For the past few years, we’ve focused our research at the USC Center for Public Relations on the topic of social purpose and its impact on communications. We began by exploring the evolution of activism and the changing values of young, diverse, tech-savvy activists. Then, we delved into the persistent problem of polarization and the impact it has on politics and purpose. Last year, we examined the risks and rewards of corporate activism. These reports have provided valuable insights into the future of our dynamic profession.

This year our study attempts to incorporate these ideas into the rubric of reputation, which has always been the purview of our industry. In 2023, PR professionals are devoting an increasing amount of time and energy to building and protecting the reputations of their companies and their clients. That job has never been more important or more challenging because the rules of the game have changed — forcing us to think about reputation in a new way.

In simpler times, corporate reputation was determined by a small number of stakeholders who were familiar with the organization’s strategy, management and performance. Consumers didn’t have easy access to information about the businesses that produced the products they purchased. Employees only protested the policies that impacted them, and when that happened, it rarely became public knowledge. Investors were satisfied as long as a company maintained profitable growth.

Today, consumers are making more demands, employees are more vocal and investors are scrutinizing every aspect of a company’s behavior. Corporate reputation has become the determining factor for the products they buy, the jobs they choose, and the stocks they invest in.
Managing this new reputation is like solving a Rubik’s Cube. Every move is connected to another. Changing the squares on one side of the cube impacts the squares on another side. Each turn either moves you closer to a solution or farther away. Progress can be hard to measure, but if you pay close attention, you might be able to convert the cube’s multiplexity into simple, satisfying solid colors.

The process of building a reputation is also changing. Information is unlimited, uncontrollable and often unreliable. Anyone can share their opinion with the rest of the world by posting a negative comment or tapping a star on their mobile phone. Disgruntled workers can trash an employer on Glassdoor. Traders can boost a stock on Twitter. Dissatisfied customers can destroy a business on Yelp. Angry voters can mobilize a revolt on Facebook.

Each audience views reputation through a unique lens, with an expanding spectrum of expectations that includes topics that are often outside the normal scope of business. To build a reputation with a specific audience, messages must reflect their evolving values. Despite their differences of opinion, our study found a surprising level of alignment about the factors that influence corporate reputation with consumers, employees, and investors.

Different stakeholders also gather information from different sources. Depending upon their occupation, age, or political bias, they may rely on third-party analysis, cable news reports, or opinions on social media. In an environment where everyone is talking and no one is listening, a message must be delivered with precision through a relevant channel.

Based on our research, we’re convinced that the puzzle of corporate reputation is easier to solve than most of us think. If you avoid making assumptions based on preconceived opinions about the people who impact your reputation, and pay close attention to what they’re actually saying, you may find a satisfying solution.

Fight on, Fred
Reputation has never been more important. A litany of studies affirms that tangible benefits accrue to companies who successfully build and maintain robust positive reputations. Proven benefits include improving financial performance, attracting and retaining top talent, driving purchase and investment decisions, and sustaining a company’s permission to operate.
At the same time, reputation has never been more fragile. Reputation management was never a “set it and forget it” thing. But today, the Japanese proverb, “The reputation of a thousand years may be determined by the conduct of one hour,” has never been more true. Reputation must be built, maintained, and defended in a real-time environment where stakeholders’ values and interests may be aligned or vastly dissimilar.
Consumers, employees and investors all agree: Reputation matters, and its influence on decision-making and behavior — what to buy, where to work, and where to invest — is significant. Substantially more investors than consumers ranked reputation as “very important” in their decision-making. This may suggest that the more consequential the decision — in this case, investing in a company vs. buying a company’s product — the more important reputation becomes.
Does a company have a responsibility to play a role in addressing societal problems that are important to customers, employees and investors?

Nearly nine of 10 investors answered yes to this question, compared to six of 10 consumers and seven of 10 employees. Among consumers and investors, Gen Z and Millennial respondents were significantly more likely to answer yes than older generations, while Democrats were significantly more likely to answer yes than Republicans or Independents. Most importantly, there was no group where a majority of respondents felt that companies do not have a responsibility to get involved in social issues.

