

# What members think about Corporate Social Responsibility

Member survey results from commissioned research by  
Teachers Mutual Bank

31 October 2012

# Introduction

- As part of an instituted process prior to becoming Teachers Mutual Bank (TMBank) in April 2012, the then Teachers Credit Union, commissioned research to understand members' attitudes and opinions regarding Corporate Social Responsibility (CSR).
- Galileo Kaleidoscope conducted an extensive study to ascertain the views of Teachers Mutual Bank members on the topic of CSR. The summary results are published here.
- The primary impact of this research on the business is that:
  - Sustainability is reinforced as a core business value & mission; and
  - The Teachers Mutual Bank's CSR vision is informed by its members opinions.

# Research objectives

- The overarching objective of the research was to identify members' key attitudes and motivations on the topic of CSR. As a mutual bank, our members are our shareholders and incorporating member's views on CSR is a business imperative. Teachers Mutual Bank therefore engaged its members, ensuring they were included.
- Specifically the objectives of the research were to:
  1. Understand members' broader perceptions of CSR;
  2. Understand members' expectations of CSR; and
  3. Compare and contrast attitudes of CSR amongst the broader financial context.
- Teachers Mutual Bank has a long standing relationship with Galileo Kaleidoscope who has previously conducted a wide range of commercial research projects. This project was robust, comprising research with 592 TMBank members who participated in the online study. The research was carried out within the Australian Market & Social Research Society's code of conduct.
- Many of the members surveyed had accounts with other banking institutions (72%), with over half of those members (51%) using one of the big four banks. This allowed for a greater financial context when comparing each of the financial institutions' CSR track record in the market.

# Sustainability at Teachers Mutual Bank – our approach

- *Sustainability is and always has been an integral part of our business from the beginning. It is reflected in our Constitution, embedded in our Values and at the heart of our Mission Statement.*
- *For us, sustainability is simply the way we do business; it is built in, not bolted on.*
- *It is who we are. As a mutual bank, we believe that profit has a purpose. We don't pay dividends to shareholders. Instead our profits help us deliver competitive rates, fairer fees, responsible lending, personalised service, and support our members' communities.*
- *It is also what we do. Our sustainability approach underpins the way we do business – ensuring that we not only run a responsible and profitable business, but that we give back to our communities, and manage our impact on people and the planet.*
- *We are 100% committed to doing what's right – that extends from how we run our business and how we relate to members, to how we treat the environment. From employing skilled, ethical staff, through to delivering product innovations and helping the community, we're absolutely focused on providing a better future for our members.*

# Our vision, mission and values

## ***Our vision***

*Teachers Mutual Bank will be the 'first choice' bank for all teachers and their families for all of their financial needs.*

## ***Our Mission***

*Teachers Mutual Bank will create and deliver personalised products and services specifically for teachers.*

*We will make it easier for them to save money and make money at every stage of their life in order for them to maximise their financial health and wellbeing. Teachers Mutual Bank will protect and improve our competitive positioning, member equity and value through sustainable business practice.*

## **Our core values**

- *Advocacy*
- *Passion*
- *Sustainability*

# Main conclusions (1)

## 1. Members understanding of CSR

- Members largely associate CSR with “*ethical business practices*” (47%), followed by “*looking after members*” (34%), and “*being community minded*” (30%).
- Comments relating to “*Environment/Sustainability*” closely followed with 15% response. A sizeable proportion of members (16%) had no understanding of CSR and could not offer any definition.
- As a general perception, the research found that members associated CSR with honesty towards members, and society in general.

## 2. The environment, social issues and concerns

- Research reveals that members feel highly concerned regarding CSR issues. On a scale of 1 to 100, the major issues facing the world today were considered highly important (at 60+) with an average score of 70 for all issues. This demonstrates that members are concerned and engaged with the major challenges of our time.
- Research revealed that the highest ranking issues were ‘*Sustainable agriculture/food and literacy*’ at 80, ‘*Renewable Energy*’ (78), ‘*Mental Health*’ (77), and ‘*Water Use*’ (77).
- Research also showed that there is little difference between the perceived importance of poverty in Australia (71) and third world countries (64).

