



## CSR LABORATORIES: BRINGING THE EUROPEAN ALLIANCE ON CORPORATE SOCIAL RESPONSIBILITY (CSR) TO LIFE



### EMPLOYEE COMMUNITY ENGAGEMENT:

An effective way of improving the skills essential for employment amongst disadvantaged and socially excluded groups of people within the EU

November 2008



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Ways in which CSR can help the European Union deliver the goals of the Growth and Jobs Strategy

## EMPLOYEE COMMUNITY ENGAGEMENT:

An effective way of improving the skills essential for employment amongst disadvantaged and socially excluded groups of people within the EU

A research report with recommendations prepared by ENGAGE. This CSR Laboratory is led by Citi, Freshfields Bruckhaus Deringer LLP and KPMG LLP with support from other members of ENGAGE including Allen & Overy LLP, APCO Worldwide, BP, Brown-Forman, Credit Suisse, Diageo, DLA Piper LLP, GE, IBM, Linklaters LLP, Morgan Stanley, Nokia, Rolls-Royce and UBS. ENGAGE also works with a network of community broker organisations across the EU such as Hestia, Sodalitas and UPJ who have also contributed to this research.

November 2008



## GET ENGAGED:



"The students have been transformed, they have overcome their fears and found their voices"

Teacher whose pupils participated in the Mobi<sup>3</sup> project, Paris

"Volunteers have been visiting our school since 1999. With their enthusiasm, help and encouragement many of our pupils have improved their literacy and numeracy skills. Perhaps even more importantly, it has helped to motivate the children, improved their communication skills, given them new confidence and a different perspective on life which we hope they will carry with them as they move through school and into the world of work"

Head teacher at a primary school in London

"I learned that I can be someone, if I want"

Participant in job coaching scheme, Frankfurt

"I was broken when I came to you and you fixed me... this experience has opened doors for me"

Participant in Ready for Work, a UK work placement scheme for homeless people

"I would recommend becoming a Reading Partner, Number Partner or a Chess Partner to anyone who would like to do something different that can make a significant difference to a young child's learning potential. It's fun, easy to fit into the working week, helps the local community and also enables you to meet new people from the office"

Volunteer, London

"Some young people do not believe that they'll succeed - this type of experience gives them back their confidence"

Volunteer, Paris

Many businesses in Europe are already supporting employee community engagement initiatives designed to help people from disadvantaged backgrounds improve the skills essential to gaining and keeping a job.

Ensuring disadvantaged groups of people enhance their basic skills is key to developing and sustaining a thriving economy and cohesive society. It makes good business sense.

Discover more about how employees can make a real and positive difference to the lives of people in their local communities from our online best practice guide and toolkit at [www.ENGAGEyouemployees.org](http://www.ENGAGEyouemployees.org).

## A CSR Laboratory demonstrating the effectiveness of employee community engagement in improving the skills essential for employment amongst disadvantaged and socially excluded groups of people within the EU

Our CSR Laboratory explores the value of a variety of employee volunteering initiatives supported by businesses across the European Union in terms of improving the skills essential to gaining and sustaining employment.

Our focus is on projects targeting groups of disadvantaged people including young people especially early school leavers; those 'at risk'; and people from disadvantaged, low educational or deprived backgrounds; unemployed and underemployed people including homeless people; refugees, legal migrants and recent immigrants; and minority ethnic groups.

Our 'deliverables' for the CSR Laboratory are designed to enable more employers to create and develop effective programmes suitable to their own communities and to their businesses.

As a result, we at ENGAGE have launched an online toolkit at [www.ENGAGEyouemployees.org](http://www.ENGAGEyouemployees.org), bringing together a range of case studies and a step-by-step practical guide to help employers of all sizes and in all areas of business and industry, to develop effective employee community engagement and volunteering initiatives. Our online toolkit aims to enable employers to create programmes that:

- require different levels of skills and commitment in terms of time and money;
- improve the skills essential for employment;
- work with a wide range of people from disadvantaged backgrounds;
- are stimulating and rewarding for all participants;
- make a positive difference to the community; and
- ensure employers are being socially responsible.

Additionally, as part of our CSR Laboratory, we have produced this research paper (hereafter referred to as the Report) with its findings and recommendations which we hope will be considered by the European Commission.

In the early stages of our research we came to the conclusion that a series of road shows around the EU would be an ideal way of engaging more employers in supporting employee community engagement schemes, so we are delighted that the EU is providing funding for the road shows planned by CSR Europe and the European Alliance for CSR, and look forward to participating in them.

**ENGAGE**  
is an international programme that brings together businesses and community organisations around the globe to increase the quality and amount of employee involvement in their local communities.

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# Introduction

From Frankfurt to Paris to Cluj, government, business and community partners are working together through employee community engagement to improve the lives of excluded groups and individuals. More often than not, the work is done in collaboration, bringing sustainability and diversity to the projects. The programmes are innovative, flexible and replicable, as the case of ENGAGE has shown, and can contribute to achieving the EU Growth and Jobs Strategy.

This Report seeks to use the opportunity of the European Alliance’s CSR Laboratories to demonstrate the unique contribution employee community engagement can make in bringing about positive change, in line with many of the goals of the Growth and Jobs Strategy

CSR initiatives such as employee community engagement can improve the skills essential for employability amongst disadvantaged and socially excluded groups of people within the EU, whilst also providing the volunteers themselves with valuable experience and development. Moreover, by bringing together business people, community organisations and disadvantaged members of the community it can help to promote social cohesion.

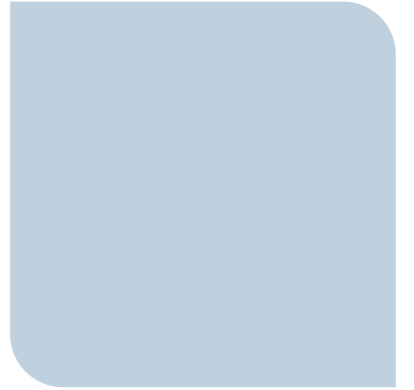
**Improving skills and promoting social cohesion**

Our CSR Laboratory is founded on the belief that employee community engagement can, and does, help to improve the skills of people who either are, or may feel, disadvantaged in terms of gaining employment. It can also help to break down perceived barriers to employment.

In addition, employee community engagement schemes can reduce the number of young people who cannot read properly and the number of early school leavers; improve the achievement levels of learners with migrant backgrounds or from disadvantaged groups; and attract more adults, particularly low-skilled and older workers, into education and training.

Better essential skills, improved motivation and opportunities for disadvantaged groups, are key to helping people realise their potential and to gaining and sustaining employment.

