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The Business Benefits of Corporate Volunteering

An Examination of the Business Benefits Resulting from the Effects of Employee Volunteer Programs

Prepared for:

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Introduction

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
2. Recruiting Millennials
3. Employee Development
4. Knowledge Management
5. Employee Health
6. Social Capital in the Corporate Setting

This briefing is intended to provide a basis of understanding which will both inform and broaden the discussion of employee volunteering programs within companies. 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.



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Corporate Volunteering

Defining a Practice

While a clear definition of corporate volunteering remains elusive, most agree that corporate volunteering is the encouragement and facilitation of volunteering in the community through the organization by which an individual is employed. Typically, this involves the employee donating their time and expertise either during official work hours or on their own time with some facet of company support.¹

The Growth of Corporate Volunteering

Some of the first examples of corporate volunteering can be traced to the early 20th century in the US. Now, almost one-third of US corporations embrace some form of employee volunteering², representing a growth of nearly 150% in the last three decades³. Corporate Volunteering is usually a part of company's Corporate Social Responsibility (CSR) efforts or its Corporate Citizenship strategy. The idea that employees participate in these programs by volunteering time within community activities is a widely accepted norm.⁴

Employee volunteering is included in CSR because it provides an effective strategy with which to address often negative or at best suspicious relationships that exists between business and society⁵. This potential becomes even more profound given the backdrop of weakened nation states and globalized societies.⁶

¹ Meijs, L.C.P.M. and Van der Voort, J. (2004). Corporate volunteering: from charity to profit-non profit partnerships. *Australian Journal on Volunteering*. Vol. 9 (1), pp. 21–31.

² Basil, Debra Z., Mary S. Runté, M. Easwaramoorthy, and Cathy Barr 2009 'Company Support for Employee Volunteering: A National Survey of Companies in Canada'. *Journal of Business Ethics* 85/387–398.

³ Pelozo, John, Simon Hudson, and Derek Hassay 2009 'The Marketing of Employee Volunteerism'. *Journal of Business Ethics* 85/Supplement 2: 371–386.

⁴ Voort, Judith van der, Katherina Glac, and Lucas Meijs 2009 "'Managing" Corporate Community Involvement'. *Journal of Business Ethics* 90/3: 311–329.

⁵ Gian-Claudio Gentile*, Christian Lorenz and Theo Wehner 2011 'Introduction: A humanistic stance towards CV – taking a critical perspective on the role of business in society'. *Int. J. Business Environment*, Vol. 4, No. 2

⁶ e.g., Palazzo and Scherer, 2006; Beck, 1999; Suchman, 1995)



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Generally, there is a measure of agreement between academics and practitioners regarding the exponential adoption of employee volunteering as an essential component of a company's corporate citizenship profile: the promise of a return beyond traditional philanthropic investments. Employee volunteering programs not only benefit the community, they are perceived to add value to the recruitment, retention, training, development, loyalty and overall satisfaction of the company's staff.

Beyond the benefits realized through the internal stakeholders (employees), corporate volunteer programs are usually included in the broader CSR strategic initiatives and can achieve multiple objectives. Some of these may include a license to operate within certain communities, improved brand perceptions, and general reputation improvement.

Broader Benefits of Corporate volunteering

Despite the apparent self-interest of companies regarding employee volunteering, it is important to note that this self-interest is not at the expense of the interests of the public, but rather, it is in collaboration with those interests. US companies intend to send nearly 2000 employee volunteers to 58 nations this year (up from just 280 in 2006). Stanley Litow, the President of IBM International Foundation views these 'citizen-diplomats' as something more than a means to making IBM more productive and profitable⁷. These programs work towards a more civil society on a global scale, to the benefit of all.

The strategic importance of using employees in local and international communities for the benefit of all is a powerful idea. Employee volunteering goes beyond the efforts of CSR strategies in its unique utilization of social capital. Corporate volunteering programs enable employees to mobilize their personal resources for broad social benefits. The employees not only leverage the assets of the business, but combine these assets across broader social networks utilizing trust and localized norms of cooperation.

These actions are akin to social movements which are "a purposive and collective attempt of a number of people to change individuals or societal institutions and structures."⁸ In order to effect social movements necessary to address many of the massive social issues of today, mobilizing resources of people, money and most importantly legitimacy are essential.⁹ By organizing employees and mobilizing numerous types of resources, companies are positioned to play a key role in broadly addressing contemporary global concerns.

⁷ Litow, Stanley, (2011) "[Volunteering With Spreadsheets, Not Screwdrivers](#)" Huffington Post

⁸ Zald, Mayer N., and Roberta Ash Garner 1987 'Social Movement Organizations: Growth, Decay, and Change' in Social Movements in an Organizational Society. Zald, Mayer N., and John D. McCarthy (eds.), 121–142. New Brunswick, New Jersey: Transaction Publishers.

⁹ McAdam, Doug, and W. Richard Scott 2005 'Organizations and Movements' in Social Movements and Organization Theory. Davis, Gerald Fredrick, Doug McAdam, W. Richard Scott, and Mayer N. Zald (eds.), 4–40. New York: Cambridge University Press.



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A Global Interest in Corporate Volunteering

Present discussions of corporate volunteering occur within clusters of academic and research institutions such as The Academy of Business in Society ([EABIS](#))¹⁰ and the Boston College Center for Corporate Citizenship ([BCCCC](#))¹¹. Regional events like those sponsored by the Global Corporate Volunteer Council ([GCVC](#)) of the International Association for Volunteer Effort ([IAVE](#))¹² and the US Business Civic Leadership Center ([BCLC](#))¹³ also contribute to the development of employee volunteering practices. Government support in the United States finds expression through the Corporation for National Community Service ([CNCS](#))¹⁴ and the Points of Light Foundation ([POLI](#))¹⁵.

Each of these forums seeks to expand the understandings of corporate citizenship's relation to employee volunteering as well as produce practical tools that will help companies, NGOs and governments coordinate effective implementation. Nations and multi-national corporations are eager. For example, the United States Agency for International Development [USAID](#)¹⁶, in cooperation with IBM and [CDC Development Solutions](#)¹⁷ (NGO), recently announced a public/private partnership that will provide a Virtual Center of Excellence for International Corporate Volunteerism.

Another recent American initiative is '[Service World](#)'.¹⁸ This joint venture between Building Bridges Coalition, Civic Enterprises, Global Peace Service Alliance, International Volunteering Project at the Brookings Institution, National Peace Corps, Association Points of Light Institute, and ServiceNation intends to "reform, strengthen and leverage existing programs and infrastructure, and launch new initiatives to create more opportunities for Americans to work alongside

¹⁰ [EABIS](#) was launched in 2002 by five founding companies – [IBM](#), [Johnson & Johnson](#), [Microsoft](#), [Shell](#) and [Unilever](#) – and a number of Europe's leading business schools at [INSEAD](#) with the support of the [European Commission](#).

¹¹ [BCCCC](#) is a non-profit research center that is affiliated with the [Carroll School of Management](#).

