CSR Expectations and Performance | 2015

IN A FAST-CHANGING WORLD, CONTEXT IS EVERYTHING.

GlobeScan Radar
2015

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evidence and ideas. applied

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Methodology

Participating Countries

- **Representative samples of approximately 1,000 adults per country in each of 24 countries**
- **Some urban-only surveying in certain developing countries**
- **Face-to-face and telephone interviewing between December 2014 and May 2015**

Summary of Key Findings (1)

The global public are scaling back their expectations on companies, holding them less responsible for fulfilling both core operational responsibilities and additional responsibilities that are more socially oriented. People continue to hold significantly higher expectations that companies fulfill their core operational responsibilities (such as product health and safety, employee treatment, and environmental management) compared to broader social responsibilities.

Declining expectations of companies may be due to disillusionment and cynicism, or possibly a recognition of the limits of CSR and a shift of expectations towards governments and/or other actors, such as NGOs and consumers.

At the same time, there is an uptick in how well a range of industries are seen to be performing on fulfilling their responsibilities to society. Improved perceptions of companies' CSR performance might be associated with better engagement with consumers. Corporate purpose and sustainability platforms are also more visible and more compelling now than they have ever been and are at critical mass. The improvement in CSR reputation for several industry sectors is also occurring together with increased trust in both national and global companies.

However, the perceived CSR performance of many industries is still significantly down compared to when tracking began in 2001, suggesting the long-term trend is one of declining perceptions of companies' CSR performance.

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Summary of Key Findings (2)

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As a result, the accountability gap between public expectations and companies' perceived performance on CSR is closing, with perceptions of business recently improving while expectations are continuing downward – possibly in response to deteriorating views of companies' CSR performance over the long term.

However, the expectations-performance gap looks markedly different in developed markets like the USA and emerging ones like China. This gap is significantly larger in developed markets where people tend to hold more negative views of companies' CSR performance while expecting businesses to be more responsible. Emerging country consumers tend to be more positive about business while expecting less, resulting in a smaller accountability gap.

The global public tends to discuss the behavior of companies, with just over half saying they have done so at least a few times in the past year. Americans, Canadians, Australians, the British, and Spanish are among the most likely to discuss the ethical or social behavior of companies with friends or family. People in emerging economies tend to discuss CSR much less than those in OECD countries.

National flagship companies continue to dominate the reputational space in most countries, with companies like Walmart (USA), Lenovo (China), Samsung (South Korea), Bimbo (Mexico), Dangote (Nigeria), and EDF (France) being seen as most socially responsible. However, global brands like Coca-Cola are enjoying strong reputations in markets like Brazil and South Africa.

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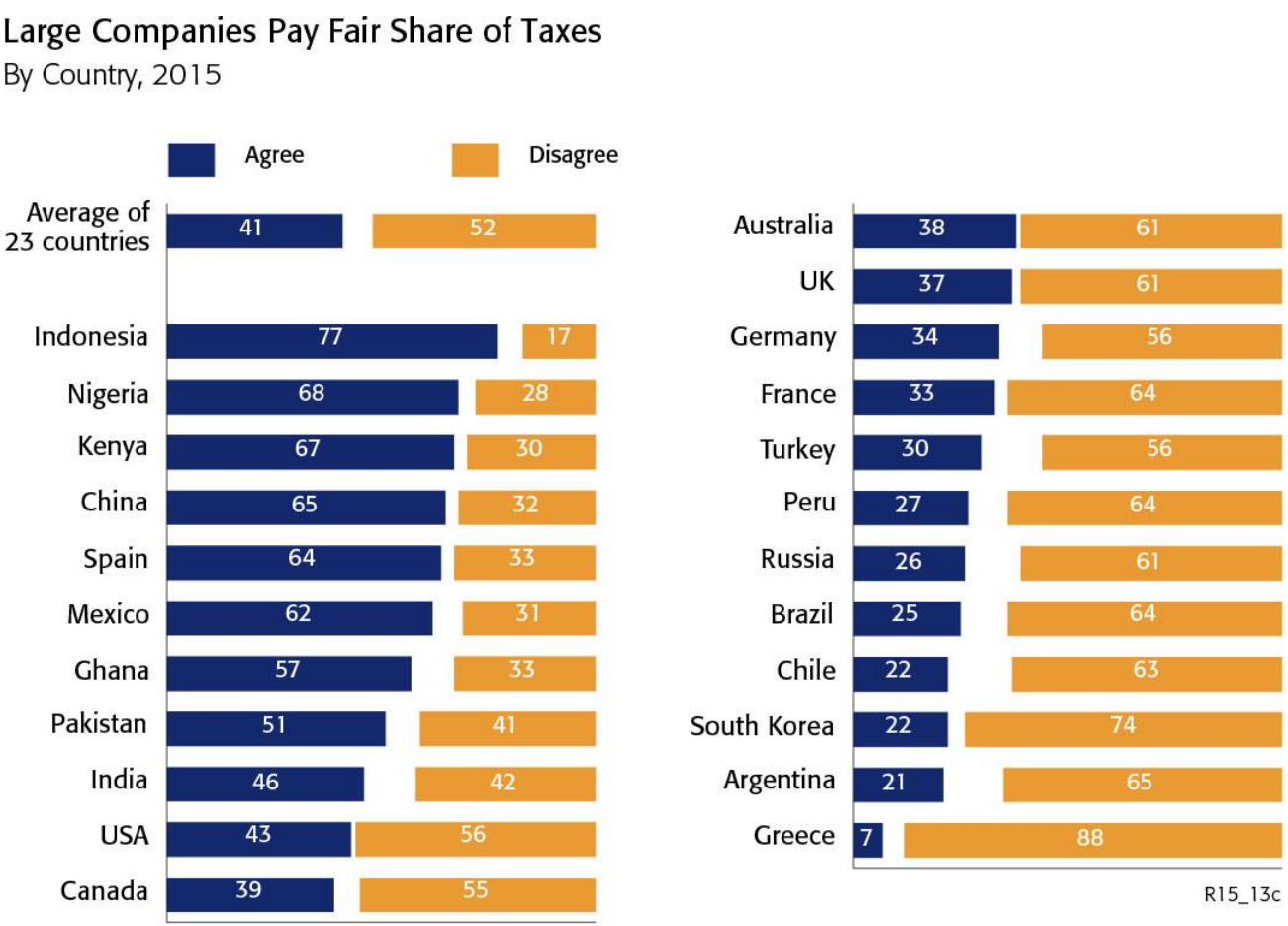
Majority of global public does not think that companies pay fair share of taxes



Globally, just over half say they do not believe that companies pay their fair share of taxes. However, these views vary across geographical regions, with majorities in the African countries surveyed – as well as Indonesia, China, Spain, Mexico, and Pakistan – mostly agreeing that companies pay their fair share. However, in 14 of 23 countries surveyed, majorities disagree, highlighting the contentiousness of public opinion in terms of companies' perceived role in contributing to society.

Q13bt. Please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements. ct) Large companies pay their fair share of taxes in our country.

Fewer people in both developed and emerging economies now say that companies contribute a fair share of taxes

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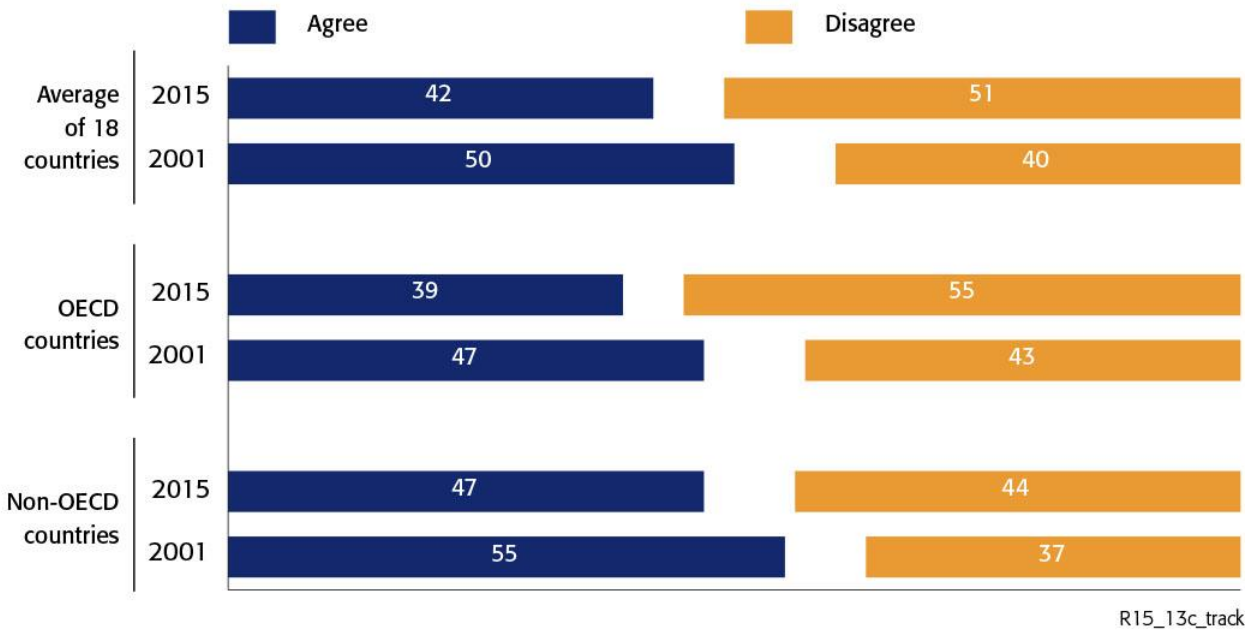
Large Companies Pay Fair Share of Taxes

