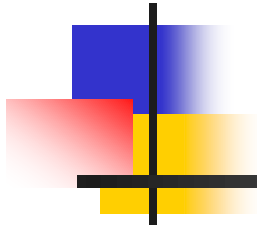
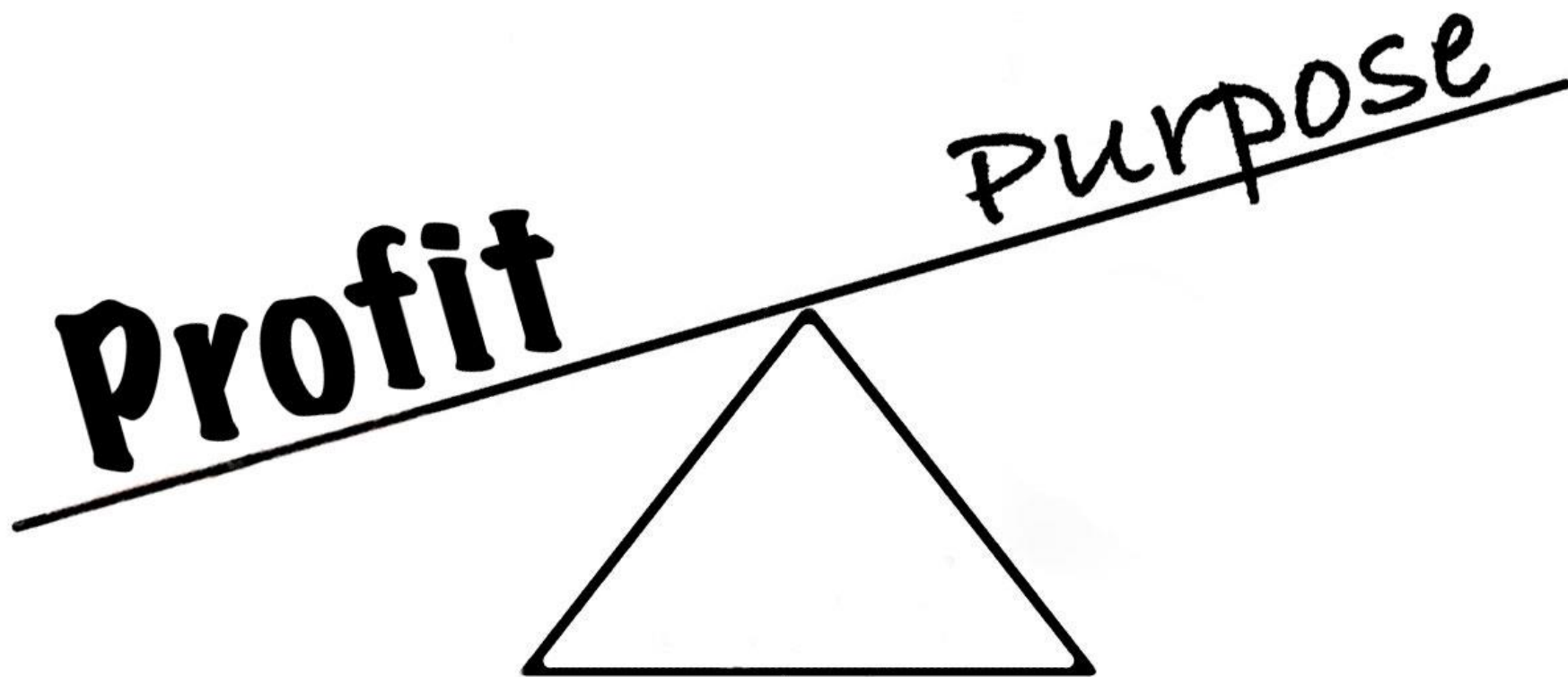