For these reasons, employee community engagement is a valuable and special form of community investment or corporate citizenship which has important social and potentially economic impacts, and as such has a role to play in the EU Growth and Jobs Strategy.



### Responsible citizenship

At the same time, employee community engagement can bring people together from all nationalities, religions, socio-economic backgrounds and ages to contribute to positive change and promote active, responsible citizenship, something which is central to European ideals and values of democracy, solidarity and participation. It is also a flexible means of reaching a variety of people, engaging employees in doing something constructive for the community, and meeting the needs of the community and wider society - and indeed, the economy - in an organised and systematic way. In the long run, it will also help to make the workplaces of many businesses more diverse.

For these and other reasons, businesses are increasingly developing employee community engagement initiatives as part of their wider corporate social responsibility or corporate citizenship programmes. We would like the European Commission to do more to encourage and promote this, and have made recommendations to this end.

### Encouraging and enabling more businesses to get involved

We are always looking at ways of engaging more businesses. As a result of our CSR Laboratory, the lead partners have ensured the ENGAGE website includes a toolkit to encourage and enable more businesses to establish employee community engagement schemes and for community organisations to develop them. This can be found at [www.ENGAGEyouremployees.org](http://www.ENGAGEyouremployees.org).

The website also includes the examples of employee community engagement initiatives we have collected together for this CSR Laboratory. We have concentrated on multi-stakeholder initiatives: in particular cross-sector partnerships that involve a number of businesses, NGOs, brokers or community organisations, collaborating on community initiatives designed to enhance the essential skills of disadvantaged groups of people within the EU. We believe many of these can be replicated and adapted to suit particular needs and communities within the EU.

### ENGAGE Key Cities

Through the ENGAGE Key Cities programmes in Barcelona, Bratislava, Frankfurt, Istanbul, Kosice, Milan, Paris and Prague, which continue to expand and develop, ENGAGE aims to encourage more businesses to get involved in employee community engagement, and to raise the profile of its role within the wider corporate social responsibility agenda.

We hope that this CSR Laboratory will encourage and enable more employers across the EU to support employee community engagement initiatives.

## Key findings

- Corporate investment in employee community engagement has now reached significant levels and has become increasingly linked to core business strategy in terms of up-skilling employees and productivity levels and developing the skills of disadvantaged groups in local communities, as identified in the Growth and Jobs Strategy.
- Businesses invest in this resource because they believe it is crucial for economic and social cohesion. There are also direct business benefits and for the volunteers too.
- Consistency and robustness of data across all employee community engagement is sometimes lacking. This is in part due to the desire to use funds to directly support the disadvantaged group. However, the level of employee community engagement has become sufficiently sophisticated to now adopt a measurement framework to ensure effectiveness, taking into account the need for both qualitative and quantitative information. It is worth noting that there are a number of case studies which demonstrate the positive effect volunteering has on skills for employability from both a quantitative and qualitative perspective.
- The impact of employee community engagement can be enhanced by working collaboratively with other stakeholders. The study identified a number of successful pilots between one or two companies and an NGO partner being replicated many times over in different locations with new businesses and social groups.
- Participants in the study believe the European Commission has a key role to play with other stakeholders in encouraging an environment where employee community engagement can thrive, and to minimise duplication of effort by supporting the dissemination of best practice, hence ensuring optimal levels of impact and innovation. This should include ensuring there is a strong country and EU wide infrastructure.
- Stakeholders involved in this Report confirmed a desire for increased recognition of employee community engagement by the European Commission in achieving the goals of the Growth and Jobs Strategy.
- Volunteering across the board is growing with 3 in 10 Europeans currently involved totalling over 100 million people and contributing \$400 billion to the global economy. Employee community engagement makes a significant contribution to this.



**Businesses** invest in this resource because they believe it is crucial for economic and social cohesion.



## Some definitions



**Mentoring,**  
coaching, training,  
work experience,  
community  
assignments and  
secondments, team  
building projects,  
careers days ....

**Employee community engagement** – “community service initiatives, endorsed by management, where employees use their skills and time to address social or environmental issues. These actions generate specific benefits for the corporation, employees and the community.”<sup>1</sup>

Employee community engagement activities involve businesses encouraging and supporting their employees to volunteer in the community via facilitated and designed schemes, sometimes using the volunteers’ professional and work-related skills and competencies, sometimes simply their knowledge and experience, to improve the employability skills of target groups. Sometimes specific training is involved too. This Report focuses on this area of activity.

Examples of employee community engagement activities include mentoring and coaching; training and skills transferral such as literacy and numeracy skills; work experience and apprentice schemes; community assignments and secondments; team building projects, and community days such as careers days. As a secondary element, we look at the benefits to the volunteers of participating in these schemes.

**Volunteering** - an activity of voluntary character and personal commitment, exercised in an organised setting and with a structured framework, unpaid, undertaken for the benefit of other individuals and society as a whole<sup>2</sup>.

**CSR** – “corporate social responsibility is a concept whereby enterprises integrate social and environmental concerns into their business operations and in their interaction with their stakeholders<sup>3</sup>.”

**CSR Laboratory** – CSR Laboratories are business-driven and action-oriented projects which aim to address corporate social responsibility challenges in and around the priority areas of the European Alliance for CSR. The objective of the CSR Laboratories is to bring together business practitioners, stakeholders and representatives of the EU to share experience and explore joint operational projects<sup>4</sup>.

**Disadvantaged (groups of) people** – our CSR Laboratory looks at employee community engagement programmes aimed at helping to improve the employability skills of people with few chances in the job market; people who may feel excluded from the job market; people with low employability skills, and those who traditionally find it difficult to gain and sustain a job.

<sup>1</sup> The challenges of implementing multi-jurisdictional corporate volunteering programmes: A European perspective, Florencia Spangaro, London Metropolitan University, September 2006.

<sup>2</sup> MANIFESTO for volunteering in Europe, European Volunteer centre

<sup>3</sup> Communication from the European Commission to the European Parliament, the Council and the European Economic and Social Committee, *Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility* (22/03/06) p. 1

<sup>4</sup> <http://www.csreurope.org/pages/en/laboratories.html>

Many people might be ‘classified’ in more than one of these ‘groups’:

- young people (especially early school leavers, those ‘at risk’, and people from disadvantaged or low educational or deprived backgrounds);
- people with disabilities;
- ageing or older workers;
- unemployed, particularly long-term unemployed, unemployed young people and women; low skilled people and people on the margins of the labour market;
- returners to work;
- underemployed people including homeless people;
- women;
- lone parents;
- people whose first language is not the common language of the country;
- ex-offenders;
- people in care;
- undeclared workers and those not in the formal economy;
- refugees, legal migrants and recent immigrants; and
- minority ethnic groups.

