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CEOs realize CSR salience, but few have acted upon it

By Anita Chabria

NEW YORK: More than half of *Fortune* 1,000 CEOs believe their business practices could affect issues such as terrorism, but only 12% have allocated greater resources for social responsibility programs since 9/11, according to a new survey.

The poll, conducted by New York-based Jericho Communications, asked 264 chief executives at major companies for their views on environment, world communities, and terrorism. The findings showed that many US business leaders feel that they have the power and responsibility to influence global issues, but few follow through with actions—or dollars.

“There are some mixed messages in the results,” said Jericho president Eric Yaverbaum. “On the one hand, CEOs are in agreement that big business can have an impact on helping the world’s communities and stemming support of terrorism, yet despite that, very few are devoting more resources to [CSR].”

More than a third of respondents said that the topic of social responsibility has become more important to them since 9/11, and 9% have increased CSR

CEOs on CSR

100% say that given identical salaries and benefits, they would prefer to work at a company with good CSR

76% are more likely to invest personal finances in companies with CSR programs

52% think that corporations acting responsibly to global communities can ebb the support of terrorist groups

52% say the CEO is responsible for handling CSR issues, while **36%** said their communications department handled it

36% say their company is more conscious of CSR since 9/11

24% say that business practices have had a major impact on global warming, and **48%** believe it has some impact

12% are allocating more resources to CSR, but only **9%** are spending more money

■ **McDonald's and Starbucks each earned 30% of the response for the company treated most unfairly by the press on CSR issues. Wal-Mart and Nike each received 24%**

SOURCE: CSR Survey, Jericho Communications, August 2002

funding since then. But when asked where they would spend a \$100 million windfall, only 18% cited CSR. Yaverbaum said that figure is proof that CSR is still more of an image strategy than a corporate value.

“Companies have to say the politically correct thing, and they’ve all been schooled in what that is,” said Yaverbaum. “A lot of companies have beautiful brochures about what

they’re going to do, but all they do is beautiful brochures.”

That skepticism may be bolstered by how chief executives view foreign investments. Only 42% of respondents felt that a “company’s responsibility for communities around the world should equal a company’s commitment to US communities.”

“I’m surprised by that,” said Doug Bannerman, director of member services for nonprofit

Business for Social Responsibility, which helps corporations like McDonald’s design and implement CSR plans. He said that his firm has tracked a trend for companies to be more “equitable” in their allotment of resources over the past few years.

“As companies become more global, they realize that they can’t devote the bulk of what they do to one market,” he said.

On the environment, 82% of respondents believed in global warming, but only 72% thought big business contributed to climbing temperatures.

The CEOs polled also gave some insight on the companies they think get the most skewed images for bad CSR. Starbucks and McDonald’s tied as the businesses with the most unfair press coverage, with Nike and Wal-Mart close behind.

And when it comes to personal choices, 100% of those surveyed said that if salary and benefits were equal, they’d prefer to work for a company that practices social responsibility.

That, contended Yaverbaum, is where chief executive responsibility enters play. “If the CEO doesn’t embrace good CSR, it will never happen,” he said.