

.C|B|I|



Everyone's Business

Business Reputation Tracker

December 2020

Survey results, analysis and
recommendations

In partnership with

**PORTER
NOVELLI** 


Op
Opinium

Foreword CBI

No-one could have predicted at the start of 2020 what a rollercoaster it would be.

The events that have dominated our lives over the last 12 months have forced all of us to reflect and act on what really matters and what type of society we want to live in.

The demands in responding to the COVID-19 pandemic have undoubtedly tested businesses' resilience and agility to the limit. But looking much broader, it has also reaffirmed the complex interplay between our personal health and the nation's wealth, the key workers we rely on and the inequalities that still exist in our society.

Societal inequality – specifically racial injustice – was at the heart of the global Black Lives Matter protests that followed the killing of George Floyd in the United States in May. The emotion and anger that these events triggered led to firms re-examining whether they were truly doing enough to create diverse and inclusive workplaces and champion racial equality.

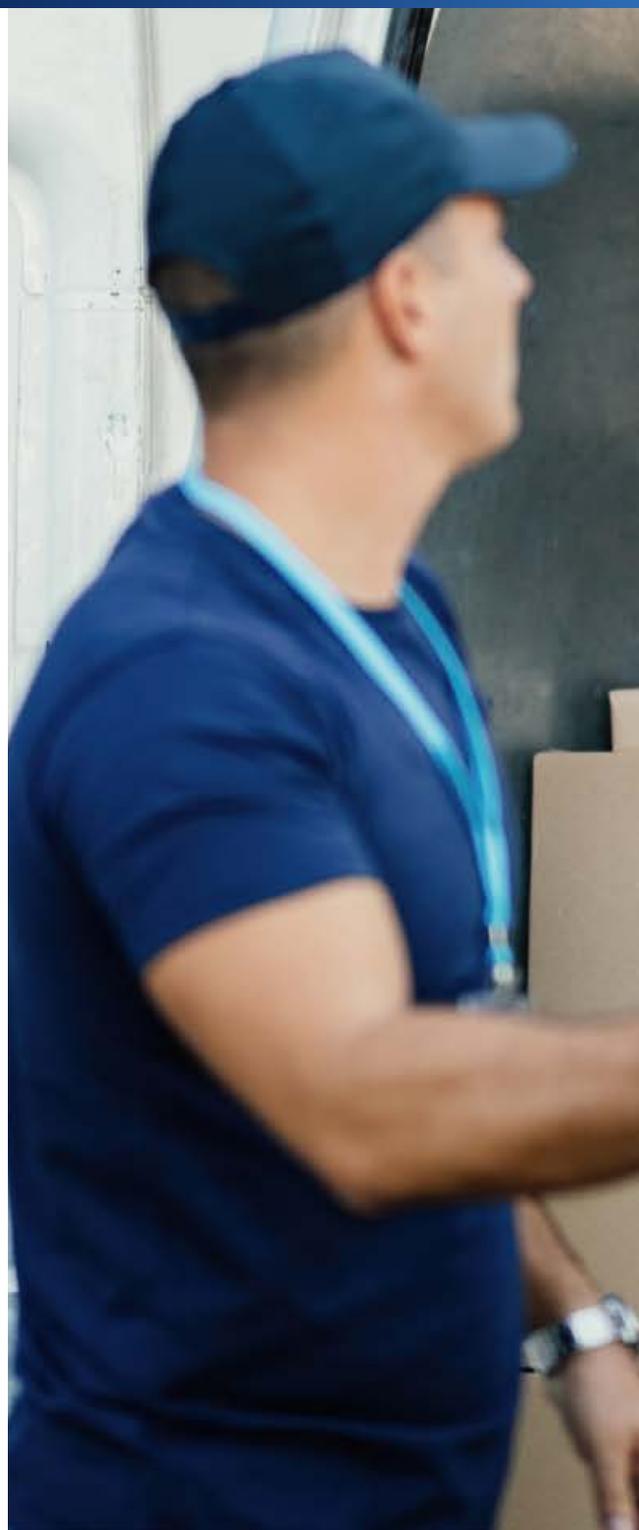
And all the while the challenges presented by climate change have become more and more acute. From the Australian bushfires in January, to more extreme weather patterns across much of Europe, the last 12 months have prompted renewed debate about the urgency of tackling the climate emergency and our relationship with the planet.

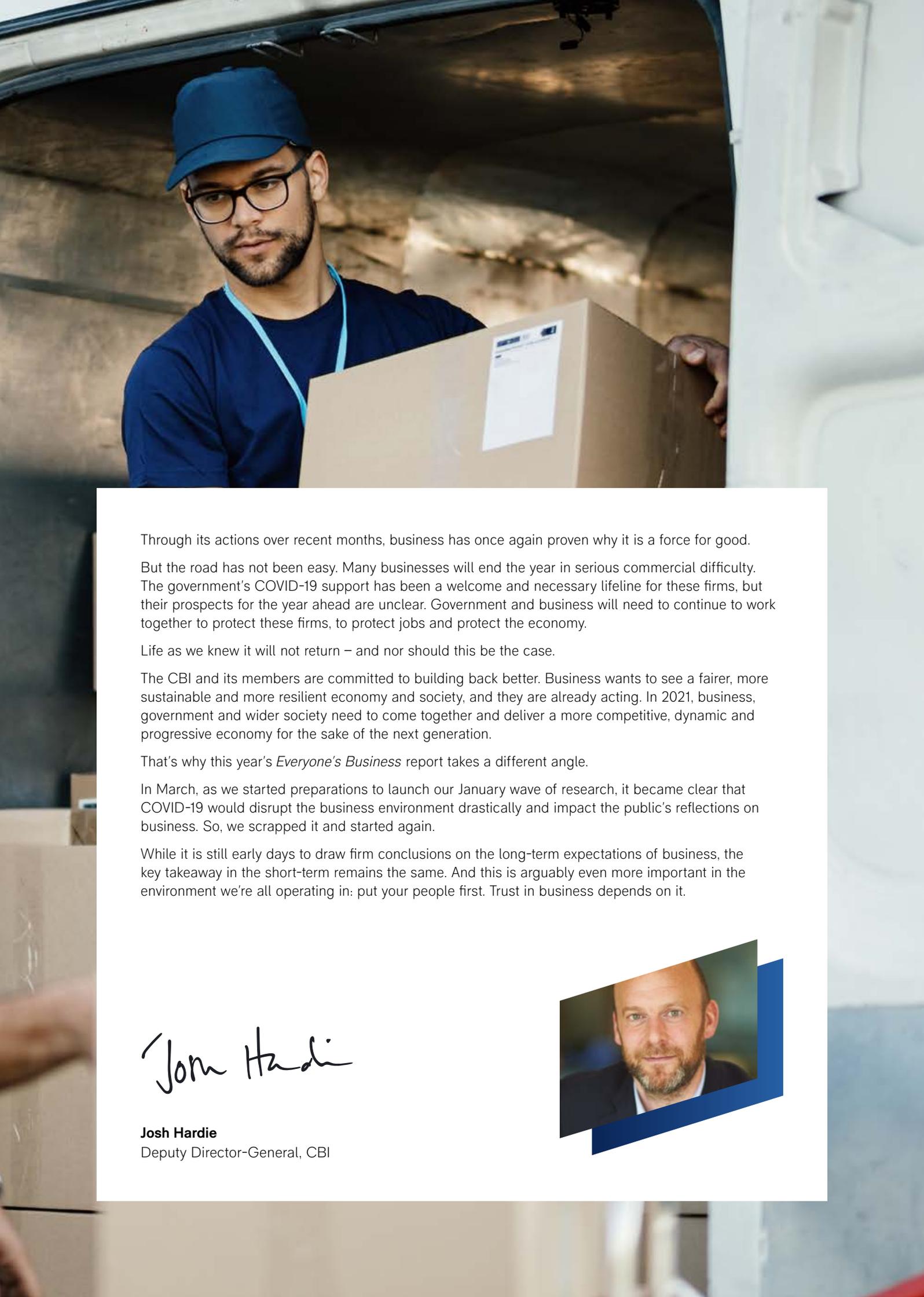
In the face of all these challenges and more, 2020 has also seen the very best of British business. I am so proud of how CBI members in all corners of the UK stepped up to protect jobs, livelihoods and the safety and wellbeing of their employees. Simultaneously, they stepped up to the national challenge, reconfiguring their production processes to satisfy the growing demand for ventilators, PPE and other vital medical equipment. Businesses across the country worked round the clock to keep food on our shelves and public services running, all the while playing more active roles in their communities to support those most in need.

Get started

Jump straight to a section of the report:

| | |
|--|-----------|
| Part 1 | 6 |
| Through tough times, business has proven why it is a force for good | |
| Part 2 | 12 |
| Companies that put their people first will be rewarded | |
| Part 3 | 23 |
| Business cannot rest on its laurels as an 'unengaged middle' remains | |
| Conclusion | 30 |





Through its actions over recent months, business has once again proven why it is a force for good.

But the road has not been easy. Many businesses will end the year in serious commercial difficulty. The government's COVID-19 support has been a welcome and necessary lifeline for these firms, but their prospects for the year ahead are unclear. Government and business will need to continue to work together to protect these firms, to protect jobs and protect the economy.

Life as we knew it will not return – and nor should this be the case.

The CBI and its members are committed to building back better. Business wants to see a fairer, more sustainable and more resilient economy and society, and they are already acting. In 2021, business, government and wider society need to come together and deliver a more competitive, dynamic and progressive economy for the sake of the next generation.

That's why this year's *Everyone's Business* report takes a different angle.

In March, as we started preparations to launch our January wave of research, it became clear that COVID-19 would disrupt the business environment drastically and impact the public's reflections on business. So, we scrapped it and started again.

While it is still early days to draw firm conclusions on the long-term expectations of business, the key takeaway in the short-term remains the same. And this is arguably even more important in the environment we're all operating in: put your people first. Trust in business depends on it.

Josh Hardie

Josh Hardie
Deputy Director-General, CBI



Executive summary

Through tough times, business has proven why it is a force for good

2020 has been a very challenging year for business. The economic impacts of COVID-19 have touched all corners of the country, all sectors and businesses large and small. Protecting as many jobs as possible, keeping people safe and operations running, have been the priority for business.

Business reputation emerges resilient albeit a little bruised

- Only 9% of the public say businesses have responded poorly to the impacts of the pandemic. The majority (54%) say they have handled the pandemic well.
- Nearly six in ten (57%) identified hospitality as one of the top three sectors which is struggling most, with 43% saying arts, entertainment and recreation and 40% saying retail. But 85% say they empathise with the challenges that businesses as a whole are facing.
- The public's views on how companies have handled the pandemic corresponds with their views on business reputation. Only 9% say business reputation is poor. The majority (54%) say it is good, an improvement from 50% at the start of the year but still below the 60% achieved in 2019.