Many companies are placing increasing focus on the role and importance social purpose plays in shaping and sustaining a company’s reputation. For some, taking a stand or action on social issues has become woven into their corporate DNA. Others are wary of potential negative reactions from stakeholders. All companies pondering this issue should be aware that the majority of consumers, employees, and especially investors agree with PR professionals that companies have a significant responsibility to address the social issues affecting their stakeholders.
Which of the following trends have most impacted the evolution of corporate reputation over the past 5 years? Select up to 3.

There’s no question that the factors contributing to reputation have taken on new levels of complexity and scope compared to five years ago. Various studies have shown that business continues to be our country’s most trusted institution. Yet, consumer demands for increased transparency and accountability are escalating. As a result of the COVID pandemic, the voice of the employee is louder and more influential than ever. And, of late, the role ESG should play in a company’s reputation has become the subject of widespread debate. Investors give more weight to ESG ratings, while PR professionals place it at the bottom of their rankings.
What are the most effective methods for measuring the health of a company’s reputation? **Select up to 3.**

PR professionals and investors agree: customer surveys are an important and valid means of measuring reputation wellness. However, significant differences exist between these two groups. Investors place a high value on financial and industry analyst reports, while for PR professionals such reports rank at the bottom of their list. And while PR professionals highly rate social listening and media coverage as a way to gauge reputation health, investors place them at the bottom of their rankings.
In the next series of questions, we not only asked consumers, employees, and investors about various aspects of corporate reputation, but we also asked professional communicators to predict how each stakeholder group would answer each question. Often, they were dead on. But sometimes, they missed the mark.

While it is true that reputation can’t be built solely on what a company does, our study shows that business performance plays a significant role. Consumers, employees, and investors strongly agree that healthy business performance will be the most important aspect in deciding what to buy, where to work, or how to invest.

PR professionals accurately predicted the top choices of consumers and investors, but they didn’t expect that business performance would rank above corporate culture as the top choice of employees. PR professionals also underestimated the weight social purpose has in driving confidence among investors who ranked social purpose as the second most important factor. Both of these insights have significant implications for communicators.
Five years from now, which one of the following aspects of a company’s reputation do you believe will be the most important in building employee satisfaction?

Five years from now, which one of the following aspects of a company’s reputation will be the most important in building investor confidence?

Five years from now, which one of the following aspects of a company’s reputation do you believe will be the most important in building consumer loyalty?
In five years, which one of the following elements of a company’s corporate culture will be the most important to employees?

In five years, which one of the following elements of a company’s corporate culture will be the most important to consumers?

In five years, which one of the following elements of a company’s corporate culture will be the most important to investors?

Here again, we see that consumers, employees, and investors are more similar than they are different. When asked to consider the impact that corporate culture will have on a company’s reputation five years from now, all three groups placed ethical behavior together along with transparency and accountability at the top of their respective lists. Post-pandemic, workplace flexibility is a more important factor for all three groups than the character of senior executives or the diversity of the workforce.

PR professionals’ predictive skills here were mixed. They accurately projected the importance that consumers and investors would attach to ethical behavior and transparency and accountability. However, they significantly underestimated the value of these two factors among employees. And PR professionals significantly overrated the importance the three groups would attach to the character of senior executives.
<table>
<thead>
<tr>
<th>Ethical behavior</th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55%</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transparency &amp; accountability</th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Character of senior executives</th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversity of workforce</th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6%</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workplace flexibility (ie, work from home)</th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2%</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PR PROFESSIONALS</th>
<th>EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PR PROFESSIONALS</th>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13%</td>
</tr>
</tbody>
</table>
BUSINESS PERFORMANCE

There is consensus among consumers, employees, and investors that a strategic vision for the future is the most important element of a company’s business performance. PR professionals accurately predicted this response from employees, but not from consumers and investors. This represents another potential opportunity for communications.

Interestingly, there was near consensus about the lack of importance of stock performance, with consumers and employees considering it least important and investors putting it fourth among five choices; however, quarterly earnings seem to be more valued by consumers and employees.

PR professionals were least successful in predicting investors’ choices, significantly overvaluing the importance of stock performance and quarterly earnings and undervaluing the importance of innovative new products. Consumers and investors are more enthusiastic about the impact of an innovative portfolio of products and services on a company’s reputation than employees.

