Corporate Social Responsibility
Is it important? What’s the impact?

Presented by:
Charlotte Hines

‘The Triple Bottom Line’
Communications Directors Forum
15 June 2001
Images in Perspective

Attitudes to Large Companies

Industries

Companies

Details of Image Profile

Source: MORI
A Tentative Model of Corporate Reputation

Overall Corp. Rep.

- Financial stability/profitability
- Management
- Products & services
- Customer satisfaction
- Treatment of staff
- Social/environmental responsibility

Source: MORI
But the future seems to be.

Overall Corp. Rep.

Responsible Business Policy, Practice & Behaviour

Source: MORI
The Components of Corporate Responsibility

- Environment
- Ethical Consumerism
- Socially Responsible Investment
- Cause Related Marketing
- Treatment of employees
- Community Involvement
- Socially Responsible Investment
- Treatment of customers

Source: MORI
What do the public think CSR is?

Q Could you tell me, in your own words what you think is meant by the term corporate social responsibility?

Responsibility towards customers: 20%
Responsibility towards local community: 17%
Responsibility towards employees: 11%
Responsibility towards the environment: 7%
Acting responsibility/ethically: 5%
Being profitable/successful: 4%
Responsibility towards their shareholders: 4%

Base: 2,099 GB adults, October 2000
Source: MORI
It’s not just policies. . .

Recognition that companies must make a profit. . .

*but not at expense of good employee and customer practices*

Business Practices

“Walk the Talk”

&

Set an Example

Investment Policies

Exclude negative behaviours

&

Support positive behaviours

Source: MORI
And Government Recognition... 

1999: ‘A New Vision for Business’

Companies’ reputations and their licence to operate around the world depends on meeting these wider responsibilities while competing effectively

February 2000: First new CSR Minister in Britain

October 2000: SDC set up, reporting to Government

Source: MORI
Stakeholders’ Expectations
**Criteria for Judging Companies**

*Q What are the most important factors you take into account when making a judgement about a company?*

<table>
<thead>
<tr>
<th></th>
<th>General Public</th>
<th>MPs</th>
<th>Business Press</th>
<th>City Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of products/services</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>25</td>
<td>33</td>
<td>53</td>
<td>56</td>
<td>66</td>
</tr>
<tr>
<td>Customer service</td>
<td>21</td>
<td>53</td>
<td>33</td>
<td>38</td>
</tr>
<tr>
<td>Treatment of staff</td>
<td>20</td>
<td>70</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Financial performance</td>
<td>15</td>
<td>25</td>
<td>56</td>
<td>94</td>
</tr>
<tr>
<td>Quality of management</td>
<td>12</td>
<td>38</td>
<td>32</td>
<td>94</td>
</tr>
<tr>
<td>Environmental responsibility</td>
<td>4</td>
<td>34</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>2</td>
<td>40</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>

Base: 1999/2000  Source: MORI
Changing Priorities

Q What are the most important factors you take into account when making a judgement about a company?

MPs 1995

Financial performance 43%
Environmental responsibility 18%

MPs 2000

Financial performance 24%
Environmental responsibility 34%

Source: MORI
Q. How important, if at all, are each of the following in helping you to assess a company?

% saying fairly or very important

Social Policy

Analysts: 34%
Investors: 33%
Journalists: 67%
IRMs: 66%

Environ. Policy

Analysts: 33%
Investors: 50%
Journalists: 40%
IRMs: 50%

Integrated Vision

Analysts: 53%
Investors: 63%
Journalists: 54%
IRMs: 80%

Source: MORI

Base: All respondents (93 analysts, 50 investors, 30 journalists, 30 IRMs)
... And now more important

Q “Companies’ social and ethical performance are more important to me now, given the forthcoming changes to pension fund disclosure”?

- Agree: 56%
- Disagree: 37%
- Don’t know: 7%

Base: Investors (104), June 2000
Source: MORI
What are the things that matter most to you in forming an impression of a particular company?

Responsibility (employee treatment, community commitment, ethics, environment) 56%

Product/brand quality 40%

Business/financial performance 34%

Base: 25,000 adults in 23 countries, May 1999
Source: MORI
The Importance of Social Responsibility

Q When forming a decision about a product or service from a particular company or organisation, how important is it to you that it shows a high degree of social responsibility?

<table>
<thead>
<tr>
<th>Year</th>
<th>Very Important</th>
<th>Fairly Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>28%</td>
<td>49%</td>
</tr>
<tr>
<td>2000</td>
<td>41%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Base: British adults (c. 1,000)
Source: MORI
Consumers feel empowered

Q: How strongly do you agree with this statement: ‘as a consumer I can make a difference to how responsibly a company behaves’?