**Employability skills** – in the case of our CSR Laboratory, we are defining these as “not job specific but...skills which cut horizontally across all industries and vertically across all jobs from entry level to chief executive officer.”<sup>5</sup>

Naturally the specific skills required vary across the EU, due to the different economic, political and social situations within each member state and locality, and across different job sectors. However, following consultation with the European Commission’s Directorate-General Employment, Social Affairs and Equal Opportunities, it is clear that there are core skills and competencies that are crucial to gaining and sustaining employment. These are skills which employers commonly cite as being vital for employees at any level to possess, and that will ensure that people are sufficiently adaptable to (re-)enter and remain in the labour market and grasp new opportunities.

These skills can be broadly broken down into four areas: self-reliance; people skills; basic or essential employment skills; and job ready skills.

<sup>5</sup> Sherer, M. and Eadie “Employability Skills: Key to Success.” *Thrust* 17/2 (1987): 16-17.

**Not** job specific but...skills which cut horizontally across all industries and vertically across all jobs from entry level to chief executive officer.

## Defining the essential skills for employability<sup>1</sup>

- 
- |                  |  |
|------------------|--|
| Basic skills     | <ul style="list-style-type: none"> <li>■ Communication</li> <li>■ Literacy</li> <li>■ Numeracy</li> <li>■ IT/computer literacy</li> </ul>  |
| Thinking skills  | <ul style="list-style-type: none"> <li>■ Problem-solving</li> <li>■ Planning and prioritisation</li> <li>■ Learning skills, strategies</li> <li>■ Creative, innovative-thinking</li> <li>■ Decision-making</li> <li>■ Business acumen, enterprise</li> </ul>   |
| Job-ready skills | <ul style="list-style-type: none"> <li>■ CV writing</li> <li>■ Interview techniques</li> </ul>   |
| Self-reliance    | <ul style="list-style-type: none"> <li>■ Self-awareness, realism, focus</li> <li>■ Pro-activity, resourcefulness, drive</li> <li>■ Willingness to learn, enthusiasm, motivation</li> <li>■ Self-promotion, persistence, ambition</li> <li>■ Networking, team skills, ability to initiate and build relationships</li> <li>■ Dependability, responsibility</li> <li>■ Positive attitude towards work, willingness</li> <li>■ Conscientiousness, punctuality, efficiency</li> <li>■ Self-confidence, positive self-image</li> <li>■ Adaptability, flexibility</li> <li>■ Self-discipline, self-management</li> <li>■ Appropriate dress, grooming</li> <li>■ Honesty, integrity</li> <li>■ Ability to work without supervision, self-reliance</li> <li>■ Accuracy</li> <li>■ Commitment, dedicated, trustworthy, conscientious</li> </ul> |
| People skills    | <ul style="list-style-type: none"> <li>■ Team working, supportive, organised, good at delivery, able to coordinate projects and people</li> <li>■ Interpersonal skills, cooperative, assertive, good at listening and giving advice</li> <li>■ Oral communication, good at presenting and communicating, able to influence</li> <li>■ Leadership, able to motivate, energetic, visionary</li> <li>■ Customer orientation – friendly, caring, diplomatic</li> </ul>   |

<sup>1</sup> Based on Cotton 1993, adapted and extended by UPJ.

### Job coaching youth at risk in Frankfurt

In a joint project, local schools, businesses and the community organisation Gesellschaft für Jugendbeschäftigung e.V. (gjb; society for employability of adolescents) have developed a job coaching programme for students at the lower end of the achievement scale to further their career prospects. By combining the business expertise of the companies with the social and educational background of gjb, the programme has had a measurable impact on the local community, as well as the employees and the students.

This is an ENGAGE City project initiated by Citi, Freshfields, Linklaters, Deutsche Borse, UPJ and gjb.

#### Programme outline

At 26%, Frankfurt has one of the largest immigrant populations in Germany. Around one-third of unemployed people in Frankfurt are immigrants. One in seven immigrant students do not graduate from secondary school, and 16% of those children depend on welfare, compared to 10% of non-immigrant children.

This year-long programme focuses on the key skills needed to improve school students' employment prospects. Supported by gjb, business volunteers deliver a range of practical workshops, such as CV writing and interview training. Students are invited to the companies' offices, exposing them to a real-life atmosphere, this combined with role-play, telephone training, mock interviews and individual feedback, ensures an all round preparation for students, enabling them to take home key skills as well as tangible outcomes, such as professional photos and a freshly crafted CV.

#### Impact

In the first two school years, 90 students many from immigrant backgrounds and over 140 employee volunteers took part in the programme. The programme benefits the students in a variety of ways. It helps to improve job application skills: One student said: "I obtained my apprenticeship with the job application we did there"; provides exposure to a new range of experiences and contact with the business world, often for the first time: "This was my first job interview and I did not know how to behave"; and engenders a higher level of confidence, motivation and aspiration: "I realised what life can offer, if you really want it"; "I learned that I can be someone, if I want".

Evaluation has shown that the volunteers enjoy the opportunity to expand their own skills and experiences for the benefit of others, as well as expand their own personal networks. 100% of the volunteers have continued with the programme. gjb was able to offer real life learning experiences for the students, enhance their own project management skills and received greater public awareness. The teachers also feel the scheme had a positive impact on the immediate networks and friends of the students.

Freshfields has now introduced similar job coaching schemes through its offices in Berlin, and Cologne.