Furthermore, the groups showed agreement on the importance of achieving environmental goals (ranked third by all).
Strategic vision for the future

Innovative new products

Achievement of environmental goals

Quarterly earnings

Stock performance

PR PROFESSIONALS  CONSUMERS  EMPLOYEES  INVESTORS

5%  30%  67%  47%  17%  28%

65%  23%  6%  10%  6%  23%

16%  19%  7%  15%  6%  19%

5%  17%  12%  20%  35%  14%

9%  11%  8%  8%  36%  16%
While consumers, employees, and investors displayed common thinking on a number of questions in this survey, this is the only instance where, from top to bottom, all three groups were identical in the importance they attached to elements of a company’s communications. Topping the lists were consumer reviews of products and services (first) and independent rankings and ratings (second).

Interesting to note is the relative lack of importance that all three groups placed on media coverage and influencer endorsements, which finished at the bottom of all three lists. The fact that all regarded influencer endorsements as having the least importance may indicate people are beginning to question the independence and authenticity of influencers and instead are favoring reviews shared by people they perceive as their peers and rankings developed by credible third parties.

Here again, PR professionals’ crystal ball was a bit cloudy. While they accurately predicted the importance that consumers and employees would attach to consumer reviews and were close to the importance investors would give to ranking and ratings, they generally overrated the importance of media coverage for each group.

Engagement on social media remains an important strategy in a company’s communications (ranked as third for all groups), especially when it motivates stakeholders to join the conversation about the company’s products, services, and contributions to society.
<table>
<thead>
<tr>
<th></th>
<th>PR PROFESSIONALS</th>
<th>CONSUMERS</th>
<th>EMPLOYEES</th>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer reviews</td>
<td>44%</td>
<td>51%</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>Independent rankings and ratings</td>
<td>4%</td>
<td>20%</td>
<td>26%</td>
<td>50%</td>
</tr>
<tr>
<td>Engagement on social media</td>
<td>26%</td>
<td>11%</td>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>Media coverage</td>
<td>11%</td>
<td>11%</td>
<td>19%</td>
<td>28%</td>
</tr>
<tr>
<td>Influencer endorsement</td>
<td>15%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3%</td>
<td>8%</td>
</tr>
</tbody>
</table>
The similarity among groups continues when looking at the impact of elements of social purpose on reputation. Consumers, employees, and investors all made “sustainability of products and services” and “commitment to relevant causes” their top two choices. Among Gen Z, “commitment to relevant causes” was their top choice, whereas “sustainability of products and services” rose to the top for the other groups. Employees and investors actually matched each other, item for item in terms of importance, ranking “public positions on social issues” and “partnerships with advocacy groups” as the least important elements.

PR professionals, on the other hand, saw the groups as more different than similar. They were quite close predicting consumers’ answers. However, with employees, communicators significantly overestimated the importance of public positions on social issues and underestimated the importance of sustainable products and services.
CONSUMERS

Sustainability of products and services: 33%
Commitment to causes: 23%
Progress on environmental goals: 18%
Public positions: 17%
Partnerships: 9%

EMPLOYEES

Sustainability of products and services: 33%
Commitment to causes: 31%
Progress on environmental goals: 18%
Public positions: 11%
Partnerships: 7%

INVESTORS

Sustainability of products and services: 35%
Commitment to causes: 20%
Progress on environmental goals: 16%
Public positions: 16%
Partnerships: 13%
PR professionals and investors agree the most significant benefit that accrues to companies with a positive corporate reputation is customer brand loyalty.

Which aspects of a company’s business benefit the most from a positive corporate reputation?

<table>
<thead>
<tr>
<th>PR PROFESSIONALS</th>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Customer brand loyalty</td>
<td>1 Customer brand loyalty</td>
</tr>
<tr>
<td>2 Employee morale/retention</td>
<td>2 Stock performance</td>
</tr>
<tr>
<td>3 Employee recruitment</td>
<td>3 Employee morale/retention</td>
</tr>
<tr>
<td>4 Product sales</td>
<td>4 Product sales</td>
</tr>
</tbody>
</table>
PR professionals and investors agree the most significant benefit that accrues to companies with a positive corporate reputation is customer brand loyalty. They also agreed on other benefits, including stock performance, employee morale, retention and recruitment, and product sales. The only significant difference is that PR professionals slotted stock performance fifth, while investors placed it second.

