

BUSINESS *in the*

COMMUNITY

# the business case for employee community involvement

manager's briefing



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“ We do not see our social responsibilities as conflicting with business objectives, neither do we see them as an add on...supporting the wider community helps us define who we are and how we differ from our competitors. We see our good corporate citizen role as helping to build a stronger business. ”

Sir Peter Middleton, Group Chairman, Barclays

“ ...we actively encourage our employees to give their time and effort to local charities, urban regeneration, fundraising and all types of volunteering. We are proud of their efforts, and not a little humbled by them. ”

Matt Barrett, Group Chief Executive, Barclays

## Putting it in context

### Responsible Business Practice

Is the management of a company's impact on society and the environment so as to add value to the company and increase wider economic and social well-being now and over the longer term. This impact may be through operations, products or services and through interaction with key stakeholders such as employees, customers, investors, local communities, suppliers and others.

### Corporate Community Investment

Is a practical set of programmes and processes which enable companies to bring the skills and time of their employees to areas of community need, along with other resources such as donated goods and services, matched giving and use of premises.

### Employee Community Involvement

Is a major component of corporate community investment. It describes the ways in which employees can participate in community projects with their company's support.

## summary

This Manager's Briefing gives an overview of the benefits from employee volunteering. These benefits accrue to community organisations, employees and to the employer. Using research, case studies and quotes from managers, this Briefing will help people to build the business case within their organisation for employee volunteering programmes.

## context

Yesterday's corporate "chequebook charity" – companies simply giving money away to good causes has largely been superseded by today's corporate community investment, which ties employees' skills and time and the donations of resources such as money and gifts in kind to defined business goals and desired benefits. Employee volunteering has been the fastest growing form of community involvement during the 1990's and with the emphasis from the government on active communities for this decade, the movement looks set to continue its growth. 74 of the FTSE100 companies have some kind of employee volunteering programme and an estimated 1.5 million people have volunteered through an employer supported programme<sup>1</sup>.



<sup>1</sup> Home Office citizenship survey, 2000.

## key characteristics of a successful employee volunteering programme

Successful employee volunteering programmes have three characteristics; they:

- Address community needs. Companies can play an important part in helping to solve community problems.
- Reflect employee interests and skills. This can make a real difference to how employees feel about themselves and their employer.
- Meet business priorities. A programme that is in line with these priorities can bring tangible benefits to the company and will enjoy continuing support.



## benefits of employee volunteering: benefits to the community

The needs of some communities present problems that cannot be solved by governments alone. It is now commonly accepted that the skills and resources of private and public sector employers and their employees can support some of these communities. Companies getting involved in the community are joining a well-established movement and can become a vital component in broader programmes to create healthier communities. Business and increasingly public sector employee volunteers can work in partnerships to tackle specific public policy and community issues such as education, health, crime and regeneration.

- Help to set up trading arms so that organisations can raise their own funds
- Advise voluntary organisations in matters of contractual agreements
- Provide IT training
- Assist with marketing and PR

Employee volunteers can also:

- Provide a new and fresh perspective for community organisations
- Lay the ground for longer term partnerships between companies and the voluntary sector
- Increase the awareness of community issues amongst company employees and amongst the general public.

In a recent MORI survey for BITC (May 2002), over 4,000 community organisations and schools were asked how business engagement

had benefited their organisations. Forty-three percent of schools and 59% of other organisations surveyed agreed that business support had been of "significant financial value," with financial benefits most commonly cited (48%), followed by improved facilities (38%). The most desired forms of support were fundraising (67%), long-term company-funded volunteering (64%) and design/printing services (also 64%).

*"At Asda our colleagues and customers believe in putting something back into the communities where we operate in the form of practical involvement and time giving. This is led by our colleagues in our 232 stores who are close to customers and to the grassroot issues in their local community and can understand what the needs are and how they can help. It's the right thing to do".*  
Zaria Pinchbeck, ASDA

Employee volunteers with professional skills can, for example:

- Produce business plans for voluntary organisations
- Create a long-term funding strategy

### case studies

#### Barclays

Barclays believes investing in the community is a fundamental part of its 'licence to operate' and an important part of its corporate responsibilities. There are also clear business benefits:

- It increases the public's propensity to do business with the company
- It increases the value of the Barclays brand for shareholders, through strengthening the Bank's image and reputation both internally and externally.
- It attracts and retains talented, motivated individuals, boosts morale, builds team spirit and pride in the company. It also develops skills transferable to the workplace and strong reciprocal relationships between peers.