**From** Frankfurt to Berlin and Cologne

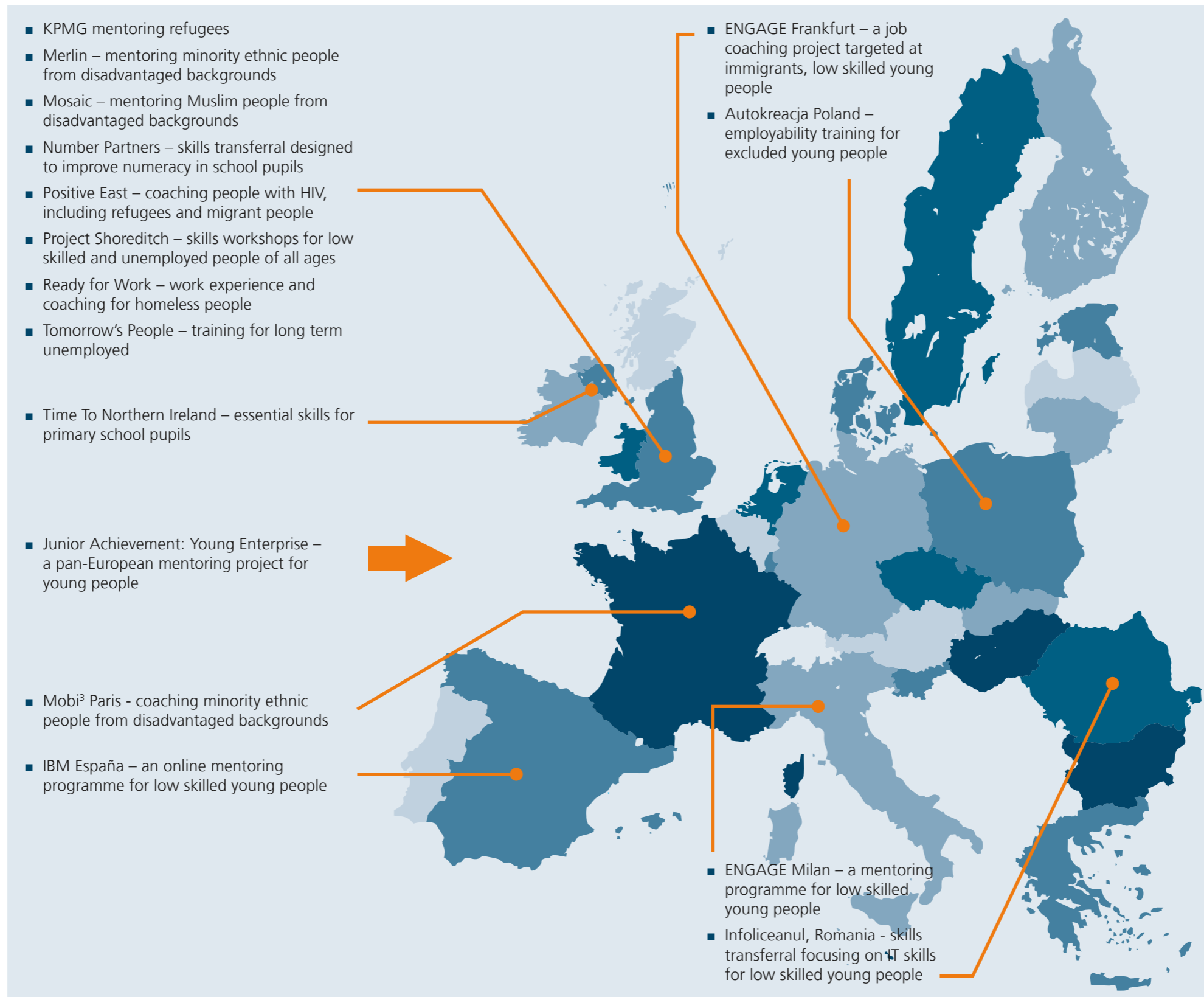






## The case studies

**Our** recommendations and findings are based on the case studies we have researched as part of this CSR Laboratory. They are also informed by the experiences of members of ENGAGE and Business in the Community including community partners and NGOs; CEV (The European Volunteer Centre); and the debates we have had with members of other CSR Laboratories as part of the CSR Laboratory process managed by CSR Europe.



**The** map summarises some of the case studies which have formed the basis of this Report and the various different types of employee community engagement that employers support that help to enhance the skills for employability amongst groups of disadvantaged people.

## The findings

### Meeting a range of different needs

The wide-ranging nature of employee community engagement enables such programmes to meet a diverse range of needs, and to involve many different types of people – both in terms of volunteers and community participants.

There is no single approach which needs to be adopted. This flexibility and adaptability to meeting the needs of communities and the abilities of the volunteers, and the size and nature of the business, is one of the strengths of employee community engagement.

### Targeting the next generation

It is noticeable, however, that many of our case studies are designed to benefit low skilled and unemployed young people – a group which is specifically targeted by the Growth and Jobs Strategy. Businesses target these groups because they are the next generation of customers, clients and employees.

### Promoting greater participation in the labour force

**Ready for Work:** As a result of this work placement and job coaching scheme for homeless people, since January 2001 61% of clients who have completed placements have been offered employment; and 72% are still in employment at three months.

At Freshfields this programme provides two-week placements plus support in writing CVs and job interview practice. Between 2001-08, nearly 140 homeless people have participated in the scheme and 15 have taken up permanent positions within the firm, and many elsewhere. One participant said, *"I was broken when I came to you and you fixed me... this experience has opened doors for me."*

**IBM España:** IBM volunteers conduct a course of workshops aimed at improving technological and personal skills, interview skills and CV preparation. The programme works with early school leavers from a deprived suburb of Madrid.

73% of youngsters who have completed their course have found a job relating to their training while a further 7% have found a job not directly related to their training. In 2006, two of the students started working for IBM as trainees, and their contracts were renewed for a second year. In 2007, three more students became interns. This has helped to motivate all students involved, many of whom would never before have believed such a job was a possibility for them.

KPMG's refugee mentoring programme and Barclays partnership with HIV charity Positive East are other examples of success.

**73%** of youngsters who have completed their course have found a job relating to their training

### Improving the IT skills of school leavers in Romania

Many students leave school early without the skill set needed to compete in Romania's growing labour market. Employers perceive a lack of innovation amongst school leavers, coupled with the absence of a competitive approach: key assets of a dynamic and flexible labour market. Additionally, many students have poor awareness of customer relations, limited capability to work within given constraints and lack exposure to the latest technology.

This project was initiated by S.C. Wittmann & Partner Computer Systems SR., and Avram Iancu High School. Through combining the skills of this local IT company with the school's experience, the programme aims to help students gain the skills needed to compete in Romania and Europe's rapidly changing labour market.

#### Programme outline

Wittmann & Partners' staff volunteer their time to Infoliceanul, an exciting and forward-thinking competition that challenges students to develop their own software solutions in a range of areas, from web design to games and educational software.

Business volunteers support the students by guiding and nurturing their ideas and enhancing their IT skills. They aim to emphasise innovation and dynamism as well as fostering students' competitive nature, providing motivation and increased community awareness of social and cultural issues through research activities. Additionally, they assist the community organisations by bringing commercial know-how to their strategies, marketing and volunteer training.

#### Impact

100 young people have taken part in the programme so far. Wittman has found that 95% of the students have increased their communication skills and 70% have improved their technical skills. Most strikingly, 65% provided innovative and effective solutions to the contest's challenge, with 10% receiving awards for their work, demonstrating their ability to think dynamically to solve a problem and increasing their confidence.

The community organisation has gained valuable knowledge, helping it to develop, and gain a better understanding of the demands of the labour market. The students have gained a greater sense of social inclusion, employability and personal skills developments, and the opportunity to put their knowledge and ideas into action in a real world setting. Volunteers have been able to build a social reputation and improve the overall perception of the company to its staff, as well as an increased sense of responsibility and awareness.







