CSR: a case for employee skills-based volunteering

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Abstract

Purpose – As companies face an ever wider range of challenges, there is growing adoption of CSR initiatives to aid company success. The business case for CSR investigates the potential for economic value in socially oriented company actions. This paper aims to examine one key CSR initiative, that of employee skill-based volunteering.

Design/methodology/approach – Researchers consider three current applications of employee skill-based volunteerism and the potential to generate company economic value.

Findings – This concept paper suggests employee skill-based volunteerism aligns with the four components of the business case for CSR, including the enhancement of company reputation, the reduction of costs and risk, the achievement of business strategy, and the creation of learning and partnership.

Research limitations/implications – This paper focuses on three companies’ employee skill-based volunteerism programs and does not reflect the comprehensiveness of a meta-analysis. Hence conclusions are limited in generalization. Further investigation of company CSR program initiatives and their impact both short term and long term is suggested.

Practical implications – This paper seeks to highlight the potential for economic value within CSR initiatives. By considering the role of employee skill-based volunteerism, this paper considers this specific CSR initiative and its potential for generating economic benefits for a company.

Originality/value – The authors suggest that employee skill-based volunteerism can serve as a unique differentiating strategy employing the knowledge, skills and abilities of employees that are specific to any given company. As CSR initiatives continue to be adopted, there remains a need to learn which initiatives may serve as significant sources of economic value for a company, as well as how best these initiatives can be implemented.

Keywords Employee skill-based volunteerism, Volunteerism, Corporate social responsibility, Human resources, Employee volunteer programs, Employees, Social responsibility, Human resource management

Paper type Conceptual paper

The challenges companies and organizations face today range from macro-level factors of increasing domestic and foreign competition, market volatility, and consumer disloyalty to micro-level issues such as employee loyalty. To properly respond, organizations have many tools available to them, including competitive positioning options to ward off competitors, marketing approaches to aid rapid response to market and customer shifts, and management techniques which support organizational initiatives and employee retention.

The recent development and adoption of corporate social responsibility (CSR) initiatives has become one such popular means of addressing company challenges. The 2011 KPMG International Survey of Corporate Responsibility Reporting offers evidence of this trend, finding that 95 percent of the largest 250 companies worldwide issue stand-alone corporate responsibility reports, up from 79 percent in 2008 (KPMG, 2012). These reporting behaviors support PricewaterhouseCoopers’ 2002 survey of global CEOs that found “70 percent of
global chief executives believe that CSR is vital to their companies’ profitability” (Simms, 2002, p. 48).

For these companies and organizations, their CSR policies and initiatives rest on the business-case model of CSR that asks the question, ‘what do businesses get out of CSR’ in the way of benefits to their bottom-line? (Carroll and Shabana, 2010, p. 86). Carroll (1979, 1991) and Carroll and Shabana (2010) note that a company’s motivation for engaging in CSR arise from one or more of the four aspects of CSR (ethical, philanthropic, economic, and legal). The ethical and philanthropic responsibilities encompass the commitment of company resources toward initiatives to better a community (Carroll and Shabana, 2010; Kotler and Lee, 2005). The economic and legal responsibilities speak to the obligations of a company to generate profit for stockholders and abide by established laws and regulations. In sum, Barnett (2007) found that CSR programs and initiatives:

- enhance social welfare; and
- improve relationships with key stakeholders.

Yet, the question remains, how can companies and organizations realize bottom-line benefits by engaging in CSR activities?

Employee skills-based volunteering programs (ESBV) represent one mechanism whereby both stakeholder relations and bottom-line benefits may be increased. The employee-volunteerism approach allows companies and organizations to engage in structured programs that leverage the specialized skills and talents of individuals and strengthen the infrastructure of non-profits (Corporation for National & Community Service, 2010). ESBV allows for a high level of operational benefit to be realized by a non-profit partner. Benefits accrue through the sharing of specialized skills and knowledge that can have a lasting effect for the non-profit organization. Moreover, significant gains can be realized by company employees who are challenged to utilize their skills in a new and often more challenging context, offering them an opportunity to gain new perspectives and to learn new approaches and skills. As employees engage in these new experiences and bring their new knowledge and experience back to the workplace, performance advantages may also be realized by the company.

