

EMPLOYEE ENGAGEMENT: The New Business Case

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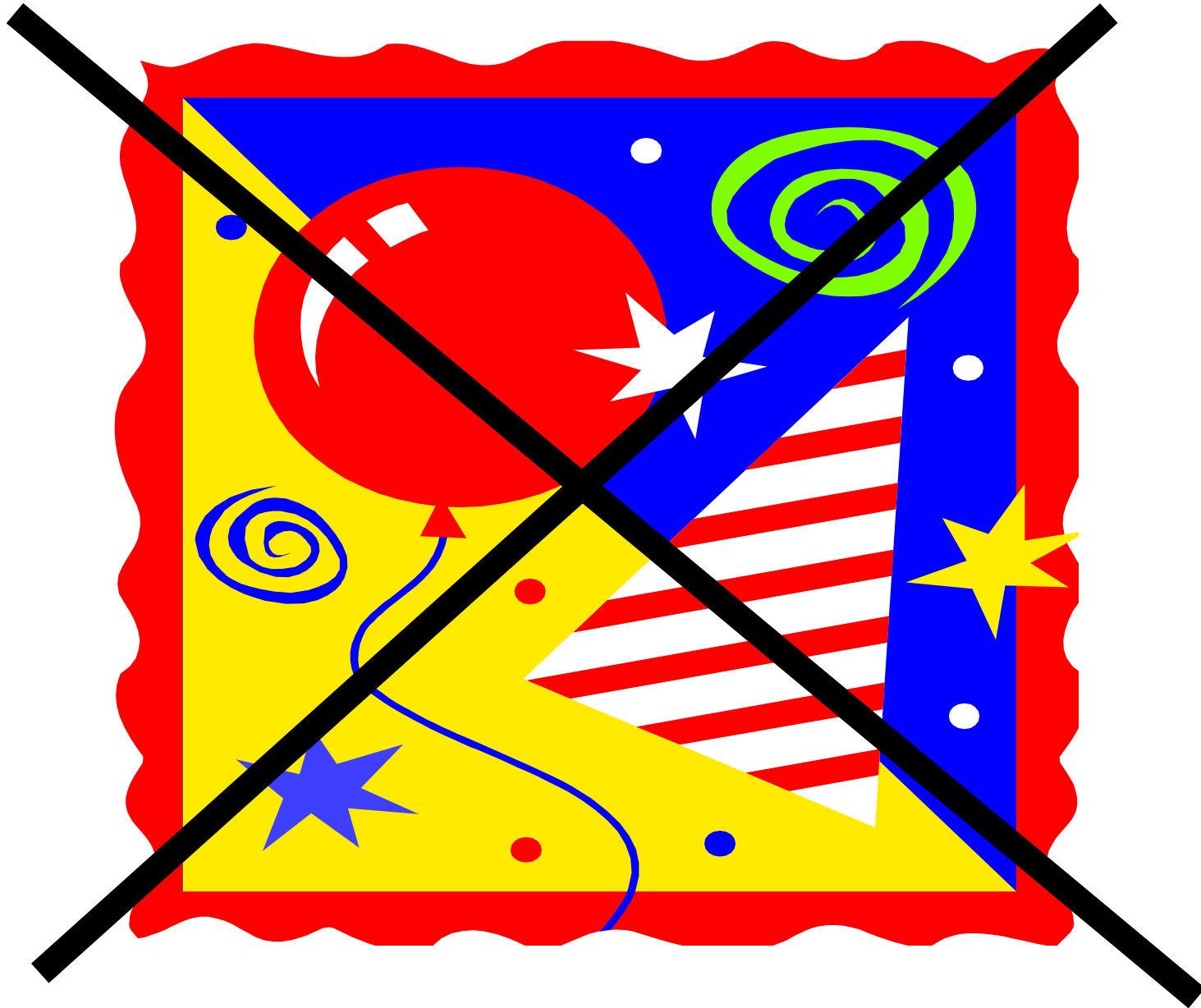
Employee Engagement and Volunteerism

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# Overview

- What is the Business Case for Employee Engagement and Volunteerism?
- What is the Social Case for Employee Engagement and Volunteerism?
- What are the Benefits and Risks?
- What Issues do Employees Really Care About?
- What are the Building Blocks and Stages of Development?
- So Give Me Something Practical...
- Can Employee Engagement be Measured?
- Q & A