## The challenges



**76%** of people it helps are still in employment 12 months on

### Reliance on anecdotal research

There are some outstanding examples of evaluation such as Oxford Economic Forecasting's evaluation of Diageo's Tomorrow's People undertaken in 2005 which found that over the 20 years of the project there had been considerable savings to the Exchequer, the health service and to the costs of crime. At the time of the evaluation, Tomorrow's People had helped 382,000 people into employment and benefits to society were estimated at £450 million. Since then, Tomorrow's People has helped over 400,000 long-term unemployed into sustainable jobs and on average, 76% of people it helps are still in employment 12 months on.

However, despite this and the findings of the case studies we have quoted in this Report, our research has found that much of the evidence showing how employee community engagement can enhance the skills for employability of disadvantaged groups of people in the EU is anecdotal.

### Difficult to measure

Our research has found that the lack of short and long term evaluation of such initiatives is partly due to cost, which could take resources away from the projects themselves. Furthermore the programmes focus largely on 'soft' skills which are often difficult to measure, and their effectiveness can only really be seen if beneficiaries are traced for an extended period of time to see what happens to them in terms of employment – something which schemes such as Ready for Work have shown is hard to do.

However, it is worth noting that many businesses simply wouldn't support these activities and encourage their volunteers to take the time during the working day to undertake them if they didn't see any benefit given that they are actually incurring a cost by enabling their people to participate in community projects. Equally, volunteers and community organisations are unlikely to support them if they did not think they were worthwhile.

### Finding an evaluation framework

Nor should such considerations undermine the role evaluation plays in maximising the effectiveness of such programmes and in helping to promote the concept to more businesses. Improved evaluation and finding a framework for the more anecdotal evidence would be a useful step going forwards which is why we are recommending that some investment is made in evaluation, and why we are undertaking to evaluate the ENGAGE Key City programmes – particularly those projects that focus on employee engagement initiatives that are designed to improve skills for employability of disadvantaged groups of people.

### Looking for more case studies

Another limitation of our report is that we would have liked to have included more case studies from the retail or manufacturing sectors as we do recognise that there could be issues about providing time to volunteer for shift workers in particular.

More generally, there is a lack of evidence of good practice from all corners of the EU and more information is needed to build up a better picture of what can be achieved in these areas.

**Benefits to society were estimated at £450m**

## Refugee mentoring

The KPMG Mentoring Refugees programme prepares refugees with skills to work in the UK, specifically those who have qualifications in the financial sector in their own country, to prepare them for accountancy and finance work in the UK. KPMG volunteers act as mentors for the refugees.

### Programme outline

All volunteers are trained in refugee awareness and employment barriers before beginning volunteering.

The refugees send CVs and outlines of what type of employment they would like through to the Refugee Council which are then matched with KPMG volunteers in a similar career path and meetings commence. Refugees then have the option to continue contact with the volunteer.

### Impact

This programme has been successfully replicated in other businesses and has also opened new opportunities for KPMG employees to volunteer in the community, learning more about the realities of global issues and asylum in the UK. After volunteering, 72% of employees in the 2006 staff survey said that they would recommend KPMG as a responsible employer to others.

Of the refugees who have participated in this programme in London, the 2005 and 2006 sessions resulted in 13 out of 28 participants finding employment. In 2007, of the 31 participants 25% have found work, another 25% are reported to still be looking for work. This programme has also recently started in KPMG Leeds and Glasgow offices.



## A message from the lead businesses: Citi, Freshfields and KPMG



We believe that employee community engagement is an important part of our corporate social responsibility programmes, which is why we encourage the people who work in our businesses to get involved in a wide range of volunteering activities in the communities in which we operate.

We believe employee community engagement is important for many reasons. For our businesses to be successful we need a skilled, motivated, adaptable and increasingly diverse workforce; thriving communities with skilled, motivated and adaptable individuals are crucial to this. Social cohesion is vital too. We believe that businesses like ours have a key role in ensuring this is achieved by working in multi-stakeholder partnerships with community organisations, NGOs and brokers.

Indeed, we believe we have a corporate responsibility to contribute to ensuring the communities we operate in are thriving, and to minimise the problems of disadvantage and social exclusion; this is about corporate social responsibility and fundamentally our collective sustainability.

### “Healthy backstreets make healthy high streets”

As Marcus Sieff, then chairman of Marks and Spencer memorably summarised in 1982 when talking about Business in the Community:

*“healthy backstreets make healthy high streets.”* This continues to be as relevant today as it was then, and can be applied to anywhere within the EU.

Encouraging and supporting employee community engagement by developing and financing programmes, and providing volunteers with the time during the working week to participate, are some of the ways that businesses like ours are seeking to deliver what we recognise to be our social responsibilities.

We believe that our CSR Laboratory demonstrates the value and effectiveness of employee community engagement in terms of improving the employability skills of groups of people who are marginalised across the EU, including those specifically targeted by the Growth and Jobs Strategy.

[www.ENGAGEyouremployees.org](http://www.ENGAGEyouremployees.org)

We hope that our Report will help to give the impetus to the Commission to implement our recommendations which we believe will help to speed the development of more employee community engagement initiatives, and so contribute to achieving the goals of the Lisbon Agenda.

We also hope to encourage other employers to support and develop similar schemes; and help more community organisations to develop more of these multi-sector and multi-stakeholder partnerships. So we are delighted our funding has enabled ENGAGE to include the toolkit at [www.ENGAGEyouremployees.org](http://www.ENGAGEyouremployees.org) and has brought together this important study and recommendations.

### Corporate responsibility

We have all been supporting employee community engagement initiatives in various parts of the EU for several years. However, our CSR Laboratory has confirmed our own experiences - that much of the evidence to support our views that employee volunteering improves the skills for employability amongst disadvantaged and marginalised groups is anecdotal.

Although there are also many outstanding examples of evaluation as this Report shows. This lack of consistent hard evidence does not deter us, and we continue to expand our own programmes based on the positive feedback and enthusiasm of our volunteers, the individuals involved and the community organisations we work with.

### Motivated people

Participants often comment on how our schemes improve their motivation and broaden their horizons. Community organisations observe that the schemes help to raise the aspirations, realise the potential, and improve the skills of disadvantaged people – whatever the individual’s age, gender or background. This is important to gaining and sustaining employment. And it is important for all of us to keep this in mind in these ‘credit crunch’ times.

### Motivated employees

Our volunteers find that taking part in the schemes is personally and professionally rewarding. They can enhance their own skills and competencies: for example, hosting and managing work experience programmes can often help to improve and develop people’s management and team skills. They can be fun, and are a good way of meeting and working with people from both within their businesses and the wider community. They also help to broaden horizons and provide a perspective on social issues.

