

The Business Case for Corporate Volunteering

May 2014



Contents

Executive Summary.....	3
Books.....	5
Allan, K., 2012, <i>The Big Tent – Corporate Volunteering in the Global Age</i> , Ariel and Fundacion Telefonica, Madrid	5
Jarvis, C and Parker, A, July 2011, <i>The Business Benefits of Corporate Volunteering – An examination of the business benefits resulting from the Effects of Employee Volunteer programs</i> , Realized Worth, Ontario	9
Research.....	11
Deloitte Volunteer Impact Surveys 2004-2013, Deloitte Development LLC	11
The Allen Consulting Group (report prepared for NAB), May 2007, <i>Global Trends in Skilled-based volunteering</i>	13
Accenture, 2013, <i>The UN Global Compact – Accenture CEO Study on Sustainability</i>	14
Haski-Leventhal, Dr. D, September 2013, <i>Corporate Volunteering: Connecting People, Participation and Performance</i> , MGSM, Sydney	14
PwC, Feb 2014, <i>The Keys to Corporate Responsibility Employee Engagement</i> , PricewaterhouseCoopers LLB	15
Articles	16
Buckley, S., March 2011, “ <i>Can Corporate Responsibility really add value to business and society?</i> ” PricewaterhouseCoopers.....	16
Stanford, P., February 2014, “ <i>Lend a Hand: Why workplace volunteering is a win: win</i> ”, The Telegraph, United Kingdom	16
Appendix: Business Case Summary	18

Executive Summary

“Corporate Volunteering is a win:win:win scenario. It’s good for the community, good for the employees and good for the company.”

Employees are demanding more meaning from their work, customers shop more ethically and there are always communities in need. Corporate volunteering seems like the answer, but you need to convince the rest of your organisation. This can be difficult, especially since there has been very little research conducted on this growing area of volunteering. This lack of evidence around the benefits and outcomes of corporate volunteering means companies have struggled to argue the case for investing resources into their volunteer programs.

Without significant investment volunteer programs may be ineffective. As the Realized Worth booklet states, *“Don’t expect great results from an employee volunteering program in which there is little to no financial investment”*. Corporate volunteering guru Kenn Allan, in his book *The Big Tent*, similarly argues that companies would not expect any new business venture to be successful with no investment, and starting a volunteer program should be no different. There are also risks to the community partner of a poorly-run volunteer program, with the result being very little impact, or even worse, actually doing harm. A disorganised program can soak up an organisation’s already sparse resources and ruin the relationship between the company and the community group.

This compilation of selected books, research and articles is intended to provide the best of the information that is currently available on the benefits of corporate volunteering to the company and employees. Excerpts have been taken from these sources below and the details given so you can follow-up with a more in-depth reading as needed. We also hope that it will equip you to argue for the business case for investing in your companies’ volunteer program.

While this information focusses on the benefits to the company, the main objective of your program should be to make a real, effective and long-lasting impact in the communities in which your company operates. Good management of your program will result in a greater impact in the community which is the ultimate goal of volunteering.

The benefits of a corporate volunteer program to your company and employees can be many and varied. For the company, a strengthened and more productive workforce, increased brand recognition, enhanced reputation of the company, and a competitive advantage are just some of the benefits that will affect your bottom line. For employees, professional development, increased satisfaction and engagement, and improved health and wellbeing will ultimately save the company money in higher staff retention rates and attracting top talent.

Kenn Allan’s *The Big Tent, Corporate Volunteering in the Global Age* is based on the first global research of corporate volunteering and its 270 pages give a comprehensive overview of the state of corporate volunteering, its history, the business case, impact and measurement. Excerpts from Chapter 6, *The Business Case*, are given below, but the whole book is excellent background on corporate volunteering.

The second booklet by US-based consulting firm Realized Worth gives a detailed assessment of the business benefits of corporate volunteering, and has links and references to many other studies, articles and publications on topics related to the business benefits, such as employee motivation and engagement. Below is a brief overview of the main business benefits, but the entire book is helpful.

Next we have a series of research studies conducted into corporate volunteering which all touch on the business case for companies. The Deloitte Volunteer Impact Surveys 2004-2013 address a variety

of topics such as the link between volunteering and professional success, employee engagement and skilled volunteering. The executive summaries that we have included are a good place to start.

The Allen Consulting Group and Accenture studies have been included because they are important recent studies on corporate volunteering. While their main topics address broader issues, further reading of these studies is valuable.