# What Employee Engagement and Volunteerism Is...



# Employee Engagement is a large part of CSR & Offers Tangible Benefits

- **Employee Morale**
  - 86% of Freddie Mac employees surveyed cited volunteerism among the top reasons they feel good about working for the company <sup>1</sup>
- **Employee Recruitment**
  - 62% of 18 - 26 year olds say they prefer companies that give them an opportunity to contribute their time and skills to nonprofit organizations <sup>2</sup>
- **Employee Retention**
  - Employees are 30% more likely to want to continue to work for a company and drive its success if they are involved in company sponsored community activities <sup>3</sup>
- **Competitive Advantage**
  - In 2001 83% of 200 companies with revenues over \$500 million surveyed reported managing a formal volunteer program, 42% reported providing employees with paid time off to volunteer <sup>4</sup>

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Sources:

<sup>1</sup> Solomon, 2001

<sup>2</sup> Deloitte, 2007

<sup>3</sup> Council on Foundations and Walker Information, 1996

<sup>4</sup> Boston College Center for Corporate Citizenship, 2001

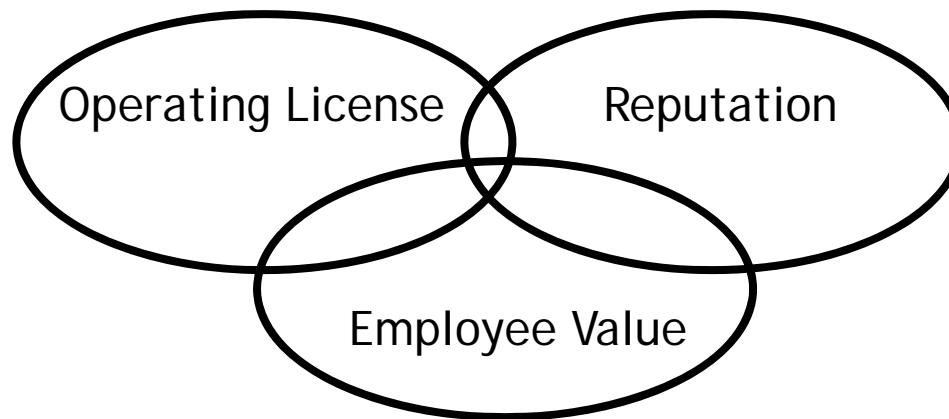
*"Our ethic of service, and indeed our CSR platform as a whole, acts as a magnet that attracts and screens talent. More and more employees are saying they came to Timberland in part because of our strong culture of doing good in the community. Employees have many opportunities to leverage leadership positions in service initiatives to get to know a broader constellation of people at all levels of the company and to chisel leadership muscles they already have but perhaps might not have occasion to showcase."*

- Patrick Kirby Service Manager, *Social Enterprise* The Timberland Company

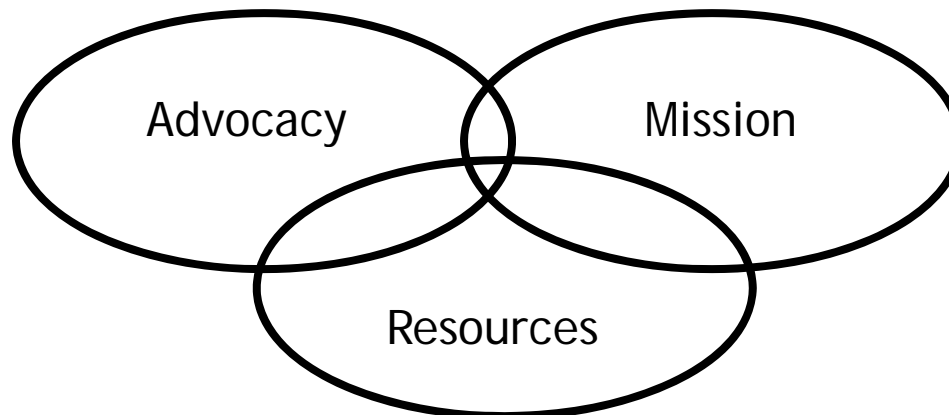
# What You May Already Know - The Business and Social Cases For Service

Employee engagement and volunteerism is the most tangible way workers interact with CSR

## Basics of the Business Case



## Basics of the Social Case



# Exploring the Value Chain-Benefits

Employee Value should lead a reciprocal value chain that includes all players

## Part of the Case Historically

### Corporate Benefits

- Recruitment
- Retention
- "Caring Face" of the Corporation
- Leadership Positioning

