

Matching

method

to

mission

Key considerations for the charity sector on
sustainability and corporate responsibility

April 2019

Introduction

This report examines a simple premise:

It's no longer enough for a charity's purpose to be reflected in what it does and the impact it has. Purpose has to be embedded in every aspect of how the charity acts.

It seems obvious and difficult to argue with yet, as research shows, in broad terms it is an aspiration rather than a reality in the voluntary sector. That is in marked contrast to the business world where sustainability and corporate responsibility are mainstream concerns and increasingly critical for success.

Does it matter? Yes. Recent examples of poor charity behaviour impact not only that charity but the sector as a whole.

In this report, we explore current charity behaviour on this issue, looking at the biggest and most high-profile charities as the bell weather for the sector. We examine the reasons why this is an issue that the sector and individual charities need to respond to, and finish with recommendations on what form that response could take.

A strong, robust and trusted voluntary sector is needed now more than ever. For all our sakes, we must ensure each charity's method of delivery matches its mission.

Key findings

Charities, sustainability and corporate responsibility

Progressive businesses have been increasingly investing in their sustainability and corporate responsibility practices for the last 25 years, with many now having senior leaders whose entire role is focused in those areas.

In order to understand how this trend has been reflected in the voluntary sector, the annual reports, websites and LinkedIn profiles for the top 100 fundraising charities were reviewed to see if they had publicly available sustainability or corporate responsibility policies or plans, or if any staff members had those terms as part of their job title. We've highlighted the main findings below in blue.

Clearly, the disciplines of sustainability and corporate responsibility have barely made a dent in the cultures of the largest charities in the UK. While they all signal a myriad of standards, frameworks and membership bodies they are part of, very few of the top 100 fundraising charities have any named person or plan that covers all aspects of how they deliver their work and the impact it has socially and environmentally.

Only two (Cancer Research UK and RNLI) of the top 100 charities have a publicly available corporate responsibility policy

10% of the top 100 fundraising charities had a named sustainability lead (all found through LinkedIn searching rather than clearly labelled on website/ comms platforms)

Just 13 out of the 100 charities had an employee whose role involved an element of corporate responsibility

In all cases, **corporate responsibility**, if mentioned, referred to the businesses charities work with, **but not to the charities themselves**

Within the webpages and annual reports **“sustainability” as a term** was most commonly associated with **‘finances’**

Why this matters: public trust

Businesses invest in corporate responsibility and sustainability for a number of different reasons:

- To maintain and enhance their licence to operate, particularly in industries that are highly regulated, such as banking
- To increase their reputation as employer of choice in a competitive recruitment market where new graduates are increasingly looking for employers that reflect their values
- To increase the positive social and environmental impact of the business, helping to tackle global and local challenges
- To reduce the risk of bad practice and the subsequent impact on reputation and levels of trust

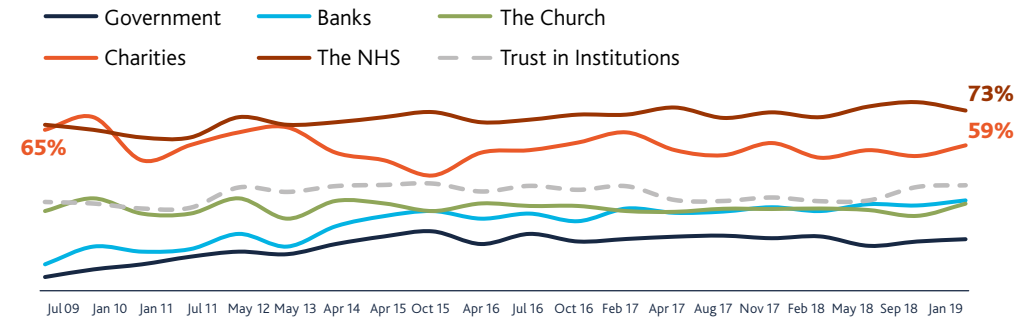
All of these reasons also apply to charities, but it is the last one that is perhaps the most pertinent. The recent report from nfpSynergy and ACEVO, "Trust in charities and why it matters", highlights the impact that scandals and bad practice in charities can have on public trust:

Trust in charities is volatile and highly susceptible to disruption by negative media coverage. This is especially true for older age groups whose trust is most fragile (see figure 1).

