



2021 RESEARCH REPORT

Navigating Rising Expectations in Georgia

Presented in partnership with: The Georgia CEO logo, which includes a blue and white globe icon to the left of the text "GEORGIA" in a small blue font above "CEO" in a larger blue font.

For the third year, goBeyondProfit conducted annual surveys of both Georgia senior executives and employed adults in partnership with Georgia CEO. This report provides timely, data-driven insights and comparative analysis to help chief executives navigate complexity in the marketplace and set strategy to care for their people, community and bottom-line.

**We are pleased to bring you the 2021 goBeyondProfit
Research Report.**

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CHAPTER 1

Heightened Expectations Require New Executive Approach



Summary: Across the board, the majority of Georgians have heightened expectations of businesses and their leadership. As businesses focus on recovery, there's an opportunity to lean into this dynamic with renewed energy around employee care and empathetic leadership traits. The data repeatedly points to a new executive imperative we call "Emotional Generosity" as essential for developing positive employees and loyal customers.

CEOs are feeling it: the world holds heightened expectations for business to be a force for good. Most Georgians (83%) continue to think it's important for the businesses in their lives to demonstrate generosity and community outreach. And a full 67% expect more generosity since the events of 2020.

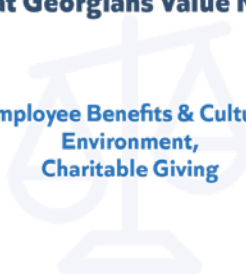
Senior leaders (84%) definitely feel these increased expectations and the vast majority (90%) characterize this as positive opportunity vs. negative pressure. They're feeling elevated expectations from every corner: the general public (66.7%), their employees (53%) and customers (44%). A noteworthy level of reinforcement comes from their Boards of Directors (17%).

84%
of CEOs are feeling increased expectations

67%
of Georgians expect greater generosity this year

What Georgians Value Most:

Employee Benefits & Culture,
Environment,
Charitable Giving



What people value most in corporate citizenship.

When we asked employed adults about the importance they placed on various expressions of corporate character, the balance of what was important was surprising.

Three of the five top priorities ranked very important or important revolved around employee care including generous benefits (88%), equitable/inclusive business culture (76%), and purpose-driven culture (74%), which reinforces the importance employees place on work life.

Notably, adults placed a surprisingly high value on environmental practices (78%), followed closely by charitable giving (77%). Given the extraordinary strains employees faced during the global pandemic, the fact that respondents ranked care for the planet second and charitable giving third -- both higher than some employee culture initiatives -- conveys that expectations are elevated for broad-ranging demonstrations of corporate character.

Responsibly sourced materials (72%), employee volunteerism (71%) and cause marketing/external communications (64%) all ranked lower, yet still garnered a compelling high level of importance.

The research shows benefits for leaders who:



Continue to demonstrate empathy. More than 80% of Georgians want to see leaders demonstrate empathy first internally at work (88%) and then externally to the broader community (82%). This is an increasing trend over 2020 and senior leaders are rising to the challenge, closing last year's gap between their performance and its importance to employees. This appears to be the result of intentional efforts on the part of business leaders who express prioritizing demonstrations of empathy and care both internally (75%) and externally (66%).



Increase visibility and accessibility. Georgians also place a higher level of importance on leaders' visibility and accessibility (86%) and communicating well and with transparency (87%) than they did last year. But they rate leaders at the same performance levels, causing a greater gap between performance and importance. To close the gap, leaders need to increase these communications practices.



Thoughtfully address social issues with employees. Notably, in the context of behaviors they want to see their employers demonstrate, 68% of Georgia employees want to see their bosses addressing important social issues. This is far lower than the 91% of Georgians who believe business leaders in general should share their point of view about social issues (as outlined in Chapter Two). This reinforces that the desire to receive employers' care, empathy and practical visibility is paramount.

Leaders' motivation bodes well for authenticity.

When asked about their motivations for leading generously, two-thirds of executives (65%) cited purpose and values, with the second primary motivation being love and empathy (20%). This bodes well for leaders to trust their instincts in delivering with authenticity.

The pandemic accelerated the demand for executives to publicly embody empathy, transparency and vulnerability; soft-skills historically undervalued because these were often seen as the necessary skills to achieve business success.

