

April 30, 2020

Social Impact Leadership: A Multi-generational Imperative

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A new reality

How COVID-19 is impacting three critical elements of life

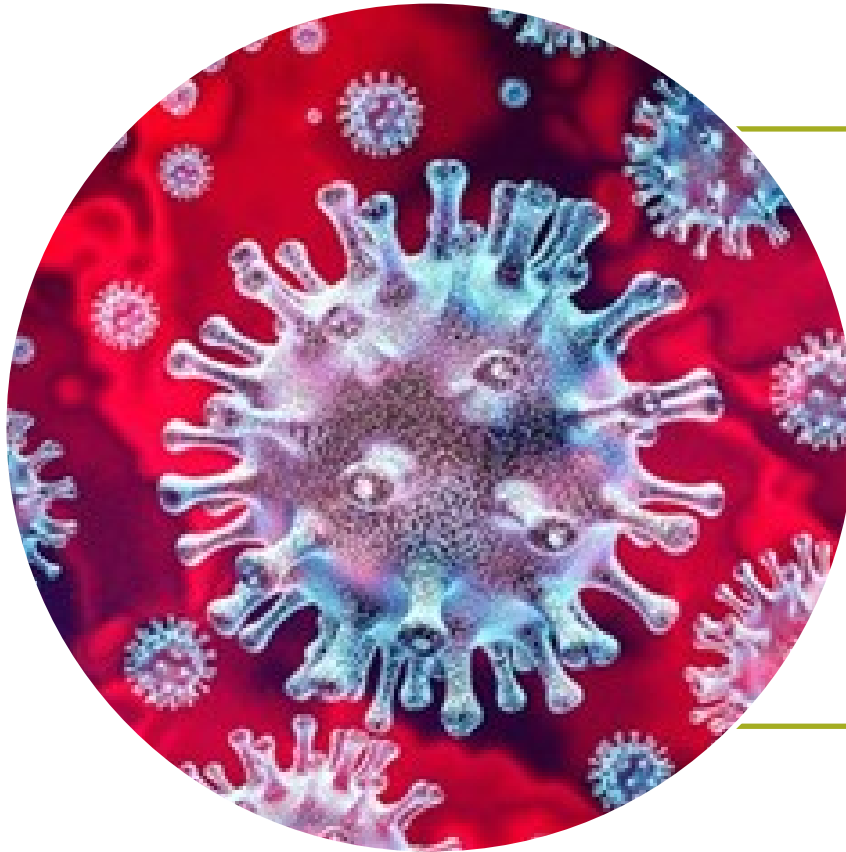
- Health and well being
- Climate and sustainability
- Workplace dynamics

Implications for corporate leadership

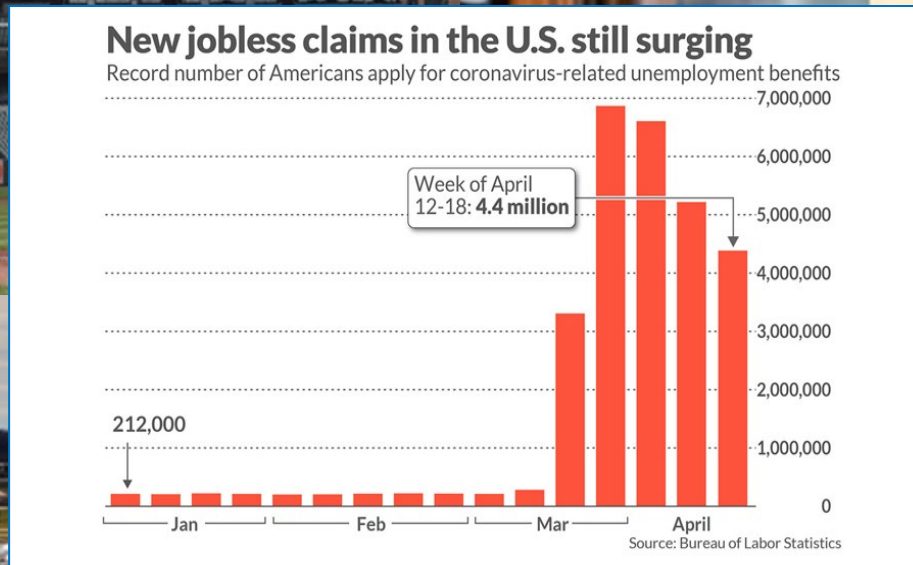
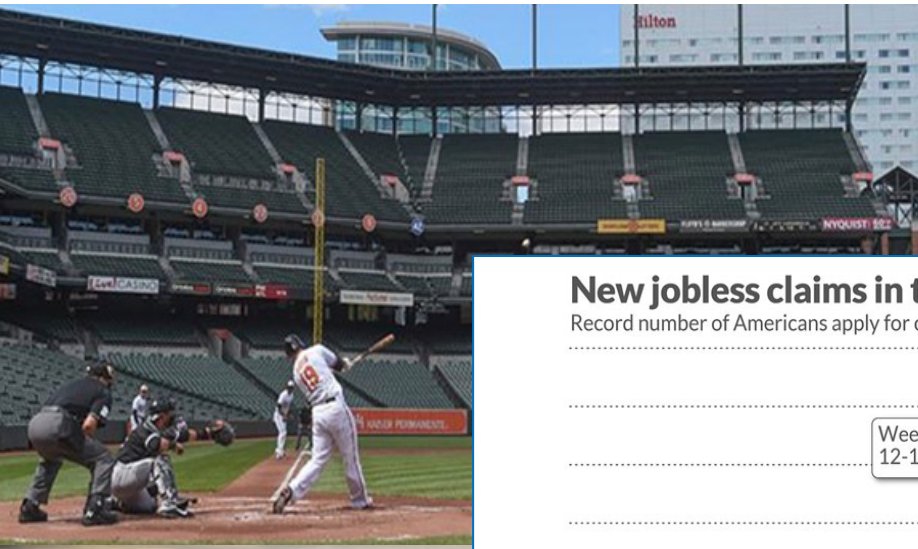
- Insights
- Case study
- New leadership model



Our World Has Changed



Unprecedented Economic Disruption



Existing Societal Problems Compounded



Resulting Impact on Consumer Concerns and Generations

Health & Well-Being



Planet & Sustainability



Workplace Environment



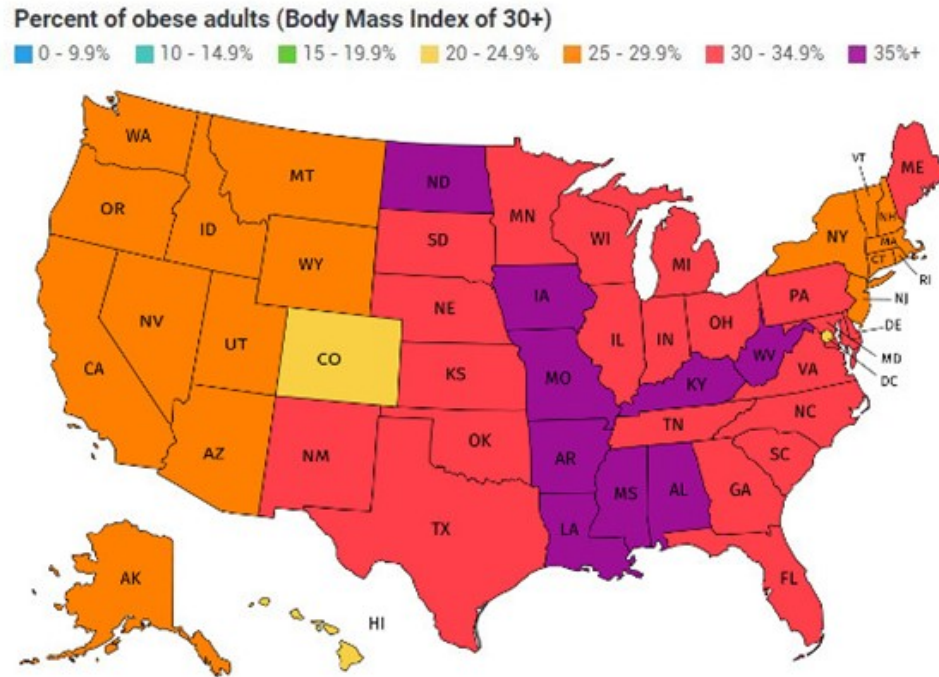


Health & Well-Being

www.hudson.org

Health & Well-Being

- About 40% of U.S. adults with obesity
- COVID-19 disproportionately harming those with obesity