## 3. Organisation awareness and support

- Members were highly supportive, including financially, of charities and other public interest causes. 7 in 10 members are involved with, or donate to a charity of their choosing.
- The main organisations supported have large profiles, such as the Red Cross (78%), the Salvation Army (77%) and the Smith Family (57%), and are less ‘political’.

# Main conclusions (2)

## 4. Importance of CSR to Teachers Mutual Bank members

- 95% of TMBank members think CSR should be *'important'*, and 61% stated that CSR should be *'very important'* to the TMBank.
- Research revealed that members held minimal negative sentiment towards CSR, with only 5% of members suggesting that CSR is *'not very important'*, of which 2% said *'not at all important'*.
- Members are 30 times more likely to say CSR is *'very important'* rather than *'not at all important'*.

## 5. Members' thoughts on the Teachers Mutual Bank's approach to CSR.

- 75% of member surveyed believe that TMBank should do more on CSR , even if it comes at a greater cost to the organisation.
- Of this, 32% of members surveyed would like to see TMBank adopt an *'industry leadership position'* on CSR.
- Only 5% of members surveyed believe that TMBank should be doing the *'minimum amount required'* on CSR; whilst 20% of members surveyed would like to see TMBank perform at the *'industry average'*.

## 6. Current track record of CSR at Teachers Mutual Bank

- Of members surveyed, 60% believe that TMBank has an *'average'* or *'good'* CSR track record. 16% consider TMBank to be an *'industry leader'*.  
24% of members surveyed *'did not know enough'* to comment on TMBank's CSR track record. Only 2% of members surveyed believed we have *'a poor CSR record'*.

# Main conclusions (3)

## 7. Members' CSR perceptions vis-a-vis the perceptions of the big four banks.

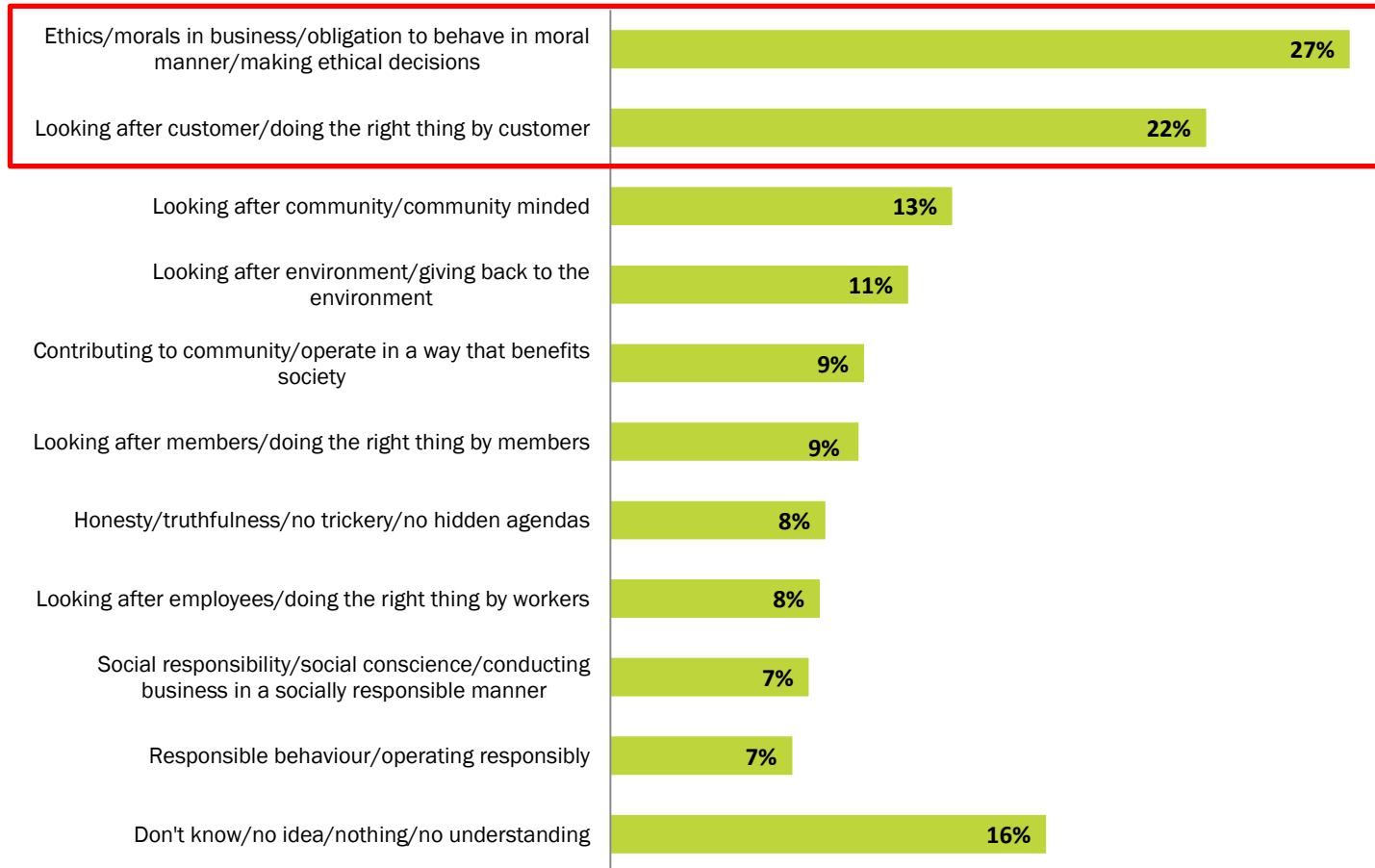
- Measured across 15 attitudinal statements, Teachers Mutual Bank emerges as a clear leader on the topic of CSR when compared to the big four Banks .
- Issues where TMBank most differentiates itself from the big four banks as follows:
  - 90% of members surveyed believe that the TMBank *'is an organisation I trust'* compared to 19% who consider the statement to be true of the big four banks;
  - 90% of members surveyed believe that the TMBank *'is honest about the way it does business'* compared to 16% who consider the statement to be true of the big four banks;
  - 79% of members surveyed believe that the TMBank *'has high ethical standards'* compared to 13% who consider the statement to be true of the big four banks; and
  - 18% of members surveyed believe that the TMBank *'is profit driven'* compared to 96% who consider the statement to be true of the big four bank.
- The big four banks performed particularly poorly on the following CSR attitudinal statements: *'CSR leadership'* (9%) *'having Australia's best interests at heart'* (9%) and *'being environmentally friendly'* (7%).
- There remains a large degree of unfamiliarity across all the financial institutions with regard to being environmentally friendly, being charitable, or being a CSR leader –at least 50% don't know or can't decide.