The purpose of this paper is to examine the use of employee skill-based volunteering as a way to successfully implement a policy of CSR. Although ESBV is only one way among several through which companies can put CSR into action, it has great potential to make positive contributions toward the success of companies, including an increased “bottom line”. In this paper, we first outline the nature of CSR and the business-case for CSR. Second, we present an overview of typical employee volunteering initiatives as well as newly emerging employee skills-based volunteering approaches. Third, we explore three example cases of companies implementing ESBV initiatives and the business-case each makes for CSR. Finally, we offer key take-aways and next steps for future research.

Corporate social responsibility

Many definitions of corporate social responsibility (CSR) are identified in the literature (Dahlerud, 2006; Carroll, 1999). Broadly defined, CSR consists of voluntary actions by firms which enhance social or environmental conditions (Aguilera et al., 2007; Mackey et al., 2007). More specifically, Carroll (1979, 1991) offers a finer-grained view of CSR. He suggests that when businesses engage in CSR activities, the company participates in four discrete categories of activities:

1. economic;
2. legal;
3. ethical; and
4. discretionary/philanthropic.

Support for this notion of CSR is evident in Barnett’s (2007) recent review of CSR where he identifies two characteristics of CSR that separate CSR from other corporate investments:
1. its social welfare orientation; and
2. its stakeholder relationship orientation.

The four categories of CSR outlined by Carroll (1979, 1991) delineate the benefits accrued via certain CSR initiatives. A company’s ethical and discretionary responsibilities reflect the expectations of their stakeholders and society at large. These obligations, according to Carroll and Shabana (2010), are seen to differ from legal and economic responsibilities; the former is seen as desired and the latter required. A company’s legal requirements reflect the laws and regulations to which that company must abide. Although some room for interpretation may be available, the legal parameters within which a company operates reflect the “codified ethics” of society (Carroll, 1991, p. 41). The economic responsibility of a for-profit company, according to Milton Friedman (1970), is to engage company resources so as to generate profits that are legal and competitively fair. However, Barnett (2007) notes that maximizing profits has limits as companies realizing excess profits are increasingly viewed as extracting more than they give to society, resulting in a rejection of sorts by some stakeholders (e.g. consumers not willing to support such a company). The requirement of all companies to generate a profit raises questions about the role of CSR in aiding the profitability of a company.

Vogel (2005) suggests these performance-oriented reasons for CSR engagement represent the current view of CSR, while a social/ethics-oriented rationale for engagement in CSR is no longer enough. This change in mindset is made evident in the data mentioned earlier. An increasing majority of companies report the use of CSR programs, and CEOs are recognizing CSR’s importance to company financial performance. Hence, scholarly research has increasingly focused on the business-case for CSR which strives to understand the connection between social responsibility and business strategy goals.

Company strategic competitiveness arises from its ability to differentiate itself through lowering operating costs and/or developing unique products or services to meet customer needs (Porter and Kramer, 2006). Strategies designed to enhance operational effectiveness in areas such as raw materials procurement, production, human resource recruitment, retention, and logistics management can lead to competitive cost advantages. Likewise, establishing a positive image in the minds of customers can ensure purchase loyalty, new product adoption, and word of mouth promotion. Porter and Kramer (2006) are quick to note that the same strategies used to engage customers and competitors are used to build relations with society. Strategic CSR is therefore defined as the creation of social and business benefits which make a significant impact to both the targeted social issue and the company’s competitiveness (Porter and Kramer, 2002).

Zadek (2000) and Kuruez et al. (2008) develop further the strategic benefits of CSR initiatives. There are generally four principle objectives:
1. defend or build reputation and legitimacy;
2. aid cost and risk reduction;
3. achieve business strategy goals; and
4. foster value creation via learning and partnerships.

