

Corporate Volunteering

The Business Case

*References for building the case for
corporate volunteering*

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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.

The workplace and our communities have changed a great deal over the past few decades: employees are demanding more meaning from their work and there has been a rise in the notion of ethical business which effects the way we purchase goods and services. Our social structures are changing too and we understand and acknowledge those that are vulnerable or disadvantaged in our communities in ways we previously did not.

Corporate volunteering can appear to be an obvious solution to addressing some of these challenges – an idea that can offer business the chance to invest back into the community they operate in while at the same time offering a way to increase employee satisfaction and engagement.

It therefore makes sense that a business case for adopting volunteering as part of the operation must be carefully investigated.

This can be difficult. The data and the evidence can be thin on the ground – especially in Australia where there is relatively little research or evaluation on this area of community life. Even the best intentioned business can struggle with the challenge of arguing the case for investing resources into volunteer programs with empirical evidence or recognised measures of return on investment.

There is, however, a number of useful pieces of research available to help socially responsible corporates and businesses to think through their potential commitment to volunteering. Investment of time in considering this information is only the beginning.

For example, in the Realized Worth booklet, *The Business Benefits of Corporate Volunteering*, it is clear that all volunteering programs require more than a commitment of the heart, and corporate volunteering expert 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.

Reputational risks associated with poorly run volunteer programs must also be considered – as well as the prospect of simply creating a program which has no impact – or even a negative impact on the community it aims to serve. Aside from which, a disorganised volunteer program is simply inefficient use of the resources of the business, built by hard work and careful management.

This document containing a selection of books, research and articles is intended to provide some direction on the best starting points for the information that is currently available on the benefits of corporate volunteering to the company and employees. We hope it provides a solid basis for you to begin making your case.

While these references focus on the benefits to the business, the main objective of any volunteer program should be to foster real, effective and long-lasting impact in the communities through volunteering.

Good management of any program will result in a greater positive impact in the community in which it is targeting assistance - the ultimate goal of volunteering.

The benefits of a corporate volunteer program to employers and employees can be many and varied.

For the business, it can result in a strengthened and more productive workforce, increased brand recognition, enhanced reputation of the company, and a competitive advantage. All of these things impact the bottom line.

For employees, the benefits can be professional development, increased satisfaction and engagement, and improved health and wellbeing. From the business perspective, these too can assist the efficient operation of the business – with higher employee retention and loyalty, and an employee brand that enables the business to attract the best talent in the market.

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

The Big Tent – Corporate Volunteering in the Global Age

Allan, K., 2012, Ariel and Fundacion Telefonica, Madrid

<http://iave.org/sites/default/files/The%20Big%20Tent%202012.pdf>

The Big Tent by Kenn Allen is a comprehensive introduction to the concept of corporate volunteering. Allen is a long-time exponent of corporate volunteering, having been a member of the International Association of Volunteer Effort (IAVE) since 1980 and consulting in corporate volunteering for over 30 years.

This 270-page book is based on IAVE's Global Corporate Volunteering Council research project, directed by Kenn Allen, and includes input from 48 global companies. The book analyses the origins of corporate volunteering, the benefits to companies and the community and offers a guide for companies who wish to implement their own corporate volunteering program.

The title likens corporate volunteering to a circus under a big top, with many different activities all happening at once. The purpose is also to highlight that a company needs to discover its own best way to organise corporate volunteering.

In his chapter on the business benefits of corporate volunteering Allen gives both the employer and employee perceptions of benefits, and explains that there is more than just anecdotal evidence to back up the benefit claims. Formal studies now show that employers and employees both perceive benefits from volunteering. One of the studies quoted is The Institute for Volunteering Research, affiliated with Volunteering England, which reported in 2004 on a major impact evaluation of employee volunteering at Barclays Bank. 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.

Allen states that "*volunteering is a strategic asset to help achieve business goals*" and gives four broad ways it does this, including managing the culture, strengthening the workforce, responding to internal and external expectations and building external relationships. He states that there is growing proof that volunteering is one element that can help make companies more competitive for talent, particularly among younger generation workers.

The Business Benefits of Corporate Volunteering – An examination of the business benefits resulting from the Effects of Employee Volunteer programs

Jarvis, C and Parker, A, July 2011, Realized Worth, Ontario

<http://www.openspaceslearning.com/wp-content/uploads/2012/11/RWs-Business-Case-for-Corporate-Volunteering.pdf>

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

Jarvis and Parker back up these claims by referencing and reviewing many studies that have been conducted into the benefits of corporate volunteering. Their hope in producing this booklet is to offer a mandate for employee volunteering in your company.

The booklet is focussed around six key areas that can lead to productivity and profitability including Employee Engagement, Employee Development and Knowledge Management. Their treatment of employee engagement levels and linking it to corporate volunteering is particularly insightful, as is the description of the potential of corporate volunteering to increase your company’s intelligence. Knowledge Management is about the sharing of information within the company which can happen as a result of the relationships built through corporate volunteering. *“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.”*

An important reminder for companies is, Jarvis states *“Don’t expect great results from an employee volunteering program in which there is little to no financial investment”*.