Heightened expectations call for a critical new leadership quality: "Emotional Generosity."

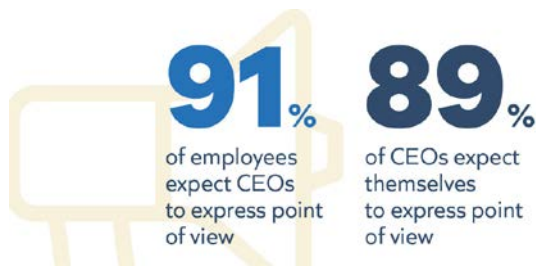
These forces begin to usher in a new executive approach we've dubbed "Emotional Generosity." This means leaders demonstrating empathy as they care for employees, exemplifying consistent values, and engaging in community issues with care and time, not just financial contributions or words.

CHAPTER 2

The Mandate to Speak Up: Deciding When & Managing Missteps

Summary: Leaders are expected to engage on key issues, especially ones most pertinent to their workforce or consumers. The calculus for when to speak up is difficult and the fear of making a misstep is real, but people will forgive leaders who own mistakes and demonstrate the desire to learn and grow in their understanding. Empathetic engagement will foster alignment and make room to “agree to disagree” with others.

Executives are expected to speak up. The research leaves no doubt that employees (91%) and senior leaders (89%) alike expect executives to share their point of view about sensitive social issues.



This doesn't mean companies should always speak up, of course. But they should always be intentional about whether and how they choose to state a public opinion. Current events show a company's silence can be held up as a demonstration of its values as well.

The major question of course is when and what happens when leaders inevitably alienate some constituents with their choice of words, or their silence.

The research insights provide a helpful risk-reward analysis.

Relevance to stakeholders is key.

Clarity comes by checking the social issue or topic against its relevancy to the core business or workplace culture. Employees especially expect senior leaders to speak when the social issue directly aligns with the needs of employees (50%) or when the issue is deemed important to customers (47%). In addition, there's energy for speaking about issues that are integral to a business's operations or sector (42%).

Business executives agree that sharing a point of view is more appropriate when the issue directly impacts their people – employees (57%) and customers (54%).

How to predict and avoid backlash

Potential backlash is an important consideration in choosing when to speak out about sensitive issues. The research explored when Georgians are likely to act or speak negatively if they disagree with a business leader's expressed opinion.

Unsurprisingly, the two main predictors revolve around how stakeholder's individual values align with an executive's expressed opinion or action. Just under half (49%) of adults say they're most likely to act if

49%

Offends me or people I love

Likelihood of Reaction:

37%

When core to my values

32%

When it's 'just for show'

the business leader is “acting in ways that offend me or people I love.” And 37% cited when the issue is core to their own personal values.

One of the three main backlash predictors is fully in executives’ control: 32% say they’re likely to act if the opinion is “performative” or “only doing it for show.”

This characterization comes when companies exhibit “empty” words that are deemed inauthentic or not backed by actions. Common complaints include companies posting comments supporting women or people of color when those employees are not seen as well cared for, or companies signaling support for the planet without strong environmental practices of their own.

Overarching conclusions are that public statements resonate best when they are relevant to core operations and reinforced by core values already in place and visibly reinforced internally as well as externally.

Forgiveness available for missteps.

Thankfully, people stand ready to forgive senior executives for a mistake or misstep when they share a public point of view that offends. Which actions are most valued and earn that forgiveness?

Slightly less than half (44%) say they can forgive if the executive is respectful of their views and they can agree to disagree.

Note that past kindness and caring in general doesn’t earn forgiveness. Only 31% will forgive a misstep based on executives’ past positive behavior.

When Leaders:

- ✔ Admit mistakes **(56%)**
- ✔ Listen and try to understand the perspective of others **(53%)**
- ✔ Express willingness to learn and evolve **(53%)**

People will forgive a misstep. What’s important is the leader’s next step.

The CEO voice as Chief Empathy Officer.

