



The 2005 Massachusetts Corporate Reputation Survey

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## The 2005 Massachusetts Corporate Reputation Survey

### ***Introduction***

Reputation is the enduring character of an enterprise – it's what people first think of when they think of a specific company or organization. Smart organizations understand that a reputation, however intangible, is a valuable asset in the marketplace.

Research has consistently shown that organizations with strong, positive reputations enjoy more successful sales initiatives and more consistent financial performance, greater trust with investors and partners, stronger customer satisfaction and loyalty, higher quality employees, better publicity and deeper community relations. Organizations with well-defined reputations are better positioned to communicate with any audience, from regulators to shareholders, in good times and during a crisis.

Since 2003, Morrissey & Company and Opinion Dynamics Corporation have conducted an annual study of the reputations of area institutions. The *Massachusetts Corporate Reputation Survey* (MCRS) rates the perceptions held toward the select private and public organizations that drive the state's economy, based on the attributes that experts agree form the core of reputation.

We are proud to present in this report the results of the most current study. These findings and previous survey results also can be viewed online at [www.reputationsurvey.com](http://www.reputationsurvey.com).

### ***Methodology***

Opinion Dynamics, a national leader in market research, polling and consulting based in Cambridge, Mass., conducted the 2005 *Massachusetts Corporate Reputation Survey* by telephone on behalf of Morrissey & Company during September 2005. C-level business executives were asked to rate 70 Massachusetts businesses, universities and hospitals on a variety of criteria. Ratings were gathered from 200 top-level executives at Massachusetts companies.

The reputations ratings were collected and calculated using the same methods employed since 2003. Respondents used a 10-point scale to rate each institution on:

- Overall reputation
- Products and services
- Place to work
- Social responsibility
- Ethics and corporate governance
- And, financial stability

Of the 70 enterprises rated in the 2005 *Massachusetts Corporate Reputation Survey*, 40 were chosen from the top 40 organizations as ranked in the 2004 *Massachusetts Corporate Reputation Survey*. Companies in the 2004 *Massachusetts Corporate Reputation Survey* that either no longer exist or that are now owned by out-of-state companies, such as FleetBoston, Gillette and John Hancock Financial Services, were excluded from consideration.

The remaining 30 Massachusetts public companies were selected from the top 30 of the 2005 *Boston Globe 100*, based on their composite financial performance as determined by Standard & Poor's. In instances where a company in the top 30 of the 2005 *Globe 100* also appeared in the top 40 of the 2004 *Massachusetts Corporate Reputation Survey*, the company was eliminated for consideration and the next ranked company from the 2005 *Globe 100* was selected. Real estate investment trusts were excluded from consideration.

During the survey, the 70 institution names were rotated, ensuring that each business leader rated a unique selection of institutions. This method produced a total of 3,408 ratings. The scores of overall reputation were given a weight of five, while the other five scores were given a weight of one, producing a possible high rating of 100. Respondents who had not heard of specific institutions were not asked to give a rating. If a respondent had heard of an institution, but could not offer a rating on a particular attribute, a score of zero was assigned for the attribute in question.

Based on responses to the six rating questions, overall reputation scores were calculated for each institution included in the study.

For analytical purposes, a score of 60 or higher should be considered a superior reputation, a score between 50 and 60 should be considered very good, scores between 40 and 50 should be considered good, and a score below 40 can be interpreted to mean the institution has not established a significant reputation for itself.

While a high reputation score means an institution has an excellent reputation, a low score does not automatically mean an institution has a poor reputation. In most cases, a low score is caused by a lack of familiarity with an institution.

As part of the 2005 *Massachusetts Corporate Reputation Survey*, business executives also were asked a series of questions regarding business conditions and business issues in Massachusetts. Those results also are detailed in this report.

## Executive Summary

A majority of Massachusetts business executives are positive about current business conditions in Massachusetts and describe them as either *excellent* (6%) or *good* (52%). In 2004, 2% described conditions as *excellent*, while 50% said they were *good*. These results are a marked improvement on the assessment offered in 2003, when 2% of respondents said conditions were *excellent* and just 30% said they were *good*.

Though the executives' evaluations of current business conditions are more positive than they were in 2003, this has not translated into increased optimism regarding the growth of their own business. One year from now, 59% say their business will have grown to some degree, while 34% estimate their business will be about the same as it is now. These expectations are relatively consistent with those held by executives in 2003, when 62% said their business would experience some growth in the next year, and 28% said it would be about the same.

Most executives (69%) think recent mergers and acquisitions in Massachusetts have reduced New England's economic influence in the U.S. and the world by varying degrees. Nearly one-quarter (24%) say China will be the dominant global economic power 10 years from now, while 62% opt for the United States.

As has been the case in the past two *MCRS*, non-profit organizations receive much higher reputation ratings than for-profit companies. Of the 10 organizations with the best reputation scores, five are colleges and universities (Harvard University, Boston University, Tufts University, Boston College and Northeastern University, respectively), while three are hospitals (Children's Hospital, Mass General Hospital, and Brigham & Women's Hospital). Blue Cross Blue Shield of Massachusetts and Staples are the only companies in the top 10 that are neither hospitals nor educational institutions.

Among the for-profit institutions, Staples is viewed as having the best reputation, followed by Citizen's Bank, BJ's Wholesale Club, Fidelity Investments, and Reebok International, Ltd.

Blue Cross Blue Shield of Massachusetts is the top ranked HMO, followed by Tufts Health Plan and Harvard Pilgrim Health Care. Fallon Community Health plan's rating has improved significantly since last year, yet still lags behind the other HMOs.

Of the financial institutions tested, Citizen's Bank receives far and away the highest reputation rating, followed by Fidelity Investments and State Street Bank.

As has been the case in previous iterations of the *MCRS*, companies that specialize in technology or biotechnology are generally not very well known among area business executives.