Base: 1,970 GB adults, May 2000
Source: MORI
The Five Clusters

- ‘Look after my own’ 22%
- ‘Global Watchdogs’ 5%
- ‘Brand Generation’ 6%
- ‘Conscientious Consumers’ 18%
- ‘Do what I can’ 49%

Social Responsible Investment

Q  To what extent would you like to see the trustees of your scheme use their voting rights to put pressure on the companies in which they invest, to improve their social, environmental or ethical performance?

- A great deal: 39%
- A fair amount: 36%
- A little: 12%
- Not at all: 6%
- No opinion: 7%

Base: 1,000 GB adults. 8-13 June 2000
Source: MORI
SME Expectations Over 5 Years

“Social responsibility will become increasingly important to businesses such as mine, over the next five years”

- Strongly disagree: 6%
- Tend to disagree: 5%
-Neither/no opinion: 5%
- Tend to agree: 46%
- Strongly agree: 38%

Base: All SME’s (2000) Jan-Feb 2000
Source: MORI
How can we encourage SMEs?

Currently, SMEs:
- support the case for involvement
- understand the business and social impact
- need further assistance to aid involvement

Future involvement can be encouraged by:
- Promotion of benefits to their business
- Assistance in developing cost-effective approaches
- Establish a kitemark or symbol
- Promote CSR vs CCI
- Demonstrate how to get involved

Source: MORI research conducted for BiTC Impact on Society taskforce, conducted among 200 MDs of SMEs in Britain - February 2000
**Business not perceived to be doing enough**

Q "Industry and commerce do **not** pay enough attention to their social responsibilities"

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Public</td>
<td>70%</td>
<td>7%</td>
</tr>
<tr>
<td>CSR Activists</td>
<td>80%</td>
<td>6%</td>
</tr>
<tr>
<td>Business Journalists</td>
<td>41%</td>
<td>15%</td>
</tr>
<tr>
<td>Investors</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Analysts</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>Labour MPs</td>
<td>79%</td>
<td>7%</td>
</tr>
<tr>
<td>Conservative MPs</td>
<td>8%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Base: 1999/2000
Source: MORI
Impact of CSR on Reputation
## Drivers of Favourability

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All General Public</td>
<td>43%</td>
</tr>
<tr>
<td>Full-time workers</td>
<td>48%</td>
</tr>
<tr>
<td>Not working</td>
<td>37%</td>
</tr>
<tr>
<td>Men</td>
<td>47%</td>
</tr>
<tr>
<td>Women</td>
<td>39%</td>
</tr>
<tr>
<td>Lived in area less than 5 years</td>
<td>38%</td>
</tr>
<tr>
<td>5-10 years</td>
<td>42%</td>
</tr>
<tr>
<td>10+ years</td>
<td>44%</td>
</tr>
<tr>
<td>Awareness of specific initiatives</td>
<td>73%</td>
</tr>
</tbody>
</table>

Base: General Public (960), Jan-Feb 1998
Source: MORI
**Impact on Employees**

**Q Which of the following statements comes closest to your opinion of your company as an employer?**

- **I would speak highly of them without being asked**
  - Involved: 22%
  - Aware/not involved: 15%
  - Not aware: 10%

- **I would speak highly of them if asked**
  - Involved: 60%
  - Aware/not involved: 51%
  - Not aware: 40%

- **I would be **critical** of them (spontaneous and prompted)**
  - Involved: 13%
  - Aware/not involved: 19%
  - Not aware: 23%

*Base: Involved (781), Aware/not involved (1,036), Not aware (392). March-May 2000*

*Source: MORI*
Impact will depend on alignment with expectations

Source: MORI
Reputation Dimensions

- **Question 1**
  - How important is CSR (& each element) against other factors?

- **Question 2**
  - How is your company rated on each criteria?

- **Question 3**
  - How does this compare with competitors in each country?

- **Question 4**
  - How do perceptions match expectations?

Source: MORI
Perceptions vs. Expectations of Key Issues

**Perceived Company Performance**

- **Low importance, High performance**
- **High importance, High performance**
- **Low importance, Low performance**

**CRITICAL IMPROVEMENT AREAS**

- **High importance, Low performance**

Source: MORI
Perceived Priorities
European Priorities for companies

Q Looking at this card, please could you tell me which areas you feel are important that companies contribute to or support?

- Protecting in health and safety of its workers: 77%
- Ensuring operations respect human rights: 72%
- Providing secure jobs to employees: 70%
- Ensuring products don’t harm environment: 68%
- Treating all employees fairly: 68%
- Investing in education and training: 59%
- Ensuring no participation in bribery: 58%
- Listening/ responding to public: 49%
- Helping solve social problems: 43%
- Supporting charities and community projects: 41%
- Social responsible investment: 3%

Base: All ‘European’ public (12,162) across 11 countries.
Source: MORI/CSR Europe, September 2000
**British public priorities for companies**

*Q* Which areas do you feel it is extremely important that large companies contribute to or support?