OECD vs Non-OECD Countries,* 2001–2015



White space represents "DK/NA"

*OECD countries include Australia, Canada, Chile, France, Germany, Mexico, South Korea, Spain, Turkey, UK, and USA; non-OECD countries include Argentina, Brazil, China, India, Indonesia, Nigeria, and Russia. Not all countries were asked in all years.

The proportion of the global public that believes that companies pay their fair share of taxes is shrinking, with residents of OECD as well as non-OECD countries now less prone to say businesses pay a fair share of taxes, compared to when the question was last asked in 2001. However, those in the non-OECD countries remain more likely than others to think that companies pay their fair share. Proportions of respondents who feel that companies are not contributing fairly have increased in Brazil, Chile, China, France, Germany, Nigeria, Russia, South Korea, and UK since 2001.

Q13bt. Please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree with each of the following statements. ct) Large companies pay their fair share of taxes in our country.

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The global public holds companies firmly responsible for fulfilling core operational responsibilities, with lower expectations for fulfilling extended societal responsibilities

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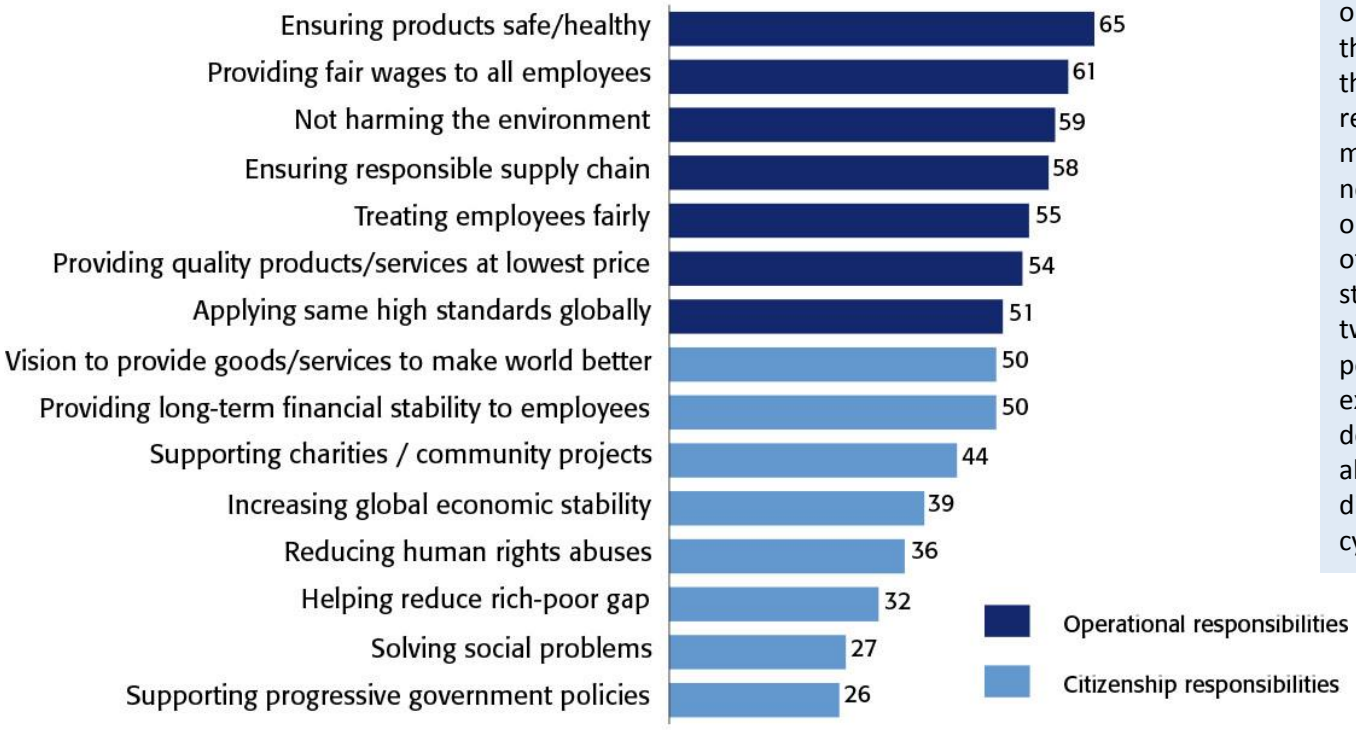
Expectations of Companies

Companies "Held Responsible for," Net Expectations,* Average of 22 Countries, 2015



*(5+4) minus (1+2) where 5 means "Held completely responsible" and 1 means "Not held responsible"

Not asked in Russia and South Africa

R15_10

As in previous years, there is a marked difference in expectations between companies fulfilling core operational responsibilities (i.e., those that are in direct control of the firm) and citizenship responsibilities (i.e., those that are more socially oriented and not a necessary part of core business operations). These different types of expectations also factor statistically together, suggesting the two groups are indeed distinct in people's minds. However, expectations for companies have declined at the global level across all categories, suggesting growing disillusionment and perhaps cynicism towards companies.

Q10Bt. I am going to read a list of things some people say should be part of the responsibilities of large companies. For each one, please tell me to what extent you think companies should be held responsible. In answering, please use a scale of 1 to 5, where 1 is "not held responsible," 3 is "held partially responsible" and 5 is "held completely responsible."

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CSR expectations of companies are highest in Latin America and lowest in India and Kenya

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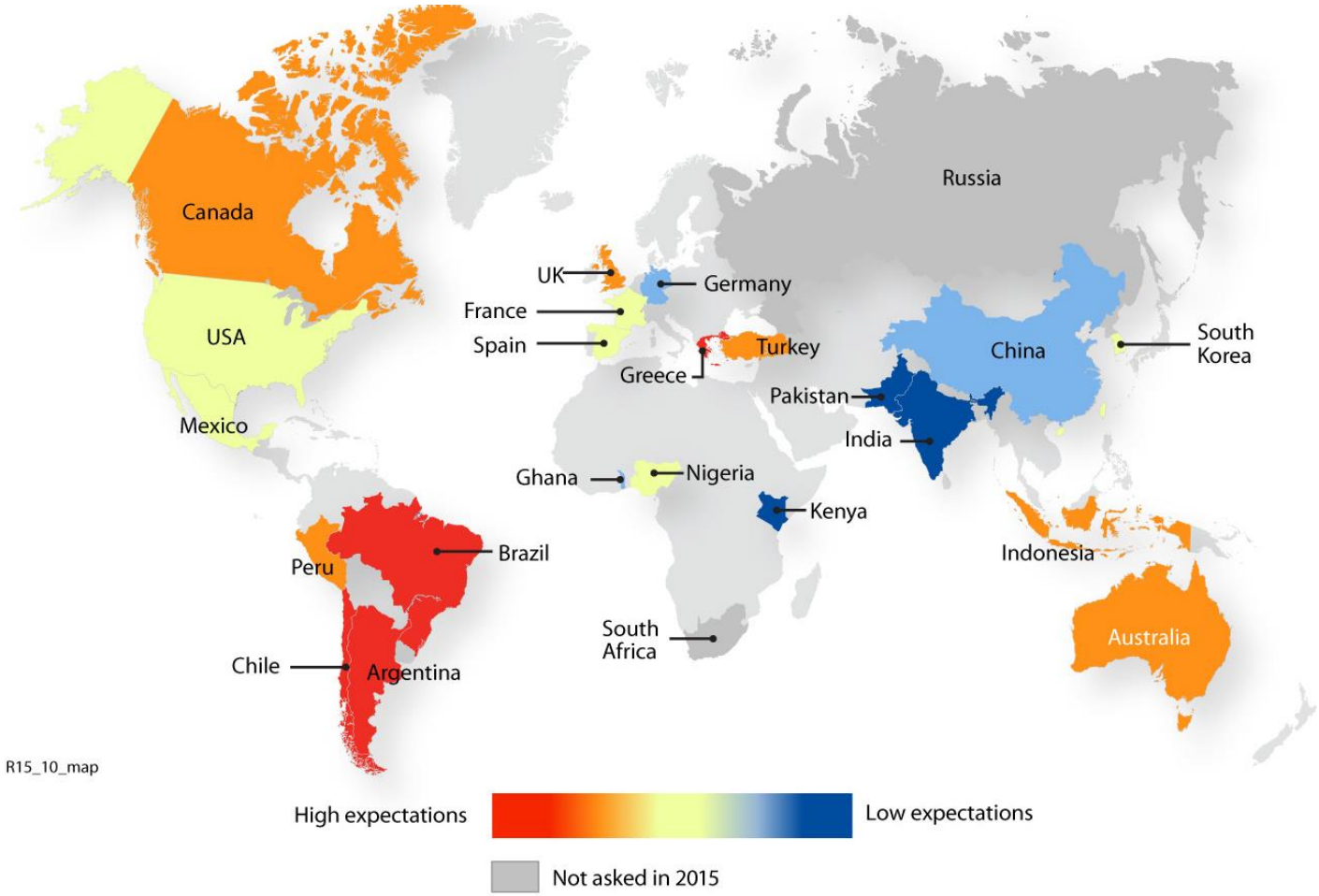
Expectations of Companies