Business stepping up during the pandemic has shown a different side to the public

- In May, half of the public (49%) identified the role of businesses in joining the national effort against COVID-19 as one of their top three ways in which business has stepped up for the nation beyond its day-to-day operations.
- Referring to the period between May and November, supporting customers was the most selected option by the public (45%), corresponding with the reopening of the economy.
- The pattern of public perceptions over 2020 has reinforced the importance of business telling its story to build public trust and confidence.

Companies that put their people first will be rewarded

The way work gets done has changed forever. COVID-19 has dominated every aspect of our working lives, imposing challenges and innovation in working practices and behaviours for both businesses and individuals. Companies that prioritised communication and support on this journey have been noticed and appreciated by employees and the public. It has also sharpened the focus on mental health and wellbeing and how they can play an enhanced role in supporting it.

Businesses and employees have adjusted to the opportunities and challenges presented by the pandemic

- The pandemic and government restrictions triggered challenges for employees, especially navigating financial concerns, alongside balancing caring responsibilities and managing mental health and wellbeing. The challenges are more acute for some groups especially women and young people.
- Nearly two-thirds of the employees, and similar percentages of the public more generally, believe businesses have supported their employees well with safeguards to support employee safety (63%) and support for remote working (61%).
- Four in ten workers (40%) say they miss social interactions with colleagues that the workplace offers.

A pastoral approach to management has a positive impact on employer-employee relationships

- Employees' sentiment towards their employers, like business reputation, has fluctuated this year but closes this year on a high. As of November, 73% say their relationship with their employer is positive and 13% say it is negative.
- The quality of communication and support are the key factors which determine whether employees assess their relationship with their employer as positive or negative.

Mental health and wellbeing must be the next frontier for business

- A third of employees (33%) identified mental health as a challenge during the pandemic, but only 14% rated the support they received from their employer as one of the most impactful measures of support they have received.
- However, four in ten (42%) say businesses have supported their mental health and wellbeing well.

Business cannot rest on its laurels as an 'unengaged middle' remains

There is a third of the population for whom the jury is still out on business reputation. As we emerge from the pandemic, there is an opportunity for business to win this group over by building back better.

Businesses need to engage in depth with the 'unengaged middle' to understand the public's expectations of them

- Purpose-led companies are important to the public. In January, two-thirds (66%) of respondents said they were less likely to trust a company whose actions do not match their stated purpose and values.
- There is about a third of the public that continue to subscribe to the 'neither good nor poor' category. The public's view of businesses' broader responsibilities is mixed. A third (34%) expect business to take a more active role in addressing societal and environmental issues, a similar percentage (33%) do not, and the remaining third are undecided.
- Business should not take this as a sign that it does not need to consider its societal and environmental impacts. The most cited issue for businesses to take a more active role in was reducing environmental impact, with 41% of the public putting it in their top three.

Doing the basics well in the short-term is essential to build and maintain trust, but building back better necessitates bold thinking and an eye to the future

- For the public, a good reputation is mainly driven by how a business treats its employees (41%) and customers (36%) and by providing good quality goods and services (35%).
- A negative reputation is mainly driven by poor customer service (51%), poor treatment of employees (50%) as well as financial misconduct (34%), discriminatory behaviour (24%) and lack of transparency (24%).
- For firms in survival mode, ensuring this "bread and butter" of doing business is done to exceptional standards and prioritising mental health will help build and maintain trust.
- For firms in re-building mode, making a difference in society, telling their stories and making public commitments will help build back better.

Through tough times, business has proven why it is a force for good



Business reputation emerges resilient albeit a little bruised

COVID-19 has disrupted our economy and livelihoods in a way that no-one could have predicted just a year ago. The economic impacts have touched all corners of the country, all sectors and businesses large and small. The Bank of England estimates that the long-term cost of the crisis will be a £39bn loss of potential output in real terms.¹

In an unprecedented manner, business, unions and governments – local, devolved and national – mobilised quickly to provide mutual support and find common solutions. To date, the UK Government has made available £280bn of dedicated COVID-19 support to business and individuals to protect jobs and firms.² This support has been a lifeline. Without it, more livelihoods would have been in jeopardy.

At the onset of the government COVID-19 restrictions in March, businesses responded rapidly to keep people safe, and operations and public services running. Almost overnight, office-based companies became remote. Essential businesses, like supermarkets, acted to keep their staff safe and make premises “COVID-secure”, while working alongside manufacturers to ensure the continued supply of food and other essential items.

We have also seen innovation at speed; services going virtual, transformations that would have usually taken months achieved in just a matter of days, and manufacturers expanding their offering by making ventilators, PPE and hand sanitiser. We will likely see further innovation as nearly two-thirds (64%) of businesses say the pandemic will bring about a positive impact on innovation within UK businesses.³

1. [The potential long-term effects of Covid](#), speech by Dave Ramsden given at the Institute for Policy and Engagement, University of Nottingham, 17 November 2020
2. [Economic and fiscal outlook](#), Office for Budget Responsibility, November 2020
3. [No Turning Back](#), CBI, 2020



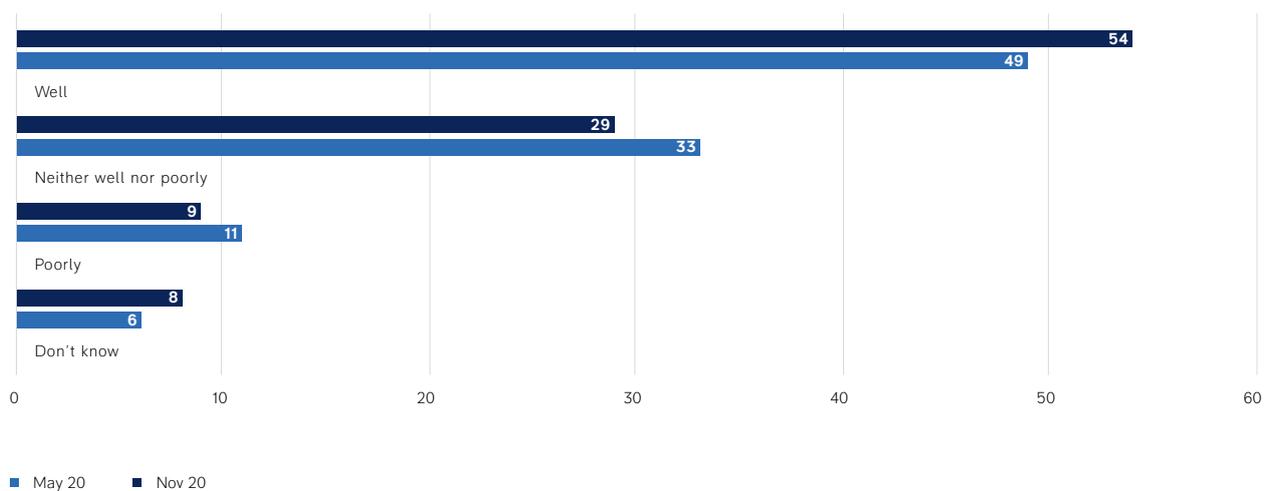
"It is up to companies to do everything they can to protect their workers, not just for obvious health reasons but also for the health of their business."

Survey participant, May 2020



The herculean efforts of businesses over this period are recognised by the public. Only 9% of UK adults responding to the CBI's November Business Reputation Tracker say businesses have responded poorly to the impacts of the pandemic on their firms (**Exhibit 1**). Despite the economic outlook having been precarious since the spring, companies have held up their efforts, and this has been rewarded as most of the public (54%) say business has handled the pandemic well.

Exhibit 1 Most of the population believe businesses have responded well to the pandemic



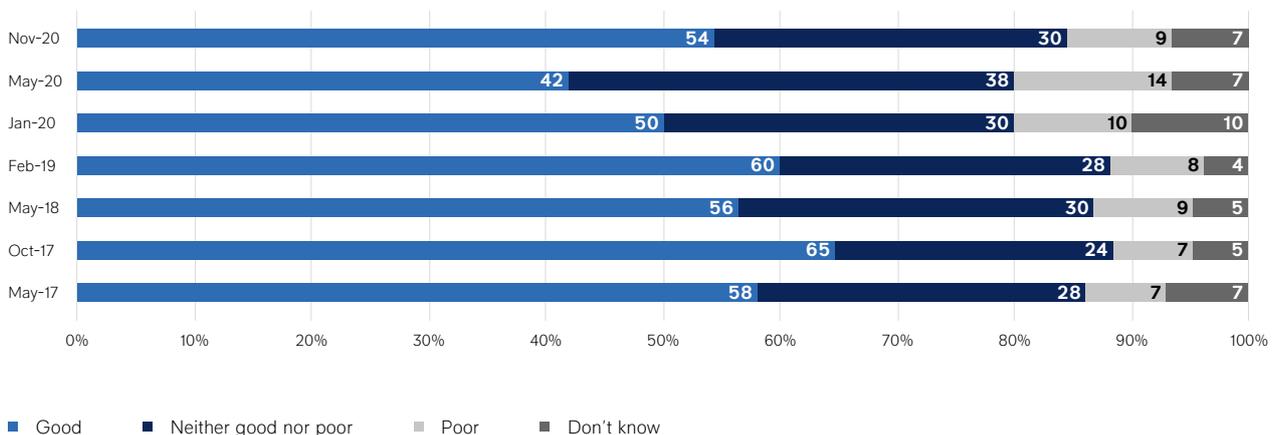
Question, May 2020: How well or poorly do you think UK businesses have responded to the coronavirus pandemic?

Question, November 2020: Thinking about the period from May 2020 onwards, how well or poorly do you think UK businesses have responded to the impacts of coronavirus pandemic on their firms?

Nonetheless, many businesses have had to make some tough decisions in order to survive, with many still in very real difficulties at the close of the year. According to the Office for National Statistics, business expects to make 7.3% of the workforce redundant over the next three months from November 2020.⁴ The scale of the challenges still facing business has not gone unnoticed by the public. They know which sectors are particularly feeling the strain. Nearly six in ten (57%) respondents to our November Business Reputation Tracker highlighted hospitality as one of the top three struggling sectors, followed by arts, entertainment and recreation (43%) and retail (40%). This empathy is unsurprising given that these are sectors that the public interact with more than others. However, an overwhelming majority (85%) of respondents say that they empathise or strongly empathise with the challenges that businesses generally are currently experiencing, not just those with which they frequently interact.

