The confluence of strategic CSR and leadership development at Hays plc

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Abstract

Purpose – A case study showing how leadership development can be embedded within a CSR framework to deliver stakeholder benefits, competitive advantage and an economic return at a time when investment in CSR and training and development are often reduced. The aim was to bring leadership development "to life" through complex CSR related challenges bringing value to all the stakeholders: participants, community partners, community partner service users, Hays plc and its shareholders.

Design/methodology/approach – This case study describes an approach combining strategic CSR and leadership development at Hays plc. The approach taken at Hays was grounded in the company's strategic context, supported the development of a cadre of "dual agenda" business leaders and provided value to all stakeholders concerned. The paper sets out the practical steps of the intervention, from strategy development to programme design and through to implementation and capturing the benefits for all the stakeholders.

Findings – The strategic approach to CSR has combined the benefits of real world learning for the participants, helping the transferability of new skills from the training room back to the work-place whilst, at the same time, building sustainability within the workplace and with our community partners.

Originality/value – The case study shows how combining strategic CSR with leadership development, can inculcate "dual agenda" thinking within a business, and bring real benefits to all stakeholders including a measurable ROI for Hays.

Keywords Corporate social responsibility, Leadership development

Paper type Case study

1. Introduction

Since late-2008, the challenging global economic and financial environment, combined with increasing regulatory control, governance and reporting requirements, has meant that businesses across many different sectors have been forced to reappraise and refine their approach to corporate social responsibility (CSR). Decisions to contain operating costs and allocate investment capital solely to projects that very obviously drive improvements in immediate competitiveness and short-term economic viability usually take priority in such circumstances. Given this financial backdrop, it is a relatively easy decision for executives to hold CSR investment at constant levels or else pare it back to address only the basic compliance and legal requirements, becoming a "box ticking" exercise driven by external ratings and rankings, as opposed to fulfilling a more expansive, strategic agenda. At the same time, "softer" cost centre budgets, such as employee training and development, are very often the first to be cut in an effort to protect profitability.

This case study argues that by strategically embedding CSR with the development of leadership talent it is possible for an organisation to deliver a positive investment return from both CSR and training combined. At the same time, it is possible to meet the

needs of multiple stakeholders (shareholders; the firm; current and future employees; clients; local community; charitable entities) across wide ranging performance criteria (economic; fiduciary/ethical; reputational/social; corporate citizenship; individual social responsibility; business leadership development and management succession). In short, by taking a strategic approach, there can be congruency between both corporate financial and social performance by broadening the scope of return on investment of CSR to integrate multiple stakeholder requirements and then link them back to the shareholder.

2. Evolution of the case for strategic CSR

There are two fundamentally opposing poles amongst the many approaches to CSR: economic, protecting the primacy of the shareholder, and ethical/altruistic where an organisation strives to "do the right thing". Between these "poles" there are many other models: the legal, driven by protecting a market position or avoiding prosecution; the reputational, driven by the needs of particular external audiences; the sustainable, focusing on environmental stewardship; the strategic, anchored in the activities of the company; through to the concept of corporate citizenship which seeks areas of overlap between the ethical and economic concepts.

Friedman (1962, 1970) defined social responsibility for business narrowly, being that of fiduciary duty and maximising profits for shareholders to the exclusion of other stakeholder groupings. Baumol and Blackman (1991) follow this economic argument, pointing to the fact that in perfectly competitive markets, corporate altruism that is not central to a firm's productivity will logically result in loss of market share and value destruction. Coelho *et al.* (2003) supported Friedman's view. They advance the primacy of the shareholder, arguing that diverting resources to purely altruistic activities is the road to managerial corruption and that chaos will ensue where shareholders' needs are pitted against those of other stakeholders. They argued that any such models are incomprehensible and corrosive, despite being well-intentioned.

In contrast with the advocates of shareholder primacy are a number of approaches that are based on philanthropy or altruism and argue that businesses can derive benefit from engaging in CSR activities that are important in the eyes of non-financial stakeholders. Carroll (1991) sets out a pyramid of drivers with philanthropic responsibility at the very top. Donaldson and Preston (1995) focus on the ethical as well as the business cases for CSR. Andrews (1972) ascribes high value to executives' personal stimulation, moral conviction and the corporate conscience as a driver for CSR, as do Donaldson and Davis (1991). Broadening the approach, Waddock (2002) advances the notion of a hierarchy of stakeholders, arguing that there can be so many important ones that businesses should categorise them into primary and secondary levels. Freeman (1984) argues that managers should not just focus on shareholders and owners, but rather they should take account of the needs of a much broader stakeholder base, such as employees, customers, suppliers and the immediate local community.

