations of  
business**

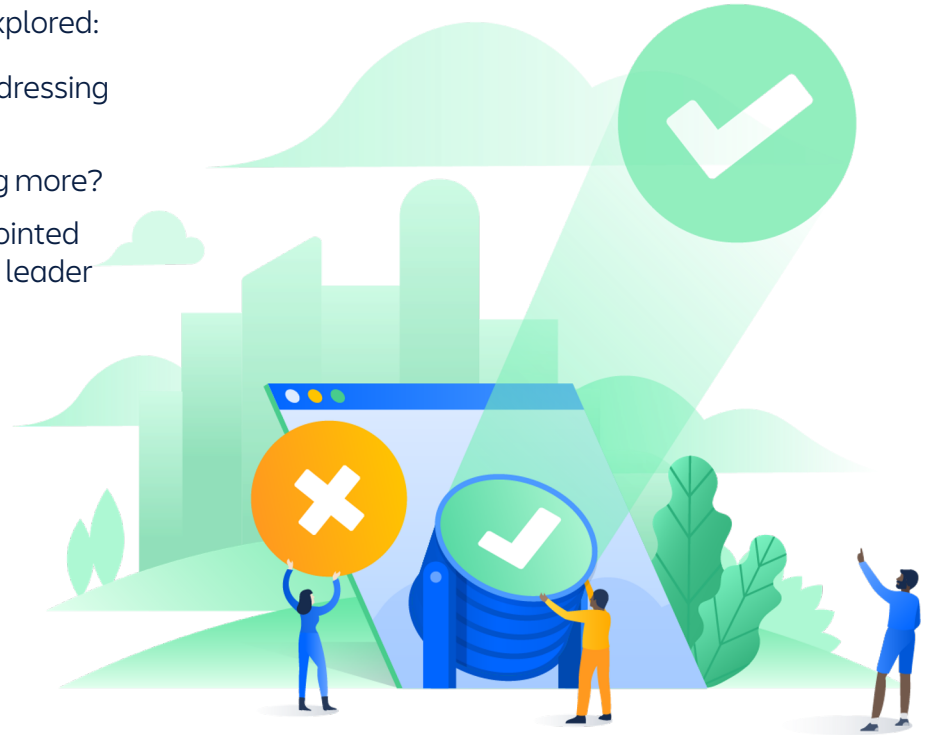


# The U.S. workforce has high expectations of business

Businesses are faced with a unique opportunity; an expectation that they can step up on key issues that impact us all.

To identify these gaps and opportunities our survey explored:

- Who is perceived to be primarily responsible for addressing these important issues?
- What are the expectations for who should be doing more?
- How much U.S. employees agree to a number of pointed attitude statements around business and business leader involvement





# Businesses are expected to take action to address societal issues

## Exhibit 1

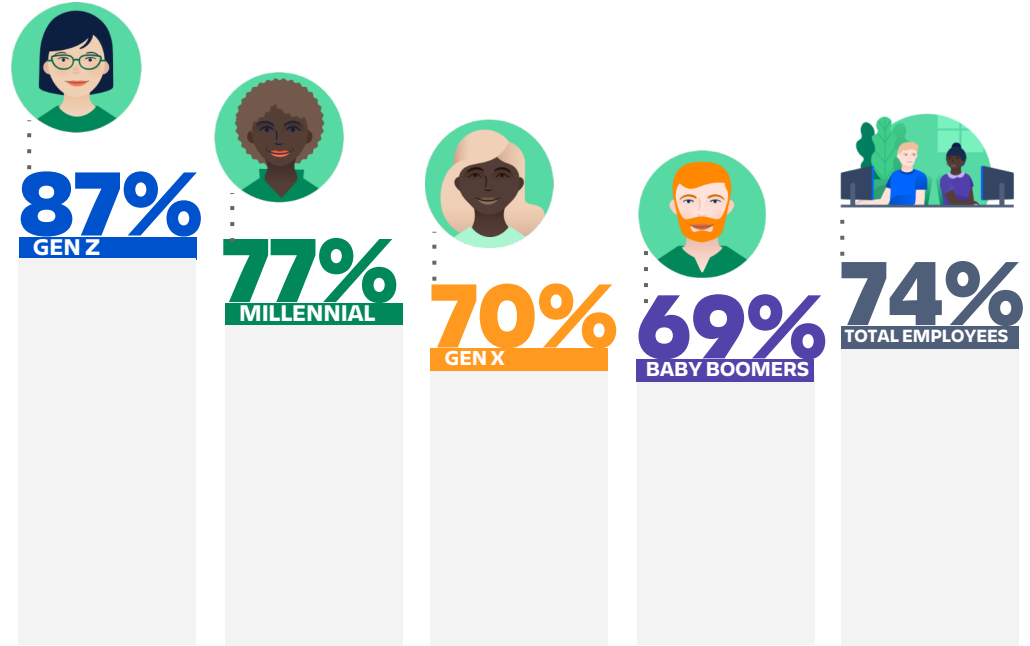
We would now like you to consider the relationship between business and each of the broad societal issues. What should businesses be doing to address these issues?

% average for agree business should take some specific action (i.e. excluding “no action”, “don’t care” or “don’t know”) across the issue types (equality, health and wellbeing, environmental, economic, human rights/legal).

In solving major issues facing society - the results are in, businesses are expected to play their part.

On average 74% of employees agree businesses should take some form of action. This was determined by prompting respondents with a spectrum of behaviors, from symbols of support to overt activism including support of public demonstrations or product boycotts. We asked employees what businesses should be doing across a range of issues including equality, health, environmental, economic, and human rights/legal. Levels of agreement are fairly consistent across issue types.

Gen Z is most supportive of business action with an average of 87% who agree to a range of specific actions expected of businesses (exhibit 1).



# So where does the responsibility lie?



So who is mostly responsible? Answer: government.

Almost half of the U.S. workforce (49%) believes government is primarily responsible for addressing societal issues while almost a quarter (23%) hold themselves and those around them responsible. Around one in 10 (12%) see business as primarily responsible (exhibit 2).

Government is expected to set the legislation as drivers of change. Government also carries the greatest overall weight of expectation to do more.

While business is ranked third for overall responsibility, it is ranked second for expectations to do more. After government, the workforce looks to business to address societal concerns.

*“The government can actually pass laws and regulations to help certain issues. They can make a law to ban or allow an issue (abortion, for example). Whereas, a business does not have this type of power.”*

- Female, Gen X, South, works in Manufacturing

*‘These are shared responsibilities: Government needs to make laws and enforce them, business need to integrate them into their processes and culture, and people need to be better in living a positive life’*

- Male, Baby Boomer, East, works in Financial and Insurance services

# Government is seen to be primarily responsible for social issues, yet expectations of business to do more are high

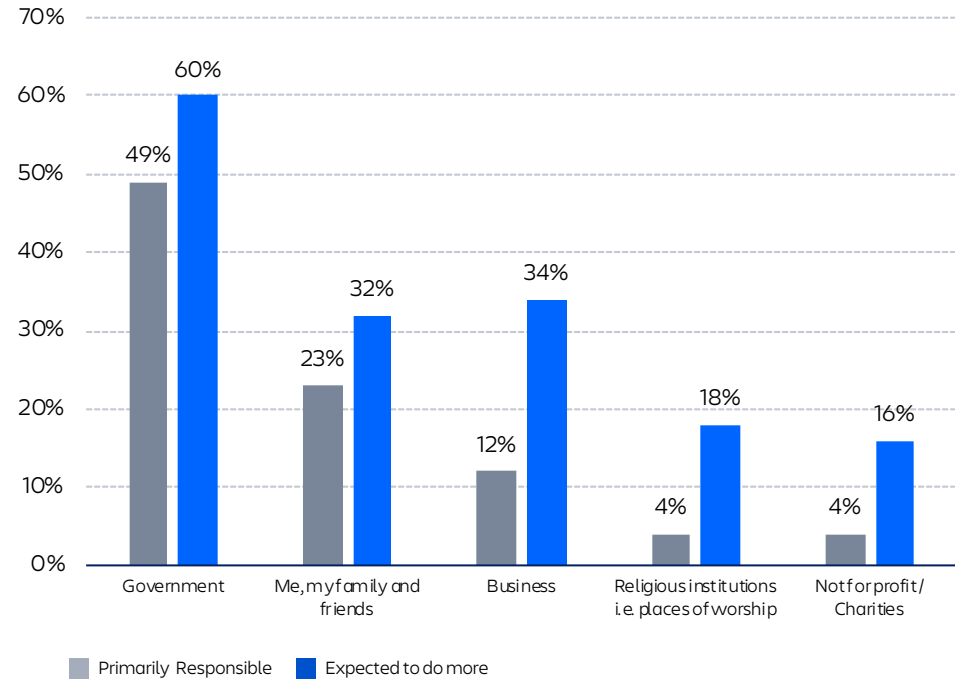
## Exhibit 2

In your opinion, who is primarily responsible for addressing each issue? Please select the institution you believe is most responsible per issue.

Which of these institutions should be doing more to address each of these societal issues? Please select all that apply per issue.

Base: total respondents n=2421

% scores are the net average across the five issue areas, with 'I don't know' responses not shown. Note, primary responsibility is single choice response and expected to do more is multiple choice.



# What are the issues?



What are the issues? The economy, unsurprisingly (and the environment!).

These are the areas in which expectations of business to do more are highest. Equality comes in third.

From an economic perspective, businesses are expected to support their local communities and have an obligation to provide appropriate wages and equal employment opportunities.

*“We in society should demand more accountability from businesses regarding wages, health care & equality”*

- Female, Gen X, West, works in Professional scientific and technical services

*“Businesses, although they shouldn't have the sole responsibility for policing themselves, should take a large role in addressing the wage gap, in addition to everybody having an equal chance for employment.”*

- Female, Millennial, South, works in Information, media and telecommunications

Perceptions of business's responsibility for their environmental footprint received consensus agreement in the qualitative research, which also explored the role of various institutions in addressing societal issues and reasons why. Businesses were viewed as major waste and pollution contributors but also more agile and financially capable of enacting change, when compared to government.

# Expectations of business action are greatest for economic and environmental issues

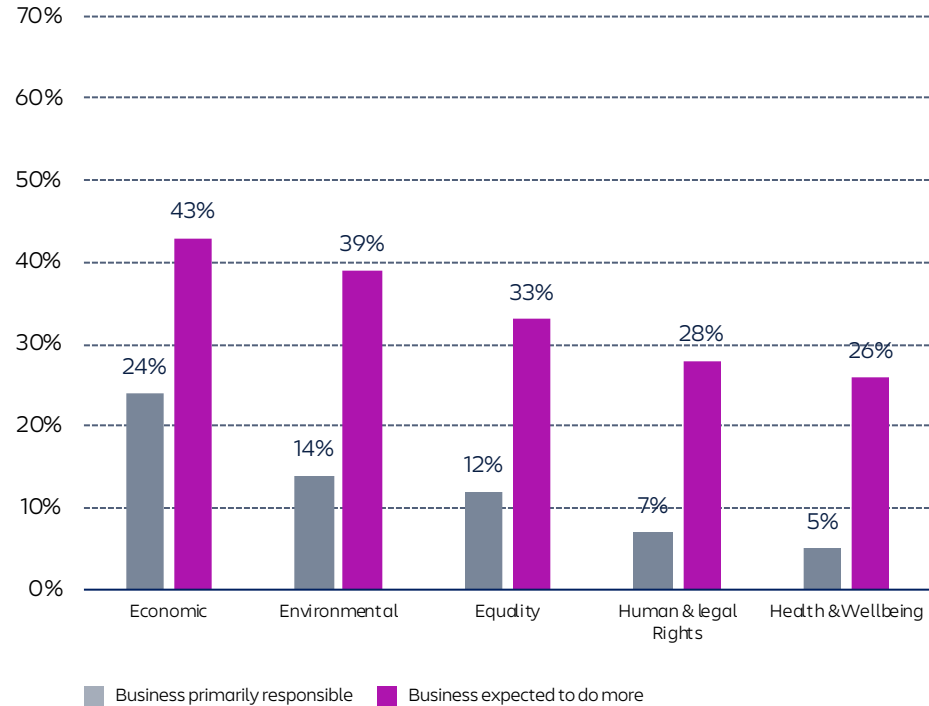
## Exhibit 3

In your opinion, who is primarily responsible for addressing each issue? Please select the institution you believe is most responsible per issue.