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>62%</td>
</tr>
<tr>
<td>Protecting the environment</td>
<td>59%</td>
</tr>
<tr>
<td>Help people with disabilities</td>
<td>56%</td>
</tr>
<tr>
<td>Recycling</td>
<td>53%</td>
</tr>
<tr>
<td>Crime prevention</td>
<td>49%</td>
</tr>
<tr>
<td>Help for the elderly</td>
<td>49%</td>
</tr>
<tr>
<td>Unemployment schemes</td>
<td>47%</td>
</tr>
<tr>
<td>Protection of the countryside</td>
<td>45%</td>
</tr>
<tr>
<td>Job creation</td>
<td>45%</td>
</tr>
<tr>
<td>Research for incurable diseases</td>
<td>45%</td>
</tr>
<tr>
<td>Regeneration</td>
<td>41%</td>
</tr>
<tr>
<td>Work experience/placements</td>
<td>40%</td>
</tr>
<tr>
<td>Road safety/safe driving</td>
<td>37%</td>
</tr>
</tbody>
</table>

**BUT:** Priorities differ by industry

**Local, National or International Support**

Q Which types of company involvement in society and the community do you most like to see: support of local based projects, national (ie British) projects, or international projects?

Local: 64%
National: 25%
International: 8%

Source: MORI
Business should talk

Q Which of these statements best describes your view of the balance between programmes and communications?

- Not important to know, no money should be spent on communications (8%)
- Companies should make an effort to tell us but should not spend significant amounts (66%)
- It’s important to know about companies’ programmes, they should spend significant amounts to tell us (20%)
- Don’t know (6%)

86% want to know about companies’ activities

Base: 1,046 GB adults aged 15+, July 2000  
Source: MORI
All MORI research in this area shows that:

- Awareness of responsible practices & involvement is low
- **People** expect to know - especially employees & shareholders

**Inform & Communicate**
What Makes Outstanding Press Relations?

Q  In your opinion, what makes for outstanding press relations?

Top answers

- Availability of management: 48%
- Speedy responses: 48%
- Openness: 45%
- Availability/accessibility: 35%
- Understanding of individual press requirements: 35%
- Honesty: 33%
- Knowledge of company/market: 23%

Base: All Business & Financial Journalists (31), Winter 1999
Source: MORI
**Sources of Information**

Q Which of these sources of information are most useful to you in your work?
Q Which of them would you rate as the single most useful?

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Most useful</th>
<th>Single most useful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone conversations (company officials)</td>
<td>88%</td>
<td></td>
</tr>
<tr>
<td>Personal interviews</td>
<td>72%</td>
<td>31%</td>
</tr>
<tr>
<td>News agencies (e.g. Reuters)</td>
<td>72%</td>
<td>3%</td>
</tr>
<tr>
<td>Press releases</td>
<td>72%</td>
<td>3%</td>
</tr>
<tr>
<td>Websites</td>
<td>69%</td>
<td>6%</td>
</tr>
<tr>
<td>Public relations agencies</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Company PROs</td>
<td>63%</td>
<td></td>
</tr>
</tbody>
</table>

Base: All Business & Financial Journalists (32), Summer 2000
Source: MORI
**Current Quality of Company Information**

*Q How would you rate the quality of information provided by companies on environmental, social and sustainability performance?*

- **Analysts**
  - Poor: 45%
  - Good: 32%

- **Institutional Investors**
  - Poor: 63%
  - Good: 28%

- **Business Journalists**
  - Poor: 54%
  - Good: 20%

- **Investor Relations Managers**
  - Poor: 45%
  - Good: 63%

Base: All respondents (93 analysts, 50 investors, 30 journalists, 30 IRMs)

Source: MORI
Barriers to Quality Information Provision

Q. Which, if any, of the following factors do you consider as serious barriers to the provision of high quality information on environmental & social performance? 

**Prompted. Top answers**

**Analysts**
- Lack of established environmental performance indicators
- Lack of established social performance indicators

**Investors**
- Lack of established environmental performance indicators
- Attitude of investors
- Uncertainty on environmental issues

**IRMIs**
- Lack of established environmental performance indicators
- Poor internal social reporting systems in companies
- Uncertainty on social issues

**Journalists**
- Attitude of investors
- Lack of established environmental performance indicators

Source: MORI
Social Reporting - What do stakeholders want?

- Clear overview of policies
  - Ethical, Environmental & Social
- How that translates into practices
  - Countries & Stakeholders
- Honesty & openness
  - What has/ hasn’t been achieved?
- Measurement & benchmarks
- Case studies showing impact (not just investment)
- Executive Summary

Source: MORI
Conclusions
Implications

- Corporate Social Responsibility and Sustainable development are the umbrellas of ethical behaviour
- Being 'socially responsible' and getting involved matters to all stakeholders
- It impacts on corporate reputation and the bottom line
- And if you incorporate CSR into mainstream business practice - it is your corporate reputation
- Communicate - it does affect their opinion of your company

Source: MORI
Crucial for future success...