Exploring the theory of the firm, Hart (1995) and Russo and Fouts (1997) agree that targeted environmental social responsibility could deliver increased financial performance and can lead to sustained competitive advantage. McWilliams and Siegel (2001) also explored whether integrating a "social" attribute to a product is something that can deliver a positive financial return if it has a value to the end consumer. The decision whether to invest socially then becomes a managerial cost benefit analysis.

Baron (2001) introduces the notion of strategic CSR but within this distinguishes between the motivations of social (serving solely at the cost of some profit) versus privately responsible (bottom line focused). Hillman and Keim (2001) also explored the strategic argument and showed a positive relationship between strategic, stakeholder management CSR and business performance, whereas altruistic CSR produced a negative financial return.

It is not until Porter and Kramer (2006) that we see a more integrated strategic model of CSR which argues that businesses should consider three categories when evaluating where to make social investments and interventions: generic social issues; value chain social impacts; and the social dimensions of the competitive context. Then, they argue, companies' social investment can be prioritised and grounded in their own strategies and integrated into their own value propositions. Companies should be identifying social issues that they are able to address and which confer competitive benefit.

Husted and Salazar (2006) follow a similar vein to Porter and Kramer by modelling the conditions under which it is possible to maximise profitability with social performance. They examine three models of social investment: first one driven by altruism (social investment without economic loss); second the "coerced egoist" (defensive social investment to avoid prosecution or to protect a market position); finally the strategic approach (social investment to obtain planned for, additional benefits beyond the immediate social return). Although corporate social and financial performance cannot be maximised exactly in parallel as per Jensen (2002), they analyse where it is optimal for a firm to invest, depending upon the chosen business drivers. They then argue in favour of the strategic approach that creates value by covering any of three conditions: CSR investment based on governmental intervention, product differentiation or operational cost reduction.

3. The CSR/leadership development Nexus
Blowfield and Googins (2006) interviewed 48 senior C-suite executives and identified a shared and increasing recognition of the responsibilities to multiple constituencies that their organisations had. Whilst there was not a consensus that effectively managing the relationship with the wider society created value, there was a common opinion that failure to manage this relationship would definitely destroy value. In other words, whilst some of these executives held a strategic view of investment in CSR, and others were altruistic in perspective, those that were not in either category could be labelled as "coerced egoists". The common view that all these executives held was that CSR was not any longer an optional extra but a business requirement that, at the very least, helped to ensure value was not destroyed for their shareholders.

For those executives that took a strategic approach, then the importance to develop leaders in their organisations who have both a concern for society as well as creating profit is apparent. Lobel and Gist (2011) coined the term "dual agenda" leaders to describe this capability. However, there is a dearth of empirical research into how organisations can effectively develop leaders with such a "dual agenda" capability, although there is some evidence that such capabilities are being developed through higher education. For example, Lobel and Gist (2011) describe an executive MBA programme in the USA that has seen some success in developing such behaviours, whilst Broburg and Krull (2010) provide an outline of a management education programme in Denmark that is seeing similar successes.

What are these programmes developing? Schneider *et al.* (2010) argue that many corporate education programmes develop social awareness – in other words a cognitive understanding of social issues, but they do not fully develop the cognition, values and affect (the psychological antecedents) of socially responsible behaviour. Crilly *et al.* (2008) identify these facets at the core of the development of social consciousness.

It is posited in this case study that social awareness and consciousness are raised through a process of direct experience and deliberate opportunities provided to encourage both reflection (on what an individual did and its success or otherwise) and the more challenging task of personal reflexivity (a more introspective assessment of how the individual felt – the thoughts, feelings and behaviours at a moment of "interaction"). For further on this point, see Finlay (2002) and Ryan (2005). Recognising that "dual agenda" leadership development must go further than a purely intellectual activity is one of the foundations on which this case study is built.

This case study also seeks to follow the thinking of both Husted and Salazar and Porter and Kramer by taking a strategic approach to CSR activity selection and investment, and to capture a broader level of return through an aggregation of aspects of other CSR models with reference to the development and implementation of the Hays plc leadership development programme – the pedagogical principles of which will be explained later.

4. The strategic context for Hays plc
Hays plc is a FTSE 250 specialist recruitment company operating in 33 countries with a market capitalisation of over £1 billion and 8,000 employees.