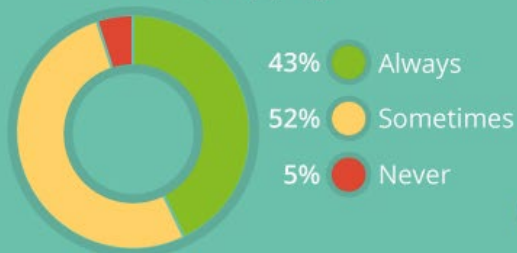


Americans Led by Millennials Are Looking for Healthy Foods

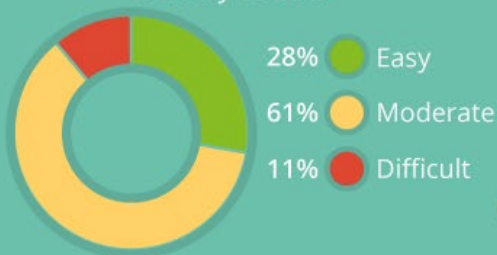
Vast Majority of Americans Interested in Healthy Food

Attitudes of shoppers towards healthy food options

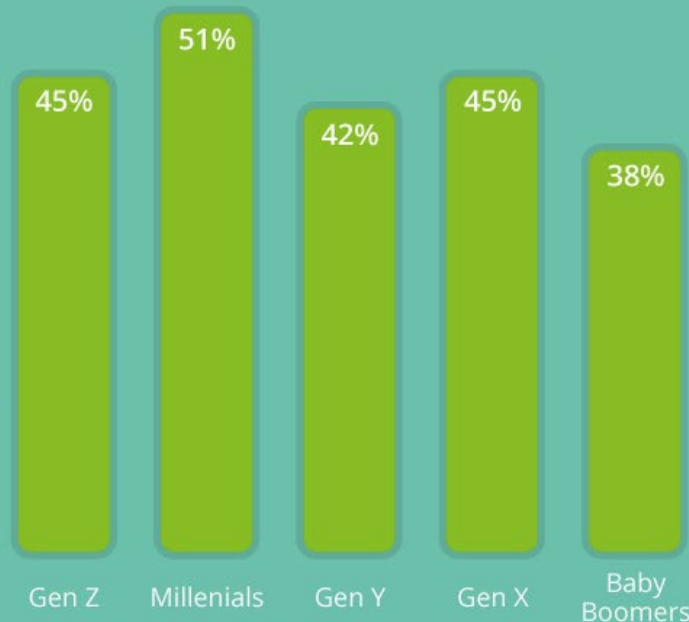
Are you looking for healthy foods while shopping?



Is it easy or difficult to find healthy foods?



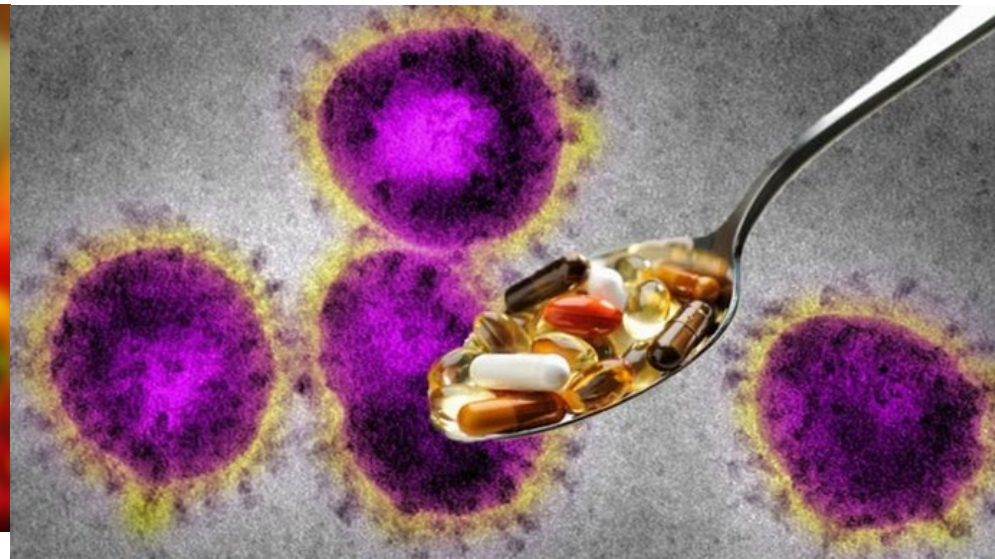
Percentage of age groups* "always" looking for healthy foods



Momentum to Healthier Foods on Hiatus During Coronavirus Crisis

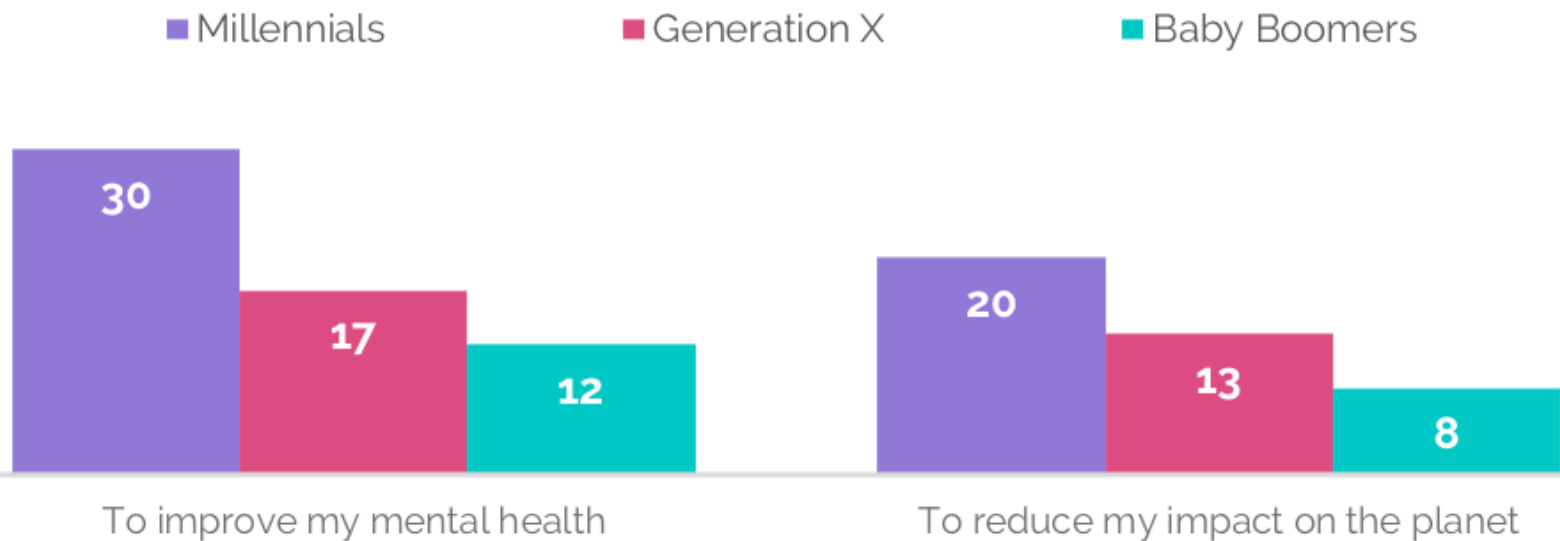


Expect Acceleration to Health, Immunity and Safety



Millennials are changing their diets to improve their mental health and benefit the environment

