Commitment to Value
The State of Corporate Citizenship 2012 – Highlights
In the 2012 State of Corporate Citizenship, executives issue a clear verdict — corporate citizenship delivers real business results. It doesn’t just make firms look good and employees feel good. It helps to achieve business goals such as increasing market share and managing risk.

Key findings for 2012

- Eighty percent or more of all executives, across all business types and industries, confirm that environmental, social, and governance investments create financial value for their companies.

- Companies that align corporate citizenship strategy with overall corporate strategy are more likely to achieve important business objectives. With reputation- and corporate culture-related objectives, success was as much as nine times more likely for those who integrated than for those who did not.

- Environmental sustainability programs received the greatest increases in funding over the past three years and are expected to continue to be a funding priority over the next three.

- Duration of investment in corporate citizenship appears to have an impact on success with related business objectives. The percentages of those reporting success in achieving business objectives increased as the duration of an average corporate citizenship effort increased. Increases ranged 30 to 50 percent when comparing durations on one year or less versus four years or more.

- Companies serving business-to-business (B2B) and business-to-consumer (B2C) markets place more emphasis on corporate citizenship than those companies operating only in B2C markets. Executives from solely B2C companies express the least confidence that corporate citizenship generates shareholder returns. This may be attributable to consumers’ reluctance to fully embrace higher prices related to the cost of socially or environmentally conscious products.

Introduction

40% or more of respondents said they will increase resources for those activities highlighted in purple

75% or more of respondents said these activities contributed to corporate citizenship success

- Engagement with stakeholder
- Compliance & transparency
- Tax compliance
- Fair employment practices
- Philanthropy/corporate giving
- Waste reduction & recycling programs
- Diversity among employees & supply chain partners

Source: Boston College Center for Corporate Citizenship, The State of Corporate Citizenship 2012
The executive point of view

Respondents most frequently reported the U.S. economy as a hindrance and most frequently selected support among managers in the company as helping.

Factors most frequently reported as hindering success of corporate citizenship
Corporate citizenship programs in medium-sized companies were most hindered by the economy, those in small businesses were most hindered by pressure to deliver short-term results, and those in large businesses were most affected by the U.S. economy and pressure to deliver short-term results.

Factors most frequently reported as helping success of corporate citizenship
Executive turnover both helped and hindered small businesses more than their larger counterparts. Large businesses were better able to take advantage of global market competition. Small businesses were helped most by the U.S. economy compared to large and medium size companies. Levels of support from managers and executives were most important to large and medium businesses. Companies of all sizes were helped equally by public trust.

Source: Boston College Center for Corporate Citizenship, The State of Corporate Citizenship 2012
Reputation and trust

Executives reporting integration of corporate citizenship and business goals are up to nine times more likely to report success with reputational and cultural goals.

This chart is a depiction of three questions regarding integration, success with business outcomes, and importance of business outcomes. The size of the bubble illustrates the importance executives place on that outcome. The larger the circle, the more important.

The increased likelihood of success with important business objectives is measured on the Y axis and the increased likelihood that a firm might report being unsuccessful is measured on the X axis. Looking at risk management, firms that integrated corporate citizenship would be twice as likely as firms that did not integrate to report success. Firms that did not integrate would be 4X as likely to report being unsuccessful with that same objective as those that did integrate.
The Carroll School of Management Center for Corporate Citizenship at Boston College is a membership-based knowledge center. Founded in 1985, the Center has a history of leadership in corporate citizenship research and education. We engage 400 member companies and more than 10,000 individuals annually to share knowledge and expertise about the practice of corporate citizenship through the Center’s executive education programs, online community, regional programs, and our annual conference. For more information, visit the Center’s website at BCCorporateCitizenship.org.

To view the entire report please visit the Center for Corporate Citizenship website at http://www.bcccc.net/StateOfCC.

Center for Corporate Citizenship members please contact Karen Hoff at: karen.hoff@bc.edu, for a more customized view of the State of Corporate Citizenship information related to your specific industry or other business demographic.