

## FIVE FAST FACTS:

# Why Corporations Invest in Corporate Social Responsibility

**ONE OF THE REAL PASSIONS OF THE WEBER SHANDWICK SOCIAL IMPACT TEAM IS TO UNDERSTAND HOW THE RAPIDLY EVOLVING CORPORATE SOCIAL RESPONSIBILITY LANDSCAPE CREATES OPPORTUNITIES FOR OUR CLIENTS TO DRIVE ENGAGEMENT AND ADVANCE SOCIAL GOOD.**

In October 2010, in partnership with KRC Research, we surveyed more than 200 executives in large-sized companies with responsibility for philanthropy, social responsibility and community relations. Our goal was to understand the primary reasons why corporations invest in CSR today, as well as key success factors and lessons learned from recent efforts.

What we found is that having an impact on critical issues is the primary reason that corporations invest in pro-social or CSR programs, more so than to build loyalty among customers or to differentiate from competitors. In a political and economic environment in the U.S. where there's an urgent need for action on myriad issues from education, health and wellness, economic development, environmental sustainability and more, this is encouraging news. Key findings are below, along with notes on the strategic implications they offer for corporations and nonprofits.

To learn more, visit our Social Impact blog at:  
[impact.webershandwick.com](http://impact.webershandwick.com)

### METHODOLOGY

KRC Research surveyed 216 executives in Fortune 200 companies who have responsibility for philanthropic, social responsibility or community outreach within their organizations. The survey was conducted via phone between October 6 and October 22, 2010. The margin of error is +/- 6.8 percentage points at the 95 percent confidence level.

### ABOUT WEBER SHANDWICK SOCIAL IMPACT

Weber Shandwick's Social Impact practice builds insight-driven communications programs to drive engagement on pressing social issues. We partner with corporations, nonprofits and foundations to develop strategic platforms and campaigns that reach key audiences with resonant and actionable messages on corporate social responsibility (CSR) and issues spanning global development, education, sustainability, human rights and more. We are story tellers, content creators and advocates. The team combines the strength of Weber Shandwick's public affairs, corporate, consumer and digital practices.

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## Five Fast Facts on CSR

### 1 Making an impact on issues matters most for corporate executives.

**The primary reason (30%) companies invest in CSR is to make an impact on critical issues.**

- A similarly high percentage (25%) say the primary reason is to demonstrate a company's values in action.
- Interestingly, only 15% of executives see customer loyalty as the primary driver of CSR, and a smaller number (4%), cite employee retention and recruitment as the top factor.

.....➤ **IMPLICATION:** Corporations want to be active, substantive partners in addressing social issues. Nonprofits, consumers and advocates have an opportunity to leverage and help direct significant resources and expertise from the corporate sector to make a meaningful impact.

## 2 Nonprofit partners are vital to the success of CSR.

**Eighty-three percent of executives report that nonprofit partners with expertise and credibility are important to the success of CSR. Seventy-nine percent say that nonprofits are “valuable partners” in their CSR efforts.**

- Most (59%) executives say they fund nonprofit organizations to advance their company’s CSR or pro-social efforts.
- A majority (73%) agree that nonprofits bring expertise that help CSR programs to thrive, with an identical number finding that nonprofits provide the foundation and infrastructure for effective CSR programs.
- Many (72%) executives say that funding nonprofit partners makes organizations more effective in their CSR efforts.

.....> **IMPLICATION:** *Nonprofits will be vital to CSR in the years ahead, particularly as corporations seek to intensify their CSR efforts on social issues. The real opportunity for both sectors is to build partnerships that create knowledge that can be shared across industry to maximize the impact of CSR.*

## 3 Senior leadership support drives CSR success.

**Ninety-four percent of respondents say that strong and vocal support from senior management is important to successful CSR programs.**

- Most executives (91%) say well-defined objectives and clear outcomes are important.
- A sizable majority (80%) agree that a focus on a specific issue or area is important.

.....> **IMPLICATION:** *To facilitate long-term success, corporate teams should engage senior executives early and often – and tackle the tough questions together on objectives and scope. Senior management can help sharpen the focus and desired impact of CSR programs.*

## 4 Most companies tackle multiple issues through CSR programs.

**A significant number of executives (26%) say that the primary focus of their CSR is multi-issue, spanning environmental sustainability, education, global development and more.**

- The most cited single-issue focus for CSR was environmental sustainability, reported by 22% of executives.
- Three other priorities – economic development, education and global development – were each highlighted by 10% of executives as the primary focus of their company’s CSR.
- Other top priorities include children and family issues (9%), health and nutrition (7%), and arts and culture (4%).

.....> **IMPLICATION:** *It matters less whether a company focuses on a single issue or a broader portfolio of issues, and more whether companies have designed programs to foster genuine change and maximize their impact. The best CSR outcomes result from well-focused efforts that are aligned with a company’s core competencies and business strategy.*

## 5 Community engagement and communications work best together.

**CSR programs have multiple internal and external stakeholders. Among executives, 86% cite employee engagement as an important part of the success of CSR, and 80% point to customer participation.**

For our Social Impact team, this prompts other key questions: What are the most effective channels for driving participation in CSR? And, what role does crowd sourcing and social media play? In early 2011, we’ll release new survey findings that speak to these questions and offer insights into the role of crowd sourcing and social media in fostering engagement in CSR.

“We have learned how much a little help can impact the communities that we work in. Additionally, that people appreciate when large corporations show their human side.”  
- Survey Respondent