

# The Millennium Poll on Corporate Social Responsibility

Results of the  
largest survey ever of  
global public opinion  
on the changing  
role of companies.

## Executive Briefing

Conducted by  
Environics International Ltd.  
in cooperation with  
The Prince of Wales  
Business Leaders Forum and  
The Conference Board.

# Why a Poll on the Changing Expectations of Companies?

Economic globalism, political transition and technological transformation are making rapid and fundamental changes in society. Business has emerged as the principal engine of growth and development in the new world order. This is changing the perceived roles and responsibilities of the state, civil society and companies. In this context, society's expectations of corporate behavior are evolving quickly.

Business leaders are working to understand society's fast rising expectations of the role of companies in areas previously seen as responsibilities of the state. Since much of what has come to be called corporate social responsibility has to do with public attitudes and perceptions, Environics International Ltd. launched the Millennium Poll on Corporate Social Responsibility to provide companies with a reliable global measure of society's expectations of them.

With the collaboration of The Prince of Wales Business Leaders Forum in London and The Conference Board in New York, and with the support of our corporate sponsors and subscribers, Environics developed and coordinated a survey on these topics involving representative samples of 1,000 citizens in each of 23 countries on 6 continents – a total of 25,000 interviews worldwide, conducted during May 1999. Each national poll, fielded by a respected local research institute, is accurate to within  $\pm 3$  percent, 19 times out of 20.

Environics International intends to track these and related trends on an annual basis through its Global Issues Monitor survey of 20+ countries beginning in September 2000.

# Highlights of the Millennium Poll

Interviews with over 25,000 average citizens across 23 countries on 6 continents reveal that:



Citizens in 13 of 23 countries think their country should focus more on social and environmental goals than on economic goals in the first decade of the new Millennium.



In forming impressions of companies, people around the world focus on corporate citizenship ahead of either brand reputation or financial factors.



Two in three citizens want companies to go beyond their historical role of making a profit, paying taxes, employing people and obeying all laws; they want companies to contribute to broader societal goals as well.



Actively contributing to charities and community projects doesn't nearly satisfy people's expectations of corporate social responsibility – there are ten areas of social accountability rated higher by citizens in countries on all continents.



Fully half the population in countries surveyed are paying attention to the social behavior of companies.



Over one in five consumers report either rewarding or punishing companies in the past year based on their perceived social performance, and almost as many again have considered doing so.



Opinion leader analysis indicates that public pressure on companies to play broader roles in society will likely increase significantly over the next few years.

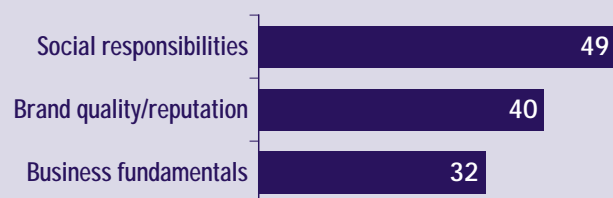
# Key Findings of the Millennium Poll

The findings from the Millennium Poll underline the importance of major companies having an active corporate function to address how they can contribute to the social and environmental, as well as the economic agenda of the countries in which they operate.

- The Millennium Poll asked people to describe in their own words how they form impressions of individual companies, allowing two mentions each. One in three mention attributes related to business fundamentals (e.g., financial factors, company size, business strategy or management) and four in ten mention traits like brand quality, corporate image or reputation. But, fully one in two mention factors related to a company’s broader responsibilities – labor practices, business ethics, responsibility to society at large, or environmental impacts. This top-of-mind finding, remarkably consistent across all regions of the world, underscores the importance of meeting the broader social expectations of consumers in order to safeguard corporate reputations.