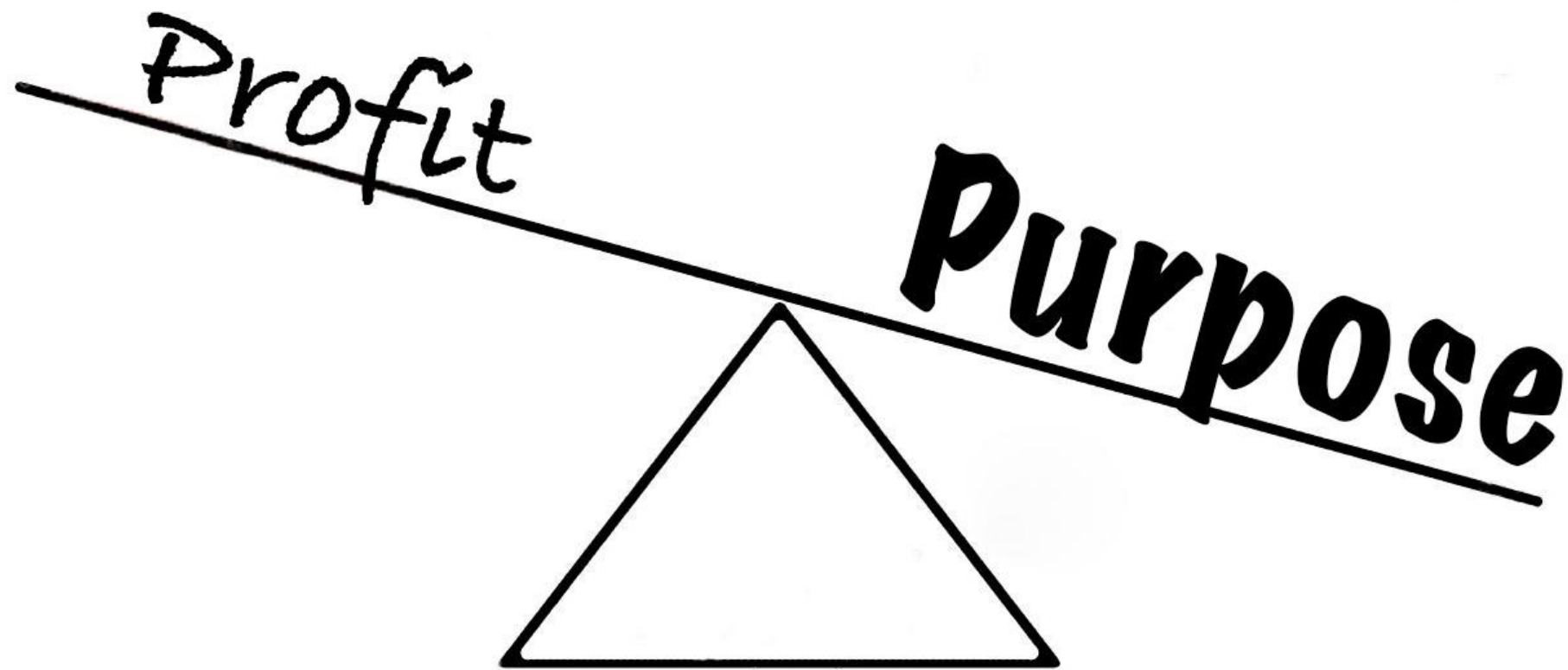
Wellbeing and Share Value



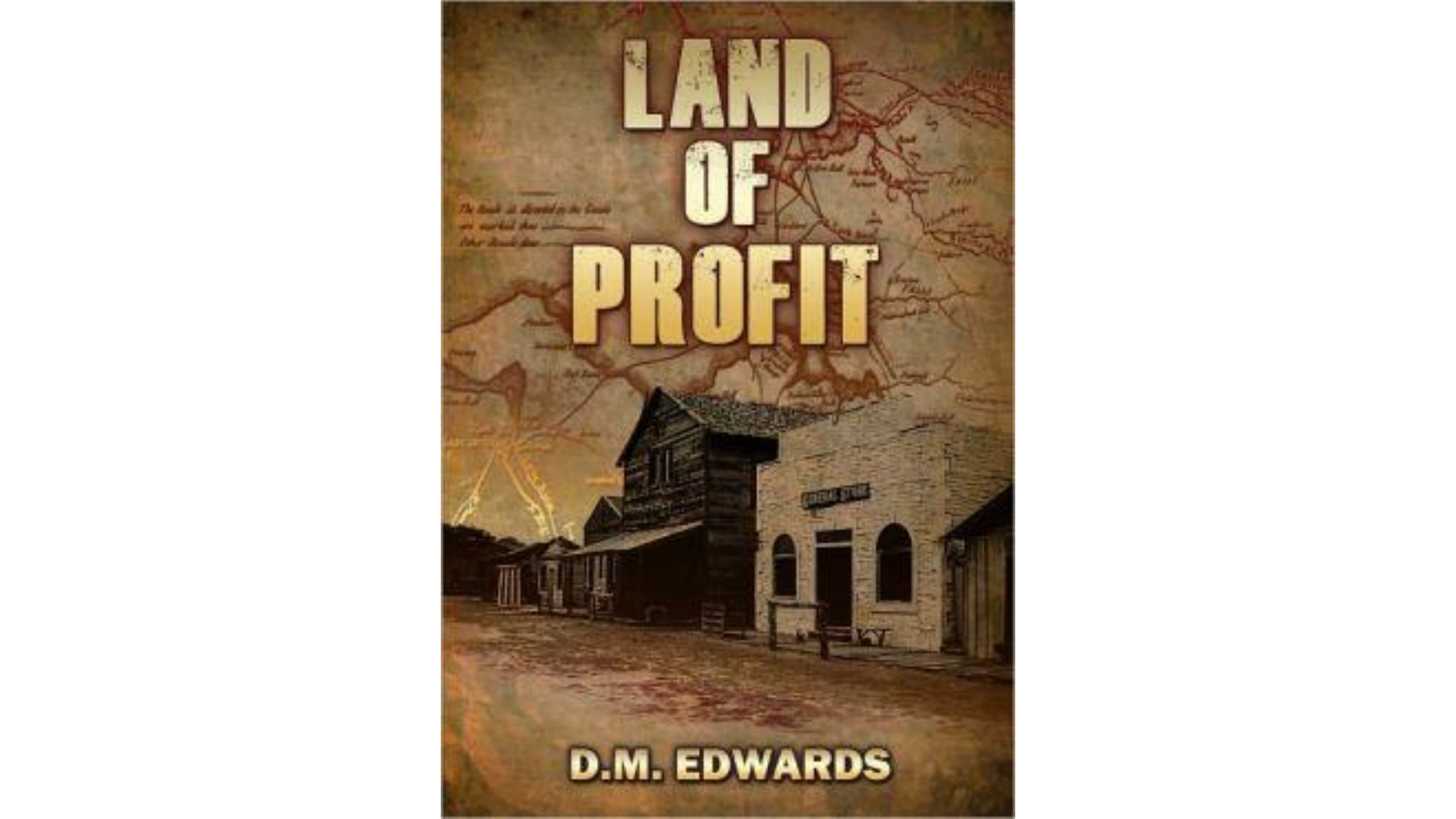
Professor Alex Edmans, London Business School
www.alexedmans.com

Based on a TEDx talk, “The Social Responsibility of Business”, at <http://bit.ly/csrtedx>





LAND OF PROFIT



*The book is divided in the form
of a journal that chronicles
the author's journey*

