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Exclusive Article on

'STAKEHOLDER ENGAGEMENT' NEEDS A RETHINK.

HERE'S WHAT WILL REPLACE IT.



Event Report On
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BUSINESS UPDATE

The Magazine of
Corporate Responsibility

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EBU **ETHICAL** BUSINESS UPDATE

is an online magazine with a strong heritage in the fields of ethics, governance, corporate responsibility and socially responsible investing.

Now available only on the web, but soon will be published and will be available for monthly subscription.

The mission of Ethical Business Update – now, as then – is “to promote ethical business practices, to serve that growing community of professionals and individuals striving to work and invest in responsible ways.” We believe this is not only how to guarantee a future for all, but makes good business sense.

A lot has changed in the more than two decades, ethics and governance have emerged as front-page news and lead agenda items in corporate board rooms and the halls of Congress.

Good corporate citizenship is now studied, advocated and sometimes practiced. Sustainability has become a goal for well-meaning small businesses as well as many of the Fortune 500.

Whether that represents real progress is open to debate. The continuing fallout from the recent economic and financial crises is a constant reminder that many systems are not working. There’s plenty to discuss. Ethical Business Update aims to serve as a guide.

We seek to do that by offering our readers information, opinion and cutting-edge analysis about business and the intersection of business and society.

We serve CSR, compliance, risk and governance communities with topical and insightful business intelligence and meeting places.

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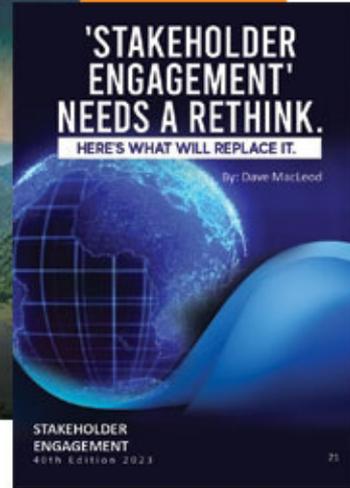


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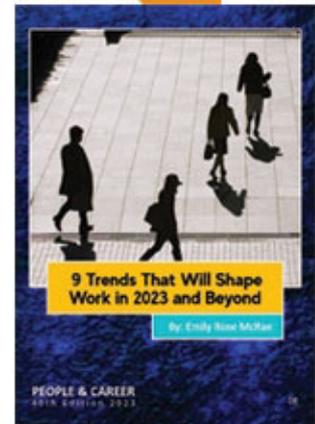
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BUSINESS STRATEGY
40th Edition 2023



11th Islamic Finance Expo & Conference

November 30th, 2022 Marriott Hotel, Karachi

FIVE CHALLENGES TO SUPPLY CHAIN RESILIENCE IN 2023

By: Robert J. Bowman



BUSINESS STRATEGY

40th Edition 2023



Transparency and authenticity will reign

As purpose and ESG move closer to being established-business strategies, scrutiny from all kinds of stakeholders will increase. “Market demand for a more socially-conscious economy will continue to pressure increased company ESG efforts, and programming,” said Caleb Gardner of 18 Coffees. “Yet pending regulations will cause companies to be less vocal about their efforts.”

This is true around the world: “2022 saw a flurry of regulatory action against companies accused of greenwashing, especially in Europe,” said Jessica Marati Radparvar of Reconsidered. “In 2023, companies will need to be more nuanced in how they communicate purpose efforts with greater honesty and transparency.”

Pressure for transparency will come not just from external groups, but increasingly from within companies. “We are going to see more employee-oriented campaigns signal to internal and external audiences what a company stands for,” said Phillip Haid of Public Inc.

Fabio Milnitzky of IN agrees that companies will need to be more transparent than ever. “That includes embracing ambiguity: to know where you want to be, but acknowledge you are not there yet,” he said. “Brands will no longer ask audiences for approval to operate, but rather for permission to make mistakes.”



Truly authentic companies will be willing to not only make mistakes, but to bring in others to accelerate and amplify impact. “Expect to see more unexpected collaborations between brands, designed to bridge divides and bring people together: from companies and nonprofits teaming on issues such as mental health, to startups and established companies partnering on issues from climate justice to democracy,” said Carrie Fox of Mission Partners.



“The realization that climate action is deeply connected to sustainable development and social justice worldwide will lead to a greater imperative for corporate and government action,” said Nick Aster of South Pole.

Fox also predicts we’ll see “more impact collaboratives launching among foundations as a way to pool resources and drive even more change on the most pressing issues—less division and silos, more collective impact and purpose.”

Additionally, “social impact programming for marginalized groups will grow,” said Melissa Orozco of Yulu PR. “Organizations are creating ‘places’—virtual and actual—where people belonging to these communities can access a company’s resources and networks to achieve their goals.”

Companies with more established ESG and purpose initiatives will focus on capturing and telling impact stories. “As brands continue to fund and develop long-form content, they will rely on documentary films with pro-social, high-impact themes,” said Marcus Peterzell of Passion Point Collective. “This will provide the brand with thought leadership halos while endearing themselves to consumers at the same time.”

“In a world that feels divided on so many fronts, from war, famine, political unrest, climate change, and politics of hatred, themes of empathy and belonging will reign,” said Nicole Rennie of Forward Storystudio. “Those whose efforts are centered around DEI, cultivating community, and building bridges across cultural and political divides will be rewarded in the years to come.”

Know the challenges: misperceptions around purpose, the threat of “distraction,” fragmented workforces

Despite scores of studies proving the ROI of ESG and purpose initiative, skeptics remain. “The ongoing misperception that purpose and profit don’t support each other when, in fact, they are fully aligned, will continue to be a challenge,” said Annie Longworth of The Siren Agency. “A brand that knows and lives its purpose—not just its ability to make money—will be successful in 2023.”

This makes “measuring and accountability” all the more important, said Sophia Story of 3 Sided Cube. “Everyone talks about purpose, but how it is defined in your organization and how you measure it will be essential.”

Internally, “the fragmentation and dispersion of the workforce creates a unique challenge to communicate and connect purpose with employees, partners, and consumers,” said Harold Hamana of Knight & Pawn. “The virtuous circle of creating-communicating-living-reinforcing the values of companies and brands must now happen remotely, though multiple channels and frequently in real time, to be effective and believable.”

This level of “volatility—inflation, housing markets, politics, and world affairs—will continue to place pressure on the storytellers of our world to capture our times and tragedies,” said Elliot Kotek of The Nation of Artists.



9 Trends That Will Shape Work in 2023 and Beyond

By: Emily Rose McRae



9 Trends That Will Shape Work in 2023 and Beyond

By: Emily Rose McRae, Peter Aykens, Kaelyn Lowmaster, and Jonah Shepp

In 2022, business leaders faced an increasingly unpredictable environment, with evolving return-to-office policies, higher employee turnover, and burned-out employees (more than ever before, in fact).

In 2023, organizations will continue to face significant challenges: a competitive talent landscape, an exhausted workforce, and pressure to control costs amid a looming economic downturn. How employers respond could determine whether they are an employer of choice.

Here are the nine workplace predictions, based on Gartner research, that highlight the aspects of work that leaders must prioritize over the next 12 months.

Employers will “quiet hire” in-demand talent.

The concept of “quiet quitting” — the idea of employees refusing to go “above and beyond” and doing the minimum required in their jobs — dominated work-related headlines in the second half of 2022. When employees “quiet quit,” organizations keep people but lose skills and capabilities.

In 2023, savvy organizations will turn this practice on its head and embrace “quiet hiring” as a way to acquire new skills and capabilities without adding new full-time employees. This will manifest as:



- Encouraging internal talent mobility by deploying employees to the areas where the organization most needs them. To compensate people for their evolving roles, organizations can offer a one-time bonus, raise, additional paid time off, a promotion, greater flexibility, and more.
- Providing specific upskilling opportunities to help employees to meet evolving organizational needs.
- Leveraging alternate methods, such as alumni networks and gig workers, to bring in workers with specific skills for high-priority tasks when new headcount is not an option.



2. Hybrid flexibility will reach the front lines.

As we enter a more permanent era of hybrid work for desk-based employees, it's time to find equitable flexibility for frontline workers, like those in manufacturing and health care. According to a 2022 Gartner survey of 405 frontline worker managers, 58% of organizations that employ frontline workers have invested in improving their employee experience in the past year; about one-third of those who haven't said they intend to do so in the next 12 months.

Our research has found that frontline workers are looking for flexibility when it comes to what they work on, who they work with, and the amount they work — in particular, control over and stability in their work schedule, as well as paid leave.