Companies "Held Responsible for," Aggregate Net Expectations* of 15 Responsibilities, by Country, 2015



*(5+4) minus (1+2) where 5 means "Held completely responsible" and 1 means "Not held responsible"

We see a great variation in public expectations for CSR, with Latin Americans being among the most demanding, followed by people in Greece, Australia, Canada, Indonesia, Turkey and the UK. People in Asia and Africa tend to have the lowest CSR expectations in the world for corporate responsibility.

10bt. I am going to read a list of things some people say should be part of the responsibilities of large companies. For each one, please tell me to what extent you think companies should be held responsible. In answering, please use a scale of 1 to 5, where 1 is "not held responsible," 3 is "held partially responsible," and 5 is "held completely responsible." What about…?

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The high-tech industry continues to enjoy the strongest CSR reputation among the global public, while sectors negatively associated with health or the environment are viewed as least responsible

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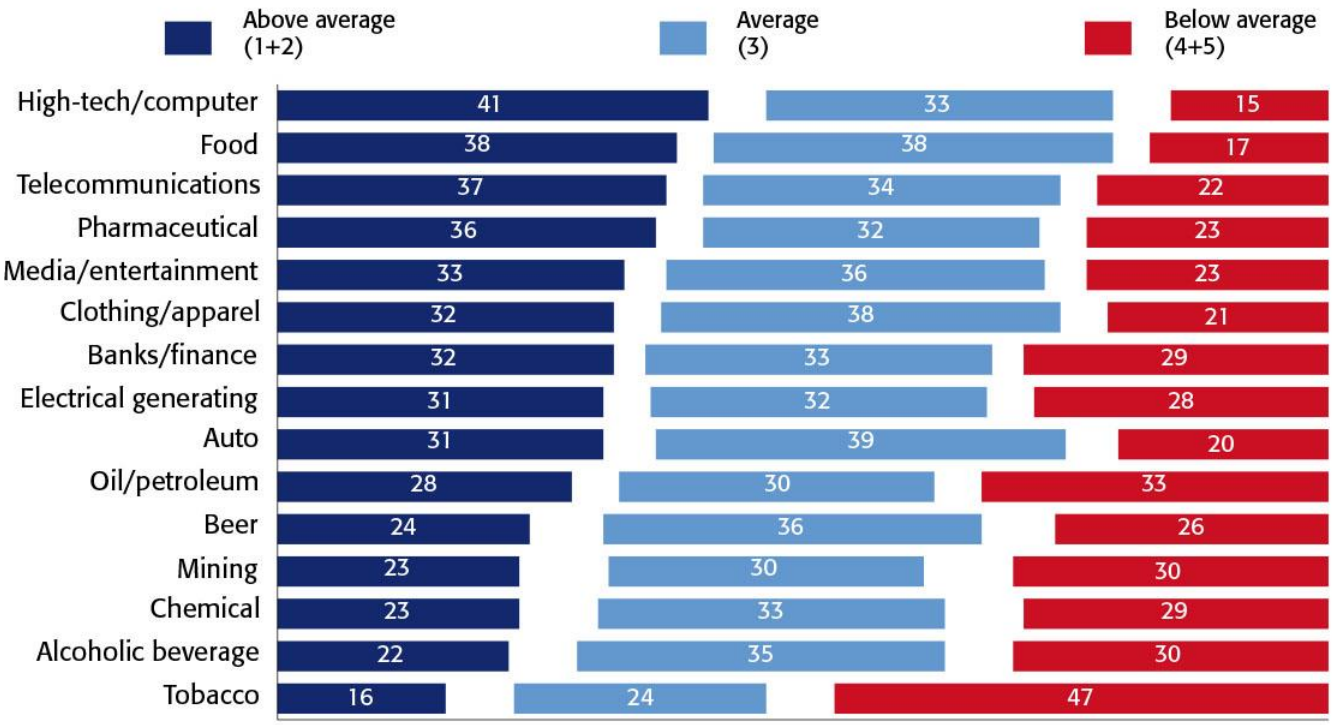
CSR Performance of Industry Sectors

Average of 22 Countries, 2015



White space represents "Depends," "No opinion," and "DK/NA."

R15_15

Not asked in Russia and South Africa

The public continues to rate the technology and food sectors most highly on overall CSR performance compared to companies in other sectors. Unsurprisingly, industries with products that can affect health, as well as those associated with negative environmental impacts, are perceived to have the lowest CSR performance. A significant proportion of people – around one-third for most sectors – rate industries as average on how well they fulfill their responsibilities to society, suggesting low public awareness and significant room for sector reputations to improve or worsen.

Q15bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society.

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People in Europe and the Americas are more critical about industry performance on CSR than Africans and South Asians

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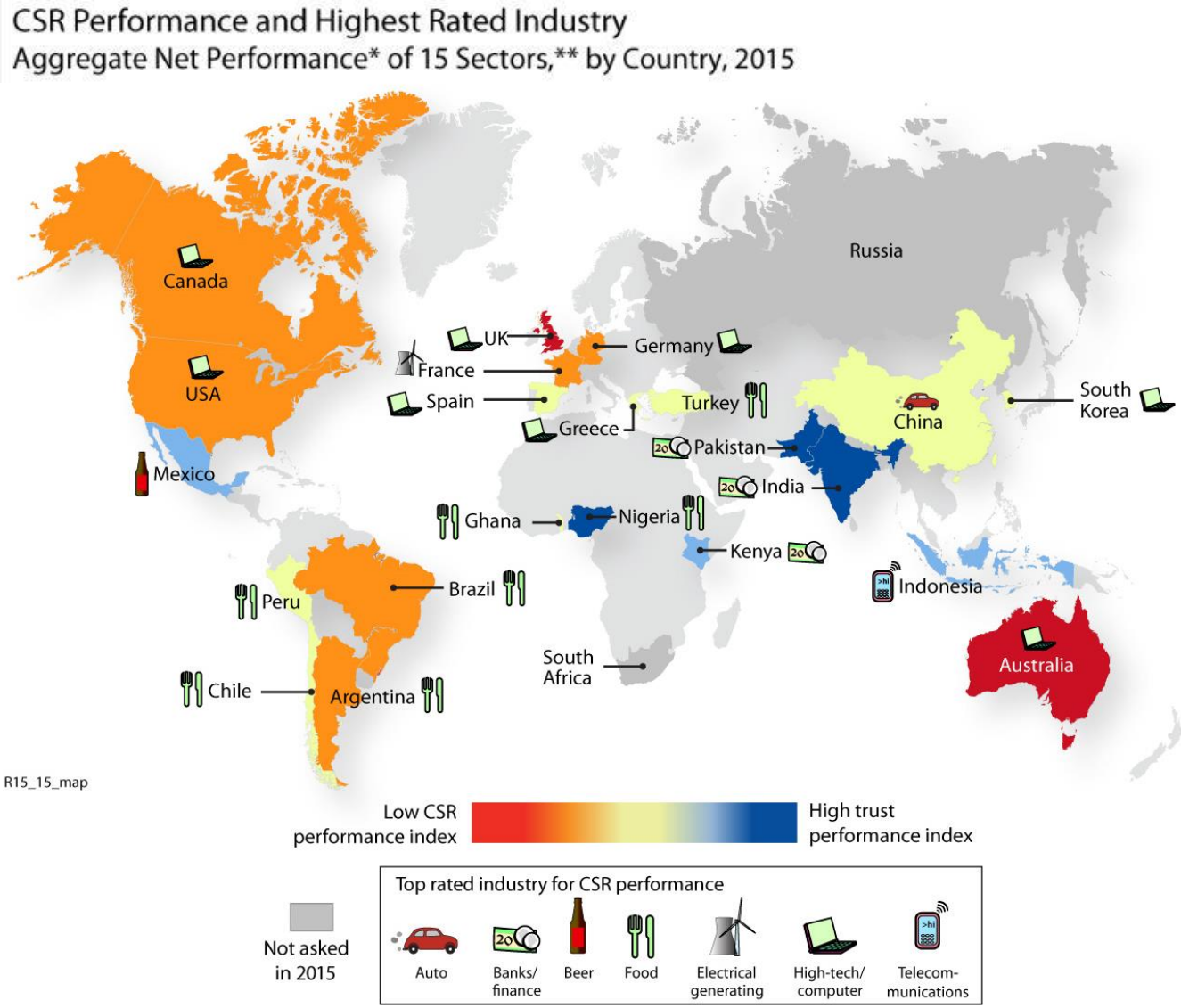

