



GOVERNANCE & ACCOUNTABILITY INSTITUTE'S

# TO THE POINT™



Timely News, Insights & Perspectives on Corporate Sustainability, Responsibility & Citizenship

September 2018

Governance & Accountability Institute shares timely news, insights and perspectives with corporate managers in key topic areas:

- ⦿ *Corporate Citizenship,*
- ⦿ *Corporate Responsibility,*
- ⦿ *Corporate Sustainability,*
- ⦿ *Community Affairs, and*
- ⦿ *Sustainable Investing.*

**To the Point!** is a fee-based educational resource for corporate executives and managers distributed each month with periodic brief updates for critical items.

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## **Tech Leaders – Are They Good Corporate Citizens? Microsoft and Other Firms Address the Needs of Their Employee New Parents – And One Positive Signal is Sent**

***Demonstrations of Corporate  
Citizenship are steadily on the rise  
- Microsoft is today's example of  
the corporate body being a  
responsible corporate citizen with  
new requirements in its sourcing  
and supply chain activities.***



The top Silicon Valley companies are in the vanguard of stock market appreciation – that is, for both financial appreciation (as expressed in ever-rising equity pricing) and society's general appreciation for good work that the company is doing.



The FANG stocks (**Facebook, Amazon, Apple, Netflix, Google/now Alphabet**, were identified as such by **Jim Cramer** of **CNBC's Mad Money** program for investors).

These stocks outperformed the **S&P 500 Index**(TM) companies in recent years. Their demonstrations of corporate citizenship have gotten mixed reviews thanks to mis-steps in their operations and marketing and other aspects of corporate management.

Cramer, adjusting his outlook, turned attention to two companies that “could rule the world again” – **Microsoft** and **Intel**. “There are again reigning supreme,” said Cramer in April 2018.

Here at **G&A Institute**, we closely follow the *responsibility and sustainability journeys* of these two large-cap companies. MSFT and INTL (both **NASDAQ** listed) are two of the *top corporate citizens* that we admire and recommend to other company managers and to investors as companies *doing the right things for the right reasons*. *Demonstrating that they are striving to be good corporate citizens in this age of great skepticism about the corporate sector.*



Just last week, Microsoft announced that it would require that its U.S. supply chain partners and business partners offer paid family leave to bring those benefits for their workers in line with the benefits enjoyed by MSFT employees. The policy will be implemented over the next year.

The benefits include a minimum of 12 paid weeks of parental leave, capping at US\$1,000 per week paid to employees, applied to new parents of a child and to those adopting a child.

Said the company:

*“Like many large employers, we welcome the opportunity to engage in the important national conversation about how all U.S. workers, regardless of where they work, can access paid parental leave. In the meantime, we will continue to focus our resources on doing business with companies that share our commitment to increase work inclusion and support our employees and their families.”*

The new policy applies to supply partners with more than 50 employees and covers workers that “perform substantial work for Microsoft” – that will include thousands of supply chain workers.

**Washington State**, where the company is based, adopted law (“*Washington State Family Leave Act / FLA*”) to provide for unpaid, job-protected leave in a 12-month period following the birth or adoption of a child starting in January 2020. The law also allows time to care for a sick family member (16 weeks, partial pay) in a year. Women suffering pregnancy-related medical complications can possibly get up to 18 weeks of partially-paid leave, according to a **Working Mother** analysis.

Federal law protects 12 weeks of family leave in a 12-month period. The law also allows time to care for a sick family member (16 weeks, partial pay) in a year. Tech

MSFT has 131,000 employees worldwide and 30,000-plus employees at the main campus in Redmond in Washington State. Many MSFT suppliers in the state are covered by the new law and Microsoft said it did not want to leave the employees of its vast out-of-state supply chain network “behind”.

The company was named to the **Forbes’ “Best Employers for Women”** list in 2018 (ranked at #212); was ranked #25 by Forbes on the “America’s Best Employers” list; and #2 on the “World’s Best Employers” list.





## Good Corporate Citizens by This Measurement

Other tech companies offering parental leave include **Netflix** – with a paid year off of paid maternity leave; **Amazon** with 20 weeks; **Apple** and **Alphabet** with 18 weeks; **Facebook** with 17; **HP** with 10 weeks.

Salaried employees at Netflix, of all genders, get up to a year off with full pay following the birth or adoption of child. A comprehensive analysis of the tech platform leaders and other “Internet-of-All-Things) companies was performed by Recode in January 2018.

## G&A Perspective

A number of U.S. tech companies are in the dock for various reasons, such as Facebook and Google and others for their shortcomings of their privacy protection policies and allegations of interference in the elections in the U.S.A. and other sovereign nations.

The leaders of Facebook, Twitter and Google will be testifying at the U.S. **Senate Intelligence Committee** this week (the elected officials want to know what the companies are doing to prepare for the November 2018 mid-term elections).

Twitter’s CEO will be testifying before the **House Energy and Commerce Committee**, whose members want to know what the company is doing to monitor the people posting on the platform.

Against these and other developments putting tech leaders in the spotlight – and calls for “regulation” of some kinds in North America and in Europe – the tech leaders are doing their best to demonstrate “good corporate citizenship” in the U.S.A. What about in other countries...such as China? Stay Tuned!

### Finally, a Footnote from G&A Institute:

*Corporate Citizenship* is an older term for activities that today are often are described as “CSR – Corporate Social Responsibility”; ESG (Environmental, Social and Governance performance); and “Corporate Sustainability”.

Companies using the *Corporate Citizenship* title for their work currently or in recent years include: **Accenture; ExxonMobil; Walt Disney Company; Oracle; Citi and Citi Foundation; Biogen; Marsh & McLennan Companies; Conagra Brands; Xerox; Caesars; First Data; Abbott; John Deere**; and others.

The title is somewhat traditional; **GE** has used it for years. G&A Institute Chair **Hank Boerner** was the first corporate citizenship manager for **American Airlines** earlier in his career and collaborated with other firms that were customers of AA and using the title — such as **Ford Motor Company** (headed then by **Henry Ford II**), **Pan American World Airways** and **Metropolitan Life Insurance**.

Microsoft reporting is under the title of *Corporate Social Responsibility*, as are hundreds of other companies using the CSR title. The majority of these companies use the framework and now the standards of the **Global Reporting Initiative (GRI)**. G&A Institute is the data partner for GRI in the United States of America, the United Kingdom and the Republic of Ireland.





## References for You

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