

Business4Better

The Community Partnership Movement

May 1-2, 2013 | Anaheim

BUSINESS4BETTER SURVEY: MID-SIZED COMPANIES AND SOCIAL RESPONSIBILITY

Exploring on the trends, challenges and opportunities facing mid-sized companies engaged in business and social good.

A whole new way of doing business is emerging for mid-sized companies. These companies are recognizing the value of corporate social responsibility (CSR) as a tool to drive true community engagement, increase employee loyalty and improve business performance.

Business4Better (B4B) is accelerating this global movement of companies doing business with a purpose, helping them cultivate corporate and nonprofit partnerships that have positive impacts on communities. In short, B4B aims to expand the meaning of being a better business.

Steering a global movement requires an understanding of the unique challenges and opportunities that shape the CSR landscape for mid-sized companies. To determine how these companies do CSR, B4B asked business leaders about their companies' current practices to determine where they are in their CSR journey. B4B found that many mid-sized companies are at a tipping point; most are ready to establish their CSR programs or further develop existing ones. While these companies' ambitions are in the right place, many lack the tools needed to achieve these goals, as well as efficiently and effectively execute CSR programs.

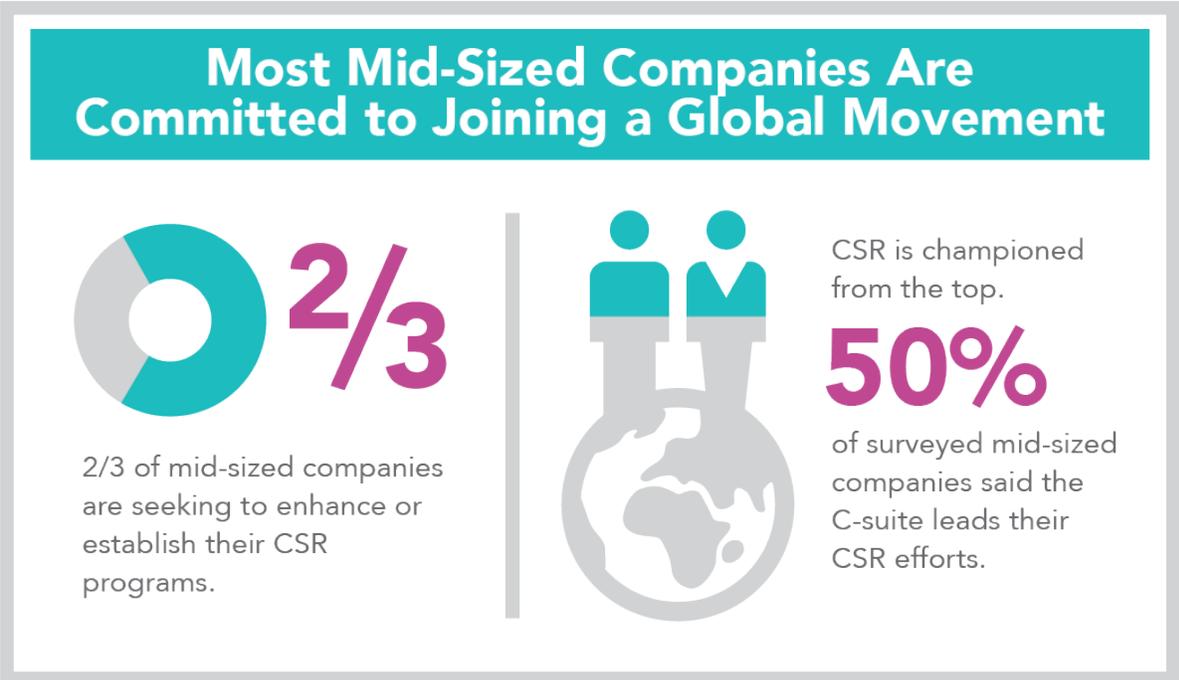
On May 1-2, 2013, B4B will host the inaugural B4B conference in Anaheim, Calif., to equip mid-sized companies with the skills needed to capitalize on opportunities and address challenges companies face in their CSR efforts. The B4B conference will feature high-level keynotes, educational content, relationship building and dynamic exhibition space for nonprofit organizations.