The public's views on how businesses have handled the pandemic corresponds with their view on the reputation of business. This implies that the actions and behaviours business undertake now will define their reputations as we emerge from the pandemic. Previous *Everyone's Business* research has similarly illustrated that a change in the public's sentiment towards business typically reflects events in the business community,⁵ and this year is no different. Again, we see that only 9% of respondents to our survey say the reputation of business is poor (**Exhibit 2**). This has fluctuated over the course of the year but has remained steadfastly low since the CBI's inaugural report in 2017. Most of the population (54%) believe business reputation is good, an improvement from the start of the year when it was 50%, but below 60% achieved in 2019. However, there remains an unengaged middle with no strong view towards business that business needs to reach out to, something we return to in the third chapter of this report.

Exhibit 2 Only 9% of the public say business reputation is poor



Question: How would you describe the reputation of business?

Business stepping up during the pandemic has shown a different side to the public

Despite the struggles that firms are currently going through, we have also seen the best of British business.

In the CBI's *Public-private partnerships: Lessons from COVID-19*, we highlighted over 25 case studies illustrating the innovative strengths of businesses in the UK and the value of partnerships between the public and private sectors when responding to crisis. This included partnerships like the VentilatorChallengeUK consortium to support the capacity of the NHS and partnerships between pharmaceutical companies like AstraZeneca, GSK and Pfizer and some of the UK's world-class universities to find a vaccine.⁶ To boost NHS capacity, independent healthcare providers such as Bupa, BMI, and Transform Hospital Group made all their hospital beds, medical equipment, and healthcare professionals available to NHS England. And existing public sector suppliers like Serco, Capita, and G4S ensured that public services continued to be delivered without disruption for communities and individuals which depend upon them. The public expect government and business to work together with 76% in our November Business Reputation Tracker saying it is important for government to use insight from business when creating policy related to the economy.

Through its *Business Heroes* campaign in the spring, the CBI amassed hundreds of additional examples of businesses up and down the country stepping up and joining the national effort to beat the virus and support their employees, customers and communities.

4. **Business Impacts of Coronavirus COVID-19 Survey (BICS) results** (Wave 17), Office of National Statistics, 19 November 2020; accessed 25 November 2020

5. **Everyone's Business Tracker: Business Reputation Tracker**, CBI, September 2018

6. **Public-private partnerships: Lessons from COVID-19**, CBI, September 2020



In Scotland, clothing manufacturer Keela stepped up its production of PPE for NHS Scotland in order to provide more than half of its weekly requirement for non-sterile gowns. In Northern Ireland, IT firm Allstate provided technical assistance to help people get to grips with online shopping and banking. In Wales, Admiral Car Insurance returned £110m to its car and van customers in recognition of them staying at home during the first lockdown. In the Midlands, logistics services group CS Ellis stepped in to help vulnerable people shielding by delivering food boxes and essential items to their doorstep. In London, Wates Group constructed two floors of COVID-19 hospital wards to the Royal London Hospital in only five weeks. These are just a handful of examples that illustrate how business put itself at the service of the national and reinforces the power of business to do good.

Case study: Business in the Community mobilises businesses to support communities impacted by COVID-19

The COVID-19 outbreak has proven to be an immense challenge for communities across the country, particularly those that were already in greatest need. Across the country there has been a huge increase in demand with a shortage in essentials such as food, clothing and tech and an increase in demand as a result of national lockdowns. The **National Business Response Network (NBRN)** was mobilised by **Business in the Community (BITC)** as an immediate response to the crisis. It connects the organisations that exist to support communities with the food needed to provide a decent meal for shielding people, or the resources needed to help children from low-income families to keep learning.

To date, over 2,700 connections have been made through the NBRN since its launch in April. Each connection has been an example of the generosity and mobilisation of businesses, offering a mix of resource and expertise to communities who have been disproportionately impacted by the pandemic.

As a result of the outbreak, many have come to rely on community food banks and the redistribution of food in the form of donations made by businesses. London North Eastern Railway's donation proved to be no exception by delivering over 10,000 meals per week as well as logistical expertise, to **Fareshare**, the UK's largest food distribution charity, in order to safely package and distribute meals to those most in need.

The announcement of national lockdowns in the spring also created a new challenge for those with limited access to technology. The internet has become increasingly more important with people shielding and self-isolating. However, in the Scottish Highlands, 38% are without access to the internet in their homes. The NBRN connected Level 5 with the **Libertie Project** which has, thanks to the support provided, been able to successfully connect 150 homes to the internet helping those at risk of extreme isolations in northern Scotland.

It's stories like these that prove that businesses and communities across the country can come together to make tangible connections and harness resource and expertise to benefit local people and reinvigorate local places. Not only will this work continue to support local communities during the immediate effects of the Covid-19 crisis but also in the long-term as they begin to build back.

The public has recognised how business has stepped up across different areas over the course of the pandemic. In our May Business Reputation Tracker, nearly half of respondents (49%) identified the role of businesses in joining the national effort against COVID-19 as one of the main areas in which business had stepped up for the nation (**Exhibit 3**). This was followed by support for employees, identified by 43% of the public. This is unsurprising as in May, protecting lives and adapting to new ways of working were the key aims of businesses and government in the early phases of COVID-19 restrictions. In our November Business Reputation Tracker, 45% of respondents identified business support for customers, which corresponds with the reopening of the economy over the summer and early autumn.

Exhibit 3 The top three areas on which the public think businesses have stepped up for the nation

Question, May 2020: *What, if anything, do you think businesses have done well in response to the coronavirus pandemic? (Select up to three)*

Question, November 2020: *Beyond their day-to-day operations, what have businesses done particularly well in response to the coronavirus pandemic? (Select up to three)*

The pattern of public perceptions over 2020 has reinforced the importance of business telling its story. Previous Everyone's Business Reputation Trackers have established a clear link between the public's understanding of business and how favourable they are towards it.⁷ As the pandemic has firmly brought the role of business to the fore, businesses speaking up about what they do, for example through internal and external communications and campaigns, will make a difference. In the current crisis, this is less about reaping the reputational benefits and more about building public trust and confidence in uncertain times. Transparency and good communication give employees confidence to work, customers to make purchases safely and businesses to run as effectively as possible. As we see in the next chapter, good communication is essential to trust.

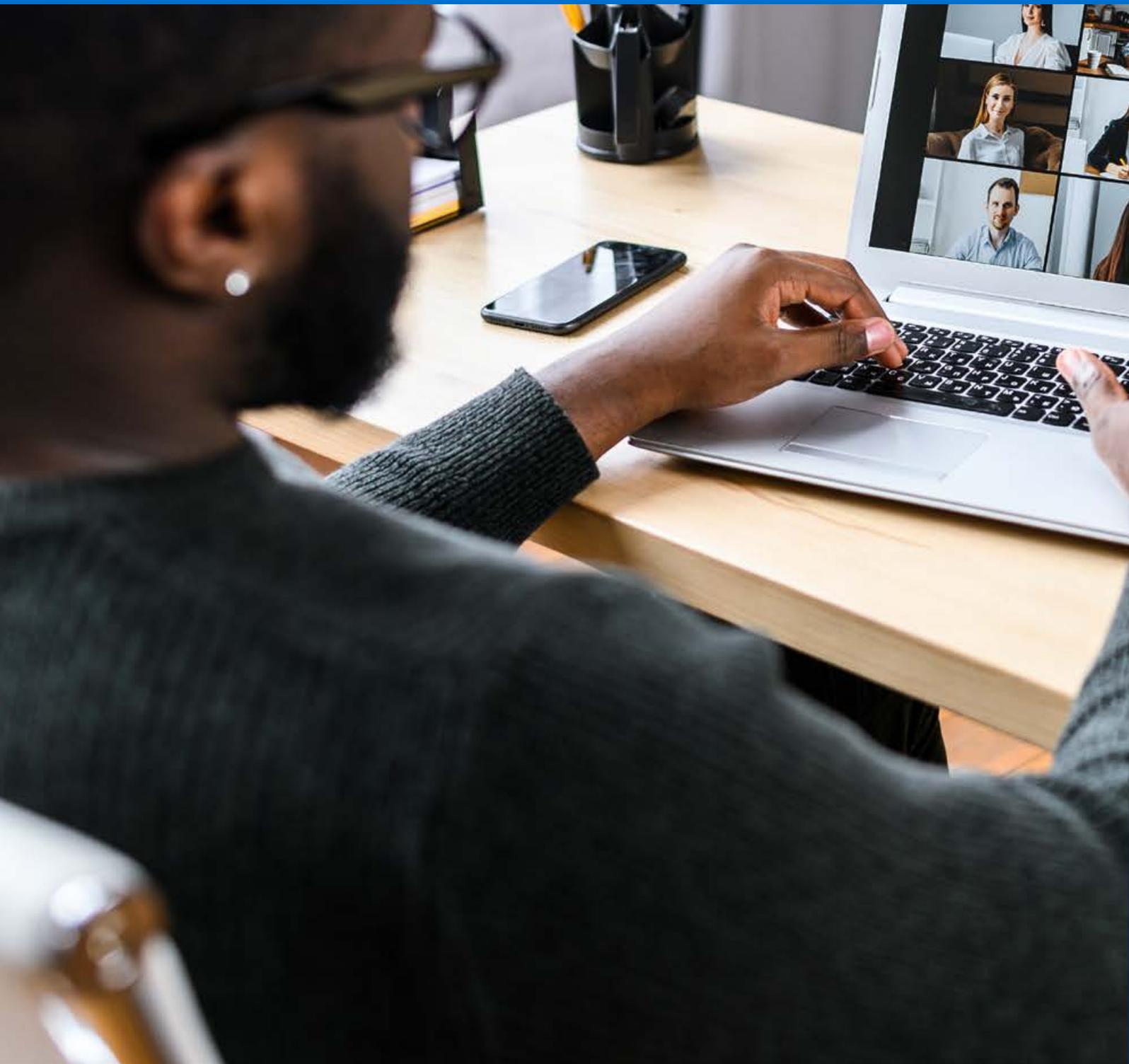


Adam Wilson, Associate Director, Opinium



"At a time where many businesses have felt the brunt of a turbulent year, it is reassuring to see that they have not neglected the 'softer side' of their relationship with the public. In the media we've seen stories of businesses small and large giving back to local communities during the pandemic. We see this reflected in our findings with the general public feeling being that business have stepped up in an hour of need to support not only their customers and employees, but the wider national effort too."