3. Managers will find themselves sandwiched between leader and employee expectations.

Sixty percent of hybrid employees say their manager is their most direct connection to company culture. But people managers are struggling to balance their employee expectations of purpose, flexibility, and career opportunities with performance pressure from senior leaders.

In 2023, leading organizations will provide fresh support and training to mitigate the widening managerial skills gap while simultaneously clarifying manager priorities and redesigning their roles where necessary.

4. Pursuit of nontraditional candidates will expand talent pipelines.

For years, organizations have talked about the strategic value of expanding and diversifying their talent pipelines. With more employees charting nonlinear career paths and organizations having trouble meeting their talent needs through traditional sourcing methods, now is the time to act.

To fill critical roles in 2023, organizations will need to become more comfortable assessing candidates solely on the skills needed to perform in the role, rather than their credentials and prior experience. Organizations will do this by removing formal education and experience requirements from job postings and instead reaching out directly to internal or external candidates from nontraditional backgrounds who may not have access to certain professional opportunities, or even be aware of them.





5. Healing pandemic trauma will open path to sustainable performance.

As the immediate Covid-19 threat recedes, our collective adrenaline is wearing off, leaving employees to contend with long-term physical and emotional impacts. Employees' stress and worry in 2022 grew above even 2020 peaks — nearly 60% of employees report they are stressed at their jobs every day. The societal, economic, and political turbulence of the last few years is manifesting as decreased productivity and performance, no-notice quitting and workplace conflict.

In 2023, leading organizations will support employees by providing:

- Proactive rest to help employees maintain their emotional resilience and performance, as opposed to offering rest as a recovery solution after both have plummeted. This may include proactive PTO before high-demand working periods, no-meeting Fridays, allotted wellness time, and including team PTO in managers' goals.
- Discussion opportunities to work through challenges and difficult topics without judgment or consequences.
- Trauma counselors to train and coach managers on workplace conflict as well as how to have difficult conversations with employees.

6. Organizations will drive DEI forward amid growing pushback.

Our research found 42% of employees believe their organization's DEI efforts are divisive. This pushback to DEI efforts can decrease workforce engagement, inclusion, and trust.

To address this fraught moment and maintain DEI momentum, HR must equip managers with tools and strategies to engage resistant employees and address pushback early before it evolves into more disruptive forms of DEI resistance. This could include:

- Creating group-specific safe spaces based on key employee demographic characteristics (e.g., gender, race/ethnicity) to proactively surface problems.
- Tailoring communications and incentives to motivate allyship, for example, by recognizing and giving visibility to allies on internal platforms and company websites.
- Upskilling employees with definitive "how-to" guidance that enables allyship by showing employees how, specifically, they can advance DEI goals via the actions they take in their professional capacities.



7. Getting personal with employee support will create new data risks.

Being a human organization means knowing more about employees as people — a shift that has the potential to violate boundaries around deeply personal and private information. Organizations are increasingly using emerging technologies — artificial intelligence (AI) assistants, wearables, etc. — to collect data about employees' health, family situations, living conditions, and mental health. While these technologies can enable employers to respond more effectively to employees' needs, they also have the potential to create a looming privacy crisis.

In 2023, leading organizations will create an employee data bill of rights to support employees' need for healthy boundaries in addition to overall well-being. HR leaders should ensure they prioritize transparency around how the organization collects, uses and stores employee data, and allow employees to opt out of practices they find objectionable.

8. Concerns around AI bias will lead to more transparency in recruiting tech.

As more organizations leverage AI in recruiting, the ethical implications of these practices have become more urgent. In 2023, we expect this issue to come to a head, particularly as governments begin scrutinizing the use of AI in hiring. For example, a new law in New York City went into effect on January 1 that limits employers' use of AI recruiting tools and requires organizations to undergo annual bias audits and publicly disclose their hiring metrics.

Organizations that use AI and machine learning in their hiring processes, as well as the vendors they rely on for these services, will face pressure to get ahead of new regulations. This includes being more transparent about how they are using AI, publicizing their audit data, and giving employees and candidates the choice to opt out from AI-led processes.



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9. Organizations must address workforce-wide erosion of social skills.

Many new-to-the-workforce employees are struggling: 51% of Gen Z employees say that their education has not prepared them to enter the workforce. And the pandemic means that these employees have had few in-person opportunities to observe norms and determine what is appropriate or effective within their organizations.

Our analysis has made clear that, in fact, it's not just Gen Z — everyone's social skills have eroded since 2020. Burnout, exhaustion, and career insecurity erode performance. No one, from any generation, has cracked the code for navigating our new shared professional environment. Focusing exclusively on Gen Z will not adequately address this challenge; organizations must redefine professionalism for their entire workforce.

Rather than forcing employees back to in-person work to establish connections, leaders need to build intentional connections among employees across geographic — and generational — boundaries. Gartner research shows that to successfully create intentional interactions among employees, employers should focus on three elements: employee choice and autonomy, a clear structure and purpose, and a sense of levity and fun.

For example, to enable choice, one company has employees complete a connection preference assessment that lets their managers know exactly how they want to engage with coworkers (e.g., some employees prefer happy hours while others prefer lunch-and-learns). Structuring interactions around clear norms and organizational values, such as which meetings require participants to be on video and those that don't, removes confusion and doubt, making it easier for employees to participate more freely. One employer, for example, lets teams co-define norms for interaction and communication so employees can feel safer authentically connecting.

A 2022 Gartner survey of nearly 3,500 employees found that when organizations help employees build connections intentionally, their employees are five times as likely to be on a high-performing team and 12 times as likely to feel connected to their colleagues.





2023 Supply Chain Disruptions Study

By: Bridget McCrea



2022 Supply Chain Disruptions Study

New survey reveals the top pain points that logistics and supply chain management professionals continue to manage through, including higher freight costs, capacity constraints, severe labor shortages, and port slowdowns—all disruptions that are still forcing shippers to re-engineer their supply chain operations.

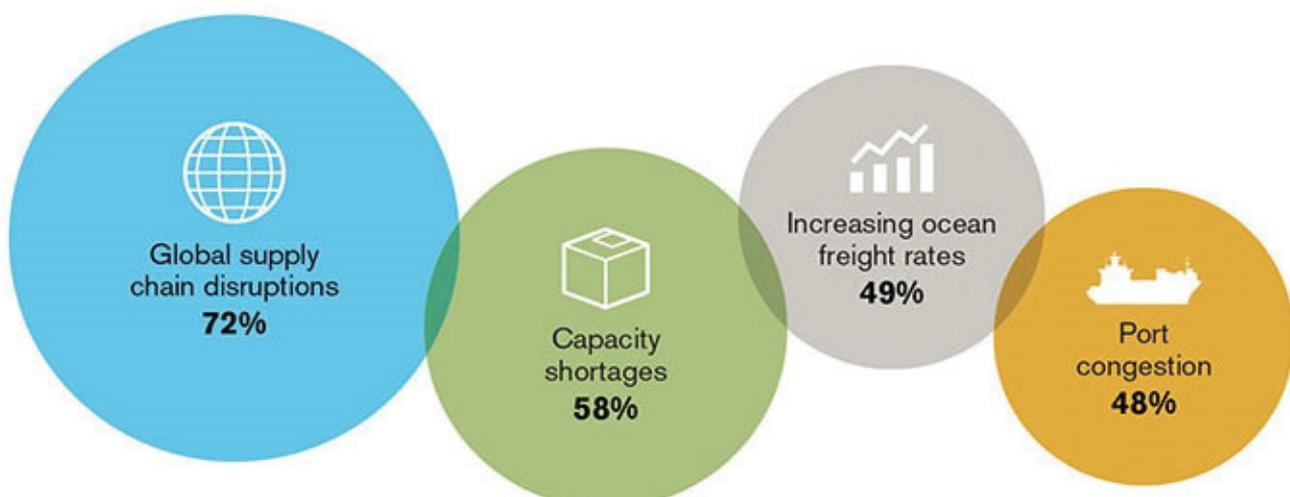
By: **Bridget McCrea**

After a multi-year stint of dealing with the impacts of the pandemic, supply chain shortages, transportation capacity constraints, rising costs and a persistent labor shortage, logistics managers are now facing a host of new roadblocks as they finish out 2022 and look ahead to 2023. Warehouse bottlenecks, vehicle backups at inland hubs and dock worker contract negotiations were just some of the newer issues that companies were grappling with by midyear.

To learn more about these challenges, how they're affecting organizations and how companies are overcoming them, Logistics Management decided to survey its readers for a 2022 Supply Chain Disruptions Study. Most (55%) of the respondents were vice presidents, general managers, logistics/distribution managers, supply chain managers or operations managers. The bulk of them work in manufacturing (43.8%), wholesaling (13.4%) or third-party logistics (10.7%), and represent industries like food, beverage and tobacco; industrial machinery; automotive and transportation equipment; and chemicals and pharmaceuticals.