### Employee Benefits

- Skills Development
- Leadership Development
- Morale
- Satisfaction

### NPO Benefits

- Low/no cost labor in a cost constrained environment
- Potential Long Term Relationships
- Donations

## Emerging Issues

### Corporate Benefits

- Advocacy and Issues Management
- Formal Leadership Cultivation
- Market Intelligence

### Employee Benefits

- Competency Mapping
- Personal Brand Development and Marketing

### NPO Benefits

- Capacity Development Mapping and Planning
- Leadership Association
- Advisory Issues Leadership

# Exploring the Value Chain - Risks

Reciprocal value requires planning and negotiation

## Corporate Risks

- Sincerity v. Truth
- Positioning v. Provisioning
- Taking Undue Credit

## Employee Risks

- Low Satisfaction
- Passion/Interest Miss
- No Ownership in Work

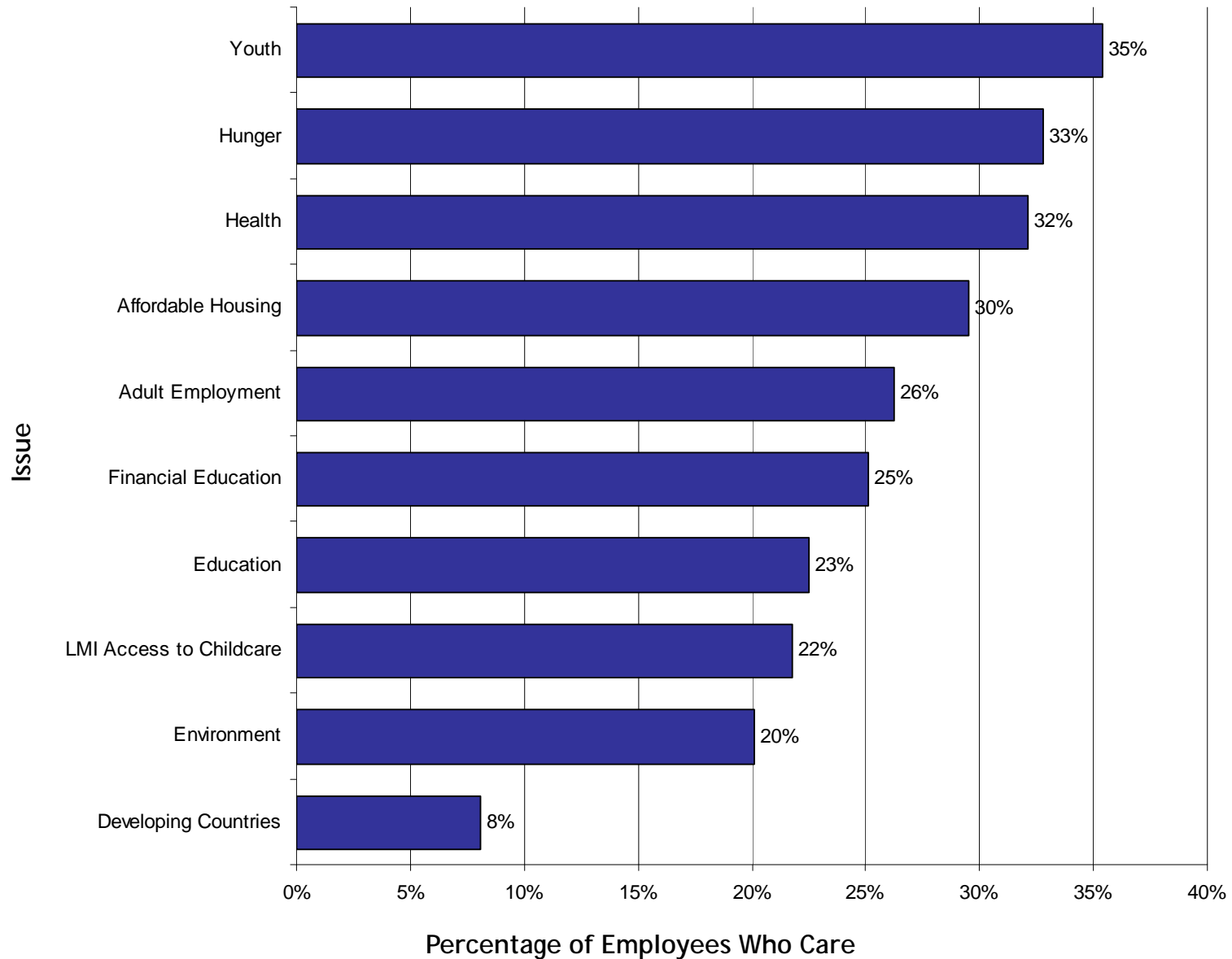
## NPO Benefits

- Burdensome Work on Trivial Activities
- Mission Creep
- Sullied Name or Reputation