Which of these institutions should be doing more to address each of these societal issues? Please select all that apply per issue.

Base: Total respondents n=2421

% shown for responses relating to selection of Business only. 'I don't know' responses not shown. Note, primary responsibility is single choice response and expected to do more is multiple choice.



“

I think businesses are able to make change a lot faster than the government can, as the government has to go through many steps of bureaucracy. As one of the drivers of societal change, businesses can make immediate changes to reduce their negative impact, such as emission of pollutants, dumping in ocean, etc (again environmental impact is the easiest example here). They also hold much more power and financial ability than the average individual to make impactful change.”

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**Female, Gen Z, Midwest, works in Professional scientific and technical services**

# Redefining the role of business

The guiding doctrine for the role of business has long been aligned to the economic theory of Milton Friedman, who famously wrote in *The New York Times* in 1970 that “the social responsibility of business is to increase its profits.” This is now changing as we move into a new era: The Purpose Economy, where a higher sense of meaning and purpose in work are sources of innovation and the core narrative of the workplace.

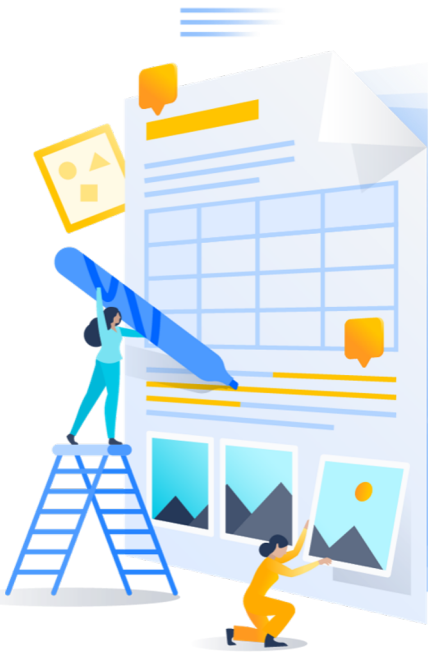
Against a backdrop of widening economic inequality and growing distrust for business, the Business Roundtable, an association of the chief executive officers of nearly 200 of the U.S.’s most prominent companies issued a new purpose for the corporation in August 2019.

An excerpt from the Statement of the Purpose of an Organization reads “While each of our individual companies serves its own purpose, we share a fundamental commitment to all of our stakeholders”, and the statement goes on to outline five supporting commitments including delivering value to customers, investing in employees, dealing fairly and ethically with suppliers, supporting the communities in which we work and generating long term value for shareholders.

As at 20 February 2020, the statement was supported with over 180 signatures from leaders of some of the biggest organizations in the world, operating across multiple sectors - from Apple and Amazon to Ford, Bank of America and PwC.

As people continue to ask questions around how effectively capitalism is serving society, this new purpose of business was further supported at The World Economic Forum in Davos in January 2020.

Source: Business Roundtable <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>



## Questions for business leaders



What are we doing to make a  
difference?

To what extent does the character  
and behaviour of the business I lead  
meet the expectations of all  
stakeholders?



# Individual action and accountability matters



Many people are also holding themselves to account, especially on health and wellbeing.

44% nominate “me, my family and friends” as primarily responsible for addressing these issues.

The results on environmental issues are telling. While 22% consider themselves primarily responsible, the expectation to do more is strong (36%).

*“I recycle, compost, use an electric car and eco-friendly appliances because it is my responsibility as one of earth's inhabitants to ensure it is livable for the next generations”*

- Female, Gen Z, Midwest, works in Professional scientific and technical services

# Expectations of individual action (me, my family and friends) are greatest for issues of health and wellbeing

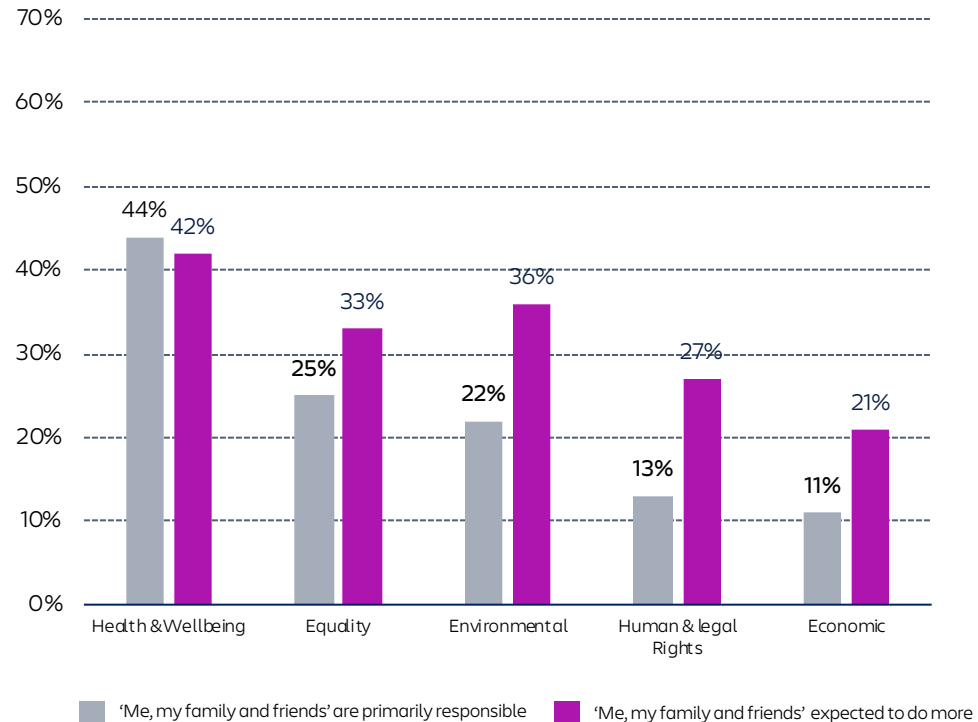
## Exhibit 4

In your opinion, who is primarily responsible for addressing each issue? Select one per issue.

Which of these institutions should be doing more to address each of these societal issues? Select all that apply.

% shown for responses of me, my family and friends\* (I don't know not shown)

Base: Total respondents n=2421



# The role of business is changing



The role of business is changing.

Most respondents agree that business should be just as concerned with their impact on society as they are with their financial performance (60%). This is particularly true amongst employees working in metropolitan areas (66%) and those working in labor and related work (67%).

Environmental issues are especially relevant. An overwhelming majority of survey participants (73%) agree that “businesses need to take full responsibility for their environmental impact“. This perception is held across generations, regions, and industries of employment. Agreement is highest amongst those who work in the east of the US (76%) and females (76%).

As more companies commit to net zero emissions by 2050, two thirds (67%) of all respondents agree that “business should invest in and use renewable energy instead of fossil fuels like oil and coal“. This view has particularly strong agreement amongst employees working in professional, scientific and technical services (71%) and health (72%), with scores significantly higher than those working in Financial and Insurance services (61%).

Business leaders also now recognize the increasing threat of climate change and environmental damage to their organization’s growth prospect (see PwC’s 23rd annual Global CEO Survey page 21).

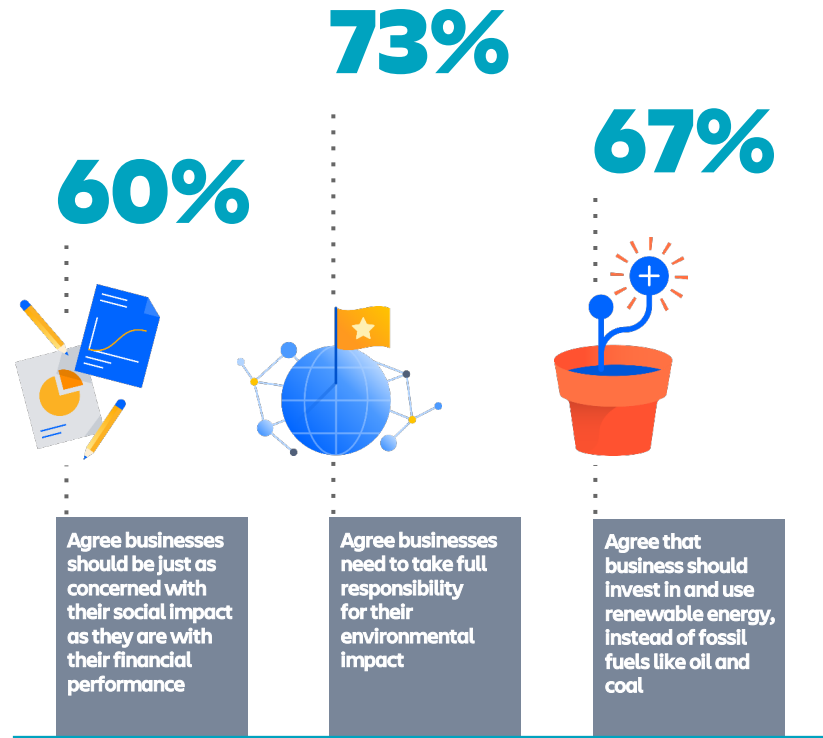
# Employees agree business is accountable, particularly with regard to environmental impact

## Exhibit 5

Please indicate how much you agree or disagree with the following statements.

% agree or strongly agree

Total respondents n=2421, demographic and employment group base size available on page 62





## PwC's 23rd annual CEO Survey

Environmental issues are top-of-mind across the workforce and among Chief Executive Officers around the world. In a recent survey of over 1500 CEOs, growing concern was expressed over the potential threat of climate change and environmental damage to their organization's growth prospects.

Globally, 24% of global CEOs cite extreme concern about climate change and environmental damage, up from 19% the prior year.

In addition, more CEOs are recognizing the benefits of investing in climate change initiatives, with 30% of CEOs globally strongly agreeing with the statement "Our response to climate change initiatives will provide a reputational advantage for my organization among key stakeholders, including employees". 25% of CEOs globally also strongly agree that "Climate change initiatives will lead to significant new product and service opportunities for my organization".

Source: PwC, 23rd Annual Global CEO Survey, 2020

# The workforce are broadly supportive of business leaders encouraging government to act, and holding politicians to account

## Exhibit 6

Please indicate how much you agree or disagree with the following statements

% agree or strongly agree

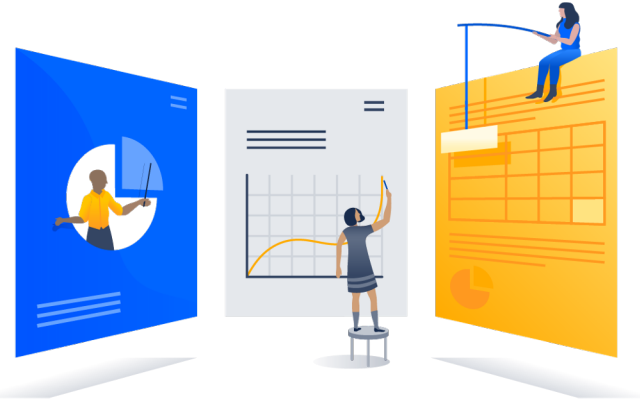
Total respondents n=2421, demographic and employment group base size available on page 62

So what's the reaction to mixing business with politics?

Almost three in five employees (57%) agree business leaders should play a role in encouraging government to take action on major social issues, with those working in metropolitan areas (62%), and those with children (61%) significantly more likely to agree with the statement compared to those in suburban (54%) or rural areas (53%) and those without children (54%).

Likewise, a similar proportion (62%) agree that business leaders should hold politicians to account on major social issues. Baby Boomers (66%) are also significantly more likely to agree than Gen Z (54%).

Qualitative research indicated that business and government have different and complementary strengths, optimized through collaboration.