D.M. EDWARDS

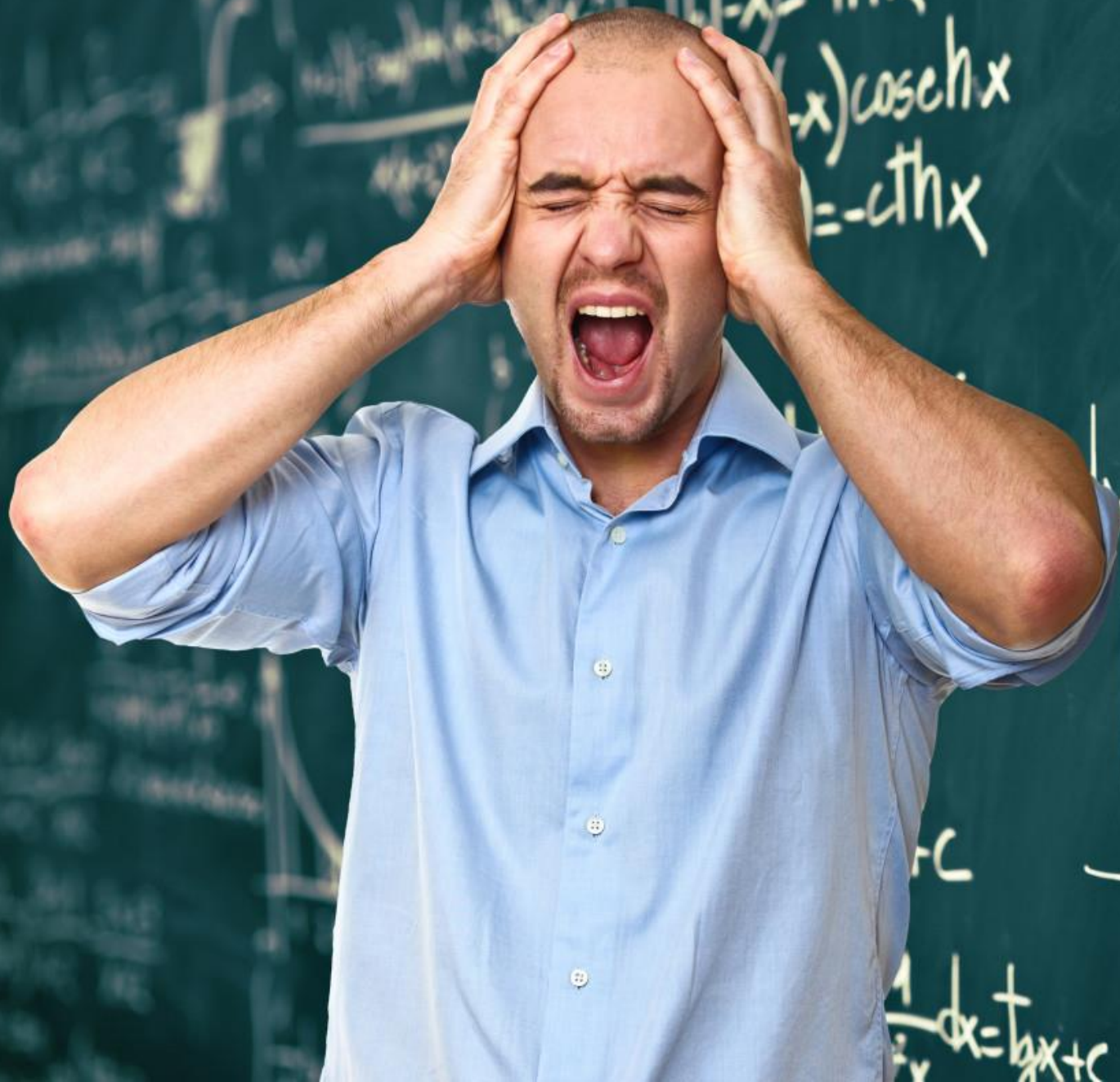
MARKS & SPENCER

M&S

M&S







$$\begin{aligned} \pi(1-x) &= -\ln x \\ (1-x) \cosh x &= -\cosh x \end{aligned}$$

$$\begin{aligned} \frac{1}{1-x} &= 1 + x + x^2 + x^3 + o(x^3) \\ \sqrt{1+x} &= 1 + \frac{1}{2}x - \frac{1}{8}x^2 + \frac{1}{16}x^3 + o(x^3) \end{aligned}$$