¹² [IAVE](#) is an international non-governmental organization that promotes, celebrates, and strengthens volunteerism worldwide. IAVE has individual and organizational members in some 80 countries around the world.

¹³ [BCLC](#) is a [501\(c\)3](#) affiliate of the [U.S. Chamber of Commerce](#) and is focused on promoting corporate citizenship and developing partnerships among the private sector, government, and non-profit community.

¹⁴ [CNCS](#) was created as an [independent agency of the United States government](#) by the [National and Community Service Trust Act of 1993](#). The mission of the CNCS is to "support the American culture of citizenship, service, and responsibility."

¹⁵ [POLI](#) is a national [nonprofit, nonpartisan](#) organization dedicated to engaging more people and resources in solving serious social problems.

¹⁶ [USAID](#), the United States Agency for International Development is the US government agency primarily responsible for administering civilian foreign aid, founded by President John F. Kennedy in 1961.

¹⁷ [CDC Development Solutions](#) leverages public, private, and volunteer resources to strengthen businesses, institutions, and governments in emerging markets in over 70 countries on 5 continents.

¹⁸ "[Service World](#) has grown out of the Initiative on International Volunteering and Service at the Brookings Institution, and its companion Building Bridges Coalition. That coalition includes numerous non-government organizations (NGOs), colleges and universities, and multinational corporations together numbering more than 300 and still growing." May 2010, ServiceWorld, Strategies for the Future of International Volunteer Service



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volunteers from other countries.” The coalition intends “to ignite a campaign in support of this agenda linked to events commemorating the 10th anniversary of the United Nation’s International Year of Volunteers and the 50th anniversary of the Peace Corps.”¹⁹

Organizations representing national interests, such as the [Clinton Global Initiative](#)²⁰ or the European Economic and Social Committee ([EESC](#))²¹ are also fostering conversations on Corporate Citizenship with a specific interest in corporate volunteering. The recent EESC conference, organized in support of the [European Year of Volunteering 2011](#), exemplifies this trend. During the conference on May 24, 2011, the EESC President, Staffan Nilsson, emphasized the role of the business sector in stimulating volunteering²². With almost 350 participants, the EESC conference demonstrates an interest in the importance and potential of corporate volunteering beyond the specific concerns of a particular industry or corporation.

The Future of Corporate Volunteering

Given the global interest and nascent nature of employee volunteering, there is considerable space for growth and improvement in both practice and knowledge. Volunteering has traditionally been understood within specific cultural and socio-economic settings. Now, with multinational companies mandating the mobilization of employees locally and globally, these contextual understandings of volunteering are being challenged. This is a concern for both companies intending to be sensitive to the diverse cultural settings of its global workforce as well as the nations in which those companies operate.

While these considerations are challenging, the benefits of employee volunteering for companies, employees and communities are becoming clearer. The following six categories of readily available benefits are not meant to be comprehensive. They are, however, intended to be compelling. Understanding these few benefits out of a potentially large number should be mandate enough to develop and invest in an employee volunteering program.

¹⁹ May 2010, ServiceWorld, Strategies for the Future of International Volunteer Service

²⁰ The [Clinton Global Initiative](#) (CGI) was founded in 2005 by President Bill Clinton. CGI is a non-partisan organization that convenes global leaders to devise and implement innovative solutions to the world’s most pressing problems.

²¹ The ([EESC or EcoSoc](#)) is a [body of the European Union](#) (EU) established in 1958 as a consultative assembly composed of employers and employees as well as representatives of various other interests.

²² <http://volunteering2011.teamwork.fr/en/programme>



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Employee Engagement

The Reality vs the Promise of Employee Engagement

The evidence supporting the importance of employee engagement is difficult to ignore. Reports and analysis support what the common sense of good managers have known for years: an engaged workforce is essential to a company's well-being and profitability. The reality is that most employees are not engaged.

When employees are disengaged, the picture is grim. According to a [recent global report](#), fewer than one in three employees (31%) are engaged while nearly 1 in 5 (17%) are disengaged.²³ A recent [Scarlett Survey](#), suggests that 4% of those who are disengaged are probably hostile, meaning that they are speaking poorly of your company to their friends and family and likely stealing office supplies. These statistics translate into real financial numbers. Gallup estimates²⁴ that [in the UK](#), employees who feel unengaged at work cost employers upwards of \$64 billion every year.²⁵ 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 countries²⁶. 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%.²⁷

²³ Employee Engagement Report 2011; Beyond the numbers: A practical approach for individuals, managers and executives by [Blessing White Research](#).

²⁴ Gallup Journal, (2003, December 11).

²⁵ Wellins, R., Bernthal, P., Phelps, M., (2005) "[Employee Engagement: The Key to Realizing Competitive Advantage](#)", A Monograph by Development Dimensions International.

²⁶ James K. Harter, Frank L. Schmidt,, Emily A. Killham,, Sangeeta Agrawal, (2009) [The Relationship Between Engagement at Work and Organizational Outcomes](#), Gallup Inc

²⁷ [Nilofer Merchant](#), 2011, People Are Not Cogs, [Harvard Business Review Blog](#).



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Defining Engagement ²⁸

Engaged employees:

“Engaged employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward.”²⁹

Non-engaged employees:

Employees who are not engaged are “checked out.” “They’re sleepwalking through their workday, putting in time—but not energy or passion—into their work.” These employees “aren't necessarily negative or positive about their company. They take a wait-and-see attitude toward their job, their employer, and their coworkers. They hang back from becoming engaged, and they don't commit themselves.”³⁰

Actively disengaged employees:

Disengaged employees “aren’t just unhappy at work; they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.” Employees in this category are described as “cave dwellers.” They appear to be consistently against almost everything in the workplace. “They're not just unhappy at work; they're busy acting out their unhappiness. Every day, actively disengaged workers undermine what their engaged coworkers accomplish.”³¹

The Importance of Engagement

Although the importance of employee engagement is widely accepted, and precise definition remains elusive. The Gallup organization has been conducting Employee Engagement studies since 1985, but the first attempt at a definition seems to have appeared in 1990³². W.A. Khan wanted to understand how psychological experiences in the workplace affected

²⁸ James K. Harter, Frank L. Schmidt,, Emily A. Killham,, Sangeeta Agrawal, (2009) [The Relationship Between Engagement at Work and Organizational Outcomes](#), Gallup Inc

²⁹ Coffman, C. (2002) “The High Cost of Disengaged Employees”, a Q&A by the Galup Management Journal

³⁰ Coffman, C, Interviewed by Barb Sanford (2003) [“Building a Highly Engaged Workforce: How great managers inspire virtuoso performance”](#), The Gallup Management Journal

³¹ Coffman, C, Interviewed by Barb Sanford (2003) [“Building a Highly Engaged Workforce: How great managers inspire virtuoso performance”](#), The Gallup Management Journal

³² Khan, W.A. (1990). Psychological Conditions of Personal Engagement and Disengagement at Work. *Academy of Management Journal*, 33(4), 692.