- Community activities can help to build healthy, social communities and strengthen the economic environment in which to do business by creating better environments in which to live and work. They help to grow talent and capability, increase employability and enable people to be included and contribute to mainstream society.
- It helps maintain a favourable legislative environment in which to do business. Government and opinion formers see corporate social responsibility and community activities as important issues, demonstrated by the creation of a Minister for CSR in 2000. 84% of MPs state that the way a company manages social responsibility issues is important to them when judging a company [MORI CSR Research Report, 2002]. When asked what one action MPs feel financial services companies should take to improve their reputation, the second most popular theme was to invest more in community programmes. [BPRI Political Market Research 2001].

Barclays actively encourages and supports its employees in their community work. With the Employee Volunteer Scheme, grants of up to £1,000 are awarded to groups of 5 or more volunteers to cover materials and expenses. The Volunteer 2day Scheme, gives each employee a minimum 2 days business time per year to take part in community activities.

In 2002 over 18,000 employees took part in Barclays supported community activities.

**For further information contact:**  
Chris Swales, Senior Manager,  
Barclays Community Affairs  
Tel: 07775 546 114  
Email: chris.swales@barclays.co.uk

### case studies

#### Deutsche Bank

Deutsche Bank entered a partnership with Morpeth School in Tower Hamlets from 1995 – 2001, contributing financially as well as involving its employees. During their involvement, attendance at the school rose from 82% to 90% and exclusions dropped dramatically, giving the school one of the lowest exclusion rates in Tower Hamlets. In 1994 only 11% of pupils achieved A-C grade GCSEs, and in 1997 the percentage leapt to 40%, bringing Morpeth within the top 5 schools for overall improvement in the UK. Deutsche Bank employees benefited greatly from the scheme, reporting improved listening and management skills, stress relief and staff motivation and loyalty. In exiting from this exclusive partnership in 2001, Deutsche

Bank were able to extend their involvement to 30 London schools. These mentoring and reading programmes are showing similar benefits to both schools and employees.

**For further information contact:**  
Kate Cavelle, Manager, Deutsche Bank Citizenship  
Email: kate.cavelle@db.com

## benefits of employee volunteering: benefits to the employee

Community involvement offers a whole range of benefits to employees.

Employee volunteers get:

- a chance to develop personal skills such as time management, communication and presentation skills
- an opportunity to work in a completely new environment and develop transferable skills
- to meet and work with people from other departments
- an extra dimension to life by providing new experiences outside the usual work and social environment
- the opportunity to contribute to an issue that they really care about.

(See Manager's Briefing: Skills Development in the Community for more detail on employee benefits.)

## benefits of employee volunteering: benefits to the company

Employee volunteers positively affect the company's relationship with its stakeholders and the community in which it operates and/or the wider community on which its operations impact. Employee volunteering can positively affect a company's:

- Licence to operate
- Change management & innovation
- Recruitment and staff retention
- Staff morale and work performance
- Training and development

### Licence to operate

Employee volunteering as a part of a wider corporate community involvement programme can improve the company image in the community in which it operates. By making strong links with the local community the company demonstrates that it takes its corporate social responsibility very seriously, strengthening its reputation in the local and wider community, including the business world.

84% of the British public think that knowing about a company's activities in society and the community is important in forming an opinion of that organisation. (MORI 2002)

According to a survey carried out by Business in the Community (ECI+, 2000) 96% of BITC member companies rated improved relations with their local communities as an important or very important reason for community involvement. 89% of members see benefits to their overall corporate reputation as important or very important.

*"Our community experiences offer real benefits for our company, as well as the people who live and work in the communities we serve". Jonathan Browning, Managing Director, Jaguar Cars Ltd*

case studies	
<p><b>IBM</b></p> <p>IBM encourages partnerships between its Corporate Community Relations (CCR) unit and other units of the company, especially its Research Labs. These partnerships help CCR achieve maximum impact by applying corporate 'know-how' to social and educational problems. In return Research Labs capture innovation by working on pressing social problems that present new technical product challenges resulting in a variety of product innovations. One example is IBM's new technology for transforming web pages so that they are easier to read, understand and interact with. This accessibility technology was developed with SeniorNet, one of IBM's community partners.</p>	<p>Addressing a community need has enabled IBM to take a lead in the market for 'disability friendly' products which is significant and growing.</p> <p><b>For further information contact:</b> Celia Moore, Manager, Corporate Community Relations, EMEA, IBM UK Tel: 020 7202 3187 Email: celia_moore@uk.ibm.com</p>

### A strategic tool for change management and innovation

Involvement in the community can give businesses access to networks and alliances that help them to keep in touch with a complex and rapidly changing world. It can enhance networking with other companies and help forge new relationships, as well as generate powerful alliances capable of tackling community issues.