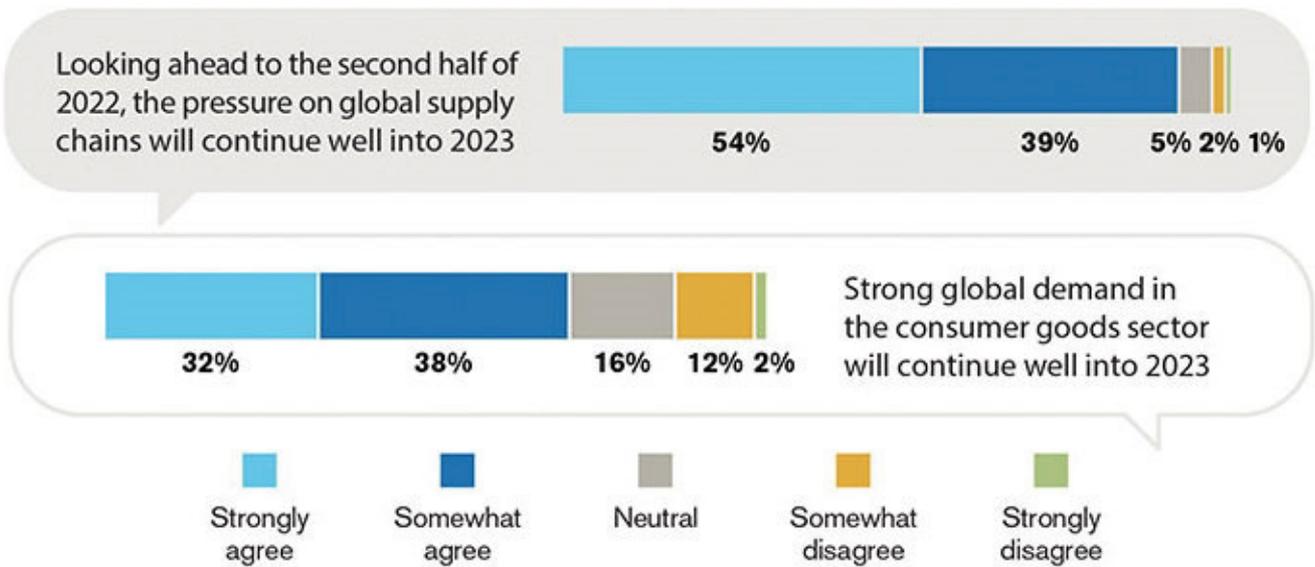
This majority of the 2022 Supply Chain Disruptions Study respondents work for companies with less than \$50 million in revenues and 16.1% have employers with over \$2.5 billion in annual revenues. The rest fall somewhere between those two ends of that spectrum. The same variation can be seen in the companies' employee count, which ranges from less than 100 (for 40.2% of those responding) to more than 5,000 (21.4%). Most of the companies (63.4%) ship less than 9,999 domestic and international shipments annually.

What is your organization handling on an ongoing basis with the state of your global supply chain?





How much do you agree with the following...



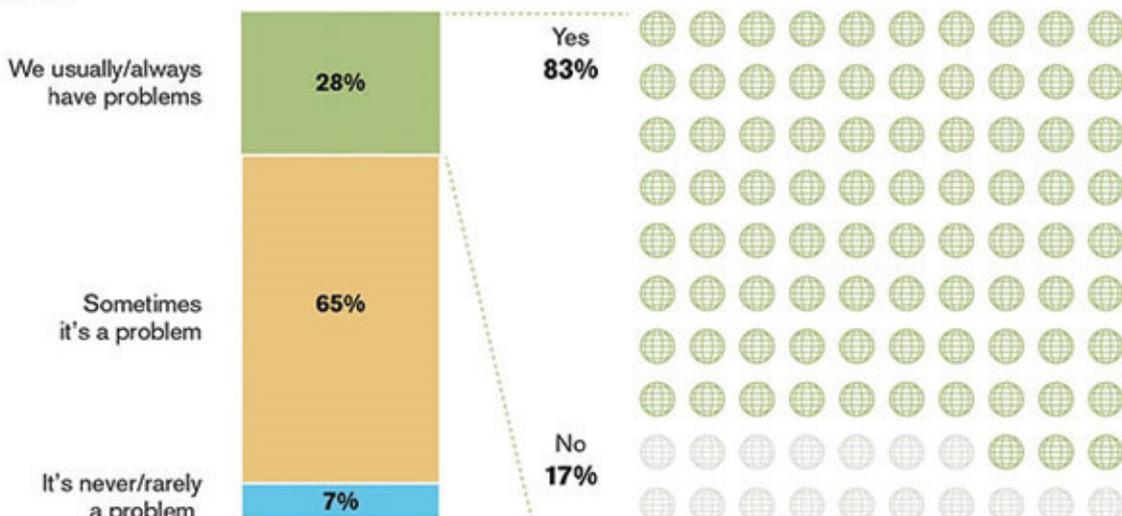
The state of the global supply chain

Global supply chains have faced more than their fair share of challenges since the pandemic emerged in early-2020, and the stressors haven't let up yet.

According to the survey, 71.8% of companies are dealing with global supply chain disruptions right now and 57.7% are trying to work through ongoing transportation capacity shortages.

Nearly half of those surveyed (49%) are facing challenges with increasing ocean freight rates and about 48% say port congestion is one of their biggest obstacles in 2022. Russia's invasion of Ukraine has also affected global supply chains. Asked how the invasion has affected their strategies, nearly 60% of readers say their operations have either been highly or somewhat affected by the war while 40.4% have seen no such impacts.

How do you currently view the state of your global freight network? / Has the last two years forced your company to rethink it's overall global supply chain operations?

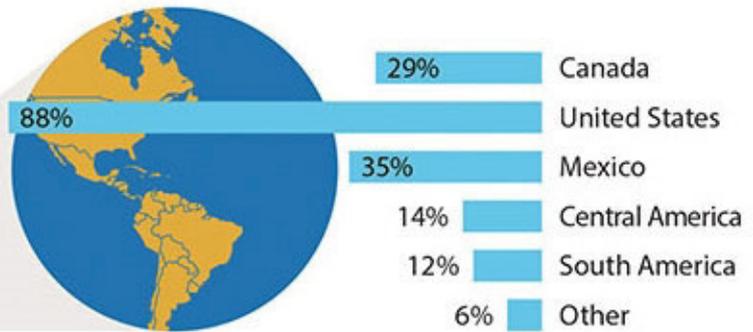




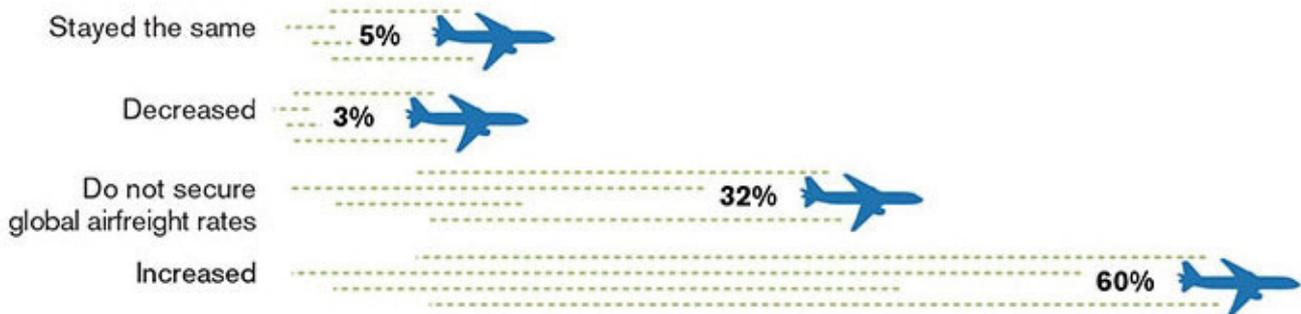
Due to the global disruptions over the past two years, has your company decided to bring more operations closer to home/nearshore?