The Macquarie Graduate School of Management study by Debbi Haski-Leventhal is the most recent Australian research into corporate volunteering and thus particularly applicable to a discussion of the business case in the Australian context. Her research provides evidence for increased employee engagement as a result of volunteering.

Following on from the evidence linking corporate volunteering to employee engagement, PricewaterhouseCoopers have released a report this year which outlines how to connect your employees with your CSR goals to create better employee engagement outcomes.

The last two short online articles are included because they give an individual company perspective on why they promote volunteering within their company.

Updates of this booklet including new research or publications will be available via our website at www.volunteeringvictoria.org.au.

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Books

Allan, K., 2012, *The Big Tent – Corporate Volunteering in the Global Age*, Ariel and Fundacion Telefonica, Madrid

The benefits to your employees = Value in work life

Benefits to Volunteers	Value in work life
Opportunity to gain new knowledge	Bring new knowledge of the community and its needs and assets into the workplace; can inform development of new products and services
Opportunity to refine existing skills	Improve work performance
Opportunity to learn new skills	Increase potential for job change and promotion
Opportunity to develop leadership skills	Increase potential for job change and promotion
Demonstrates commitment to values inherent in volunteering and community involvement	Align self with corporate values; potentially improve opportunities; increase visibility
Brings a sense of personal fulfilment and wholeness	Positive impact on work/life balance that can improve commitment and performance
Greater pride in and loyalty to employer	Improved work performance
Builds social connections	Potentially increase connections and networks within the company; expanded external networks may align with job responsibilities
Opportunity to develop an expanded view of the world; to see how others live	Greater openness to diversity and globalization; improved self-awareness
Improved mental and physical health	Feel better, work better
Opportunity to demonstrate ability to make a difference	Increased sense of self-worth and confidence translates into better performance
Opportunity to work with a team	Improved readiness and comfort to work in team settings
Possible exposure to new and innovative ideas	Potential contribution to workplace and/or to CSR program

The Business Case

Employer Perception of Benefits

Think that volunteering doesn't contribute to making a person more competitive in the workplace? A 2001 survey of 200 of the U.K.'s leading businesses found that they actually seem to prefer employees who volunteer (Reed and TimeBank Survey 2001). Among the conclusions:

- 73% of employers would employ a candidate with volunteering experience over one without;
- 58% say that voluntary work experience can actually be more valuable than experience gained in paid employment
- 94% of employees who volunteered in order to learn new skills benefitted by getting their first job, improving their salary, or being promoted.

A Volunteering Australia study (2007) of 136 employers of all sizes found related results.

- 32% said that candidate interest in their corporate volunteer programs would influence their recruitment choice as they only employ people whose values match those of the company

Employee perception of benefits

It is difficult to avoid anecdotal reports of the positive feelings employees have about volunteering. Virtually any company with an organised volunteer effort can provide numerous examples. Almost every article about corporate volunteering contains at least one anecdote or quote about how much employees feel they benefitted from their participation.

It is more than anecdotal, however as formal studies make clear, that employees do perceive significant benefits from their volunteering. Here are some examples:

Employed people as well as the general public invariably report that they believe volunteering has a positive impact for them. The Deloitte volunteer impact survey in the US in 2004, 2005 and 2007 confirmed this. In the 2004 survey (Deloitte 2004) 62% of adults generally believed that corporate volunteer programs give employees the opportunity to connect with co-workers and build teamwork.

The 2005 survey was of adults who were either employed full-time or part-time and found that 93% agreed that volunteering offers the opportunity to enhance leadership skills; almost 90% that it helps enhance problem-solving and decision making skills, and over 80% that it helps enhance negotiating skills (Deloitte 2005).

In 2007, the sample of adults aged 18-26 found that just over 80% believe that volunteering offers opportunities to enhance their leadership skills and to develop skills they can use at work (Deloitte 2007).

The Institute for Volunteering Research, affiliated with Volunteering England, reported in 2004 on a major impact evaluation of employee volunteering at Barclays Bank (Brewis 2004), using both quantitative surveys and qualitative case studies. Benefits to employees who volunteered were clustered into two groups:

Volunteers noted an increase in self-esteem and confidence that came from having a chance to use their skills for the direct benefit of other people and on useful projects rather than "on just making money for the bank" as one volunteer put it.