# 57%

**Agree business leaders should publicly encourage government to act on social issues which are important to the community**

# 62%

**Agree business leaders should hold politicians to account on major issues**

“

I expect the government to offer a universal health care plan that is affordable for all because the current health care cost is outrageous. I expect Businesses to support this and be willing to work with the government because they can change how charges are billed for their patients. I expect family, friends and my community to advocate for it because we need more affordable health care so we don't spend all of our retirement savings just for health care alone. I expect my employer to contribute more to the health care cost because the health care premium is higher than our annual merit increase! I really hope that the government can address this issue because I don't want my hard-earned money to go toward health care. I don't need government assistance and I don't want to ask for one if possible. I just need affordable health care.”

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**Female, Millennial, East, works in Information, media and telecommunications**

“

I expect the government to address this [climate change] through bills and actions because I want the world to exist 50 years from now! I expect businesses to adopt sustainable practices because they are capable of doing so. I expect family, friends and my community to make small changes in their consumption habits because it's easy to do. I expect my employer to adopt sustainable practices because they are capable of doing so. I will continue to recycle and avoid single-use plastics because it's easy to do and it does make a difference, no matter how small”

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**Female, Millennial, South, works in Information, media and telecommunications**



## Questions for business leaders



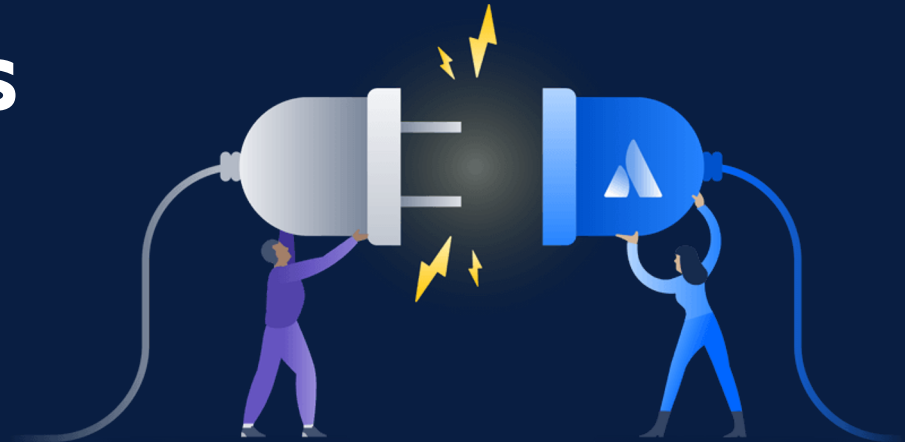
How can your voice and influence as a leader be used to hold yourself and others to account on important social issues?

How authentically and effectively is progress being communicated to build confidence and trust of all stakeholders?

## TAKEAWAY #2

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**Younger generations  
are taking matters  
into their own hands**

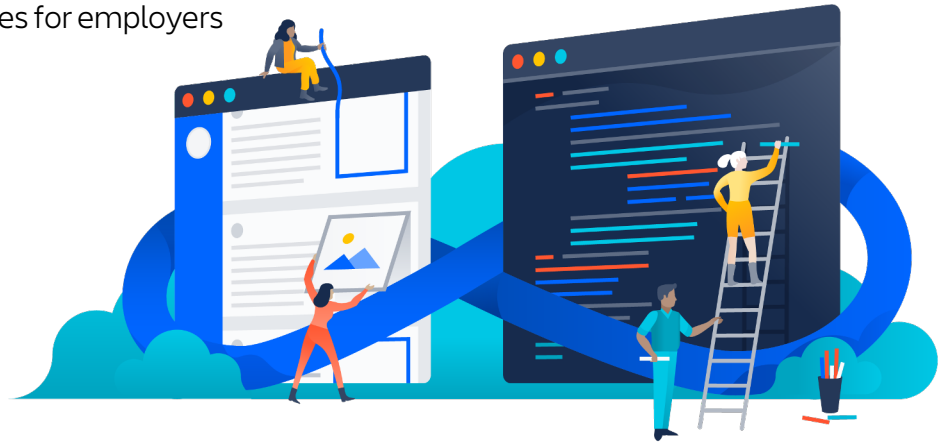


# Younger generations are taking matters into their own hands

Gen Z and Millennials will soon dominate the workforce. Of all generations, they feel most strongly about having their voices heard in the workplace. In addition there are risks for employers who do not behave in ways that align with their values.

We asked:

- What are the societal issues that matter most to the U.S. workforce?
- How involved and personally active is the workforce around these issues?
- How much employees agree to a number of pointed attitude statements around expectations of employees and consequences for employers



# The U.S. workforce are personally engaged in societal issues, with economic issues most commonly acted on

## Exhibit 7

In the past twelve months which, if any of the following societal issues, have you acted on in a conscious way? Please select all that apply.

% who have acted on one or more societal issues and the top 3 issue areas (net) acted on

Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

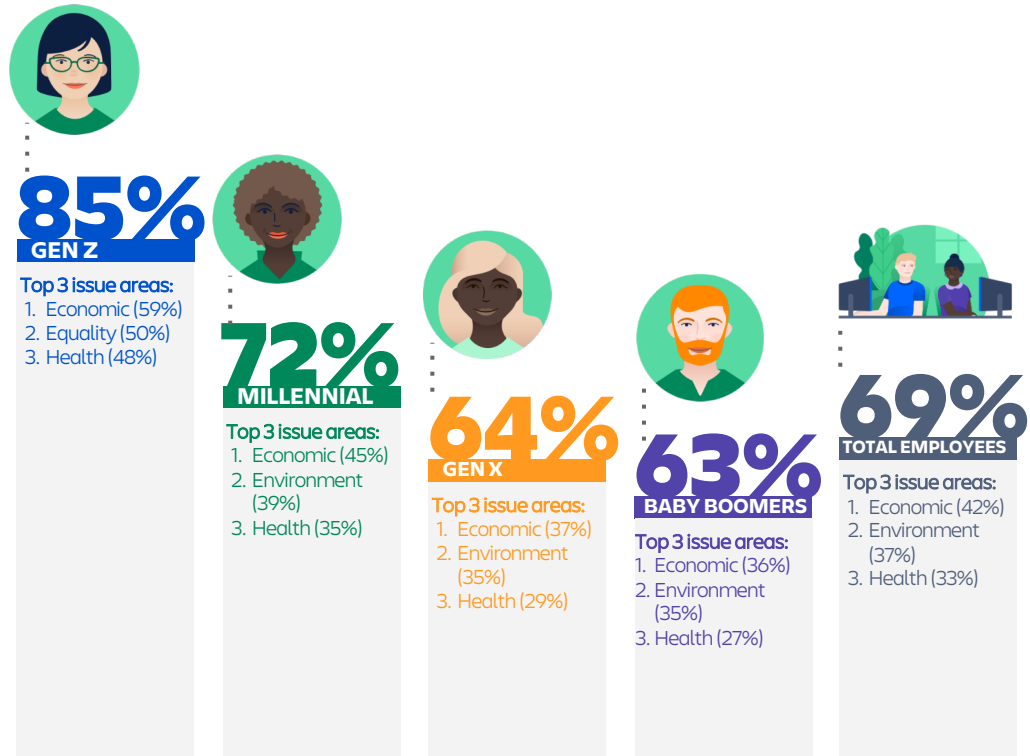
So who is acting on what?

Overall, seven out of ten participants (69%) have acted on one or more issue(s) in the past twelve months. On average those who have acted, have acted on three different issues.

The younger generations - Gen Z (85%) and Millennials (72%) - are significantly more likely to act on issues than Gen X (64%) and Baby Boomers (63%). Gen Z have personally acted on an average of five societal issues over the prior twelve months.

Economic issues, including *homelessness*, *cost of living* and *poverty*, are the most acted on, followed by environmental issues such as *animal welfare* and *climate change/global warming*.

Personal action was defined as 'acted on in a conscious way; for example, donated money or time to, made a purchase or lifestyle decision because of, shown public support through social media or public activism, etc'.



# Gen Z and Y are taking ownership by acting on multiple issues that matter to them

## Exhibit 8

In the past twelve (12) months which, if any of the following societal issues, have you acted on in a conscious way e.g. donated money or time to, made purchase or lifestyle decisions because of, shown public support through social media or public activism, etc.

% who have acted on each issues

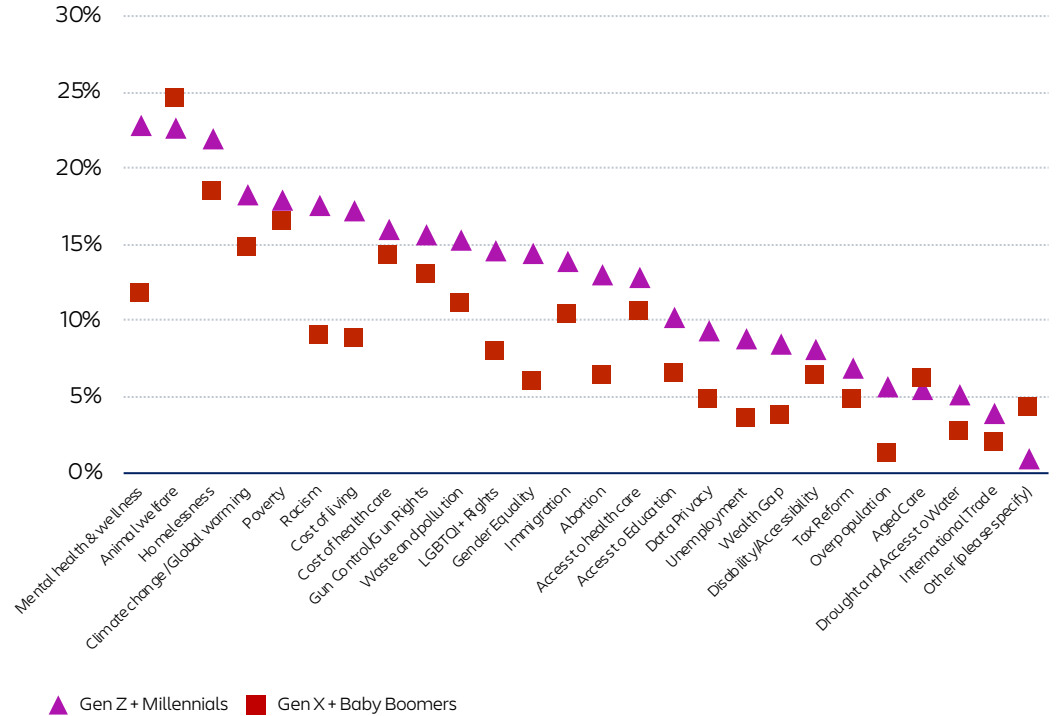
Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

### Only the young!

Gen Z and Millennials are significantly more likely to act on particular issues across areas of health (mental health and wellness), equality (racism, gender equality, LGBTQI), the economy (cost of living, unemployment) and human/legal rights (abortion, immigration).

These younger generations are also willing to drive change and hold government to account;

"I expect family, friends and my community to continue to hold the government responsible when they have done wrong. Attend town hall meetings, call their government officials and ask questions, etc. Government officials are not above the law and they should be held accountable. If they are not doing their job then the people should vote them out .... I'm not sure what I expect of my Employer regarding inefficient government but they can hold government officials accountable." - Female, Millennial, South, works in Information, media and telecommunications



# US employees believe business has the ability to significantly improve the impact of climate change if they act now

## Exhibit 9

Please indicate how much you agree or disagree with the following statements.