In early-2008, Hays developed a new brand, focused on activities that "Power the World of Work", the organisation had also announced a new group strategy to the investment community with four themes:

(1) developing the best people in the industry;

(2) operational effectiveness;

(3) "One Hays" around the world; and

(4) growth by replicating the business model.

In 2008, Hays operated in 20 countries but was very UK centric in terms of financial dependence. Hays' UK and Ireland region contributed £125 m operating profit, out of group profits of £258 m, and almost two thirds of the group turnover or "net fees". In the second half of 2008 the global financial crisis (GFC) was starting to bite and by 2012 this financial picture had changed dramatically. The UK and Ireland had reported an operating loss of £6.5 m out of overall group profits of £128 m and contributed less than one-third of the net fees. In late-2008 it was starting to become clear that the group needed to reduce its dependence on the UK even more quickly, rebalance its talent base to be able to build businesses outside the UK to be able to fulfil the investment promise. Faced with a choice of wholesale hiring of new talent or developing and reallocating experienced talent outside of mature markets, the latter was the only realistic and affordable proposition.

Whilst investment in consultant and manager training has always been significant, there had been limited leadership development, particularly on a global scale. Additionally, the senior leadership population (top 250 employees) had limited

experience of, or exposure to, executive education. To support the group strategy, a key part of the people strategy was to "Implement a global leadership development strategy to provide Hays with cadre of people who are capable of taking on general management roles" which in turn would allow the organisation to replicate its business model in new markets. For further on this point see Conger and O'Neill (2012). Lack of leadership talent and leadership development could be potential blockers to strategy execution.

5. Leadership development in Hays – design through to implementation
5.1 Training needs analysis
It was apparent from a training needs analysis (TNA) based on board interviews, development centres, which included objective psychometric data, and a new succession planning process, that the leadership bench strength needed to improve in order to be able to deliver against this new group strategy. Investment to develop a leadership programme was subsequently approved and options developed.

The TNA used multiple outputs, ranging from interviews with the board to objective data from global development centres for over 250 senior managers. The development centres used a suite of psychometric instruments looking at divergent and convergent critical reasoning skills, motivation, personality and a 360 tool based on a bespoke Hays leadership competence framework, supported by an interview and discussion with the relevant line manager. This data highlighted common development areas for the target group such as the ability to think strategically about local markets; use financial information to improve commercial performance; network more effectively with peers and with external clients; drive a high performance culture in their businesses and to develop broader, more effective leadership skills. The data also confirmed that people at Hays were typically competitive, task and results focused, which are typical of any sales based environment. These outputs influenced the design and content selection of the programme. Stakeholders were consulted throughout the design process and the final design was presented to board for approval.

5.2 Investment objectives
There were a number of "success criteria" for the initial design of the leadership development intervention to be judged against:

- the programme should deliver sufficient leadership talent for Hays to execute the new strategy and meet shareholder expectations;
- the design should facilitate sustainable learning through the transfer of content and behaviour from the classroom to the "real", operational world;
- the programme should work across geography and culture;
- participants should become better leaders post programme; and
- there should be a positive financial return on investment within three years.

5.3 High-level programme design of the Hays AMP and CSR integration
The Hays advanced management programme (AMP) was a modular leadership development programme, with a common curriculum, delivered through multiple channels and tightly aligned to the corporate strategy to ensure its absolute relevance to the business to ensure the best possible outcomes (Ready and Conger, 2003).

Given the wide-ranging curriculum, there were at least 150 h of content delivered to the participants during the AMP. Removing large numbers of senior people from the business concurrently also had to be factored into the design. Therefore, it was decided to run the programme over 18 months, with face to face modules typically of five days duration. The reason behind the choice of a duration of 18 months was that it takes time to reflect and apply lessons learned in the context of leadership development. These approaches were being trained into the top management tiers, so appropriate time would be required for reinforcing the expected behavioural changes and for their transfer to be seen within the business.

The design evolved as a four part global modular leadership development programme run for cohorts of 25 leaders delivered in their geographic regions. The initial modules covered strategy and finance and people and leadership. A further distance learning module, "Future proofing your business in a digital world" was developed as module 4. The Hays community partner challenge was devised as the module 3. It was centred around a CSR intervention that became the strategic "glue" for the whole leadership programme, addressing the objective of ensuring that knowledge and behaviour transfer from the classroom to the workplace was effective, as well as embedding "sustainable leadership" into the organisation.