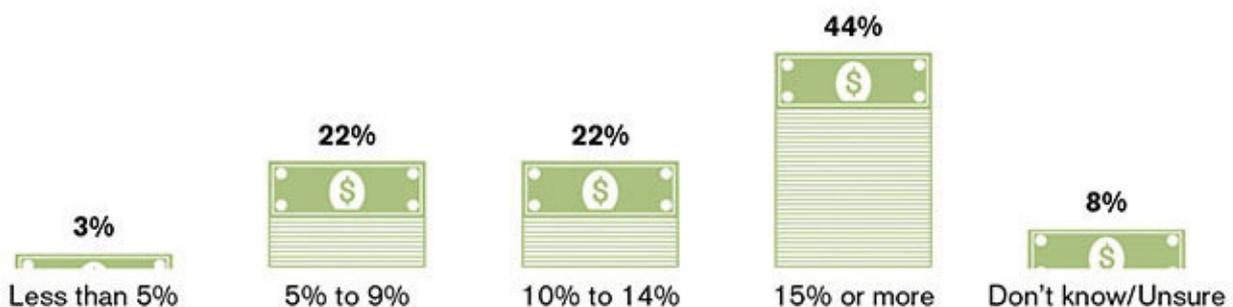
In which geographic area(s) has your company increased operations?



How have the global disruptions over the past year affected your global airfreight rates?



How much did your global airfreight rates increase from 2021 to 2022?



Readers aren't expecting any immediate relief to their ongoing challenges. Looking ahead, more than 93% of survey respondents either "strongly or somewhat agree" that the pressure on global supply chains will continue well into 2023. Asked whether strong global demand for consumer goods will also continue into next year, 70% of readers either "strongly or somewhat agree."

Outside of North America, most companies have realized the biggest global disruptions in Asia (64.7%), Europe (12.1%), Central America (2.6%) and South America (2.6%). More specifically, the disruption in these countries tends to take place at ports (for 80.6% of respondents), trade in general (43.9%), during the customs clearance process (20.4%) and on the road (10.2%).

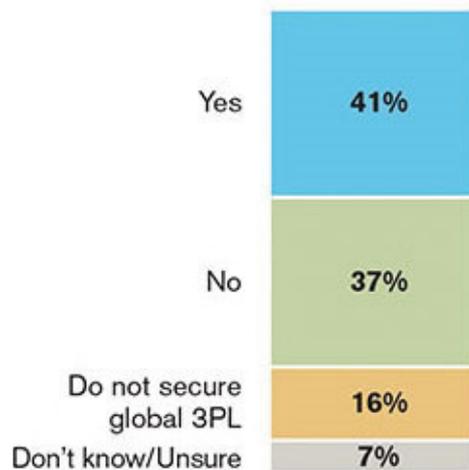


Assessing supply chain performance

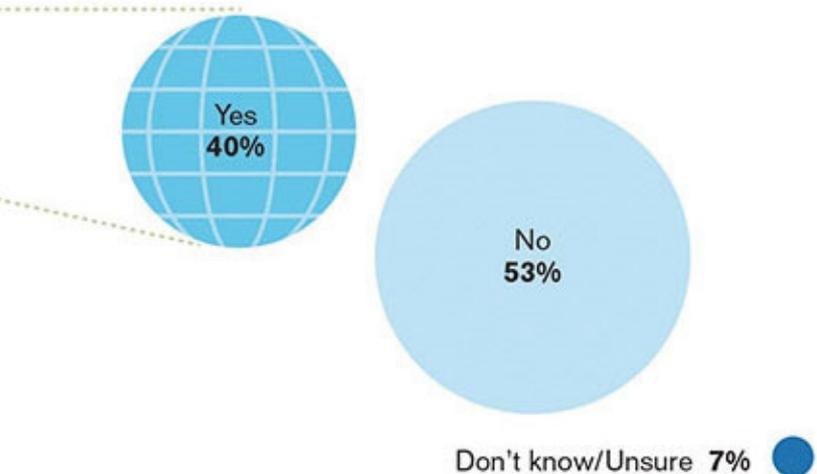
The events of the last 2.5 years have forced 82.6% of companies to rethink their overall global supply chain operations. In assessing the performance of their global supply chains, nearly 96% of survey respondents say their networks are either “usually, always or sometimes” a problem. Just 4.2% of the companies surveyed have global supply chains that are either “never or rarely a problem.”

Have you used a global 3PL in the past? Over the past two years, have you increased your usage/reliance of global 3PLs?

Have you used a global 3PL in the past?



Over the past two years, have you increased your usage/reliance of global 3PLs?



Global freight networks are also creating headaches for logistics, supply chain and operations managers right now. According to the survey, just over 92% of companies rely on global freight networks that are either always, usually or sometimes a problem. Just 7.6% of respondents either rarely or never have problems with their global freight networks.

To offset some of the challenges brought on by the pandemic and resultant supply chain disruptions, some companies have been moving their manufacturing and/or sourcing closer to home.

According to the survey, more than half (52.3%) of respondents have used this approach over the last two years while 36.4% have not (11.4% are unsure of whether their companies have done this).

As they bring more operations closer to home using a reshoring or near-shoring strategy, the geographic area(s) where companies have increased operations include the U.S. (87.9%),

Mexico (34.8%), Canada (28.8%), Central America (13.6%) and South America (12.1%).



Freight rates continue to rise

Along with the port congestion, container shortage and transportation delays that keep shippers from getting their goods on time, companies are also dealing with escalating ocean freight rates. By mid-2022, in fact, ocean shipping freight costs were up to eight times their pre-pandemic levels—and even higher for some routes.

According to the study, more than 70% of respondents have seen their ocean freight rates escalate over the last year. Just 4% say those rates have stayed the same and 2.4% have seen decreases.

Asked exactly how much their ocean freight rates increased from 2021 to 2022, readers who reported an increase say they're currently paying 15% higher rates (50.6% of respondents), are shelling out 10% to 14% more (25.3% of readers) and 10.3% of respondents have seen their rates increase by 5% to 9%.

Companies using airfreight have also been paying more for transportation this year. Asked how global disruptions over the past year have affected their airfreight rates, nearly 59% of companies have experienced increases, 4.1% are paying the same that they did one year ago, and less than 1% have seen their airfreight rates go down. Between 2021 and 2022, 44.4% of respondents saw their rates jump by 10% to 14% and an equal percentage experienced rate hikes in the 5% to 14% range.

Ocean and air capacity trends

The global supply chain disruptions severely affected transportation capacity in 2021, driving up rates and forcing companies to rethink their strategies, find alternatives and seek out new modes. The situation has eased slightly this year, but the constraints remain, according to the survey findings. For ocean freight, 37.2% of companies are dealing with decreased capacity while 36.4% say that shipping capacity has either stayed the same or increased this year.

Asked to specify how much their ocean freight capacity increased compared to 2021, 54.6% of companies say it expanded by anywhere from 10% to 15% or more. Another 18.2% say capacity has loosened up by 5% to 9% and 13.6% feel the increase was less than 5%. Of the readers who reported ocean freight capacity decreases this year, 60% say the decrease falls into the 5% to 15% or more range, while 17.8% have watched capacity contract by 10% to 14%.

According to the survey, 19.3% of respondents have witnessed decreases in airfreight capacity this year, although nearly 40% say it has either increased or stayed the same (compared to 2021).

Nearly all companies (88.2%) reporting airfreight capacity increases say those improvements fall into the 10% to 15% range (or higher). Of those reporting airfreight capacity decreases, most (66.5%) say the declines range from 10% to 15% or more and 21.7% have seen decreases of 5% to 9%.

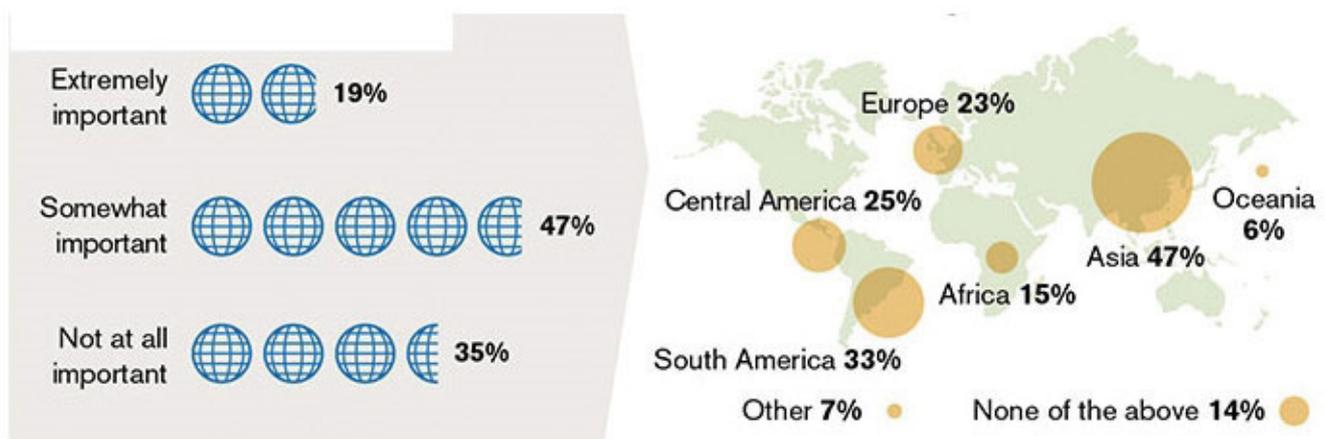


The role of the global 3PL

Overall, the global third-party logistics (3PL) market, worth about \$1 trillion in 2020, is estimated to reach more than \$1.75 trillion by 2026, according to Mordor Intelligence. This translates to a growth rate of 8% for 2021-2026.

