



The Kenexa[®] Research Institute Finds that Corporate Responsibility and Environmentally Friendly Business Practices Return the Investment

Research conducted by the Kenexa Research Institute (KRI) evaluated workers' opinions of their organizations with regard to corporate responsibility initiatives. The latest research suggests that an organization's participation in corporate responsibility and environmentally friendly business practices has a significant influence on employee engagement and business outcomes. The report is based on the analysis of data drawn from a representative sample of workers surveyed through WorkTrends™, KRI's 2010 annual survey of worker opinions.

An organization that is considered to have a strong corporate responsibility climate is one where business choices are made that support environmental responsibility, its actions demonstrate a genuine commitment to corporate responsibility and it contributes to the communities where employees live and work.

Across all countries surveyed, working for an organization whose employees positively view corporate responsibility efforts has a significant, favorable impact on how they rate their pride in the organization, overall satisfaction and willingness to recommend it as a place to work. Furthermore, employees with favorable opinions of their organizations' corporate responsibility activities are more likely to state an intention to stay. In the United States, almost 50% of employees report working for a responsible organization.

"Our research clearly indicates that organizations operating with a strong corporate responsibility climate have more engaged, confident and customer oriented employees," said Anne E.

Herman, Ph.D., research consultant, Kenexa Research Institute. "It will be of great interest to senior leaders in organizations, however, that our results also indicate that those organizations who implement corporate responsibility efforts outperform those organizations that do not on important financial metrics such as diluted earnings per share."

Employees in today's job market still care about the organization's values and reputation. Previous research indicates that corporate responsibility plays an important role in attracting interested candidates. Employees indicate that their organizations' corporate responsibility activities increase their overall job satisfaction. This is particularly true for those in upper and middle management roles and this knowledge can be a key tool in helping organizations achieve their retention targets.

Herman continued, "Despite the recession, organizations are still engaging in building socially responsible businesses. In fact, since 2008 there has been a slight increase in the number of organizations who can be described as having a strong corporate responsibility climate. For example, in the financial industry, three in four businesses reportedly operate with a strong corporate responsibility climate. In the case of financial services firms this may be in response to negative backlash to the activities that have occurred in recent years."

Database Overview

The WorkTrends database is a comprehensive normative database of employee opinions on topics including leadership, employee engagement and customer orientation. In 2010,

approximately 10,000 workers in the United States, and 1,000 individuals in each of the following countries/regions took the WorkTrends survey online: Australia, Brazil, Canada, China, Denmark, Finland, France, Germany, India, Italy, Japan, Mexico, the Netherlands, Russia, Spain, Sweden, Switzerland and the United Kingdom. The Gulf Co-op Council (GCC) countries of the Middle East were also surveyed to a lesser extent due to surveying limitation in that region of the world. The GCC countries include Saudi Arabia, United Arab Emirates, and Qatar. Altogether, 29,338 employees were surveyed in 2010.

Study Details

The WorkTrends survey questions were designed specifically to evaluate how workers view their organization’s corporate responsibilities activities. The questions asked were:

- My company does a good job of contributing to the communities in which we live and work.
- My company’s commitment to social responsibility (e.g. community support, protecting the environment, etc.) is genuine.
- My organization makes business choices that support the environment, such as recycling, energy conservation, and vendor selection.

Opinion items were rated using a 5-point Likert-like scale. The percentage favorable is the percentage of employees who chose either of the two most positive answers (typically “strongly agree” or “agree”).

Survey Results

Employees’ evaluations of their organization’s leadership team are driven by the extent to which senior managers gain employees’ confidence through their decisions, actions and communications, keep employees well informed regarding company direction, and are seen as having the ability to deal with the organization’s challenges.

Figure 1: Aspects of Corporate Responsibility Culture

Items	U.S. Score
My company does a good job of contributing to the communities in which we live and work.	69
My company's commitment to social responsibility (e.g. community support, protecting the environment, etc.) is genuine	66
My organization makes business choices that support the environment, such as recycling, energy conservation, and vendor selection	62

Employee Engagement

Employee engagement is defined as the extent to which employees are motivated to contribute to organizational success, and are willing to apply discretionary effort to accomplishing tasks important to the achievement of organizational goals. An engaged employee has pride in, advocates for, is loyal to his/her employer and exerts discretionary effort toward achieving employer goals.

The Employee Engagement Index is the average level of agreement for:

- I am proud to tell people I work for my company.
- Overall, I am extremely satisfied with my company as a place to work.
- I would recommend this place to others as a good place to work.
- I rarely think about looking for a new job with another company.

