

## Field Visit Summary: Lush, Italy

### Background

Lush is a multinational company producing cosmetics and toiletries. The company has a strong ethical policy that precludes the purchase of any ingredient from any supplier that tests any of its materials on animals, as well specific environmental education projects and as numerous policies relating to waste, energy, aviation and the environmental impact of ingredient sourcing.

It also has a grant-making program to support charitable projects that meet its criteria of non-violence, environmental responsibility and human rights. The central office of Lush Italy is based in Milan and has a small number of employees (less than 20 in total) working in management, communication, marketing, accounting and retail. There are also employees preparing certain cosmetic products and distributing imported products. Four shops are located in Milan area.



### Aims of the Field Visit

The principal aim of this visit was to test a total of 16 indicators across all six value clusters, comprising six head indicators, seven sub-indicators and three of the unclassified draft indicators for Care and Respect for the Community of Life. In addition, it aimed to examine whether the concept of values assessment is appropriate and worthwhile in a corporate setting, as opposed to humanitarian projects, and to identify suitable tools for measuring the indicators in a business context.

### Main Findings

All tested indicators were validated as relevant and important to Lush. Validity in the sense of reliability (being a useful measure of the value in question) was only partially confirmed for some indicators, as the team felt that it would have been useful to have a broader expert group incorporating members of the observed organization to confirm the results. With regard to measurability, it was noticed that some indicators, such as J\_SH2b ('Decision making is democratic and transparent') had been phrased as multiple questions, requiring two or more unrelated types of information to be collected at the same time. Thus in order to be measurable, they needed to be split into their component parts. Two new sub-indicators were created in the Unity in Diversity value cluster.

During this visit it became evident that in a corporate context, where there is a management hierarchy, independent applicability of the indicators (without any external input) is unlikely. It is often difficult to convince staff that it is safe and acceptable for them to respond honestly, especially if their answers could imply criticism of the management, and the only way to address this is for assessment tools to be applied by an unbiased external observer.

This field visit also confirmed that in the case of a company such as Lush that prides itself on its specific ethical and environmental policies, which are used as part of its marketing strategy, the indicators can help managers to highlight and address any gaps that exist between policy and practice as well as identifying priorities for future action.

## Processes Utilized

Before the week-long field visit, the researchers combined feedback from Lush management on the list of Respect and Care indicators with knowledge about the firm that had been gained through document analysis and Skype interviews. Based on this, a proposed list of indicators was sent to the company, and all of these were confirmed by the firm's Communication Manager as relevant for Lush.

After a discussion between management and researchers about the advantages and disadvantages of both structured interviews and questionnaires, a pilot questionnaire with closed-ended questions was used to accompany the interview. The questions were tested for relevance and applicability to other corporate settings, in which the number of respondents would typically be higher.

## Assessment Tools

Assessment Tool Used	Indicators Tested
Unstructured non-participative observation	T_H3, T_H4, I_SH1d, I_SH1l, I_SH1m, U_SH2f
Structured interview and questionnaire with closed-ended questions	J_H1, J_SH1a, J_SH1b, T_H3, T_H4, E_H3, E_SH3a, E_H4, U_H1, U_SH2f, I_SH1d, I_SH1l, R_3001, R_3002, R_3013
Questionnaire with open-ended questions	General exploration of the value of Unity

**(a) Unstructured non-participative observation:** External researchers observed the everyday life of the company from the value-based indicators perspective and recorded their observations relating to transparency, integrity and gender balance.

**(b) Structured interview:** External researchers conducted private, one-to-one interviews with shop assistants, shop managers, and marketing, retail and accounting managers.

**(c) Questionnaire with closed-ended questions:** Participants in the structured interviews were also asked to complete a standard questionnaire, and the findings from both of these assessment tools were compared in order to gain a deeper understanding of the situation.

**(d) Questionnaire with open-ended questions:** A questionnaire adapted from the workbook prepared by Centrum was used by Lush to assess participants' understanding of unity. This included a word elicitation task, prompted by a list of words/phrases that was supplied.

## Other Lessons Learned

**Including some inapplicable indicators can be helpful:** Not all indicators are universally applicable. In a company for example, decision making can never be democratic. However, when inapplicable indicators are included, they can provide useful feedback on the participants' level of understanding and awareness. The above question showed that understanding was much higher among managers than shop assistants.

**External observer:** Unstructured observation by an external observer can be a useful tool to highlight aspects of practice that are overlooked by managers, or difficult for staff to discuss freely. However, the observer needs to be familiar with values-based indicators if this is to be a valid approach, as without a structured assessment sheet, it may be difficult to know what to look out for.