Companies that put their people first will be rewarded



Businesses and employees have adjusted to the opportunities and challenges presented by the pandemic

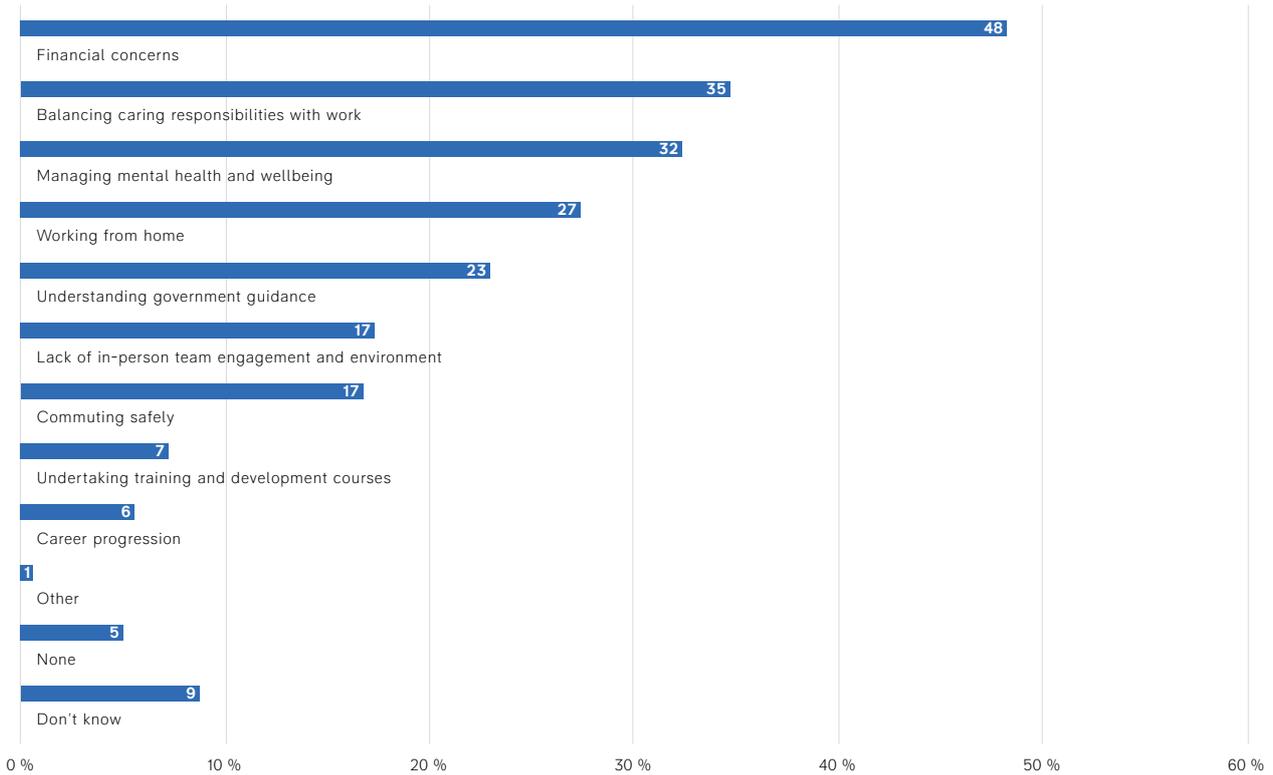
The way work gets done has changed forever, arguably for the better. COVID-19 has dominated every aspect of our working lives, imposing and accelerating significant changes and innovation in working practices and behaviours for both businesses and individuals. Remote working has become the norm for office-based firms, business travel has reduced significantly causing many to contemplate their carbon footprints⁸ and consumer patterns have shifted to online shopping and shopping more locally.⁹ For many businesses and employees alike, these changes are here to stay as they have brought about productivity and lifestyle benefits. But this is not the case for all, meaning that business will need to explore hybrid approaches to work practices across their operations.

For employees, the pandemic and government restrictions triggered challenges that required adaptations to working lives. The acuteness of these challenges varies across gender, age and working status (**Exhibit 4**). Financial implications were the top concern for all. However, over half (55%) of female respondents identified financial concerns as one of their top three challenges compared to 41% of men. Females also noted caring responsibilities as a challenge more than men (42% and 27% respectively). Part-time workers (49%) also noted financial concerns more than respondents that work full-time (34%). Career progression is a challenge for one in ten (10%) respondents aged between 18 and 34. Though not as high on the priority list as financial concerns, it is a marked difference to those aged between 35 and 54 and those aged over 55 among whom 5% and 3% respectively selected career progression as a challenge.

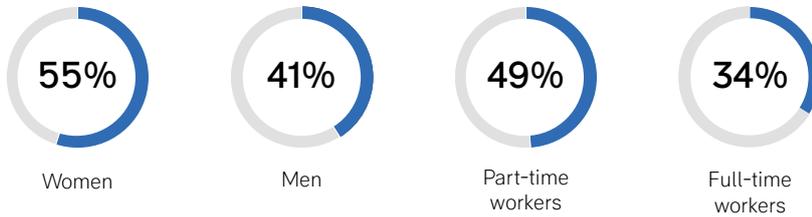
8. [The Future of Flexible Work](#), O2 Business, June 2020; accessed 19 November 2020

9. [YouGov COVID-19 Economic recovery and consumer behaviour update UK](#) (Webinar), YouGov, June 2020

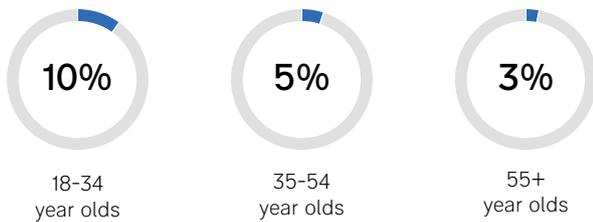
Exhibit 4 The challenges triggered by COVID-19 vary for different groups



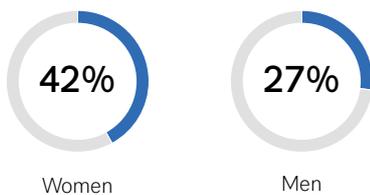
Spotlight on financial concerns



Spotlight on career progression



Spotlight on balancing caring responsibilities

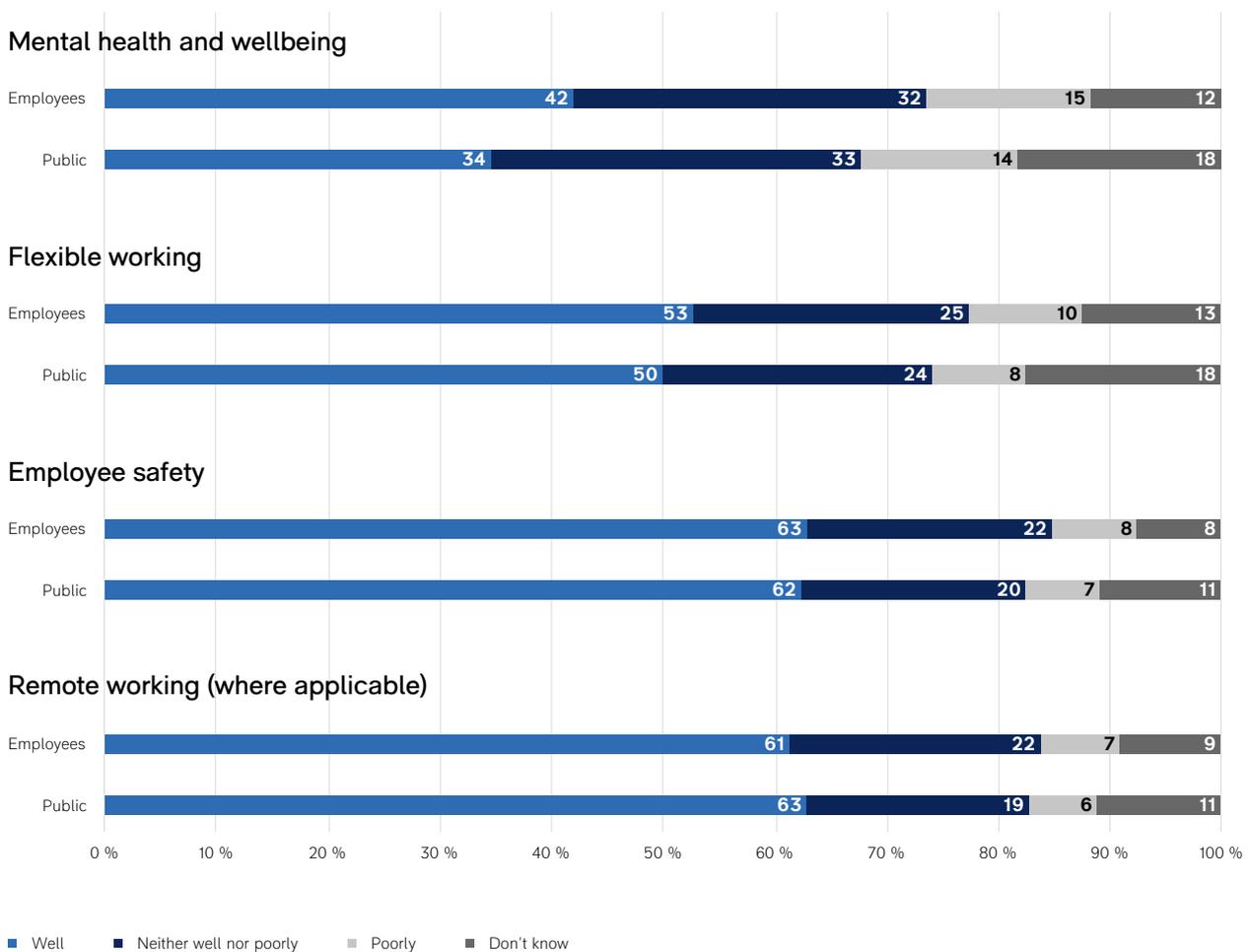


Question, November 2020: What do you think have been the main challenges for employees adjusting their working lives in response to the coronavirus pandemic, if any? (select up to three responses)



The response by business to these concerns has been agile, with organisations taking necessary and exceptional steps to protect their employees, including making workplaces “COVID-secure”, enabling flexible working to help employees with dependants, and topping up furlough payments to support incomes. The steps employers have taken have been broadly well received by employees and the public in general. Nearly two-thirds (63%) of employees believe businesses have done well in supporting their safety (e.g. social distancing and additional hygiene facilities and processes) and support for remote working (where applicable) (61%) with similar proportions of the public agreeing (**Exhibit 5**). Just over half of employees (53%) were positive on business’ approach to flexible working, though a quarter of employees (25%) were undecided on the quality of support provided.