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employees as they ‘presented or absented’ themselves during the performance of a task. For Khan, this meant “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.” Employee engagement is being psychologically present when occupying and performing an organizational role.

This idea of employee engagement relates to the concept of “Flow,”³³ first advanced by Csikszentmihalyi in 1975³⁴ and popularized in Daniel Pink’s latest book, *Drive*.³⁵ Flow is the [mental state](#) of operation in which a person in an activity is fully immersed in a feeling of energized focus, full involvement, and success in the process of the activity.³⁶ A popular description of Flow would be “in the zone” or being “present in the moment.” These are descriptions of heightened alignment with the task at hand, enabling total involvement and high levels of satisfaction and joy.

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.

The Financial Benefits of Employee Engagement

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.³⁷ Studies have been able to demonstrate the relationship contributing to these financial returns. In a meta-analysis of 7,939 business units across 36 companies there was a clear connection between the profit-producing business outcomes of customer satisfaction, productivity, employee turnover, and reduced health costs and employee engagement.

When applied to a company’s [earnings per employee](#) the benefit becomes hard to ignore. Microsoft, for example, currently has a per employee revenue of \$244,831. Increasing that number by 26% equals a \$63,656.06 increase in revenue per employee.

³³ Csikszentmihalyi, Mihaly (1990). *Flow: The Psychology of Optimal Experience*. New York: Harper and Row. [ISBN 0-06-092043-2](#)

³⁴ Csikszentmihalyi, Mihaly (1975). *Beyond Boredom and Anxiety: Experiencing Flow in Work and Play*, San Francisco: Jossey-Bass. [ISBN 0-87589-261-2](#)

³⁵ Daniel Pink, 2009: *Drive: The Surprising Truth About What Motivates Us*, [ISBN 978-1594488849](#)

³⁶ http://en.wikipedia.org/wiki/Flow_%28psychology%29

³⁷ [Driving Business Results Through Continuous Engagement](#), 2008/2009, WorkUSA Survey Report by Watson Wyatt Worldwide.



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Employee Volunteering Contributes to Engagement

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.³⁸

These positive findings are not new. Employers who institute a formal employee volunteer program typically improve employee attitudes in the following areas:³⁹

- Increased job satisfaction
- Increased positive word of mouth regarding the company
- Better retention rates
- Increased loyalty

In another study conducted by [VolunteerMatch](#) and [UnitedHealthcare](#) entitled “[Do Good Live Well Study Reviewing the Benefits of Volunteering](#)” researchers found that employees who volunteer through their workplace report more positive attitudes toward their employer as well as their colleagues. An interesting benefit to employers is the improved physical and emotional health of employees who volunteer.

The connection between volunteering and health further demonstrates how volunteering contributes to employee engagement. One of the benefits of engagement is the increase of physical dexterity among employees who experience Flow as a result of engagement. Fewer mistakes equal fewer work related injuries. Boredom at work is also an important factor. Csikszentmihalyi discovered that studies among industrial factory workers in Hungary found that bored workers had a tendency to take unreasonable risks resulting in injury.⁴⁰

How does Volunteering Lead to Engagement?

Corporate volunteering programs increase engagement levels at work by creating experiences that address the individual’s need for meaning and accomplishment. This was first demonstrated in 1968 when [Frederick Herzberg](#) article “[One More Time, How Do You Motivate Employees?](#)” was published. The article was so popular that by 1987 it was the most requested article from the [Harvard Business Review](#) having sold 1.2 million reprints.

³⁸ “[Businesses in Northern Ireland know its better to give than to receive](#)” by Business First Online

³⁹ Tuffrey, Michael (2003), *Good Companies, Better Employees – How community involvement and good corporate citizenship can enhance employee morale, motivation, commitment and performance*, London: The Corporate Citizenship Company.

⁴⁰ Csikszentmihalyi, M. (1988), “[The flow experience and its significance for human psychology](#)”, in Csikszentmihalyi, M., *Optimal experience: psychological studies of flow in consciousness*, Cambridge, UK: Cambridge University Press, pp. 15–35, [ISBN 9780521438094](#)



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[Frederick Herzberg](#), was a [psychologist](#) who suggested, based on his data, what made people happy at work was not the same as what made people unhappy at work. What makes people unhappy at work is low pay, unpleasant work conditions (such as a small cubicle space or no windows), and an disinterested boss. Addressing those issues will create better working conditions but will not affect happiness at work.⁴¹

What makes people happy at work are things like achievement, recognition, more responsibility, the chance to advance, personal growth, etc. These concepts all have to do with personal fulfillment and humanity. When a company takes time to formally offer an opportunity to get involved in community, they are creating the right kind of space for people to express their personal interests and personal desires beyond what they're doing as part of the company. This enables employees to integrate their life with their job.

Volunteering leads to employee engagement because it demonstrates the employer's support of their employee's interests outside of the workplace environment. Volunteering also leads to engagement by offering employees the opportunity to further ingrate the various parts of their lives into a holistic expression of their individual values. Most importantly, it is the very nature of volunteering that contributes to engagement.

Most volunteer opportunities are born out of the gap that exists between what societies are able to offer and what citizens need. Volunteers are needed to step into situations shaped by crises. They are needed to mitigate the lack of health care, food, clothing, education and safety. Volunteers enable environmental solutions than would normally be affordable. In these places of great need, people discover a sense of meaning and accomplishment.

People who are more satisfied with who they are as a person simply do better in life. People with a purpose outperform others wandering around wondering what it all means. Companies that are able to connect people to passions and interests where they feel they're making a significant contribution as a human being, will see a direct correlation to significant benefits.⁴²

In those cases where employee engagement is increased through an effective workplace volunteer program, the business benefit is clear. Consequently, companies satisfied with low participation rates or only episodic annual activities, are missing significant financial benefits.

Action Points

Employee engagement is instrumental to the success of a business in a broad number of areas. Here are some considerations when using an employee volunteer program to increase employee engagement.

⁴¹ [Frederick Herzberg](#), 1968 "[One More Time, How Do You Motivate Employees?](#)" Harvard Business Review

⁴² Marisa Salanova, Sonia Agut, and Jose Maria Peiró (2005) [Linking Organizational Resources and Work Engagement to Employee Performance and Customer Loyalty The Mediation of Service Climate](#). Journal of Applied Psychology November 2005 Vol. 90, No. 6, 1217–1227



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1. **Benchmark.** Identify existing employee engagement levels in a number of areas such as satisfaction, retention, recruitment, absenteeism, safety, sales, new product development, and others.
2. **Design a Logic Model.** Think through how the activities and resources invested in the employee volunteer program will create the outputs that lead to the engagement outcomes and workplace impacts you're hoping to achieve.
3. **Build for Impact.** Once a year events will not increase employee engagement. Neither will events that lack critical reflection. Make sure to build a program that achieves attitudinal and behavioral changes.