$$y' = F(x) + C \Leftrightarrow F(x) = f(x)$$

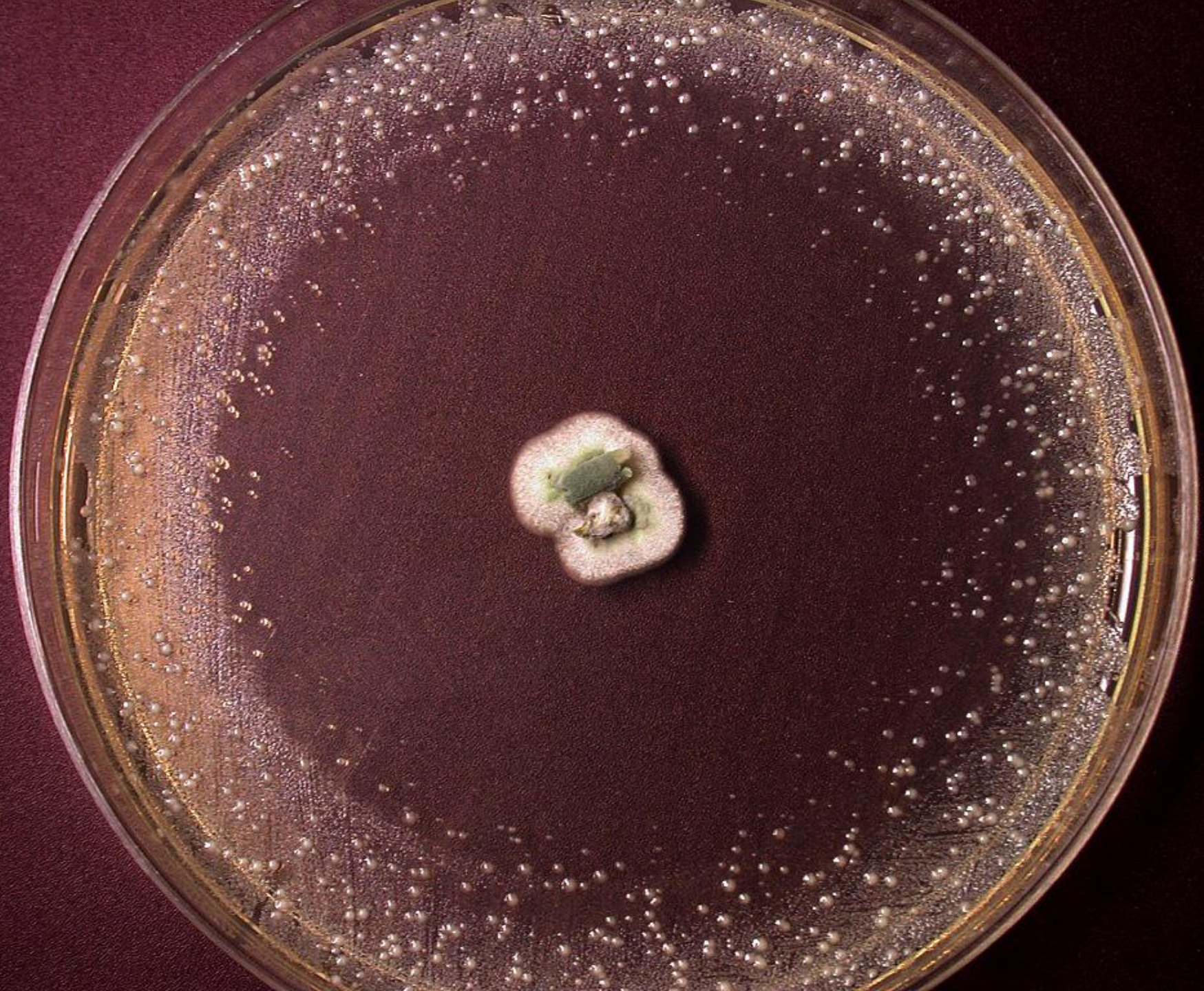
$$x^2 - y^2 = a^2$$



$$\frac{dy}{dx} = \frac{1}{2}x + c$$









THE 100 BEST COMPANIES TO WORK FOR FORTUNE

GOOGLITES

Yes, the employees really are this happy.



*The “100 Best Companies to
Work For in America” beat
their peers by 2-3%/year
over 1984-2011*

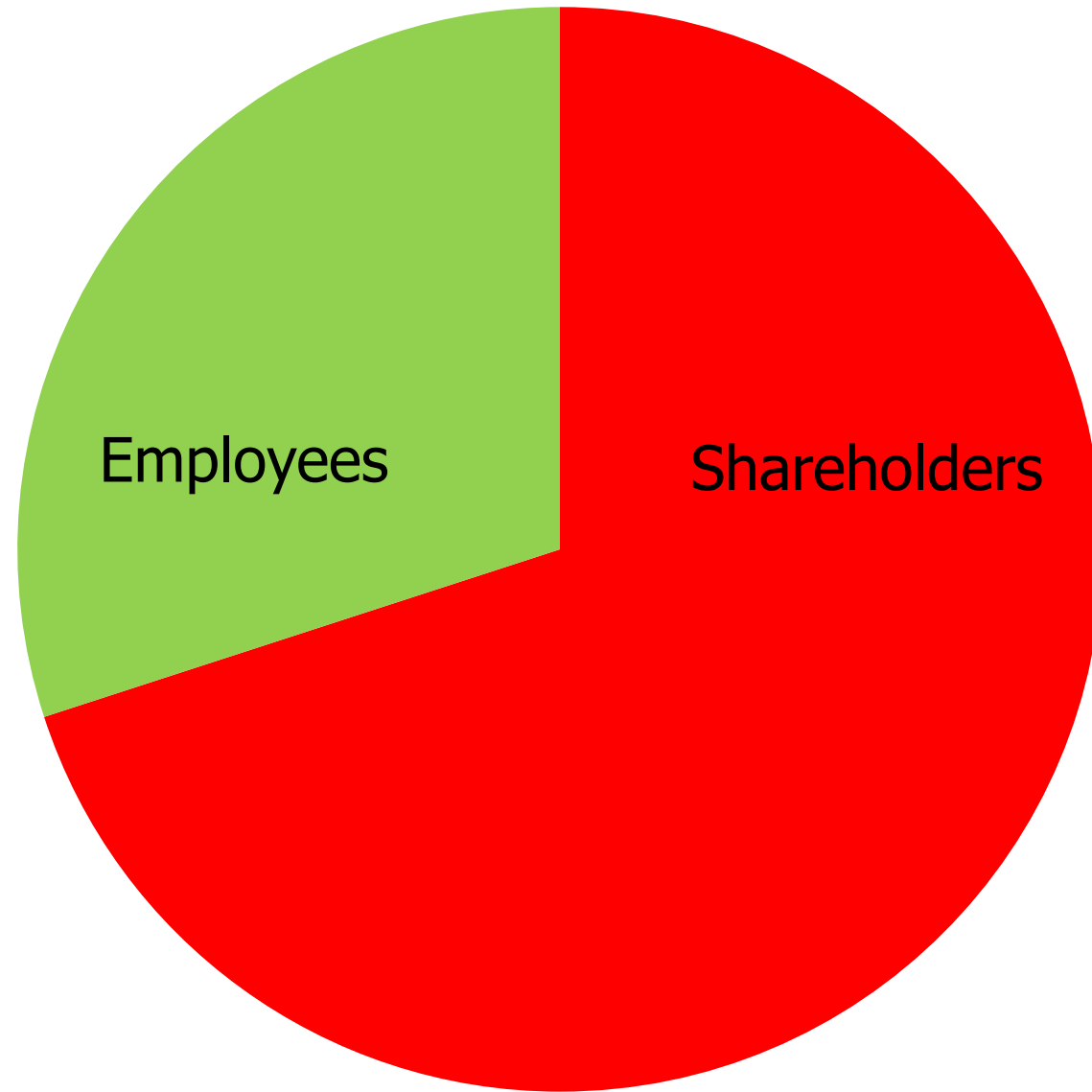
The image shows the exterior of a Costco Wholesale store. The large red "COSTCO" logo is mounted on the upper part of the building, with the word "WHOLESALE" in blue below it. The building has a light-colored facade. Some trees with green and yellowing leaves are visible in the upper corners. In the foreground, a red car is partially visible on the left, and a silver car is on the right. A person is standing near the entrance in the center.