# Survey results

# “Conducting business ethically & morally” the highest scoring definition of CSR

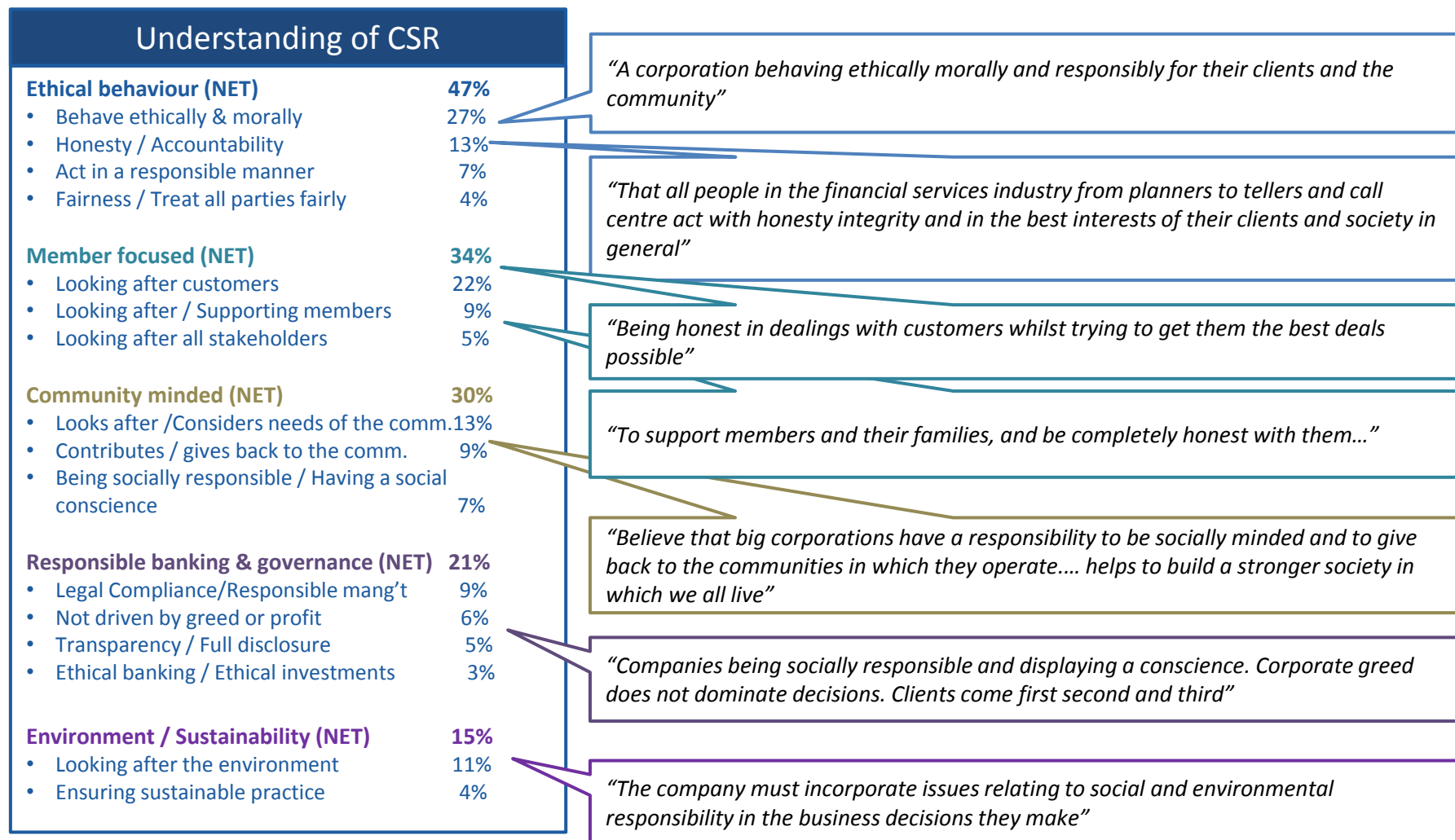
## UNDERSTANDING CSR – MEMBERS TOP OF MIND RESPONSES



Q What is your understanding of Corporate Social Responsibility (CSR) and responsible business practices?  
Base: n=492