Following Porter and Kramer, it was clear that whatever the CSR element was, its content and purpose needed to be closely linked to the overall group strategy in order to deliver maximum benefit to all constituents. The business needed an approach that would create both positive economic and social impact and enable the company to enhance its business prospects and competitive position with clients – in other words to follow a "dual agenda". Such an approach needed to be specific to Hays' strategy and focus on the interdependence between what the business is doing and the society in which it is operating. Using Porter and Kramer's framework, the "inside-out linkages" were analysed where the company touches society in the normal course of its operations. The social impact of the value chain and impact on local communities can be relatively subtle for a support services company. In this case it was really confined to providing employment solutions for the local community, facilitating the filling of vacancies by knowing each local employment market and by the hiring of the best talent from the local labour market into fulfilling roles. It is likely that this activity impacted unemployment positively in some local markets as people moved up the employment "ladder" into better jobs from good jobs, creating room at the bottom for unemployed labour to gain employment.

The "outside-in" linkages were clearer. The activities of the company should improve the competitive context of the client firm and the community by delivering high quality inputs in the form of human resources into vacant roles. Being able to find, curate and explore local talent pools for clients but at the same time ensure fair recruitment, nullify discrimination and help the best applicants find the most relevant opportunities has a value. Additionally, working with the candidates to prepare them for interview and selection processes and help them make the right career moves, impacts local competitiveness and prosperity at a community, company and individual level.

Categorising which social issues to address was becoming clearer in terms of devising an opportunity to create shared value and reinforce the company strategy whilst benefiting society through value chain activity. The intersection for Hays of the "outside-in" and "inside-out" linkages is around helping people into the employment

market from unemployment and at the same time widening the talent pool for local businesses. Both would impact the local community positively. The solution therefore was to work with charities where this was a central issue for them and where addressing it in some way would help disadvantaged people into the workplace. The positive impact for Hays was the embedding of CSR into leadership development. There would a practical benefit for participants of working in and "consulting to" another business, thereby inculcating the learning from prior modules. Being exposed to a range of stakeholders with very different life experiences and stories was also invaluable for the broader development of a number of participants who are typically used to a much more homogeneous group of people in both their private and business lives. Additionally, there would be competitive, motivational and reputational benefits from engaging in this area. Aside from the obvious motivational benefits to participants and the reputational enhancing benefits to Hays, the embedding of CSR in the programme was so unique in the recruitment sector that it provided a competitive benefit with potential Hays clients in tender/bid situations. New business generation, especially in the public sector and with large corporate client is an extremely competitive market, and often bids and tenders require details of CSR activities that differentiated the proposal. This programme was a very different proposition from the more usual reporting of CSR – such as switching off of lights and computers after work and facilitating charitable donations through payroll.

6. Strategic CSR and leadership development in action
Module 3 was designed as a "disruptive" learning event – one that would tackle leadership development from an emotional as well as intellectual angle – but set in the real life context of our community partner. Mirvis (2008) describes several examples of development activities at the Ford Motor Company, Unilever and Novo Nordisk where participants spend time talking to staff from third sector organisations, users of their services or other community stakeholders. He writes:

> [...] executives move from the relative comfort of the corporate classroom into unfamiliar territory where they encounter people and problems seemingly far removed from the day-to-day scope and concerns of business life. Yet they come away with powerful and relevant lessons (Mirvis, 2008, p. 173).

However, whilst these conversations brought issues to life for the participants, they did not necessarily leave the charity with any tangible benefit. The Hays programme was different and designed to allow the participants to bring the benefit of their prior learning and experience to help the charity explore strategic challenges it faced, but did not have the resources or expertise to address. Participants were asked to tackle and solve real strategic problems that the chosen charity partners were facing. The participants worked with the charity for five days which culminated in a presentation of their analysis, based on the tools they had been previously taught, and solution to the charity management team. During the week, participants would also be peer and group coached and revisit some relevant content from modules 1 and 2. This group coaching reflected a modified T-group in operation (Golembiewski and Blumberg, 1973) and provided the participants the time, space and also challenge to think reflexively about themselves, their behaviours, causes of conflict, relationships, their personal assumptions and how these impacted on others. This included module participants,

the charity staff and their clients and other stakeholders, both on the programme and back in the "real" world. This design feature being key to the transformational nature of the experience for the participants (Kets de Vries and Korotov, 2007) and one that truly supports the development of social consciousness within the participants.