The following survey findings explore major trends in mid-sized businesses' social responsibility efforts, in addition to key opportunities for companies to add their voices to a growing chorus of socially responsible businesses.

COMMITMENT TO JOIN A GLOBAL MOVEMENT

Companies' community involvement is driven by purpose and not profit. An overwhelming majority – three-quarters of participants – said it is the opportunity to impact communities that underscores the need for CSR programs. Only 12 percent looked to use community engagement to impact the bottom line. This altruism is reflected in mid-sized business leaders' commitment to CSR. Half of companies indicated community involvement is led by the C-Suite, demonstrating that dedication to CSR often comes from the top.

Most mid-sized companies are seeking to either establish or enhance their CSR programs to do business with a purpose. Only one third of companies surveyed noted their CSR program is mature and integrated into their business model. The remaining two-thirds do not have a CSR program, are just beginning to develop it or are seeking to improve an established program.

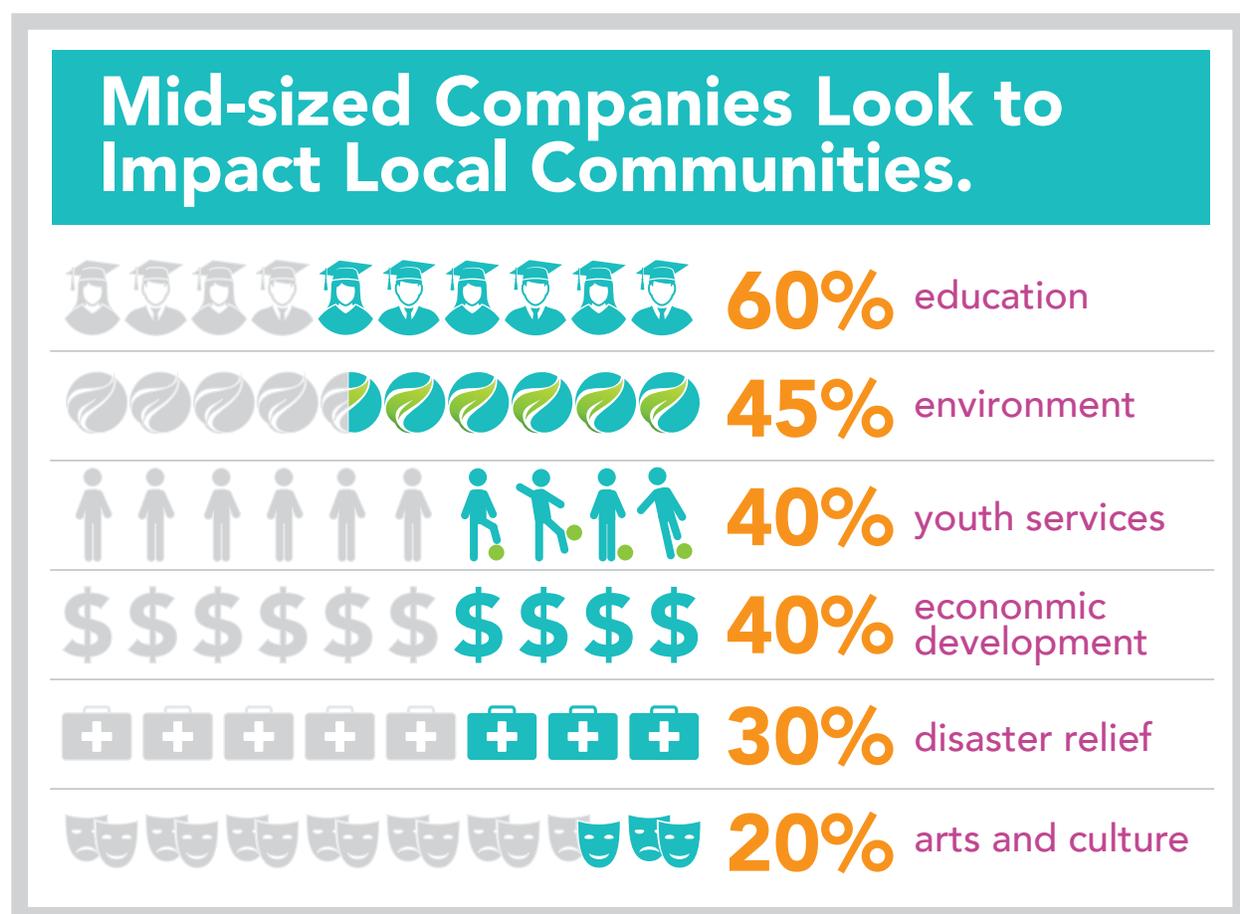


IMPACT IN LOCAL COMMUNITIES

Companies prefer to focus their CSR efforts on local, people-focused initiatives.

Almost two-thirds of mid-sized companies focus their organization's CSR programs within their main offices' state. Most work with a small number of non-profits for community involvement: more than one but fewer than five.

Companies are invested in their community's young people and the development of the workforce of the future. About 60 percent of mid-sized companies use their CSR efforts to support education, reiterating companies' dedication to local, people-focused CSR efforts. Other popular issue areas include youth services and the environment.



ENGAGING EMPLOYEES THROUGH CSR PROGRAMS

Companies most commonly support a cause through donations, but there is opportunity to shift this culture of “checkbook philanthropy” to meaningful, company-wide engagement. A significant proportion of mid-sized companies provide the framework for employee engagement beyond donations: nearly 40 percent of surveyed companies provide time off for employees to volunteer, and more than 30 percent perform pro-bono services. In spite of this, employee participation remains low. A company can build a culture of participation through tactics such as recognizing those who are actively involved and providing multiple ways for employees to participate.

A company’s community involvement is championed from the top. Yet, this does not always trickle down to drive company-wide engagement. Half of surveyed mid-sized companies said executive leadership, such as a CEO or owner, leads CSR efforts.