Trust in charities does recover when they are not in the news for the wrong reasons, even though this process tends to take a while. However, the fact that trust in charities was above 65% for the last time in May 2013 indicates that we are potentially facing a long-lasting crisis of trust in charities (see figure 2).

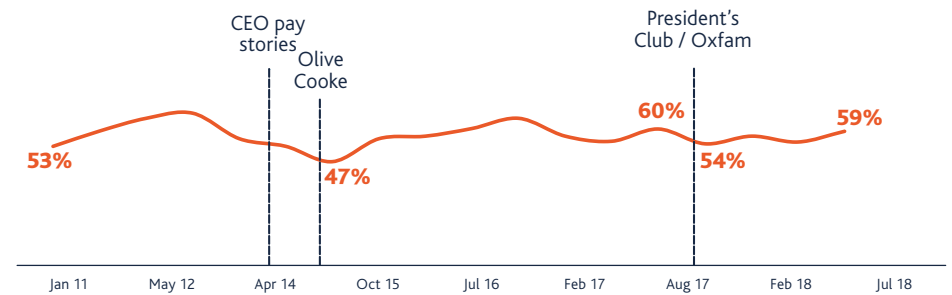
Trust in charities appears to be mainly driven by whether people believe that charities are ethical and honest, and whether they believe that charities are well-run (see figure 3).

Figure 1: Trust in institutions 2009–2019



Source: Charity Awareness Monitor, 2009–2019, nfpSynergy | Base: 1,000 adults 16+ per wave, Britain

Figure 2: Trust in charities over time



Source: Charity Awareness Monitor, 2011–2018, nfpSynergy | Base: 1,000 adults 16+ per wave

Figure 3: The drivers of trust by relative importance (%)



Source: nfpSynergy international survey, September 2018, nfpSynergy | Base: 6,600 adults 16+, 9 countries

In summary it is clear that:

High profile scandals and the negative media and social media coverage they generate has a significant impact on levels of trust, not just in the organisations affected but in all charities

How charities operate and how ethical and honest they are form the key drivers for public trust, over and above the impact they make in terms of their mission

There is a clear link between those two insights. By examining recent high-profile scandals and reputational crises affecting charities, common threads between how the charities are involved and the causes of the scandals emerge.



Lack of leadership

Leadership is often framed in the singular but it is most effective in the plural. Many people within a charity can and do fill a leadership role, whatever their position in the hierarchy and especially when it comes to communication. This includes the crucial role of governance from Trustees. When this was missing or not as effective as it should be, and there is no representation of values or an openness about mistakes, the method started to unravel. It was difficult to see how bad practice was being sorted out and in worse cases, delegation became an easy form of passing the buck.



Need for more joined up thinking

Often there was a disconnect between leaders and 'on the ground' staff: there may have been several departments working in silos and towards separate goals. A 'beneficiaries first' approach became toxic as the charity forgot all its other stakeholder groups; from the employees, to the environment and communities they operate within.



Exposing skeletons in the closet

For every enthusiastic volunteer who wants to change the world, there are also those with less-than-perfect intentions, judgement or moral compass. When a charity was not transparent or proactive in dealing with and responding to issues, there was little room to learn from those mistakes.



Toxic working cultures

Reports of bullying, staff harassment and discrimination, while not specific to the charity sector, were widespread. It contributed to poor mental health for individuals and undermined the performance of the organisation and ultimately, their impact. Like most of these common threads, it is inherently interlinked to others including leadership and whistleblowing.



The importance of supporting people to speak up

When charities didn't retain a set of shared values or have appropriate channels for whistleblowing, employees and volunteers became unempowered and too scared to admit when something has gone wrong. Regardless of the problem – from misappropriation of funds to safeguarding issues – a culture of speaking out and being listened to was often missing.