Executives increasingly need to find their public voice on issues that are important to their people. While it is impossible to please everyone, the data shows a strong path for leaders who demonstrate values-based empathy and “Emotional Generosity.” Specific priorities include:

- 🚩 Identify, communicate and embody the company values with clarity and consistency.
- 👤 Ensure all senior leaders, and company operations, are aligned and acting on those values.
- 🗑️ Choose to act and/or speak up when company values are at stake.
- ♥️ Empathetically explain why decisions are in the company’s best interests.
- 👂 Be seen as an active listener and convey what they learned and changed as a result.

CHAPTER 3

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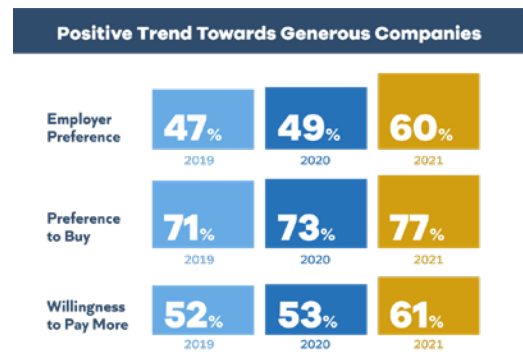


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Georgians support generous businesses with purchasing dollars and employer loyalty. The trend continues and frankly has intensified. Employees and customers align their behavior with their values and reward businesses they perceive as generous.

When compared to previous years, 2021 held statistically significant increases in employees who agree they consider generosity when deciding whether to work for or stay with a company (now 60%). Consumers who agree they prefer buying from generous companies are up to 77% and those who agree they will pay more for products from their favorite generous businesses are up to 61%.

At a moment when third-party experts predict companies need productive employees and loyal customers more than ever – these numbers are eye-opening data for prioritizing generosity.



Political Views
Hunger LGBTQ+ Rights
Healthcare
Poverty
Gender Equality
Environment
Education
Racial Inequity

What makes Consumers switch brands?

A remarkable 73% of consumers admit they have changed their purchasing behavior based on a company's actions. Triggers for changing purchasing behaviors included a broad swath of issues, led by hot-button topics of politics, race and environment.

Risks: The majority of these activated consumers (64%) either stopped buying products from that company or (54%) tried to influence others by sharing negative information, boycotting or protesting.

Rewards: When a company is judged favorably, high numbers of customers will change their behavior toward a company such as sharing positive information (68%), starting to buy a product (45%) and even (26%) paying more for a product.

73%

of Consumers have changed their behavior based on a company's action

Gaining consumer trust and durability involves knowing core consumers' priorities and hot-button issues as well as helping them see when their values align with a company.

What motivates employees to stay, go or damage from within?

When it comes to employment behaviors, 41% of employed Georgians have changed their employment preferences based on the way a company behaved. Triggers for employee behavior change were led most by employers' actions on healthcare, gender equality and racial inequity.

41%

of employees have changed their employment preferences based on a company's behavior

Risks: Of the 41% who said they've made changes, the most damaging actions include those people who avoided employment with a particular company (44%), actively pursued opportunities to leave an employer (42%), quit a job (33%) and -- potentially even more damaging to company productivity and morale -- the 20% who say they wanted to leave a job.

Rewards: Of that same 41% of employees who said they changed their behavior, 31% said they actively pursued employment opportunities with a particular company where they perceive alignment. The business culture and financial value of aligned and motivated prospects knocking on HR's door can be substantial.

Happy employees and high morale are shown to aid productivity and retention and be valuable in helping recruit other qualified candidates. High turnover is known to be costly, but what are the risks of disgruntled employees in the ranks? Clarity on employee engagement and loyalty is a key lever for business value.

A game plan for the win

Leaders will benefit by finding a degree of comfort with ill-aligned people falling away, while consciously working to attract, retain and galvanize the truly aligned.

Discipline against core values becomes the critical factor for effectively managing this dynamic.

Report insights show that companies need to know and express clear values, find the customers and employees best aligned with them, and communicate well to be seen as a caring company.