Figure 2: Corporate Responsibility and Employee Engagement in the United States

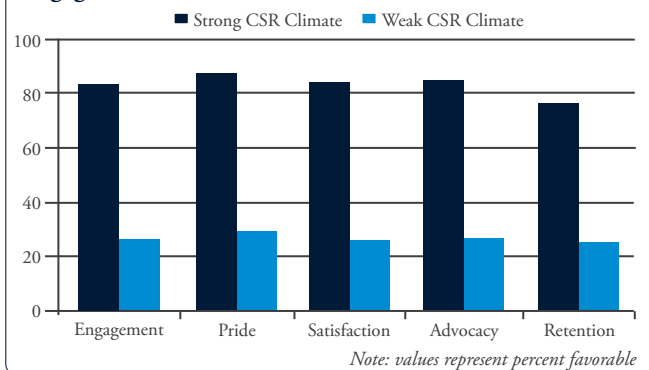


Figure 3: Corporate Responsibility and Perceptions of Senior Leader Effectiveness in the United States

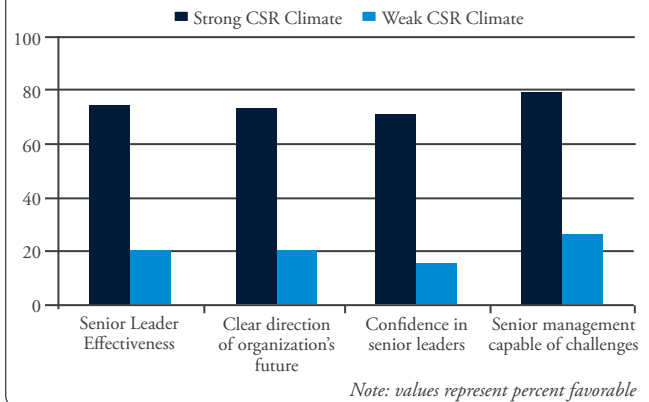


Figure 4: Corporate Responsibility and Performance Excellence in the United States

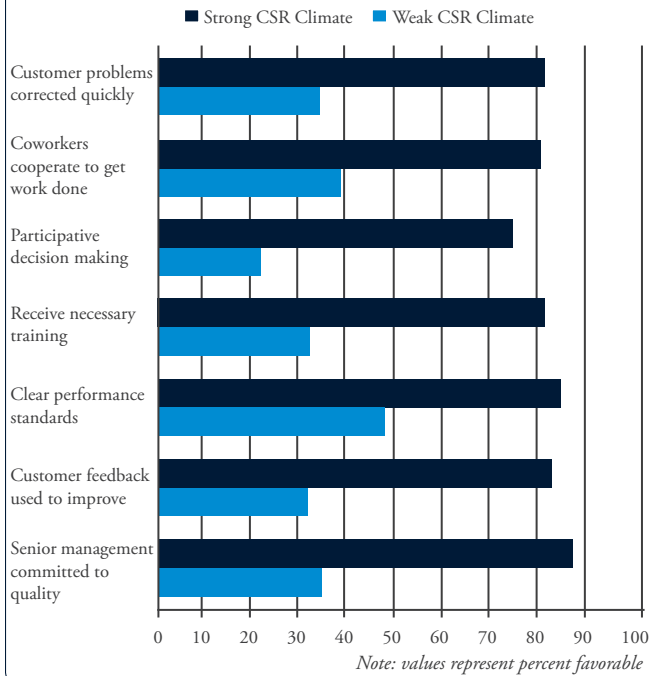
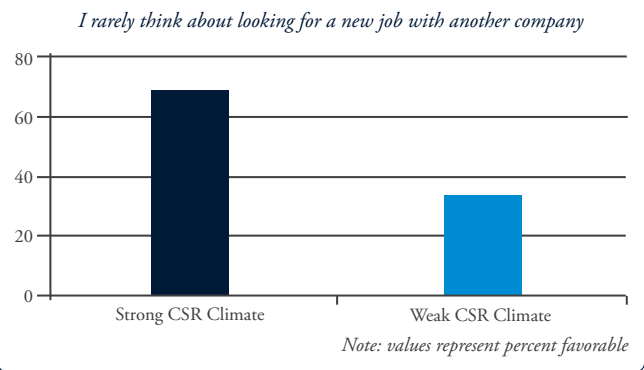


Figure 5: Corporate Responsibility and Employee Retention in the United States



About Kenexa

Kenexa provides business solutions for human resources. We help global organizations multiply business success by identifying the best individuals for every job and fostering optimal work environments for every organization. For more than 20 years, Kenexa has studied human behavior and team dynamics in the workplace, and has developed the software solutions, business processes and expert consulting that help organizations impact positive business outcomes through HR. Kenexa is the only company that offers a comprehensive suite of unified products and services that support the entire employee lifecycle from pre-hire to exit.

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