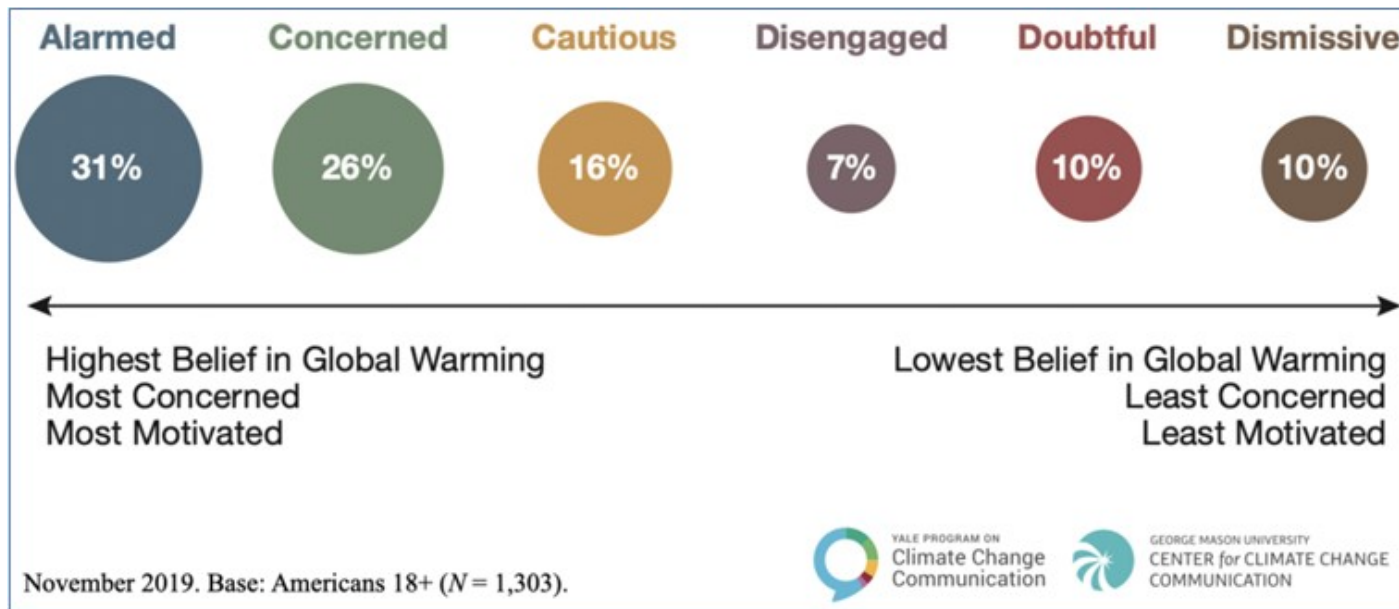
Which, if any, of the following are reasons that you have ever changed your diet? (% of US adults who selected each of the following reasons)