Employee volunteering can:-

- aid management of change by providing a fresh perspective and encouraging new ways of thinking
- help foster inter-departmental cohesion within an organisation by creating a shared sense of purpose and loyalty.
- provide staff with new insights and knowledge that encourage innovation both in the community and within the company.

2 in 3 business leaders across Europe believe responsible business practices promote innovation by increasing learning from outside and promoting a broader perspective. (Fast Forward Research, BITC/NOP, 2002)

### Recruitment and staff retention

There is clear evidence that people do make the link between companies that are actively involved in the community and those that are good to work for.

4 in 5 British employees say a company's demonstration of commitment to the local communities in which it operates has an impact on pride in the company they work for (1 in 5 say it has a great deal of impact). (1,000 working British public, Corporate Citizenship Company/MORI, 2000)

Four in five employees say they would view their employer more favourably if the employer committed itself to employee engagement. (ENGAGE Research among employees worldwide, International Business Leaders Forum, October 2002)

Employee involvement is important to recruitment and staff retention because:

- More and more potential recruits are choosing employers who behave responsibly.

European senior business leaders believe attracting and retaining a talented and diverse workforce (along with managing changes in their industry) is the most important factor likely to impact on their organisation's performance over the next five years. (Business in the Community FastForward Research conducted among 201 senior business leaders across 6 countries NOP, 2002)

*"Our employees want to work for a company which is concerned not just about profits, but about the communities and neighbourhoods in which we operate". Phil Ward, Corporate Affairs Executive, Northern Foods*

High-flying undergraduates are more likely than ever before to look for companies to work for which demonstrate their values and positive impact on the community in which they operate. (5,000 undergraduates in their final year (MORI, 2001)

The Prince of Wales' International Business Leaders Forum research with graduates found that being a good corporate citizen ranked third, behind being a provider of good services, but ahead of financial or profit factors.

- It gives employees the power to make a difference to issues that they care about, sending a clear message that the organisation cares about its employees.
- Volunteering is also fun and helps employees feel good about themselves and about their employer.

A survey of staff whose volunteering had been supported by their employers showed that 70% reported that, as well as personal or professional development, they had an improved perception of their company (Xansa UK, 2001).

### Staff morale and enhanced work performance

Employees take great pride and satisfaction in what they achieve through their volunteer work. The new skills that employees can develop and the new ideas that they can bring back to the workplace has been proven to enhance creativity and performance in their jobs. Many companies find that their employee involvement gives employees the power to make a difference to issues they care about, sending a clear message that the business cares about its employees

Employees appreciate the support employers give to their volunteering efforts. Whether it is financial or in kind support for voluntary work done in an employee's own time or the opportunity to get involved during working hours – employers increasingly communicate employee volunteering alongside other benefits such as pensions, health insurance or interest free loans for season travel tickets.

American Express saw highly positive increases in staff satisfaction surveys amongst the group of staff who were volunteering in a local school, compared with a control group of non-volunteers.

Employee satisfaction is recognised as a key component of business success:

MORI conducted research into the relationship between employee satisfaction and advocacy of the employer's products and services and found that:

- 41% of satisfied employees recommend their company's products
- only 4% of dissatisfied employees recommend their company's products
- 30% of dissatisfied employees speak unfavourably of their company's products.

Employees already personally involved or with existing knowledge of a company's corporate community investment activities are significantly more likely to feel pride about their workplace, and this is shown to have an impact on motivation, skills development, team working and likelihood of staying with the company. Advocacy of the organisation has also been shown to double among those employees involved in activities with the company. (Employees of 9 companies, Corporate Citizenship Company/MORI 2001)

A research study by Sears in 2000 found that if employee satisfaction were to improve by 5 points, customer satisfaction would increase by 1.3 points, leading to a 0.5% increase in revenue.