Factors affecting that growth are the increasing number of companies that use 3PLs for major transportation and logistics services—while 3PLs are also increasingly being used to grow e-commerce. In response, third-party providers continue to find creative solutions and expand their service portfolios.

**How important have emerging markets become in your global sourcing strategy?
Which emerging market(s) have you considered as channel(s) for growth?**



According to the 2022 Supply Chain Disruptions Study, 40.5% of companies have used a global 3PL in the past, while 37.1% have yet to enlist the help of a global 3PL. Over the last 2.5 years, more than 40% of respondents have increased their usage of and reliance on global 3PLs, while 53.2% have not. Just over 79% have engaged such a partner for freight forwarding over the last 2.5 years and most companies (66.7%) work with just one global 3PL for these services.

Expanding their global reach

Despite the supply chain challenges brought on by the pandemic, companies continue to think globally. In fact, 65.6% of survey respondents say that emerging markets have become either an extremely or somewhat important component of their global sourcing strategies.

Another 34.5% don't consider emerging markets to be key to their global sourcing strategies. When asked which countries they've considered as channels for their growth, 46.6% say Asia is a core target for their organizations.

Some of the other markets that companies view as having good growth potential are South America (32.9%), Central America (24.7%), Europe (23.3%), Africa (15.1%) and Oceania (5.5%), the latter of which encompasses Australasia, Melanesia, Micronesia and Polynesia.

'STAKEHOLDER ENGAGEMENT' NEEDS A RETHINK.

HERE'S WHAT WILL REPLACE IT.

By: Dave MacLeod

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'Stakeholder Engagement' Needs A Rethink. Here's What Will Replace It.

By: **Dave MacLeod**



Can you name an excruciatingly slow, biased, yet commonly used business process in need of a serious overhaul? I can: stakeholder engagement, a practice organizations use to interact with and influence stakeholders in projects.

But don't just take it from me. Research firm McKinsey has gone as far as to state that most organizational stakeholder engagement exercises simply "fall flat."

Let's look at some reasons why stakeholder engagement doesn't work, and more importantly, what we can evolve toward instead.

Flawed Terminology

I'm pretty sure flawed terminology points to the problem of stakeholder engagement. I know what some of you are thinking: "How much can the name of a process really matter?" Bear with me.

Historically, the term "stakeholder" emerged in the 1700s, to describe a wager holder, such as the person in a card game who holds on to the money but walks away without any winnings. Interestingly, over time, the word then came to mean nearly its opposite. Today, "stakeholder" defines someone who actually has a "stake in an enterprise" or who is "involved in or affected by a course of action." I am endlessly fascinated by the dramatic evolution of this word.

That said, far more importantly, our modern-day usage of "stakeholder" is problematic because it is disempowering. Stakeholder has become a blanket term used to describe individuals or groups affected by the outcome of a project, yet does not encompass critical characteristics of said impactees, such as ownership or authority. For instance, this is the very reason some indigenous groups discourage the business world from using the term. Instead, they recommend alternatives such as "rights holders." As the sovereign people of the lands they inhabit, they have rights, are titleholders and are meant to be influential partners in decision-making. A term like "stakeholder," when applied to such groups, undermines their true roles, highlights passivity and is disrespectful and flawed.

Now on to the term "engage." This means to cause involvement or interest: Engage the brakes. Engage the enemy. Engage the warp drive. At the core of the term lies the assumption that the thing or person to be engaged is... not yet engaged.



On this premise, using terms like “engagement” in business could be inherently problematic. Consider this scenario: Your boss sends you a message that says, “Let’s meet at 4 p.m. I want to talk to you about how we can better engage you in your work.” What goes through your mind? It’s unlikely that you think, “Wow! My boss really cares about me! I can’t wait to learn how I can be more engaged in my work!” Instead, it’s more likely you have a worrying thought like, “Crap. What have I done?”

The problem is that the “engagement” portion that comprises “stakeholder engagement” sets out with the baseline assumption that those it seeks to engage are not already. It’s far more likely that they are very engaged, especially if they are already working for or alongside the organization.

Testing, Testing: 'Alignment' Versus 'Engagement'

Now let’s go back to the above scenario—with a twist. Imagine, instead, your boss sent you a message that says, “I’d like to meet with you at 4 p.m. to make sure my thinking and efforts are aligned with yours.” How does that feel to you? Compared to “engage,” I’m sure you feel far less on guard, perhaps even better respected. This is because unlike “engagement,” the concept of “alignment” assumes those involved are competent, already engaged and ready to level up.

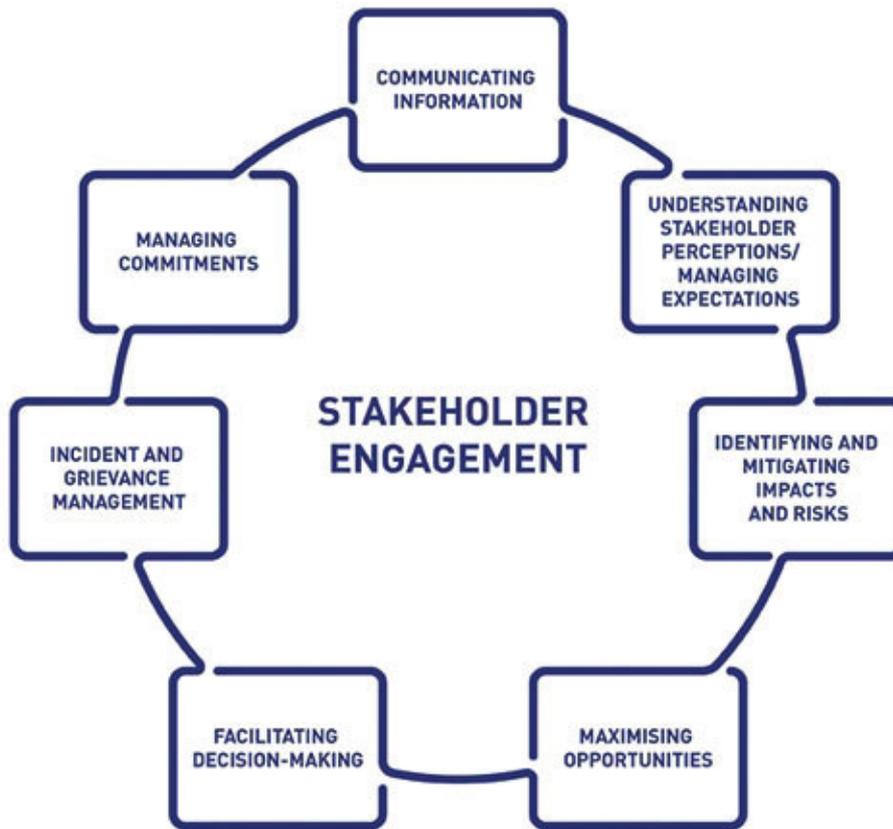
Consider what would happen if you attempted to swap out the word “engagement” with “alignment” across your organization. “Employee alignment survey.” “Customer alignment plan.” “Leadership alignment workshop.” Don’t these updated terms feel more elevating and unifying and less remedying?

Workplace As Community

Next, let’s look at the term “community.” A community, put simply, is an interdependent group in a shared environment.

Based on this, what stops us from seeing all of our workplaces as communities? Lego and TedX are a couple of brands that have shifted toward a community-driven model when it comes to their customers, experiencing growth and success and outperforming many of their competitors. Other highly-regarded companies, including Toyota and Pixar, instill a strong sense of community throughout their businesses, encouraging people to care about their place in the world, along with their colleagues and their work.

For some, using the word “community” to describe a workplace may at first feel inauthentic or uncomfortable. If this is the case, try spending some time digging into why. You may actually learn a lot about your organization and your own beliefs. For instance, replacing the word “stakeholder” with “community member” acknowledges critical interdependencies—and highlights when that critical connectivity is lacking.