Volunteers also benefitted from being able to exercise their existing work skills and develop new ones.

The latter benefits increased the more the employee volunteered.

When managers were asked how they thought employee skills had developed through volunteering, a majority had seen increased communication and leadership skills. The latter was particularly true for inexperienced employees who had been leaders for their volunteer projects and had then brought that new experience back to the workplace.

Volunteering is a strategic asset to help achieve business goals. Four broad ways in which corporate volunteering helps to achieve business goals:

- Managing the culture – CEO’s have reported one of the benefits to them of volunteering was as a tool to assist in managing company culture
- Strengthening the workforce:
 - Recruitment and retention – there is growing proof that volunteering is one element that can help make companies more competitive for talent, particularly among younger generation workers. The 2011 Deloitte survey shows a close relationship between participation in company volunteer efforts and measures of employee engagement. The volunteers were more likely to see the corporate culture as positive, to be proud of their company, to feel very loyal toward the company, to be satisfied with the progression of their careers, to recommend the company to a friend, and to be satisfied with their employer (Deloitte 2011). Even in the rarely or never volunteer cohort 61% said that *“a company’s commitment to the community would likely be a factor when choosing between two equivalent jobs”*.
 - Building loyalty and morale – building morale, pride and loyalty are now desired outcomes of volunteering, not coincidental by-products.
 - Professional development - the experiential nature of volunteering is particularly important to the volunteers’ perceived skill development.
 - Health and Well-being – employers benefit if their workers are healthy. If the goal is a healthier workplace, volunteering is the goal to make that happen.
 - Team-building – volunteering can be used to cut across existing organisational silos.
 - Preparing for the future – skilling up the future workforce by working with youth and education.

The London Study

In 2009, the City of London Corporation enlisted the Corporate Citizenship consultancy to study how corporate volunteering in education can help employees develop their skills. The study focused on 16 businesses and looked at 546 volunteers as well as line managers in those businesses (*Corporate Citizenship 2010*).

The majority of employees responding identified four areas of skills development:

- Communication skills – both communicating with others and listening actively;
- Helping others set goals, coaching, providing training and development and evaluating performance;
- Ability to adapt to different surroundings, tasks, responsibilities and people;
- Negotiating and conflict-resolution skills.

The managers surveyed overwhelmingly affirmed what the volunteers reported, seeing “*measurable gains in the same business-relevant skills*” the employees reported.

The study also examined the extent to which volunteering impacted the volunteers beyond skills development. The results aligned with and verified many of the other studies we have cited.

Participants were asked to indicate the extent of their agreement with a series of statements all of which began “*The volunteering activity improved/increased my...*” Here are some of the results, with the percentage indicating the total of those responding “agree” and “strongly agree.”

- Self-confidence – 79.2%
- Sense of well-being/happiness – 91.3%
- Understanding of and empathy with others – 94.7%
- Awareness of wider social issues – 93.7%

On four issues of direct importance to their employers:

- Job satisfaction – 68.7%
- Pride in the company – 73.9%
- Commitment to the company – 66%
- Motivation – 73.4%

- Responding to internal and external expectations – Volunteer efforts are one way that companies can respond to expectations for socially responsible behaviour and can enhance their brands, both internally and externally. The 2004 Deloitte survey interviewed over 2000 adults and found:
 - 87% believed it is important for companies to offer volunteer programs
 - 78% believed volunteer programs improve company image;
 - 73% believed that corporate volunteering contributes positively to the community
 - 61% believed that volunteer programs helped to communicate a company’s values

- Building external relationships – collaborative volunteering is seen by some companies as an asset in strengthening relationships with external stakeholders – their supply chain, customers, alumni and strategic corporate partners.

Jarvis, C and Parker, A, July 2011, *The Business Benefits of Corporate Volunteering – An examination of the business benefits resulting from the Effects of Employee Volunteer programs*, Realized Worth, Ontario

Evidence suggests there is great potential for employee volunteering to realize multiple objectives across all of a company's departments, divisions, markets and hierarchies.

By reviewing the available research and outlining the linkages between employee volunteering and the business benefits, we, the authors of this briefing, hope to assist in offering a mandate for employee volunteering in your company.