Exhibit 5 Employees are generally positive about their employer’s support to adjust their working practices

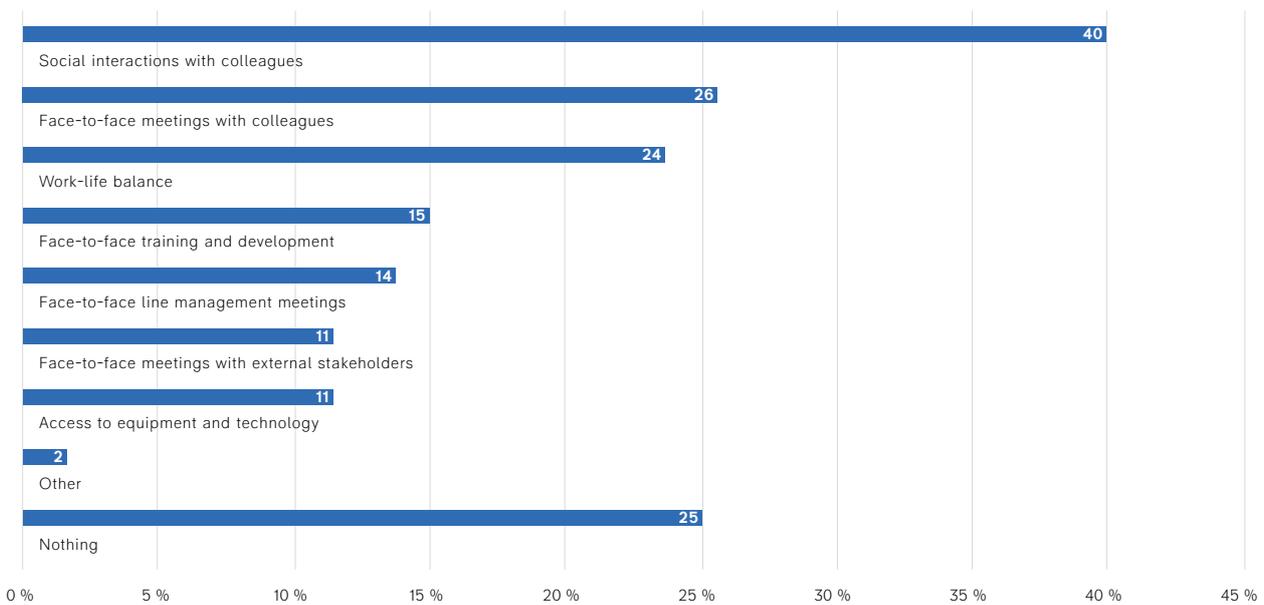


Question, November 2020: Generally, how well or poorly do you think businesses have supported their employees in the following areas?

Businesses and employees acknowledge that working patterns and practices will not return to the way they were before the pandemic. In the CBI's *No Turning Back* nearly half of business respondents (47%) expect their UK staff to carry out their work in a typical week split evenly between a workplace (office or otherwise) and their own home in the years beyond 2021, compared to 8% who worked in this way in 2019.¹⁰ Businesses have highlighted remote working as a positive for attracting staff, productivity and enabling a greater geographical spread of the workforce by hiring workers from further away, which can assist in levelling-up across the country.¹¹

However, employers also know they need to strike a balance as being in a physical workplace also has its benefits. Four in ten (40%) of employees responding to our November Business Reputation Tracker say social interactions with colleagues is one of the top three things they miss about the workplace offers, with a quarter (26%) also missing face-to-face meetings with colleagues (**Exhibit 6**). This matches up with evidence from other CBI surveys. Half of business respondents (50%) are concerned that remote working could negatively impact on workforce culture and 54% are concerned about their ability to train and develop staff effectively.¹²

Exhibit 6 Employees miss social interactions with colleagues



Question, November 2020: *What are the main things that you miss about working life pre-pandemic that you would like to bring back in some form? Please select up to three responses*

Employers will also need to assess how they can support groups of employees that will be more adversely impacted by the pandemic than other groups. McKinsey has calculated that women are 1.8 times more vulnerable to the economic effect of the pandemic than men due to existing gender inequalities.¹³ Young people will also be hit hardest by the lasting impacts of the crisis.^{14, 15}



10. *No Turning Back*, CBI, September 2020
 11. *Ibid.*
 12. *Ibid.*
 13. *COVID-19 and gender equality: Countering the regressive effects*, McKinsey, July 2020; accessed 20 November 2020
 14. *Sector shutdowns during the coronavirus crisis: which workers are most exposed?* Institute for Fiscal Studies, April 2020
 15. *Impacts of lockdown on the mental health of children and young people*, Mental Health Foundation, September 2020

Case study: L'Oréal Group pledges to support the highly vulnerable women

Responding to the disproportionate impact the pandemic is having on women's income and employment, and as part of **L'Oréal For the Future**, its new sustainability programme to 2030, L'Oréal announced the creation of a global €50 million charitable endowment fund aimed at supporting field organisations and local charities. This shows the power of business in the collect effort to fight poverty, protect and progress women's rights, provide emergency assistance, prevent violence against women, and support victims.

The scale of the challenge for the labour market cannot be underestimated and addressing it will need partnership between business and government. Pre-pandemic research from the CBI and McKinsey identified that nine in ten workers will need some form of reskilling by 2030 and that existing inequalities pose a "real risk of an unjust transition in a changing labour market exacerbated by the pandemic."¹⁶ Government and business taking action now in order to get reskilling right, is vital to increase living standards and level-up opportunity across the country as we emerge from the pandemic.

A pastoral approach to management has a positive impact on employer-employee relationships

The CBI's *Everyone's Business* research has consistently identified the importance of good employer-employee relationships for nurturing trust in business. Insights from our January Business Reputation Tracker also identified that the public feel more productive and more committed to a company when their purpose and values align with their own. This year, more than ever, employer-employee relationships have been put to the test. Companies that put their people at the heart of the response to the pandemic will benefit strongly when it comes to staff retention and productivity.



67%

of the public say they are more **committed** when working for a company whose purpose and values align with their own



63%

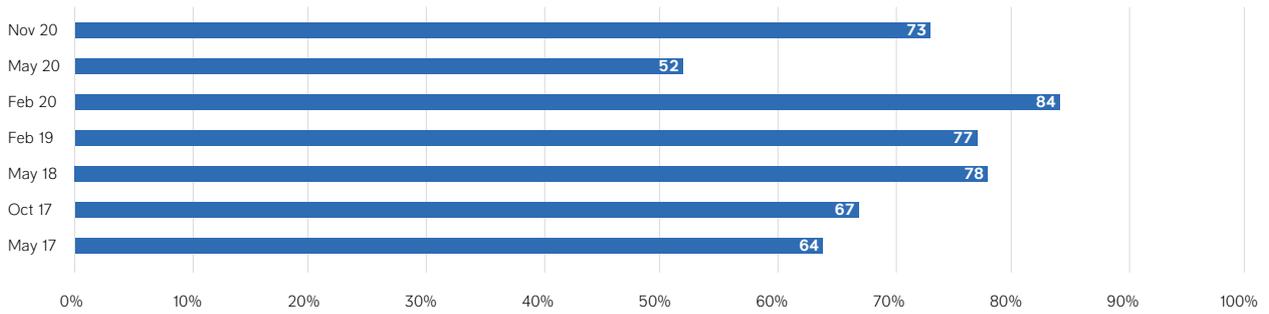
of the public say they are more **productive** when working for a company whose purpose and values align with their own



Looking at the sentiment of employees towards their employer, it has fluctuated over the last year, like business reputation. Throughout, the proportion of employees saying their relationship with their employer is negative has remained low – at 13% as of November (**Exhibit 7**). At the start of the year, 84% of employees said their relationship with their employer was positive – a record high since the inception of the Reputation Tracker. In the context of lockdown and the sudden collapse in demand due to the pandemic, this fell to 51% in the spring. However, this has rebounded strongly as we close the year, with 73% of employees of saying their relationship with their employer is positive.

16. **Learning for Life: Funding a world-class adult education system**, CBI and McKinsey, October 2020

Exhibit 7 Most employees have a positive relationship with their employer



Question: How would you describe your relationship with your employer?

Alongside working practices, the nature of the management relationship between employees and their employers has also evolved. Businesses making visible efforts to show their employees that they care has mattered significantly to employees over the pandemic. Qualitative feedback from our respondents (**Exhibit 8**) revealed two key factors which determined whether participants assessed their relationship as positive or negative: communication and whether they felt supported.

Exhibit 8 Survey participant feedback on positive employer relationships

May 2020

”
 “My employer ensures we get regular updates of any reactions the board [may] have regarding the government’s announcements. They have given a lot of thought about the welfare and mental health of their staff.”
 Survey participant

”
 “I’m a key worker. Hours of work adjusted, provided cleaning products and safety for staff including me. Taken a positive approach to Government rules.”
 Survey participant

”
 “Enough PPE, good risk assessment and shielding.”
 Survey participant

November 2020

”

“I’m able to choose when I am able to work shifts around childcare, accommodating and understanding.”

Survey participant

”

“Always [kept] up to date with current situation, and always thanked for our efforts at work.”

Survey participant

”

“They understood the situation and consulted with staff, so everyone from the top to bottom was involved.”

Survey participant

Anecdotal feedback from CBI members highlighted similar factors. Over the last six months, employers have had to get to know their employees on a deeper and holistic level in order to ensure their safety and wellbeing, whilst also being mindful not to use (and not be perceived to use) this information to discriminate. Businesses have to understand the demographics of their workforce and their physical and mental health concerns in order to protect vulnerable workers. Capabilities have been expanded to discuss bereavement and employers are providing information and where possible, safe spaces for colleagues who have unsafe home environments. As such, the meaning of being treated well for employees has evolved. It is no longer just about the basics of pay, benefits and training and development, and not just about valuing staff: it is about supporting them as people too.