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Recruiting Millennials

Attracting New Talent

“Firms are also facing strong demand for CSR from their employees, so much so that it has become a serious part of the competition for talent. Ask almost any large company about the business rationale for its CSR efforts and you will be told that they help to motivate, attract and retain staff.”⁴³

Companies in the process of recruiting new talent from college campuses already know that millennials have a unique perspective on employment. Recruiters are also discovering that the criteria they are being assessed against are not what many businesses are traditionally prepared for. 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.⁴⁴

According to the [8th Annual Deloitte Volunteer IMPACT Survey](#), more than half (61 percent) of the millennials surveyed said that they are likely to factor a company’s commitment to the community into their decision if choosing between two jobs with the same location, responsibilities, pay and benefits.⁴⁵ Surprisingly, that was true even among those millennials surveyed who rarely or never volunteer.

This is not recent news. In a [2007 survey](#) of 2,418 students in 53 undergraduate programs in the U.S. and Canada conducted by Net Impact, it was discovered that 77% of respondents planned to seek socially responsible work immediately upon graduation. In the follow-up [2010 study](#), that number jumps up to 84% of undergraduates intending to seek out a socially responsible workplace.

Engaging New Talent

It’s one thing to find new talent, it’s quite another to engage them. A company may have a great CSR program, but Millennials must be able to actively participate as a good corporate citizen in order to tap into that potential.

⁴³ Online Edition, January 2008 “[Just Good Business](#)”, The Economist

⁴⁴ 2010 [Undergraduate Perspectives: The Business of Changing the World](#), Net Impact

⁴⁵ The 2011 Deloitte Volunteer IMPACT Survey



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The same [Deloitte Volunteer IMPACT Survey](#) revealed (compared to those who rarely or never volunteer) millennials who frequently participate in their company's employee volunteer activities are:

- Twice as likely to rate their corporate culture as very positive (56% vs. 28%)
- More likely to be very proud to work for their company (55% vs. 36%)
- More likely to feel very loyal toward their company (52% vs. 33%)
- Nearly twice as likely to be very satisfied with the progression of their career (37% vs. 21%)
- More likely to be very satisfied with their employer (51% vs. 32%)
- More likely to recommend their company to a friend (57% vs. 46%)

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. Students graduating with master's degrees in business administration at 11 top business schools value corporate responsibility so highly, that according to David Montgomery of the Stanford Graduate School of Business, when evaluating potential employers "*graduates are willing to sacrifice an average of 14.4 percent of their expected salaries to work at socially responsible companies.*"⁴⁶

Knowing this, companies like PwC have built recruitment strategies around community service projects and volunteering. Last year, PwC launched a partnership with [Operation HOPE](#) to teach financial literacy and empowerment. [The Five Million Kids Initiative](#) (5MK) would require PwC to commit its 525 intern volunteers to work on some of the toughest high school campuses across the country. (But then a gang fight broke out at the recent programs and some executives wondered if things had gone too far).⁴⁷

How Does Employee Volunteering Attract 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. Millennials are unlike the previous generations of employees (Boomers, for example) whose interest in making a positive contribution to society is defined by philanthropy or charity - they don't necessarily expect it to be integrated with work. The "boomer" will traditionally volunteer on his/her own time and will view financial donations to a cause as a personal affair.

⁴⁶ Alice LaPlante, January 2004, "[MBA Graduates Want to Work for Caring and Ethical Employer](#)", Stanford Graduate School of Business

⁴⁷ [Read the whole story here](#)



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The new generation expects integration. A [full 88% believe](#) that businesses should be proactively addressing social concerns and environmental issues.⁴⁸ They are unwilling to relegate concerns for a more sustainable planet to their free time and they believe that waiting to do good until retirement is unnecessary. The issues of climate change, hunger, war, education must be addressed today; or there may not be a tomorrow.

Very few ([only 37%](#)) believe companies are working towards this better society today. Millennials intend to change that reality by becoming champions of change within society and the workplace and they believe companies should work with them to do so. 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."

Action Points

Since millennials are looking for the opportunity to engage on issues they feel are important and personally connected to them, ensure the following aspects are true of your employee volunteering program:

Easy access: Despite their professed commitment to making a difference, the opportunities have to be integrated into the lives of millennials. This isn't weekend philanthropy for them, so make sure the volunteer events are numerous and widely dispersed throughout the year.

Fundraising won't cut it. Millennials want proximity to the community or cause they are addressing with their volunteering. Staking boxes or stuffing envelopes is boring. Also, it's important to ensure the results of their work are visible. Throwing money in a bucket for an overseas NGO to do something with is uninteresting and unimportant (to them). Make the experiences tactile.

Don't expect too much. Offer easy experiences that people can walk away from without any professed commitment. Millennials are searching for integration and intrinsic reasons to give. When they find it, they will be sold out to the cause, but piling obligations on millennials will turn them off - for good.

⁴⁸ 2010 [Undergraduate Perspectives: The Business of Changing the World](#), Net Impact



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Employee Development

Tangible and Intangible Resources

The competitive advantage of a company is less about what they produce and more about how they produce it. There are two types of resources to work with when producing goods and services: tangible resources and intangible resources.

Tangible resources are things like desks, machines, buildings, raw materials, and staplers. They are difficult to come by; sometimes rare. Despite this, tangible resources can usually be accessed by competitors given enough time and money.⁴⁹

Intangible resources, on the other hand, are valuable, rare, complex, and in many cases, almost impossible to replicate. Things like brand image, team dynamics, intellectual capital, customer relationships and corporate culture fall into the intangible category. If you're wondering about the value of these resources, consider [Zappos](#) and [Apple](#). Each of these company's cultures and ethos contribute to their significant competitive lead.

Intangible resources are instrumental in achieving competitive advantage. Most intangible resources have a direct relationship with employees, so it makes sense that developing an employee's ability to perform is a highly valued tactic toward increasing a company's intangible resources. The resulting "accumulation of human capital derived from socially responsible practices can become a source of competitive advantage and result in improved financial performance."⁵⁰

Businesses investing in employee development can expect to see gains in performance, organizational commitment, and innovation.⁵¹ Beyond the skills imparted to the employee, training programs indicate that the employer is willing to "invest in its human capital that both builds employee capabilities and increases their degree of job satisfaction."⁵² Ultimately,

⁴⁹ Branco, M. C. & Rodrigues, L. L. 2006. "Corporate Social Responsibility and Resource-Based Perspectives", *Journal of Business Ethics*, vol. 69, pp. 111–132.

⁵⁰ Surroca, J1 Tribo, J., and Waddock, S. 2010, *Corporate Responsibility and Financial Performance: The Role of Intangible Resources*, *Strategic Management Journal*, 31: 463–490

⁵¹ Birdi, K., Allan, C. and Warr, P. (1997), "Correlates and perceived outcomes of four types of employee development activity", *Journal of Applied Psychology*, Vol. 82 No. 6, pp. 845–57.