Notable here is the fact that both groups placed crisis management and government relations last on the list of business benefits, which seems to counter the conventional wisdom that a strong reputation can help a company in times of crisis or facilitate its relationships with legislators and regulators.
The top and bottom rankings echo the earlier responses about which elements of a company’s communications will most impact companies’ reputations in the next five years. Again, positive product or service reviews ranked highly with all groups — well above stories about sustainability and social purpose. Similarly, groups agreed that recommendations from a trusted online influencer and an endorsement from a credible celebrity were the least effective options.

Not surprisingly, employees believe that positive workplace stories can be very effective in enhancing reputation. More surprisingly, consumers agree. As expected, investors heavily favor positive financial stories and analyst reports. Less expected, employees do too.

Finally, much has been written about the linkage between positive media visibility for a CEO and a company’s reputation. While this survey did not test that relationship, it’s notable that only PR professionals and investors ranked “positive profile article on the CEO” among their top five selections (at fifth). Still, about 1 in 4 (23%) of Gen Z and Millennial respondents said that a CEO profile is an effective tactic (that age group’s second-most selected option).
**EMPLOYEES**

What type of content do you believe is most effective in enhancing your current company’s corporate reputation? **Select up to 3.**

<table>
<thead>
<tr>
<th>Content Type</th>
<th>PR Professionals</th>
<th>Employees</th>
<th>Consumers</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive profile of the CEO</td>
<td>25%</td>
<td>18%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Statement about a position on an important issue</td>
<td>24%</td>
<td>14%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Company reports about sustainability efforts</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>Positive quarterly earnings report</td>
<td>28%</td>
<td>21%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Announcements of partnerships with respected advocacy groups</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>News about products or services</td>
<td>17%</td>
<td>4%</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>Recommendation from a trusted online influencer</td>
<td>16%</td>
<td>10%</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>Endorsement from a credible celebrity</td>
<td>12%</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**INVESTORS**

What type of content do you believe is most effective in enhancing a company’s corporate reputation with investors? **Select up to 3.**

<table>
<thead>
<tr>
<th>Content Type</th>
<th>PR Professionals</th>
<th>Employees</th>
<th>Consumers</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive profile of the CEO</td>
<td>25%</td>
<td>18%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Statement about a position on an important issue</td>
<td>24%</td>
<td>14%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Company reports about sustainability efforts</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>Positive quarterly earnings report</td>
<td>28%</td>
<td>21%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Announcements of partnerships with respected advocacy groups</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>News about products or services</td>
<td>17%</td>
<td>4%</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>Recommendation from a trusted online influencer</td>
<td>16%</td>
<td>10%</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>Endorsement from a credible celebrity</td>
<td>12%</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Over the next 5 years, which of the following stakeholder groups will see the most dramatic increase in their impact on a company’s reputation? Select up to 3.

- Employees: 56%
- Customers: 52%
- Advocacy groups: 33%
- Social media Influencers: 30%
- Business partners, vendors and/or suppliers: 25%
- Politicians and/or regulators: 22%
- General public: 21%
- Potential employees: 13%
- Individual investors: 12%
When asked about predictions for the next five years, PR professionals believe the current trends in corporate reputation will continue. They singled out the increasing expectations from both consumers and employees, who will continue to be vocal about issues important to them. From a generational perspective, they believe Gen Z will have the most impact on reputation in the years to come. This will be interesting because that age group ranked commitment to causes and positions on societal issues as the two most critical aspects of reputation, while their older counterparts picked sustainability.

PR PROFESSIONALS

Over the next 5 years, which generation will have the most impact on a company’s reputation?

- **Gen Z: Born approximately 1997-2012**
  - Impact: 48%
- **Millennials: Born approximately 1981-1996**
  - Impact: 34%
- **Generation X: Born approximately 1965-1980**
  - Impact: 11%
- **Gen Alpha: Born approximately 2010-2024**
  - Impact: 5%
- **Baby Boomers: Born approximately 1946-1964**
  - Impact: 2%
Which of the following terms best describes a company’s commitment to building its reputation by addressing environmental problems, speaking out about controversial issues, and working to improve people’s lives?