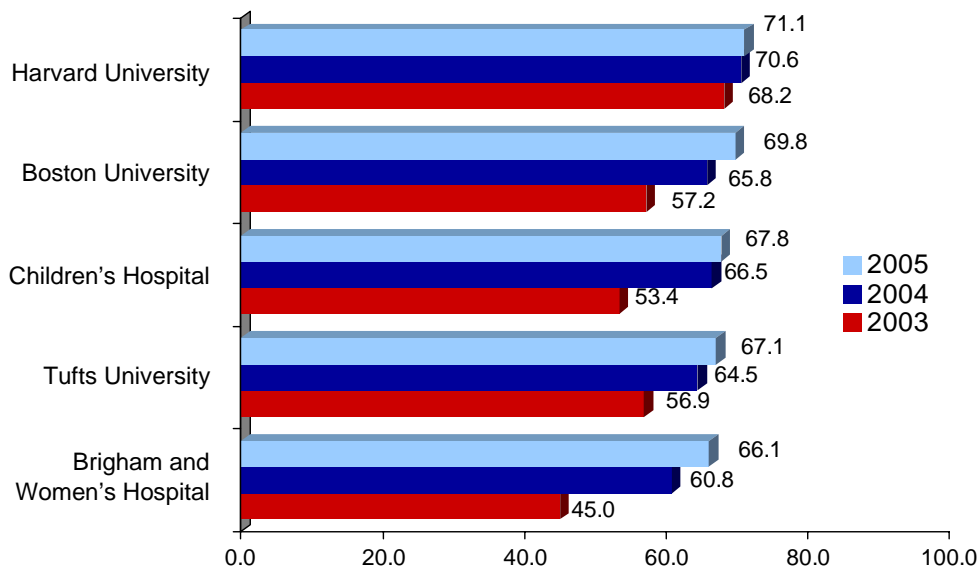
### Summary of 2005 Reputation Ratings: Top 10 Overall

Seventy Massachusetts institutions were rated by 200 Massachusetts business executives on six different attributes; **reputation, products and services, place to work, degree of social responsibility, ethics and corporate governance and financial stability.**

For analytical purposes, a score of 60 or higher should be considered a superior reputation, a score between 50 and 60 should be considered very good, scores between 40 and 50 should be considered good, and a score below 40 can be interpreted to mean the institution has not established a significant reputation for itself. While a high reputation score means an institution has an excellent reputation, a low score does not automatically mean an institution has a poor reputation. In most cases, a low score is caused by a lack of familiarity with an institution.

Harvard University receives a *superior* reputation score of 71.1; this is up slightly from the 2004 score of 70.6, which was up from the 2003 score of 68.2. Boston University also receives a *superior* reputation rating of 69.8, up 4 points from 2004 (65.8), and 12 points since 2003 (57.2). Children’s Hospital is in third place with a *superior* score of 67.8. This is up from 66.5 in 2004 and 53.4 in 2003. Tufts University’s reputation rating is 67.1, which is up about ten points from its 2003 rating of 56.9. In 2004, Tufts received a rating of 64.5. The reputation of Brigham and Women’s Hospital has improved considerably since 2003. It now ranks fifth with a *superior* ranking of 66.1. This is up almost six points from last year (60.8) and up 21 points from 2003 (45.0).

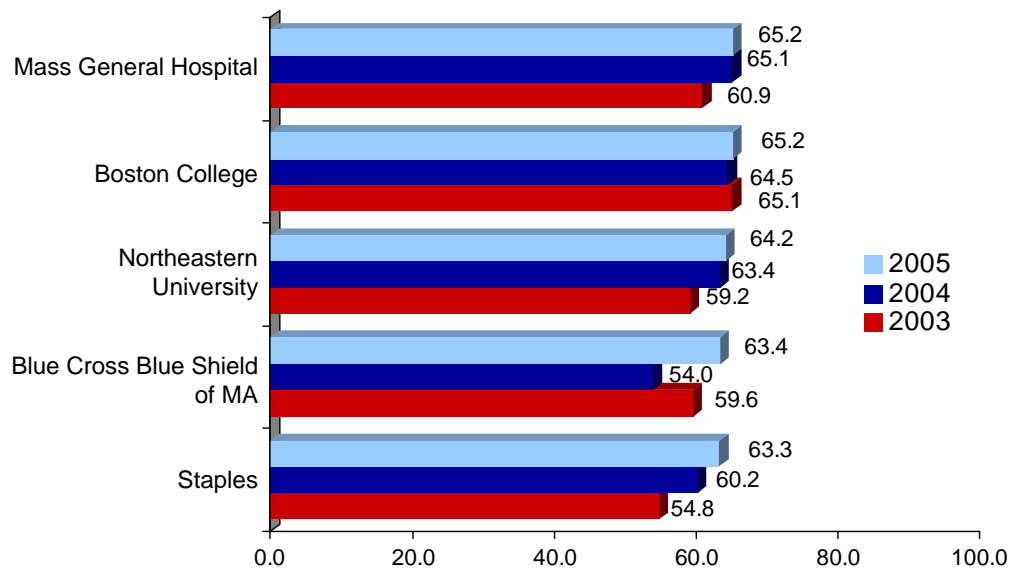
### Top Ten Overall



**Reputation Ratings: Top 10 Overall (continued)**

The next highest *superior* reputation rating is given to Mass General Hospital (65.2); this rating is consistent with that in 2004 (65.1) and roughly four points higher than the rating given in 2003 (60.9). Boston College's *superior* score of 65.2 is back on par with the 2003 rating of 65.1; the score had fallen slightly to 64.5 in 2004. Northeastern University's rating of 64.2 is up about one point from the rating of 63.4 in 2004 and up about five points from the rating of 59.2 in 2003. Blue Cross Blue Shield of Massachusetts is given a *superior* rating of 63.4, a significant improvement over its past ratings (54.0 in 2004 and 59.6 in 2003). Staples reputation rating has jumped about eight points in the last two years for a current rating of 63.3 (54.8 in 2003 and 60.2 in 2004).

**Top Ten Overall (continued)**



### *The 2005 Massachusetts Corporate Reputation Survey Top 30*

The chart below shows the ratings and rankings of the top 30 organizations in the 2005 MCRS, and tracks how those organizations performed in the 2003 and 2004 surveys.