### Training and development

People are the most important resource employers have. Employee volunteering can complement existing training and development programmes with the added dimension of a real life situation which traditional courses cannot provide. In an unfamiliar situation, employees can be stimulated into creative thinking and problem solving, and encouraged into real learning.

Cap Gemini Ernst & Young puts its entire intake of 250 young people through a graduate academy. Their first 5-7 weeks are spent in the Cap Gemini Academy learning business and technical skills. Cap Gemini adds an extra week so that graduates can put into practice their newly acquired skills in a community assignment.

Research for national volunteering charity TimeBank in 2002 shows that UK companies increasingly rate employee volunteering. The survey of over 200 top businesses showed that:

- 94% think volunteering adds to the skills of their workforce

- 58% say voluntary work can be more valuable than experience gained in paid employment
- 25% offer paid time off to employee volunteers
- 15% allow sabbaticals for volunteering projects

Research from the US Based Conference Board, based on interviews with US executives found that specific skills that can be enhanced through employee volunteering are:

- communication skills
- organisational and time management skills
- people skills (caring, negotiating and listening)
- accountability and assessment reporting
- planning skills
- budgeting skills
- survival skills (stress management, prioritisation)

In addition to these it was found that employee volunteering was also useful in changing perspectives and developing attitudinal differences in the following areas:

- increased understanding of co-workers and respect for diversity
- more innovative approach to responding to difficulties
- enhancement of calculated risk taking
- enlarged sense of community and social obligation
- heightened appreciation of benefits provided by the team
- affirmation of personal capability and worth
- positive resistance to feelings of isolation and alienation.

Employers are increasingly seeing community challenges as an effective, satisfying and fun way to build teams and develop staff.

*"We have found that bank staff who have become involved in the community programmes have benefited from the experience personally and professionally."*  
Linda Barnard, Community Relations Manager, Bank of England

*"A great number of Financial Services Authority (FSA) staff play an active part in the local community. I know this makes a difference. The FSA sees these activities as providing invaluable development opportunities for their staff."*

Howard Davies, Chairman, Financial Services Authority

## in conclusion

Employees' skills and time are an important resource and a crucial component in the community investment toolkit. A strategic approach to community involvement enables a company to bring the skills and time of their employees to areas of community need, along with other resources such as donated goods and services, matched giving and the use of premises.

For more detail on all aspects of employee community involvement, see the other titles in the Manager's Briefing series.

case studies		
<p><b>LE Group</b></p> <p>Over a relatively short period of time, London Electricity has demonstrated how a newly introduced community initiative, Helping Hands, has increased employee community involvement ten-fold, and helped the group to achieve several key objectives. These include:</p> <ul style="list-style-type: none"> <li>• complementing HR training and development</li> <li>• supporting and enhancing the company's existing community investment</li> <li>• improving LE Group's contribution to specific social/economic issues, including education, homelessness and regeneration as well as to enhance the company's reputation among stakeholders.</li> </ul> <p>The senior executive team has taken group-wide and individual responsibilities for leadership of and engagement in the programme, focusing on conditions in the most deprived urban neighbourhoods and rural communities close to their locations and customers.</p>	<p>The Chief Executive has endorsed the programme, and given each employee two days of paid-time off, to get involved in community initiatives if matched in the employee's own time.</p> <p>A key feature of the programme is the number of different ways in which staff can get involved. They can work with one of the company's designated charities – Age Concern, Centrepoint and Marie Curie Cancer Care; get involved in a charity of their own choosing, or mentor schoolchildren.</p> <p>The Helping Hands programme has led to a significant increase in the number of employee volunteers. Launched in May 2001, one business reported 45% of the workforce active by June 2002. 14 months after its launch, 21% were participating in the programme and 16% of employees had been actively engaged in volunteering or fundraising initiatives through Helping Hands.</p>	<p><i>"Corporate Responsibility is not an add-on, but is the bedrock and foundation across the whole of LE Group. Getting our staff involved in community schemes is one way we encourage every member of the company to play a part, bringing the company significant business benefits and partnerships, such as skills development and improved motivation. At LE Group we are proud of what our employees contribute to our local communities, and they are pleased we support them."</i></p> <p>Vincent de Rivaz, Chief Executive, LE Group</p> <p><b>For more information contact:</b> Isabel Brown, Employee Involvement Co-ordinator Email: <a href="mailto:isabel_brown@le-group.co.uk">isabel_brown@le-group.co.uk</a></p>

## Useful contacts and further information

[www.bitc.org.uk](http://www.bitc.org.uk) Business in the Community's website includes information on employee community involvement, case studies from the Awards for Excellence and the Cares employee volunteering network.