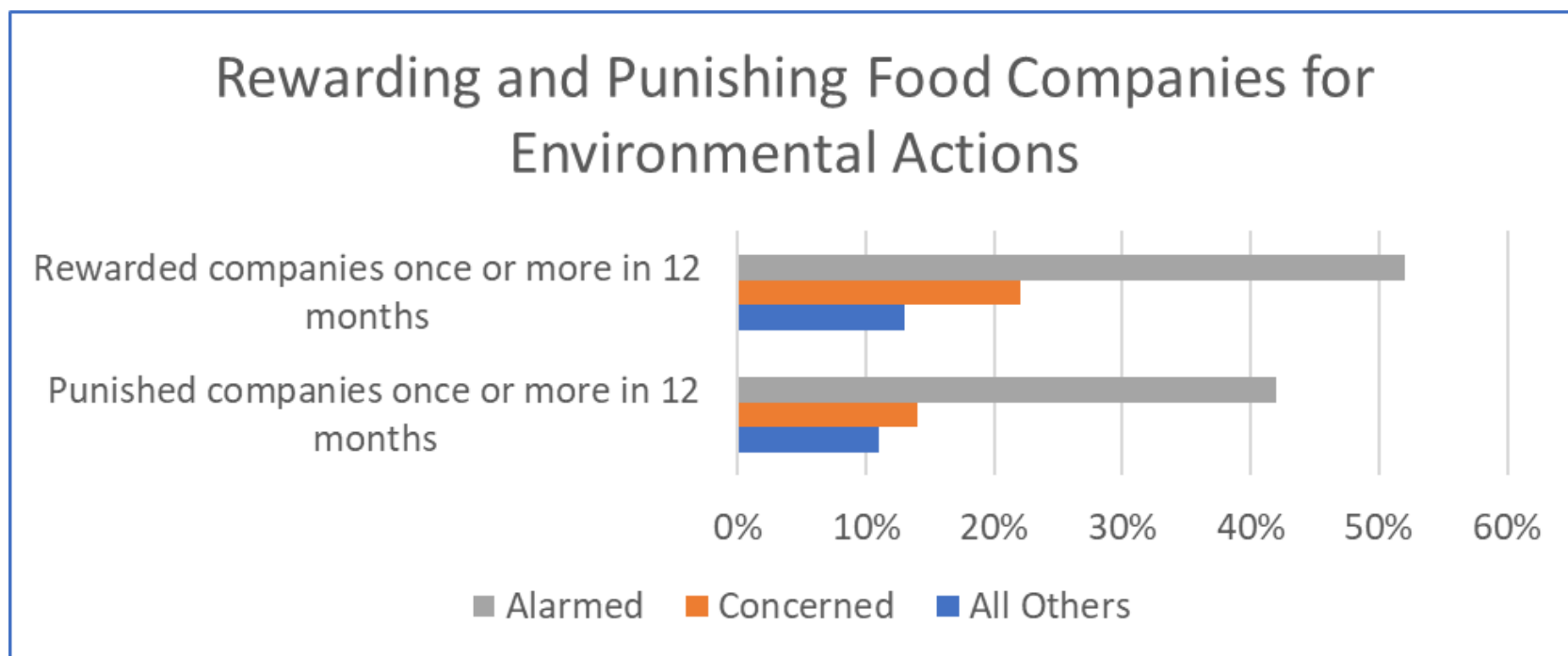


Planet & Sustainability

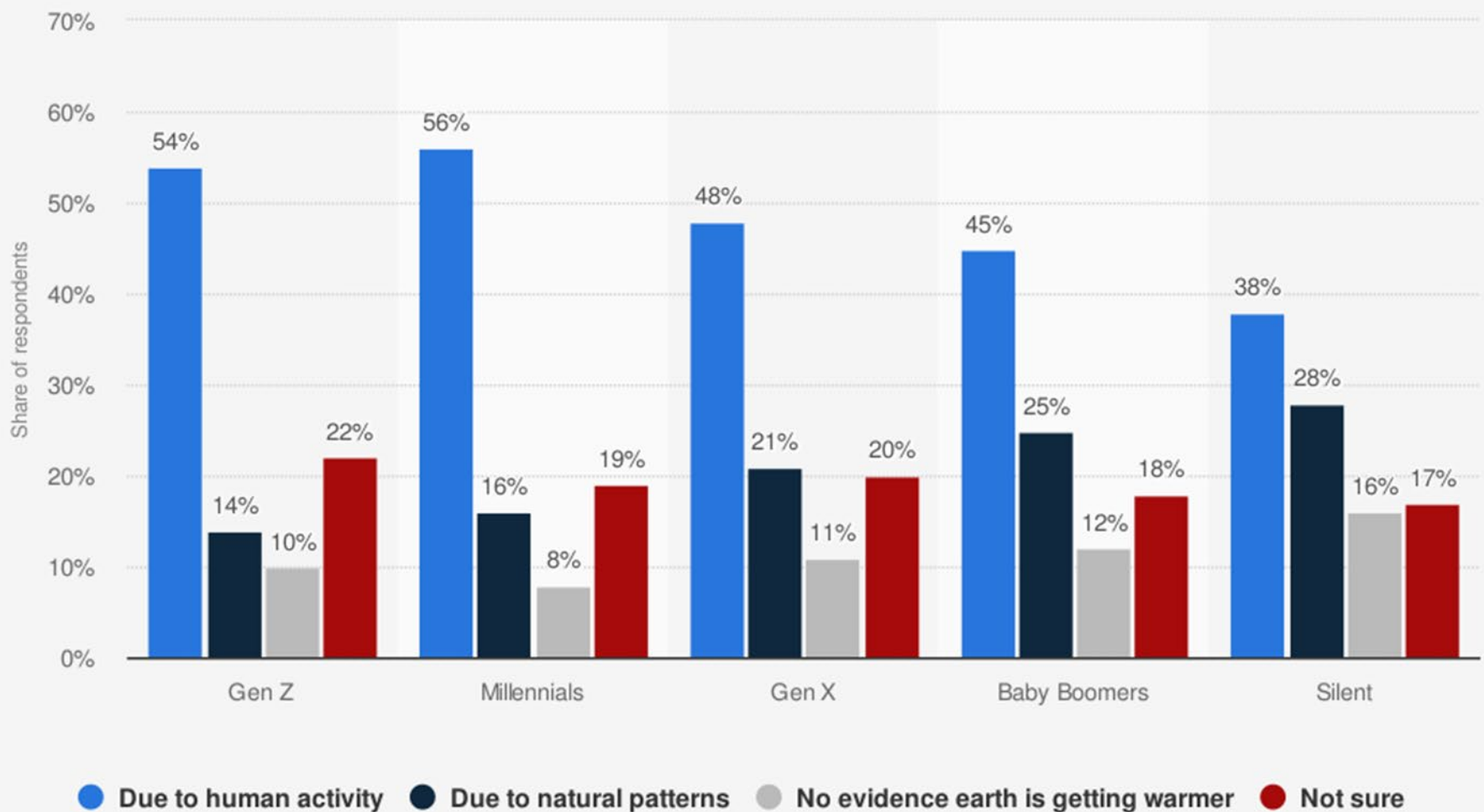
Almost 60% of Consumers Are Alarmed or Concerned About Global Warming



“Alarmed” Segment More Likely to *Reward or Punish* Food Companies for Their Environmental Actions



Opinions on the Causes of Climate Change Vary by Generation



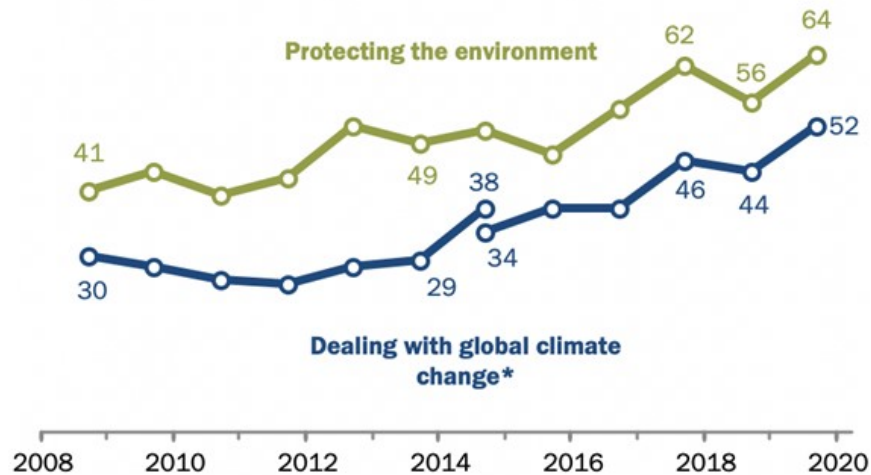
Source
Pew Research Center
© Statista 2020

Additional Information:
United States; September 24 to October 7, 2018 and September 17 to November 25, 2018; 10,682 respondents; 18 years
teens

COVID-19 Has Helped the Environment – Will the Trend Continue?

Increased support for prioritizing policies on the environment, climate change since 2011

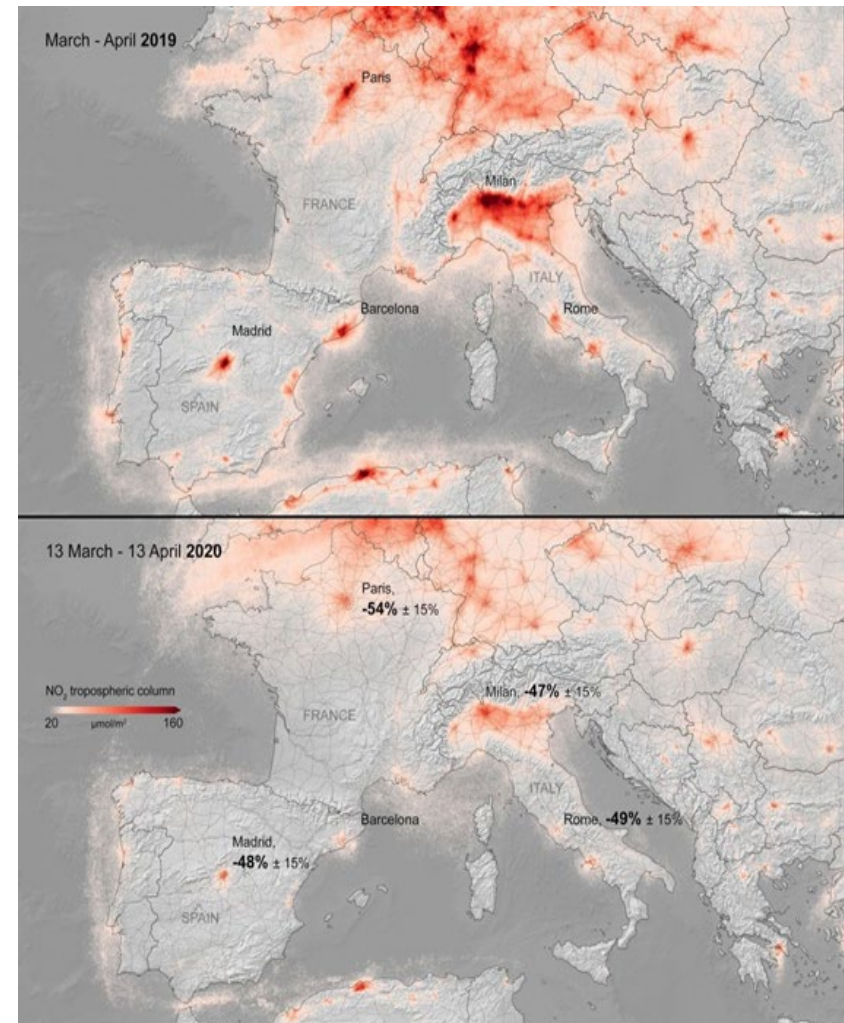
% U.S. adults who say ____ should be a top priority for the president and Congress