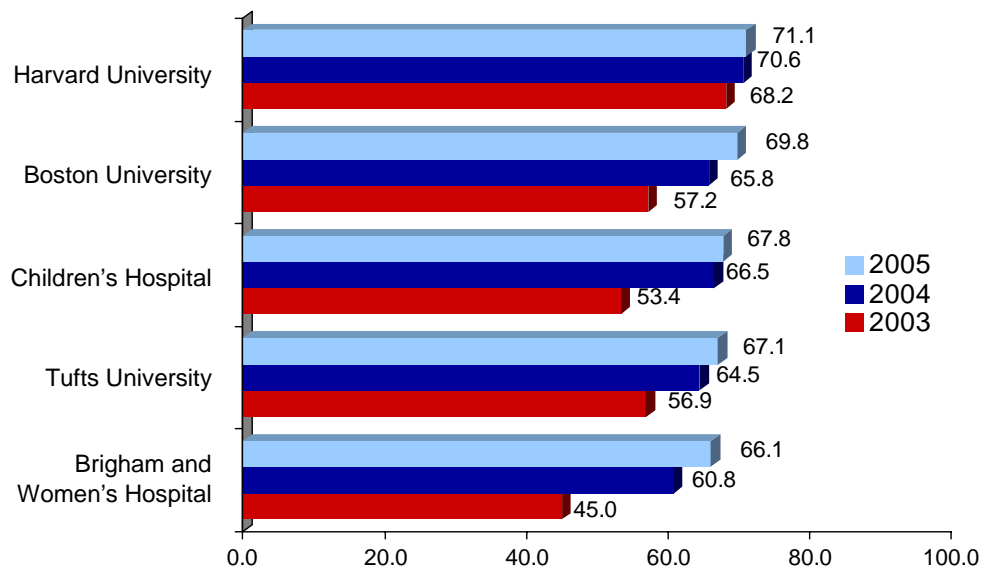
<b>Organization</b>	<b>Score 2005</b>	<b>Rank 2005</b>	<b>Score 2004</b>	<b>Rank 2004</b>	<b>Score 2003</b>	<b>Rank 2003</b>
Harvard University	71.133	1	70.609	1	68.17	1
Boston University	69.775	2	65.824	3	57.23	10
Children's Hospital	67.786	3	66.486	2	53.38	16
Tufts University	67.095	4	64.523	5	56.93	12
Brigham and Women's Hospital	66.128	5	60.784	9	45.04	26
Massachusetts General Hospital	65.179	6	65.102	4	60.90	5
Boston College	65.158	7	64.489	6	65.11	2
Northeastern University	64.200	8	63.434	7	59.16	8
Blue Cross Blue Shield of MA	63.395	9	54.050	18	59.60	7
Staples	63.314	10	60.245	10	54.79	13
Massachusetts Institute of Technology	60.278	11	59.387	11	61.09	4
Beth Israel Deaconess Medical Center	58.553	12	54.651	16	41.50	28
Citizens Bank	58.436	13	56.344	14	46.51	23
University of Massachusetts, Boston	54.440	14	44.696	29	51.00	18
BJ's Wholesale Club	53.290	15	53.347	19	48.63	20
Tufts Health Plan	52.542	16	52.182	23	59.72	6
Harvard Pilgrim Health Care	52.466	17	52.757	20	53.46	15
Tufts/New England Medical Center	51.667	18	52.020	24	52.88	17
Bridgewater State College	51.056	19	40.737	32	34.86	34
University of Massachusetts, Amherst	50.630	20	57.650	13	57.19	11
Fidelity Investments	49.098	21	63.170	8	63.26	3
Boston Medical Center	48.911	22	42.119	31	47.29	22
University of Massachusetts, Lowell	48.627	23	47.333	28	48.65	19
Reebok International Ltd.	45.942	24	48.750	26	58.96	9
Yankee Candle Co.	45.647	25	55.041	15	45.81	25
Fallon Community Health Plan	45.571	26	35.581	35	41.15	29
State Street	45.561	27	50.489	25	40.25	30
Lahey Clinic Medical Center	44.021	28	58.634	12	46.50	24
Raytheon Co.	43.571	29	48.342	27	33.36	37
LoJack Corp.	37.820	30	44.618	30	NS	NR

*NS = Not Scored  
NR = Not Ranked*

### *Reputation Ratings: Top 10 Non-Profit Organizations*

Generally, non-profits enjoy better reputations than for-profit organizations. Among non-profits, Harvard University is ranked the highest (71.1), followed by Boston University (69.8). Children's Hospital is in third with a *superior* rating of 67.8, and is followed closely by Tufts University with a rating of 67.1. Brigham and Women's Hospital has a *superior* rating of 66.1.

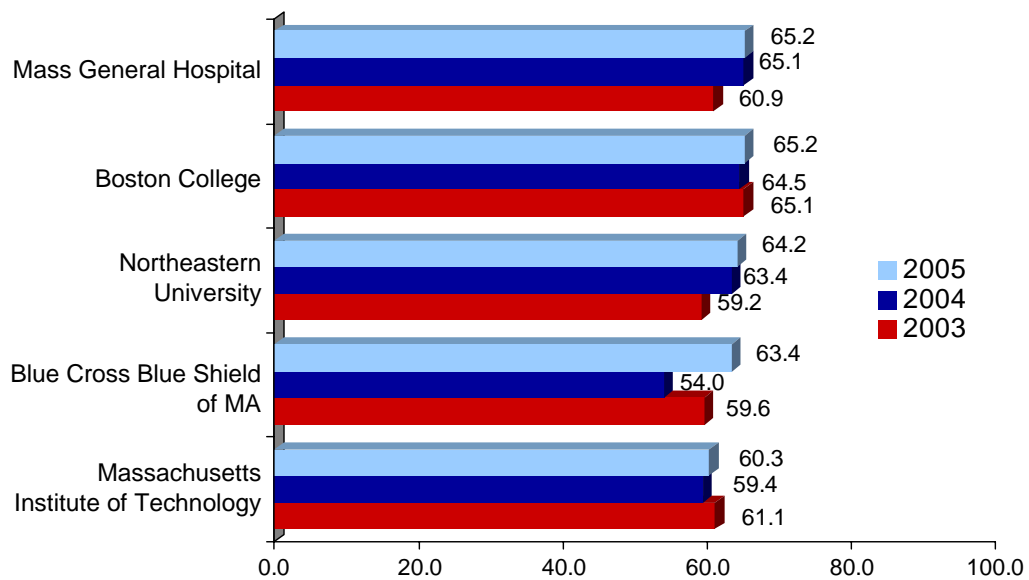
## Top Ten Non-Profit Organizations



**Reputation Ratings: Top 10 Non-Profit Organizations (continued)**

Mass General Hospital is sixth and Boston College is seventh among non-profit organizations, both with a *superior* rating of 65.2. Northeastern University is given a rating of 64.2, and Blue Cross Blue Shield of Massachusetts has a reputation rating of 63.4. The Massachusetts Institute of Technology receives a reputation rating of 60.3; this is up slightly from the rating of 59.4 in 2004, yet down *slightly* from the 2003 rating of 61.1.