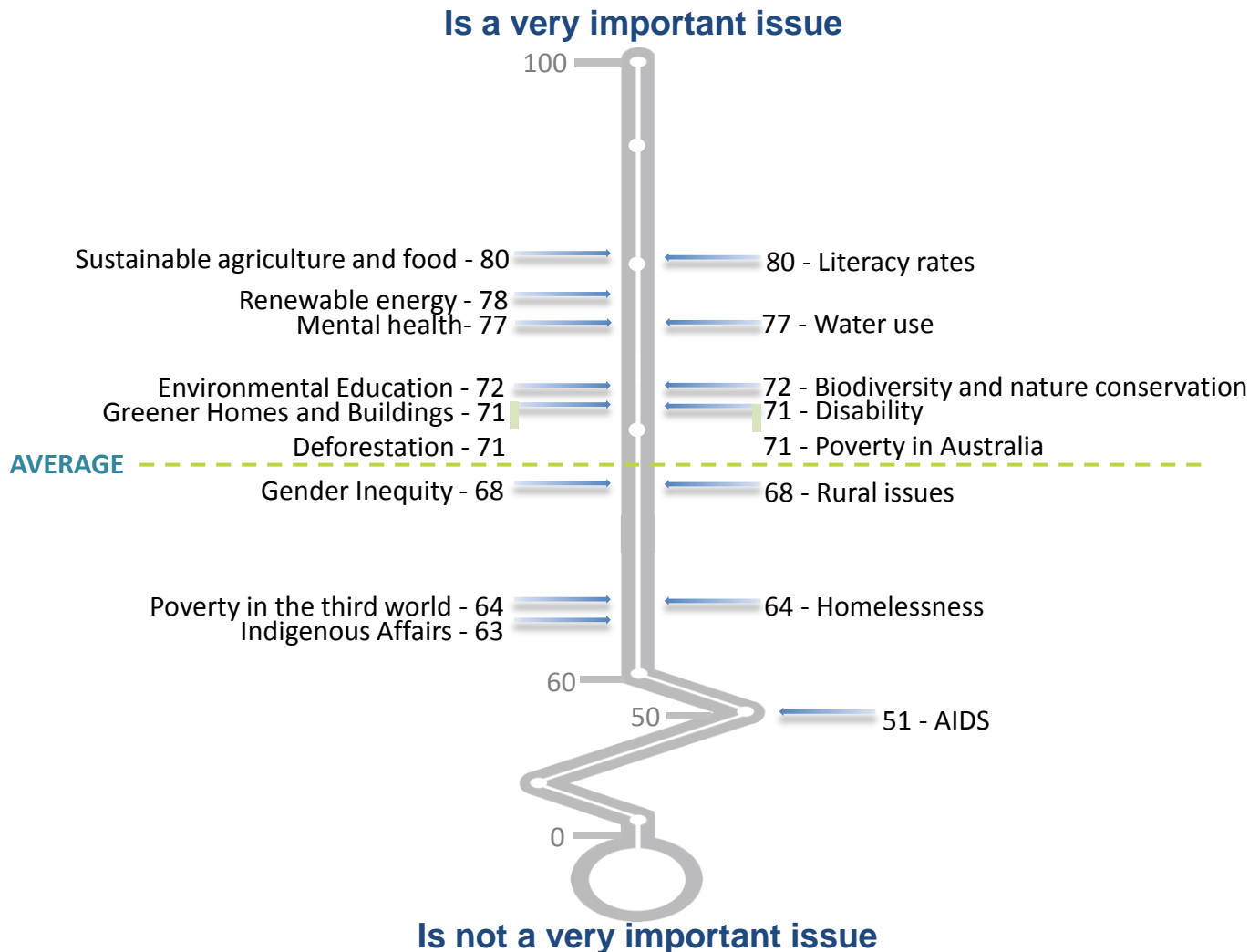
# Looking more closely at members' comments

## UNDERSTANDING CSR – MEMBERS COMMENTS



# Members consider many environmental and social issues to be highly important

## IMPORTANCE OF ENVIRONMENTAL & SOCIAL ISSUES AND CONCERNS



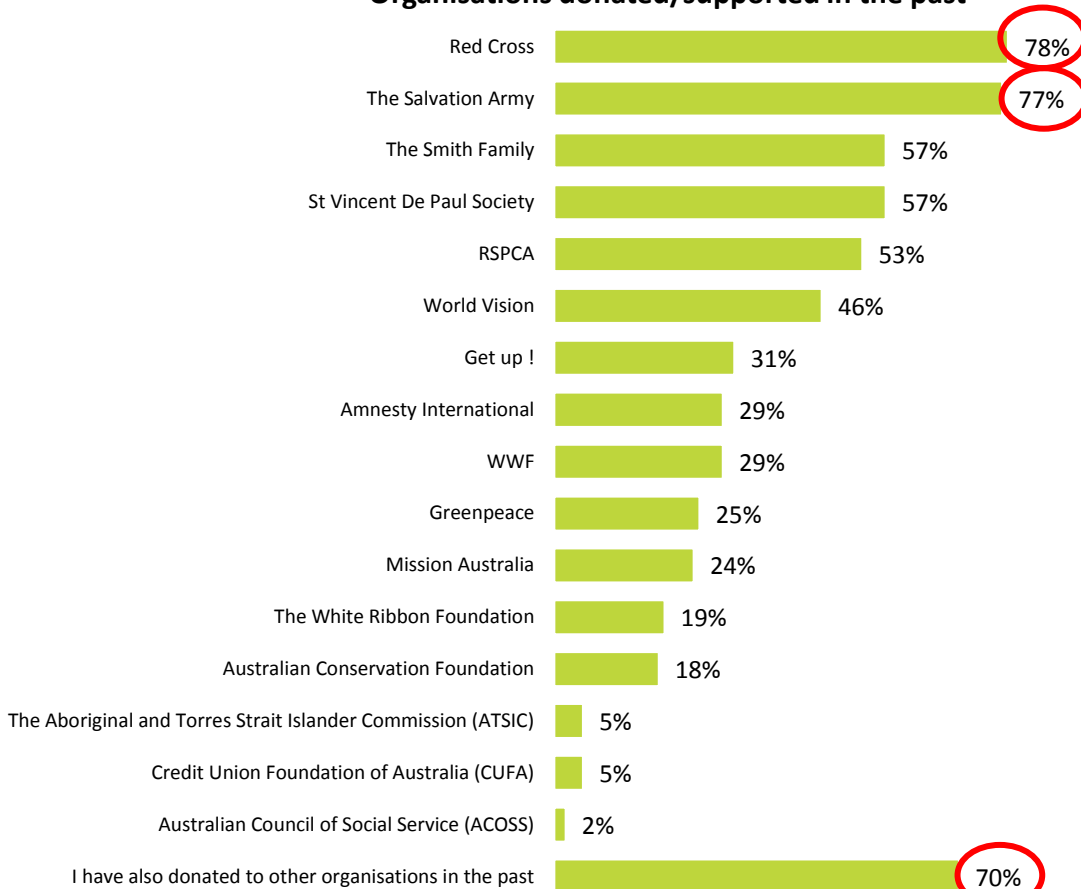
Question: Below are a list of environmental and social issues and concerns. Please rate your feelings towards these issues, with one hundred meaning this is a very important issue to you, and you are concerned & passionate about solving this issue, and one meaning it's not a very important issue to you, and this issue doesn't concern you. You can use any number from one to one hundred: the higher the number the more important your feelings toward that issue. If you have no knowledge or have never heard of the issue, please select 'Don't know'