The 'Halo effect'

While many charities tick the boxes for the various charity regulator or standards bodies, their practices rely on an outdated belief that because they are a charity, everything they do must be beneficial. Whether it's not being more inclusive in their hiring, not paying a living wage or using suppliers that are flagrantly contributing to climate change, those day-to-day decisions have huge knock-on effects. They mean the charity is not meeting the public's expectations and reinforce the stigma that charities act like they are entitled to get away with things because of the work they do.



Why this matters: a business perspective

Katie Buchanan – Head of Sustainability at Virgin Media



I've been in my current role for the last ten years and in that time I have witnessed sustainability activity move towards the heart of how progressive businesses operate. For any big business with ambitious growth plans like Virgin Media, it's important that growth is achieved in a way that's good for commercial success and for people and the environment.

For a business like ours, our sustainability goals help shape what we do and how we do it – at every level of the organisation. Over time, we have focused on doing fewer things really well. When I started in this role we had 25 sustainability targets and 29 charity partners – it was a spaghetti of different initiatives which had limited impact. Today, we have five clear goals for a five year period – including a strategic long-term charity partnership.

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Our sustainability strategy is built on clear insight from our people and our customers and reflects our commercial priorities. It's incredibly helpful to have a supportive senior team who recognise the importance of clear focus areas, governance and the value that our sustainability activity can bring.

With a clear focus comes clear expectations for everyone involved in helping us achieve our ambitious goals.

This includes the long-term partnership we have our charity partner, Scope, who share our commitment and level of ambition in creating inclusive businesses for disabled people across the UK in order to support a million disabled people to get and stay in work by the end of 2020.

The nature of corporate partnerships is shifting away from the short term and tactical to the long term and strategic. Businesses like ours want to create transformational, impact driven change. And these partnerships require significant time, energy and resources – a commitment which must be shared by any charity partner.

It is about building a long-term relationship, especially at a senior level on both sides, often CEO to CEO.

Charities have their mission built-in but perhaps don't put as much focus on how they deliver against that mission. In my time working with charities I have not come across someone whose job was solely or even partly focused on sustainability activity within a charity – one area where charities are in danger of falling behind the progressive business community.

As more businesses become purpose-driven, a sense of mission is being driven from the Boardroom so business is run in the right way. Social sector organisations need to give the same attention to how they conduct themselves otherwise they may find it difficult, if not impossible to find progressive businesses to build long term, sustainable and productive partnerships.

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Ultimately, charities don't have a monopoly on creating social change and businesses may choose to take on a social issue without them.

Conclusion

The evolution of sustainability and corporate responsibility in the business world has reached the stage where mainstream business leaders are talking about putting their social mission at the heart of what they do. Sustainability has gone from the margins to the mainstream.

For charities, their social mission is baked in so they haven't been through the same evolutionary cycle around sustainability and corporate responsibility. Instead, with the focus on mission, a forest of different, disparate initiatives, standards and frameworks have developed to keep organisations on the straight and narrow.

However, passive compliance isn't good enough anymore. There is increasing scrutiny on how charities go about their work as well as the impact they make, the rise of social media has heightened the risk of bad practice at any level within an organisation getting publicly called out, and people starting out on their careers expect prospective employers of every sector to be progressive in the way they operate.

Based on the evidence and on learnings from the business sector, there are nine ways charities can ensure their methods match their mission:



1. Have a helicopter view

On a regular basis, take a step back and consider the bigger picture of how the charity is operating, above and beyond the initiatives and frameworks that cover issues like diversity and ethical fundraising. Use a tool like bimimpactassessment.net to give a different way of considering the method and the impact being made across all stakeholders.

Inspiration from the sector:



Cancer Research UK is one of the few top 100 charities that has a [corporate responsibility policy](#), meaning it is taking the time to look at the bigger picture, and the impact of their people and organisations beyond their immediate organisation goals.



2. Ask, listen and respond

Progressive organisations treat their own staff as their one of their most important audiences – give them the opportunity to raise issues and concerns, talk them through openly and do something about them.

Inspiration from the sector:



Who Cares? Scotland was founded after finding out that politicians were willing to commit to immediate and radical change in the laws, after hearing the voice of service users.