This briefing has been developed as a primer on the practice and benefits of employee volunteering. While not intended as a comprehensive treatment, it is a thorough examination of the benefits of employee volunteering in six areas key to productivity and profitability:

1. Employee Engagement

- Corporate volunteering programs increase engagement levels at work by creating experiences that address the individual's need for meaning and accomplishment
- Gallup estimates that in the UK, employees who feel unengaged at work cost employers upwards of \$64 billion every year. In the United States, that number jumps to \$350 billion. On the other hand, research shows that companies with high levels of employee engagement enjoy a significant uplift of every performance number.
- Gallup performed a meta-analysis across 199 studies covering 152 organizations, 44 industries, and 26 countries. They discovered that for companies where employees were more engaged than not, their profitability jumped by 16%, general productivity was 18% higher than other companies, customer loyalty was 12% higher, and quality increased by 60%.
- Employees operating at high levels of engagement use more of their emotional and cognitive intelligence combined with increased physical dexterity when working on a task.
- According to the 2008/2009 study, *Driving Business Results Through Continuous Engagement by WorkUSA*, companies with engaged employees experience 26% higher revenue per employee, 13% total higher total returns to shareholders, and a 50% higher market premium
- First, it is important to establish that there is a connection between the outcomes of employee volunteering and employee engagement. A recent study in Ireland found that 87% of employees who volunteered with their companies reported an improved perception of their employer. Additionally, 82% felt more committed to their employer.
- Employers who institute a formal employee volunteer program typically improve employee attitudes in the following areas: Increased job satisfaction; Increased positive word of mouth regarding the company; Better retention rates; Increased loyalty

2. Recruiting Millennials – The expectations of millennials must be met by companies if they hope to attract, engage and afford the best and brightest of the next generation of employees.

- Attracting new talent - Rather than salary and benefit packages, millennials are asking about a company's corporate social responsibility. Nearly 50% of interviewees from the millennial generation will raise the issue of CSR during the interview or hiring process with a potential for-profit employer.
- Affording new talent - Interestingly, millennials are so committed to improving the world, and working with companies that share their passions, they are willing to work for less pay to do so.
- The new generation expects integration. A full 88% believe that businesses should be proactively addressing social concerns and environmental issues. A robust employee volunteering program provides millennials with an immediate and tangible opportunity to experience the kind of integrated approach they desire. Marc Benioff, the Chairman and Chief Executive Officer of Salesforce Inc. believes, *"Having a purpose beyond making a profit distinguishes our company. It helps us to attract and retain phenomenal employees."*

3. Employee Development - Businesses investing in employee development can expect to see gains in performance, organizational commitment, and innovation.

- The Society for Human Resource Management reported in 2006, that the cost of employee training averaged out to \$995 per employee. More recently, Bersin and Associates estimated that the average spending per employee in a training program in 2010 was \$1202.
- Employee volunteering programs offer companies a unique opportunity to act as good Corporate Citizens while enabling their workforce to acquire relevant work-related skills. Usually, employees acquire soft skills such as communication, management and leadership.
- It is estimated that companies that have good employee volunteer programs are spending, on average, about \$179 per employee (whether they volunteer or not). Still, once applied to employees who volunteer, the cost of a solid corporate volunteering program seems to be around \$416 per employee who participates in the program. Compared to an average of \$1201 per employee who participates in one training program per year, employee volunteering is a bargain.
- If a corporate volunteering program is to achieve any amount of success, the HR department must meaningfully participate in the design and coordination of the program. HR departments are able to ensure that the practices, procedures and policies of the employee volunteering program internalize the learnings gained from the volunteer experience.
- Don't expect great results from an employee volunteering program in which there is little to no financial investment. If you're willing to spend \$1200 to help your employees with interpersonal skills through a traditional class room experience, set a reasonable amount aside for the employee volunteer program as well.

4. Knowledge Management - Employee volunteer programs have incredible potential to increase your company's intelligence. Companies that are able to access the knowledge of their employees throughout the organization have a distinct competitive advantage.

- Connections matter - During volunteer events employees are able to meet coworkers they may not normally have a chance to interact with. The process of building relationships leads to increasing levels of trust.
- Knowledge sharing and acquisition- It makes sense that people are more willing to share information in environments where they're enabled to build relationships. By building both strong and weak connections among employees, corporate volunteering helps create an environment of trust in which social networks thrive. These networks facilitate the flow of information among those in the network. It is this network, based on reciprocity, obligation, trust and social norms that results in the effective sharing and use of knowledge. Ultimately, this results in increased cooperation and collaboration

5. Employee Health - If companies want to decrease their health costs, they should be looking to volunteering as an affordable and accessible solution.