The charities were selected very deliberately as the challenges that they faced related to aspects of rehabilitating people's lives through helping them to find work, or work experience. That in turn helped to demonstrate competence, employability and trustworthiness in the world of work. As dealing with the world of work is a core competence for Hays participants, they were able to provide technical "sector" expertise, in addition to applying their learning from modules one and two. As this was not a simulation, the participants could see how the outputs of their work would directly influence how the charity provided services to its clients. They could make the direct connection between the application of their learning, knowledge and skills, the application of such to the challenge and the lives of the charity clients.

This module has been delivered in the UK, Asia Pacific and in Continental Europe. Community partners to date include St Mungo's (helping to rehabilitate homeless people living rough in the London area, UK); Action for Children (helping to rehabilitate disadvantaged young people in Glasgow, UK); The Barka Foundation (helping to rehabilitate people disadvantaged by crime, drugs, alcohol and the move to a market based society in Poznan, Poland); and the Sir David Martin Foundation (helping young people disadvantaged by drugs and alcohol, in Bowral, Australia).

6.1 Participant learning objectives

The learning objectives and expectations that were communicated to the participants were:

- Reinforce their understanding of the tool, techniques and models from modules 1 (strategy and finance) and 2 (people and leadership) to make their own learning sustainable and reinforcing.

- Encourage self-reflection on what it means to be a leader in Hays, acknowledging the role that reflexivity has to play in developing authentic emotional engagement in successful leadership practice.

- Use the learning to create a solution for the community partner's strategic issue. An "insights" process was introduced which was a disciplined decision making approach. This was used throughout the module to create and critique the proposition being developed.

- Transfer the solution development and insights discipline into daily work at Hays.

- Increase their personal engagement with our CSR agenda and the chosen charity and educate the organisation that "giving back to the local community" is an important and mutually beneficial part of leadership.

6.2 Additional CSR objectives for Hays

As a consequence, of the Porter and Kramer analysis and scoping of the CSR based module in detail, additional success criteria were also formulated at an organisational level:

· Any CSR involvement with community partners should be grounded in the company's strategy and should engage with relevant local community problems.

· Participants should develop social awareness and social consciousness (Schneider *et al.*, 2010).

· Any community partners should receive tangible benefit from involvement with Hays.

· There should be some tangible business/competitive benefit to Hays plc/its shareholders in its dealing with clients.

· A sustainable legacy should be developed between Hays and each charity.

6.3 Module implementation
There were a number of activities that took place to ensure this module was successful. An initial set up meeting between Hays and each charity agreed the terms of reference and specific details of the strategic challenge. Once the challenge was scoped, a project manager ensured the module content was developed on time and the logistics were managed for all stakeholder groups – from participants through to accessing the management team, volunteers and the disadvantaged recipients of the charity.

All Hays participants received a detailed briefing three weeks in advance of the module via a pre-module conference call where the main stakeholders from each charity introduced themselves, outlined the challenge and answered initial questions. Relevant line managers were briefed and most had been participants on the parallel programme, which helped to build understanding internally. Another design feature was the peer coaching/feedback group session at the end of each day of the module. As a result of this process, participants wanted and were given some flexibility to adjust the programme (e.g. spending a night sleeping rough) in order to understand the whole problem cycle.

As the module progressed there was also an increasing expectation that the participants would become increasingly self-managing, with the programme tutors gradually withdrawing from providing content and group management, which was the role they played at the onset, to becoming pure process facilitators towards the end of the module. This was a purposeful design feature and required the participants to take responsibility for their own actions and outputs.

7. Results
In order to assess the ROI of the leadership development programme, a two part framework was developed to review progress against the success criteria. Each criterion was codified into the relevant paradigm, had a measure defined and was then assessed against this framework (see Table I for summary). Additionally, an assessment of whether stakeholders benefited directly or indirectly from the results was carried out (Table II).

The AMP module has been successful when assessed against the agreed criteria, although there are limitations in some of the measurements as will be noted later.