% agree or strongly agree

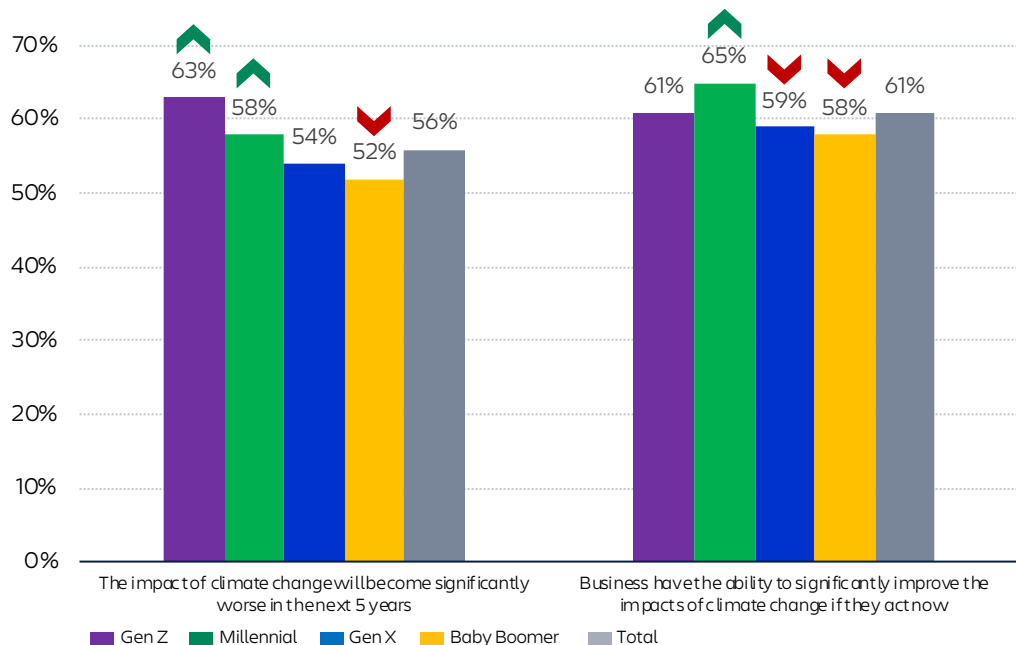
Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

Younger generations in the workforce, Gen Z and Millennials, are most concerned about the worsening impact of climate change in the near future. But they are also the most optimistic about business making a positive impact. 61% of Gen Z and 65% of Millennials agree that “business have the ability to significantly improve the impacts of climate change if they act now”.

Businesses are seen as agents of change because they create connections with many people through their brands and influence the economy as a whole.

“Businesses can create an impactful difference because their brand reaches out to and connects to large groups of followers and supporters” - Male, Millennial, Mid West, works in Financial and Insurance services

“Businesses drive the economy and the country so if they decided to address an issue it would happen.” - Male, Baby Boomer, West, works in Manufacturing



Arrows indicated statistically significantly higher or lower than cohorts as indicated ( 95% confidence level)



# The changing face of the U.S. workforce

Multiple generations now co-exist in the workforce, giving rise to a range of varying preferences and expectations of how business should act with regard to societal issues. By 2025, Millennials will comprise 75% of the workforce, and Baby Boomers will comprise less than 10% of the workforce.

A recent global survey of more than 1,200 business and HR leaders from 79 countries was conducted by PwC in collaboration with Lynda Gratton, Professor of Management Practice at London Business School. One of the focus areas for the survey was identifying the most important organizational capabilities that businesses need to consider when preparing for tomorrow's work, workers and workplaces.

Interestingly, the number one capability was 'Trusted by Society: we are an organization that is trusted by society, our customers and employees', with 91% of respondents nominating this capability as being of extremely high or very high importance.

Source: PwC, 'Workforce of the Future: The Competing Forces Shaping 2030', published 2018

# Health and economic issues are most important to the U.S. workforce

## Exhibit 10

Considering your own personal values, please identify the issue that is most important to you, and the issue that is least important to you personally.

**Relative Importance Score.** The scale of relative importance is a trade-off quantitative measure. Higher scores imply greater importance and lower scores imply lesser importance. For example, the “cost of healthcare” has a score of about 2.5 and “data privacy” has a score of about 1. “Cost of health care” is about two and half times as important as “data privacy.”

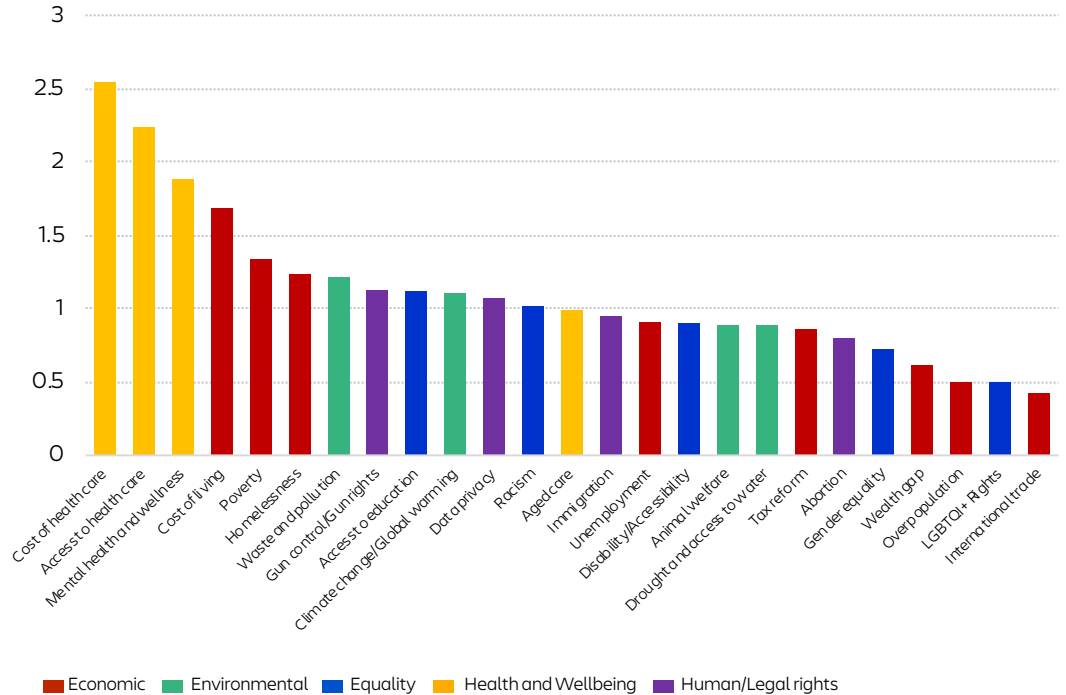
Base: Total respondents n=2421

So we have learned that the U.S. workforce has high expectations of business and is socially engaged. Which issues, however, matter most? We asked what’s most important to U.S. workers using a trade-off exercise of forced choices to identify the relative importance of each issue.

No surprises here – health care comes up trumps.

The cost of health care and access to health care are of highest relative importance, with mental health and wellness third. The cost of health care is approximately 2.5 times as important as data privacy and about 5 times as important as overpopulation.

Issues relating to an inclusive economy, such as cost of living, poverty and homelessness, are also of higher relative importance to all respondents. These co-dependent symptoms of economic struggle were obvious in our qualitative research.





“

I am concerned most with poverty in our country and how it directly affects people I interact with on a daily basis.

I am also concerned with health care in our country, especially mental health coverage as this presents a concern for so many people with regards to gaining access to specialists and/or medications as needed.”

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**Female, Millennial, East, works in Health**

# Health issues are most important for all generations

## Exhibit 11

Considering your own personal values, please identify the issue that is most important to you, and the issue that is least important to you personally (Top 10 shown)

Relative Importance Scores.  
Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

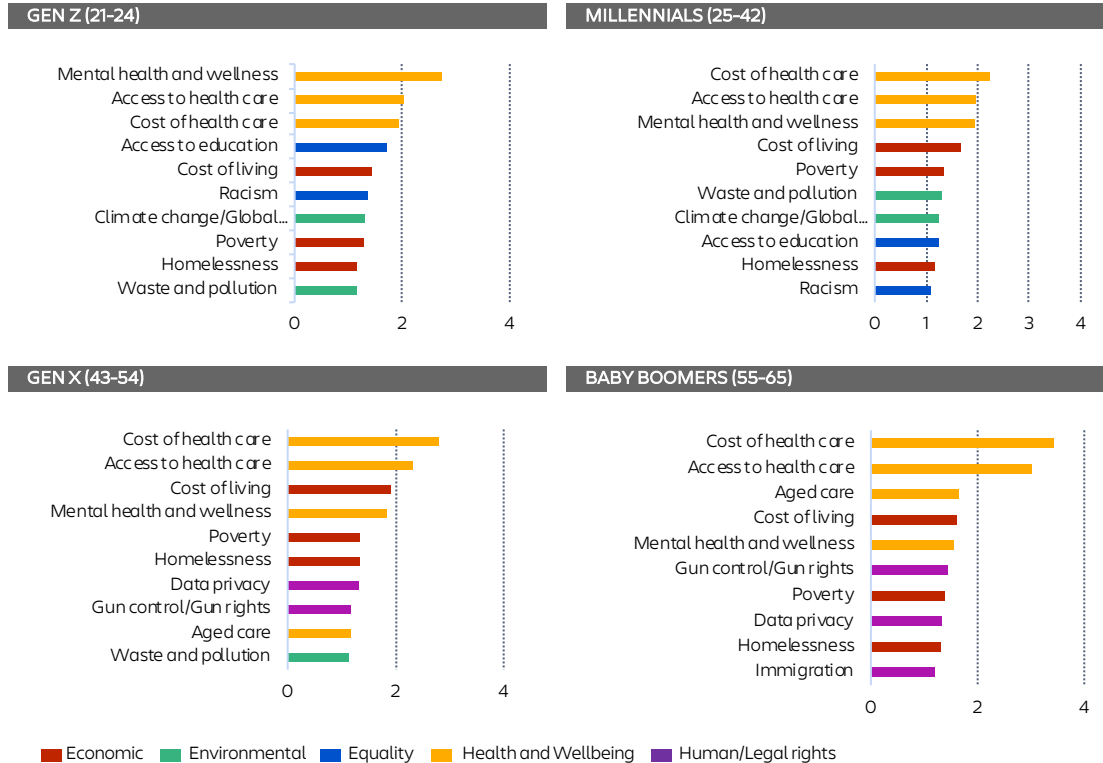
Cost of health care and access to health care are in the top 3 for all generations, demonstrating consistency in perceptions of importance for health and wellbeing across generations.

Gen Z is most concerned about mental health and wellness, while access to education is in 4th place.

Both Gen Z and Millennials include environmental issues climate change/global warming and waste and pollution in the top 10.

Gen X and Baby Boomers include human/legal rights issues of data privacy and gun control/gun rights in their top 10.

An appreciation of what societal issues matter to the workforce is critical insight for business leaders. Further appreciating differences by generations enables more targeted conversations on what matters most to particular groups of employees.



## Questions for business leaders



How deeply do you understand the social issues that matter to your employees, and how do they align with the core purpose and social impact of your organization?

# Gen Z have a higher propensity to take action on the issues that matter to them, particularly around mental health

## Exhibit 12

Vertical axis: Considering your own personal values, please identify the issue that is most important to you, and the issue that is least important to you personally  
 Horizontal axis: In the past twelve (12) months which, if any of the following societal issues, have you acted on in a conscious way

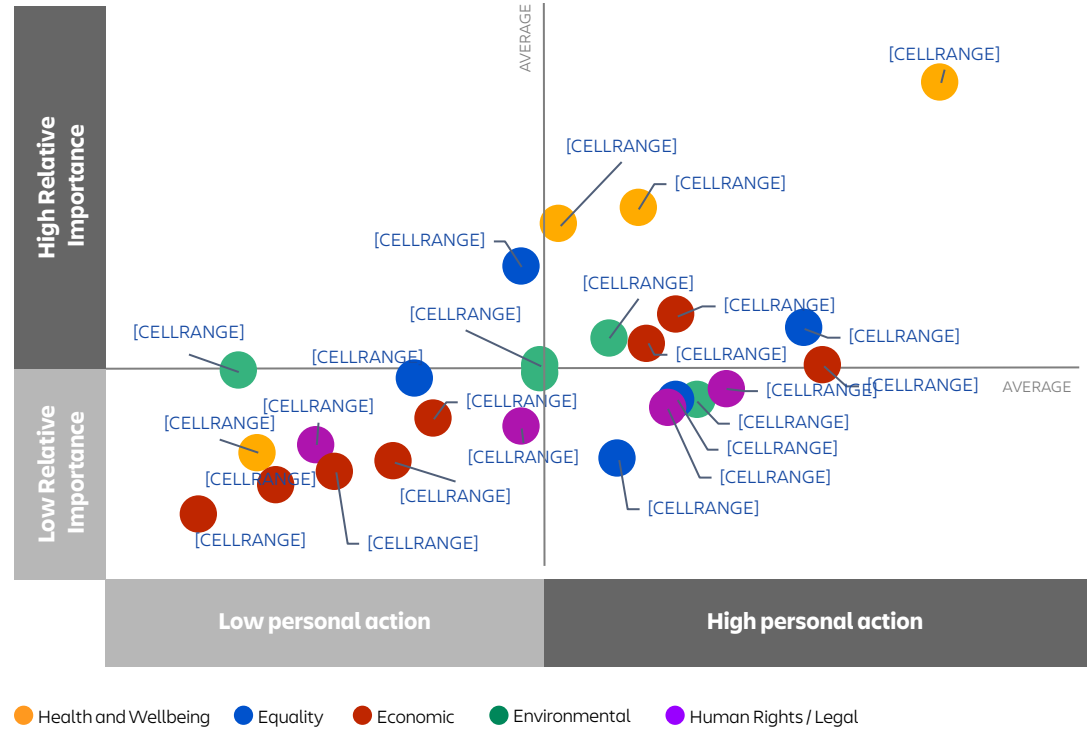
Base: Gen Z n=246. Personal relative importance scale from 0 to 3. Personal Action Scale from 0% to 40%

In comparing the issues that are most important and the issues which are most acted on we identify that Gen Z is socially engaged and taking matters into their own hands to instigate change.