## Factors Most Influencing Public Impressions of Individual Companies

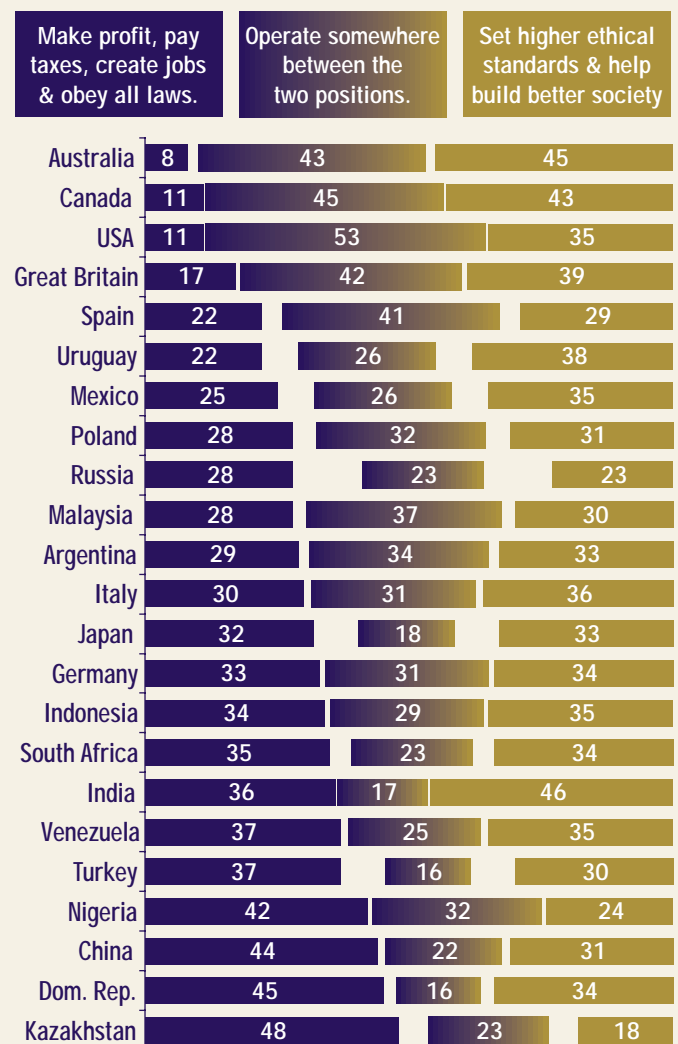
Open-ended Responses/Total Sample



- In most corporate boardrooms, a company’s role in society would likely be defined as “making a profit, paying taxes, employing people and obeying all laws.” The Millennium Poll asked people to choose between this definition and the following: “to exceed all laws, set a higher ethical standard, and help build a better society for all.” They were

also given the option of choosing “somewhere between these views.” Majorities of citizens in all but three of the countries surveyed think companies should go beyond the minimum definition of their role in society. This is particularly strong in North America and Australia, and weakest in Russia, Turkey and Kazakhstan. The strength of public opinion wanting companies to go well beyond the traditional business role both explains the mounting social pressures that businesses feel and underlines the importance of companies understanding how best to respond.

## Role of Large Companies in Society



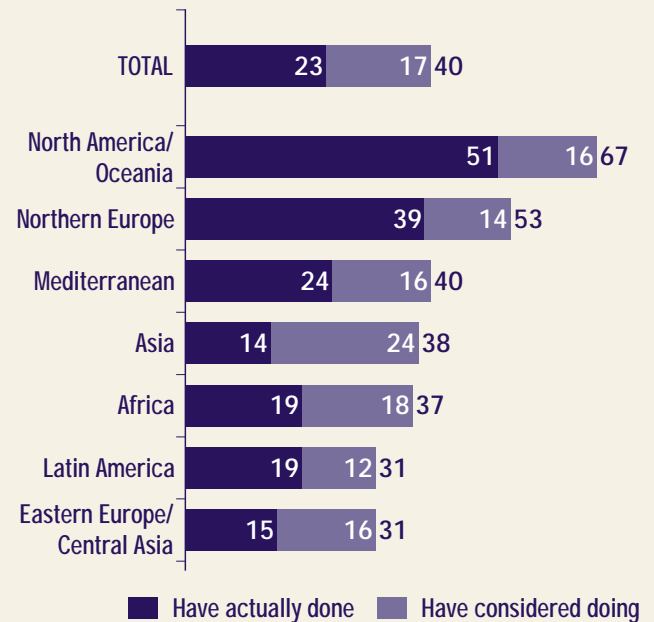
- What areas most define companies’ responsibilities to society? The poll asked to what extent companies should be held responsible for eleven specific aspects, from making a profit to helping solve social problems. While results vary by country,

overall findings make it clear that consumers most hold companies accountable for protecting the health and safety of their employees, treating their employees equally, never participating in bribery or corruption, protecting the environment, and never using child labor. To citizens across the world, all these come before making a profit and paying a fair share of taxes. Applying the same high standards wherever they operate in the world is also seen as a significant responsibility of companies operating abroad, while contributing to charities is ranked lowest.

- Poll results reveal that significant numbers of people in all countries surveyed are paying attention to the issue of corporate responsibility. Fully one in five citizens worldwide report talking “many times” in the past year with friends or family about companies’ behaviour. Another one in three say they have discussed this “a few times” in the past year. With fully half of consumers talking about corporate behavior, there is no place for companies to hide on this issue.
- Another major finding of Environics International’s Millennium Poll is that forty percent of citizens worldwide have at least thought about punishing a specific company over the past year they viewed as not behaving responsibly. While results vary significantly by continent, globally over one in five report actually avoiding a company’s products or speaking against the company to others. A similar number report having at least considered doing so. This finding reinforces what a number of companies have already found out the hard way – that both corporate reputation and sales are at risk when customers have negative perceptions of a company’s behavior.
- In order to anticipate likely changes in public views on company responsibilities, Environics identified informal opinion leaders from among survey respondents and compared their views with those of the general population. These “opinion leaders” make up 20 percent of the global sample, being those that serve in leadership roles in organizations, regularly speak in public and influence others’ opinions. A comparison of the views and behavior of opinion leaders with those