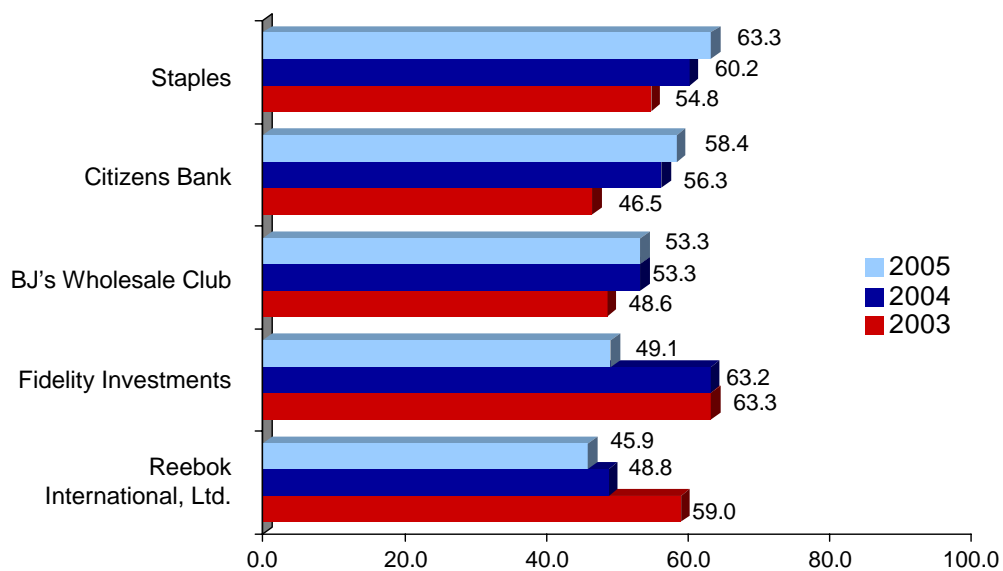
**Top Ten Non-Profit Organizations (continued)**



### ***Reputation Ratings: Top 10 For-Profit Organizations***

Overall, the ratings for these profit-driven organizations are significantly lower than their non-profit counterparts. Staples is the only one of the for-profit organizations to receive a *superior* reputation rating this year (63.3); this is a vast improvement over the 2003 rating of 54.8, and is up three points from the rating of 60.2 in 2004. Citizen's Bank is next, with a current rating of 58.4; this is two points higher than its 2004 rating of 56.3, and almost 12 points higher than the 2003 rating of 46.5. A *good* rating of 53.3 is given to BJ's Wholesale Club, which is identical to the rating given in 2004. Its reputation score remains 4.7 points above that recorded in 2003 (48.6). Fidelity Investment's reputation rating has dropped from 63.3 in 2003 and 63.2 in 2004 to 49.1 today. Reebok is also experiencing a dip in its ratings; the 2003 rating of 59 dropped to 48.8 in 2004 and 45.9 in 2005.

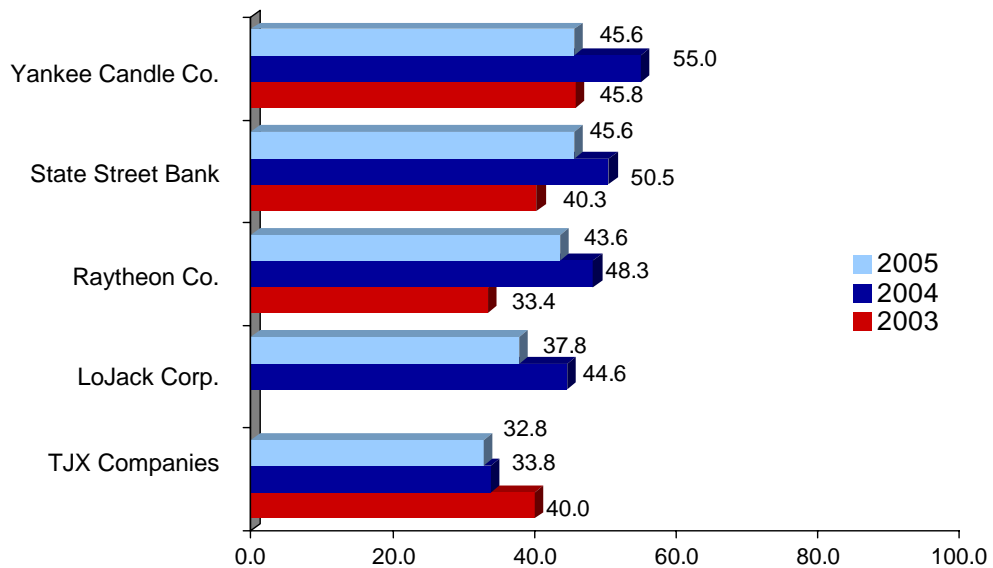
## **Top Ten For-Profit Organizations**



**Reputation Ratings: Top Ten For-Profit Organizations (continued)**

The Yankee Candle Company's current *good* reputation score of 45.6 is similar to that given in 2003 (45.8), but is a drop from the 55 given in 2004. State Street Bank's reputation is given the *good* rating of 45.6, after being rated 50.5 in 2004 and 40.3 in 2003. A *good* reputation rating of 43.6 is given to Raytheon, which was given a rating of 48.3 in 2004 and 33.4 in 2003. The LoJack Corporation is down from 44.6 in 2004 to 37.8 today and TJX Companies have a current rating of 32.8 (33.8 in 2004 and 40 in 2003). These two companies have not made a significant impression on this year's respondents.

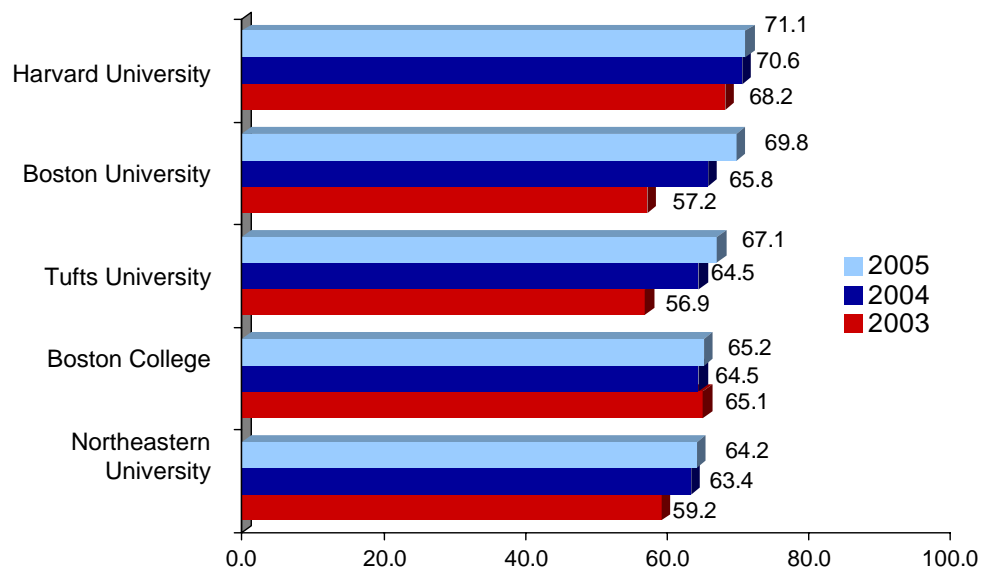
**Top Ten For-Profit Organizations (continued)**



