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#### Sources

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# Building Employee Engagement through Corporate Giving Programs

Despite continuing economic uncertainty, corporate giving is on the rise. A majority of corporations have actually taken measures to step up their philanthropic activities over the past five years, responding to increased community needs and the opportunity to serve greater numbers of people.

Giving is engrained in the culture of the most successful corporations that view philanthropy as a cornerstone of their citizenship. At the same time, employees and job seekers are seeking out companies that demonstrate a commitment to social missions and local needs. As a result, corporate giving programs offer the opportunity to engage employees, attract new talent, retain customers and enhance the company brand, all in the spirit of community.



## Giving on a Global Scale

Corporate philanthropy was once a series of disconnected, individual acts of giving. Today, it's part of a larger corporate social responsibility (CSR) platform that plays a key role in business strategy, enhancing a corporate brand among employees, job seekers, prospects and customers.

As corporations operate or seek to operate on a global scale, their philanthropy programs have evolved to address issues such as disaster relief, humanitarian crises, and wellness and education needs. According to research from the Committee Encouraging Corporate Philanthropy (CECP), companies that generated more than half of their total revenue from abroad gave more than 20 percent of their total contributions to international programs. In high growth nations with emerging markets, such as China and India, major corporations are enacting positive change with philanthropic activities that also serve as long-term business investments.

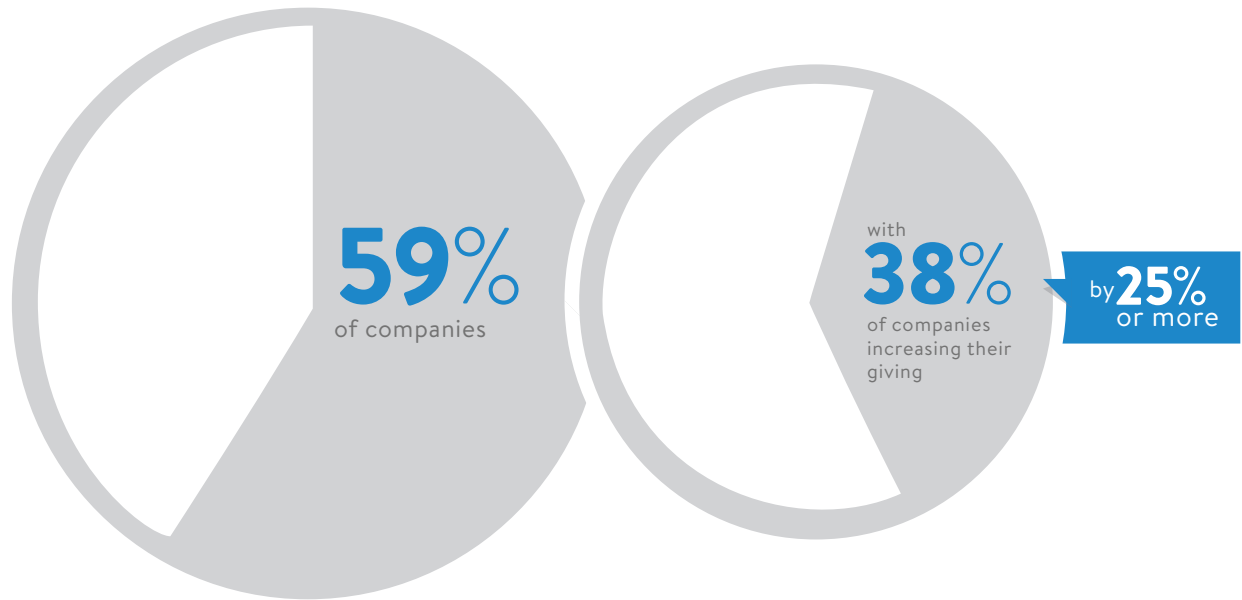
Another evolving theme is the need to incorporate employee engagement into CSR programs. If employees feel like they are part of an organization with resources to aid worthy causes, they are more likely to stay with the company. The key is making sure that giving programs align with the company's and employees' values and interests, and that employees recognize the efforts made to enact positive societal change.