The Dawn Of 'Community Alignment'

I think you can guess what comes next. What I propose is that leaders of tomorrow rethink concepts like "stakeholder engagement" in favor of more future-forward approaches like "community alignment." Rather than working to "engage your stakeholders" as you roll out your change, what would you do differently if you described your responsibility as aligning your community to achieving a shared goal?

I think pretty much every conscious leader out there would agree that in year three of the pandemic, more than ever before, we must prioritize people over all else. Part of this means taking steps to reevaluate ideas that don't work anymore. Instead, we can experiment and be open to new ways that recognize our interdependence, foster respect for all and unify around important, bigger picture goals like our mission and our purpose.



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**2023 Trends
Report: Digital
communications**



**COMMUNICATIONS
& REPORTING**

40th Edition 2023



2023 Trends Report: Digital communications

By: Michel Lacroix, Vincent Gagnon

When addressing the topic of digital communications, it can be easy to forget that we are talking through and often to computers. Algorithms, chatbots, amplification, ads, those are all represented in this image in the style of Edward Hopper's *Nighthawks*. A conversation with artificial intelligence in the broadest sense.

National helps you build a strong strategy for the upcoming year. Here are the trends our digital communications experts see for 2023:

Digital technology in support of social acceptability

The pandemic has profoundly changed social acceptability practices by accelerating the transition and adoption of digital tools. In 2023, virtual meeting and webinar platforms will continue to play an important role in the consultation process.

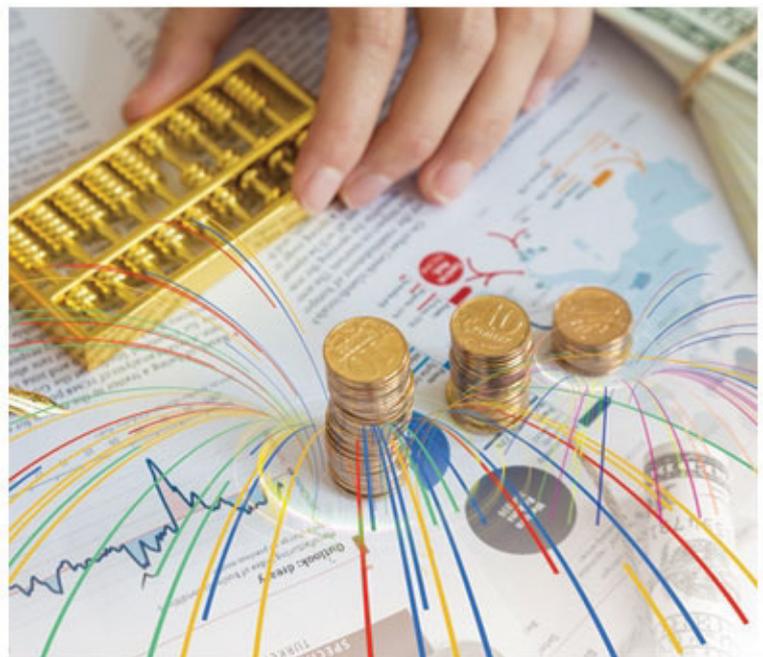
These tools democratize social acceptability by removing barriers to entry and giving a voice to people or interest groups who may not have been involved in consultations.



The specialists who carry out these processes thereby have access to an additional structure that allows them to set the tone for the exchanges and can therefore consider the growing expectations of the population in terms of the environment, well-being, and social and economic development.

In addition to the creation of a microsite and social platforms, the use of specialized tools greatly contributes to the implementation and management of consultative processes. This standardizes the collection of questions, comments, and positions from different stakeholders.

Thanks to these new practices, combined with monitoring and social listening, it is possible to draw an even more accurate picture of the positions of the various stakeholders and the overall perception of the population.





The influence of TikTok will continue to rise



TikTok has officially become the most downloaded, highest revenue-generating non-game app in the world. In Canada, the platform has seen its audience skyrocket, projected to reach over 8M users by the end of 2022. Canadian organizations and public figures can no longer ignore the influence the social network has on the digital landscape.

What does that mean for organizations? With over 1 billion monthly active users, the virality of TikTok videos can make and destroy reputations, it can influence public opinion and dictate the success of a product. That also means one faux pas, and the whole world has eyes on you.

While small businesses can experience life changing growth from an influencer's positive review, when it comes to negative feedback or false information, the power TikTok users hold when mobilized can have disastrous consequences, and even lead to closures.

Piece of advice? Always remember that everything you do and say has a chance to be dissected on TikTok by millions of users around the world.

What will happen to Twitter?



Elon Musk's acquisition of Twitter in October caused big brands and small organizations alike to consider their future engagement and advertising spend on the platform due to the volatility of changes brought on by his transition team. Between many high-profile employees resigning, misuse of Twitter Blue, and restoring suspended and banned accounts, Twitter and Elon Musk have seemingly found themselves in a position where trust in the platform has been broken.

If Musk wants to create a platform where brands have confidence in sharing their message or selling a product, there needs to be a convincing value proposition for advertisers with a strong emphasis on platform transparency to mitigate any future brand risks.

Organizations can make their own judgments, and Twitter should not be completely dismissed as a platform to engage your audience, but this tumultuous transition should serve as a reminder that it is crucial to have diverse and active digital strategies across a variety of channels. This will allow brands and organizations to easily shift resources and maintain an active online presence.



Influencer marketing trends to watch in Canada

The influencer marketing space continues to evolve—and become even more sophisticated. Many of the trends we surfaced last year rang true and remain important to consider but we’re continuing to see this space evolve.

We’re seeing even more brands choose to partner with the right voices who can speak most credibly to the content and that often means forgoing large followings for mid-sized, organic audiences. Authenticity and content creation capabilities are paramount while brands are choosing to pay to amplify content to get the reach they need.

More influencers are creating content on more platforms with a notable rise in TikToks, IG Reels, and YouTube Shorts which is expected to continue. Creators are also moving out of social media and into ad campaigns, website content, and are generally just more integrated throughout marketing channels.

This coming year we expect to see a lot more in terms of measurement. We know influencer content drives positive brand perceptions and now it’s time for measurement to prove it! For example, we’re putting the finishing touches on our first influencer brand lift study and are expecting to have the results back from that in the early new year.

Lessons in privacy coming to Canadian marketers

By now, anyone in marketing has heard about Europe’s GDPR (General Data Protection Regulation). California has also been going about implementing their privacy act. While both have impacted the collection of marketing data in their regions, in Canada we’ve felt like this was only affecting others.

In September 2023 Quebec’s Loi 25 (formerly Bill 64) will start to have meaningful impact in Canada as Quebec-based companies will have to implement a privacy-by-default approach to business.

Google is sunsetting Universal Analytics in July 2023 and offering GA4 as a privacy-first approach to marketing insights. In 2024 Google will phase out third-party cookies in Chrome. Safari and Firefox already block them by default and iOS apps request active consent to “Allow this app to track your activity across other companies’ apps and websites.”





TOP CONSERVATION ISSUES TO WATCH OUT FOR IN 2023

By: Mary Hoff



Top conservation issues to watch out for in 2023

15 emerging issues that anyone who cares about biodiversity ought to keep an eye on

By: [Mary Hoff](#)



Each year since 2009 scientists and conservationists from around the world have come together under the direction of researchers from Cambridge University to answer that question. Their goal is to “provide novel information that society and decision-makers may wish to consider in legislation, planning and actions that contribute to environmental sustainability and mitigating threats.”

This year’s group came up with 15 top issues that fall into four main categories: resource use, disturbance of organisms and habitats, technological innovations, and policy and law. Nearly half of the topics that bubbled to the top have a climate change connection.

Here are the group’s top conservation considerations for 2023:

Shell Game

Chitin, a complex molecule found in shellfish, insects and fungi, can be broken down into a treasure-trove of useful chemicals. As humans search for alternatives to plastics, new drugs, battery technologies and more, this ubiquitous molecule is seeing growing demand. The benefits to biodiversity of technologies that reduce harm to Earth’s environment are clear. But threats exist as well, in the potential for increased harvest of marine organisms. Proactive strategies such as harvesting chitin from insects fed organic trash could help maximize benefit while minimizing harm.

Bio-based Batteries

Emerging technologies produce electricity by using biological molecules to break down other biological molecules, releasing electrons in the process. These technologies open the door to storing energy in batteries made of organic compounds. Such batteries could pack more power into a given space than conventional battery technologies. And they could potentially have benefits for biodiversity by reducing environmental impacts of battery production and disposal that involves toxic metals. As we dig deeper into this approach, however, other implications — positive or negative — could emerge.