They are a significant part of the emerging workforce, and they are more likely to act on the issues that matter to them, particularly with mental health and wellness, homelessness and racism.

*"I want men's mental health to be addressed by us as a society, because people on both ends of the political spectrum do not like to talk about it, whether it be because men need to 'man up' or because 'men are trash', neither is a good answer, and leads to death. I want businesses and governments around the globe to address global warming, and take steps to combat it, and to wake up the people who still believe it's a 'scam'"* - Female, Gen Z, West, works in Retail

*"I recycle, compost, use an electric car and eco-friendly appliances because it is my responsibility as one of earth's inhabitants to ensure it is liveable for the next generations."* - Female, Gen Z, Midwest, works in Professional scientific and technical services



# Employees want to be heard in the workplace, and have employers advocate on issues they care about

## Exhibit 13

Please indicate how much you agree or disagree with the following statements (total agree/ strongly agree)

Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505, demographic and employment group base size available on page 62.

Younger generations have a voice and they want to use it.

Gen Z and Millennials are significantly more likely to agree that “employees should be allowed to voice their opinions on political and societal issues that matter to them” (57% and 55% respectively).

They also want to influence the issues their employer acts on.

Baby Boomers are least likely to want their voices heard in the workplace. We might therefore assume that the importance of the employee voice will only become more prevalent in the future as the younger generations come to dominate the workforce.

The majority (59%) of the total workforce also agree that “it is important for businesses to speak up/act on societal issues their employees care about/that impact them”.

This sentiment is felt most strongly amongst the younger generations (Gen Z, 67%), females (62%) and those working in metropolitan areas (64%).



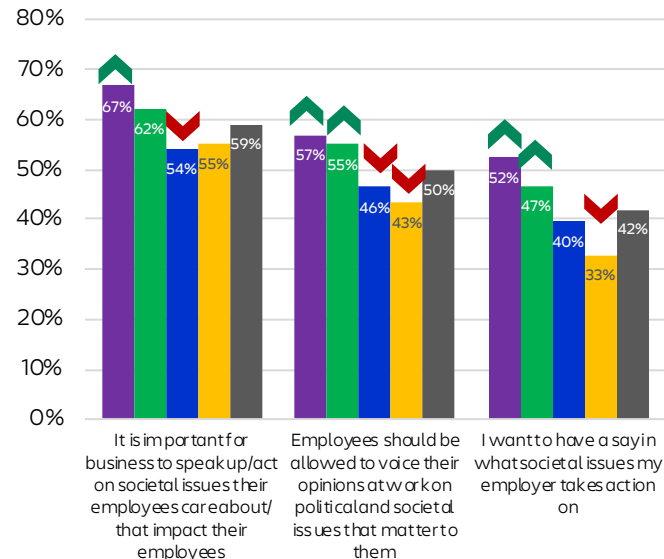
**67%**  
of Gen Z agree it's important for business to speak up



**57%**  
of Gen Z agree they want to be heard



**52%**  
Of Gen Z want to influence in the action decisions



Gen Z Millennials Gen X Baby Boomers Total



Arrows indicate statistically significantly higher or lower than the cohorts identified (95% confidence level)

## Questions for business leaders



How are we involving our workforce in shaping our social impact strategy and in executing on social priorities?

How can I create a two-way dialogue with employees to understand what matters to them?

# As the war for talent increases, advocacy for social issues is an employer drawcard

## Exhibit 14

Please indicate how much you agree or disagree with the statement 'a business known for speaking out on issues that are important to me, is more attractive as a future employer'

% scores

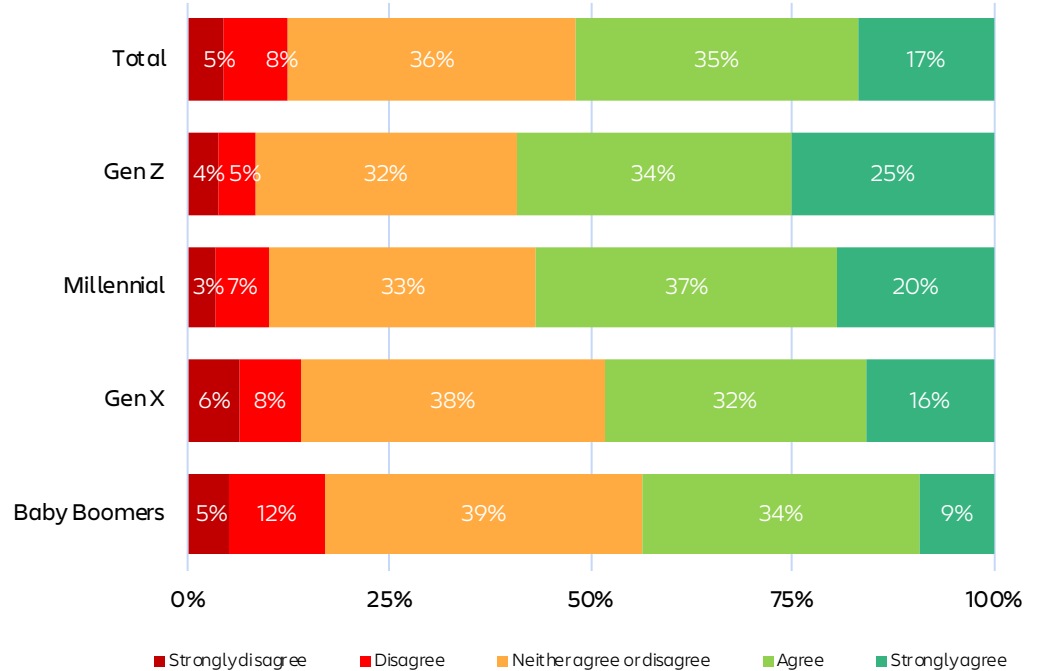
Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

The war for talent is a genuine concern for businesses around the world. In many developed and developing economies, it is not possible to recruit enough skilled people to fill the available jobs.

Again, the emerging workforce proves that a company's impact on society is a key consideration. 59% of Gen Z agree that "a business known for speaking out on issues that are important to me, is more attractive as a future employer".

Matching company values to employee values will provide a key tactical advantage to some businesses, especially among Gen Z and Millennials.

"I think it is absolutely crucial to work for a company that is aligned with my values. I entered into my career with a desire to help people, and my organization does just that. This is fulfilling work." - Male, Millennial, Midwest



# Appropriate action, even when not directly related to the core business, generates public esteem when for the right reasons

## Exhibit 15

Please indicate how much you agree or disagree with the statement I applaud a company for having a public stand on important societal issues not directly related to their business

% agree or strongly agree

Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

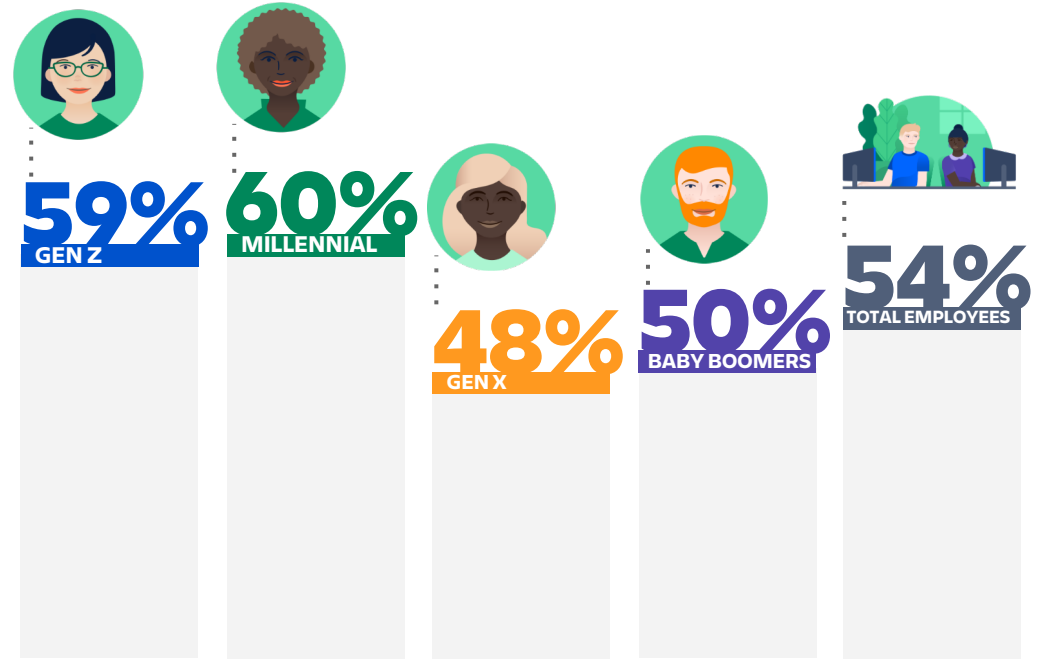
The new social landscape for business is multi-layered and deep. It is a world in which advocacy on key social issues is expected.

But more than that, action doesn't have to relate to a core business function.

Half of all employees (54%) applaud a company for having a public stand on important social issues not directly related to their business. This is the Return on Action.

Ultimately businesses are expected to respect the personal values of employees and stand up for what is right.

There is a reward of increased public esteem for businesses which get the balance of appropriate social issue advocacy with employee values right.





# Employee attrition is a risk for employers, particularly among the emerging workforce, if they do not behave in ways that align with their values

## Exhibit 16

Please indicate how much you agree or disagree with the statement *If my employer were to act in a way that didn't align with my values I would quit my job.*

% agree or strongly agree

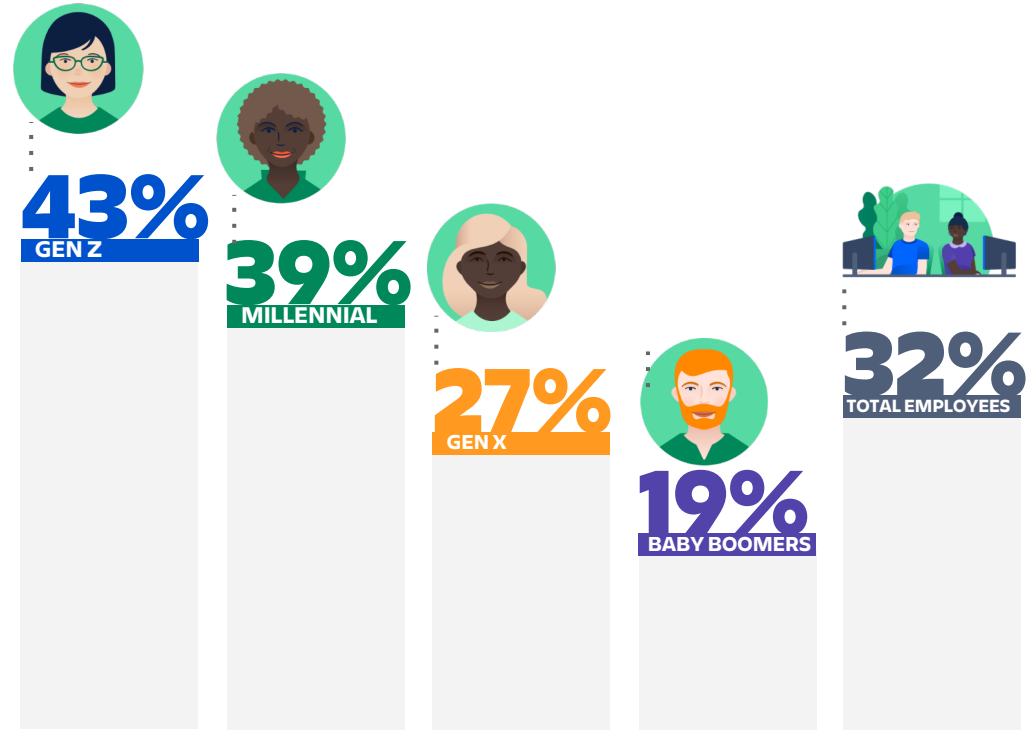
Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

For businesses which get this wrong, there are risks.