⁵² Nick Bontis and Alexander Serenko (2007), "The moderating role of human capital management practices on employee capabilities", *Journal of Knowledge Management*, Vol. 11 No. 3



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employee development is essential if companies hope to adapt and develop within a constantly changing business environment.^{53 54}

Employee Development through Training

Employee development often takes place through some type of formalized training. Much of the training has to do with what are known as 'hard skills' which address issues of process and procedure. A simple example is how to properly wrap cheese in the dairy factory. On the other hand, 'soft skills' have to do with abilities that, however difficult to measure, are essential for employees to know and understand. Examples include teamwork, problem solving, public speaking, networking, negotiating, etc.

The cost of Employee Training

Given the importance soft skills play in creating competitive advantage, many businesses invest in this type of intangible resource by providing training to increase the abilities of their employees in various areas.

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. Interestingly, the largest single area of expense (21%) is in leadership development and management training (soft skills).

The training potential of Employee Volunteering Programs

Employee Volunteering programs offer companies a unique opportunity to act as good Corporate Citizens while enabling their workforce to acquire relevant work-related skills⁵⁵. By creating opportunities for employees to volunteer in the community, companies are able to leverage [one of their most valuable assets](#) toward addressing social and environmental concerns. In the process, employees gain experience and understandings that make them more effective in their roles with the company. Usually, employees acquire soft skills such as communication, management and

⁵³ Garofano, C. M., & Salas, E. (2005). What influences continuous employee development decisions? *Human Resource, Management Review*, 15, 281–304.

⁵⁴ Maurer, T. J., & Tarulli, B. A. (1994). Investigation of perceived environment, perceived outcome and person variables in relationship to voluntary development activity by employees. *Journal of Applied Psychology*, 74, 3–14.

⁵⁵ "CSR initiatives such as employee volunteering and corporate philanthropy, offer employees the chance to work on something foreign to their normal job scopes, and thereby offer a chance for greater job challenge and an opportunity to use and develop competencies that they would not otherwise." Chong, Wei Nurn and TAN, Yip Wei, Gilbert, "Obtaining intangible and tangible benefits from Corporate Social Responsibility" (2010). Research Collection Lee Kong Chian School of Business. Paper 2939.



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leadership.⁵⁶ Beyond individual skills, employees become better at working in teams. [Barclay's Bank discovered](#) that of their employees who volunteered in the community, 61% increased their team-work skills. 58% of Barclay's managers reported [a visible improvement among their staff's](#) attitudes towards each other following a volunteer experience.⁵⁷

A number of other examples are available [thanks to the recent report "Global Companies Volunteering Globally"](#) produced by the [Global Corporate Volunteer Council](#) (GCVC) of the [International Association for Volunteer Effort](#) (IAVE):

Timberland strongly believes that leading community projects, training and developing employee volunteer leaders, building new relationships in the community, and inviting business partners to participate in service events, all contribute to the brand and to the business. All service projects are led by employees who learn new skills and gain valuable project management and leadership experience to forward their professional development.

Marriott incorporates employee volunteer and service projects into its major internal meetings and conferences in order to foster teamwork, support community partnerships and demonstrate activities that can be replicated at the hotel level. These volunteer activities bring a new dimension to the meetings and strengthen teams both within and across functions. This sends a strong message about the company's commitment to employee volunteering.

Samsung needs employees who can communicate effectively with communities. Volunteering with NGOs complements in-house training programs to enhance professional competencies, especially negotiation and communications skills with external audiences.

IBM enables employees to use volunteering for the company's certification or re-certification in skill areas but is not part of the individual's performance plan. It is considered skills enhancement and thus is not part of the annual evaluation but is a very important part of employee development.

UBS has partnered with the Swiss Charitable Association for almost 20 years on the Changing Sides initiative. Designed as part of UBS' training program in advanced management skills for middle managers, it places participants in a week-long "layman's social support role" in schools, prisons, welfare agencies, a mental hospital, an Alzheimer's center, homes for seniors, etc. It is intended to "take people out of their comfort zone", concluding with a debriefing about the experience and how it applies to management, asking questions like, "What is success when you are working with people who are dying?"

HSBC's Climate Partnership is a five-year environmental program between HSBC, The Climate Group, Earthwatch Institute, Smithsonian Institution and World Wildlife Fund to reduce the impact of climate change on people, forests, freshwater and cities and accelerate the adoption of low-carbon economies.

⁵⁶ Rose, S. (2002) "Building a Recognition Program for Corporate Voluntary Work" Strategic HR Review, Vol 1, No 6, pp. 10–11

⁵⁷ Georgina Brewis, 2004, [Beyond banking: Lessons from an impact evaluation of employee volunteering at Barclays Bank](#), Institute for Volunteering Research, VAJ (vol 6, number 3)



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It is engaging more than 40,000 HSBC staff as a global taskforce to drive change. 2,500 of these selected staff will have completed training with Earthwatch as “Climate Champions” at one of five Regional Climate Centers worldwide by the end of the Partnership. The training takes place over seven or twelve days.

The Centers have been established to involve HSBC staff in scientific research and associated learning, helping them to understand climate change, sustainability and the actions they can take in their personal and professional lives.

An independent review of the Earthwatch learning aspect of the program, conducted by Ashridge Business School, showed 70% of line managers surveyed said their employees had improved their leadership skills as a result of the Climate Champion program. The HSBC global annual employee engagement survey shows those who have participated in some kind of volunteering activity during the year are 9% more engaged than those who have not.

***Telefónica** contracts with universities (in four countries) to provide training for employees on how to develop projects and make presentations.*

Conflicted about developmental goals

A word of caution at this point: not all volunteering is created equal. Much of the perceived gains in employee development through corporate volunteering programs are only available via skills-based volunteering. Specific skill developments such as project management, problem solving, risk management, etc., are only available through volunteering when the activities demand the application of those processes. The team may feel more connected after building a new playground, but nobody will be a better public speaker because of it.

[Barclay's managers](#) certainly reflected that reality in that only 9% viewed employee volunteering as an effective method of formal training, while 36% judged it to be not very effective.

Realizing this, many companies are beginning to structure their employee volunteer programs more intentionally. It seems simple enough: identify the development goals for the employee and find a volunteer opportunity that will enable them to acquire those skills. Yet “there is a fine line between actively encouraging involvement in employee volunteering and making it compulsory, either by formal inclusion in personal development plans (PDPs) or through managers asking staff to get involved.”⁵⁸ By looking to extract the value of employee development from a corporate volunteering program, there is [a risk of over-formalizing](#) the program thereby destroying the very heart of the program: volunteerism.

⁵⁸Georgina Brewis, 2004, [Beyond banking: Lessons from an impact evaluation of employee volunteering at Barclays Bank](#), Institute for Volunteering Research, VAJ (vol 6, number 3)



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[Bea Bocolandro](#), an international authority in the field, suggests that the answer may be to admit that [employee volunteering isn't really about volunteering](#)⁵⁹ It is impossible to reconcile the strategic intent of corporate volunteering programs with the altruistic aspects of volunteering. Instead, it is a Corporate Citizenship strategy that utilizes employees as an investment in the community. In return, companies should look to these types of programs as primarily employee development programs that create 'Shared Value' with the community.