The section on employee development also gives useful benchmarks for dollars spent on volunteering compared to professional development programs.

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. All of the research reports listed below can be found at this website:

http://www.deloitte.com/view/en_US/us/About/Community-Involvement/f0d3264f0b0fb110VgnVCM100000ba42f00aRCRD.htm

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](#)

Global Trends in Skilled-based volunteering

The Allen Consulting Group (report prepared for NAB), May 2007

[http://www.nab.com.au/vgnmedia/download/Global trends in skill-based volunteering.pdf](http://www.nab.com.au/vgnmedia/download/Global_trends_in_skill-based_volunteering.pdf)

The first chapter of this report commissioned by NAB into global trends and best practice for skilled volunteering goes into the background of corporate volunteering and employee engagement, the benefits of employee volunteer programs and the value that is generated specifically through skilled volunteering. The report states that employee engagement is increasingly the driver behind CSR activities, with recent research by the Centre for Corporate Public Affairs showing that 72 per cent of Australian companies have *'increased employee morale, engagement and teamwork'* as one of their key corporate responsibility goals.

It states that employees are becoming increasingly aware of corporate responsibility and community investment and are more likely to work for companies where there are opportunities to contribute to the community at work. The report quotes Deborah Mobberley from the Centre for Volunteering in NSW who argues that *"some of Australia's leading corporations are developing a competitive advantage through corporate volunteering."*

"If building a more committed, engaged, creative and energetic workplace is high on your company's agenda", she states, "then corporate volunteering might be the foundation of your staff retention and development program."

The report 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

Corporate volunteering can also, according to this report, *"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."*

The UN Global Compact – Accenture CEO Study on Sustainability

Accenture, 2013

<http://www.accenture.com/microsites/ungc-ceo-study/Pages/home.aspx>

This is the largest and most recent CEO study on sustainability to date, including more than 1000 executives from 27 industries across 103 countries. This study assesses the past, present and future of sustainable business and looks at innovative strategies being adopted by some of the world's leading companies to combine impact and value. The report is included here to highlight the importance of sustainable and community initiatives for businesses across the world and how CEOs recognise them as a crucial part of business success.

Statistics drawn from the report state:

- 81% of CEOs 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.

Corporate Volunteering: Connecting People, Participation and Performance

Haski-Leventhal, Dr. D, September 2013, MGSM, Sydney

The first annual study released by the Macquarie Graduate School of Management CSR Partnership Network looks at the factors that contribute to participation in corporate volunteering. Her research, which included over 4,000 employees, provides evidence for increased employee engagement as a result of volunteering.

Director of the study, 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.”*

The findings of the study back up the Deloitte Impact Surveys by highlighting a strong link between corporate volunteering and increased employee engagement. *“Employees who participated in corporate volunteering”, the report states, “scored significantly higher than non-volunteers on all measures of engagement with their organisation, as well as on most measures of job satisfaction.”* It also links meaningfulness at work with volunteering arguing that *“corporate volunteering provides a social purpose that younger employees, in particular, are now interested in”*.

The report also argues that corporate volunteer programs *“should be actively pursued by organisations seeking to maximise retention rates and strengthen organisational culture.”* It says:

“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.”

Please see the report for more detailed findings.

The Keys to Corporate Responsibility Employee Engagement

PwC, Feb 2014, PricewaterhouseCoopers LLB

http://www.pwc.com/en_US/us/about-us/corporate-responsibility/assets/pwc-employee-engagement.pdf%20

This report by PricewaterhouseCoopers lays out a three-step model to help company's achieve their engagement goals. It argues that employee engagement is both a means to drive your CR initiatives and the end result. Without engagement by employees key CR initiatives will flounder. The report highlights the business benefits of having an engaged workforce:

“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

“Can Corporate Responsibility really add value to business and society?”

Buckley, S., March 2011, PricewaterhouseCoopers

Sarah Buckley, Director of Corporate Responsibility at PwC, believes CR really can add value and explains that PwC invests in CR because it benefits the business. She claims that *“our surveys show that 91% of [the sector and our charity partners] 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.”*

She points out, however, that *“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.”*

“Our experience has taught us that the companies who pursue CR seriously are likely to be the sustainable winners of the future.”

“Lend a Hand: Why workplace volunteering is a win: win”

Stanford, P., February 2014, 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>

In this article BT Chairman Sir Mike Rake explains why he gives his employees time off to volunteer. *“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.”*

Rake understands the challenges of small to medium sized businesses in resourcing a volunteer program, but believes the potential for the community and the company are huge. He gives some interesting examples of different ways they can get involved. *“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.”*

He also says that if the company supports the volunteering efforts, it will reap many rewards. *“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.”*

Appendix: The 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 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.