One in three (32%) employees reported they would quit their job if their employer were to act in a way that didn't align with their values.

This proportion is significantly higher among Gen Z (43%) and trends downwards to Baby Boomers (19%). The strength of agreement among the younger generations is alarming as they are our future workforce.

**50%** Of employees working in start-ups say they would quit if employer actions and values didn't align



“

I don't know if I would be able to work for a company that doesn't share the same morals and values as me. I want to be proud of the company that I work for. I want to be proud of the work that I do there. I want to be associated with that company.”

---

**Female, Millennial, Midwest, works in Retail**

## TAKEAWAY #3

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**Opportunity emerges  
from heightened  
expectations**



# Opportunity emerges from heightened expectations

How do businesses navigate the new social contract?

Through understanding the current landscape of what businesses are doing now, the issue areas of consensus for businesses to support and behaviours to do so, we identify opportunities to improve and the guidelines for business to start their journey.



# Awareness of employer action is relatively low, with most recall for support of mental health and wellness, and equality issues

## Exhibit 17

Thinking about your own employer, which if any, societal issues are you aware of that your company advocates for or takes action to address? Please select all that apply.

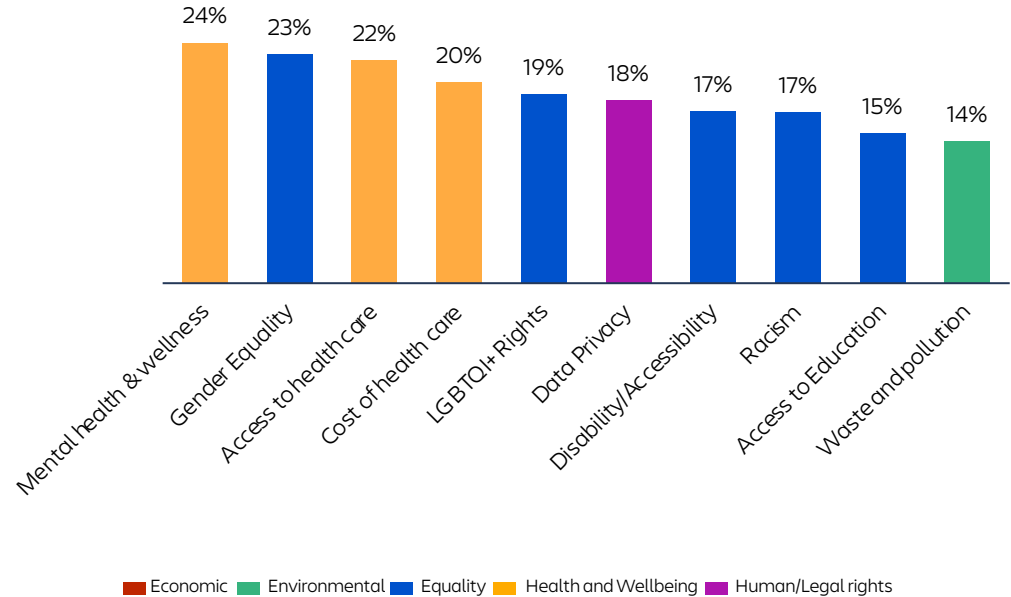
Top 10 % selected "yes" excluding none (16%) and don't know (14%)

Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

We've uncovered a clear warning sign for businesses - many employees don't believe you are doing enough, or they are simply unaware of your existing efforts.

Recognition of action is low. Employers are most commonly known to be active on issues of health and equality including mental health and wellness (24%), gender equality (23%) and access to health care (22%) (exhibit 17).

Gen Z are significantly more aware of actions taken by employers on issues of equality (gender equality 33%, racism 29%, LGBTQI+ rights 26%).



# There are zones of agreement, polarization and disagreement on the social issues business should support

## Exhibit 18

Which of these specific societal issues do you believe businesses should use their resources and influence to support and drive change for?

% yes and % No - 'don't know' excluded

Base: Total respondents n=2421 \*see issue area groupings page 62

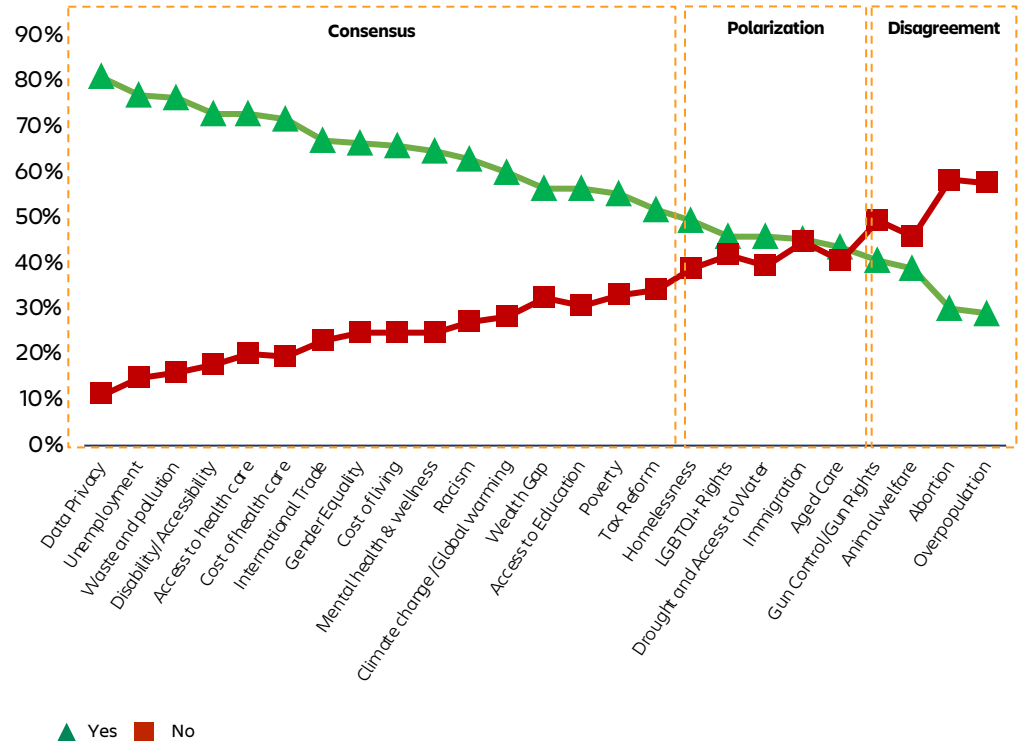
In which areas can businesses drive change?

There is strong agreement across areas such as;

- Human rights/legal (data privacy)
- Economic (unemployment, international trade, cost of living),
- Health (access to health care, cost of health care, mental health and wellness),
- Equality (disability/accessibility, gender equality, racism)
- Environment (waste and pollution)\*.

The strong agreement for business support of waste and pollution is consistent with earlier findings of strong agreement for businesses to take responsibility for their environmental impact (exhibit 5).

The polarization zone shows the issues where fewer than 50% of employees agree businesses should act.



# A business' social contract may be influenced by the age of their workforce



Younger generations are more likely to agree businesses should support issues relating to environment, equality and human/legal rights, while Baby Boomers are more likely to agree business should support issues of data privacy, cost of healthcare and international trade.

Both Gen Z and Millennials are significantly more likely to agree to businesses support of climate change/global warming (Gen Z 66%, Millennials 63%, Gen X 57%, Baby Boomers 55%), drought and access to water (Gen Z 54%, Millennials 51%, Gen X 40%, Baby Boomers 39%), racism (Gen Z 72%, Millennials 65%, Gen X 60%, Baby Boomers 58%), LGBTQI equality (Gen Z 55%, Millennials 50%, Gen X 42%, Baby Boomers 39%), the wealth gap (Gen Z 60%, Millennials 64%, Gen X 52%, Baby Boomers 45%), poverty (Gen Z 66%, Millennials 61%, Gen X 50%, Baby Boomers 45%), gun control/rights (Gen Z 50%, Millennials 48%, Gen X 35%, Baby Boomers 32%) and abortion (Gen Z 48%, Millennials 36%, Gen X 24%, 17% Baby Boomers) than the older generations of Gen X and Baby Boomers.

Baby Boomers are significantly more likely to say yes to businesses supporting issues of data privacy (89%) than all other generations (Gen Z 72%, Millennials 78% and Gen X 83%), cost of health care Baby Boomers 76%, Gen Z 64%, Millennials 72% and Gen X 72%) and international trade (Baby Boomers 74%, Gen Z 57%, Millennials 64% and Gen X 69%).

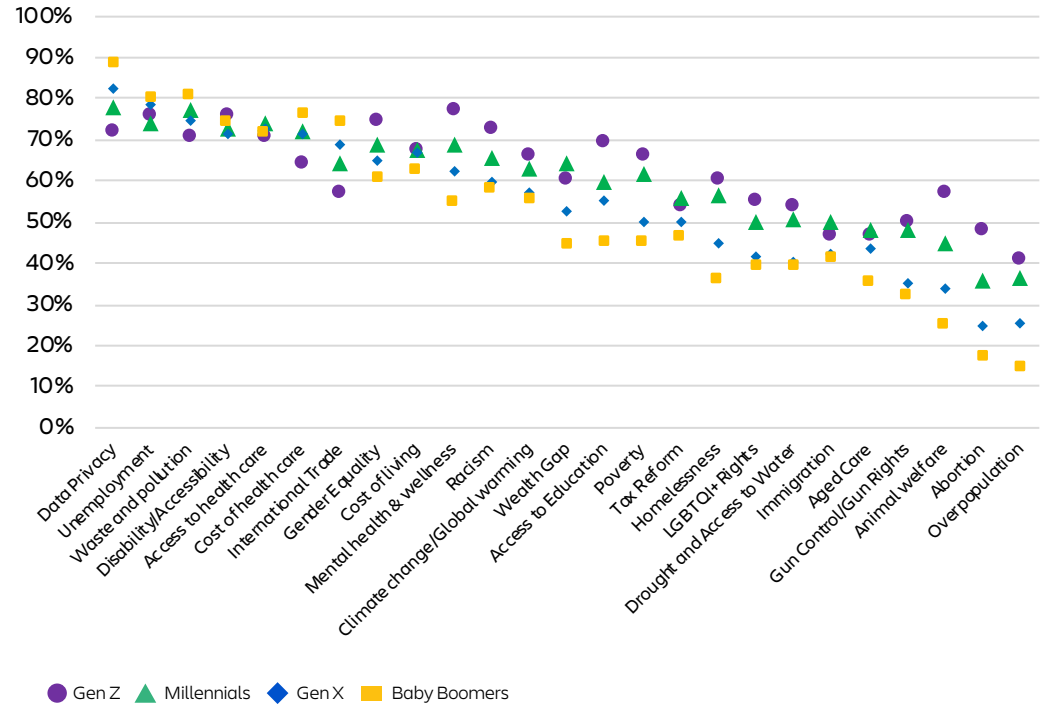
# Younger generations are more likely to seek business support for equality, the environment and human/legal rights

## Exhibit 19

Which of these specific societal issues do you believe businesses should use their resources and influence to support and drive change for?