### *Reputation Ratings: Top Five College and Universities*

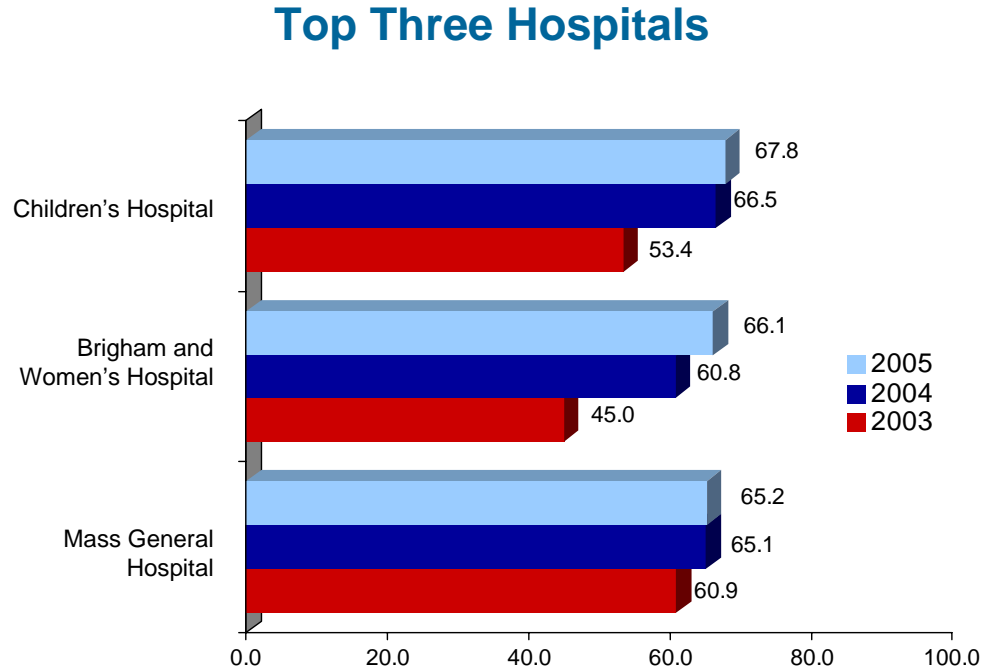
The top five colleges and universities are considered to have *superior* reputations by business executives; it is not surprising that these educational institutions are also listed in the overall top 10 organizations for the second year running. This is the second year in a row that all five of these educational institutions have been given *superior* ratings. Harvard University is the top of the overall and educational institutions with a rating of 71.1, followed by Boston University (69.8). Tufts University is in third with a reputation rating of 67.1, and Boston College is fourth with a rating of 65.2. Northeastern University has a current reputation rating of 64.2.

## Top Five Colleges & Universities



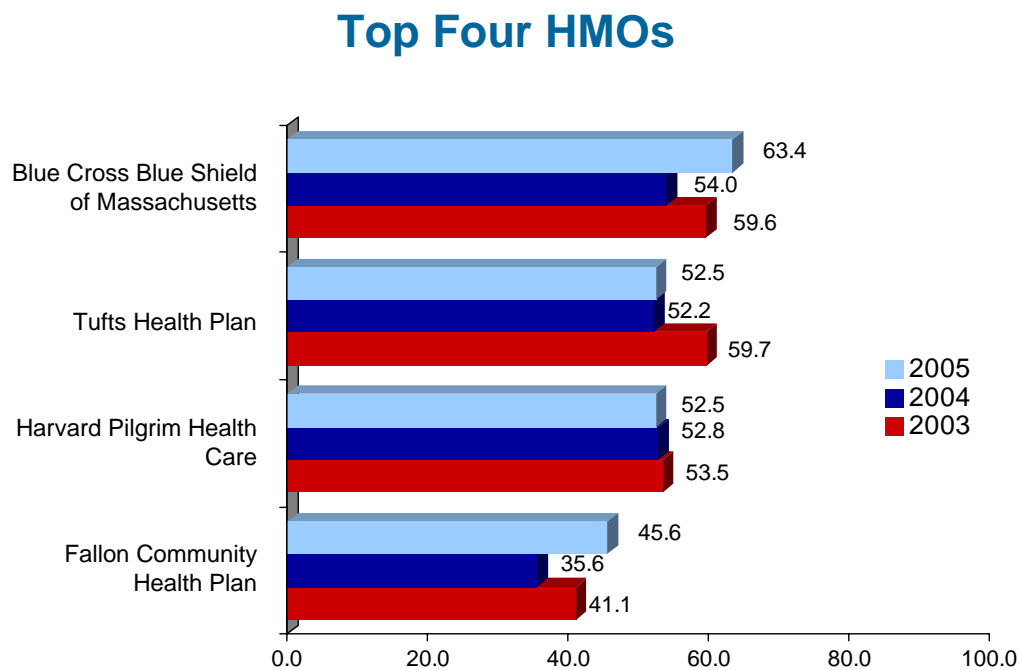
### *Reputation Ratings: Top Three Hospitals*

The top-rated hospital is Children's Hospital (67.8), followed by Brigham and Women's (66.1) and Massachusetts General Hospital (65.2). These hospitals are also listed in the top t10 organizations, with Children's Hospital in third place, Brigham and Women's Hospital in fifth place, and Massachusetts General in sixth.