Nitrogen-rich Pee

Rich in nitrogen and about as ubiquitous as a substance can get, human urine holds huge opportunity for reducing the need to produce and transport artificial fertilizer, which requires substantial energy and so contributes to climate change. What's needed is a system for collecting and distributing it while circumventing the "ew" factor. If such systems are put into place, they not only could harvest the nutrients from urine, but also reduce the environmental impacts of including it in waste streams that go to wastewater treatment facilities — or sometimes circumvent them, polluting waterways that support native animals and plants. On the flip side, they could lead to fertilizer overuse, potentially harming ecosystems and exacerbating climate change.

DIY Fertilizer

Artificial fertilizers have contributed tremendously to alleviating hunger, but at a tremendous environmental cost: They require fossil fuels to manufacture, produce planet-warming greenhouse gases, and pollute water and air. One workaround is to plant crops that obtain nitrogen from bacteria living in or near their roots that can literally pull the substance out of thin air — a process known as "nitrogen-fixing." Until recently, this talent has been limited to a relatively small number of crop species such as soybeans and cowpeas. But now scientists are applying modern tools of biology to expand the capabilities by genetically engineering plants to be better able to take up nitrogen and using synthetic biology to create new forms of nitrogen-fixing bacteria. As this capability grows and finds real-world application, it can reduce the adverse environmental consequences of artificial fertilizer use and so reduce their harms to wild plants and animals.

Water in the Fast Lane

Natural cycling of saltwater through the top layer of the oceans distributes nutrients needed by ocean life and helps determine weather and climate around the world. As the atmosphere, and so the ocean's surface, warms, this circulation is accelerating and moving toward the surface, modifying the circulation patterns ocean life and coastal communities — including human ones — have evolved to thrive with. Scientists fear the changes will make oceans less able to moderate climate change and support marine ecosystems. They also could make ocean movements and temperature regimes less predictable, interfering with fisheries and ocean aquaculture and thus altering how humans affect marine organisms.

Deep Lighting

Ocean fishers who use nets or traps have long deployed lights near the surface to attract squid and other target species. Now, some are starting to apply this same approach at lower depths. The shift can be beneficial in increasing catch. But, depending on circumstances, it could also increase or decrease the likelihood nontarget species will be captured along with the desired species. Could the approach also disrupt biology or ecology by introducing light into the dark of the deep? No one knows — but from a biodiversity standpoint, it's worth finding out.

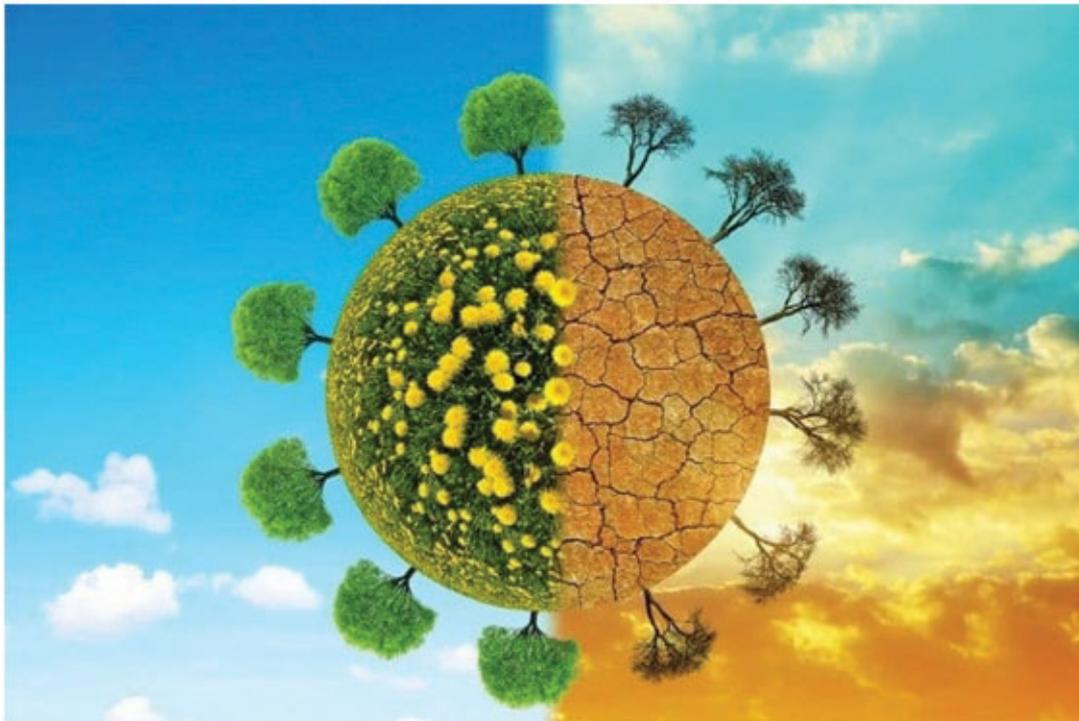


Coastlines Meet Climate Change

Wetlands found along ocean coasts offer rich habitat for a spectrum of fish, birds and other plants and animals. They also benefit humans by sheltering land from storms, providing habitat for food species and more. Under attack by human development for decades, they are now facing another threat: a rise in ocean levels due to climate change. There is some hope that they might be partly saved by sediment buildup creating new substrate or by moving inland. However, recent studies suggest that won't be enough to make up for the loss due to the changing climate and sea-level rise. If not, we'll see less habitat for fish spawning, migrating bird stopovers and more as Earth's atmosphere continues to warm.

Conserving Micro-communities

Advancing technology for identifying microbes reveals that biodiversity is not just about plants and animals: The invisible communities around us are becoming more homogeneous as humans passively or actively alter microbe mixes for purposes ranging from protecting coral reefs to improving our own health. This could affect the ability of plants, animals and biological communities to benefit from the presence of microorganisms. And prognosticators predict we'll be more actively involved in shaping micro-communities in the future, with implications for policy as well as science.



Ailing Amphibians

Perkinsea, a protist that kills tadpoles, seems to be spreading from North America to other parts of the world. Scientists have found similar microbes in Central America, South America and Europe. As amphibian trade continues and climate change potentially makes more areas habitable for frogs, toads and their kin, researchers warn that the disease could spread farther and faster, disrupting the balance of ecosystems as these prolific insect-eaters disappear.



Conservation, Incorporated

Protecting biodiversity is drawing increased attention these days, with corporations, financial institutions and other private entities voluntarily or by government dictum beginning to identify and report on their impact on animals and plants and what they're doing about it. As more and more hop on the accountability bandwagon, formal structures for doing so, such as the Taskforce on Nature-related Financial Disclosures, are emerging as well. Together these trends bode well for biodiversity with their potential to enhance both transparency and action.

Machine Learning Meets Conservation

Drug developers are now using machine learning to custom-design drugs to treat various ailments, as well as to test various options they design for efficacy and safety. Could a similar approach be used to reduce threats to species and ecosystems from agricultural chemicals such as herbicides and pesticides? Conservation biologists are beginning to explore the option of applying the iterative process to developing and testing manufactured substances designed for release into the environment. If successful, this approach could help reduce harm to native species such as pollinators or to ecosystems as a whole by identifying and minimizing risks before a chemical is approved for use.