CHAPTER 4

Investing Where It Matters Most in 2021

Summary: *Being seen as a generous company yields business value such as enhanced company culture, retention and loyalty. Businesses are aligning their investments accordingly. When cross-referenced with what stakeholders want to see, leaders can hone a more effective and differentiated path for their business in 2021. Spoiler alert: it's mostly about how leaders show authentic care, first for their people, and for community. We call this emotional generosity and provide specific recommendations to consider.*

Corporate generosity is smart strategy. It is no surprise that many business leaders (47%) say “right now” they’re more focused on business survival than generosity efforts. This is led by businesses with under 50 employees, of which 48% agree, while only 33% of companies with more than 500 employees agree. Yet even in this environment, this year’s survey confirms that rebuilding as an empathetic business with concern for others is a path for stronger, more durable recovery.

An astonishing 96% of executives plan to maintain or increase their generous activities with nearly half (49%) of executives intending to do more generous activities and charitable efforts in the future. These numbers have held essentially steady for three years, showing continued commitment to corporate generosity strategy, even through pandemic and economic upheaval.

96% of executives
plan to maintain or be
MORE GENEROUS

Leaders are seeing the business value of demonstrating generosity and community outreach, with more than half (52%) agreeing it is critical to overall business health. This is backed by the overwhelming number of Georgians (83%) who increasingly feel it’s important for business to do.

Where in the P&L are generosity related expenses being reflected?

When it came to where expenses show up in the budget, an overwhelming majority of leaders cited charitable giving (70%), and a little more than half (52%) cited marketing and external communications. Employee volunteerism and creating a purpose driven culture were each named by 44% of respondents.

In a rough measure of internal and external effort, senior leaders agreed they’ve increased empathetic demonstrations with a clear majority (75%) cognizant of demonstrating more empathy and care internally, while more than half (66%) have also increased visible compassion externally.

For specific insight into the elevated topic of racial equity, the survey determined that 42% of respondents say they have initiatives to advance racial equity underway. Another third (32%) are beginning new initiatives or doing more in this area.

And where is the ROI showing up? Company Culture, Retention and Loyalty. The majority of executive respondents (73%) find return on investment in the areas of employee retention and culture. In addition, leaders find value in customer loyalty (65%) and brand enhancement (65%).



Prioritizing for maximum impact in 2021

When budgeting executive time, company bandwidth and capital allocations, this year's report indicates wise prioritization will include increasing embedded "Emotional Generosity" rather than more activities per se. Specific priorities should include:

- ✔ **Use company values for decision making.** Focus on defining and demonstrating core company values with consistency, using these values as guardrails for what to say and do...and when to stay silent. Align public statements (and lack thereof) with the highest needs of employees and the business.
- ✔ **Use purpose to galvanize stakeholders.** Claim and communicate the company's larger purpose beyond profit to energize stakeholders.
- ✔ **Elevate employee wellness.** Prioritize focus and investment on employees' mental and physical wellness.
- ✔ **Show more empathy.** Infuse empathy for stakeholders inside and outside the company into decision making and communications.
- ✔ **Create an equitable and inclusive workplace.** Nurture a culture where employees feel heard and valued.
- ✔ **Prioritize environmental practices.** Consider the impact of the overall operational footprint, reduce or mitigate negative impacts, and demonstrate positive sustainability commitments.
- ✔ **Maintain strong charitable giving.** Continue to contribute resources and time to solve community needs, making sure to align charitable investments and volunteerism with company values.

In this year of recovery and new normal, empathy for employees and concern for community needs and social issues are more important than ever. Thankfully, prioritizing these does not require big expenditures of time or money. Authenticity and empathy are powerful and free resources.



METHODOLOGY:

Two separate surveys were simultaneously conducted by goBeyondProfit during March 2021. Georgia senior executives qualified for the survey if they were in a senior leadership position with a company that has a Georgia presence. goBeyondProfit and Georgia CEO, a network of local websites focused on the state's business communities obtained respondents for this survey via invitations to their email databases and social media followers. The survey was open from March 2 – March 29, 2021 and drew 298 responses. At a 95 percent confidence level, this survey has an error range of +/- 5.68%.

An online survey was conducted among employed adult Georgians between March 1 – 29, 2021. goBeyondProfit contracted with Dynata, a provider of first-party data, contributed by people who opt-in to participate in surveys and market research, for the sample. Respondents qualified for the survey if they were 18 years of age or older and were employed by a company that has a Georgia presence or a Georgia office. The survey drew 605 completes. At a 95% confidence level, this survey has an error range of +/- 3.98%.