- In a recent study conducted by VolunteerMatch and UnitedHealthcare entitled “*Do Good Live Well Study Reviewing the Benefits of Volunteering*” researchers found that companies reported improved physical and emotional health of employees who volunteer. The specific benefits included reduced obesity, reduced stress, increased levels of activity, a more positive emotional state and higher levels of overall satisfaction with life.

Research

Deloitte Volunteer Impact Surveys 2004-2013, Deloitte Development LLC

For several years, the Deloitte Volunteer IMPACT research series has focused on measuring important aspects of corporate community engagement. Highlights of research findings include:

2013 Research

Survey results indicate that skills-based volunteering experience provides a marketability edge for those seeking gainful employment. The findings support the value HR executives place on skilled volunteering, as well as its relevance for college graduates and veterans transitioning to civilian life.

Executive Summary: [2013 Volunteer IMPACT Survey](#)

Data Table: [2013 Volunteer IMPACT Survey Key Results](#)

Research Summaries to Date: [Volunteer IMPACT Research Series](#)

2011 Research

Survey findings reveal that millennials who frequently participate in workplace volunteer activities are more likely to be proud, loyal and satisfied employees, as compared to those who rarely or never volunteer. These and other findings suggest a link between volunteerism and several drivers of employee perceptions of positive corporate culture.

News Release: [Millennial Mindset: Deloitte Survey Finds Workers Who Frequently Volunteer Are Happier with Career Progression](#)

Executive Summary: [2011 Volunteer IMPACT Survey](#)

2010 Research

Corporate America is realizing the power of workplace volunteerism, viewing it as a means to make a real social difference. However, while companies have set high expectations for volunteerism and are increasingly turning to employees to help them make a significant social impact, measurement and accountability are lacking.

News Release: [Deloitte survey finds businesses believe volunteerism has power to make real difference, but finds disconnect between expectations and actions](#)

Executive Summary: [2010 Volunteer IMPACT Survey](#)

2009 Research

Both non-profits and corporations are overlooking a high-impact opportunity to leverage pro bono and skilled volunteer support to offset a decline in corporate giving dollars.

Executive Summary: [2009 Volunteer IMPACT Survey](#)

2008 Research

Companies invest heavily in training and development. But as corporate America deals with a shaky economy, human resource professionals are facing intense pressure to develop more cost-effective, high impact training and development programs to prepare the next generation of leaders. A solution may be found in an unlikely place – the corporate volunteer program.

Executive Summary: [2008 Volunteer IMPACT Survey](#)

2007 Research

Companies that help Generation Y employees volunteer their workplace skills to non-profits can gain recruiting advantages: Nearly two-thirds of Gen Y employees surveyed prefer companies that let them volunteer skills, but less than one-third of them think their companies have compelling volunteer programs.

2006 Research

Volunteers and non-profits are overlooking opportunities to maximize their impact: 77 percent of non-profits say they believe that skilled volunteers could significantly improve their organization's business practices. Yet just 12 percent of non-profits actually put volunteers to work on such assignments.

Executive Summary: [2006 Deloitte/Points of Light Volunteer IMPACT Study](#)

2005 Research

There is a link between volunteering and professional success. Our survey found that 86 percent of employed Americans said volunteering can have a positive impact on their careers. And nearly four

of five respondents saw volunteering as an opportunity to develop business skills including decision-making, problem-solving and negotiating.

Survey Results: [2005 Deloitte Volunteer IMPACT Survey](#)

2004 Research

Corporate community involvement influences employment decisions. The survey found that 72 percent of Americans want to work for companies that support charitable causes.

Survey Results: [2004 Community Involvement Survey Results](#)

The Allen Consulting Group (report prepared for NAB), May 2007, *Global Trends in Skilled-based volunteering*

http://www.nab.com.au/vgnmedia/download/Global_trends_in_skill-based_volunteering.pdf

A growing driver of corporate social responsibility (CSR) activities is employee engagement. Recent research by the Centre for Corporate Public Affairs, shows that 72 per cent of Australian companies have 'increased employee morale, engagement and teamwork' as one of their key corporate responsibility goals.