*In 2014 and earlier, respondents were asked about dealing with "global warming." In 2015 half the sample was asked about either "global warming" or "global climate change"; 34% called "global climate change" a top priority while 38% said this about "global warming."
Source: Survey of U.S. adults conducted Jan. 8-13, 2020.

"As Economic Concerns Recede, Environmental Protection Rises on the Public's Policy Agenda"

PEW RESEARCH CENTER





Workplace

MULTIPLE GENERATIONS @ WORK



TRADITIONALISTS Pre-1945

Experienced:
Great Depression, WWI
and II, GI Bill

Work is:
An obligation

Aspiration:
Home ownership

Changing Jobs:
Stay for life

Career Paths:
Slow and steady

BOOMERS 1946-1965

Experienced:
Television, Moon Landing,
Watergate, Vietnam War

Work is:
Expected

Aspiration:
Job security

Changing Jobs:
Loyal to employer;
connecting to values

Career Paths:
Upward mobility

GEN X 1966-1977

Experienced:
MTV, Nintendo, PC's

Work is:
A difficult challenge

Aspiration:
Work-life balance;
independence

Changing Jobs:
If necessary for
compensation

Career Paths:
Need to know options now

MILLENNIAL 1978-1995

Experienced:
Natural disasters, diversity,
mobile technology

Work is:
A means to an end

Aspiration:
Freedom and flexibility

Changing Jobs:
Is expected

Career Paths:
Switch frequently and fast

GEN 2020 After 1995

Experienced:
Economic downturn,
Global Warming

Work is:
Consistently evolving

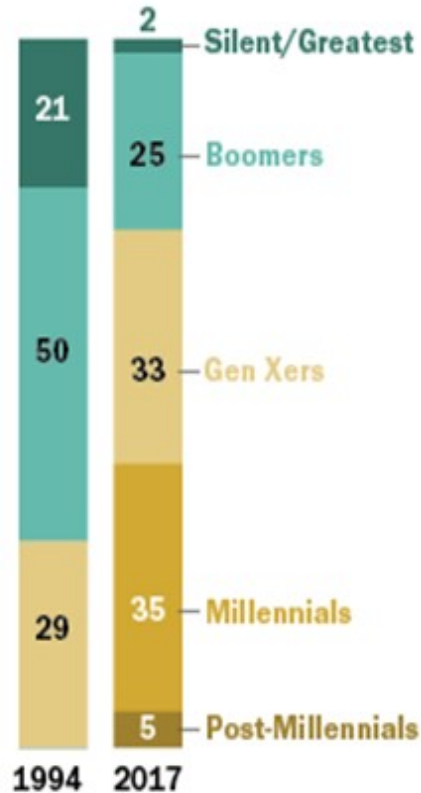
Aspiration:
Structure and stability

Changing Jobs:
Constantly

Career Paths:
Career "multitaskers"

More than a third of the workforce are Millennials

% of the U.S. labor force



Note: Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown.
Source: Pew Research Center analysis of monthly 1994 and 2017 Current Population Survey (IPUMS).

PEW RESEARCH CENTER



Millennials Uniquely Value Empathy and Adaptability

Rank	Baby Boomers	Gen X	Millennials
1	Responsibility	Achiever	Achiever
2	Learner	Responsibility	Empathy
3	Achiever	Learner	Leaner
4	Relator	Relator	Adaptability
5	Strategic	Strategic	Responsibility



Organizations Moving to Understand the True Emotions Behind Employee Issues

Use of Empathy Emoji's for feedback and anonymity



Fear

Anger

Disgust

I love this!

Whatever

Sad

Good Idea

Worried

Mind Blowing

Applause

Authentic

Whatever

Agree, Dislike

Disagree, Dislike

Anxiety, Horrified, Disbelief

Anger, Disgust, Frustration

Abhorrence, Disgust, Outrage

Love, Aesthetic appreciation, Craving

Annoyance, Disbelief, Boredom

Sadness, Disappointment, Despair

Inspired, Interested, Awe

Concern, Empathic pain

Confusion, Horrified, Surprise

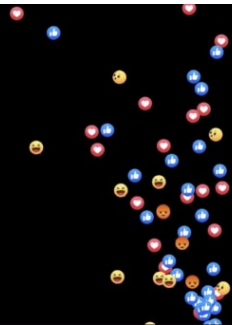
Admiration, Excitement, Joy

Admiration, Awe, Authenticity

Boredom, Unreceptive

Approval, Acknowledgment

Unreceptive, Dislike



The Worker of the Future

For decades, "work" often meant a 9-to-5 desk job. Now, the millions of young adults flooding the workforce are changing everything. They work varying hours, from different locations, with a new and ever-evolving set of tools. Here's a look at how they're changing the workplace.

Collaborative Working

A University of North Carolina Kenan-Flagler Business School study dubs Millennial workers "The Collaborators." They love to work in teams with clear expectations. Technology that satisfies their desire to work together from anywhere includes:

- Mobile devices
- Unified communications systems
- Cloud-based tools and platforms

Flexible Work Hours

66% of Millennials say they want a fluid work schedule. This may include sometimes working evening or weekend hours instead of the standard 9-to-5.

Communication Choices

It's no secret that Millennials are comfortable with many methods of communication. Email, texts and instant messages are popular among young workers – but face-to-face is still important to them.



Flexible Workspaces

When office hours and remote working shake up the workday, the physical workspace changes as well.

55% of Millennials prefer an open-floor-plan office, which fosters collaboration. Flexible workspaces can include anything from rooms that change shape based on current use to "hoteling," which are desks that employees reserve on an hourly or daily basis as needed.