7.1 Outcomes for Hays plc
The most important result for Hays was the delivery of a cadre of managers who could execute the global strategy. Against this metric, there has been an improvement

Paradigm	Success criteria	Measure	Result
Firm	Deliver sufficient leadership talent for Hays to execute the strategy	Succession cover/number of leaders ready for senior roles	Succession cover for senior roles improved 148 per cent just 24 months after the programme
Firm	The module should deliver positive learning outcomes for the participants and the firm	Self-report and manager report	Both participants and managers reported a range of learning outcome benefits; a positive response from participants when asked for self-reflections six month post programme
Firm and competitive	The module should facilitate the transfer of learning from the classroom to the operational world of Hays; it should work across geography and culture; it should reinforce the learning from modules 1 and 2 with practical application in the business; it should make participants aware of the value of CSR	Participant and line manager interviews and appraisals; evidence of applying learning in the business; improvement in strategy process; improvement in financial and strategic knowledge through manager report, participant self-report and inputs to company central strategic process; evidence of practical implementation in the business	Ten scholarships to participants awarded to recognise the implementation of learning into the business which had had a positive commercial impact for Hays; improvement in individual and business unit performance; representatives from 27 countries participated. English was not the mother tongue for 32 participants yet all candidates reported positively on the programme and their ability to engage with the content; all managers and participants reported and improvement in either their strategic or financial knowledge or both; the strategic planning department reports a marked improvement in country submissions; many participant have continued to support the charities post-programme; all now understand the value and potential impact of this type of CSR

(continued)

Table I.
Progress against
the success criteria

Table I.

Paradigm	Success criteria	Measure	Result
Firm/competitive	Cadre of more capable leaders post programme	Engagement data; 360 improvements; manager report and appraisals	Significant improvements in rating of participant leaders by staff in engagement survey; improvements reported by managers in participant performance; in many cases enhanced fee performance from participants' business areas
Economic/ competitive and value chain	Financial return	Incremental fee win and project wins attributable to the programme	Incremental projects wins produced an ROI within 12 months for the whole programme
Economic/ competitive	Competitive advantage return	Programme used to win competitive bids	Presentations of the programme (including a video of participant experiences) has enhanced Hays' corporate and public sector bids
Reputational	Improved reputational position for Hays with clients	Ability to showcase programme to clients and deliver competitive advantage	Presentations of the programme (including a video of participant experiences) to clients have improved reputational positioning of Hays and consistently won new business post presentation
Social/altruistic/ corporate citizenship/ reputational	Community partner solutions	Community partner satisfaction/positive results	Implementation of Hays solutions bring positive benefits; contributions to Hays reputational marketing to showcase collaboration
Social/altruistic/ corporate citizenship/ reputational	Local community	Charity able to benefit local community improved through collaboration with Hays; Hays participant voluntary participation in local community as a result of the programme	All charities reported benefit in serving local community; all cohorts still engaged with charity post programme on a voluntary basis

Analysis of benefits to stakeholders

Result against success criteria	Shareholders	Hays plc	Employees (current)	Multiple stakeholders Employees (future)	Clients and candidates	Charity partners	Local community
Succession cover for senior roles improved 148 per cent just 24 months after the programme started	D	D	I	N/A	I	N/A	N/A
Both participants and managers reported a range of learning outcome benefits; a positive response from participants when asked for self-reflections six month post programme	I	D	D		I	N/A	N/A
Ten scholarships to participants awarded to recognise the implementation of learning into the business that had had a positive commercial impact for Hays; improvement in individual and business unit performance; representatives from 27 countries participated. English was not the mother tongue for 32 participants yet all candidates reported positively on the programme and their ability to engage with the content; all managers and participants reported and improvement in either their strategic or financial knowledge or both; the strategic planning department reports a marked improvement in country submissions; many participant have continued to support the charities post-programme; all now understand the value and potential impact of this type of CSR	I	D	D	I	I	I	N/A
Significant improvements in rating of participant leaders by staff in engagement survey; improvements reported by managers in participant performance; in many cases enhanced fee performance from participants' business areas	D	D	D	D	I	N/A	N/A

(*continued*)

Table II.
The stakeholder analysis

Table II.

Analysis of benefits to stakeholders

Result against success criteria	Shareholders	Hays plc	Employees (current)	Multiple stakeholders Employees (future)	Clients and candidates	Charity partners	Local community
Incremental projects wins produced an ROI within 12 months for the whole programme	D	D	I	I	N/A	N/A	N/A
Presentations of the programme (including a video of participant experiences) has enhanced Hays' corporate and public sector bids in the CSR section of tenders	D	D	I	I	N/A	N/A	N/A
Client "thought leadership" presentations of the programme (including a video of participant experiences) have improved reputational positioning of Hays and helped to win new business post presentation with a range of SMEs and MNCs, in some cases shaping a client's learning and development agenda going forward	D	D	I	I	N/A	N/A	N/A
All charities reported benefit in serving local community; all cohorts still engaged with charity post programme on a voluntary basis	N/A	I	D	I	N/A	D	D

Notes: D – direct benefit; I – indirect benefit; N/A – not applicable

in succession readiness from the participant group, including a 27 per cent increase in those who were considered ready for inclusion on the group-wide succession plan, 27 per cent increase of diversity succession candidates and a highly significant 88 per cent improvement in those ready for a more senior role in the two to five year time frame. Overall, group succession cover for senior roles has improved by 148 per cent.