- Social Purpose
- ESG
- CSR
- Sustainability
- Citizenship
- Shared Value

![Chart showing percentages of responses across different groups for each term: PR Professionals, Employees, Consumers, Investors.]

- Social Purpose: 28% (PR Professionals), 16% (Employees), 14% (Consumers), 15% (Investors)
- ESG: 15% (PR Professionals), 3% (Employees), 1% (Consumers), 19% (Investors)
- CSR: 12% (PR Professionals), 2% (Employees), 2% (Consumers), 3% (Investors)
- Sustainability: 10% (PR Professionals), 16% (Employees), 18% (Consumers), 23% (Investors)
- Citizenship: 8% (PR Professionals), 9% (Employees), 7% (Consumers), 3% (Investors)
- Shared Value: 7% (PR Professionals), 9% (Employees), 12% (Consumers), 6% (Investors)
“Social purpose” was the top choice of PR professionals and consumers. Employees and investors put “sustainability” at the top of their lists. Across all groups, “CSR” and “Woke” terms finished lower.

ESG, which has been the subject of much conversation and media coverage, was ranked second by investors, and only PR professionals placed it among the top four descriptors. Consumers and employees placed ESG last, probably because they’re not familiar with its meaning and purpose. PR professionals who are using “CSR” in their communications may want to consider a change. Consumers, employees, and investors rated it the lowest of all. And the term ESG was a popular alternative with the younger generation.
Consumers, employees, and investors showed remarkable uniformity in defining “woke” when it’s used to describe a company.

“[It means that] the company takes a public stand on societal issues” topped all three lists, followed by “the company has a mission beyond its financial performance” and “the company has liberal views on social issues.”

PR professionals were largely consistent with the stakeholder groups, agreeing on the top rating for “taking a public stand” and differing only in ranking for “mission” and “liberal views.”
What does the term “woke” mean to you when it is used to describe a company?
Select up to 3.

- The company has liberal views on social issues
- The company takes a public stand on societal issues
- The company has a mission, beyond its financial performance
- The company is forcing its opinions on its employees and customers
- The company has a biased political agenda
- The company is not in sync with the values of the average citizen
- The company is assuming responsibilities of the government

[Bar chart showing percentages for each statement by PR Professionals, Employees, Consumers, and Investors]
Do you think being referred to as a “woke company” enhances a company’s overall reputation?

While just over half of all PR professionals said that being referred to as a “woke company” enhances a company’s overall reputation, looking at this question through generational and political lenses reveals some interesting differences. Gen Z and Millennial communicators are significantly more likely to agree than Gen X and Boomer respondents. But among all respondents, between 20 and 25 percent answered, “I don’t know.” Looking at political affiliations, Republicans were more likely than Democrats to say being woke does not enhance reputation. And while a very small number of Republicans answered, “I don’t know,” one in four Democrats had no opinion.
CONSUMERS
How likely are you to purchase a product from a company you consider “woke?”

EMPLOYEES
How likely are you to want to work for a company you consider “woke?”

INVESTORS
How likely are you to invest in a company you consider “woke?”

While consumers and employees were emphatic in their opinions that reputation played an important role in their purchase and employment decisions, they were remarkably indifferent in saying whether “wokeness” has the same effect. Roughly one-third of both groups said it makes no difference to them whether a company is considered woke or not. Consumers were slightly more likely to buy from a woke company than employees are to work for one. Most interesting is the response from investors: nearly eight in 10 said they were at least somewhat likely to invest in a company considered to be woke.

The willingness to buy from a company referred to as woke is stronger when viewed through generational and political lenses. Gen Z and Millennial consumers were more than twice as likely to say that they would make a purchase from a woke company. The same ratio applied to Democrats vs. Republicans.

Gen Z and Millennial employees are decidedly more likely to work for a woke company than their Gen X and Boomer counterparts, and Democrats were nearly three times as likely to say they would work at a woke company vs. Republicans.
What is your opinion of Patagonia’s decision to give away its $3 billion company to a specially designed trust and non-profit organization dedicated to protecting the environment?
This type of giving is the future of corporate activism

- 13%
- 10%
- 12%
- 20%

It was a meaningless gesture that won’t have any long-term impact

- 8%
- 13%
- 10%
- 11%

While many consumers and employees were unaware of Patagonia’s move, on average all groups agreed that Patagonia has sent other companies an important signal.