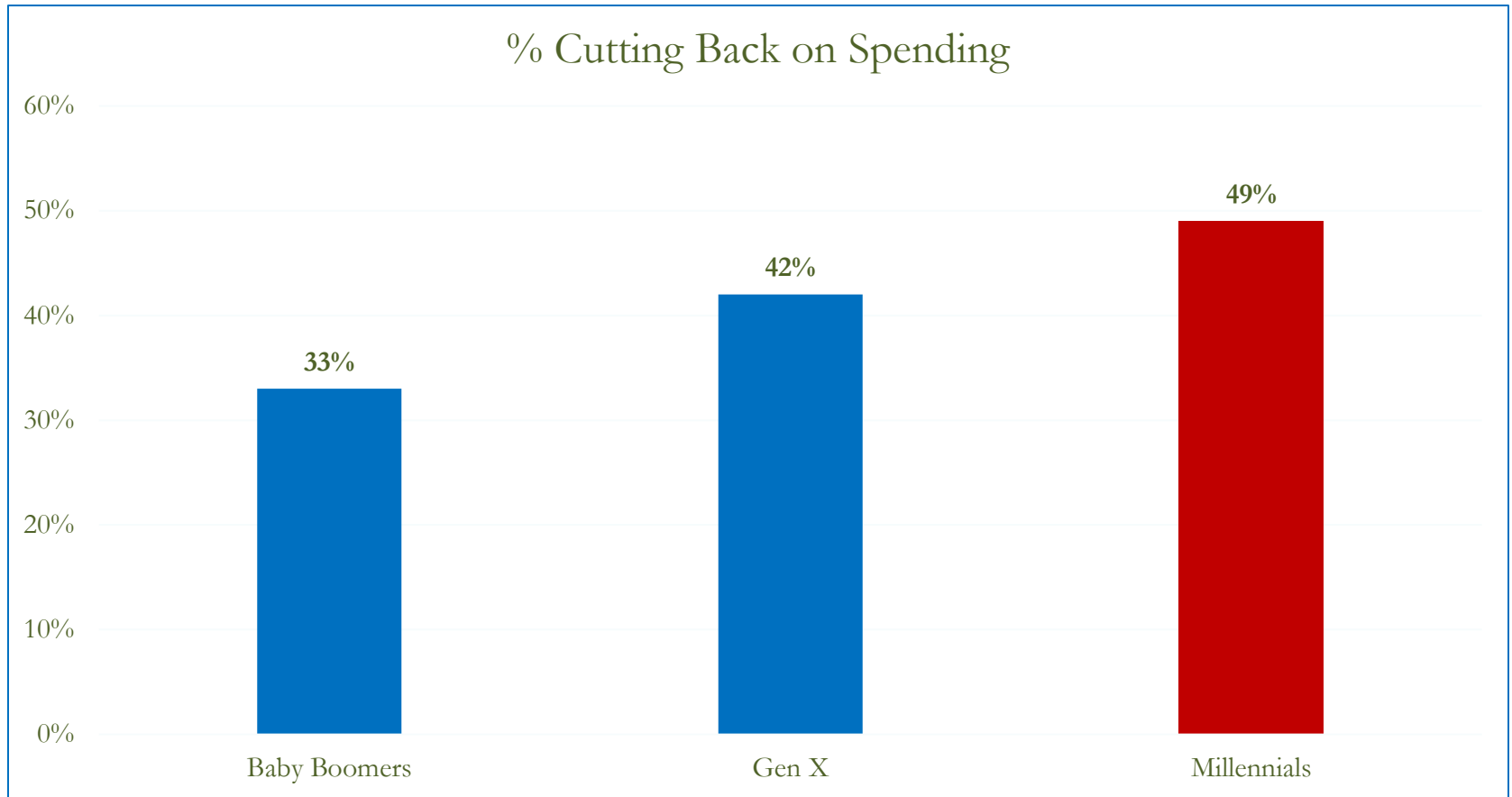
Coronavirus episode will cement need for Adaptability and Flexibility

State of Economy Exacerbating Millennials' Worries: 2008 Redux



- Unemployment
- Mired in student debt
- Pricy housing market

As a Result, Millennials Are More Likely to Cut Back on Spending





88%

The infographic features a light green background with a dark green border. In the upper center, there is an orange, rounded, irregular shape containing the text '88%'. Below this shape, the text 'OF MILLENNIALS WANT TO WORK FOR A COMPANY WITH PURPOSE' is written in a bold, dark green, sans-serif font, arranged in three lines.

**OF MILLENNIALS
WANT TO WORK FOR A
COMPANY WITH PURPOSE**

60% of millennials believe that a sense of purpose is part of the reason they chose to work at their current employer.

ELIZABETH DAVIS

Founding Partner, Carol Cone On Purpose

➤ What Millennials care about

#MSLBizCitizenship



Become active citizens.

83%

believe businesses should be involved in societal issues.



Talk about your efforts.

79%

wish it were easier to know what companies were doing good.



Make an impact.

82%

believe businesses can make a greater impact addressing societal issues.



Involve consumers.

69%

want businesses to make it easier for consumers to get involved in societal issues.

**MILLENNIALS ARE
OVER X5 MORE
LIKELY
TO STAY AT A COMPANY
WHERE THEY FEEL A
STRONG PURPOSE**



Source: Business & Sustainable Development Commission

'Purpose' Agenda Moving into the C-Suite



Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'

The Fourth Industrial Revolution is not just about technology or business. It's about society.

”

Joe Kaeser

President and Chief Executive Officer, Siemens AG



“
Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders.

LARRY FINK, CEO, BLACKROCK

”

Purpose brings profit.

Connecting employees with purpose brings measurable business impact. Research from the EY Beacon Institute and Harvard Business School shows that companies that lead with purpose are more likely to be profitable.

In the past three years:

58%

of companies with a clearly articulated and understood purpose experienced growth of +10%

vs.

42%

of companies not

Perhaps even more strikingly:

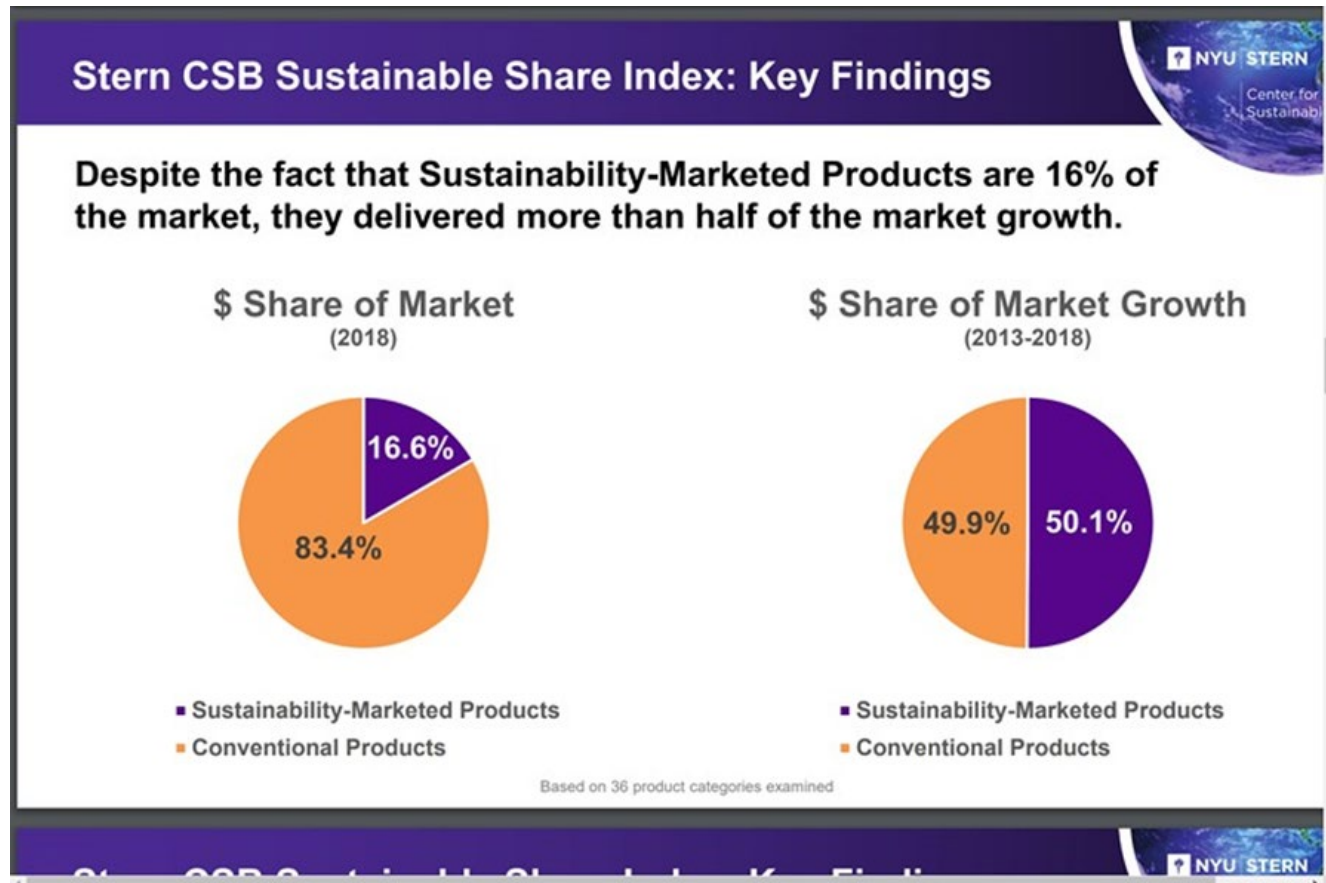
% of non-purpose led companies that showed drop in revenue