### Reputation Ratings: Top Four HMOs

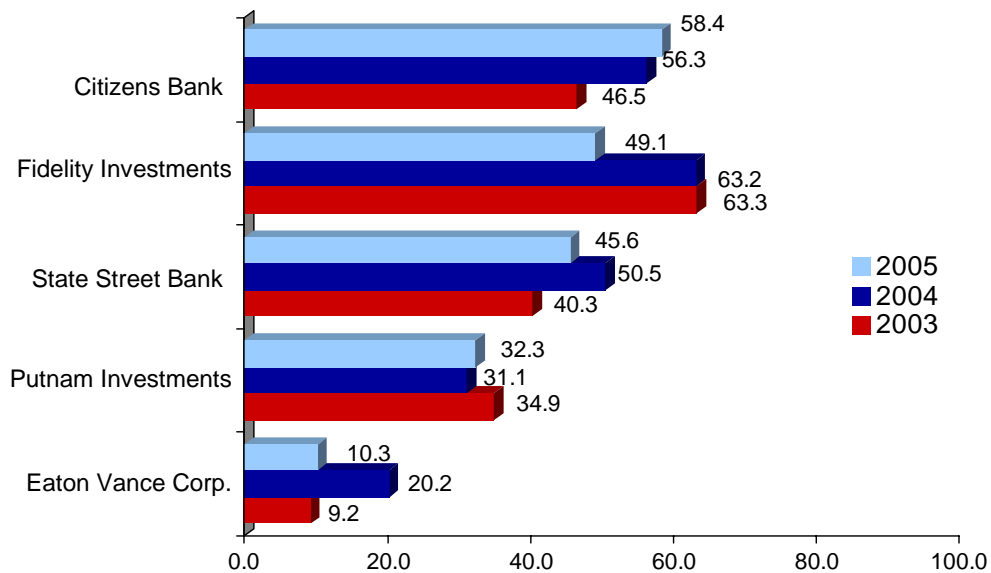
Blue Cross Blue Shield of Massachusetts is given a rating of 63.4; nearly 10 points higher than its 2004 rating of 54 (59.6 in 2003). Tufts Health Plan is given a reputation rating of 52.5, which is similar to its 2004 rating of 52.2; the reputation rating given in 2003 (59.7) remains its highest to date. Harvard Pilgrim Health Care is given a *very good* reputation score of 52.5, which is fairly consistent with the score of 52.8 given in 2004 and the score of 53.5 awarded in 2003. Fallon Community Health Plan receives its highest reputation rating of 45.6; this is a 10-point improvement on the 2004 rating of 35.6, and is up from the 2003 rating of 41.1.



### *Reputation Ratings: Top Five Financial Institutions*

Citizen's Bank is the top financial institution with a *very good* rating of 58.4; this is up from 56.3 in 2004 and 46.5 in 2003. Fidelity Investments is given a *good* reputation rating of 49.1, though this marks a significant drop in its previous ratings (63.2 in 2004 and 63.3 in 2003). State Street Bank is given a score of 45.6 (down from 50.5 in 2004, yet up from 40.3 in 2003). These three institutions are far and away the highest ranked financial institutions in this study; Putnam Investments (32.3) and Eaton Vance (10.3) are largely unfamiliar to most respondents.

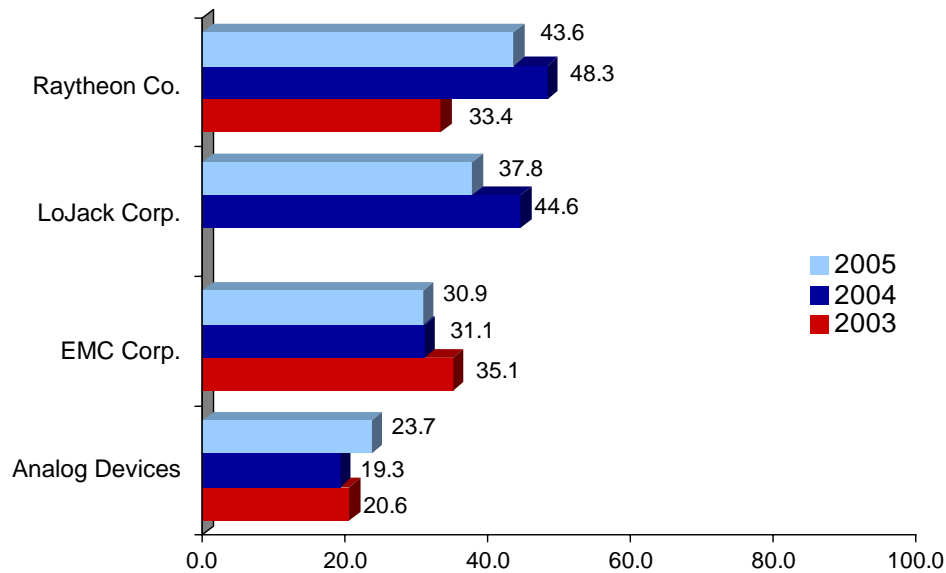
## Top Five Financial Institutions



### *Reputation Ratings: Top Four Technology Companies*

Few respondents are aware of the tech companies we tested; Raytheon is the most high profile company, with a *good* reputation rating of 43.6; this is down from the rating of 48.3 in 2004, yet still a significant improvement on the rating of 33.4 given in 2003. The LoJack Corporation falls a bit to 37.8 (44.6 last year), and EMC Corp falls from 35.1 in 2003 to 31.1 in 2004 and 30.9 today. Analog Devices is still relatively unknown to many respondents; the reputation ratings have remained fairly consistent in the past three years (20.6 in 2003, 19.3 in 2004, 23.7 in 2005).

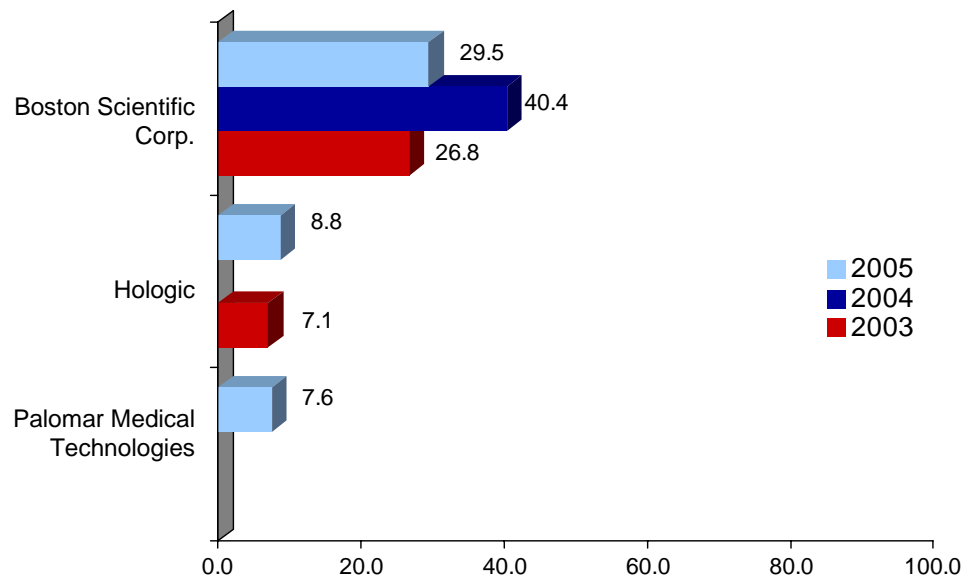
## Top Four Technology



### *Reputation Ratings: Top Three Biotech Companies*

Few respondents are aware of biotechnology companies, or any significant details about these companies. Boston Scientific is the most visible of the biotech companies covered in the study, with a rating of 29.5. Hologic (8.8) and Palomar Medical Technologies (7.6) are relatively unknown.