Employees are far more aware of corporate responsibility and corporate community investment by companies. This trend is becoming evident during the recruitment phase, when companies are often asked about their CSR policies. This is particularly the case for Generation Y (those born in late 1970s to mid-1990s) who are more likely to want to work for a corporation where the values are largely in line with their own, and where there are opportunities to contribute to the community at work. With a tighter labour environment, companies are providing more information about their community policies, as well as match-giving and volunteering, as a part of their recruitment (and also retention) strategy.

Mobberley discusses the link between volunteer programs and employee recruitment and retention, and suggests some of Australia's leading corporations are developing a competitive advantage through corporate volunteering. She argues that these companies are seeing the benefits of 'better teamwork, leadership development and enhanced employee loyalty and morale'.

"If building a more committed, engaged, creative and energetic workplace is high on your company's agenda, then corporate volunteering might be the foundation of your staff retention and development program." Deborah Mobberley, The Centre for Volunteering, NSW Volunteering

Similarly, the community investment strategy at a large global law firm notes:

"We aim to [assist the community] by sharing with community partners the skills and expertise of all our staff through pro-bono work, employee volunteering and awarding funding. In return, we aim to gain from these partnerships by our own people (and in turn the firm) receiving invaluable experience, skill development and a new perspective."

Korngold identifies six key factors that motivate businesses to get involved with non-profit organisations, including:

- developing leadership;
- facilitating team building;
- enhancing appreciation of diversity;

- fostering loyalty and a sense of community;
- building visibility and goodwill; and
- promoting economic development

CSR activity can facilitate corporate engagement with stakeholders critical to the successful operation of the business. It can secure community license to operate, produce positive business and social outcomes, and enhance the way the corporation is seen and patronised by consumers and customers. In this light, corporate volunteering has the potential to generate positive reputation outcomes for a company; or, if managed poorly, negative reputation impacts.

Accenture, 2013, *The UN Global Compact – Accenture CEO Study on Sustainability*

- 81% of CEO's believe that the sustainability reputation of their company is important in consumer's purchasing decisions.
- 93% of CEOs' see sustainability as important to the future success of their business
- 80% see this route to a competitive advantage in their industry
- 76% believe that embedding sustainability into core business will drive revenue growth and new opportunities.

Haski-Leventhal, Dr. D, September 2013, *Corporate Volunteering: Connecting People, Participation and Performance*, MGSM, Sydney

The purpose of this report was to assess the factors that contribute to participation in corporate volunteering and to employee engagement. This research was undertaken as part of the MGSM CSR Partnership Network collaboration, funded by the lead sponsor Johnson & Johnson. Over 4,000 employees from our partner organisations contributed to this project by providing survey Responses.

Dr Debbie Haski-Leventhal said: *"The report has found that corporate volunteering leads to improved employee engagement, organisational commitment, job satisfaction and retention."*

"This presents companies with an excellent tool to impact not only communities but also employees' wellbeing and the financial bottom line."

Our strongest findings, however, relate to employee engagement. Employees who participated in corporate volunteering scored significantly higher than non-volunteers on all measures of engagement with their organisation, as well as on most measures of job satisfaction. Finally, maintaining and enhancing employee engagement can be achieved via the provision of appropriate corporate volunteering programs, and this should be actively pursued by organisations seeking to maximise retention rates and strengthen organisational culture.

Employees who volunteer through the workplace were significantly more committed to remain than those who had not volunteered (64% vs. 57% respectively). For all the employee engagement indicators, workplace volunteers were significantly more engaged than non-volunteers. In addition, people who volunteer privately also showed higher levels of engagement. However, for almost all

aspects of job satisfaction (except for salary, for which they were no differences), workplace volunteers were significantly more satisfied than non-volunteers.

The common theme in the findings of this study is the sense of meaningfulness that employees seek. Firstly, the most important motivation to participate in corporate volunteering was 'it makes my work more meaningful'. Although corporate volunteering is typically not directly related to usual roles and tasks, volunteering can make these tasks and roles more meaningful. Corporate volunteering provides a social purpose that younger employees, in particular, are now interested in.

Volunteering as a key to employee engagement

Employee engagement has become the holy grail of employers. Along with increasing awareness that monetary incentives are not enough to create emotional engagement and affective commitment comes the increasingly popular notion of the need for a social purpose in the workplace. Not all roles and jobs can provide a sense of social purpose and meaningfulness, but using the same skills to help other people and the community can. As such, it is reassuring to learn that the primary motivation among workplace volunteers is that it makes their work more meaningful.