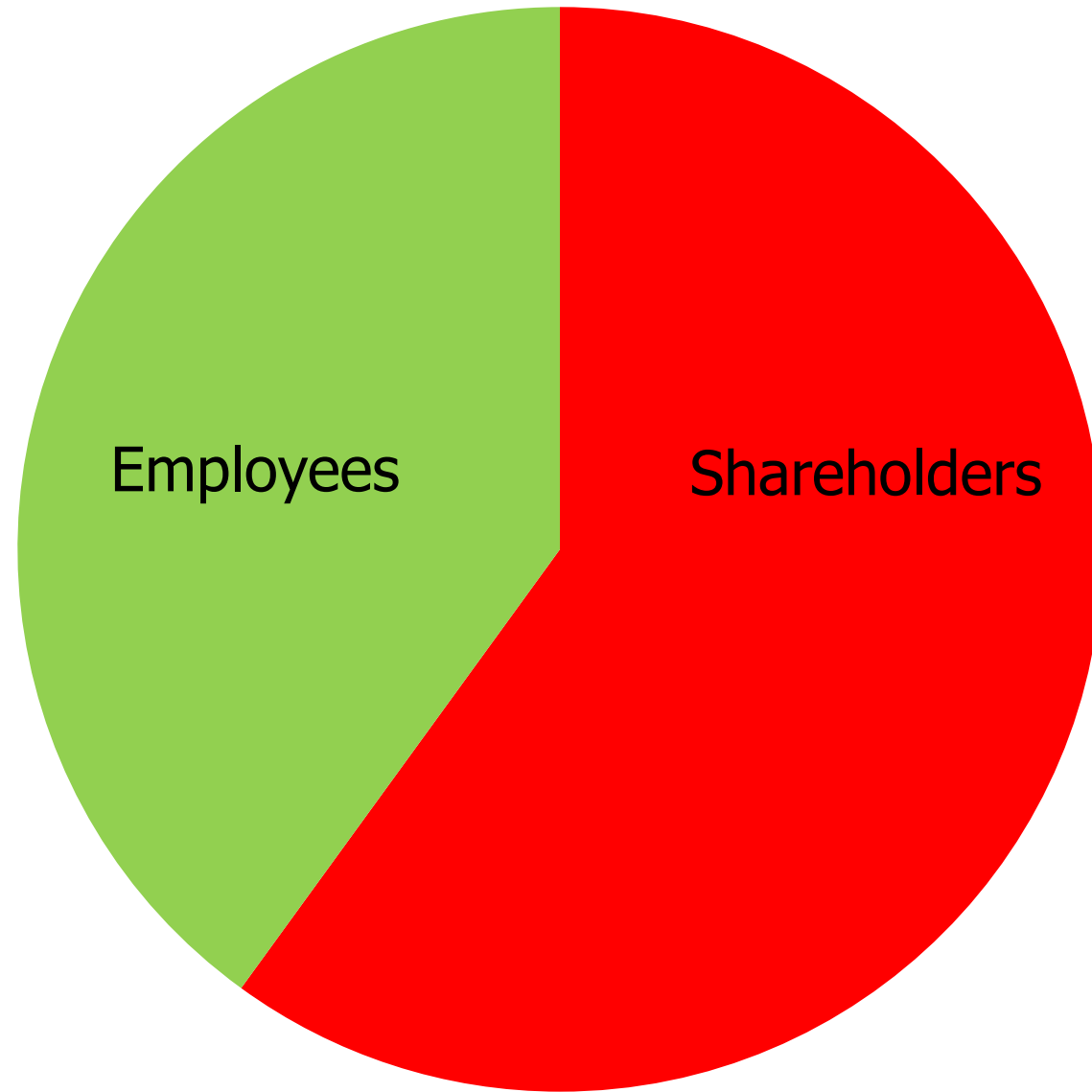
COSTCO

WHOLESALE

*“Costco's management is focused on ...
employees to the detriment of shareholders.
Why would I want to buy a stock like that?”*

-- Equity analyst, quoted in BusinessWeek











15 17 19

50% OFF

20% Sale
50% OFF
S & PARTY
Doorbus

50% OFF



We are closed on the following holidays:

- **New Year's Day**
- **Easter**
- **Memorial Day**
- **Independence Day**
- **Labor Day**
- **Thanksgiving Day**
- **Christmas Day**





Implementation

- Investment is not just physical investment
- Management
 - Long hours seen as a rite of passage; can be compensated by salary
 - Stress from internal deadlines
 - Consider the effect of additional work
 - Even the investment banking industry is changing its practices
- Evaluation
 - Sustainability and ethics, sensitivity to support staff
 - Means as well as ends
- ~~Compensation~~ Remuneration
 - Long-run performance (particularly for senior management)
 - *According to* and *with* non-financial dimensions





Reporting

- What gets measured gets done
 - Just because something can't be quantified doesn't mean it can't be measured
- Many companies already report
 - Employee engagement scores
 - Gender breakdown among workforce
 - Volunteering inputs (e.g. hours)
- Potentially to think about
 - What *areas* of EE are strong / weak? Concrete plans for room for improvement
 - Communication and representation
 - Diversity in senior management roles; other forms of diversity
 - Volunteering outputs

Reporting (cont'd)

EMPLOYEE DIVERSITY**

ACHIEVED/
ONGOING

AIM We will report on gender diversity in the UK, Republic of Ireland and our wholly-owned businesses worldwide by 2015, we will aim for 30% female Board members and 35% women in senior roles.