“

Lauren Adams, HR Director, CBI



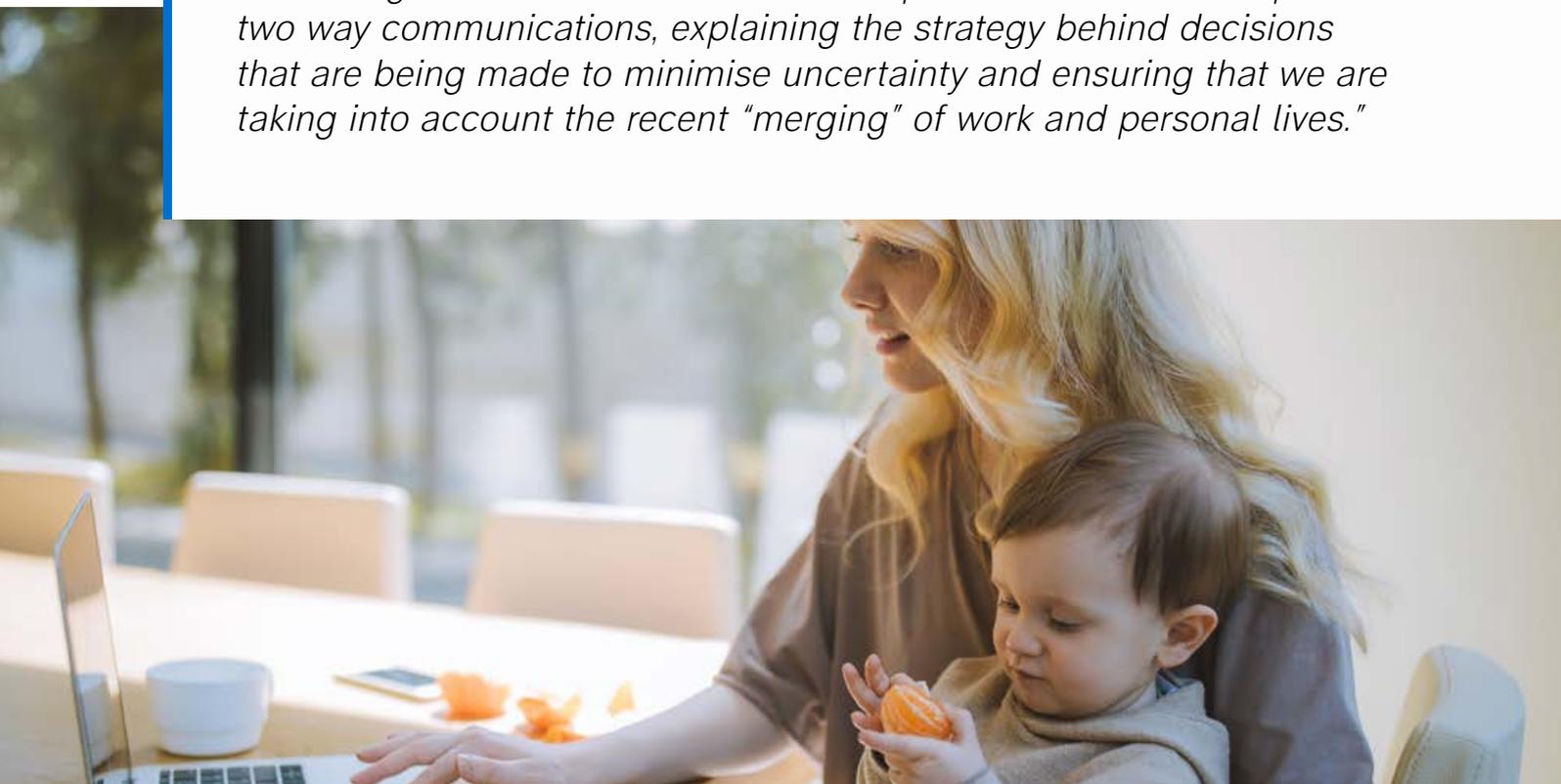
“Wellbeing has been at the forefront of our response to COVID-19, with the CBI’s approach centring around early intervention and enabling colleagues to access the support they need. Managers play a key part in this and we have been empowering them to have ongoing effective conversations where the key focus is on health, safety and wellbeing. Managers, and our employee networks, are essential in ensuring we understand the lived experiences of our teams and deliver our strategy effectively. They have been vital in cascading information on resources available to colleagues, feeding back on how useful they’ve been or where we could do more, and on how employees are doing more generally.”

“

Anna Flower, Director, Reputation Management, Porter Novelli



“This tracker illustrates that the businesses that will thrive post-pandemic are those that have taken a human-first approach when it comes to employee engagement. This doesn’t mean that leaders can avoid tough decisions but illustrates the power of honest and open two way communications, explaining the strategy behind decisions that are being made to minimise uncertainty and ensuring that we are taking into account the recent “merging” of work and personal lives.”



Case study: Values drives the Rowlinson Knitwear COVID-19 response

Rowlinson Knitwear is an employee-owned and is a Certified B Corp business based in Stockport. It manufactures garments for the schoolwear and corporatewear markets.

The company views the world through its values: 'care', 'trust' and 'be better'. At the onset of the first lockdown in March, Rowlinson used its values to steer its measures to safeguard the business whilst simultaneously prioritising the health and wellbeing of its colleagues. These measures included pay cuts for the higher earners, flexible working arrangements, COVID-19 safe working practices, mental health and wellbeing support for all and regular communications.

Rowlinson actioned these measures in two phases. Phase one, *Be Sensible*, was focused on safety. Colleagues were given hygiene packs and social distancing was enforced. Phase two, *Essential Only*, focused on working arrangements. Those that were able to, worked from home and operational teams were placed on rota shifts to further aid social distancing.

Tough decisions had to be made to sustain the business financially. All non-essential spending was cancelled, credit from suppliers was sought and it approached its bank for financial support. The company breathed a sigh of relief when the Coronavirus Job Retention Scheme (CJRS) was introduced, along with the government initiatives to protect pay and business loans. With most of their customers closed for business, 75% of colleagues were furloughed. But their values and other measures such as pay cuts for higher earners meant the business was able to top up monthly pay packets and avoid redundancies.

For Rowlinson, good communication, strong colleague engagement and the continuous support and resilience of its workforce have been the critical factors in ensuring its survival. From the outset, Rowlinson was very honest with colleagues about its financial situation and kept them up to date throughout. To ensure employees felt supported and to aid personal resilience, it delivered mental health training to colleagues and established a digital channel to share health and wellbeing resources. A dedicated colleague support team checked in with colleagues on an individual basis and for those with pre-existing conditions or caring for others, additional support was offered. At its overseas factories, Rowlinson paid for weekly visits by a doctor, alongside physical safeguards and PPE.

Colleague feedback has been positive, with one colleague noting "there is no company I'd rather work for during the crisis". For Rowlinson, this is an indication of how employee-ownership brings a far stronger sense of solidarity and common purpose.



Donald Moore, Chair, Rowlinson Knitwear



"In our opinion, we will be defined by how we behaved during the pandemic, for a generation to come. We know we did the right thing for our colleagues, customers and suppliers, demonstrating care and fairness by staying true to our core values and purpose."



Mental health and wellbeing must be the next frontier for business

The link between people's mental health and productivity has been long recognised by businesses.¹⁷ However, the pandemic has triggered new, or heightened existing, challenges for some, such as isolation, financial concerns, bereavements, caring responsibilities and separation of work and home life. For employers, this has sharpened the focus on mental health and wellbeing and how they can play an enhanced role in supporting it.

The scale of the mental health impacts of the pandemic are already stark. In June, research from the Institute for Fiscal Studies (IFS) identified an additional 7.2 million people aged over 16 reporting they were experiencing a mental health problem 'much more than usual'. The IFS also found the biggest impacts were on women and young people, groups that "already tend to report low levels of mental health, meaning that pre-existing inequalities in mental health have been exacerbated by the pandemic."¹⁸ At the time of writing, this picture remains poor. Research from the Office for National Statistics identified that nearly half (47%) of adults in England reported that their wellbeing was being affected by the pandemic.¹⁹

These findings are partly reflected in the CBI's research. A third of employees (33%) identified mental health as a primary challenge to manage during the pandemic (**Exhibit 4**). But when asked about the three most impactful measures of support from employers, only 14% highlighted additional mental health support as one of them. A third of respondents (32%) say businesses have supported employee's mental health and wellbeing well, increasing to 42% for those in work (**Exhibit 5**). But this drops to 36% for employees that work part-time and to 31% for those identified as "working class".²⁰

These results prompt a series of questions that employers need to answer in order to find out how to fill the gap and support employees adequately. This is something that is recognised by employers. The CBI's *Front of Mind* report identifies steps employers can take to support their staff, including prioritising mental health and wellbeing from the top, targeting actions towards early interventions and reinforcing positive messaging.²¹ Additionally, research from Opinium suggests mental health days (where, for example, employees can take allocated days off to look after their mental wellbeing), access to a counsellor and monitoring of staff wellbeing through surveys are steps employers can take.²² Businesses should also consider the **Mental Health at Work Commitment** which provides tools and resources across six standards.



Justine Shaw, CPP Group People and Culture Director



"We've held a 'global conversation' with our people to reflect on the positive and negative experiences of the pandemic both professionally and personally. Listening and collaborating makes us much more able to adapt for the future, support our colleagues and grow our business. We actively pursue a broad definition of well-being to include financial, social and digital well-being as well as mental and physical. We want all of our people to be the best they can be, so we provide the culture, support and resources to enable them to feel connected and comfortable talking about wellbeing or seeking information and help."

17. *Front of Mind*, CBI, Bupa and HCA Healthcare, September 2018

18. *The mental health effects of the first two months of lockdown and social distancing during the Covid-19 pandemic in the UK*, Institute for Fiscal Studies, June 2020

19. *Coronavirus and the social impacts on Great Britain: 20 November 2020*, ONS; accessed 20 November 2020

20.

21. *Front of Mind*, CBI, Bupa and HCA Healthcare, September 2018

22. Opinium carried out online surveys of 1,008 UK workers aged 18+ 24th June to 13th July 2020. Results have been weighted to representative criteria

Business cannot rest on its laurels as an 'unengaged middle' remains



Businesses need to connect with the 'unengaged middle' to understand the public's expectations of them

This report is the fourth *Everyone's Business Reputation Tracker* since it launched in 2017. Throughout, the proportion of the public rating business negatively has been steadfastly low, a testament to the overwhelming majority of businesses that play their part in protecting and growing the economy. Businesses have also been taking action to demonstrate their value to society more explicitly. There has been a movement towards being purpose-led business, the meaning of corporate responsibly has evolved, and many firms are embedding Environmental, Social, Governance (ESG) processes to ensure better and more sustainable outcomes, aligning with **the UN Sustainable Development Goals**. These are long-term initiatives that fundamentally address the culture of businesses.

Business's efforts are translating to improved business reputation, but there remains about a third of the population who subscribed to the 'neither good nor poor' category – an unengaged middle – for whom the jury still out (**Exhibit 9**). As the UK emerges from the pandemic, there is a matchless opportunity for business to win this group over by building back better.