3. Be a progressive leader

Do as I say not as I do isn't a sustainable approach to leadership. Senior leaders in charities need to set the example when it comes to living the values of the organisation through how they work and how they manage and lead others. They set the culture and behaviour of all.

Inspiration from the sector:

Dhananjayan Sriskandarajah, Chief Executive of Oxfam:

After joining Oxfam at a difficult time, Sriskandarajah was brought in to challenge what was happening. *"We have to get much more serious. If ever there was a platform and a moment to reimagine, repurpose, this is it,"* he said in an FT interview, as well as discussing the role organisational change had to play, alongside considering the roles of the donors and recipients within the organisation.

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4. Reflect your community

Diversity and inclusion should not be a box-ticking exercise – make room for people from all the communities the charity supports and operates in, and listen to them. Yes it might challenge the status-quo, but the new ideas and approaches introduced will be critical to long term success.

Inspiration from the sector:



Sightsavers have a social inclusion working group, bringing together people from across the organisation to help achieve their diversity goal. They have a clear commitment to inclusion and are transparent around their actions and achievements, with clear support and broad involvement from their CEO down.



5. Go beyond compliance

No progressive organisation should be aiming for compliance. Create a culture that values being progressive in how the charity works rather than seeing standards and frameworks as impediments to delivering against the mission.

Inspiration from the sector:



Midlands Air Ambulance Charity is just one charity to have been accredited with NCVO's Trusted Charity standard, which exists to build public trust and confidence – in individual charities, and in the sector as a whole.



6. Devolve power

Push power and responsibility to where the real change takes place and give the people living and breathing the issues the agency and support to act. Give them a voice in the charity's approach and ways of working.

Inspiration from the sector:



Autistica has changed its staffing model, shifted its fundraising strategy, and shaped new alliances. The charity publicly stated an aim to transfer priority-setting power to its community, developed a new methodology for setting research priorities, and sought funding to make it a reality.



7. Show your workings

Don't lament the reality gap between how many charities operate and how the public think they do and should. Treat everyone, including staff, as adults and be transparent about what the charity does and how it does it, celebrate when it goes right, be open when it goes wrong and say what is being done in response to problems.

Inspiration from the sector:



Clic Sargent's latest impact report highlights the risk and uncertainties they are tackling alongside their achievements for the year.

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8. Collaborate, co-operate and partner

Charities do not have a monopoly on social change and it is increasingly important to work with other charities, businesses and government bodies to extend reach and impact as quickly as possible. Being progressive in ideas and approach will make a charity a much more attractive partner for change.

Inspiration from the sector:



Paris Smith Charity Forum promotes exchange of information and ideas between Chief Executives and Trustees of charities. Membership is free and provides forums, major regional conferences, newsletters and practical advice. They are an opportunity for Trustees and senior management teams to connect with each other and discuss issues in a secure environment.



9. Invest in people and systems

HR, Governance and sustainability are not overheads, they are essential components of a progressive sustainable organisation. Investing in them is essential.

Inspiration from the sector:



RHP carried out an end-to-end review of all people processes, resulting in changes to recruitment, investment in training and the introduction of a peer voting system where employees can pitch for ideas that they would like the organisation to invest in. Winning awards from **'Great Place to Work'** and **'Investors in People'** as recognition.

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What do you want to change?

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nfpSynergy is a research consultancy that aims to provide the ideas, the insights and the information to help non-profits thrive.

We have over a decade of experience working exclusively with charities, helping them develop evidence-based strategies and get the best for their beneficiaries. The organisations we work with represent all sizes and areas of the sector and we have worked with four in five of the top 50 fundraising charities in the UK.

We run cost effective, syndicated tracking surveys of stakeholder attitudes towards charities and non-profit organisations. The audiences we reach include the general public, young people, journalists, politicians and health professionals. We also work with charities on bespoke projects, providing quantitative, qualitative and desk research services.

In addition, we work to benefit the wider sector by creating and distributing regular free reports, presentations and research on the issues that charities face.