YOUTH EMPLOYMENT AT M&S**

ON PLAN

AIM By 2016 we aim to have offered support to 5,000 young unemployed people in the UK with 650,000 hours of training and work experience in order for 50% to find work within three months of their placement as part of our Make Your Mark and Marks & Start

YOUTH EMPLOYMENT OUTSIDE M&S**

ON PLAN

AIM By 2016, we aim to work with 100 of our suppliers and share best practice in order to open up more vocational training and work placement opportunities for young unemployed people. We aim to collaborate with other companies to encourage them to do the same.

MARKS & START**

ON PLAN

AIM Since the launch of Marks & Start in 2004, we aim to have helped 15,000 people from disadvantaged groups including young unemployed people, single parents, people with disabilities and those at risk of being homeless by offering work placements in our UK stores, offices and suppliers factories by 2016. We're aiming for 50% to find employment within three months of completing their placement.

UK AND ROI RETAIL SKILLS

ON PLAN

AIM Our learning and development programme responds annually to the operational needs of the business. As a minimum, we will continue to provide at least an average of 1.5 days of training per year on retail skills for our Customer Assistants up to 2020.

WORKING FLEXIBLY

ACHIEVED

AIM We will report on our employees' uptake of working flexibly in the UK by 2015, then take action and set a target to make a significant increase in the levels of working flexibly (e.g. non-maximum hours working, job shares, flexitime, remote working) in our UK and Republic of Ireland operations by 2020.

SUCCESSION PLANNING

ACHIEVED/
ONGOING

AIM By 2015, we aim to make internal appointments to 70% of our top 150 most senior vacancies.

RESPONSIBLE LEADERSHIP

NOT
ACHIEVED/
ONGOING

AIM Our top 100 business leaders will receive training on Responsible Leadership by 2015.

UK AND ROI RETAIL SKILLS FOR NEW CUSTOMER ASSISTANTS

ON PLAN

AIM In addition to an ongoing learning and development programme for our existing Customer Assistants, we will also continue to provide an induction programme lasting up to six months for newly recruited permanent Customer Assistants up to 2020.

WELLNESS

ACHIEVED/
ONGOING

AIM We will establish measurements and report on wellness for M&S employees by 2015 to supplement the more traditional measures of employee engagement, considering external best practice.