42%

% of purpose-led companies that showed positive growth

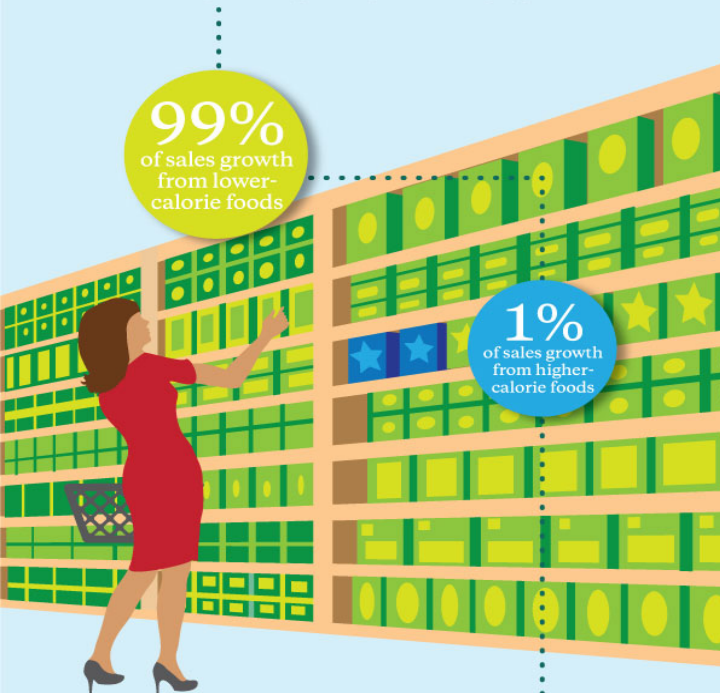
85%

Sustainability-marketed Products Are Responsible for Half The Growth of Consumer Packaged Goods Since 2013



Source: [CSB Sustainable Market Share Index™](#) (March, 2019)

Sales of Lower-Calorie Foods on the Rise



A Supply and Demand Success Story

The Hudson Institute, a nonpartisan policy research organization, recently evaluated the sales of lower-calorie foods made by 16 food and beverage company members of the Healthy Weight Commitment Foundation (HWCF). Funded by the HWCF, the study reveals that answering consumer demand for lower-calorie food is good for business and the nation's waistline.

Hudson Institute

For more information visit obesity-solutions.org

Healthier and Lower-calorie Products Driving Most of the Growth in Packaged Foods



MARS
incorporated



PEPSICO





**Case
study**

 **Shift**



“In the future, every Unilever brand will be a brand with purpose”

- Alan Jope, CEO Unilever



Sustainable Living Plan



IMPROVING HEALTH AND WELL-BEING FOR MORE THAN **1 BILLION**

By 2020 we will help more than a billion people take action to improve their health and well-being.

> Explore our big goal

Health & hygiene >

Improving nutrition >



We are taking action on the UN Sustainable Development Goals



REDUCING ENVIRONMENTAL IMPACT BY **HALF**

By 2030 our goal is to halve the environmental footprint of the making and use of our products as we grow our business.*

> Explore our big goal

Greenhouse gases >

Water use >

Waste & packaging >

Sustainable sourcing >



We are taking action on the UN Sustainable Development Goals



ENHANCING LIVELIHOODS FOR **MILLIONS**

By 2020 we will enhance the livelihoods of millions of people as we grow our business.

> Explore our big goal

Fairness in the workplace >

Opportunities for women >

Inclusive business >



We are taking action on the UN Sustainable Development Goals

Coronavirus Pandemic Leadership

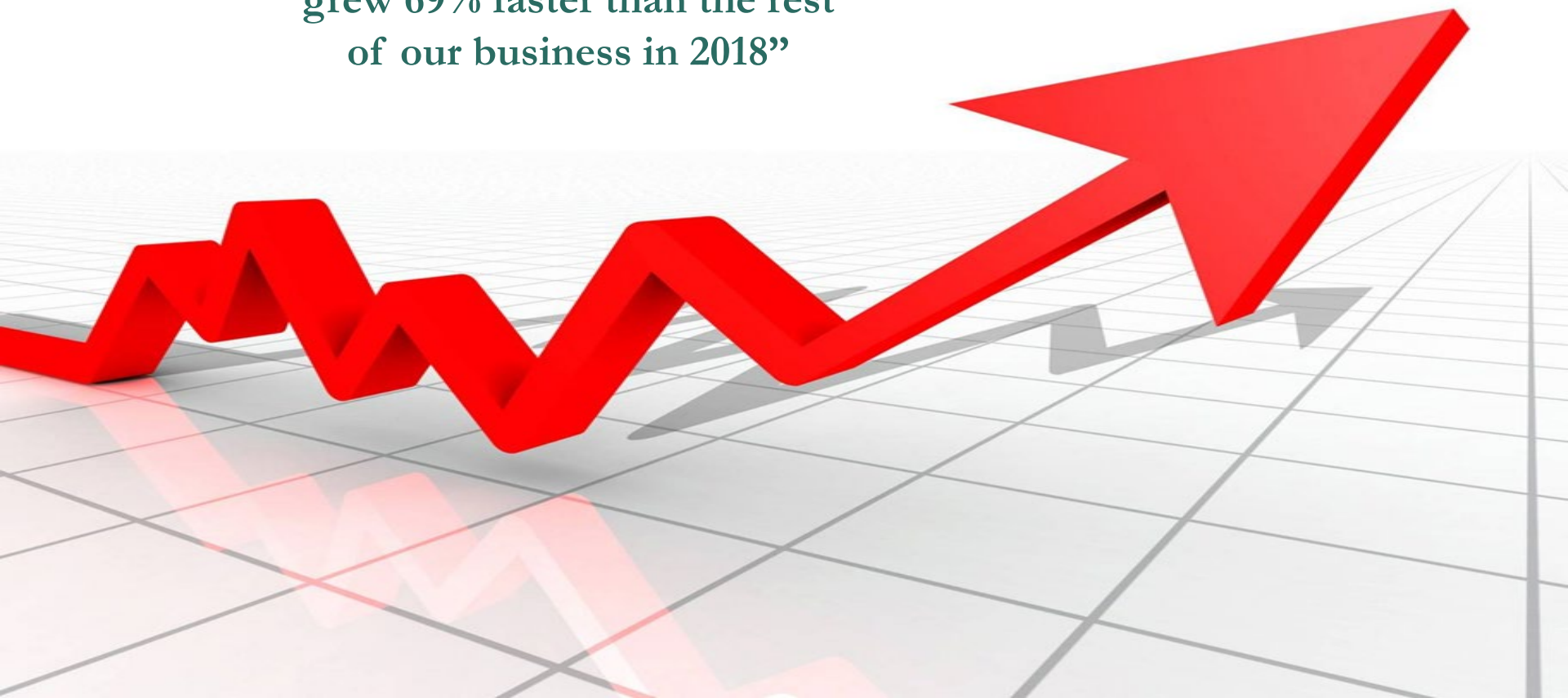
- Offering €500 million (\$580 million) in “cash flow” relief
 - Early payments to “vulnerable” small and medium-sized suppliers
 - Credit to select small scale retail customers whose businesses rely on Unilever
- Committing to provide free soap, sanitizers, bleach and food to the value of €100 million
 - 50% to COVID Action Platform of the World Economic Forum