# The last 5 years in corporate philanthropy

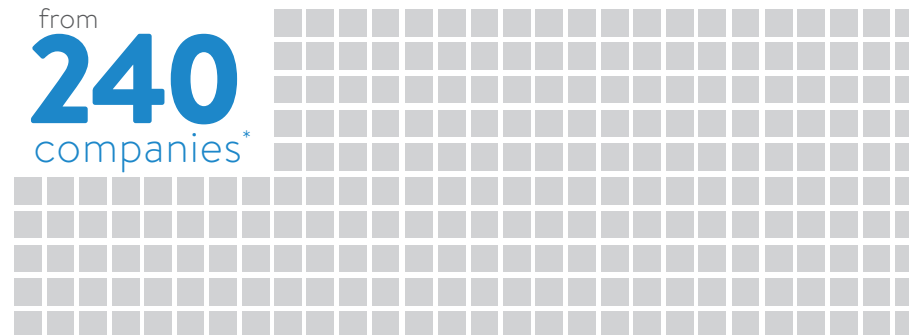
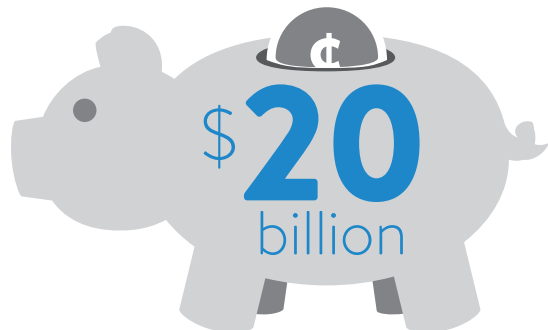
Despite a slow recovery of corporate profits since the economic downturn, most corporations haven't waited to rebound their giving programs: both cash and non-cash giving have sharply increased over the past five years. CECP reports that total giving increased for 59 percent of companies from 2007 to 2012, with 38 percent of companies increasing their giving by 25 percent or more. The 240 companies that participated in the 2013 Corporate Giving survey reported more than \$20 billion in total contributions.



CECP reports that total giving increased for



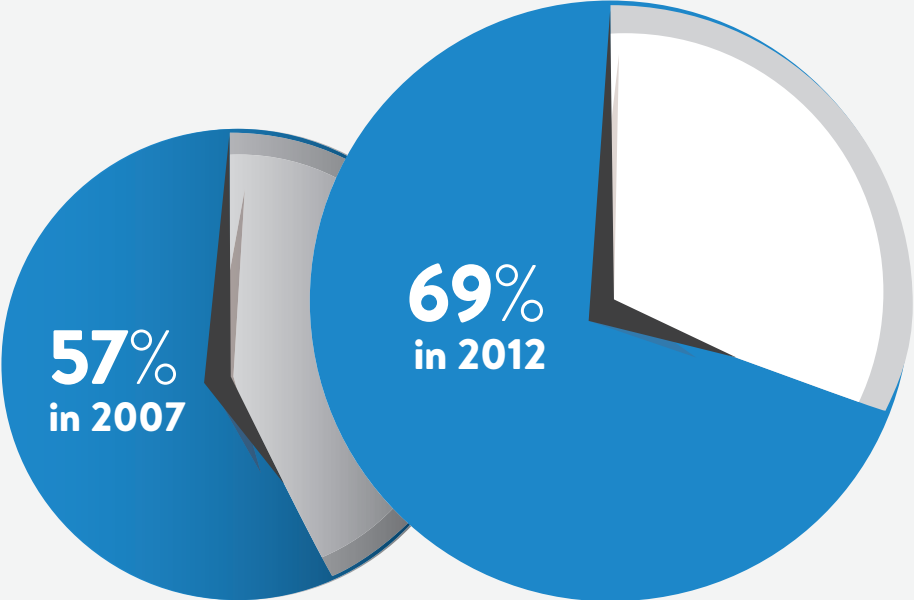
Total contributions reported



\*participating in the 2013 Corporate Giving survey

# Non-cash contributions as percentage of total contributions

Even as contributions rise, the nature of philanthropy is changing: the post-recession model of corporate social impact is defined by non-cash contributions. Non-cash contributions as a percentage of total contributions grew in aggregate from 57 percent in 2007 to 69 percent in 2012.