We also found that corporate volunteering is significantly related to levels of affective organisational commitment, employee engagement and job satisfaction. Volunteers were more likely than non-volunteers to feel engaged, to desire to remain in the organisations for the rest of their career and to be satisfied with almost every aspect of their jobs. High retention rates are vital for a strong organisation and organisational culture. They assure organisational learning and knowledge and can help companies reduce the high costs involved in turnover, recruitment and selection. Because of these benefits, the power of volunteering cannot be underestimated.

PwC, Feb 2014, The Keys to Corporate Responsibility Employee Engagement, PricewaterhouseCoopers LLB

In high-performing organizations that are focused on employee engagement, the rate of disconnected employees can be cut by more than half. And when employees see positive, ongoing management of employee engagement, they are 20 percent more engaged than those with no focus. A 2010 study conducted by the Corporate Executive Board found that employees most committed to their organizations put in 57 percent more effort on the job — and are 87 percent less likely to resign — than employees who consider themselves disengaged.

An engaged workforce can have a significant effect on financial and operational results and in most cases without an engaged workforce, CR efforts will founder. Businesses with highly engaged employees see higher customer satisfaction, have lower turnover rates, and outperform in terms of CR impact and ROI, than businesses with lower levels of employee engagement. Companies that engage and empower their workforce are better positioned to anticipate and adapt to changing market conditions.

Employee engagement can be a key means of creating innovation and innovation can provide a means of engagement.

Articles

Buckley, S., March 2011, *“Can Corporate Responsibility really add value to business and society?”* PricewaterhouseCoopers

It’s not enough to have a great corporate social responsibility program on the side – it needs to be genuinely embedded in the corporate culture and more importantly, consistently reflected in decision-making and behaviour. This is strongly supported by the 2010 UN Global Compact – Accenture CEO Study in which 93% of CEO’s indicated that sustainability was important to their company’s future success.

PwC’s CR approach covers 4 areas: community, environment, people and marketplace. Our community efforts are now centred on employing our expertise to build capacity in our charity partners and in the not-for-profit sector as a whole.

The shared value of our community strategy has been clear – the response from our charity partners and the sector has been overwhelmingly positive, and our community approach has delivered a strong sense of pride in our own staff. Our surveys show that 91% of them believe PwC is a socially responsible employer, and for 70% the firm’s focus on CR is a factor in their decision to continue to work for the firm. We calculate the CR impact on staff retention would be worth at least \$5 million annually.

Our experience has taught us that the companies who pursue CR seriously are likely to be the sustainable winners of the future. PwC has big CR aspirations but the potential value for our business our clients and our community means this goal is well worth pursuing.

Stanford, P., February 2014, *“Lend a Hand: Why workplace volunteering is a win: win”*, The Telegraph, United Kingdom

<http://www.telegraph.co.uk/lifestyle/lend-a-hand/10643659/Lend-a-hand-why-workplace-volunteering-is-a-win-win.html>

BT chairman Sir Mike Rake explains why he gives his employees time off to volunteer.

Many employers, like his own company, he argues, offer a range of volunteering options to staff – including at BT up to three paid days a year for charitable or community work – because programmes represent a “win-win”.

“We do it because we recognise, first of all, that people who volunteer can make a real difference to their community, whether they direct their energy to poor children or helping older people with ICT [information and communications technology]. Next we can see that it is really good for our people who do it. They build up their skills, develop personally and become better leaders. And finally, it helps us develop BT as a strong, engaged brand that contributes.”

He also concedes that there has been a small falling off in volunteering levels in recent times of economic hardship. Yet he believes passionately – like the Mayor of London – that there is so much more that can be achieved if small and medium-sized businesses, as well as the big boys, can be persuaded of the benefits of volunteering, not just to society, or even to their employees, but also to the bottom line.

When he took over as chairman of BT in 2007, after a stellar global career at management consultants KPMG, his new firm was, he recalls, going through a rough patch. *“There was a real crisis, dark days, our share price fell by 75 per cent, and there was some concern at board level about maintaining our commitment to volunteering.”*

Sir Mike is, however, a zealot on the subject. He pushed it at KPMG – *“Most of our recruits were graduates and it did them good to go out and see at first hand some of the realities of life among people who have never had a job”* – and has chaired Business in the Community, as well as volunteering his services on the boards of the Royal National Institute of Blind People and the Prince of Wales’s Charitable Foundation.