Many employers throughout the EU are actively involved in similar ways to us, but there is more we can all do. Therefore, as part of this CSR Laboratory, we are disseminating more widely the ENGAGE toolkit which is designed to help employers to start or enhance employee community engagement initiatives. Through this toolkit, the case studies, and the links to other websites, we hope to enable more people to learn from best practice in the area.

**Francesco Vanni d’Archirafi**,  
Chairman Citibank Europe plc & Chairman ENGAGE

**John Davies**,  
Partner, Freshfields Bruckhaus Deringer LLP

**Christine Hewson**,  
Partner, Head of Retail, KPMG North, KPMG LLP

All members of the ENGAGE leadership group, which is part of Business in the Community

**Healthy** backstreets make healthy high streets. This continues to be as relevant today as it was then, and can be applied to anywhere within the EU.

## A message from Business in the Community

For 25 years, Business in the Community has sought to mobilise business for good. By supporting and challenging businesses to integrate responsible business through their operations, we have seen companies have an increased positive impact on the community, environment, marketplace and workplace in which they operate.

Business in the

Community

Our work thus far has been wide-ranging and highly responsive to the changing global agenda: for example, one focus of recent years has been engaging business in tackling climate change.

### Unlocking talent

A rising challenge for European society and companies is how to unlock talent. We believe there is a vital role for businesses in developing the skills of their employees and the wider community, wherever they operate. Investment in skills is essential if companies are to continue to be globally competitive.

In the 2000 Lisbon Treaty, the European Commission laid out its intentions to make the EU the most dynamic and competitive knowledge-based economy in the world and thus set down an impetus for change. Engineering firms have already begun to feel the effect of low numeracy skills amongst school leavers on their productivity.

In fact, the EU Commission estimates that the EU will need to attract 20 million highly skilled migrants over the next 20 years to address shortages in the engineering and computer technology sectors. The incentives for businesses to act are therefore moral as well as extremely tangible.

### Inspirational role models and real life experience

The need to develop employability skills and meet the talent challenge is more pressing than ever. Businesses have an excellent understanding of the skills that will be needed to move the European economy into the twenty first century and are well placed to help develop these competencies. They have the expertise and resources to provide people from all walks of life with opportunities to unlock their talent so that they can realise their full potential, and help the EU realise its own. In addition, businesses volunteers can offer fresh ideas, inspirational role models, and real life experience of work.

Business in the Community therefore welcomes this research, highlighting the role that employee engagement can play in delivering employability skills into the communities where companies operate across Europe.

### Closing the skills gap

There are several key points of intervention where we can make the biggest difference in closing the skills gap. They include supporting numeracy and literacy in schools, developing an entrepreneurial mindset amongst young people, tackling the large residue of functionally illiterate and innumerate adults in the workforce, and bringing young people who are not in education, employment or training into the world of work. In addition, there is still more to do to bring the best out of people at the top end of the skills scale.

Many businesses are already involved in closing the skills gap and are doing great things – this report highlights just some of the many successful employee community engagement projects that are making a difference all around Europe. Business in the Community and the ENGAGE programme is committed to building on this success.

### Stephen Howard,

Chief Executive, Business in the Community  
ENGAGE is managed by Business in the Community

## Focusing on Tower Hamlets in London

Many businesses in the UK support Reading Partner as well as Number Partner schemes to improve literacy skills, motivation, and communication skills.

Tower Hamlets Education Business Partnership (EPB) is an excellent example of a broker that brings together volunteers from over 230 businesses in the area with 150 schools and other young peoples organisations to raise achievement and provide pupils at schools in the borough with opportunities to improve their work-related skills.

Amongst other things, employers can choose to support lunchtime reading, number, language, chess and sports clubs in primary schools; business mentoring, work-related conferences, practice interview programmes, work experience and language schemes with secondary schools; or head teacher mentoring or the school governor scheme. The common thread throughout these schemes developed and supported by the EPB is improving the skills for employability and the aspirations, of young people many of whom are from disadvantaged backgrounds.

Tower Hamlets is the third most deprived area of the 354 local authorities in England. In 2007, 52% of pupils were eligible for free school meals, compared to a national average of 16%; for 76% of pupils, English was their second language - over half the population was from non-White British ethnic groups, a third was Bangladeshi, of whom half is under 20 years old; in 2006, 1 in 10 residents were classified as employment-deprived and the area had the highest rate of unemployment in London; a quarter of the borough's households had an income below £15,000 compared with a fifth of households across London.



## Citi – our approach to employee community engagement



Through the Citi Foundation and our grant giving, we are able to foster hundreds of community partnerships across Europe

Citi is one of the leading global financial services companies, with some 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services.

With a strong position across the global community we are very much aware that we are integral to the growth of economies through the creation of jobs and raising the quality of life within the communities that we operate in, and at the same time we recognise our role and responsibilities for the betterment of society.

By working in partnership with our clients, our local communities and our stakeholders, we move closer to our ultimate goal: to be the most respected global financial services company. One key vehicle that enables us to do just this is the Citi Foundation.

### Citi Foundation

The Citi Foundation is committed to enhancing economic opportunities for underserved individuals and families in the communities where we work throughout the world.

The Citi Foundation develops and promotes strategic initiatives to meet local community needs, monitor and responds to issues of concern, and engages in proactive outreach.

We support markets across the world through investment into selected programs which align directly with our key priority/focus areas.

Following a strategic review, in 2008 the Citi Foundation announced a revised remit to better align our community investment to our businesses and core competencies and to enable Citi to engage in areas where the company and the Foundation can play a leadership role within. Today, there are five key strategic areas of involvement;

- microfinance and microentrepreneurship which helps individuals become economically self-sufficient;
- small and growing businesses leading to economic expansion and job creation;
- education which prepares young people for personal and professional success;
- financial education which helps individuals make informed financial decisions; and
- the environment with a focus on sustainable enterprises that generate jobs and stimulate economic growth while preserving the environment.

Through the Citi Foundation and our grant giving, we are able to foster hundreds of community partnerships across Europe, and beyond. Yet, these partnerships are not only based on financial contributions, but importantly the skills and expertise of our staff who volunteer their time in the delivery of said partnerships.