The high-tech sector is the most positively viewed of a range of industries in eight out of twenty-two countries surveyed, including most of North America and Europe. Positive perceptions of the industry are likely due to it being largely associated with innovation and economic growth, leading the way to a better future through technological solutions to current challenges. The food and financial industries are viewed as highly responsible among people in emerging economies.

Q15Bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society. Compared to other types of companies, would you say [INSERT COMPANY TYPE] are…?

*"Among the best" and "Above average" minus "Below average" and "Among the worst"

**Not all industries were asked in Brazil

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After long-term declines, several industries enjoy small uptick in CSR reputation for being responsible

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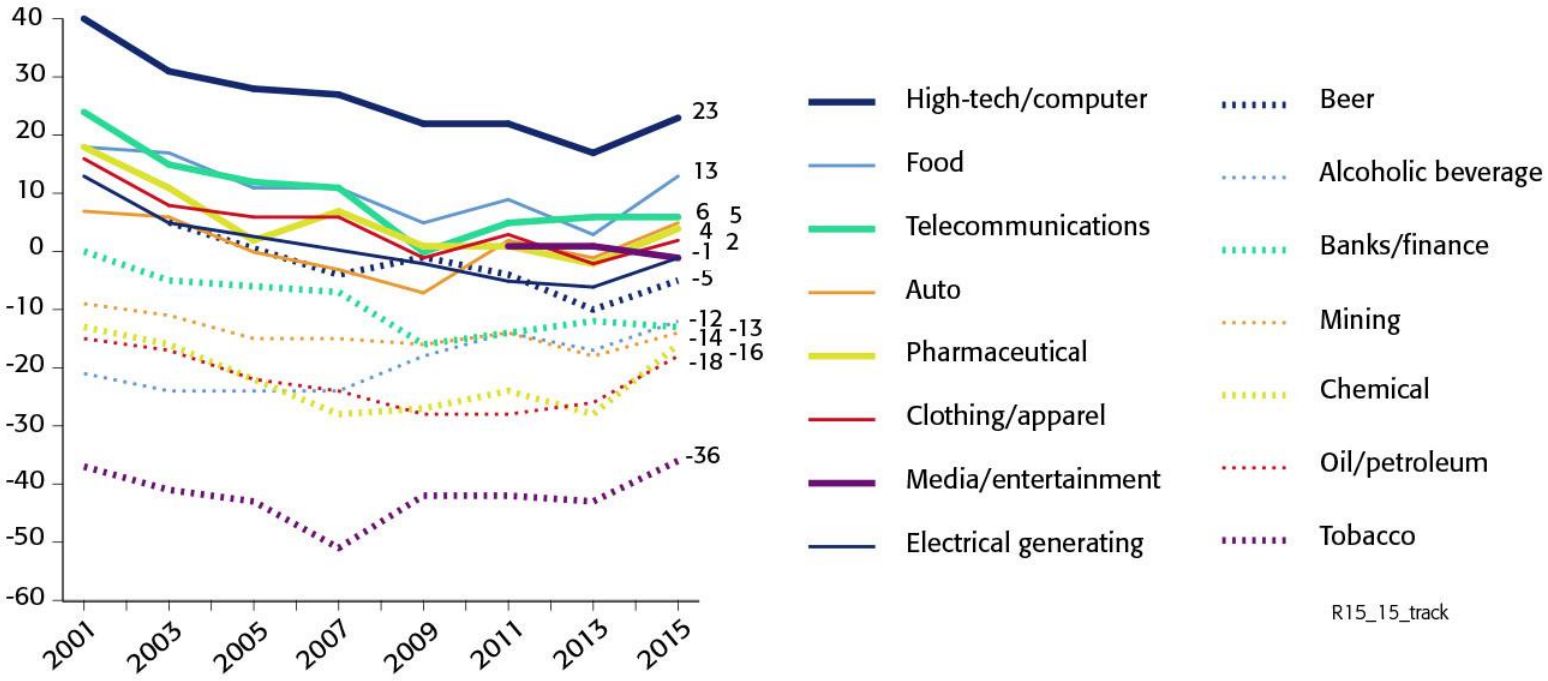
CSR Performance of Industry Sectors

Net Performance,* Average of 19 Countries,** 2001–2015



*"Among the best" and "Above average" minus "Below average" and "Among the worst"

**Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Greece, India, Indonesia, Italy, Mexico, Russia, South Korea, Spain, Turkey, UK, and USA. Not all countries were asked in all years.

This year, we see more positive perceptions among the global public in terms of how well most sectors are thought to fulfill their responsibilities to society. The food and chemical industries enjoy the most substantial improvement to their global reputation, while views on the telecommunications, media/entertainment, and banking/finance sectors remain static or in slight decline.

Q15Bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society. Compared to other types of companies, would you say [INSERT COMPANY TYPE] are…?

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Large but slowly shrinking gap between public expectations for CSR and perceived industry performance on CSR

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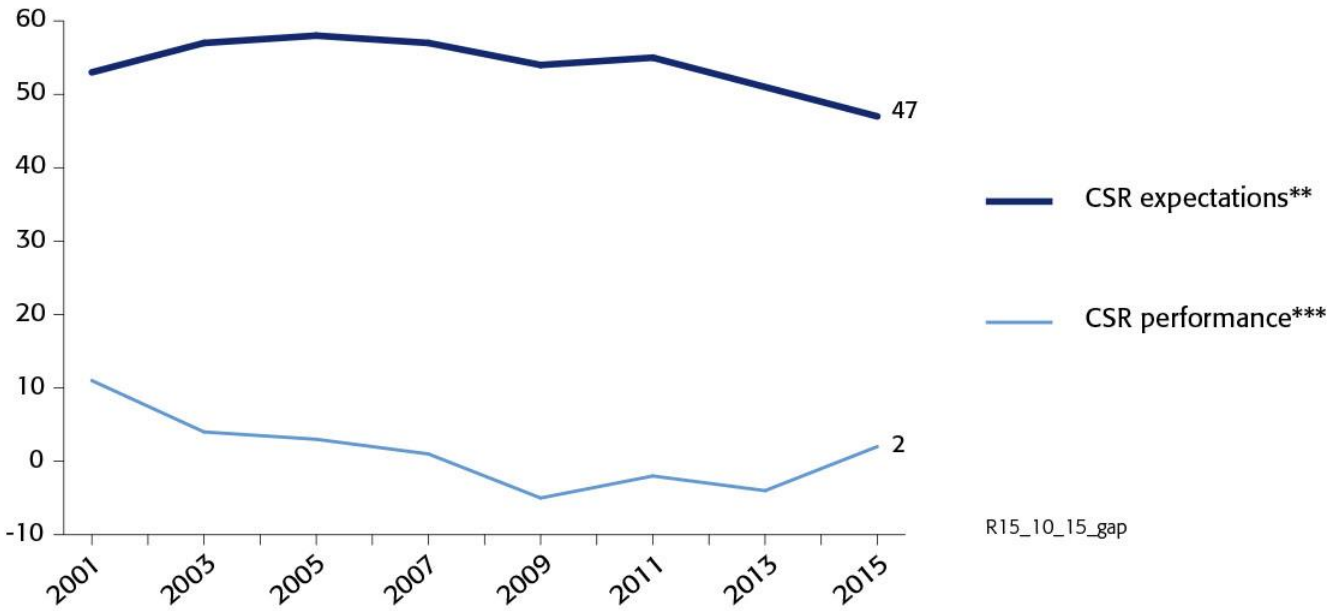
Expectations vs Performance

Average of 20 Countries,* 2001–2015



Globally, declining public expectations for CSR, coupled with a slight uptick in the perceived performance of many industries, results in a smaller gap between expectations and performance than has been seen in recent years. However, the gap remains large as the perceived performance of companies on living up to societal expectations is significantly lower today than it was when we first asked this question in 2001, despite the recent increase. Expectations have decreased by a similar degree since 2001, suggesting a scaling back of expectations by the public, especially since 2011.