Despite these potentially conflicting perspectives, the fact remains that when employees serve in the community as representatives of a company with both the support and resources of that company, there are wonderful opportunities for employee development to occur. What's more, this approach to achieving competitive advantage is in itself a competitive advantage: employee volunteering is cost effective.

The comparative cost of Employee Volunteering programs

It is estimated⁶⁰ that companies that have good employee volunteer programs are spending, on average, about \$179 per employee (whether they volunteer or not). That's a significant increase from just a few years back when we were advising on the [Drivers of Effectiveness for Employee Volunteering and Giving Programs](#)⁶¹ produced by the Boston College Center for Corporate Citizenship. That report identified \$30 per employee as the hallmark of an excellent program.

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.

This is not, however, a straight one-to-one comparison. The training is not always specific to a set of skills needed by an individual employee, and if the company only offers volunteering on an episodic basis, there is probably little to no effect realized for the company.

In order to address this potentially limiting reality, the Human Resource department must play an essential role. 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.⁶² Aligning HR practices and objectives relating to employee satisfaction, training and engagement with CSR activities in general and

⁵⁹ Bocolandro, B, 2009, CCCDebate 07: [The End of Employee Volunteering: A Necessary Step to Substantive Employee Engagement in the Community](#), CCCDebate 07

⁶⁰ The Points of Light Institute and Hands on Network [Trends Of Excellence In Employee Volunteering Series](#).

⁶¹ Bocolandro, B, 2009, Mapping Success in Employee Volunteering: The Drivers of Effectiveness for Employee Volunteering and Giving Programs and Fortune 500 Performance, Boston College Center for Corporate Citizenship

⁶² Sharma S., Sharma J. and Devi A. – Corporate Social Responsibility: The Key Role of Human Resource Management – Business Intelligence Journal



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corporate volunteering specifically will ensure broad success of the program.⁶³ A [collaborative approach with HR](#) achieves a) increased levels of employee empowerment, b) improved flexibility within the organizational processes facilitating the flow of information and increasing innovation, and c) the ability to design compensation strategies which further increase employee participation in CSR programs.⁶⁴

Action Points

Investing in the development of employees through training programs is without questions a necessary component of a company's competitive advantage. Employee volunteering, when done correctly, offers an affordable and effective strategy to developing the workforce. Here are some suggestions to getting it right:

1. **Decide what skills you're after** - Employee volunteering can increase your intangible resources by helping employees develop soft skills but only when placed in the right situation.
2. **Do it more often** - A once a year event isn't going to be effective on any level - not even for team building. Schedule volunteering events throughout the year and make sure to mix up who attends.
3. **Call it what it is** - If you want to create a development opportunity, do not call it volunteering. Instead, offer a training opportunity with a 'real world' experience and go work in the community (Shared Value meets employee training).
4. **Get the biggest bang for your buck** - 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.

⁶³ Bart, C. and Bontis, N. (2003), "Distinguishing between the board and management company mission: implications for corporate governance", *Journal of Intellectual Capital*, Vol. 4 No. 3, pp. 361–81.

⁶⁴ Surroca, J1 Tribo, J., and Waddock, S. 2010, [Corporate Responsibility and Financial Performance: The Role of Intangible Resources](#), *Strategic Management Journal*, 31: 463–490



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A Smarter Company

Corporate Intelligence

Some corporations seem to be able to pull relevant information and skills from across business divisions and apply these resources towards meaningful solutions to the current business context. Others do not. Smart businesses are obviously, more profitable and competitive.

Employee volunteer programs have incredible potential to increase your company's intelligence.

Connections matter

A defining characteristic of most employee volunteering programs is that they usually involve groups of employees. Some employee volunteering is done solo, or in small groups. More often than not, corporate volunteering is a large team sport.

During volunteer events employees are able to meet coworkers they may not normally have a chance to interact with. Employees from the mail room interact with the sales team, and custodians paint a wall next to executives. Normally, these types of social interactions would not occur.

Consequently, corporate volunteering fosters a unique expression of corporate connectivity. Similar to a brain growing new synaptic pathways, this kind of networking engenders an awareness that now possesses a relational context and is not merely relegated to an org chart. Profiles, departments, and job titles become people with shared interests, brought together by a cause and supported by the brand.

If new relationships are discovered, existing relationships are strengthened. Teams that work across from each other in cubicles find new reasons to connect and strengthen relational bonds while building a Habitat home simply because of the nature of our humanity. The process of building relationships leads to increasing levels of trust. This is due to several social factors and biological realities such as the increase in levels of [oxytocin](#) in the brain.⁶⁵

⁶⁵ [Adam Penenberg](#), 2011, Digital Oxytocin: [How Trust Keeps Facebook, Twitter Humming](#), Fast Company Magazine



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Information spreads

Knowledge sharing

It makes sense that people are more willing to share information in environments where they're enabled to build relationships. We are willing to share because relationships cultivate trust.⁶⁶ In the context of relationship, we find ourselves sharing more than just raw information – we also talk about how best to use that information. For example, when someone I've never met asks me a question via email, I may simply reply with a bullet list. However, when someone whose name I know and face I recognize asks me the same question, I have a willing sense of obligation that motivates me to expound on the bullet list with helpful pointers, recommendations, and resources. A strong network of relationships is the most effective context for sharing information and knowledge.

Benefit: Employees are informed and work in a trust-based environment.

Knowledge acquisition

By building both strong and weak connections among employees, corporate volunteering helps create an environment of trust in which social networks thrive.⁶⁷ These networks facilitate the flow of information among those in the network.⁶⁸ It is this network, based on reciprocity, obligation, trust and social norms, that results in the effective sharing and use of knowledge.⁶⁹ Ultimately, this results in increased cooperation and collaboration.⁷⁰ Employees in these settings are able to access more information and access company wide relationships to solve problems, innovate and increase their personal productivity.⁷¹

Benefit: Employees are more informed and motivated to collaborate.

⁶⁶ "Personal trust makes information exchange easier, facilitates a quicker adaptation to the environment, and contributes positively to cooperation." Lin, N., Cook, K., & Burt, R. (2001). *Social Capital: Theory and Research*. NY: Aldine DE Gruyter.

⁶⁷ Coleman, J. S. (1988). Social capital in the creation of human capital. *The American Journal of Sociology*, 94(Supplement): S95-S120.

⁶⁸ "the social relationships between individual actors, groups, organizations, communities, regions and nations that serve as a resource to produce positive returns (p. 6)." Lin, N., Cook, K., & Burt, R. (2001). *Social Capital: Theory and Research*. NY: Aldine DE Gruyter.

⁶⁹ Wellman, B.A. and Frank, K.A. 2001. "Network Capital in a Multi-Level World: Getting Support from Personal Communities." In *Social Capital*, edited by Nan Lin, Ron Burt and Karen Cook.. Chicago: Aldine De Gruyter.

⁷⁰ Lin, N., Cook, K., & Burt, R. (2001). *Social Capital: Theory and Research*. NY: Aldine DE Gruyter.

⁷¹ Swan, J. et al. (1999). Knowledge management and innovation: networks and networking. *Journal of Knowledge Management*, 3(4), 262–275.