Base: All respondents (n=592)

# Members display a high level of donations to charitable causes

## ORGANISATION AWARENESS AND SUPPORT

### Organisations donated/supported in the past



ORGANISATION	AWARENESS
Red Cross	99%
The Salvation Army	98%
The Smith Family	98%
St Vincent De Paul Society	98%
RSPCA	99%
World Vision	99%
Get Up !	46%*
Amnesty International	97%
WWF	88%
Greenpeace	98%
Mission Australia	89%
The White Ribbon Foundation	40%
ACF	71%
ATSIC	82%**
CUFA	24%**
ACOSS	48%**

\*Small base

\*\*Very small base

Q: Which of the following organisations have you heard of ?

Q: Of the organisations that you have heard of, to which have you donated or supported in the past ?

# 61% of members believe CSR to be 'very important'

## IMPORTANCE OF CSR AT Teachers Mutual Bank

IMPORTANCE OF CSR AT TMB		95% CSR should be important to TMBank
CSR should be <u>very important</u> to Teachers Mutual Bank	61%	
CSR should be <u>somewhat important</u> to Teachers Mutual Bank	35%	
CSR should <u>not be very important</u> to Teachers Mutual Bank	3%	
CSR should <u>not be important at all</u> to Teachers Mutual Bank	2%	