## Top Three Biotech

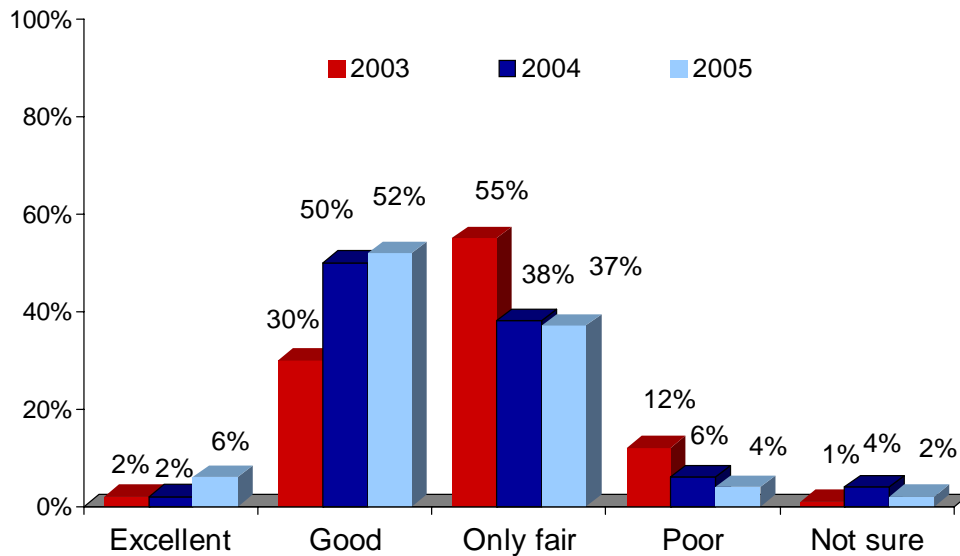


## Summary of 2005 MCRS Opinion Survey Findings

### *Business Conditions*

There is certainly more optimism about current business conditions than there was in 2003. At that time, just 32% of respondents described the business climate as *excellent* or *good*. This percentage climbed to 52% in 2004, and continues to rise with today's rating of 58%. Those who describe conditions as *only fair* fell from 55% in 2003, to 38% in 2004 and 37% in the current study. The percentage of those who say current conditions are *poor* has dropped by two-thirds over the last two years; from 12% in 2003 to 4% today.

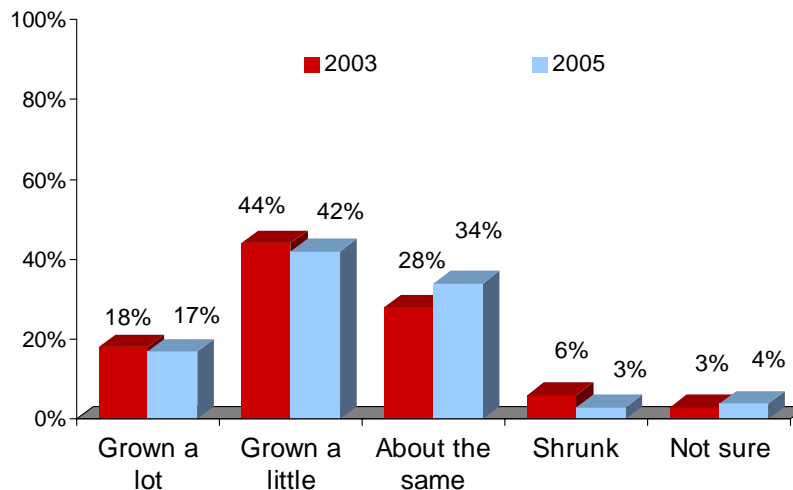
## How do you think business conditions in Massachusetts are right now?



### *Expected Future Growth*

Even though executives consider overall business conditions to be more favorable than they were two years ago, this has not translated into increased optimism for the future growth of their own businesses. While the percentage of those who say their business will grow *a lot* (17%) or *a little* (42%) has remained fairly steady since 2003 (18% *a lot*, 44% *a little*), the percentage of those who predict no growth has risen from 28% in 2003 to 34% today. In 2003, however, 6% said their company would *shrink* in the next year, while 3% share the same view in 2005.

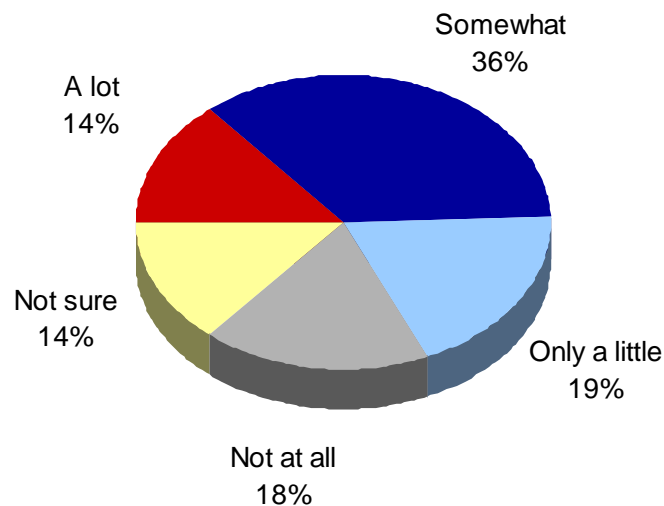
**A year from now, do you think your own business will have grown a lot, grown a little, be about the same as it is now, or do you expect your business to have shrunk?**



### *Influence of Recent Mergers and Acquisitions*

Most business executives say recent mergers and acquisitions in Massachusetts reduced New England's economic influence in both the U.S. and world economies to some degree. One-half of respondents say recent mergers and acquisitions in Massachusetts have reduced New England's economic influence either *a lot* (14%) or *somewhat* (36%). About one-fifth (19%) say these mergers and acquisitions have reduced the region's economic influence *only a little*, while 18% say they have *not affected the influence at all*. Fourteen percent are *not sure* of their opinion on the matter.