“My experience,” he reflects, *“is that if, as an employer, you seed it, provide the opportunities, people end up doing far more. Forget three days; many of them are doing many more hours on their own time, in the evenings and at weekends. For the employer, it pays back very quickly on any cost-benefit analysis. You see improvements in productivity. Morale is better, and you find it easier to recruit and retain people because they feel proud to be part of that volunteering proposal.”*

He makes it sound so straightforward. So what is stopping every employer from embracing volunteering with gusto? There is, he admits, a particular challenge with small and medium-sized businesses (SMEs). With a tiny workforce compared with the giants like BT, accommodating three paid days of volunteering a year, when not compelled by legislation, can be a logistical nightmare and therefore often proves too tall an order.

“I accept that it is hard for them to get involved in the same way as we do,” Sir Mike replies, *“but there are other ways. How about joining with other firms, for example with others in the same supply chain, and doing something together? We may employ large numbers of staff in Britain, which makes it easier for us to be flexible around volunteering, but in South Africa we are very small, only 100 people — there our volunteering work is done by working with other businesses on joint projects.”*

Appendix: Business Case Summary

Benefits to Employees	Evidence
Learn new skills and knowledge: Leadership skills, communication skills, setting goals, training, conflict resolution, ability to adapt	The 2005 Deloitte survey was of adults who were either employed full-time or part-time. It found that 93% agreed that volunteering offers the opportunity to enhance leadership skills; almost 90% that it helps enhance problem-solving and decision making skills, and over 80% that it helps enhance negotiating skills (Deloitte 2005). Greater acceptance of diversity
Greater job satisfaction	Volunteers were more likely than non-volunteers to feel engaged, to desire to remain in the organisations for the rest of their career and to be satisfied with almost every aspect of their jobs. High retention rates are vital for a strong organisation and organisational culture. (Haski-Leventhal study, 2013)
Increased physical and mental health including increased well- being and happiness	In a recent study conducted by VolunteerMatch and UnitedHealthcare entitled “ <i>Do Good Live Well Study Reviewing the Benefits of Volunteering</i> ” researchers found that companies reported improved physical and emotional health of employees who volunteer.
Benefits to the company	Evidence
Increased employee engagement	The 2011 Deloitte survey shows a close relationship between participation in company volunteer efforts and measures of employee engagement. The volunteers were more likely to see the corporate culture as positive, to be proud of their company, to feel very loyal toward the company, to be satisfied with the progression of their careers, to recommend the company to a friend, and to be satisfied with their employer (Deloitte 2011). Gallup estimates that in the UK, employees who feel unengaged at work cost employers upwards of \$64 billion every year. They discovered that for companies where employees were more engaged than not, their profitability jumped by 16% and general productivity was 18% higher than other companies. Employees who participated in corporate volunteering scored significantly higher than non-volunteers on all measures of engagement with their organisation, as well as on most measures of job satisfaction (Haski-Leventhal study, 2013)
Increased loyalty to the company	A recent study in Ireland found that 87% of employees who volunteered with their companies reported an improved perception of their employer. Additionally, 82% felt more committed to their employer (C.Jarvis).
Better retention rates	The survey found that 72 percent of Americans want to work for companies that support charitable causes. Employees who volunteer through the workplace were significantly more committed to remain than those who had not volunteered (Haski-Leventhal study, 2013)
Attraction of top staff, particularly millenials	In the rarely or never volunteer cohort 61% said that “ <i>a company’s commitment to the community would likely be a factor when choosing between two equivalent jobs</i> ”(Deloitte 2011). Nearly 50% of interviewees from the millennial generation will raise the issue of CSR during the interview or hiring process with a potential for-profit employer. (C. Jarvis)
Enhanced public image and reputation	78% believed volunteer programs improve company image. (Deloitte 2004)
Building external relationships	The process of building relationships leads to increasing levels of trust.
Develop relationship with stakeholders	CSR activity can facilitate corporate engagement with stakeholders critical to the successful operation of the business. (NAB Study 2007)
Competitive advantage	Some of Australia’s leading corporations are developing a competitive advantage through corporate volunteering (NAB study 2007)
Managing culture	CEO’s have reported one of the benefits to them of volunteering was as a tool to assist in managing company culture. The Deloitte 2011 findings suggest a link between volunteerism and several drivers of employee perceptions of positive corporate culture.