

Attract and Retain Employees and Customers with Well-Executed ESG Strategies

A Whitepaper on DEI & ESG Initiatives

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Throughout the past years, society has seen a shift in values. We are seeing an increased desire by companies to demonstrate their social responsibility. This demand for a deeper organizational connection is what is guiding customers' and employees' feelings towards enterprises. “When stakeholders do feel connected, customers are more likely to purchase, more employees want to stay with their employer and all audiences engage in more positive advocacy on behalf of the company” (Gartner®, 2021). Notably, since the COVID pandemic, employment has seen a great decline in the form of the Great Resignation “with almost 47 million people leaving their jobs voluntarily in 2021. It is likely COVID-19 provided a unique window and space for many to re-evaluate their personal priorities and career options, empowering individuals to voice their challenges and frustrations at work instead of accepting the status quo” (Liu, 2022). Today, the social actions companies take, as well as how they support their own employees with Diversity, Equity and Inclusion (DEI) or their broader effort Environmental, Social and Governance (ESG) policies, also have an immense impact on employer or consumer appeal. But how exactly is an enterprise meant to develop and communicate these values to attract and connect with existing or potential customers and employees?

Executing DEI and ESG Strategies

The main drivers of communicating an enterprise's values and showing consumers and employees that they are actively engaging in social responsibility, are communicated and demonstrated through their DEI and ESG strategies. DEI and ESG help create standards to which an enterprise can hold itself accountable. Employees and consumers want to know that the companies they choose to support or work for are sustainable and ethical.



Source: *Inclusion by Design: Insights from Design Week Portland; Gensler*

Some may consider these strategies or policies an ‘overhead’ with respect to the primary organization goals; however, even for small businesses, a visible ESG strategy can be an essential part of doing business. According to PlanA Academy (2021), “On one hand, it has been demonstrated that companies performing on ESG practices have higher financial growth and optimization, lower volatility, higher employee productivity, reduced regulatory and legal interventions (fines and sanctions), top-line growth, and cost reductions. On the other hand, companies that performed poorly on ESG noticed a higher cost of capital, higher volatility due to controversies and other incidences such as labour strikes, fraud accounting and other governance irregularities”.

Additionally, leading research center Gartner said in their 2022 “Innovation Insight for Digitally Enabled Diversity, Equity and Inclusion” report, “DEI is key to addressing the social aspect, often referred to as ‘voice of society’ (VoS). DEI can be seen as the amplifier to business and workplace initiatives, so that they deliver both the priorities of human-centric work design and sustainable business”.

There is a great benefit and potential risk mitigation that comes with developing sound DEI and ESG strategies and policies within an enterprise. Whether through a page on your website, a designated ESG leader, or an automated agent that can answer employee and consumer questions regarding an organization’s DEI initiatives, it is worthwhile to consider how your enterprise invests in and communicates the expectations of the voice of society. But what is the voice of society?

Understanding the Voice of Society

As defined by Gartner (2022b), “The voice of society represents opinions and conscience that society believes are important or essential to enterprises conducting business. It is an interactive, multidimensional and continuously changing expression of a collection of dynamic views, attitudes and belief systems that represent sentiment about a societal state or change — as propagated by traditional media, social media, social movements, regulation, personal interactions, corporate activity and government policy”. Essentially it is the voice that an enterprise should be in tune with to properly represent itself to employees and its consumer base.

The Voice of Society (VoS) holds more power than one might expect. In the case of consumers, they want to support organizations that do good and uphold their personal values. In a capitalist society, power comes from money, and often, is one of the concrete ways consumers can use their voices via their spending power. In fact, according to 5W PR’s 2022 Consumer Report, “71% of consumers check brands’ green and ethical values before buying”. This factor has become a key determinant of whether a consumer will choose to continue doing business with an enterprise. “If retailers don’t react, they now face consequences. More than half of Gen Z and millennial consumers said they were likely to boycott brands that don’t reflect their values and beliefs” says Forbes (2018). Sales and brand loyalty can severely be affected if consumers do not find an enterprise transparent, ethical, or accessible enough for their support.

But this also affects the people that are employed at an organization. Employees are also part of this Voice of Society and they have the same sentiments as consumers. They want to see their employers make positive changes rather than ignore them. “In the U.S., employee engagement increased 20 percentage points when the companies they work for took action on a social issue versus doing nothing” (Gartner®, 2022b). Employees don’t want to work for an enterprise that conflicts with their values, and this dissonance will absolutely affect employees’ performance and satisfaction within an enterprise if not met. “The mounting pressure to implement ESG factors comes from legislators, investors and the business ecosystem (e.g media, consumers, stakeholders, customers). To remain attractive as an employer or a brand, companies have to perform well on ESG” (PlanA Academy, 2021).