Additionally, a number of internally developed AMP participants are opening or developing new countries for Hays (e.g. four managers promoted to run significant country business units or open businesses in Latin America and South East Asia). The organisation did not have this talent ready previously.

We had an additional measure of success that related to handling a very diverse and cross-cultural group. We needed the programme to work across geography and culture in order to deliver transferable learning and participant and line manager reports supported that this was achieved.

Line manager engagement has improved year on year, as rated by staff, with leadership and direction improving to 79 per cent and immediate management improving to 74 per cent[1].

Overall, AMP has delivered a positive financial return within a year as measured by fee income generated specifically as a result of the programme.

The programme has delivered a significant competitive advantage to Hays. It is now very common in resourcing solution bids for large corporations and for the public sector in many countries to require evidence that their potential suppliers are ethical and responsible. This programme and this module in particular, have ensured that this factor is weighted positively for Hays. In addition, the module provides evidence for the appropriate rating agencies of Hays' commitment to CSR in its widest form, which in turn does have some financial and reputational impact with the investment community, albeit not directly attributable to share price movement.

7.2 Outcomes for participant employees

Participants, through self-report and manager report, have developed a set of skills, confidence, responsibility, global and self-leadership as a result of this learning intervention. The content from modules one and two has been "brought to life" and applied in real time with real consequences. An improvement in their ability to deal with challenging situations and an increase their knowledge of responsible leadership, cultural leadership and management of self has been reported by most participants and verified by managers.

Six months after the module, participants were asked to self-evaluate their level of emotional engagement in leadership and to describe what they had done and the benefits (both tangible and intangible) that had accrued from their participation in AMP. Most participants have reported that they have adapted their leadership style to accommodate this learning and this will be measured formally in the 2014 financial year with a new 360 degree development appraisal.

Participants also improved their engagement with the company's CSR agenda. They were motivated to take on the challenge for the charities and deliver against the strategic challenge that was unique. Many have engaged more deeply through volunteering to support each charity after the programme has finished. The company is also supportive of this and values an increasing number of leaders with "dual agenda" capabilities.

Most AMP participants have reported improvements in the productivity of their teams and themselves due to the programme, in particular in business productivity,

which is a key hard metric for Hays. Whilst the reasons for this have not been empirically identified, there is significant anecdotal evidence that participants have, in many cases, become more authentic in their communications with their team members. Much of the initial work in this sphere was completed during the second module of the AMP. However, the opportunity to apply those lessons in real life during this third module – and have the peer coaching sessions to challenge, discuss and reinforce the learning points – is considered a key mechanism in reinforcing the lessons, and thus driving the transfer back to the workplace. There is also a great commercial awareness being reported and participants have taken on greater accountabilities, such as P&L responsibility, using these new skills and experiences. Aside from the succession data above, a number of individuals have been promoted in domestic markets from this cohort and many have had their responsibilities increased.

Additionally, we collected evidence through participant and line manager feedback and by their response to our UK-wide re-organisation. The strategies being developed to run their businesses have used the tools and techniques that they were taught and used with the community partners. Learning transfer was also supported by the fact that line managers of all participants had been through similar "core" leadership modules, building a common leadership language and culture. This alignment of their language, tools and experiences brought significant intangible benefit.

The insight process from this module has become a standard approach for senior managers and is being cascaded into the business more broadly. A real benefit of this process was to slow our managers down in their decision-making and allow co-creation and measured decision-making.

7.3 Outcomes for the community partners and other community stakeholders

As well as the aforementioned value that has been generated for Hays and its employees, there has also been significant benefit to our partners.

All partners have expressed satisfaction with the results and have accrued a range benefits due to the nature of the solutions presented by participants. Pleasingly, each partner has reported tangible results and sustainable relationship with Hays in different ways. By way of example, one partner has reported the following:

- Partnerships have been formed with ten other interested organisations.
- A Steering Group has been voted in as key stakeholders in the initiative – including representatives of relevant central and local government departments and charitable sector organizations.
- Hays proposed a model for social enterprise and commercial issues and a six month feasibility study – a mini version of this concept is now live.
- Funding has been allocated to bring on board a consultant for six months who will be investigating and influencing at a policy level as well as developing the "business model" further.