## Regional Differences in Activism on Corporate Social Responsibility

Have Punished a Company Seen as Not Socially Responsible in the Past Year



of the general population reveals that opinion leaders are twice as likely to be talking about corporate behavior and significantly more likely to have punished a socially irresponsible company in the past year. These findings suggest that companies will come under even greater public pressure in coming years to deliver on their broader social responsibilities, as the stronger views of opinion leaders become broadly shared.

## Corporate Social Responsibility: A Rising Agenda

Opinion Leaders (20%) vs. Total Global Sample



# Corporate Responsibility in the 21st Century

The strength and breadth of the findings from this largest-ever global survey of public expectations of corporations suggests that major companies in the 21st Century will be expected to do all of the following:

- Demonstrate their commitment to society's values and their contribution to society's social, environmental and economic goals through actions.
- Fully insulate society from the negative impacts of company operations and its products and services.
- Share the benefits of company activities with key stakeholders as well as with shareholders.
- Demonstrate that the company can make more money by doing the right thing, in some cases by reinventing its business strategy. This "doing well by doing good" will reassure stakeholders that the new behavior will outlast good intentions.

All this suggests that corporate social responsibility is fast becoming a global expectation that requires a comprehensive corporate response. Companies most experienced with corporate social responsibility find that the only effective response is to go beyond treating it as an "add-on" and to make it a core business value and strategy that is integrated into all aspects of the company from research and development, through sourcing raw materials and producing its products, to the use and disposal of its products.

The strength of the Millennium Poll findings plus the early experiences of leading companies suggest that in the coming decade, corporate social responsibility is likely to become a new pillar of performance and accountability of successful companies.

## Next Steps

Those interested in better understanding what rising expectations of corporate social responsibility will mean for their organization are invited to contact the following organizations that have collaborated in the Millennium Poll.

**Envionics International** conducts regular public opinion and stakeholder research in over 30 countries on all continents, through license agreements with respected national research institutes. It specializes in the social, ethical, environmental and economic aspects of sustainable development. In addition to custom research assignments for global organizations, it offers a number of multi-client reports of its research on a subscription basis.

- *The Millennium Poll on Corporate Social Responsibility.* The detailed report of findings summarized in this Executive Briefing is available for a subscription fee of US\$4,000 (report only) or US\$9,000 with an in-person presentation of findings (travel charged extra).

**The Prince of Wales Business Leaders Forum**, an international not-for-profit organization active in some 30 emerging and transition economies, has been promoting corporate social responsibility since 1990. Supported by 50 prominent corporations in Europe, America, Asia and the Middle East, the Forum works strategically around the world with leaders in business, civil society and the public sector to: encourage continuous improvement in responsible business practices; develop geographic or issue based cross-sector partnerships; and help create an enabling environment which provides the right conditions for responsible business practices to flourish. Contact: <<http://www.pwblf.org>>

**The Conference Board** is the world's leading business membership and research organization, connecting senior executives from more than 2,900 enterprises in over 60 nations. A not-for-profit, non-advocacy organization, the Conference Board produces the Consumer Confidence Index & Leading Economic Indicators as well as a wide range of reports and conferences on best business practices and economic and public policy issues. Contact: <<http://www.conference-board.org>>

*For additional information on the Millennium Poll  
or any of Environics' other global research reports,  
please contact:*

Mr. Doug Miller, President

**Environics International Ltd.**

33 Bloor Street East, Toronto, Canada M4W 3H1

tel: +1 (416) 920-9010 / fax: +1 (416) 920-3510

global@environics.ca

or visit our web site:

<<http://www.environics.net/eil>>

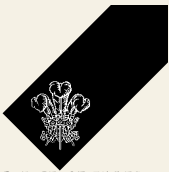


**ENVIRONICS**  
INTERNATIONAL

Global Research

Global Strategy

### Cooperating Organizations:



THE PRINCE OF WALES  
BUSINESS LEADERS  
FORUM

THE CONFERENCE BOARD



### Corporate Sponsors:

PRICEWATERHOUSECOOPERS 

**BP Amoco**



- Argentina
- Australia
- Canada
- China
- Dom. Republic
- Germany
- Great Britain
- India
- Indonesia
- Italy
- Japan
- Kazakhstan
- Malaysia
- Mexico
- Nigeria
- Poland
- Russia
- South Africa
- Spain
- Turkey
- United States
- Uruguay
- Venezuela

© Environics International Ltd., Toronto, September 1999