EXTEND EMPLOYEE HEALTH SERVICES

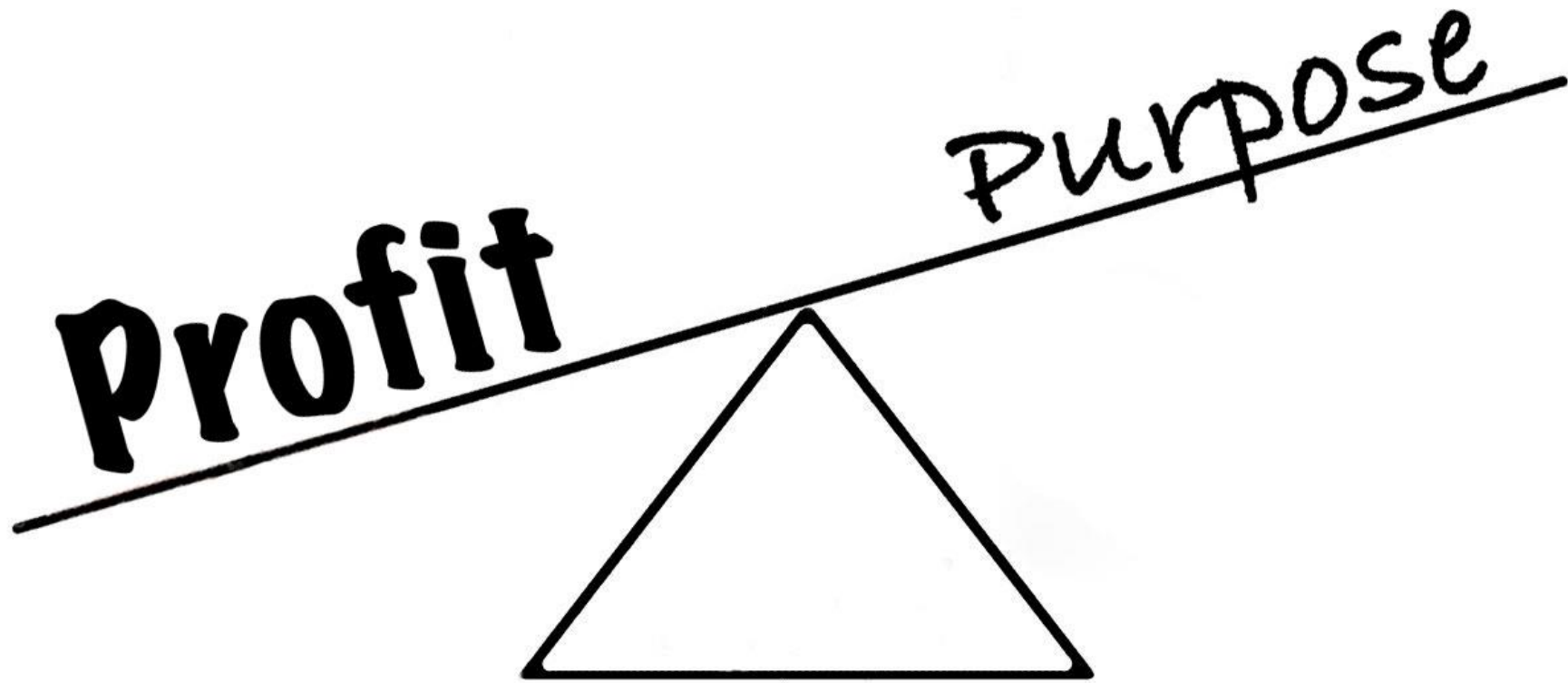
ACHIEVED/
ONGOING

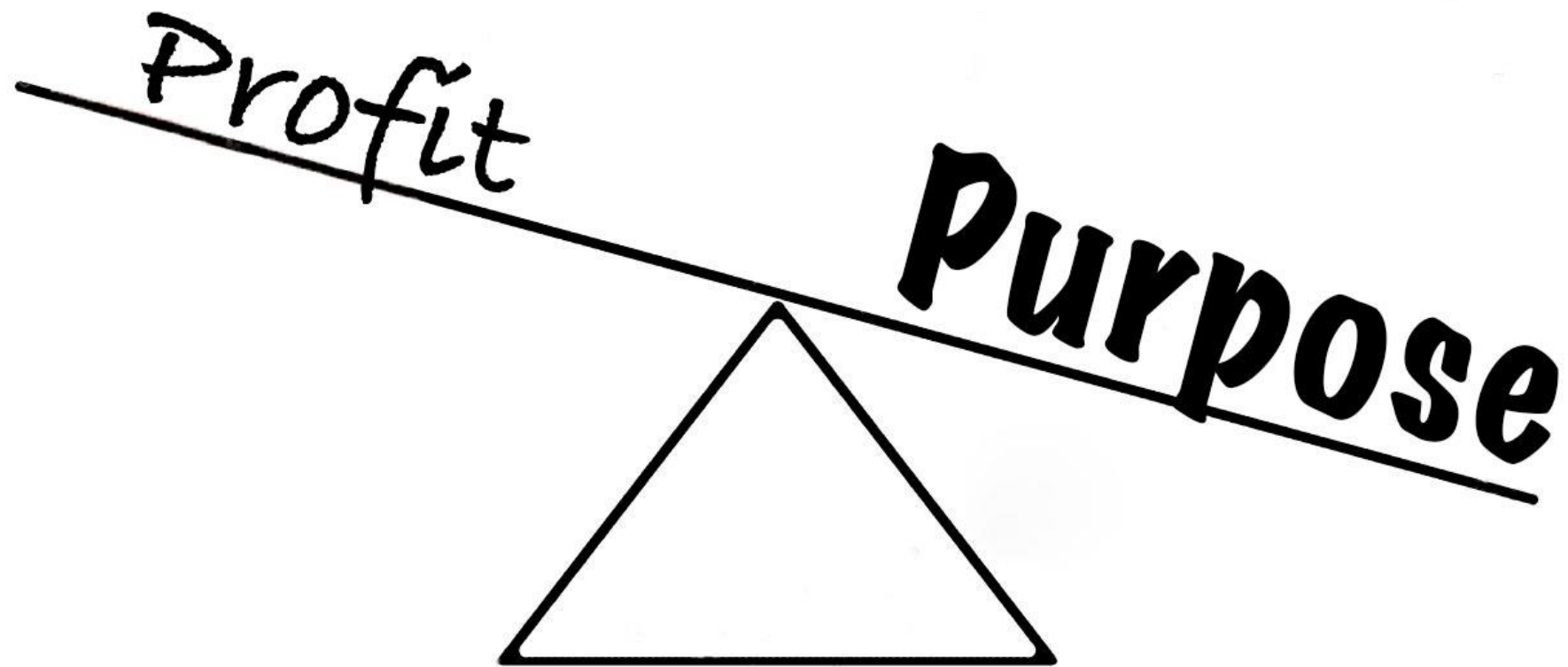
AIM By 2015, in the UK and Republic of Ireland we will provide additional health services and policies to employees including: encouraging healthy eating, promoting exercise and mental health awareness. We will provide support and advice tailored to the needs of an ageing workforce.