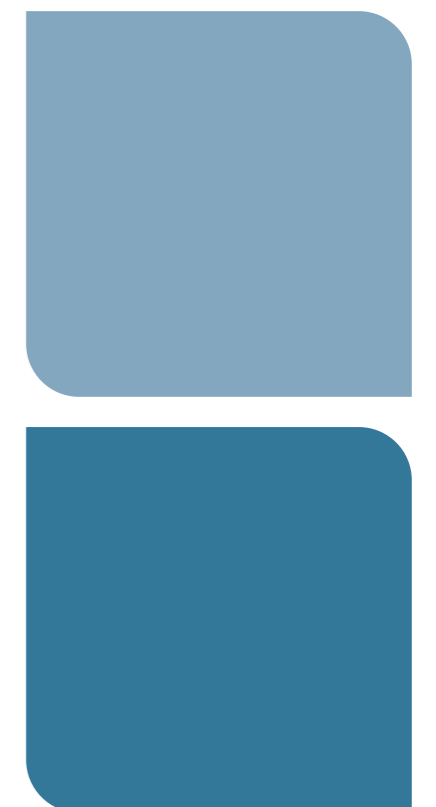
### Volunteerism:

Volunteerism or employee engagement has long been an integral part of Citi's culture. Senior management has been highly supportive of employees' volunteer activities, and Citi has spearheaded many successful company-wide volunteer initiatives including Junior Achievement and Habitat for Humanity.

The Office of Global Volunteer Initiatives was created in 2003 as Citi recognised that our commitment to and our influence through volunteerism could be even broader. It was conceived as a way to centralise information on volunteer activities, promote volunteerism to our employees, recognises individual and group volunteer efforts and strategically market volunteer opportunities to help meet community goals.

The Office of Global Volunteer Initiatives, in conjunction with Citi Foundation and other internal departments, helps identify and coordinate company-wide volunteer initiatives, such as Global Community Day. The Citi Volunteer Program which was launched in 2004, includes the Employee Volunteer Day, and Volunteer Management System.

The Citi Volunteer Program helps Citi recruit and retain world-class talent. Helping employees work together to make a difference builds a stronger Citi team and fosters company loyalty – and we expect that investing human and financial capital in the Citi Volunteer Program will generate dividends well into the future as Citi leads the way in corporate citizenship.







**Our** award-winning programme in London, which is also our largest office, currently involves around 36% of people in the office

### Activities in London

Our award-winning programme in London, which is also our largest office, currently involves around 36% of people in the office. At 35 years, our partnership with Tower Hamlets Legal Advice Centre is our firm's longest community partnership. Over time we have developed a range of activities to suit the interests, abilities, time commitments people are prepared to make, as well as the needs of the communities.

Projects focusing on improving the skills for employability in London include job coaching for homeless people; around 50 work placements a year for homeless people, pupils at local schools, the National Autistic Society and various schemes aimed at making City law firms more diverse; Reading and Number Partner schemes at a local primary school; mentoring and French and Spanish Partners for 15-16 year olds; coaching students with Youth at Risk; and team-building challenges.

### Examples from Germany and France

Many of our other offices in the EU (and elsewhere) are engaged in similar activities. For example, most of our offices have partner schools where volunteers provide Reading, and Number Partner support to the young people, as well as community days.

As a result of our involvement with ENGAGE, our offices in Berlin, Cologne, and Frankfurt all offer job coaching to 15-17 year olds from deprived backgrounds with poor qualifications and a history of discouraging experiences. This programme was singled out in December 2006 as part of the Engagiertes Unternehmen (Engaged Business) scheme run by the office of the Prime Minister of the Federal State of Hessen.

In 2007, we began working alongside the French Ministry of Education, ENGAGE and a number of other firms and businesses on a project that welcomed 13-15 year old school children into the workplace as part of a 'discovering business' initiative aimed at introducing them to corporate life and culture. Our office in Paris found the discovery day project such a positive experience that several of the young people were then provided with work experience over the summer holidays.

### Positive East

This scheme brings together Barclays with HIV charity Positive East, to help boost the employability skills of people who are affected by HIV in East London. Barclays provides volunteers and programme funding to the service which is open to people registered with Positive East. Each person is assessed and given an individual action plan and is encouraged to attend the 'Apply Yourself' programme. This is a job preparation skills course assisted by Barclays volunteers.

#### Programme outline

Due to the long-term and debilitating effects of living with HIV, many sufferers have been too ill to work at certain points in the past and have had to rely on government benefits as their income.

Positive East also has a very large number of clients who are refugees, migrants and asylum seekers who for a variety of reasons have been unable to work for considerable periods of time.

Both groups of people live in poverty with a very limited income. A large number of this client group would now like to get back into the workplace but feel that they are unable to do it alone. This can be due to such barriers as the gaps in their employment record, long periods of sickness, out of date qualifications and their HIV status.

Each person who wants to participate in the employability skills programme attends an assessment interview to identify some of the barriers, be they psychological, social or emotional, that are preventing that person from returning to work. Following this interview an individual action plan is drawn up for the participant with realistic goals to work towards based on their own specific circumstances.

Participants are then encouraged to attend the Apply Yourself course which is a job preparation skills course to guide participants through every stage of the job application process.

Barclays volunteers come from a range of areas within the company and can offer their specialist knowledge to the members of the Apply Yourself course.

#### Impact

A telephone evaluation was conducted with all of the people who had used this service to find out the impact it had on them. A questionnaire was also given to all participants of the Apply Yourself course. Results from this research showed that: 90% of participants felt that they had made a significant progression towards employment as a result of the course; 89% of participants found the courses extremely helpful; 80% of participants felt that the course had a positive impact upon their health as well as their employability skills; 87% of participants felt that the course had a positive impact on their confidence; and 91% of participants felt that the course had a positive impact on their self-esteem.

In the first year, out of 125 people, 38 were supported into work, eight people moved into volunteering and 13 went back into full-time education.

## KPMG – our approach to employee community engagement



**CSR** is central to KPMG: in recognising our wider responsibilities to a broad range of stakeholders

KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. We operate in 148 countries and have more than 123,000 professionals working in member firms around the world.

CSR is central to KPMG: in recognising our wider responsibilities to a broad range of stakeholders – including partners, employees, clients, suppliers, community groups and opinion formers – CSR permeates all levels of business activity, affecting corporate governance, employee relations, client relationships, environmental management, community involvement as well as key business operations. Our CSR agenda is to inspire, challenge and empower our employees, to positively contribute to local communities and environment and to create a substantial business future for us all.

We are familiar with the “GloCal” Business Model, addressing global issues through the coordination of KPMG member practices, who are driving corporate responsibility strategy on a local basis. We mainly operate at three levels:

- KPMG International’s Global Corporate Citizenship commitments provide the framework on our overall ambitions, focusing on the key issues of education and development, environment and diversity. KPMG International has been a signatory to the United Nations Global Compact since 2002.
- Member firms in the three main geographical areas (Europe, Middle East and Africa – Americas – Asia Pacific) network to share best practices and ensure consistency of approach.
- KPMG member firms have developed and are delivering local CSR strategy which complements KPMG International’s global ambitions, responding to local priorities and needs.