## Examples of Non-Cash Contributions



product donations



in-kind resources



professional services




company facilities



intellectual property



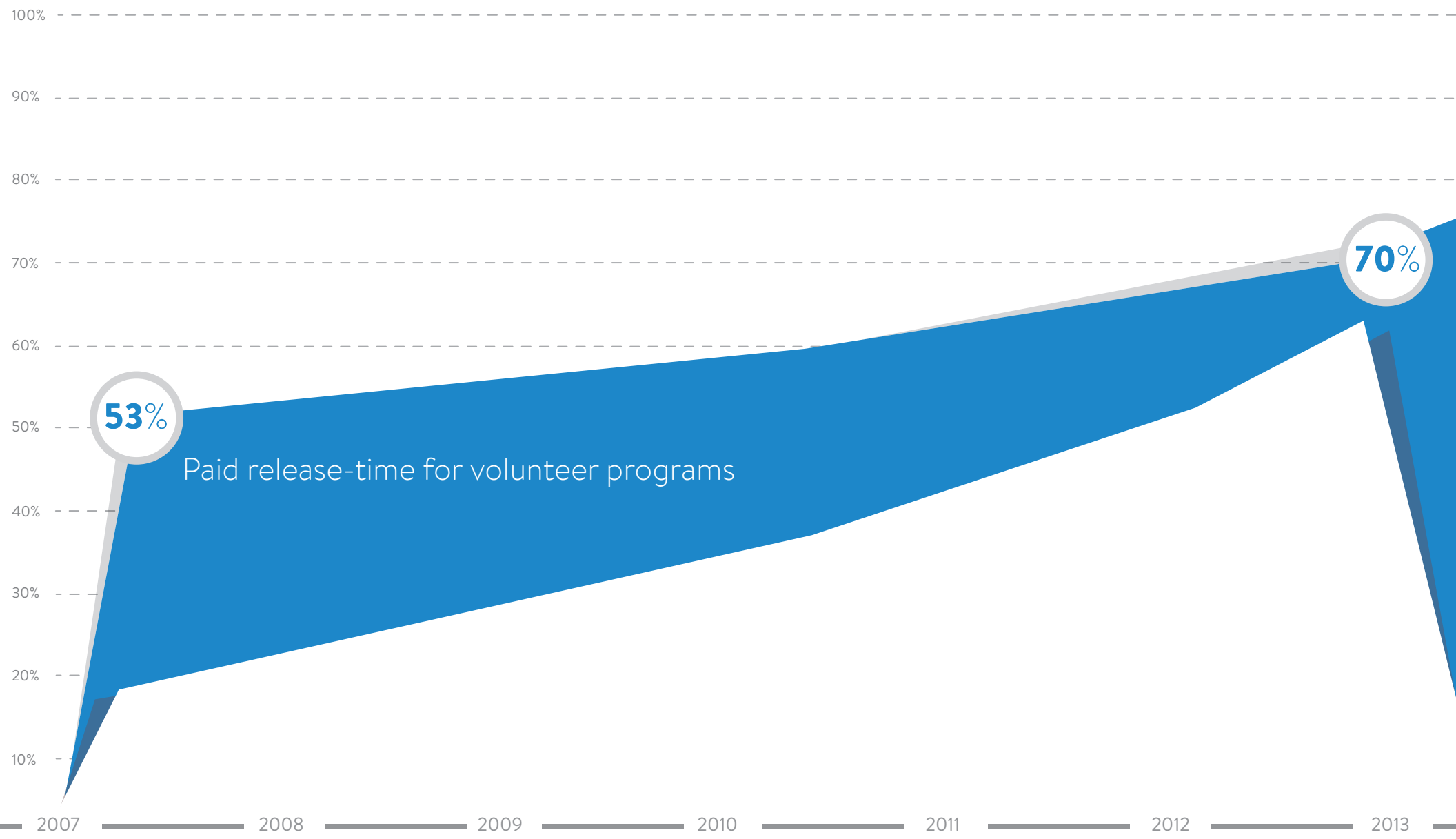
land donations



company assets

# Organizations are engaging employees in new ways

Since 2007, the percentage of companies offering paid-release time for volunteer programs increased from 53 percent to 70 percent. Matching gifts programs evolved as workplace giving campaigns and matching gifts programs increased in popularity from 2007 to 2012. Pro bono professional services are also being reported by more companies; approximately half of the responding companies told CECP they offered a pro bono service program in 2012.



# The Challenge & Benefits of Employee Engagement

Engagement is the “holy grail” for companies that view their workforce as their greatest competitive asset. Thriving businesses are fueled by employees with drive, focus and energy, as opposed to workers who give only the bare minimum.

Unfortunately, research shows that employee engagement is still recovering from an all-time low. In global engagement research of 6.7 million employees, Aon Hewitt revealed that 2010 engagement levels had dropped from 60 percent to 56 percent, the largest decline in employee engagement in the past 15 years. That figure rebounded to 60 percent in 2012; however, the fact remains that four out of 10 employees are still passive or actively disengaged from work.

## Why is employee engagement so hotly pursued?

Research shows a strong correlation between engaged employees and financial performance, even in turbulent financial times. In 2010, Aon Hewitt reported that organizations with high levels of engagement – **65 percent or greater** – continue to outperform the total stock market index, posting total shareholder returns **22 percent higher** than average.

On the flip side, companies with low engagement – **45 percent or less** – had a total shareholder return that was **28 percent lower** than average. Even at their worst, engaged employees are still 20 percent more productive than non-engaged employees.



The biggest contributor to an employee’s commitment is how well the individual fits within a company culture and how closely they share its values. This will only strengthen as younger job seekers look for employers that are as committed to social missions as they are to the bottom line.