**Cares** (a Business in the Community initiative) is a vehicle for employers to support their employees to volunteer in the communities where they operate, addressing local community needs and supporting strategic business issues. Cares provides training and advice for both corporate and voluntary sector partners. For more information on Cares, please email [amanda.jones@bitc.org.uk](mailto:amanda.jones@bitc.org.uk) or visit [www.bitccares.org.uk](http://www.bitccares.org.uk).

[www.iblf.org](http://www.iblf.org) The International Business Leaders Forum in partnership with Business in the Community are running Engage, a three-year worldwide campaign to promote employee community involvement globally via an international communications campaign and through the sharing of company good practice.

[www.communitymark.org.uk](http://www.communitymark.org.uk) A BITC initiative for small and medium sized companies to reward and recognise their community involvement.

[www.cecile.net](http://www.cecile.net) CECILE is a network of organisations across Europe who can work with companies to develop their community involvement. The network is co-ordinated by Business in the Community and has partner organisations in every country in Western Europe.

**Charities Aid Foundation** (CAF) offer advice and a service to run internal award schemes for companies. Telephone 02074002300 or email [lpanting@cafonline.org](mailto:lpanting@cafonline.org)

[www.do-it.org.uk](http://www.do-it.org.uk) A central online database of volunteer opportunities where people can search for vacancies relevant to their interests and location.

[www.employeevolunteering.org.uk](http://www.employeevolunteering.org.uk) This website is administered by the National Centre for Volunteering, and funded by the Home Office Active Communities Unit to be a comprehensive resource on employee volunteering for companies and individuals.

[www.timebank.org.uk](http://www.timebank.org.uk) TimeBank is a high profile national campaign to raise the awareness of the value of giving time and inspire a new generation of volunteers.

[www.vde.org.uk](http://www.vde.org.uk) The website of Volunteer Development England – supporting, promoting and developing volunteering through volunteer bureaux

[www.volunteering.org.uk](http://www.volunteering.org.uk) The National Centre for Volunteering is an organisation that works to promote excellence in volunteering in England.

The Community Investment team at Business in the Community aims to develop and promote effective community investment and help companies measure and benchmark the impact of their activity on the company and community.

Cares, a Business in the Community initiative is a vehicle for employers to support their employees to get involved in the communities where they operate, addressing local community needs and supporting strategic business issues. Cares operates in 22 locations around the UK.

Engage is a global campaign that aims to increase the quality and extent of employee engagement in the development of healthy and sustainable communities. Leading the campaign is the Prince of Wales International Business Leaders Forum (IBLF), working in partnership with Business in the Community and a coalition of strategic NGOs.

This series of Manager's Briefings provides summaries and case studies for company managers on a series of community investment topics:

- The business case for employee community involvement
- Skills development in the community
- Time off policies
- Team challenges
- Fundraising & matched giving
- Awards & recognition
- Payroll giving

Also available:

- Making it Happen: a complete guide to employee community involvement
- Made to Measure: a guide to measuring and evaluating corporate community involvement (coming Spring 2003)

For web copies visit [www.bitc.org.uk](http://www.bitc.org.uk) or ring Ella Ward at BITC on 0870 600 2482 for paper copies.



With thanks to series sponsor:

# BARCLAYS

Community involvement is a matter of good business sense - by helping communities to be vibrant places to live and work in we help our customers, our employees, and the wider communities in which we operate. Barclays is one of the top five corporate contributors in the UK. Our global community investment totalled £31.1 million in 2001 supporting programmes addressing social inclusion, the arts, education, the environment and people with disabilities.

Barclays Community programme is about much more than just giving money though. Fundamental to its success is the support that we provide to our employees who give their time and skills to the communities in which they live and work. We are very proud of their efforts, and not a little humbled by them. In 2002, over 18,000 employees took part in Barclays supported community activities.

For more information visit [www.barclays.co.uk/socialresponsibility](http://www.barclays.co.uk/socialresponsibility)

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