% yes

Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505





# Some variation of support by industry, yet a ‘safe zone’ for advocacy exists with consensus agreement of top issues



Results also differ by industry.

The issues of greatest consensus remain true and the top 10 are generally a “safe zone” for advocacy across industries. There are however varying strength of agreement within the specific issues;

- Employees of the health industry feel most strongly about business support of many issues including data privacy (86%), disability/accessibility (79%), access to health care (78%), mental health and wellness (69%) and aged care (47%) compared to most other industries.
- Employees of the retail industry are significantly less likely to agree to business support of international trade (59%) compared to most other industries yet feel most strongly for business support of racism (68%, poverty (62%) compared to all other industries.
- Employees of the manufacturing industry feel most strongly about business support of international trade (71%) compared to all other industries and are least likely to agree to business support of LGBTQI+ equality (37%).
- Employees of financial and insurance services, and professional, scientific and technical services show similar patterns of response and stronger agreement for LGBTQI+ equality than most industries (48% and 50% respectively).

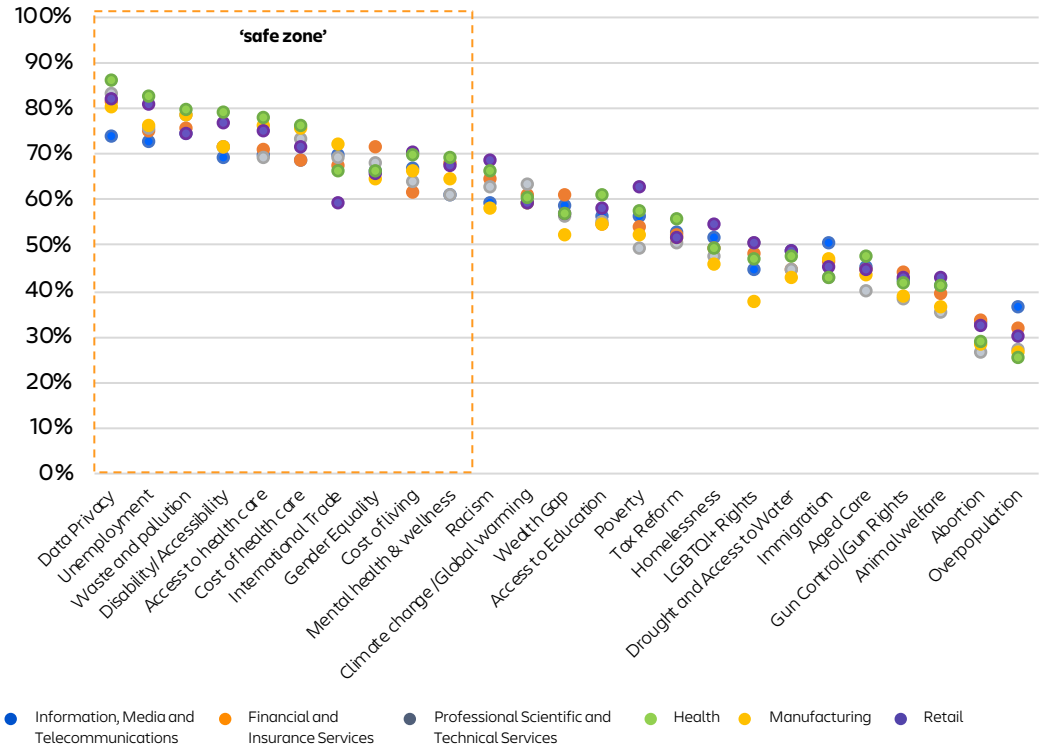
# Some variation of support by industry, yet a 'safe zone' for advocacy exists with consensus agreement of top issues

## Exhibit 20

Which of these specific societal issues do you believe businesses should use their resources and influence to support and drive change for?

% yes

Base: total respondents n=2421 demographic and employment group base size available on page 62



# Views on why business should not be involved in supporting specific social issues are varied

## Exhibit 21

You mentioned that businesses should not get involved in [INSERT 1 “No” ISSUE]. Which of the following best describes your reasons why? Please select all that apply.

% agree to each reason why

Base: (rebased to) Total respondents n=2421

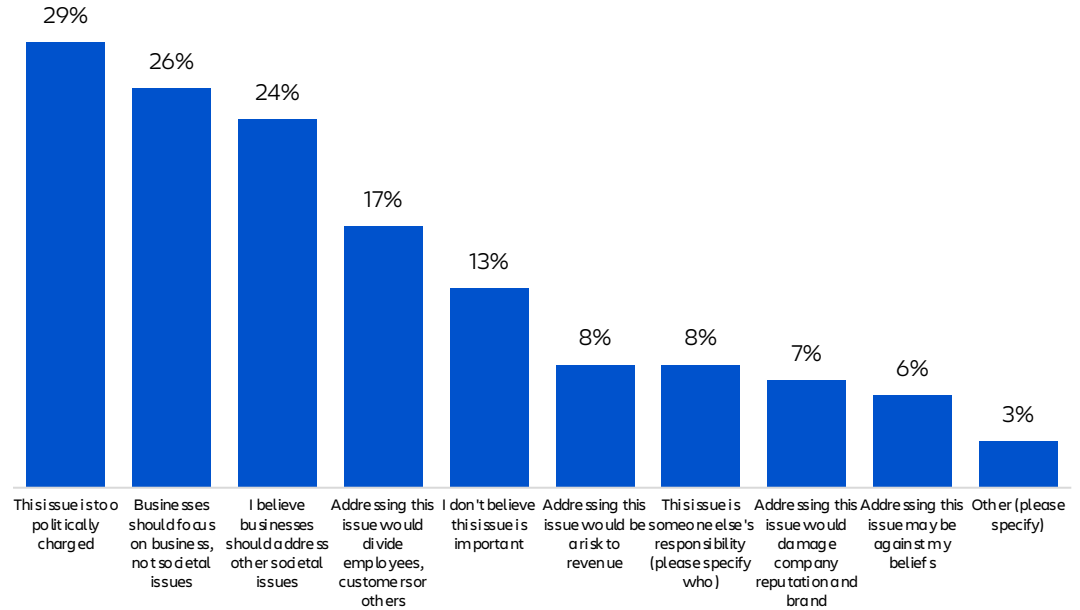
For those employees who don't want businesses to act on particular societal issues, we asked why.

Some cite a lower perceived importance of a particular issue, some say business should focus on business, and others believe some issues are too politically charged.

The intersection of politics and business concerns some employees.

“I wish that they could do more on issues that don't neatly fit into the 'neutral' center, where most everyone agrees that action needs to be taken. Unfortunately the reality of our political climate, including their personal politics, would make this a poor decision for a small business in a rural area” - Male, Baby Boomer, Northeast, works in Retail.

“Just do what they [business] do with the least harm to the environment and the greatest good for our people and stay out of politics.” - Male, Gen X, West, works in Manufacturing.



## Questions for business leaders



Do we have the right infrastructure to drive, manage and communicate social issues to our workforce?

Are the actions taken impacting the employee culture in a meaningful and positive way?

# There is an opportunity for business to build trust by taking authentic positions on social issues

## Exhibit 22

Please indicate how much you agree or disagree with the statement 'I trust businesses to be genuine when speaking out on societal issues'

% scores

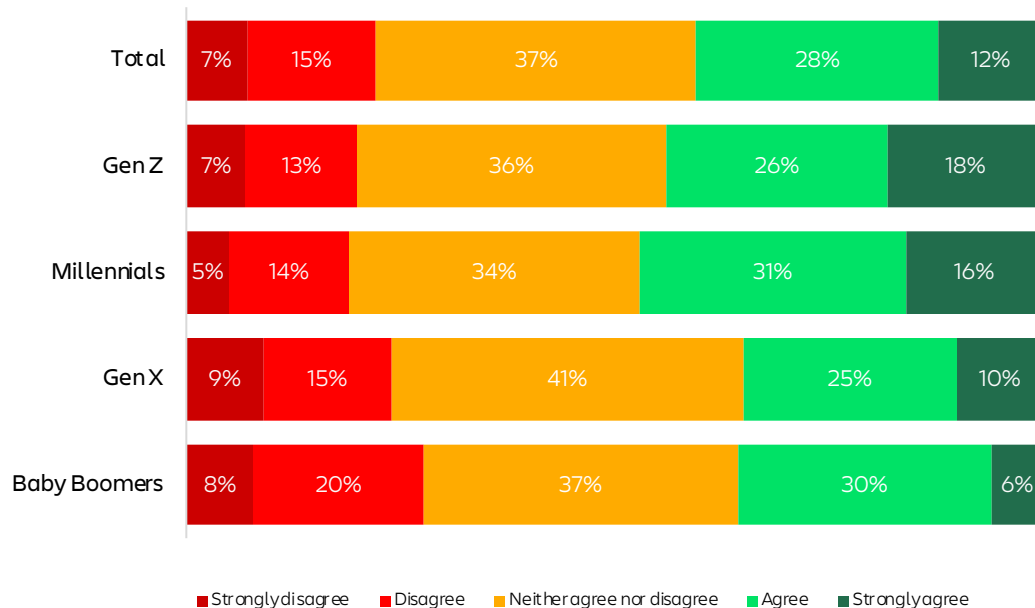
Base Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505

When winning trust, consistency is paramount. And on this, businesses have work to do.

40% of participants trust businesses to be genuine when speaking out on societal issues.

However, a similar proportion are unsure, stating 'neither agree or disagree' and 22% disagree.

This increases with age, climbing to 28% among Baby Boomers. There is opportunity for businesses to build trust by taking authentic positions on social issues.



# Where can businesses start?



Where can businesses start?

Comparing relative importance of issues at a personal level with expectations of where business should do more, we identify two opportunity areas for action.

The “sweet spot” of high relative importance and high expectation of business highlights a core opportunity of action on health and on the environment.

Digging further, this is particularly true of mental health and wellness, and waste and pollution. Business action for issues of health and the environment also observed highest existing awareness amongst employees, however, this remains on the low side.

The zone of lower relative importance yet high expectation of business highlights an area for businesses to differentiate themselves and lead. This applies to issues such as equality, data privacy and some economic areas such as unemployment and international trade.

# Opportunity is strongest where there is alignment between importance to employees, and expectation of business action

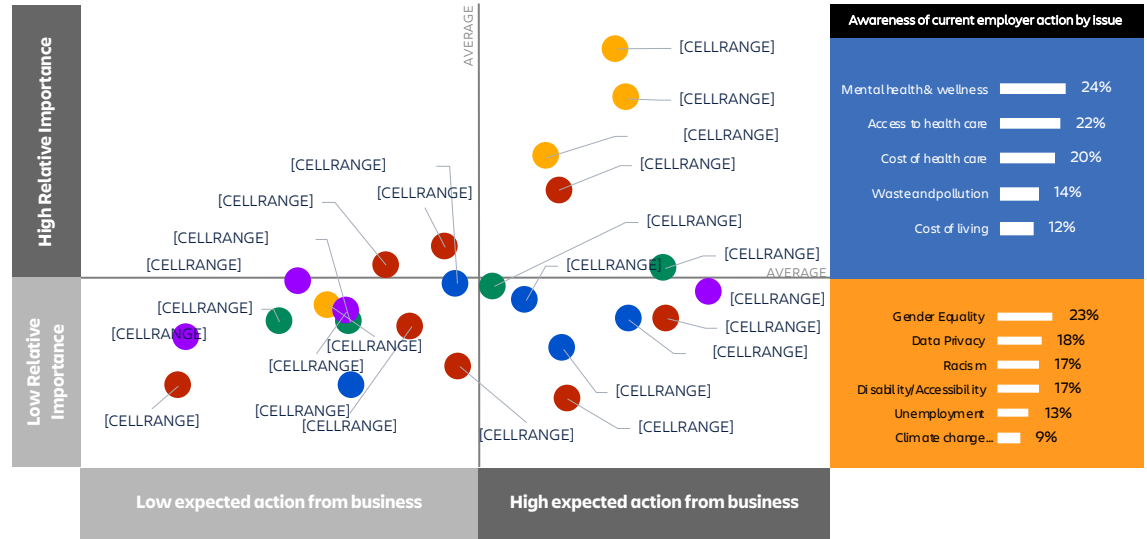
## Exhibit 23

Vertical axis: Considering your own personal values, please identify the issue that is most important to you, and the issue that is least important to you personally (relative importance score)

Horizontal axis: Thinking about the specific social issues. Which of these specific issues do you believe businesses in the U.S. should use their resources and influence to support and drive change for? (%Yes)

Table right: Thinking about your own employer, which if any, social issues are you aware of that your company advocates for or takes action to address (% yes)

Personal relative importance scale from 0 to 2.6  
 Expectations of Business action scale 20% to 90%  
 Base: Total respondents n = 2421



● Health and Wellbeing ● Equality ● Economic ● Environmental ● Human Rights / Legal

# How can businesses start?



How can businesses start?