Storing Energy as Heat

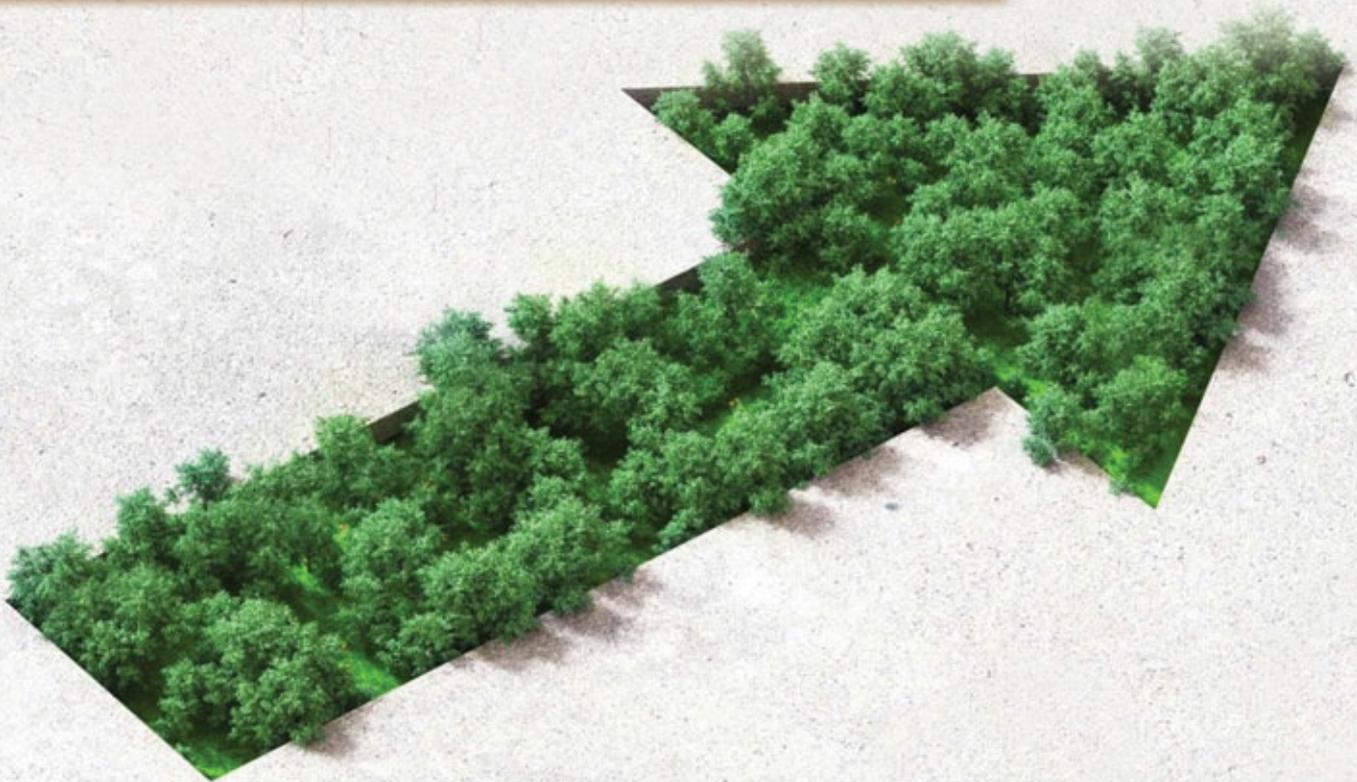
As anyone who has ever rubbed their hands together to warm them knows, heat is a form of energy. Scientists and engineers are hard at work using this principle to develop a new type of battery that uses heat to generate electricity. These so-called thermophotovoltaic systems could help reduce need for fossil fuels, conventional batteries, and large, centralized power plants, all of which have adverse implications for biodiversity. Current iterations are not very efficient. But the technology is getting better, and thermal batteries could eventually become economically viable enough to reduce the harms existing electricity-generating systems have on ecosystems.

Garbage Patch Paradise?

Plastic gathers in massive clusters in the ocean as trash dumped in or washed out to sea gets caught up in circulation swirls. The assumption often is that these "garbage patches" are detrimental to ocean life. But sampling shows that in reality they are rich with organisms that live at the interface of air and water. Though not natural, these communities may have some positive benefits in terms of producing food for fish, turtles and other animals. Efforts to rid the ocean of trash would do well to consider how we might protect these communities in the process.

2023

Will Test Companies' Commitment to Social Responsibility



**CSR REPORTS
SHOWCASE**
40th Edition 2023



2023 Will Test Companies' Commitment to Social Responsibility

By: Carolyn Berkowitz, Kari Niedfeldt-Thomas, and Diane Quest

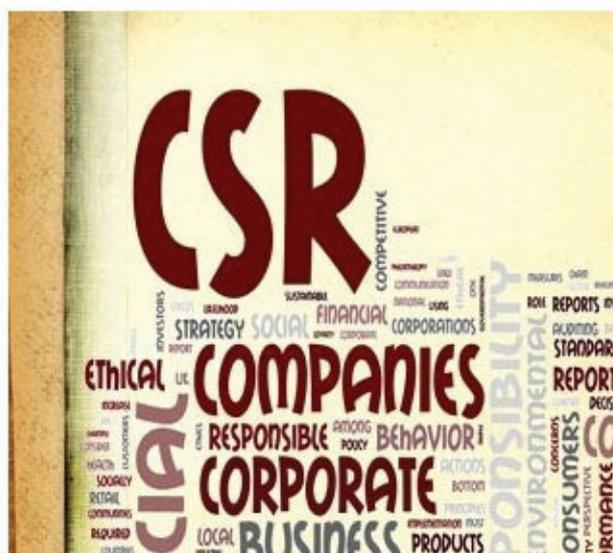
2023 will be a test of corporate America — the year we find out if corporate social responsibility (CSR) commitments and environmental, social, and governance (ESG) principles are deeply ingrained values or in fact only hobbies to be enjoyed in economic fair weather.

As members of three organizations who work directly with thousands of leaders engaged in corporate social impact across every sector and region, we urge you, corporate executives, not to step back from the gains you've made in community and global investment and employee engagement as we near a recession. It's taken an abundance of corporate commitment, years of dedication and investment, to see the benefits of your leadership.

With the likelihood of recession in 2023 increasing every day, corporate leaders are being tasked with navigating these turbulent times, and cost-cutting is a conventional strategy to deploy. Unfortunately, history shows that CSR, ESG, and purpose initiatives are typically first on the list to freeze or underfund during recessionary times. This test comes at a time when CEOs have made significant strides in tying ESG to profitability, with 70% of U.S. CEOs acknowledging that ESG improves financial performance, up from 37% just last year, per a recent KPMG survey. Yet 59% of CEOs said they planned to pause or reconsider their ESG efforts.

This is a mistake. Here are four reasons why prioritizing an investment in corporate citizenship is critical to the long-term success of profitable enterprises.

1. Your workforce is making employment decisions based on corporate purpose commitments and actions.



Recruiting and retaining talent continues to be a challenge in every sector, despite the weakening economy. While job security and fair wages will be top of mind during an economic downturn, employee engagement and corporate commitment to social impact, driven largely by CSR teams, remain critical. Edelman's special report "Trust in the Workplace" found that seven out of 10 employees wanted their job to bring societal impact, calling it a strong expectation or deal breaker when considering a job. Your employees will leave to find a purpose-driven employer if your company is not one.



2. Your customers make purchase decisions based on corporate purpose commitments and actions.

Consumers are even more discerning during increased times of uncertainty, which makes reputation and transparency key. While consumers are more attuned to rising prices, the differentiator will be brands that uphold their commitments to society through good times and bad. In fact, according to the 2021 Porter Novelli Purpose Premium Index (PPI), “73% of consumers say [that] to win their support, companies must show how they are supporting communities and the environment.”

3. Your investors make decisions based on corporate purpose and actions.

One of the core strategies of ESG investing is risk mitigation. ESG-related issues are material and can cause financial or reputational damage. Especially during volatile periods in the market, investors want to know that these social risks are being tracked and managed at the highest levels in the company. In March 2022, Merrill Lynch issued a report to its investors on the importance of the S in ESG, in which it asserted that because social factors underpin the key inputs to economic growth, managing and monitoring social indicators has never been as important as it is today.

4. Your company’s reputation is intrinsically linked to corporate purpose and actions.

The Edelman Trust Barometer shows that trust in companies is slipping; all it takes is one poor choice to flip the perception of a company to disdain. Community needs will only increase during economic downturns, including basic needs such as shelter, food, and education. The continued support corporations provide to nonprofits through financial investment, employee volunteerism, product donation, and nonprofit board service — the S in ESG — is critical in maintaining strong relationships with your key stakeholders. Your corporate responsibility team is your offense and defense for ensuring your reputation remains strong.

Your “why” doesn’t change when things become less comfortable. In fact, it gets more important. So, where do you start?

You start from the inside out, by reasserting — and following through on — your commitments to corporate social impact. As leaders, understand what is required to uphold your commitments, maintain your company’s reputation, and transparently follow up on the impacts. Then, support your corporate social responsibility functions and leaders through social investment for the long-term. Leading companies invest 1% of pre-tax profits in society, with the top-quartile investing 2.3%. What’s your number?



Systemic change requires a long-term view of where a company and society is headed. If corporate leaders commit to serving communities of color, investing in their own CSR teams, and providing meaningful ways to engage their employees in their commitment to purpose, we can continue to build momentum addressing our most challenging societal issues and drive meaningful and lasting change.

Companies have established themselves as an important member of the community, and those that are most successful have incorporated social innovation into their business strategies. If companies cut their societal investment, employee volunteer programs, and other citizenship strategies now, companies and society at large will emerge from a recession with more severe challenges than we have today.

The choice is clear. Don't default to a short-sighted strategy of cost-cutting. Strengthen your commitment to corporate purpose and emerge from the looming recession, hand in hand with your stakeholders, positioned for long-term success.





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