*Includes Argentina, Australia, Brazil, Canada, Chile, China, France, Germany, Greece, India, Indonesia, Italy, Mexico, Nigeria, Russia, South Korea, Spain, Turkey, UK, and USA. Not all countries were asked in all years.

**Aggregate net expectations of up to ten responsibilities (not all responsibilities were asked in each country each year)

***Aggregate net CSR performance ratings of ten industries (not all industries were asked in each country each year)

Q10Bt. I am going to read a list of things some people say should be part of the responsibilities of large companies. For each one, please tell me to what extent you think companies should be held responsible. In answering, please use a scale of 1 to 5, where 1 is "not held responsible," 3 is "held partially responsible" and 5 is "held completely responsible." Remember, the higher the number, the more responsible. What about…?

Q15Bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society. Compared to other types of companies would you say [INSERT COMPANY TYPE] are…?

The gap between CSR expectations and perceived performance is significantly smaller, and shrinking faster, in non-OECD countries

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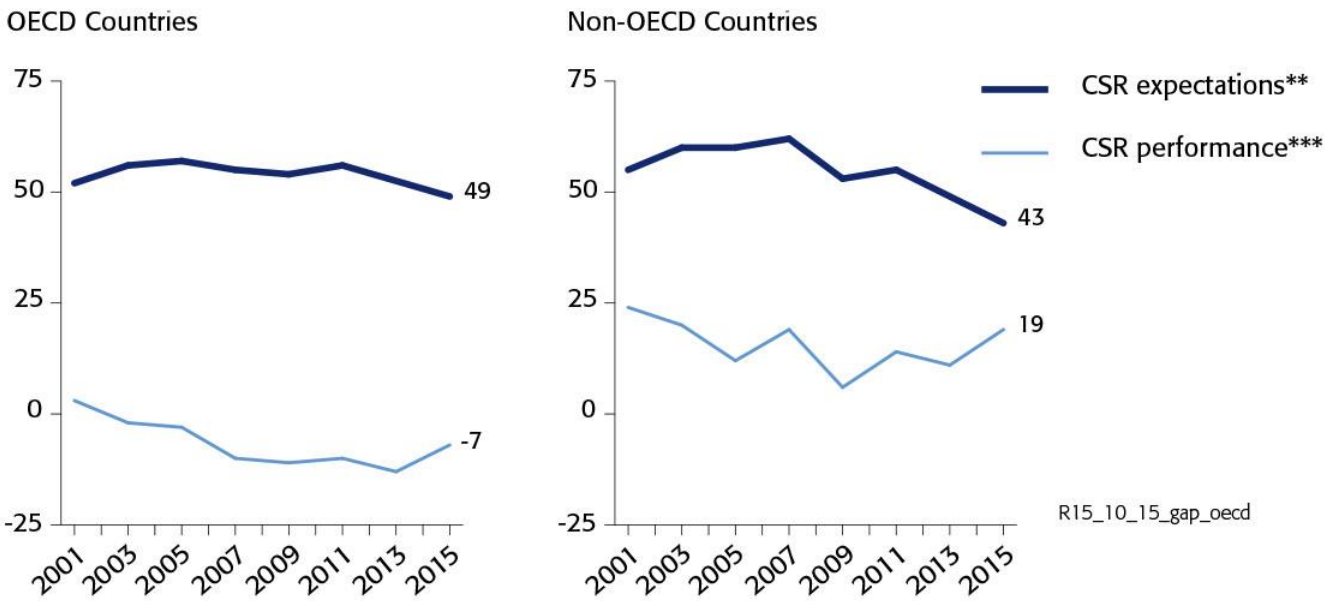
Expectations vs Performance

OECD vs Non-OECD Countries,* 2001–2015



Reflecting more positive views of companies in emerging economies, and more drastically declining expectations that business will fulfill social responsibilities, the gap between expectations and perceived performance is significantly smaller in non-OECD than in OECD countries. Expectations on companies have been more rapidly declining in emerging markets in the past few years, suggesting a scaling back of demands on business.

*OECD countries include Australia, Canada, Chile, France, Germany, Greece, Italy, Mexico, South Korea, Spain, Turkey, UK, and USA; non-OECD countries include Argentina, Brazil, China, India, Indonesia, Nigeria, and Russia. Not all countries were asked in all years.

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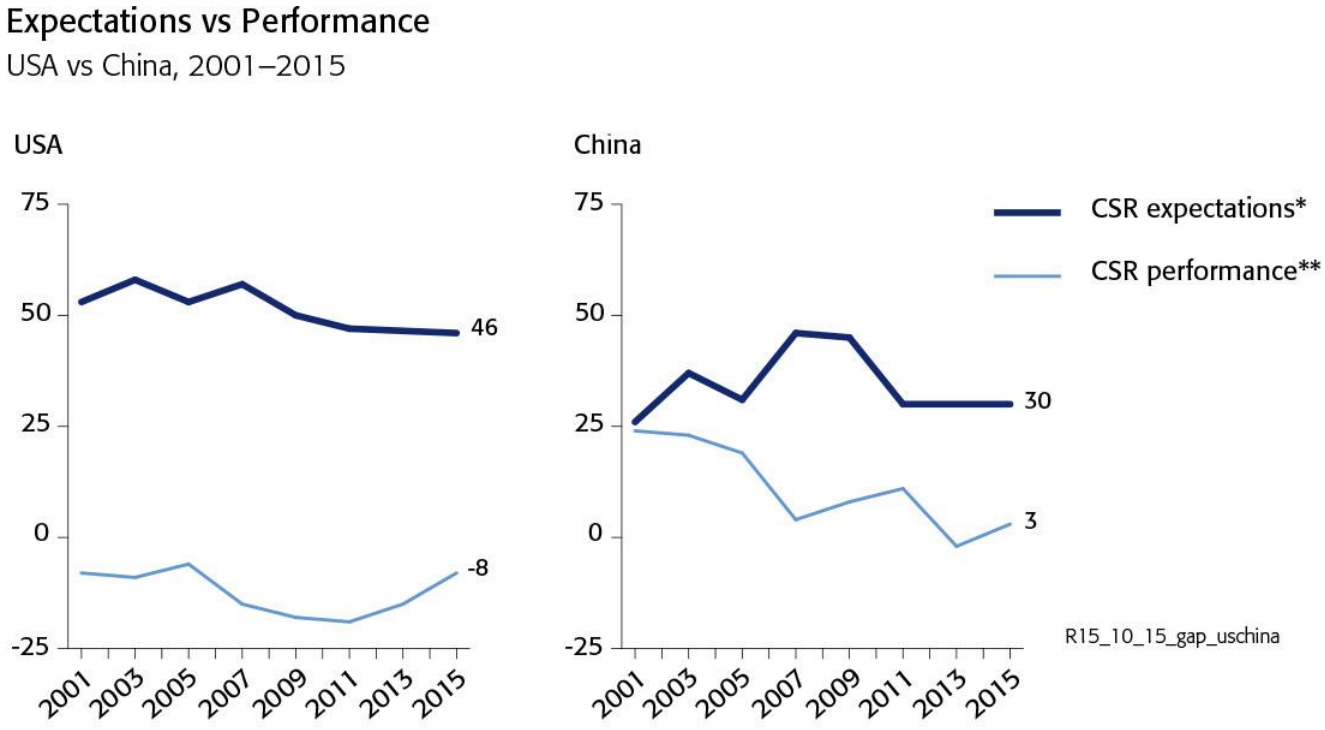
Q15Bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society. Compared to other types of companies, would you say [INSERT COMPANY TYPE] are…?

Sharply contrasting trends for the expectations-performance gap in USA and China



*Aggregate net expectations of up to ten responsibilities (not all responsibilities were asked in each country each year)

**Aggregate net CSR performance ratings of ten industries (not all industries were asked in each country each year)

Chinese views of companies have evolved over the past fifteen years as the country has emerged as an economic superpower. Expectations on companies have decreased after an earlier surge, reflecting declining perceptions of companies' performance on fulfilling societal responsibilities in the wake of numerous scandals. The gap between expectations and performance, almost non-existent fifteen years ago, is now substantial. However, the Chinese expectations-performance gap remains significantly smaller than the American one. Although shrinking as a result of rebounding perceptions of corporate responsibility performance after an absolute low in 2011, the perceived accountability gap in the USA remains very large and a priority for companies to address.