# Engaging Employees in Giving Programs

When done effectively, giving becomes one of the most rewarding – and fun – aspects of an employee’s job. The best examples of workplace philanthropy rally employees around causes they care about most, offering a diverse pool of nonprofit organizations and inspiring participants to contribute year-round through donations and volunteer time.

There is no “one-size-fits-all” approach to developing an effective program – each should be uniquely tailored for the company’s culture. However, the following key elements are recommended to engage employee giving:



Run multiple-channel programs that allow employees to contribute through donations, volunteerism or pro bono professional services.



Offer a large pool of nonprofit organizations that span the following causes: health and welfare, education, civic, community, arts and culture.



Establish year-long giving programs rather than finite campaigns. This makes it possible for employees to donate when the time is right for them, and may result in repeated gifts.



Support employee contributions with matching gift donations.



Encourage volunteerism by offering paid time off for community activities.



Offer a choice of payment methods for donations, such as payroll deductions, credit cards, checks and cash.



Motivate employees with incentive programs, celebration events, internal publicity and public recognition.



## Sharing Successes

Communication is essential to inform employees of philanthropic opportunities, to share metrics of the successful programs and to celebrate employees' achievements in local, national and global efforts. No company wants to appear exploitative, but communications should also be shared with external audiences such as customers, prospects and potential employees.

In one effective example, a global computing giant recently celebrated its 30th anniversary of giving programs that have raised \$1 billion for more than 31,000 nonprofit and community organizations worldwide. The company held a town hall meeting to recognize the milestone and also announced four \$25,000 donations to the nonprofit organizations that had received the most support from employees.

### **Other ways to honor employee achievements include**

- Newsletter stories
- Blog posts
- Press releases
- Annual awards for volunteerism
- On-site events attended by peers and senior managers.

Employees enjoy working for a company that is a responsible citizen and a steward of the people and places in which it functions. When employees are actively engaged, it has a significant positive impact on the overall well-being of the company – which ultimately benefits its customers, shareholders and communities.

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