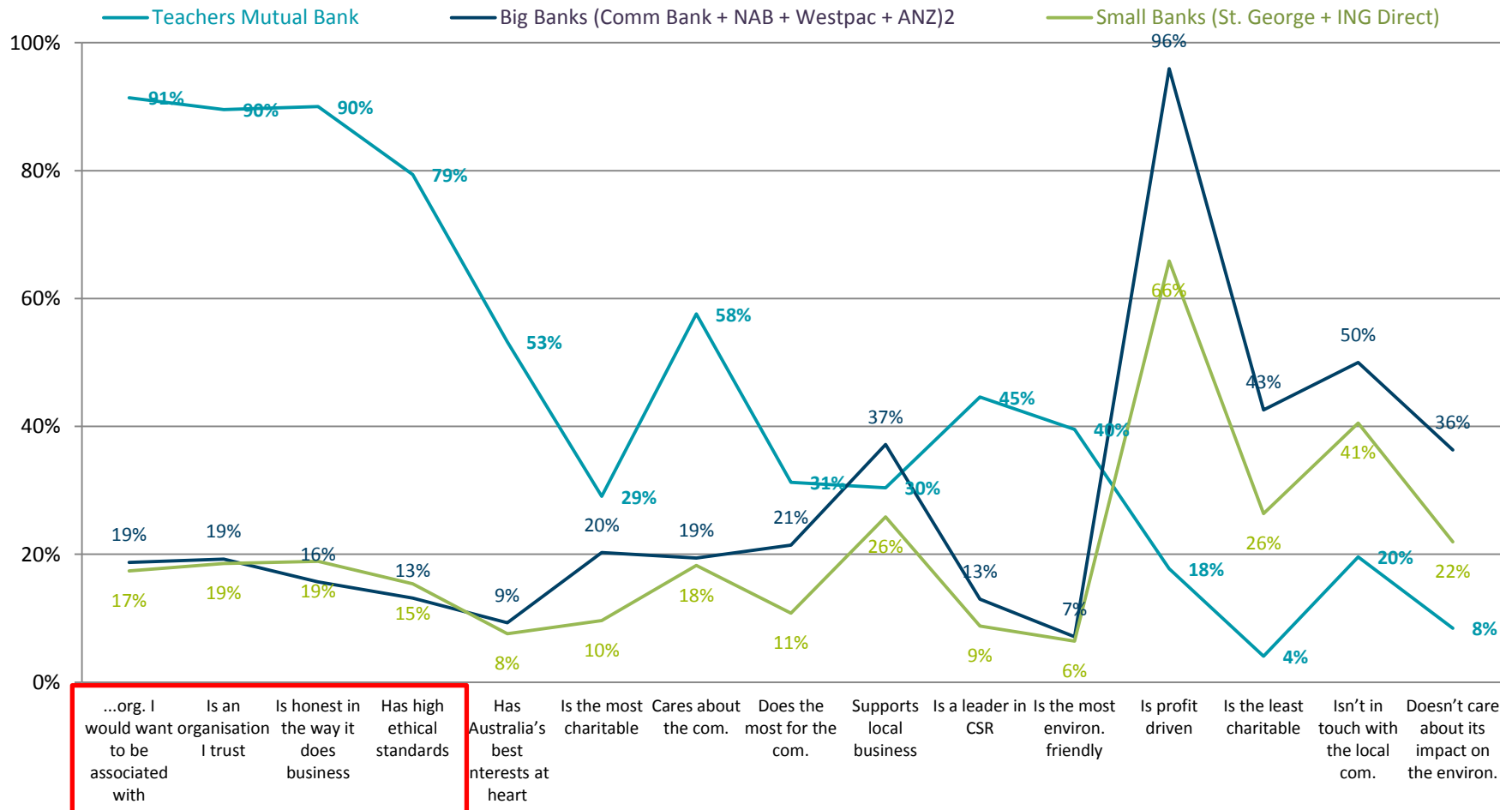
# 75% of members believe that TMBank should 'do more' on CSR even if it costs more.

## CORPORATE SOCIAL RESPONSIBILITY AT Teachers Mutual Bank

CSR AT TMBank		75% Lead and do more on CSR , even if its costs more
Teachers Mutual Bank should be in a <u>leadership position in this area</u> even if there are additional costs to Teachers Mutual Bank	32%	
Teachers Mutual Bank should do <u>more than it is currently doing</u> even if it costs a little more to Teachers Mutual Bank	43%	
Teachers Mutual Bank <u>should not be in a leadership position</u> , but should look to do what is considered the <u>average</u> in the industry	20%	
Teachers Mutual Bank should do the <u>minimum required</u> as the extra costs impact on the bottom line	5%	

# Members see TMBank as a leader in CSR compared to the big four banks

## CSR PERCEPTIONS OF THE BANKS



Q We'd like to get your impressions of the following financial institutions. You can select as many institutions as you wish, or none of the institutions.

Base: Respondents with financial products/services with the individual banks (see above for n)



# CSR track record of Teachers Mutual Bank

COMPETITIVE CONTEXT; CSR TRACK RECORD OF Teachers Mutual Bank

Attribute	Score	
This financial organisation is a leader in CSR	16%	<b>60%</b> Believe that CSR at TMBank currently is good or excellent
This financial organisation has a good track record in CSR	44%	
This financial organisation has an average track record in CSR	14%	
This financial organisation has a poor CSR track record	2%	
I don't know enough about this financial organisations' CSR track record	24%	

Q: Of the following financial organisations, and thinking about their CSR program, please select the most appropriate attribute for this organisation . (Only TMB results produced)  
Base: All respondents (n=592)

# Further information



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