

## **Weathering the Storm: The State of Corporate Citizenship**

*Boston College Carroll School of Management Center for Corporate Citizenship with The Hitachi Foundation*

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### **Objective:**

The objective of this survey was to help determine how corporate citizenship activities may have been affected by the current economic recession in the United States and globally. The survey attempted to determine the attitudes of senior executives and to identify differences and commonalities among businesses along variants of size, type of ownership, and who they sell to (business to business, business to consumer, or both).

### **Methods:**

This survey had respondents from 756 small, medium, and large companies across the United States using an online survey in June of 2009. The survey was conducted by Globe Scan, a professional polling firm. Respondents to the survey were required to be familiar with their company's corporate citizenship activities, and also to be at a vice president level or up for a small or medium firm, and a director level or higher for large firms. The data was weighted by geography, company size and industry sector as reflected in the United States Census data.

### **Key Findings:**

- Some 54 percent of U.S. senior executives believe corporate citizenship is even more important in a recession
- The top three areas of corporate citizenship rated most important continue to be: operating with ethical business practices (91 percent); treating employees well (81 percent); and managing and reporting company finances accurately (76 percent)
- Despite the tough economy, only 38 percent of companies said they reduced their philanthropy and giving. Support for employee volunteering also remained strong with 83 percent of large companies stating their companies support employee volunteering in the community
- Companies increased employee support in their workplace with 60 percent backing work/life balance practices for all employees, compared to 46 percent in 2007
- Most companies (51 percent overall, 69 percent of large) support skill development, education and career advancement of workers earning less than \$40,000
- Small firms stayed committed to their corporate citizenship priority of treating employees well by minimizing layoffs, but significantly decreased emphasis on other aspects of citizenship
- Reputation is identified as the No. 1 driver of corporate citizenship by 70 percent of executives (82 percent from large companies)
- Sustainability is now seen as a major business driver with 52 percent (65 percent of large companies) designing and offering sustainable products or services
- In 45 percent of companies, employees were compensated for ideas benefitting the bottom line and the environment or community, compared to 37 percent in 2007

**Conclusion:**

Despite dramatic economic changes in the last several years, most businesses appear to be committed to good corporate citizenship. Over half the respondents indicated that corporate citizenship initiatives are “even more important” during a recession. This report offers some hope that companies are learning that doing good for the world and for their employees has the added benefit of helping them do well for their stockholders.

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