Innovating for ESG

Now that we understand the needs and benefits of visible DEI and ESG policies and actions, what is the next step? Unfortunately, not every business has the resources to budget heavily towards ESG initiatives. Therefore, enterprises are encouraged to leverage technology and innovative strategies for their ESG policies. Finding cost-effective and efficient solutions to address stakeholders' concerns is critical to achieving and return on investment on an enterprise's ESG initiatives.

The important thing to note is that the tools or technology used should be accessible, transparent, and ethical. When communicating values and policies that concern different populations, we must ensure that we are not only providing information to them, but rather, that we are creating it with the diverse and invested populations that the information concerns. An initiative inaccessible to the people it speaks for is not a successful ESG or DEI solution. For these reasons, it is advised to avoid big data or uncurated data sets and rather use human-in-the-loop methods that involve the populations or micro-societies the enterprise wishes to serve. With sensitive topics and political comments, it can be damaging if an enterprise were to say the wrong thing and risk misrepresenting a population. Again, the requirement for transparency in an enterprise's technology choice is key

Finally, any technology used should ideally facilitate rapid deployment or rapid updates of information. The Voice of Society is constantly changing; as new questions or concerns arise within society, your enterprise needs to be able to address new issues quickly and efficiently. For example, a conversational agent, that can be updated and trained in real-time, can be much more efficient than designing and deploying new website pages that can require months of design, development, review and approval from stakeholder groups within the enterprise. These technologies can assist with understanding the Voice of Society. Conversational agents have the added benefit of actually 'listening' to the Voice of Society as new concerns arise. While it is great to have answers to all of society's questions, even a question asked where an enterprise doesn't yet have an answer, is an opportunity to understand new concerns and quickly form a position to augment your existing policies.

The kama.ai Contribution

As a diverse, Indigenous provider of a transparent conversational technology platform, kama DEI, we at kama.ai have a key role to play. Our human-in-the-loop approach to delivering curated, value-based conversational journeys, fits very well with the requirements of an enterprise's ESG and DEI strategy and policies. Specifically, the fact that our platform is zero-code, and intended to be used by subject matter experts, rather than programmers and data scientists, means that kama DEI can be an excellent platform for the collaborative development and dissemination of ESG and DEI knowledge. It can provide support for both employees and customers with information and messaging can be changed and adapted in real-time with changes that are occurring daily within society and the employee workforce. Lastly, our values-based approach to information management and prioritized communication allows enterprises to address or prioritize specific issues for specific populations, which is a key requirement of diversity and inclusion.

Beyond our emotional conversational intelligence solution, we are aligning ourselves with other service and technology providers that can deliver requirements that are either tangential or complementary to our conversational offering. For example, filling diverse employee staffing gaps, integrating HRM systems for recruitment of diverse employees, and designing and implementing environmental plans, are all part of a comprehensive ESG strategy. No one firm can assist with all these requirements; we are therefore working with others to develop an ecosystem of providers that can assist enterprises with their complete ESG and DEI service needs.

For more information on how kama.ai and its partners can assist your enterprise in executing Environment, Social, and Governance strategies, please complete a request using our [Contact Us](#) page or send an email to inquiries@kama.ai.

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In Summary

If your enterprise is reviewing DEI or ESG policies, consider the following:

- Enterprises should develop, communicate, and execute clear DEI and ESG strategies in order to retain and attract employees and customers
- Enterprises are encouraged to turn down the Voice of the Customer address the Voice of Society to reflect the ever-changing needs and values of employees and customers
- Technology can be leveraged to automate ESG strategies in a cost-effective and cost-efficient manner
- Technology choices should prioritize accessible and transparent platforms that allow collaboration and clear communication of the diverse voices of micro-societies
- Solutions should allow for rapid updates to respond to changing societal views

About kama.ai and the kama DEI Solution

kama.ai is the creator of the Designed Experiential Intelligence™ platform, kama DEI, that allows curated information to be rated and distributed through a conversational agent based on personality value profiles. This allows a level of personalization between the consumer and an enterprise's product and service information that has not been achieved previously. The result is an automated consumer and/or employee engagement that works around the clock to address inquiries with the right information for the right reasons for each user.

kama DEI has an underlying knowledge base that unifies common information and an Enterprise Portal that allows non-technical users to curate and rate product and service information in simple natural language methods. The platform also allows for the setup of various target market demographic profiles (kama DEI 'Persona's') to form the basis for various consumer or employee personality types.

kama.ai also offers a rapid launch front-end chatbot that can be configured and integrated within hours to your enterprise's web and mobile web pages. As an alternative, the kama DEI Chatbot API allows integration to a current chat facility that you may already be using for live chat, and it can also power other channels such as Messenger, SMS text or WhatsApp.

For more information on kama DEI, please chat with "Kady" on our website at kama.ai or fill out an [inquiry form](#) on our site.