The range of actions business is expected to take is broad - from changing core company values and behaviors, to investment of time or funds, and public displays of support and/or political alignment.

There is greatest consensus for business to define their values and change company policy. This is the starting point.

The younger generations are also least likely to tolerate inaction, with only 11% of Gen Z saying no action, I don't know or I don't care, when asked what businesses should do. Gen Z, who are the future workforce, are most likely to expect businesses to undertake most of the behaviors, compared with other generations. This supports the earlier finding that Gen Z are most engaged on issues they care about.



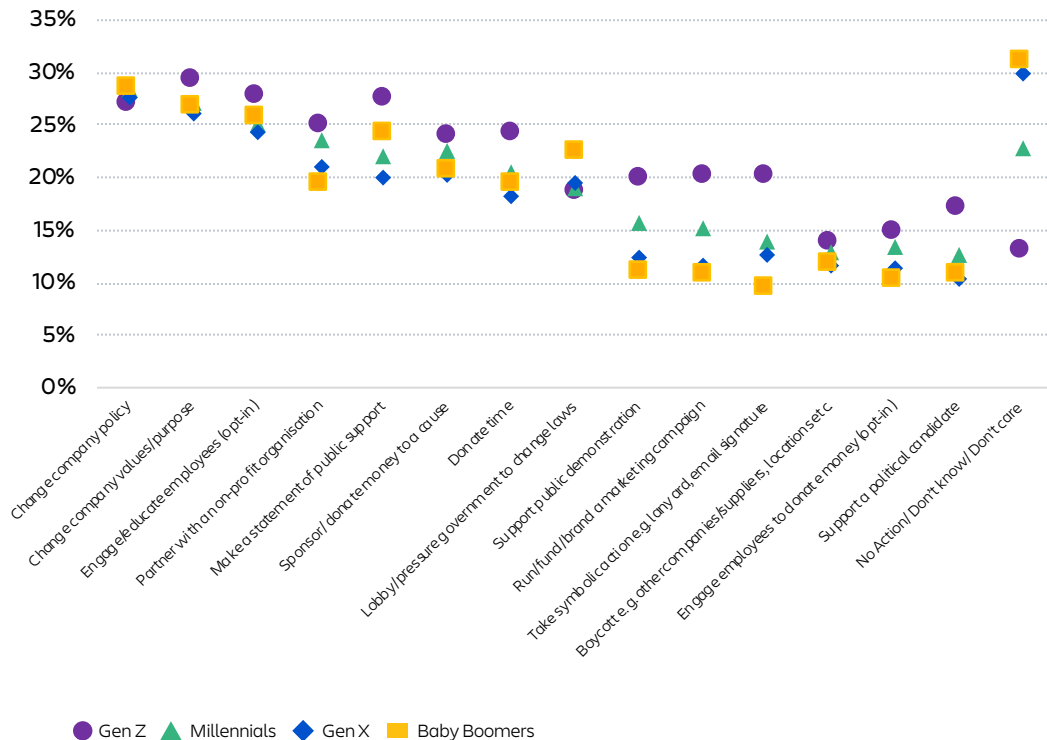
# Gen Z are least tolerant of inaction and expect multiple forms of action from their employer

## Exhibit 24

We would now like you to consider the relationship between business and each of the broad societal issues. What should businesses be doing to address these issues?

% average across issue types

Base: Total respondents n=2421, Gen Z n=246, Millennials n=989, Gen X n=681, Baby Boomers n=505



“

Some businesses, for example, like the biggest banks here in my community, should at least stand for something, like ending poverty or financial education, but they choose not to. So I closed all my accounts at this bank and I now bank at a credit union that advocates for immigration reform, helps fight hunger, and offers super low (like really low) loan rates to small businesses, therefore helping our local economy.”

---

**Female, Gen X, South, works in Retail**

# Research methodology



PricewaterhouseCoopers Consulting (Australia) Pty Limited completed the research to support this work. The research aimed to deepen understanding of how societal issues are regarded by the U.S. workforce in terms of:

- Relative importance and support
- Expectations of responsibility ; and
- Risks and opportunities for business

This report takes a workforce perspective, exploring how views differ by segments such as demographics, industry and size of business. The aim is to contribute to a more nuanced understanding of how businesses can act to improve outcomes not only for society, but for their employees.

## Qualitative Research

The purpose of the qualitative research was to generate initial exploratory insights to inform the direction and specific content of the quantitative survey. More specifically, the qualitative research validated the perceived importance of this topic amongst employees, explored values of a workplace and identified points of tension across societal issue importance, perceptions of institutional responsibility and business behaviors.

Three x three day online discussion forums were conducted by PricewaterhouseCoopers Consulting (Australia) Pty Limited with participants sourced and managed by a global market research panel provider. The qualitative research commenced in early November 2019 and included a total of n=98 U.S. workers, aged between 21-65 years old, working across a cross section of industries in both metropolitan and regional areas (further details provided page 62).

# Research methodology (continued)



## Quantitative Research

In addition to addressing the research objectives above, the quantitative research provided comparative analysis across demographics, regions, employment industries and other profile measures (as identified in the sample details page 62). This allowed for the identification of:

- Which societal issues matter most, by how much and to whom
- Size of perceptual differences and gaps

The online survey was up to 15 minutes in length and conducted between 9/12/19 - 18/12/19 running simultaneously in both the US and Australia.

N=2421 US employees participated in the survey, with representation across demographics, region and a cross section of employment industries. ‘Employees’ were defined as those employed on a permanent, part time or casual basis, who work at least 15 hours per week, have been employed by their current, main workplace for at least 3 months and work within one of 6 designated industries (identified page 62).

A boost of n=96 employees working in startups was included as part of the US quantitative research. A “start up” was defined as an employee working for a business with 1-99 employees, in the industries of information, media and telecommunications or professional and scientific services. Employees were asked to self report if they considered their employer a startup.

# Research methodology (continued)



## Quantitative Research

The survey analysis included a trade-off task known as Maxdiff or Best/Worst, to determine the relative personal importance of 25 issues identified as key concerns in the qualitative research and assessed in the quantitative survey. The exercise presented respondents with a subset of four (4) specific issues. They were asked, considering their own personal values, from each subset, to identify the issue that is most important to them personally and the issue that is least important to them personally. This task was repeated, showing each respondents 10 sets issues, selected randomly.

The data in this report is significance tested to a 95% confidence level with a margin of error of 2% which means statistics are within 2 percentage points of the real population 95% of the time.

# Qualitative and Quantitative Research Sample

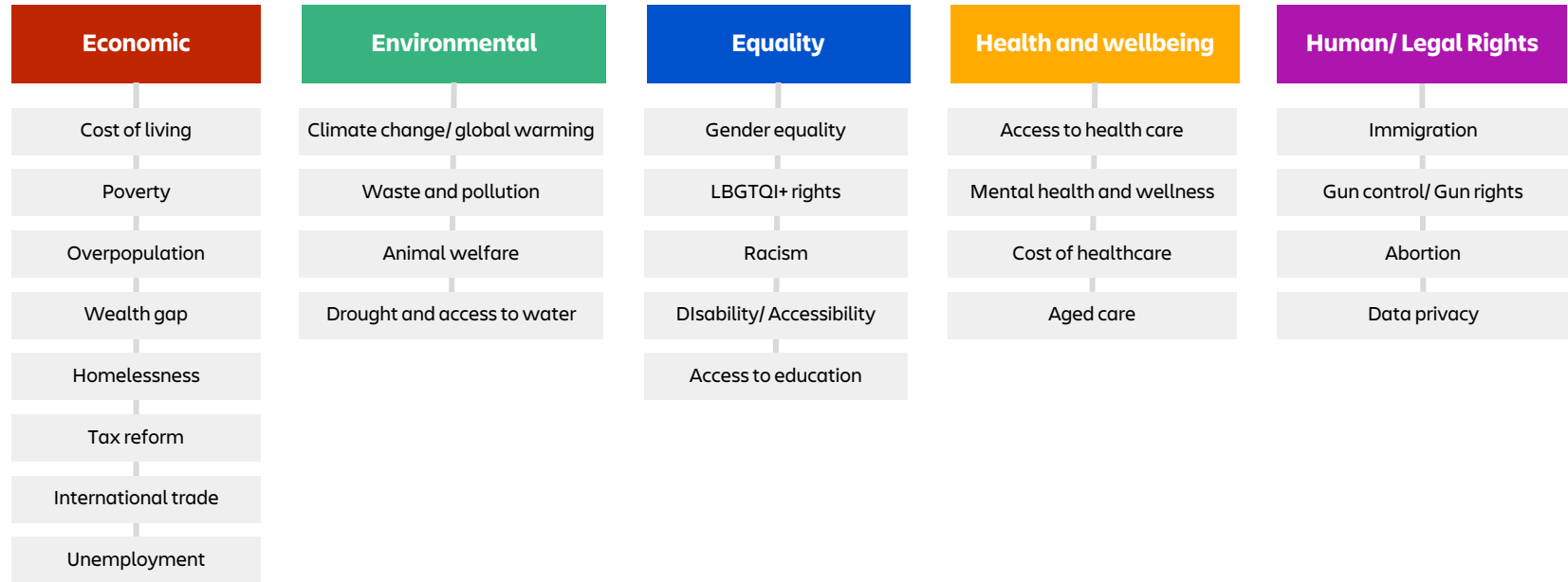
Achieved- US					
Quantitative – U SA (margin of error 2%)			Qualitative		
	N=2421	%		N=98	%
Gen Z (21-24)	246	10%	Gen Z (21-24)	4	4%
Millennials (25-42)	989	41%	Millennials (25-42)	45	46%
Gen X (43-54)	681	28%	Gen X (43-54)	32	33%
Baby Boomers (55-65)	505	21%	Baby Boomers (55-65)	17	17%
<b>Male*</b>	1147	47%	<b>Male</b>	51	52%
<b>Female</b>	1258	53%	<b>Female</b>	47	48%
East	442	18%	East	18	18%
Midwest	528	22%	Midwest	25	26%
West	515	21%	West	21	21%
South	936	39%	South	34	35%
<b>Urban areas</b>	2097	87%			
<b>Other</b>	324	13%			
Information, Media and Telco	409	17%	Information, Media and Telco	15	15%
Financial and Insurance services	402	17%	Financial and Insurance services	10	10%
Professional, scientific and technical services	402	17%	Professional, scientific and technical services	9	9%
Manufacturing	401	17%	Manufacturing	19	19%
Retail	405	17%	Retail	22	22%
Health	402	17%	Health	23	23%
<b>Employees of micro. 5-9</b>	151	6%	<b>20-49 employees</b>	1	1%
<b>Employees of small 10-99</b>	510	21%	<b>50-99 employees</b>	9	9%
<b>Employees of med 100-499</b>	477	20%	<b>100-499 employees</b>	18	18%
<b>Employees of large 500+</b>	1283	53%	<b>500-999 employees</b>	13	13%
			<b>1000+ employees</b>	57	58%

\*US n=16 coded other

# Five categories and twenty five social issues were explored



## Issues Placemat



# Thank you