The sustainable nature of the relationship with the community partner is in part driven by the organisation and support for the corporate objective. However, more critical is the motivation of the individual participant managers (Hemingway and MacLagan, 2004). Managers have exhibited their personal values and support for the purpose through the demonstration of "dual agenda" activity. A number of leaders have also expended

significant discretionary effort in their on-going support of the charities they worked with by providing not only fund raising, but also on-going management/professional expertise to the charity. Whilst not all managers had personal value-sets that aligned with this work, those that did benefited greatly in personal and professional terms. Those who were less aligned still gained significant value as their social awareness level was raised, despite their social consciousness being less enhanced.

This module has been run in very different communities and delivery will continue going forward. Helping people into work from a position of great disadvantage, at whatever level, is a benefit to the local community. Some of the very tangible benefits that have accrued range from participants offering work experience placements at one end of the spectrum to become board advisors at the other. Ultimately, the real benefit will be seen in each of the local communities as the programme provided challenge, support and new thinking to the charities allowing them the opportunity to become more sustainable and further enhance their service offering to their clients. Helping the charities to make their own strategic and operational improvements and so making them better able to meet the needs of their clients can only be of benefit to society at large.

8. Conclusion

After making a significant strategic financial investment into a challenging and industry leading leadership development programme, Hays has both a positive return on its investment and an enhancement in value in terms beyond purely financial. However, this underestimates the ambition that Hays had when designing the programme. Stakeholders in this development programme go beyond the traditionally identified organisation and employee and ultimately touch a constituency that also includes the employees of charities, the leadership teams of those charities, the clients of the charities and others that have a stake in the activity of that charity. On a societal basis then by helping each charity to become even more effective in the delivery of its services, Hays has contributed in a real, yet intangible, way to improvements in the life experiences of the charity service users and their local communities. The opportunity cost of not making this contribution cannot easily be calculated, but is very real.

If other organisations want to adopt a similar approach then there are some learning points that we want to share. First, the positives.

Positives

- We acted strategically rather than reacting to opportunities that arose and so, as per Husted and Salazar, we saw a strategically focused and increased social output of the business that brought benefit to breadth of stakeholders.
- The investments were directly aligned with our business strategy.
- We recognised that strategic and altruistic behaviour can coincide and that "dual agenda" leaders can fall into both or either category.
- Shareholder value was defended throughout the total intervention.
- Long term investment in future competitiveness.
- Learning was reinforced and the transfer to the workplace has been high.
- We have built a cadre of leaders who are more socially aware and, in some cases, with enhanced social consciousness.

- Strategic CSR needs to be a very selective intervention in order to maximise benefits for all stakeholders.

There were also a number of challenges that we encountered on this journey and we encourage others to consider some of these issues before embarking upon a similar activity.

Challenges

- It is very difficult to attribute share price movement to interventions such as this and so the business case for such investment needs to be made in a broad and highly robust way.
- Improvements in engagement have been identified through our group-wide attitude survey and improvements seen. However, having individual data and the ability to compare improvements with a control group would have provided more robust evidence of improvement.
- It is difficult to disaggregate some CSR activities and categorise them as either strategic or altruistic in nature.
- It is difficult to measure the actual social impact.
- We extensively relied on self-report of improvement/change which is ultimately a weakness.

Our biggest learning point was that this module brought our leadership programme to life and made it real for our participants. Being based on a live issue, it required the participants to engage emotionally, as well as intellectually with the challenge they faced. This helped emphasise and acknowledge the role that emotions play in leadership in the real world and was a stretching and challenging experience for a number of participants. In this example, through listening to the life stories and aspirations of homeless people and the workers helping them was an incredibly powerful experience for participants, as was the rigorous feedback and peer to peer coaching that the participants received throughout. They realised that the energy and determination to succeed in this challenge was an analogy of what they needed to do to in the workplace. This insight could not have been achieved in a simulated environment. We believe we now have more "dual agenda" leaders that will help drive the Hays business forward in a twenty-first century that requires different organisational structures, business models and stakeholder engagement practices than has previously been the case. As McCall (2004) argued "[...] Passive training [...] is not likely to lead to much learning. Strategically relevant, powerful, and well-timed programs, however, can be enormously valuable". Through this case study we have demonstrated how this value can be achieved.

Note

1. As measured by the annual employee survey run independently for Hays by Towers Watson.

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