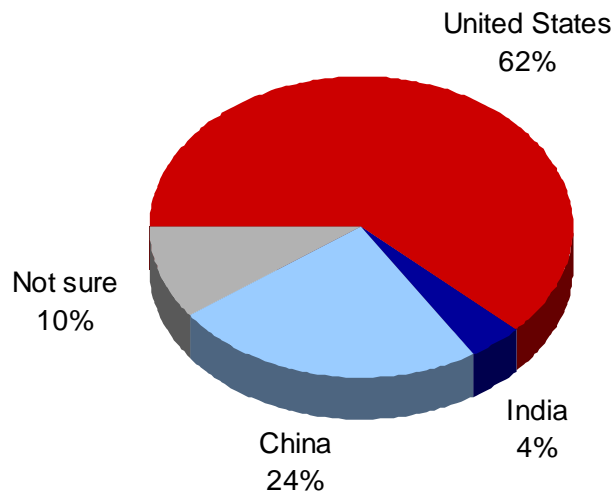
### **Do you think the mergers and acquisitions that have occurred in Massachusetts in the past few years reduced New England's economic influence in the U.S. and world economy?**



### *The Dominant Global Economic Power in 10 Years*

Nearly one-quarter (24%) of respondents say *China* will be the dominant global economic power in 10 years. Almost two-thirds (62%) say the dominant economic power will remain *the United States*. Four percent say the dominant global economic power will be *India* in 10 years, and 10% are *not sure*.

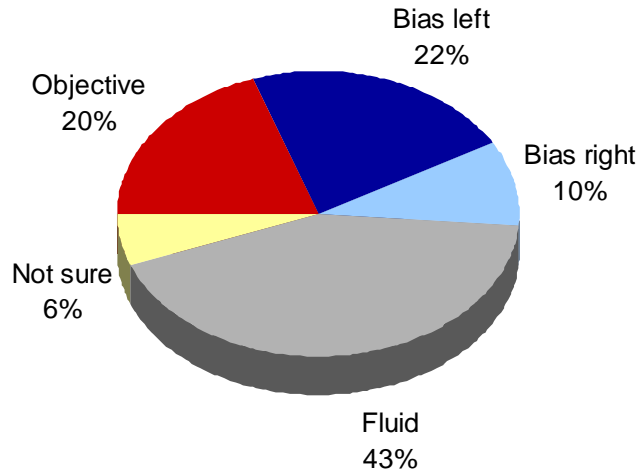
### **In 10 years, do you think the dominant global economic power will be the United States, India, or China?**



***Perceptions about the Objectivity of U.S. Media Coverage***

When asked to evaluate the objectivity of media coverage in the United States, just one-fifth of respondents say media coverage is *objective*, while 43% say the bias of the media in the United States is *fluid and changes regularly*. Nearly twice as many (22%) say the media coverage in this country is *subjective and biased toward the left*, as say the media is *subjective and biased toward the right* (10%). Six percent of respondents are *not sure*.

**On the whole, is media coverage objective, subjective and biased toward the left, subjective and biased towards the right, or is media bias fluid and changes regularly?**



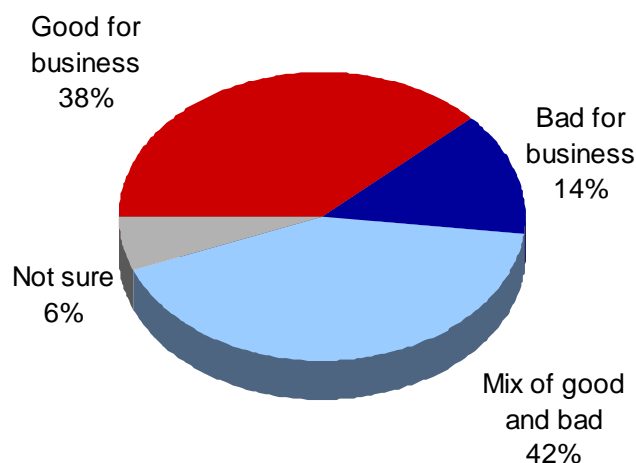
## ***Proposed Health Insurance Law***

Most business executives think a proposed law to expand health coverage in Massachusetts would be at least somewhat positive for business in the state. Forty-two percent of respondents say the proposed health insurance law would produce mixed results, *both good and bad* for business in Massachusetts, while almost as many (38%) say it would be *good* for business in the state. Fourteen percent say it would be *bad for business*. Fourteen percent say it would be *bad for business*.

The following summary of a proposed health insurance law was read to the respondents:

*This proposed law would set up a program to help small businesses and moderate-income households buy health insurance; allow the state MassHealth (Medicaid) program to cover more lower-income adults and children; and require MassHealth to cover certain non-United-States citizens in Massachusetts and all services that were covered on January 1, 2002. The proposed law would make these changes subject to appropriation by the state Legislature from a new Affordable Health Care Fund, which would include money from a 60-cent-per-pack increase in the cigarette tax and from a new tax on those employers who do not spend specified amounts on health insurance for their workers. The proposed law would also end the surcharge paid by private health insurers and other purchasers of hospital services to the state Uncompensated Care Pool and would limit hospitals' own payments to the Pool to a total of \$80 million per year. The proposed law would also require MassHealth, subject to appropriation and as permitted by federal law, to pay hospitals, physicians and community health centers for their costs and to use the same payment systems as the federal Medicare program, starting October 1, 2007.*

### **[After description of possible ballot measure] In general, do you think passage of such a law would be good for business or bad for business in Massachusetts?**



***Open-Ended Question: Most Admired CEO***

Business executives participating in the 2005 Massachusetts Corporate Reputation Survey were asked: “Please name the one Massachusetts CEO or Massachusetts business executive you most admire.”

Numerous executives, most of them based in Massachusetts, were cited by respondents in response to this open-ended question. The following seven individuals were the only ones to receive multiple nominations in this open-ended scenario:

New England Patriots owner Robert Kraft (8)

Gov. Mitt Romney (6)

Harvard-Pilgrim Healthcare Chief Executive Officer Charles Baker (5)

EMC Corporation Chief Executive Officer Joseph Tucci (3)

Hill Holliday Connors Chairman Jack Connors (2)

Blue Cross Blue Shield of Massachusetts Executive Vice President Peter Meade (2)

Harvard University President Lawrence H. Summers (2)