Exhibit 9 Examples of the unengaged middle**30%**

of the public say the reputation of business is neither good nor poor
Down 8pp since May 2020
Up 2pp since 2017

**33%**

of the public say they don't know whether they want business to take a more active role in addressing social and environmental issues

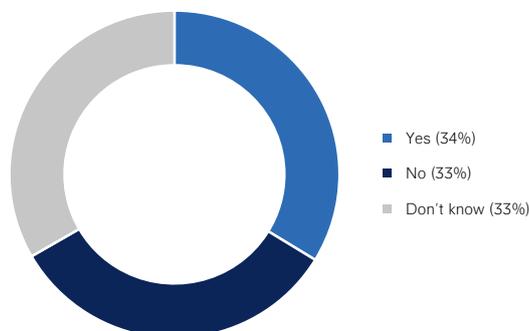
**21%**

of the public don't know what businesses have done well in response to the pandemic

There are several factors that may be driving this. One factor is familiarity. Previous *Everyone's Business* research identified that the more the public interacts with business, the more likely they are to understand it and therefore empathise with it.²³ This is why the public tends to rate the relationship they have with their employer more highly than business as a whole community, and why those in work typically, but not always, rate businesses more highly than those not in work. Additionally, sectors which interact more directly with the public on a day-to-day basis such as retail and hospitality are more likely to receive an assessment of their conduct – whether that is positive or negative – than other sectors that have less interaction with the public, such as mining and quarrying.

Another factor could be that the public's expectations of business have increased over this period, meaning that the goalposts have moved. Our January Business Reputation Tracker identified that purpose-led companies are important to the public. Two-thirds (66%) of respondents said they are less likely to trust a company if their actions do not match their stated purpose and values. Research in June 2020 from the Centre for Progressive Policy found that 80% of the public want to see increased obligations on businesses to act in the interest of society which are receiving financial government support related to COVID-19.²⁴ Eight in ten (81%) respondents to Edelman's Trust Barometer revealed that "personal vulnerability" around health, financial stability, and privacy triggered by the pandemic has caused brand trust to become more important to them.²⁵

But the messages from the public on businesses' relationship with society and the environment are mixed. A third of the public (34%) expect business to take a more active role in addressing social and environmental issues but a similar proportion do not (33%) (**Exhibit 10**). The remaining third (33%) are undecided. These results are somewhat surprising and do not align with our previous research. For example, in our January Business Reputation Tracker only 16% of respondents said business should never speak out on social issues. The CBI's assessment is that the timing of our survey, just as the second lockdown started, may be a factor, but we intend to test this again in our next wave of research.

Exhibit 10 The public's view on the role of business is mixed

Question, November 2020: As we emerge from the coronavirus pandemic, do you expect businesses to take more of a role in tackling social and environmental issues?

23. *Everyone's Business: Public Attitudes Report*, CBI, July 2017

24. *Public perceptions on the role of business before and after COVID-19*, Centre for Progressive Policy, May 2020

25. *Edelman Trust Barometer Special Report: Brand Trust in 2020*, Edelman, June 2020

Business should not take this as a sign that it does not need to consider its societal and environmental impact. For good or for ill, the actions of business during this crisis will not be forgotten and, as outlined earlier, there is about a third of the population for which the jury is still out on business reputation.

It also impacts a company's ability to attract and retain talent and secure capital. In our January Business Reputation Tracker, 56% of UK adults said they are more likely to apply for a job with a company that has a clear purpose beyond profit, with half (51%) also saying they are more likely to buy their products and services.²⁶ There is also emerging evidence suggests embedding and measuring environment, social and governance outcomes (typical known as ESG) can lower the cost of capital for firms.²⁷ For some business leaders, adopting a purpose-led approach has been instrumental in their current decision-making. The onset of the pandemic demanded "a moment of existential introspection" in boardrooms as whilst learning to adapt to the crisis, firms also grappled with unfamiliar commercial, people and ethical issues.²⁸



Richard Foley, Senior Partner,
Pinsent Masons LLP



"Understanding why you exist as an organisation – what really gets you out of bed in the morning – and aligning your organisation from top to bottom to deliver on that promise is fundamental for businesses that want to be seen as part of the solution, not part of the problem. But it can't be smoke and mirrors. You have to mean it and you have to be true to it, which means making decisions and taking actions that align with your purpose. Always.

Having the drive and determination to ensure that your organisation serves the needs of all stakeholders is what will create success from now on, but even with that ambition, becoming purpose-led doesn't happen overnight – it takes time to rewire your organisation and it requires you to measure and communicate success in a different way.

At Pinsent Masons, we've written and are embedding a purpose-led strategy that empowers all our people to make business work better for people. That's our commitment to our clients, our colleagues and our communities. And it's already helping us make better decisions – quickly, with clarity, and with context – so that our organisation is becoming more resilient, agile as well as purposeful."

26. For this survey, we defined purpose as "a company's reason for existence beyond just products, services and profit. It is a statement of what an organisation aspires to be and do, and can be used to inform leadership decision-making, behaviours and actions".

27. See for example, [ESG and the cost of capital](#), MSCI, February 2020; accessed 25 November 2020; and, [Why ESG is here to stay](#) (article), McKinsey, May 2020

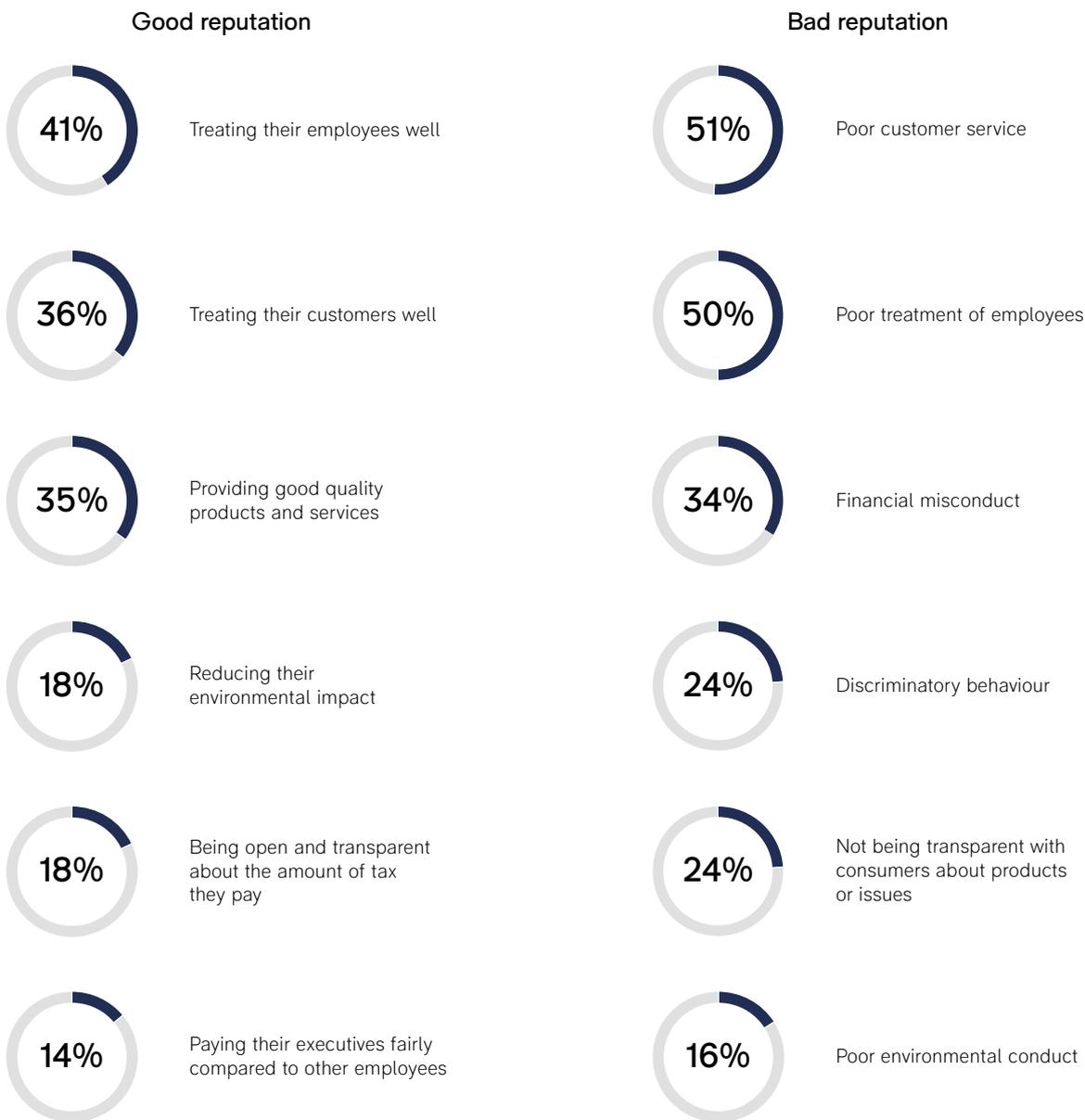
28. [Demonstrating corporate purpose in the time of coronavirus](#), McKinsey, March 2020; accessed 19 November 2020

Doing the basics well in the short-term is essential to build and maintain trust, but building back better necessitates bold thinking and an eye to the future

With many businesses' bandwidth strained at present, firms will face a dilemma on how to balance building trust with its stakeholders while ensuring the commercial survival of their business. With a daunting curve of unemployment emerging, protecting as many jobs as possible must be a priority and the best way for business to do this is to ensure commercial survival.

Beyond protecting jobs, from previous *Everyone's Business* research we know that doing the basics well will matter. Insight from our January Business Reputation Tracker illustrated that a good reputation is driven by how a business treats its employees and customers and by providing quality goods and services (**Exhibit 11**). Relatedly, a negative reputation is driven by poor customer service, poor treatment of employees as well as financial misconduct, discriminatory behaviour and lack of transparency. This implies that companies need to ensure that the 'bread and butter' of doing business is done to exceptional standards.

Exhibit 11 Doing the 'basics' well supports a good reputation



Question, January 2020: Which, if any, of the following do you think would improve the reputation of UK businesses?

Question, January 2020: Which, if any, of the following do you think negatively impact a company's reputation most?

Despite the shift in the public's view on the role of business in tackling social and environmental issues highlighted above, firms agree that societal events of this year have sharpened the role of business in society. Alongside the challenges and opportunities brought about by the pandemic, the disproportionate impact of the virus on ethnic minorities, the killing of George Floyd (among others) in the United States and the subsequent Black Lives Matter protests saw business wake up to the need to ensure racial equality in the workplace. The urgency of tackling climate change has not gone away for businesses either. It is also the top issue that the public want business to take a more active role in helping to address (41% put this in their top three).