Investors — Gen Z and Millennial investors in particular — showed strong support for Patagonia’s move as a representation of the future of corporate activism.

Here, consumers and employees stand out in an interesting way: roughly three in 10 (the largest segment of each group) said they have no opinion or had not heard about Patagonia’s action. By comparison, only four percent of investors and three percent of PR professionals had no opinion or hadn’t heard the news. However, among those consumers and employees with an opinion and awareness of Patagonia’s decision, they agree with PR professionals and investors that Patagonia’s decision sends a powerful signal to other companies. Notable is that consumers, employees, and investors all indicated some belief that Patagonia’s actions may point the way to the future of corporate activism.
PR professionals and investors mirrored each other with nine in 10 saying they are at least somewhat familiar with ESG. However, significantly more investors than PR professionals said they were very familiar with ESG. At the other end of the spectrum are consumers and employees, of which a strong majority of both groups said either they’ve heard about it but don’t know what it means or are not familiar with ESG at all. For PR professionals there is clearly an awareness and education opportunity with these two groups.
**ESG stands for Environmental, Social, and Governance.** It is a rating system used by companies to measure their environmental and social policies and practices.

How familiar are you with the concept of ESG?

- **Very familiar**
  - 51%
  - 18%
  - 64%

- **Somewhat familiar**
  - 37%
  - 25%
  - 36%

- **I've heard of it, but I don't know what it means**
  - 5%
  - 23%
  - 24%

- **Not familiar with the term**
  - 7%
  - 34%
  - 0%
How important is ESG in building an organization’s reputation?

**FOR CONSUMERS**
- Very important: 45%
- Somewhat important: 46%
- Not at all important: 9%

**FOR EMPLOYEES**
- Very important: 44%
- Somewhat important: 50%
- Not at all important: 6%

**FOR INVESTORS**
- Very important: 44%
- Somewhat important: 44%
- Not at all important: 12%
While familiarity and understanding of ESG appear low among consumers and employees, when it’s briefly described to them, they see that ESG can be as helpful in informing purchase and employment decisions as it is to investors in making investment decisions. This is another helpful cue for communicators who will benefit from taking the time and energy to educate these two groups.
Which of the following are the primary benefits of ESG? Select up to 3.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>PR Professionals</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows companies to tell a comprehensive story about their efforts to address climate change and other important social issues</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Provides socially conscious consumers with relevant information for making purchase decisions</td>
<td>43%</td>
<td>39%</td>
</tr>
<tr>
<td>Provides companies and brands with a competitive marketing advantage with socially conscious consumers</td>
<td>39%</td>
<td>32%</td>
</tr>
<tr>
<td>Provides investors with insights into the non-financial aspects of a business</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>Establishes meaningful metrics for employees to assess corporate performance in areas of sustainability and diversity</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>Provides regulators, legislators, and advocacy groups with access to company information that is relevant to them</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>Provides companies with the opportunity to reduce risk and lower costs</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td>I don't believe ESG provides any benefits</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>

PR professionals and investors both see the value of ESG as a comprehensive storytelling platform for the company’s efforts to address climate change and other important issues while providing socially-conscious consumers with relevant information to help with decisions about what products and services to buy.
Which of the following criticisms of ESG are warranted? Select up to 3.

<table>
<thead>
<tr>
<th>Criticism</th>
<th>PR Professionals</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too broadly defined</td>
<td>43%</td>
<td>41%</td>
</tr>
<tr>
<td>Too politically charged</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>Not useful for comparing companies in different industries</td>
<td>21%</td>
<td>31%</td>
</tr>
<tr>
<td>Encourages companies to greenwash</td>
<td>44%</td>
<td>46%</td>
</tr>
<tr>
<td>Not regulated or enforced</td>
<td>41%</td>
<td>41%</td>
</tr>
<tr>
<td>Confusing to consumers</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Misleading to investors</td>
<td>15%</td>
<td>27%</td>
</tr>
</tbody>
</table>

PR professionals and investors also agree that in its current form, ESG and the attention given to it by various stakeholder groups can encourage companies to engage in greenwashing. They also believe that ESG currently is too broadly defined, which may contribute to its current lack of awareness. Even PR professionals think ESG is confusing, while investors say it's too politically charged.
Overall, how many companies are effectively communicating their ESG strategies today?