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Knowledge accuracy

This network of connections not only facilitates the flow of information, it also opens up access to new information that may not have been previously available. When employees meet colleagues with whom they may not normally cross paths, new sources of knowledge become available. Who you know affects what you know.⁷² Corporate volunteering is able to enhance the flow of “information and communication across hierarchical levels and business units.”⁷³ The importance of this access to information across the multiple levels within an organization becomes acute when considering a company’s corporate social responsibility (CSR) messages and activities.

Research suggests that when employees hear about a company’s CSR program they try to interpret the message in light of the organization’s culture and sensemaking systems.⁷⁴ Sensemaking is a collaborative process we use to understand things and find meaning within our own reality. Everyone does it and it happens at a subconscious level. Information “from the dominant organizational collective narratives (informal and formal story-telling) and day-to-day language”⁷⁵ is used to understand new ideas and messages.

When strong social networks exist allowing information to pass both longitudinally and latitudinally throughout an organization, sensemaking is enhanced. Not only is information shared, the ability to correctly interpret that information improves. Using relational channels to ask questions and seek clarity is a significant benefit that is often overlooked. Conversely, “When information is distributed among numerous parties, each with a different impression of what is happening, the cost of reconciling these disparate views is high, so discrepancies and ambiguities in outlook persist.”⁷⁶

Benefit: Employees are more informed about the right things and they are connected to the right people.

⁷² Nahapiet, Janine, and Sumantra Ghoshal 1998 'Social Capital, Intellectual Capital, and the Organizational Advantage'. *Academy of Management Review* 23/2: 242–266.

⁷³ Margaux, Frankreich, (2010) Social Movements Producing Social Capital: The Case of Corporate Volunteering, Fifth Organization Studies Summer Workshop "Social Movements, Civil Societies and Corporations"

⁷⁴ Sharon Jackson, (2010) Mind the Gap: Making Sense of Sustainability from a Business Manager’s Perspective, A Doughty Centre for Corporate Responsibility Occasional Paper

⁷⁵ ⁷⁵ Sharon Jackson, (2010) Mind the Gap: Making Sense of Sustainability from a Business Manager’s Perspective, A Doughty Centre for Corporate Responsibility Occasional Paper

⁷⁶ Weick, Sutcliffe, and Obstfeld: (2005) Organizing and the Process of Sensemaking *Organization Science* 16(4), pp. 409–421, INFORMS



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Knowledge Management

Companies with employee volunteer programs may also possess more knowledge management capabilities than organizations with less formed networks and lower levels of trust⁷⁷. [Knowledge Management \(KM\)](#) is a business strategy meant to “identify, create, represent, distribute, and enable adoption of [insights](#) and [experiences](#). Such insights and experiences comprise [knowledge](#), either embodied in individuals or embedded in organizational [processes](#) or practice.”

Companies that are able to access the knowledge of their employees throughout the organization have a distinct competitive advantage. Research shows ‘work group membership and socialization are the most potent predictors of knowledge and information.’⁷⁸ Knowledge is shared socially much of the time because people are more likely to turn to colleagues and friends when facing work related problems (as opposed to other sources of information). Employee volunteering creates social settings that facilitate the exchange of knowledge and information.

The importance of social networks as a key ingredient in knowledge management should not be ignored. The ability of a company to access and use the knowledge and information possessed by its employees directly affects organizational performance.

Benefit: Companies can access more of their employees knowledge.

Action Points

The more connected a company’s employees are to each other, the smarter the company. Here are some suggestions to get it right.

1. **Do not try to force relationships to happen.** The ‘voluntary’ nature of employee volunteering must be retained in order for individuals to discover relational connections that fit them. This especially true when [working with your ‘influentials’](#).
2. **Provide ongoing opportunities** to build relationships between co-workers. This means a once-a-year volunteer event [will only yield minimal results](#).
3. **Create [opportunities for reflection](#) as a group.** This will enforce the shared experience of the volunteer event while also enabling attitudinal and behavioral changes among the employees themselves.

⁷⁷ James J. Hoffman, Mark L. Hoelscher, Karma Sherif, (2005) "Social capital, knowledge management, and sustained superior performance", Journal of Knowledge Management, Vol. 9 Iss: 3, pp.93 – 100

⁷⁸ Laila Marouf, Patrick Doreian (No date) Understanding Information and Knowledge Flows as Network Processes in an Oil Company



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Employee Health

The need to reduce Health Care costs

Health care is expensive. In the US, a survey conducted by the [National Business Group on Health](#) estimated health care costs for large American employers such as GE, Microsoft and GM [will jump by 8.9%](#). Mitigating these increasing expenses is a priority for companies. An employee volunteering program may be a good option for corporations to consider.

Employee volunteering is healthy

In a recent study conducted by [VolunteerMatch](#) and [UnitedHealthcare](#) entitled “[Do Good Live Well Study Reviewing the Benefits of Volunteering](#)”⁷⁹ researchers found that companies reported improved physical and emotional health of employees who volunteer. The specific benefits included reduced obesity, reduced stress,⁸⁰ increased levels of activity, a more positive emotional state and higher levels of overall satisfaction with life. If companies want to decrease their health costs, they should be looking to volunteering as an affordable and accessible solution.

Increased Safety

As previously mentioned, increased employee engagement in the workplace leads to lower levels of boredom and risk-taking thereby reducing injuries. An extensive meta-analysis of 7,939 business units across 36 companies reveals that when employees are engaged in their roles and tasks at work there is an increase in the attention to workplace safety.⁸¹

Increased Social Support

Improved relational connections have the immediate benefit of increasing trust and empathy. This type of positive relationship increases the level of cooperation within the workplace and may be one of the most important ingredients

⁷⁹ UnitedHealthcare / VolunteerMatch – Do Good Live Well Study Reviewing the benefits of volunteering March 2010

⁸⁰ Gray, R.J. (2001), “Organizational climate and project success”, International Journal of Project Management, Vol. 19:103–109.

⁸¹ James K. Harter, Frank L. Schmidt & Theodore L. Hayes (2002) Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes A Meta-Analysis. Journal of Applied Psychology April 2002 Vol. 87, No. 2, 268–279.



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towards improving general productivity.⁸² Highly relational and networked companies tend to be more successful and functional social networks are necessary for these strong ‘social supports’ to exist.

Strong social supports in the workplace not only protect against poor health and mental health problems, but also increase job satisfaction, lowers absenteeism, while reducing the potential for job induced psychological distress. Researchers believe that creating and improving opportunities “for supportive social contact are a high priority” and could even be viewed as ethically mandated.⁸³

[Dr Shelley Taylor](#), a professor of psychology at [UCLA](#), defines social support as “the perception or experience that one is cared about by others, esteemed and valued, and is part of a social network of mutual assistance and obligations. Social support can be emotional, instrumental (or practical), and informational, and in the workplace it occurs through social interactions with coworkers and supervisors.”⁸⁴

Action Points

Social support in the workplace can take many forms. For companies looking for an effective approach that accomplishes numerous benefits throughout the organization, a corporate volunteering program is an excellent option. Just remember:

1. Offering employees free space to work together and relate socially is more important than trying to force closeness and intimacy. **Understanding the Stages of the Volunteer is instrumental in this process.**
2. **Social support can backfire easily if it feels mandated.** This goes for the entire volunteer experience. Offer people the opportunity to participate at the level they feel comfortable.
3. **Make sure that the employee volunteering events include a good mix of people** from other departments and hierarchical levels of the organization. There are numerous benefits to this approach, some of which we've discussed here.