### Some examples

In the KPMG EMA network, 28 countries have signed a shared set of CSR principles that have been developed by member firms at the outset of the EMA Network and that are reflective of the KPMG Way and the Global Code of Conduct. These member firms have defined a common strategy which is delivered by six work streams, referring to the following issues: reporting on the environment, reporting on communities, environmental management, volunteering programs, pro-bono activities, communication tools.

In 2007, 17 countries in the EMA CSR network participated in the “Make a Difference Day” project: over 2,300 employees have supported different initiatives in 52 cities during the same day, donating their time and their skills to implement 112 projects.

### KPMG in the UK

KPMG LLP, a UK limited liability partnership, is a subsidiary of KPMG Europe LLP and operates from 22 offices across the UK with nearly 11,000 partners and staff.

KPMG in the UK’s commitment to communities is at the heart of our values. We have a strong record in community involvement and have over the past 14 years built a vibrant, far reaching and coordinated programme of

## Literacy, numeracy and ICT skills for primary pupils in Northern Ireland

The Time To scheme in Northern Ireland is supported by 131 companies including Fujitsu, KPMG, Tesco, Foyle Food group, HM Revenue and Customs and Northern Ireland Electricity, 128 Primary Schools and Business in the Community Northern Ireland.

### Programme outline

Time To concentrates on the skills fundamental to a child’s learning and development - literacy, numeracy and ICT - with the recognition that unless these skills are established early on in life, a child will find it increasingly difficult to learn effectively. This can lead to underachievement later on in school and in the world of employment. Time To connects young people in Northern Ireland with business volunteers to help develop these skills.

### Impact

The feedback from the participating schools has been very positive with teachers finding the volunteering to be a valuable teaching resource. The regular change of working environment has also proved to be extremely valuable for the pupils involved.

A key benefit of the Time To project is that pupils are helped to develop their self-esteem and confidence at the same time as improving their academic skills.

What is more, companies participating in the Time To schemes have also found that there are many benefits for their employees who support children in the schools. Participating employees have developed their confidence, self-esteem and motivation as well as improving their communication, relationship management, coaching and counselling skills.

**In 2007 the total community contribution was £5.7m**

Corporate Social Responsibility, which encompasses sound environmental management, working closely with communities, and a determination to work with everyone in a way that reflects KPMG's strong set of values. In 2007 the total community contribution was £5.7m and 35% of our people volunteered in work time, contributing more than 38,000 hours.

Our objectives are to deliver a leading CSR programme that ensures that we are living the value 'Committed to our Communities'.

Volunteering schemes and community projects which focus on employability and access to opportunity, and environmental management are the foundation of our commitment to communities; these have, over the years, matured into an integrated programme aimed at building sustainable communities and adding value wherever possible.

All our people can access 3.5 hours of firm time per month to volunteer and each of our offices has a CSR Forum – a group of people from all grades of the business who are interested in CSR – who help implement the national CSR strategy and respond to local priorities, building strong partnerships with local community organisations. These Forums are a strong foundation on which we build local involvement, action and ownership. Our programme of CSR is supported by a Leadership Team of five UK Partners; their overall purpose is to set the vision and strategy for CSR and to embed CSR into the firm's daily business activities.

Some of our key activities include:

**Education and access to opportunity:** Our main programme includes Number Partners which enables staff to support pupils' numeracy skills in primary and secondary schools, as well as an extensive number of volunteer School Governors. We are also the first professional firm to co-sponsor an Academy with the City of London Corporation. The new school, opening in September 2009, will be a mixed and non-denominational Academy for 11-18 year olds and we are investing significantly in supporting those feeder primary schools in the area. Many of our local offices have developed strong links with a local primary and /or secondary school with whom they have developed multilayer relationships – including some of the volunteering programmes described above, workplace visits and pro bono strategic support.

**Employability:** This is the main backbone of our social inclusion programmes, which aim to address some of the inequalities that exist between the least advantaged groups and communities and the rest of society by closing the opportunity gap and ensuring that support reaches those who need it most. Our programmes include supporting ex-homeless people and refugees back into work through providing CV and interview skills coaching sessions. Some of our offices are linked with local refugee and homeless organisations with a KPMG relationship manager from the office CSR Forum to develop the local link.

## Tomorrow's People – skills for life

Tomorrow's People was created by a predecessor of what is now Diageo in 1984, following its identification of chronic unemployment as the root cause of much of the inner-city unrest of the 1980s. The management's 'direct action' response was to help overcome the problem by providing jobseekers with the skills and qualifications that local employers needed.

The pioneering social enterprise that it started has become Tomorrow's People, a national charity helping people and communities overcome long-term unemployment. Its focus is on the hardest to help groups around the UK – people with disabilities, ethnic minorities, lone parents, ex-offenders, excluded young adults, the homeless and refugees. Tomorrow's People works one-to-one with these clients, offering training, confidence building, job search, CV writing and interview skills.

### Programme outline

Diageo has invested £25 million towards the work of Tomorrow's People over the last twenty years, but the company's contribution has been much greater including providing work placements; mentoring; careers workshops; expert advice; and the use of company premises. In March 2005, the charity became legally independent from Diageo.

### Impact

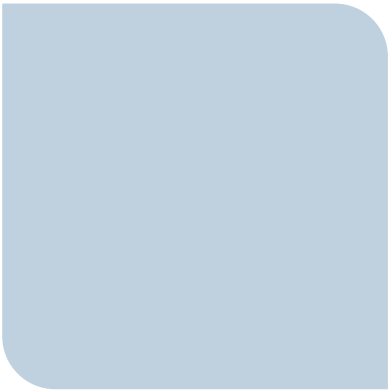
An independent evaluation of Tomorrow's People undertaken for its 20th anniversary by Oxford Economic Forecasting, shows considerable savings to the Exchequer, the health service and to the costs of crime. At the time of the evaluation, commissioned by Diageo in 2005, the charity had helped 382,000 people into employment and benefits to society were estimated at £450 million. To date, Tomorrow's People has helped over 400,000 long-term unemployed into sustainable jobs and on average, 76% of people it helps are still in employment 12 months on.

Oxford Economic Forecasting concluded: *"Tomorrow's People is still very much at the forefront of action to help the unemployed and socially excluded and is well-placed to tackle the problems as they arise... Under the guidance of Diageo, Tomorrow's People has also adopted sound commercial principles of business management. This has contributed significantly to its ongoing success."*

From [http://www.tomorrows-people.org.uk/assets/File/diageo\\_and\\_tomorrow\\_people.pdf](http://www.tomorrows-people.org.uk/assets/File/diageo_and_tomorrow_people.pdf)



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