Positive Growth Results

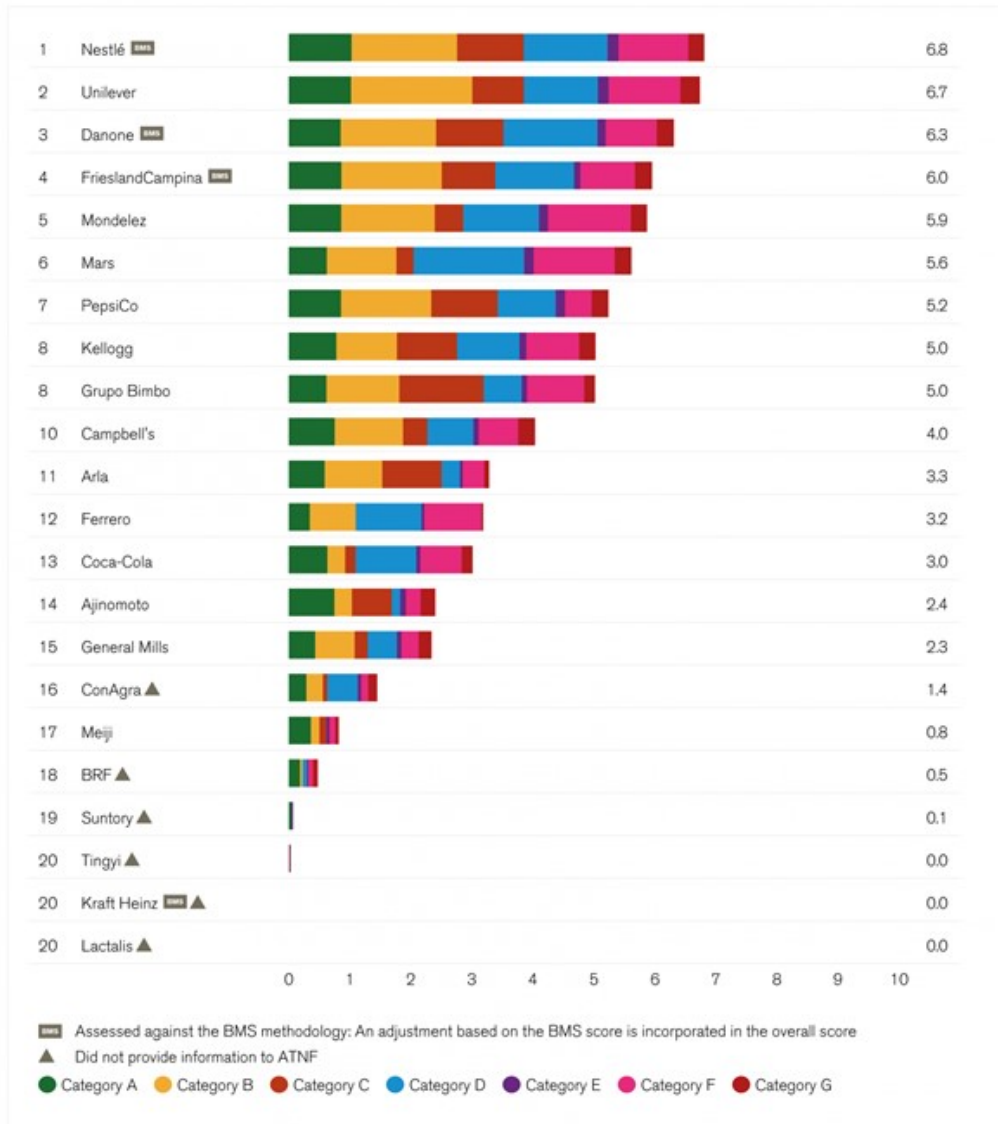


“Sustainable Living brands
grew 69% faster than the rest
of our business in 2018”



Company Is Ranked at Top of CPG Industry

GLOBAL INDEX 2018 OVERALL RANKING



Critical Moment to Go Beyond CSR



Social Impact Leadership

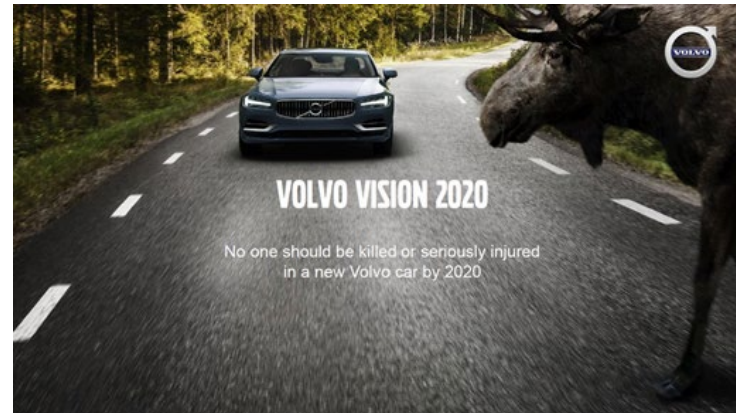


Why Social Impact Leadership?



- Differentiation
- Attract, motivate and retain employees, especially Millennials
- Superior growth and profit potential
- Enhanced credibility and reputation

Examples of How to Establish a Social Impact Leadership Platform



Key Takeaways

- Organizations must be in concert with employee's needs, styles and social interests
 - Health & wellness
 - Planet & sustainability
 - Workplace environment
- One-size-does-NOT-fit-all
- Millennials are looking for true leadership and transparency that they can align behind
- Taking a Social Impact Leadership stance on issues key to your employees and industry will differentiate your organization and engender passion in your workforce



Thank You

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Motivators Vary Sharply Across Generations



Advancement in status	Autonomy	Supervisor as coach/mentor
Projects that make a difference	Problem solving; less trusting of employers	Team-oriented culture/connectedness
Healthy Competition; opportunities for public recognition	Quiet recognition	Peer-to-peer recognition
Willing to work overtime for seniority/respect	Work-life balance	Blending work with personal lives
Flex time, but with face time	Flex/work at home days; time off	Option to work from home (work as a thing, not a place)