This high-level support may be attributed to personal connections that executive leadership has with a cause. Many mid-sized companies are still managed by their founders, whose continued presence help drive their philanthropic passions. Additionally, mid-sized companies often do not have staff dedicated to CSR initiatives. However, overall employee engagement is a weak spot for many mid-sized companies, with most seeing less than 20 percent of their employees participating in these programs.

Marketing and human resources departments can bolster companies’ efforts to increase employee participation. A third of companies said their CSR efforts are led by their marketing or human resources departments. By collaborating with the C-Suite, marketing and human resources departments can effectively encourage employee participation and demonstrate the impact of their companies’ CSR programs.

“Community involvement is one of many ways to build trust and provide mutual, sustainable value. The inevitable result is that community members entrust us with their projects because we have proven ourselves worthy.”

Tim Frick, Principal of MightyBytes, a mid-sized digital marketing firm in Chicago that has embraced CSR.

MEASURING SUCCESS

The metrics of success do not match companies' goals for CSR. Few companies use CSR as a tool for employee engagement, yet they treat participation as an indicator of program success. Less than 10 percent of companies surveyed said they use CSR for employee engagement. More than 40 percent said they measure their community involvement programs by employee participation or employee satisfaction. Most surprisingly, more than one third of companies surveyed do not measure their programs at all. Clearly, there is a significant gap in the ways companies map out and measure their CSR efforts. With the right resources, training and approach, companies can track and evaluate their CSR efforts from start to finish.

Companies are missing opportunities to tie CSR programs to successful business performance. While larger corporations may look to community involvement as a way to increase profits, most mid-sized companies do not. In fact, only about 20 percent of mid-sized companies measure a CSR program's success by its financial impact. If goals and measurement indicators are set up properly from the start, bottom line, employee satisfaction, staff loyalty, retention rates, brand image and the ability to attract new talent can be success indicators of a company's CSR program.

RESEARCH METHODOLOGY

Business4Better surveyed 173 business professionals from mid-sized companies (100 – 5,000 employees) in March 2013 to better understand the status of and plans for community engagement, employee volunteering and CSR. The online survey was distributed via email, social media properties and posts on the B4B website. An analysis of the responses from the 173 participants resulted in the above findings on mid-sized companies.