**PR PROFESSIONALS**

**INVESTORS**

Overall, how many companies are effectively communicating their ESG strategies today?

Name up to three companies you believe are effectively communicating their ESG strategies today.

Top 10 responses listed.

Three times as many investors as PR professionals said that “many” companies are effectively communicating their ESG strategies today. While this may reflect investors simply seeing more companies’ efforts as a result of due diligence tied to investing, PR professionals should take this result as a cue to look for companies whose ESG communications strategies might inform their own work.
Consistent with their concerns that ESG today is too broad, confusing and may encourage greenwashing, PR professionals and investors, especially the younger ones, agree that ESG should be regulated. While Republican and Democrat PR professionals are nearly evenly split on the question of regulation, among investors, Democrats are more emphatic in their belief that ESG should be regulated (83% said Yes, as did 70% of Republican respondents).
Compared to today, what level of investment do you anticipate your company, organization or client’s organization will make in ESG monitoring and reporting over the next five years?

PR PROFESSIONALS

The vast majority of PR professionals and investors believe ESG should become a legally mandated standard, especially the Gen Z and Millennial members of both groups. It’s helpful to note that in the European Union mandatory ESG reporting for all companies employing more than 250 people will be rolled out in phases between 2024 and 2026.

While there are no legal or regulatory mandates for ESG monitoring and reporting currently in view for companies operating in the U.S., it’s clear that PR professionals are seeing more — and in some cases significantly more — investment by their companies in ESG in the coming years. This will be an interesting trend to follow as the awareness (and controversy) of ESG grows.
PR PROFESSIONALS

What department in your company, organization or client’s organization is primarily responsible for monitoring and reporting ESG?

Only 16 percent of PR professionals said that the communications team is primarily responsible for monitoring and reporting ESG for their companies. That number may actually be higher as evidenced by those who said that this activity is a collaborative effort across several functions. Still, given the need for awareness and education among consumers and employees and the potential positive impact ESG may have on reputation, PR professionals would be wise to maximize their involvement around ESG.
For many PR professionals, building, managing, and sustaining a robust corporate reputation can seem as challenging as solving a Rubik’s Cube. And when reputation is expanded and redefined by stakeholders with differing interests and opinions, the task becomes even more difficult. Like twisting the cube, wearing a blindfold.

We undertook this research because reputations are far too important to be managed in the dark.

Our findings illuminate the challenge of predicting how consumers, employees and investors value business performance, corporate culture, social purpose and communication.

Most importantly, the data reveals that amid the complexity of this enigma, there’s an unexpected simplicity in the way consumers, employees, and investors think and act when it comes to corporate reputation. Just like the six sides of a Rubik’s Cube, these stakeholders are interconnected. A movement on one side impacts the strategy on the other five. If you want to succeed, you must look for alignment — where a single move accomplishes something for everyone.

Through this research, we’ve learned that solving the cube may be easier if you rely on data instead of stereotypes and value insights over instincts.
Some key takeaways for PR professionals who want to use this study as a helpful tool in creating and executing successful reputation management campaigns for their companies or their clients:

**When it comes to how consumers, employees, and investors view reputation, they’re similar in more ways than most people would expect.** All of them view business performance as the primary driver of reputation-based decision-making: what products to buy, where to work, and where to invest. And within that category, they all agree that a strategic vision for the future is more important than quarterly earnings and stock price.

**Social purpose is alive and well,** as evidenced by the overwhelming agreement that companies have a responsibility to play a role in addressing social problems. Social purpose is an important reputational factor for all groups, driven primarily by the sustainability of products and services and commitment to important causes.

**Corporate culture is very important to current employees, but not as much as business performance.** In the corporate culture category, they are much more concerned about a company’s ethics, transparency, and accountability than they are about diversity and workplace flexibility.

**There is alignment when it comes to communication.** All three groups ranked consumer reviews of products and services as the primary driver of reputation. This suggests a paradigm shift for PR professionals, who traditionally focus more heavily on media and influencers, which all audiences ranked much lower in importance to them. Independent rankings are also very influential in building a reputation through communications.