Laxman Narasimhan, CEO, Reckitt Benckiser
at CBI Annual Conference 2020



"At the point in time we are staring at so many crises, public health, economic, social, geopolitical risk, environmental and trust... in this moment as you lead an institution, you've got to balance all of these different considerations. None of these are particularly easy, but you have to engage and join forces to win bigger."

Business recognises it is not immune from the impact of these events and are already thinking about how to build back better as we emerge from the current crisis. Two-thirds of business leaders (67%) expect to increase activities to improve diversity and inclusion and support racial equality over the coming years and the same number expect to increase activity to support the net zero carbon emissions reduction target. Another 57% will increase activities to support their local communities.²⁹

Case study: Businesses join forces to Change the Race Ratio

In October 2020, the CBI launched the [Change the Race Ratio](#) campaign along with Aviva, BITC, Brunswick, City Mental Health Alliance, Cranfield Business School, Deloitte, EY, Linklaters, Microsoft UK, Russell Reynolds, Schroders, The 30% Club, The Investment Association and Unilever.

Evidence shows Boards that have racial and ethnic diversity perform better. McKinsey data from 2019 highlights that in the case of ethnic and cultural diversity, top quartile companies outperformed those in the fourth quartile by 36% in profitability.³⁰

However, the latest [Parker Review](#) report into ethnic diversity in UK Boards shows little progress has been made by businesses on implementing its recommendations: 37% of FTSE 100 and 69% of FTSE 250 companies surveyed still do not have any ethnic minority representation on their boards.

The campaign seeks to accelerate progress through four commitments:

1. Increasing racial and ethnic diversity among Board members by setting targets based on the Parker Review findings
2. Increasing racial and ethnic diversity in senior leaderships, including setting and publishing targets
3. Being transparent on targets and actions by publishing an action plan, publicly updating on progress and disclosing ethnicity pay gaps
4. Creating an inclusive culture in which talent from all diversities can thrive.

Through these commitments, businesses can create a more diverse and inclusive business community and ultimately, a more equitable society. Real and authentic change will take time, and a dedicated and collaborative effort. So the campaign will foster a community that works together and shares good practice, inspires each other to push harder and do better. At the close of November 2020, 50 businesses have already committed to Change the Race Ratio.

29. [No Turning Back](#), CBI, November 2020

30. [Diversity Wins: How Inclusion Matters](#), McKinsey, May 2020

Case study: Accelerating climate action by businesses through the Goal 13 Impact Platform

In the lead up to COP26, the CBI is developing a platform with Deloitte, Chapter Zero, Accounting for Sustainability, Dell and the Met Office to capture insights into the most impactful climate initiatives and to connect businesses to work together to reduce their environmental impact.

The platform will share examples of climate progress and innovation, barriers to progress, and lessons learned with a view to galvanise further action and influence domestic and international policy. It will also serve as an opportunity to 'matchmake' organisations who are working on similar initiatives and challenges.

To date, company-specific information has been collected through interviews with leaders from organisations of all sizes and sectors. In September, [Goal 13 Impact Platform: emerging findings](#) was launched with the findings from the first 100 interviews, with key findings including:

- 43% of the companies interviewed have already set net-zero or carbon neutral targets
- Companies are taking steps to integrate their climate programmes with their corporate strategy, performance and culture; however, 65% still appear to be in the early stages of that journey
- Many climate initiatives still focus on a company's own operations, but leaders are increasingly considering new products & services as well as improving their supply chain engagement
- 45% of respondents cite uncertainty around policy and regulation as a significant barrier to progress; companies are seeking a more coordinated, cross-sector approach to enable the effective deployment of technology and infrastructure.

Next steps are to scale up interviews both in the UK and internationally, launch the platform, and share the insights at CBI and partner-led events in the lead up to COP26.

If you would like to be involved in this project, please contact the [CBI Energy team](#).



Conclusion

Reputations are forged in a crisis. For better or worse, firms' actions during the COVID-19 pandemic and as we emerge from it will not be forgotten by its stakeholders. Business has done well to protect as many jobs as possible and step up to support the national effort to beat the virus and support employees, customers and communities. But the road ahead is uncertain – commercially and reputationally. Companies need to do what they can to build and maintain trust.

COVID-19 and its health and economic impacts has dominated most aspects of our life. It has sharpened existing inequalities in our society and our relationship with the planet. Together, these have prompted businesses and individuals to contemplate what kind of economy and society we want as we emerge from this crisis.

Businesses know they have a key role to play in building a fairer, more inclusive and more sustainable UK. However, capacity to execute this vision varies. Many firms are in 'survival mode' where the priority is ensuring the commercial survival of their business which is essential for protecting jobs. Others are in 're-building mode' and have bandwidth and resources to undertake ambitious programmes. Regardless of which camp businesses fall into, there are actions each can take to ensure that trust and business reputation is maintained and built on. The actions of business this year clearly show it is up to the job.

Practical steps business can take – whatever stage they're at

Mode: Survival

Focus: "Building Back"

01.

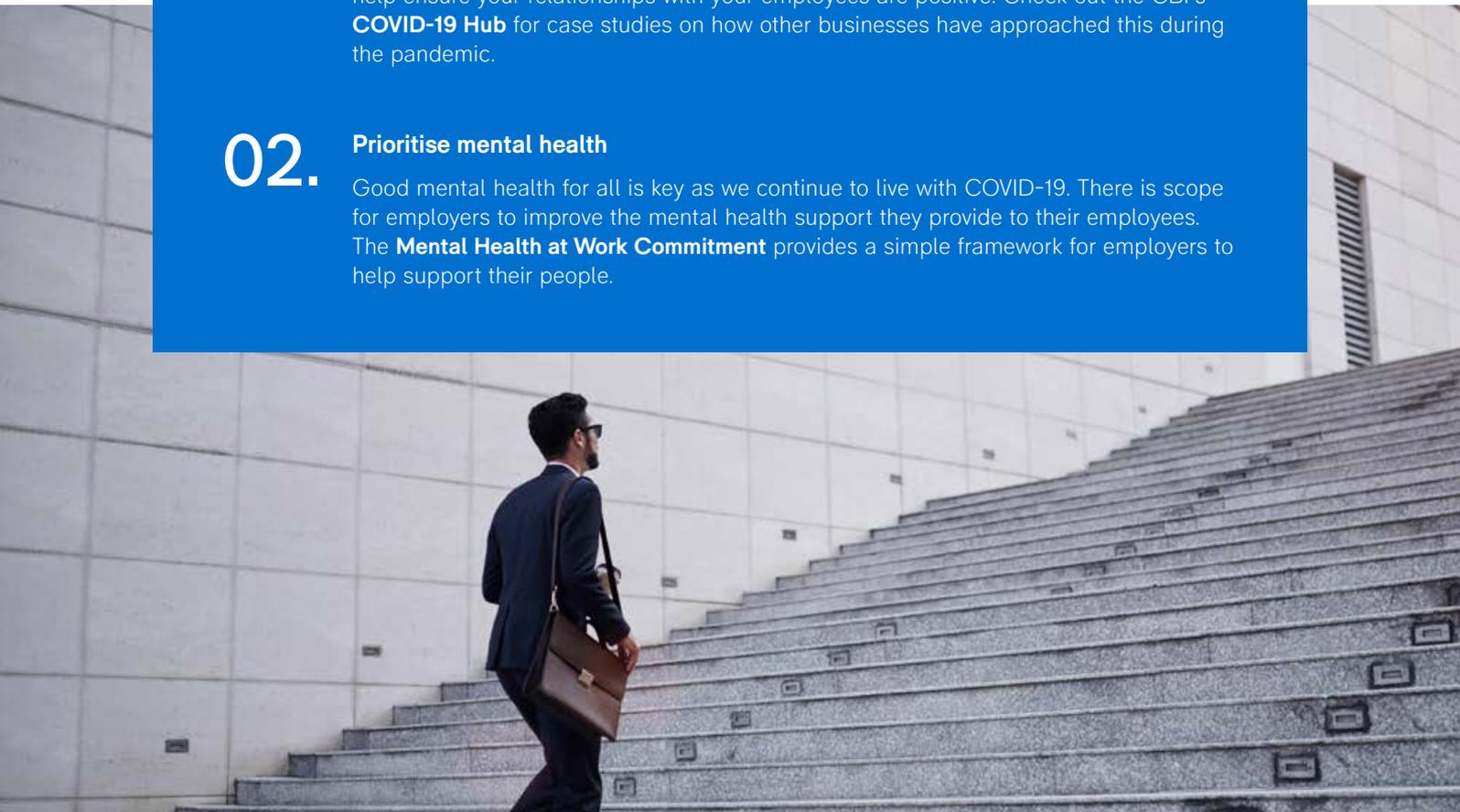
Focus on the basics

Good communication and ensuring employees feel supported are paramount. This will help ensure your relationships with your employees are positive. Check out the CBI's **COVID-19 Hub** for case studies on how other businesses have approached this during the pandemic.

02.

Prioritise mental health

Good mental health for all is key as we continue to live with COVID-19. There is scope for employers to improve the mental health support they provide to their employees. The **Mental Health at Work Commitment** provides a simple framework for employers to help support their people.





Mode: Re-building

Focus: "Building Back Better"

01.

Make a difference

Many communities, charities and groups remain in difficulties because of the pandemic. Donate your time, funds or other resources through BITC's **National Business Response Network** to support organisations in need in your area.

02.

Tell your story

Familiarity with business nurtures trust and right now the public is becoming more familiar with business due to the economic impacts of COVID-19. Telling your story transparently and constructively will help build and maintain trust as we emerge from the crisis.

03.

Commit to building back better publicly

Many businesses are already taking action to build back better, but the public want to see that business means it. Initiatives such as **Good Business Charter**, **Change the Race Ratio**, and **Goal 13 Impact Platform** are affordable ways for your business to demonstrate your commitment explicitly and with accountability.

Methodology

Three surveys were conducted for the CBI and Porter Novelli by Opinium Research between January 2020 and November 2020 in three waves. Fieldwork took place between 28 and 31 January 2020, 26 and 29 May 2020, and 6 and 9 November 2020, respectively.

Each survey questioned around 2000 UK adults aged over 18, with the results weighted to nationally representative standards.

Data presented in the exhibits have been rounded to the nearest percentage and therefore may not always tally as expected.

To share your views on this topic or ask us a question, contact:



Katie Dash
Head of Everyone's Business, Campaigns
katie.dash@cbi.org.uk