⁸² Gummer, B. (2009), “Peer relationships in organizations”, *Administration of Social Work*, Vol.25 (4):89–103.

⁸³ Taylor, S.E. (2008). Fostering a supportive environment at work. *The Psychologist-Manager Journal*, 11, 265–283. [PDF](#)

⁸⁴ Taylor, S.E. (2008). Fostering a supportive environment at work. *The Psychologist-Manager Journal*, 11, 265–283. [PDF](#)



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Increased Social Capital

Understanding Social Capital

There is no easy definition for [social capital](#). A concept born out of sociology, it is now used by multiple disciplines (economics, organizational behaviour, political science, public health) with numerous interpretations. In simple terms, social capital is the value that accumulates in actual human relationships. There is valuable information, skills, and networks to be found in most relationships. This value is accessed every time individuals or groups gather to 'do something' for the greater good by making contributions of skills, information, and connections.⁸⁵ The health of a society may be measured in the generation and use of social capital.

Generating value for the community

CSR is an effective avenue for companies that want to generate and use social capital. When corporations pursue a CSR strategy, it is possible to leverage the networks that form out of shared social concerns. By contributing corporate resources such as skills, intellectual and physical capacities companies are able to collaborate with communities in the discovery of new solutions. Social capital generates from the opportunity, motivation and ability to act. It is "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit."⁸⁶

It is this context of mobilizing resources and establishing broad networks within and without the company that employee volunteering becomes a uniquely powerful strategy.⁸⁷ Employees not only leverage the assets of the business, but combine these assets across broader social networks accessing trust and localized norms of cooperation. In doing so, they are able to effectively act as a conduit between the company and the community acting as levers in the creation and use of social capital.

As noted, social capital is a telling indicator of the health and potential of a community. For example, in a study conducted in Italy it was discovered that communities with greater social capital and stronger traditions of civic

⁸⁵ Muthuri, J. N., Matten, D., & Moon, J. 2009. [Employee volunteering and social capital: Contributions to corporate social responsibility](#). *British Journal of Management*, 20: 75–89.

⁸⁶ Nahapiet, Janine, and Sumantra Ghoshal 1998 '[Social Capital, Intellectual Capital, and the Organizational Advantage](#)'. *Academy of Management Review* 23/2: 242–266.

⁸⁷ Adler, Paul S., and Seok-Woo Kwon 2002 '[Social Capital: Prospects for a New Concept](#)'. *The Academy of Management Review* 27/1: 17–40.



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engagement were far more likely to grow and thrive.⁸⁸ The growing popularity and unique qualities of employee volunteering hold the promise of accruing significant value for local and global communities in which companies operate.

Generating Social Capital within the company

Employee volunteering not only enables the growth of social capital in surrounding community contexts, but also within the corporate context. Specifically, this expression of social capital may be understood as the “set of resources, tangible or virtual, that accrue to a corporate player through the player’s social relationships, facilitating the attainment of goals.”⁸⁹ These resources are only accessible if high levels of trust exist within the culture of the company. Employee volunteering programs tend to [foster trusting relationships between the participants](#). The visible expression of higher levels of trust is more effective cross-functional work and teamwork.⁹⁰

Obviously, cooperative relationships among employees “is one of the most important factors in creation of a highly productive firm.”⁹¹ The ability of employee volunteer programs to create strong and trusting relationships should be a key consideration when looking to improve the performance of a company.⁹²

Action Points

1. **Keep it social.** Given the social interaction necessary to produce social capital, it follows that only those corporate volunteering programs designed as social experiences will be successful. Employee volunteer programs should “facilitate social interaction, use existing social networks, foster bonding and trust among actors and allow for participation which is for the mutual benefit of actors.”⁹³
2. **Find your influencers.** As we’ve already noted, employee volunteer programs have much in common with social movements and as such are somewhat fragile in character. It is essential “to achieve the acceptance and support of

⁸⁸ Putnam, Robert D. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York, N.Y.: Simon & Schuster.

⁸⁹ Gabbay, Shaul, and Roger Th. A. J. Leenders 1999 'The Structure of Advantage and Disadvantage' in *Corporate Social Capital and Liability*. Leenders, Roger Th. A. J., and Shaul M. Gabbay (eds.), 1–16.

⁹⁰ Georgina Brewis, 2004, [Beyond banking: Lessons from an impact evaluation of employee volunteering at Barclays Bank](#), Institute for Volunteering Research, VAJ (vol 6, number 3)

⁹¹ Gummer, B. (2009), “Peer relationships in organizations”, *Administration of Social Work*, Vol.25 (4):89–103.

⁹² Adler, Paul S., and Seok-Woo Kwon 2002 'Social Capital: Prospects for a New Concept'. *The Academy of Management Review* 27/1: 17–40.

⁹³ Muthuri, J. N., Matten, D., & Moon, J. 2009. [Employee volunteering and social capital: Contributions to corporate social responsibility](#). *British Journal of Management*, 20: 75–89.



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the core activists⁹⁴ or influentials. Without their blessing and participation, widespread acceptance will probably never happen. For more about [how to find and collaborate with your influentials](#).

3. **Keep it voluntary.** Corporate volunteering must be seen as less corporate and more voluntary. For the two out of three employees who don't volunteer on a regular basis, [this is a non-negotiable](#)⁹⁵. Without a strong voluntary component, the program may likely feel manipulative and forced. In some cases, employees have been known to work against employee volunteer programs in an effort to assert the voluntary nature of the movement.⁹⁶
4. **Let people fall in love.** Understandably, companies want to present a compelling case for employees to participate in the corporate volunteer program. While this is not forced volunteering, it runs very close to the line. Employees will comply with these expectations to volunteer to avoid penalties and obtain the approval of their supervisors. The unfortunate result is that the pressure provides "an external justification to which they can attribute volunteering, preventing them from internalizing it as a self-determined, intrinsically motivated choice."⁹⁷ ([read more here PDF](#))

⁹⁴ Katharina Spraul, (no date) Social Movements Producing Social Capital: The Case of Corporate Volunteering, unpublished.

⁹⁵ Stukas, A. A., Snyder, M., & Clary, E. G. 1999. The effects of 'mandatory volunteerism' on intentions to volunteer. *Psychological Science*, 10: 59–64.

⁹⁶ Voort, Judith van der, Katherina Glac, and Lucas Meijs 2009 "'Managing" Corporate Community Involvement'. *Journal of Business Ethics* 90/3: 311–329.

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