## Employee Engagement, Activation's Primordial Soup

- Employee Passions
- Employee Experience
- Employee Motivation

# What Do Employees Care About?



Source: JPMC, 2007

# Building Blocks for Employee Engagement Programs

## ■ Programs

- Diverse, easily accessible
- Phased Development and Implementation:
  - Phase 1: Matching Programs, Responsive Campaigns, Employee Owned and Implemented Community Service
  - Phase 2: Cross Market Coordinated Activities on Central Themes, Formal Volunteer Leadership Development and Support Programs
  - Phase 3: Skills-based Service and Practice, Employee Placement outside of the Firm, Complimentary, not mandatory with performance management

## ■ Brand

- Consistent and Present
- Aligned with external Brand - Character and Presentation

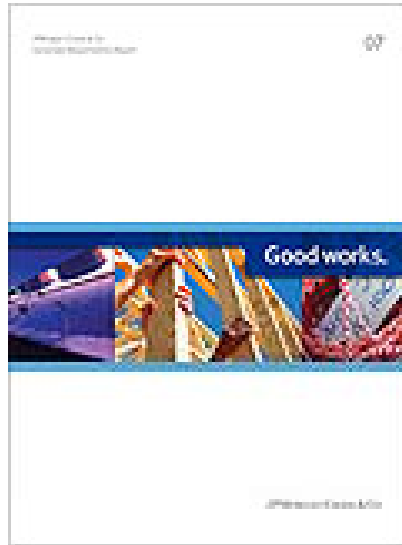
## ■ Technology

- Build as a business function - not just transactions, interaction
- Facilitate “communities” of action

# Building Blocks for Employee Engagement Programs

- Employee Ownership
  - From direction to implementation - all service starts locally
  - Trained and aligned with resources
  - Connected with development
  - Supported by management
  - Fortified by recognition
  
- Recognition
  - Individual, Team and Market
  - Accomplishments Based
  - Model and Best Practice Sharing
  
- Senior Level Endorsement
  - Firm, Line of Business and Market

# Practical Examples - Internal Brand



CSR Execution

Employee Engagement Execution

# JPMorgan Chase

GOOD WORKS

Transactional Execution

▶ **Good Works**  
Employee Giving Campaign  
(US and Canada Only)

Call to Action Execution

# JPMorgan Chase

GOOD WORKS *Volunteers*

# Practical Examples - Personal and Professional Development

## ■ Leadership

- Internal market and line of business level leadership
  - Annual strategic plans
  - Defined roles and accountabilities
  - Accountability to senior management
  - Activities planning, implementation

## ■ Personal Brand Development

- Dedicated HR programming for leaders
- Communications of business case and benefit of service

## ■ Competency Development

- Management feedback on leaders
- Self reporting of competency gains
- Pre, Post data keeping (program administrators)
- Virtual convening with external experts

## Practical Examples - Planning and Execution

- Leadership Voice AND Role
  - Top of the house and joint: CSR, Human Resources, Line of Business Leaders - ongoing
- Resource Dedication
  - Skills inventories of employees
  - Annual dedication of line of business resources to well planned service projects
- Market
  - Connection with communities served: Service and Learning
    - Preparation, background, debrief activities and engagements
  - Recruitment messaging and reinforcement through onboarding activities

# Measurement and Evaluation

- From the existing business case, Phase 1 and 2 development:
  - Widgets:
    - Participation
    - Satisfaction
  - Outcomes:
    - Reports of personal and professional growth (specific examples in business activities)
    - Manager feedback (growth and performance)
    - NPO feedback on service and volunteers (aggregated)
    - Assignment of relative value of public exposure
    - Volunteer connection mapping
- From emerging issues, Phase 3 development:
  - Positioning on issues and policy image of company
  - Tracking of employee leaders' professional progression within company
  - Exposure to markets and interaction with consumer/clients
  - Self reported competency changes
  - Social asset creation with NPO partners
  - "Halo" effect of relationship
    - GR/PR/MR

# The Business and Social Cases For Employee Service are Mutually Reinforcing