Q10Bt. I am going to read a list of things some people say should be part of the responsibilities of large companies. For each one, please tell me to what extent you think companies should be held responsible. In answering, please use a scale of 1 to 5, where 1 is "not held responsible," 3 is "held partially responsible" and 5 is "held completely responsible." Remember, the higher the number, the more responsible. What about…?

Q15Bt. Please rate each of the following types of companies on how well they fulfill their responsibilities to society. Compared to other types of companies, would you say [INSERT COMPANY TYPE] are…?

Half of the global public say they have discussed CSR at least a few times in the past year

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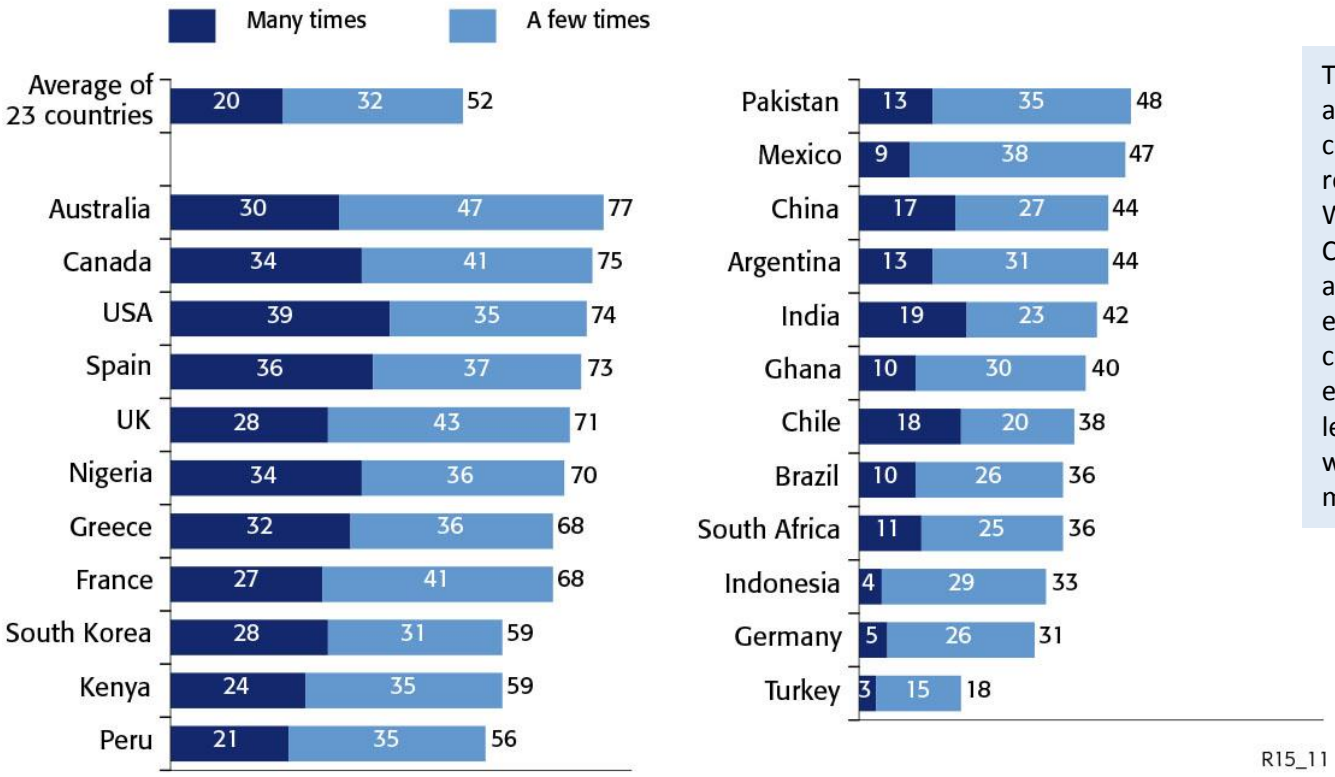
Have Discussed Ethical or Social Behavior of Companies

By Country, 2015



Not asked in Russia

Three in four Australians, Canadians, and Americans say they have had conversations about corporate responsibility over the past year. While most Europeans also discuss CSR with some frequency, Germans are much less likely to discuss the ethical or social behavior of companies. People in emerging economies tend to discuss CSR much less than those in OECD countries – with the exception of Nigeria, where majorities claim to talk about CSR.

Q11Bt. Over the past year, how frequently, if at all, have you discussed the ethical or social behavior of companies with your friends or family members? Would that be . . . over the past year?

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The global public has become less likely to discuss CSR

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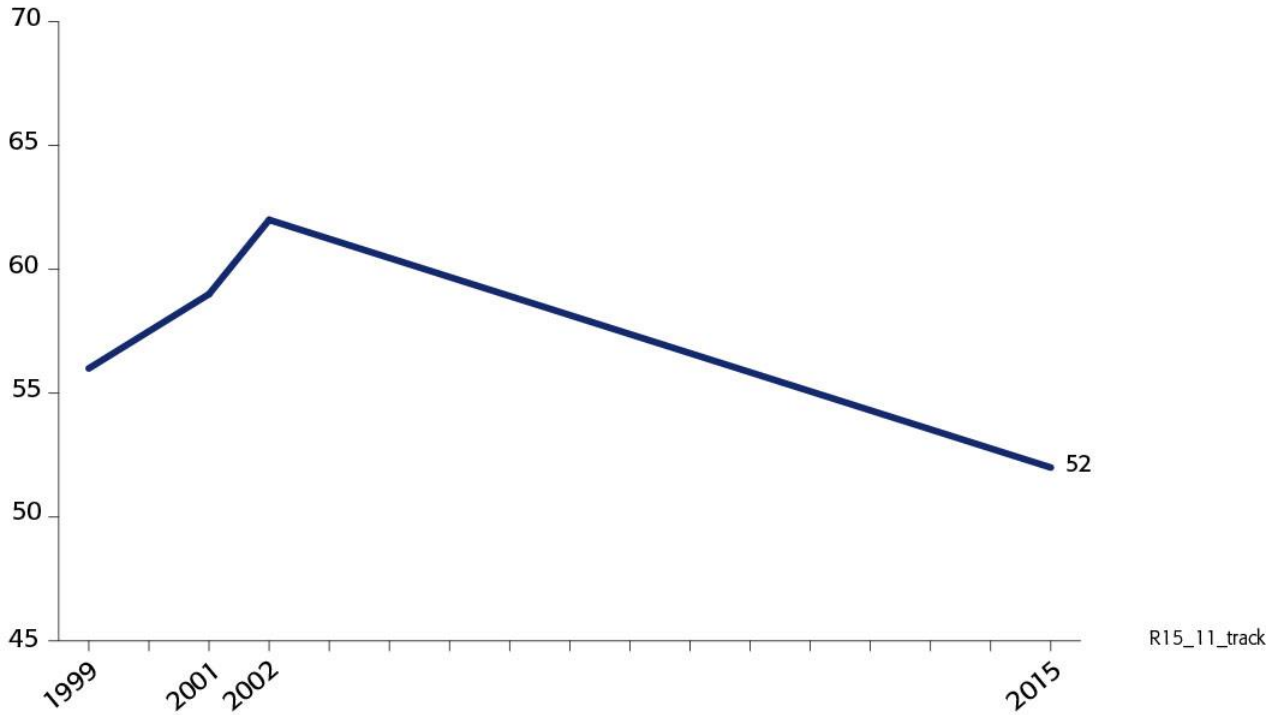
Have Discussed Ethical or Social Behavior of Companies

"Many Times" and "A Few Times," Average of 11 Countries,* 1999–2015



*Includes Argentina, Canada, Germany, India, Indonesia, Mexico, Nigeria, Spain, Turkey, UK, and USA.
Not all countries were asked in all years.

Overall, there has been a sharp decline in discussion of the ethical or social behavior of companies, compared to 2002. People in non-OECD countries like Argentina, Brazil, China, and Indonesia have become less likely to discuss the behavior of companies, compared to a decade ago. In contrast, Americans, British, Canadians, French, Spanish, and South Koreans, have become more likely to frequently discuss the subject.

Q11Bt. Over the past year, how frequently, if at all, have you discussed the ethical or social behavior of companies with your friends or family members? Would that be . . . over the past year?

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National flagship brands dominate the top socially responsible companies in most countries

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Top Socially Responsible Companies
Unprompted, Total Mentions, by Country, 2015

Asked to name a socially responsible company, respondents generally continue to name high-profile national companies, usually with a consumer products focus. However, national companies are also frequently cited as the least responsible companies (not asked in 2015). Offering quality products tends to be the main reason people consider a company socially responsible; offering "green" products is also a key reputational driver in several markets like Brazil, China, Germany, the UK, and USA.

Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

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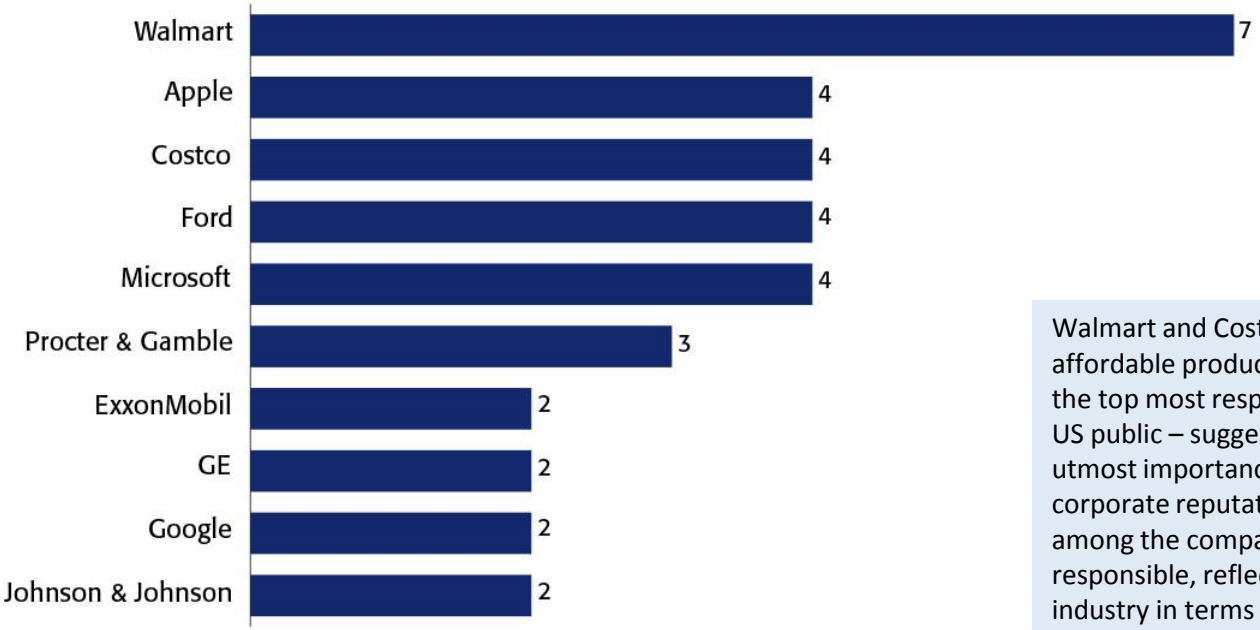
Americans view Walmart as most responsible company

GlobeScan Radar 2015

Most Responsible Companies

Unprompted, Total Mentions, USA, 2015



Walmart and Costco, both focused on bringing affordable products to American families, are among the top most responsible companies mentioned by the US public – suggesting affordability and access are of utmost importance to Americans when assessing corporate reputation. Apple and Microsoft are also among the companies seen as being most socially responsible, reflecting the top ranking of the high-tech industry in terms of its reputation relative to other sectors in the USA.

Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

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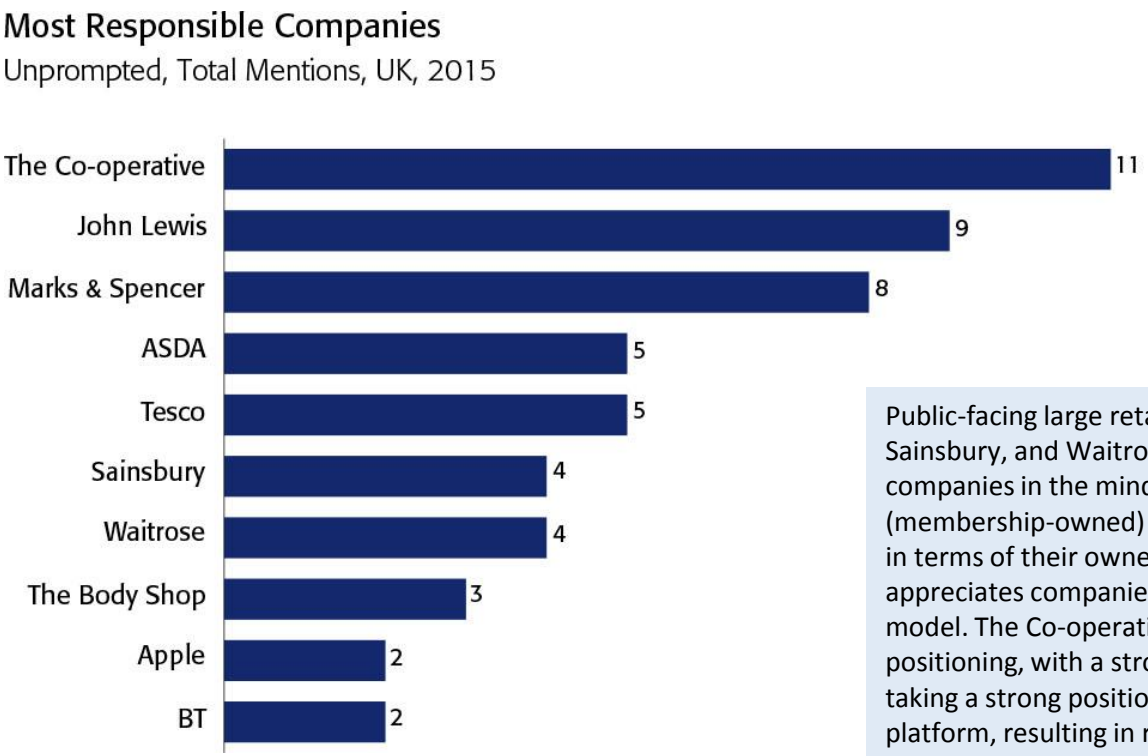
British consumers continue to view The Co-operative as most responsible



Public-facing large retailers John Lewis, Marks & Spencer, ASDA, Tesco, Sainsbury, and Waitrose round out the top seven most responsible companies in the minds of the British public. The Co-operative (membership-owned) and John Lewis (employee-owned) both stand out in terms of their ownership models, suggesting the British public appreciates companies that are moving beyond the traditional capitalist model. The Co-operative also benefits from its explicitly "ethical" positioning, with a strong commitment to Fairtrade products. M&S is also taking a strong position through its Plan A branded sustainability platform, resulting in reputational gains among the British public.

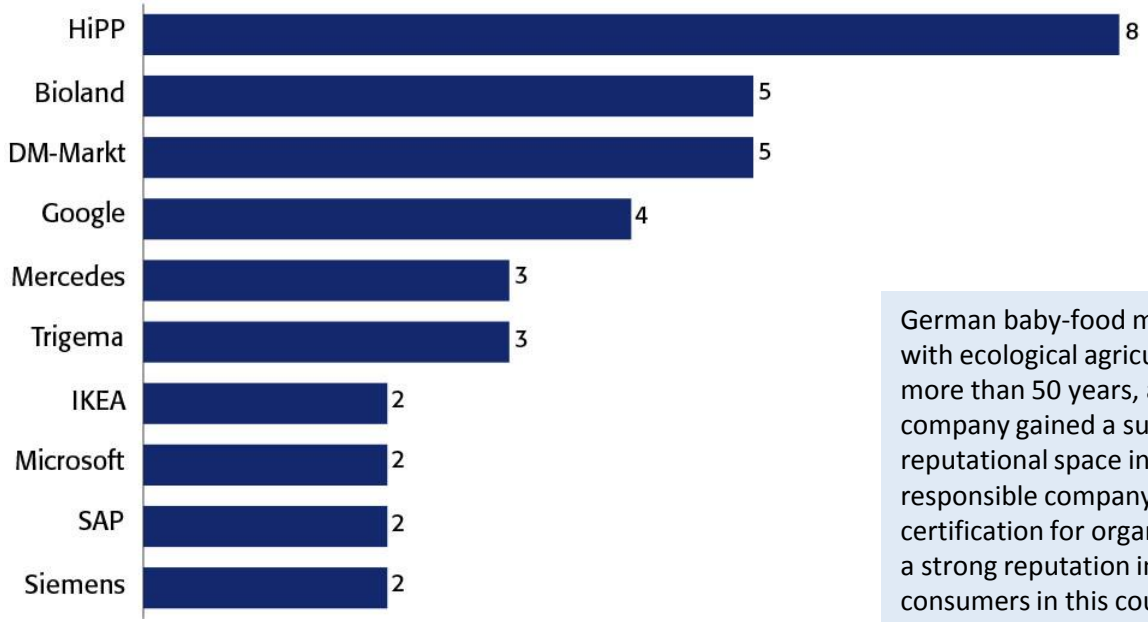
Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

In Germany, baby-food company HiPP enjoys reputational rewards from environmental approach

GlobeScan Radar 2015

Most Responsible Companies

Unprompted, Total Mentions, Germany, 2015



German baby-food maker HiPP has been associated with ecological agriculture and sustainable values for more than 50 years, although only recently has the company gained a substantial portion of the reputational space in terms of being viewed as a top responsible company by the German public. Bioland, a certification for organically produced food, also enjoys a strong reputation in Germany – suggesting consumers in this country tend to associate social and environmental responsibility.

Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

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Multi-national brand Coca-Cola enjoys strongest reputation in Brazil

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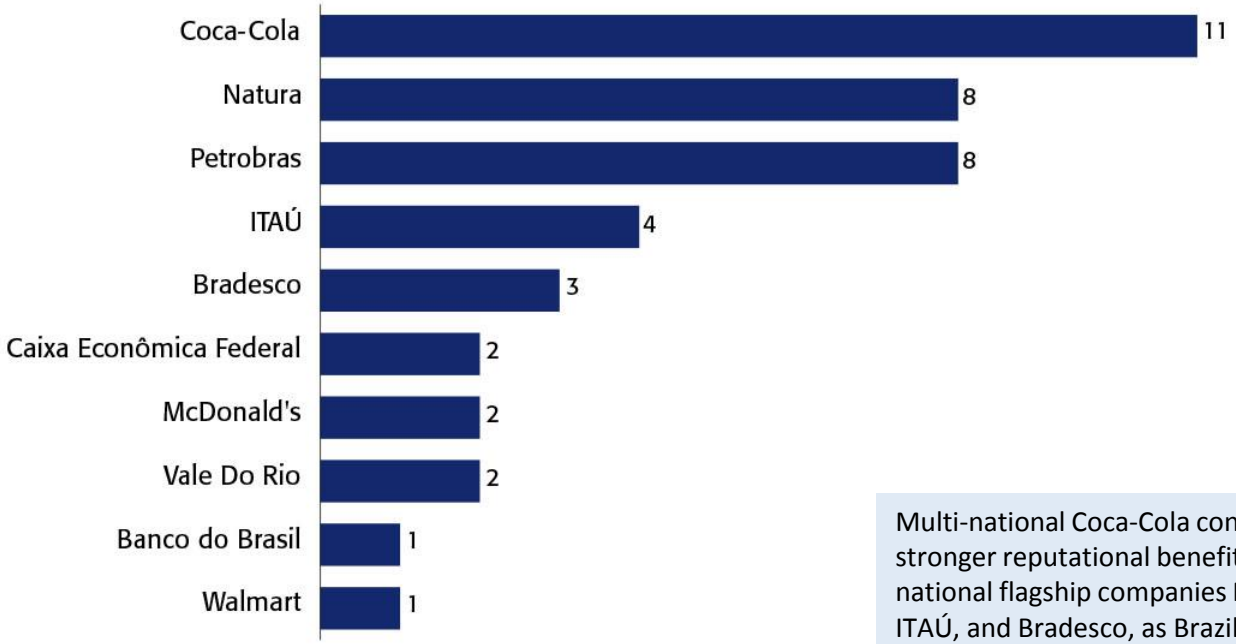
Most Responsible Companies

Unprompted, Total Mentions, Brazil, 2015



Multi-national Coca-Cola continues to enjoy stronger reputational benefits in Brazil than national flagship companies Natura, Petrobras, ITAÚ, and Bradesco, as Brazilian companies likely continue to suffer the reputational fall-out from recent corruption scandals.

Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

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International brands Samsung and Tesco enjoy strong reputation in China

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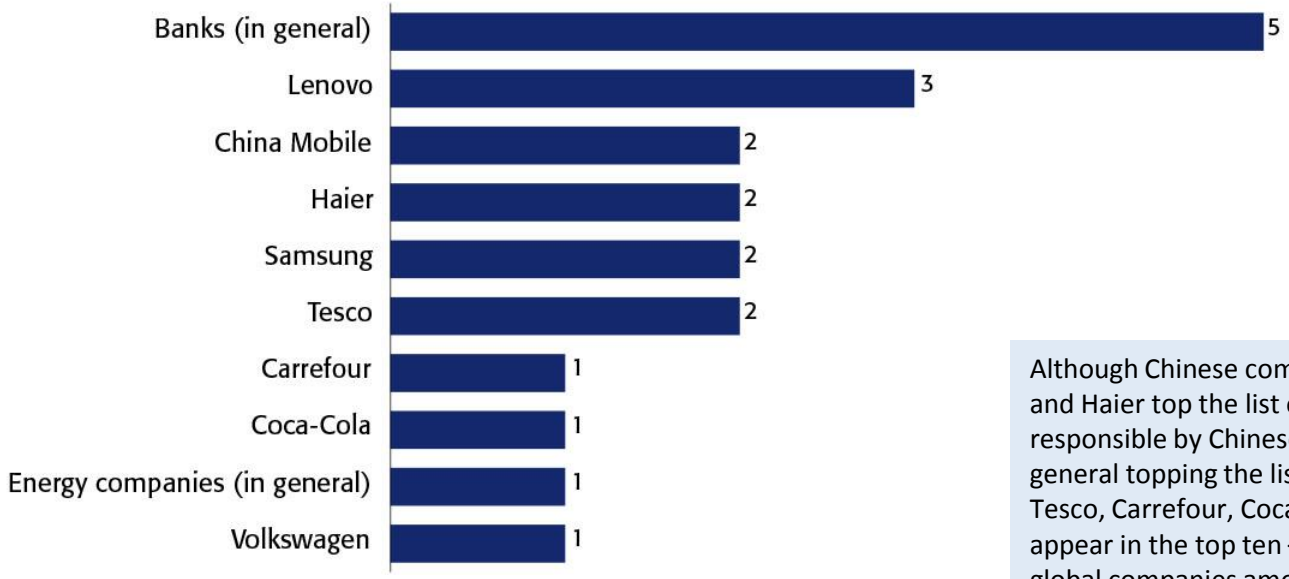
Most Responsible Companies

Unprompted, Total Mentions, China, 2015



Although Chinese companies Lenovo, China Mobile, and Haier top the list of companies seen as most responsible by Chinese consumers (with banks in general topping the list), global brands Samsung, Tesco, Carrefour, Coca-Cola, and Volkswagen also appear in the top ten – reflecting growing trust in global companies among Chinese consumers.

Q14Bt. Please name a specific large company that comes to your mind as fulfilling its responsibilities to society better than others – in other words, is a "responsible company." Can you name another?

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Research Partners and Methodology

	Sample size (unweighted)	Field dates	Research institute
Argentina	829	Jan. 9 – 20, 2015	Voices
Australia	802	Feb. 27 – Mar 17, 2015	GlobeScan
Brazil	805	Jan. 18 – Feb. 12, 2015	Market Analysis
Canada	1013	Feb. 24 – Mar. 23, 2015	GlobeScan
Chile	1200	Dec. 12, 2014 – Jan. 10, 2015	Mori Chile
China	1000	Jan. 30 – Mar. 10, 2015	GlobeScan
France	1006	Feb. 5 – 18, 2015	Efficience 3
Germany	1000	Jan. 26 – Feb 9, 2015	RiQUESTA GmbH
Ghana	504	Mar.23 – Apr. 2, 2015	BIG
Greece	698	March 23 – 30, 2015	The Institute of Communication
India	1284	Feb. 21 – Mar. 13, 2015	Team C Voter
Indonesia	1000	Jan 26 – Feb 10, 2015	DEKA Marketing Research

	Sample size (unweighted)	Field dates	Research institute
Kenya	1010	Feb. 2 – 19, 2015	Research Path Associates Ltd.
Mexico	800	Dec. 13 – 17, 2014	Parametría
Nigeria	800	Feb. 26 – Mar. 5, 2015	Market Trends
Pakistan	1000	Jan 5 – 25, 2015	Gallup Pakistan
Peru	1007	Jan. 24 – Feb. 4, 2015	Datum
Russia	1007	April 23 – May 7, 2015	CESSI Institute for Comparative Research
South Africa	2000	Feb 27 – March 18, 2015	TNS
South Korea	1000	Feb. 6 – 9, 2015	East Asia Institute
Spain	800	Feb 5 – 13, 2015	Sigma Dos Int.
Turkey	1001	Dec. 5 – 26, 2014	Yöntem Research Consultancy
UK	1001	Jan. 27 – Feb. 1, 2015	Populus Data Solutions
USA	1003	Feb. 2 – 28, 2015	GlobeScan

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