NUTRITIONAL LABELLING – EMPLOYEE CAFES

PREVIOUSLY
ACHIEVED

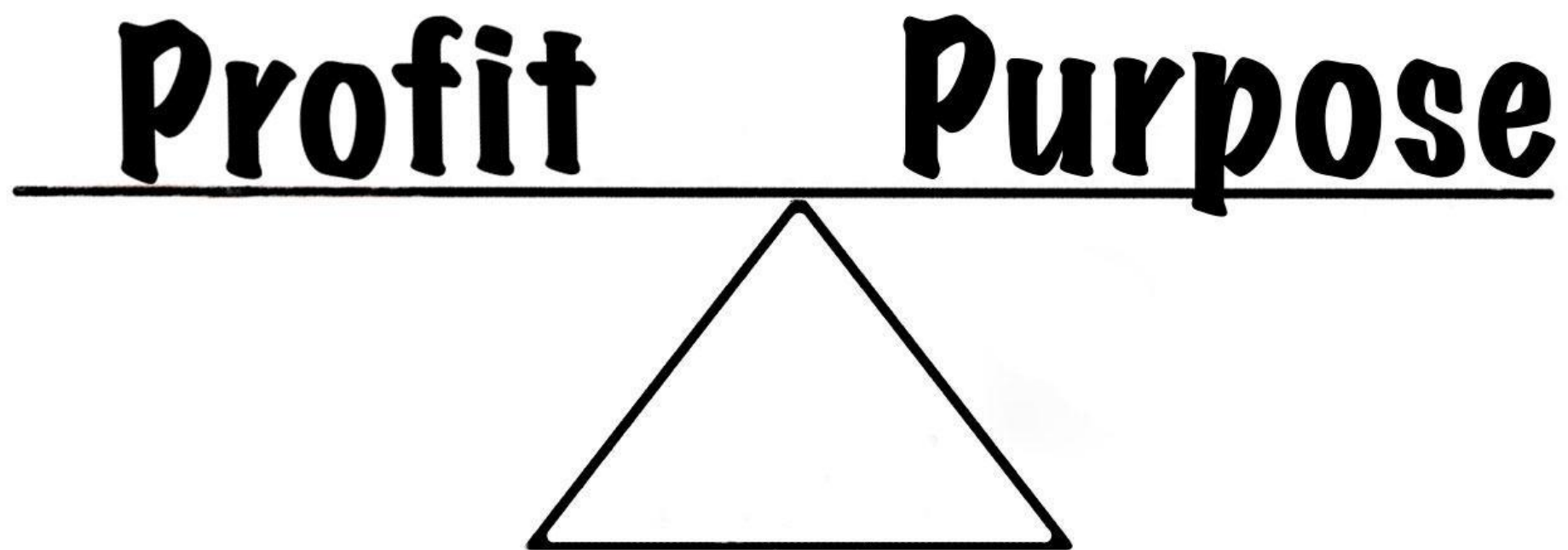
AIM Continue to improve nutritional labelling by making it easier for employees to manage their diet and extend it to include UK employee cafés (up to 2015).

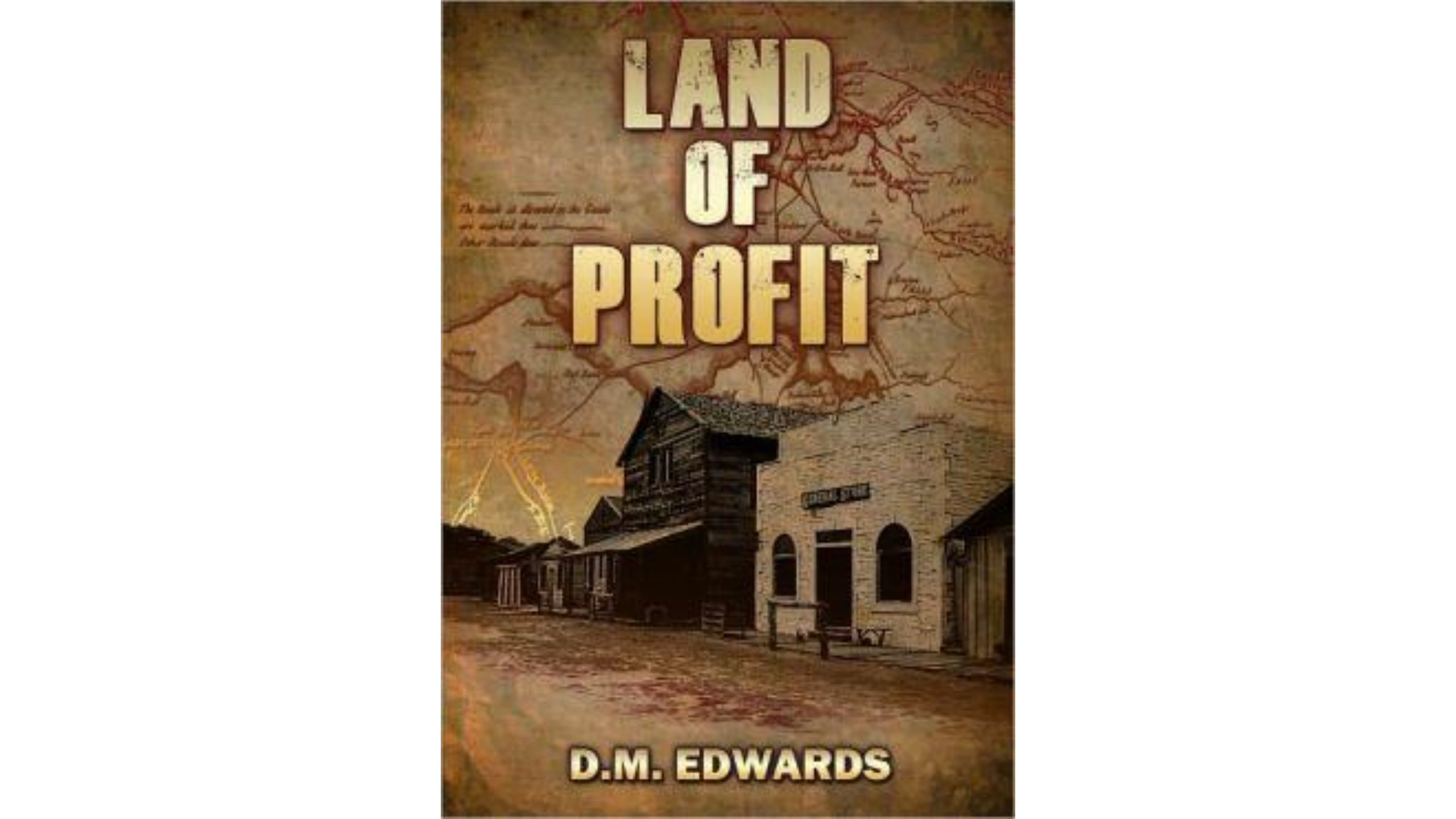




Yes!







LAND OF PROFIT

D.M. EDWARDS





Further Reading

- TEDx talk on “The Social Responsibility of Business”:
<http://bit.ly/csrtedx>
 - Full paper at <http://faculty.london.edu/aedmans/Rowe.pdf>
 - Harvard Business Review summary at <http://bit.ly/csrhbr>
- “Why Purpose is Key to Success in 21st Century Business” <http://bit.ly/cityampcp>