**It is too early to declare ESG as the new “purpose.”** Consumers and employees are not very familiar with the term, but both groups see its potential as a means of influencing what products they buy and where they work. It will require education and probably regulation for ESG to inform their decision making.

**Woke is the word of the day.** Everyone has an opinion about it. Some are positive and some are not. While consumers, employees, and investors believe it best describes a company that takes a social stand on societal issues, Republican consumers and employees are less likely to share that opinion.

**Gen Z is going to jumble the Rubik’s Cube when they become the most influential generation.** Eighty percent of those under the age of 30 agree that business has a responsibility to address societal problems. When it comes to corporate reputation, they rank social purpose at the top. In that category, they place greater value on a company’s commitment to causes and their positions on social issues than on the sustainability of their products, which was the choice of the older generations. Finally, they like Patagonia and are significantly more likely than other age groups to say that Patagonia’s actions represent the future of corporate activism.
The data for the 2023 Global Communication Report was collected through four online surveys fielded by the USC Annenberg Center for Public Relations (CPR) during February 2023.

The survey asked questions regarding companies’ reputations, terms used by media and communication professionals, and the respondents’ understanding and interest in ESG and related reporting. Each of the four samples was asked similar questions, but tailored to their group’s specific interests and knowledge. Responses were subjected to extensive data cleaning to eliminate dubious response patterns and respondents who had misclassified themselves.

The samples for this survey are “convenience samples.” Consequently, we cannot say that the responses are representative of the respective populations. Nevertheless, we believe this data offers numerous directional insights into the attitudes and beliefs of the public relations and related communities.

**Description of Public Relations Professional Sample**

This survey was distributed through PR-related email lists and social media posts by the Center for PR and affiliated PR membership organizations.

The sample included in the analysis encompasses 684 responses from PR professionals. Of the PR professionals surveyed, 40.3% said they were working in PR or communication agencies; 27.2% work for public or private companies; 14.9% work for government, education, non-profits or others; and 17.6% said they are PR consultants or freelance professionals.

Of those working for agencies, 32.7% indicated that they head the organization, and 27.8% said they have significant management responsibilities. Of the in-house professionals, 36.4% said they are the senior-most person in their organization, and an additional 26.0% indicated they have significant management responsibilities.

The PR professionals in the sample were most frequently between 45-54 years (24.2%) or 25-34 years old (23.1%); 21.8% were between 35-44. The respondents were 48.0% male, 48.9% female, and 3.1% identified as non-binary or preferred not to say.

From a list of organizations that distributed or promoted the survey, 9% of all survey respondents said they received their invitation to participate from Global Alliance, another 9% from the Institute for Public Relations, 7.4% from IABC, 6.5% from PRSA, and 4.9% from ICCO.
DESCRIPTION OF EMPLOYEE SAMPLE
The sample included 509 U.S. residents who work for companies with 1,000 or more employees. Of this group, 63.6% indicated they completed at least an associate’s degree, with 17.8% saying they hold a master’s degree or higher. The respondents were 44% male, 55.4% female, and 0.6% identified as non-binary or preferred not to say. 89% of the respondents said they work for a for-profit company, with the remaining saying they work for non-profits.

Politically, 30.5% said they think of themselves as Republican, 37.3% said Democrat and 26.3% said Independent.

DESCRIPTION OF INVESTOR SAMPLE
The sample included 496 U.S.-based financial professionals, financial or research analysts, portfolio managers, or investment advisors. Of this group, 93.6% indicated they completed at least an associate’s degree, with 55.7% saying they hold a master’s degree or higher. The respondents were 65.9% male, 33.5% female, and 0.6% identified as non-binary. Two in five (40.3%) indicated a household salary level greater than $150,000.

Politically, 19.2% said they think of themselves as Republican, 63.5% said Democrat, and 16.5% said Independent.

DESCRIPTION OF CONSUMER SAMPLE
The sample included 1,060 U.S.-based respondents. More than half (57.5%) were 44 years old or younger, and 54% indicated they completed at least an associate’s degree.

Politically, 29.6% said they think of themselves as Republican, 37.5% said Democrat, and 25.2% said Independent.

The respondents were 44.8% male, 54% female, and 1.2% identified as non-binary or preferred not to say.