Further, Barnett (2007) found that the relational nature of CSR initiatives also serve to enhance and build trust with company stakeholders which may in turn reduce transaction costs while increasing financial gains.

Porter and Kramer (2006) refer to Toyota’s strategy of investment in innovation for both social and business benefits. The strategy led to the development of the hybrid electric/gasoline vehicle, the Prius. The social benefits of an environmentally friendly car were matched by the first-to-market competitive advantages of technology licensing, and positioning with customers created a win-win situation (Porter and Kramer, 2006).

A second example, that of Cisco Systems’ Networking Academy, also illustrates the ways in which the strategic use of CSR can bolster a competitive advantage (Porter and Kramer, 2002). Cisco Systems, a networking equipment and router company, donated its products to local high schools. Because the school staff had limited knowledge of how to operate the networking...
equipment, Cisco set up training sessions. As a result of student interest, Cisco went further and set up a certification program in network administration for secondary and post-secondary students. By engaging the students, Cisco did more than just donate equipment and training; it also solved the tricky problem of how to find and train information technology employees.

These two cases illustrate how organizations, by utilizing a business-case mindset toward CSR, can “kill several birds with one stone” so to speak: the good will of the company can translate to greater customer loyalty, employee commitment and competency, and company competitiveness.

This focus on merging voluntary and strategic intentions within CSR initiatives is supported by the findings of Gyves and O’Higgins (2008). Through their ethnographic case studies of seven Ireland-based organizations engaging in CSR activities, benefits to the organization and its social beneficiaries were found to accrue when CSR initiatives were voluntary and strategic in nature. These findings support Porter and Kramer’s (2002) work, which indicates that the use of “focused, proactive, and integrated social initiatives in concert with their core strategies” sets companies apart from competitors who may only see CSR as a nicety (Porter and Kramer, 2002, p. 91). Against this background, one CSR approach, that of ESBV, offers exciting potential to play a pivotal role in differentiating a company’s CSR strategy so as to maximize value.

**Employee volunteerism**

For the past two decades, employee volunteerism has become commonplace in many companies throughout the Western world. On average, nine out of ten US firms have incorporated employee volunteerism programs (EVP) into their business practices (Tuffrey, 2003; Boccalandro, 2009). Employee volunteerism programs are defined as: “a planned, managed effort that seeks to motivate and enable employees to effectively volunteer under the sponsorship and leadership of the employer” (Mathieu et al., 2004, p. 8). EVPs have developed from company initiatives to establish vibrant corporate social action plans; such plans promote behaviors that seek to improve the social conditions of the communities in which a firm operates (Marquis et al., 2007). These programs are increasingly viewed as a way for companies to prove their commitment to their communities, to make a public statement with respect to their CSR initiatives, and to contribute to building a positive organizational culture internally (Gebler, 2006; Geroy et al., 2000; Peterson, 2004).

A source of direction for organizations engaging in CSR initiatives such as EVPs is the company’s mission statement. Serving as a simple statement of purpose (Drucker, 1973; Ireland and Hitt, 1992), a mission statement is intended to provide stakeholders with a true picture of the organization and its priorities (Leuthesser and Kohli, 1997). Bartkus and Glassman’s (2007) investigation of the mission statements of 100 top firms from the 2001 Fortune 500 ranking found that social issues mentioned in company mission statements were associated with company actions taken related to those issues. Snider et al. (2003) also found that company mission statements inform and direct strategic CSR efforts. In a study of top revenue producing US and international firms, Snider et al. (2003) found company value statements to serve as a guide for CSR actions, investments, and partnerships. In addition, they highlight a common premise shared across companies; that of the interconnectedness between company mission and corporate social responsibility endeavors. This shapes both internal and external stakeholder relationships.

Many firms have decided to incorporate EVPs into their employee benefits and compensation offerings because of the significant individual benefits which result from volunteering. The work of Sieber (1974) and Geroy et al. (2000) reinforce the rich individual gains of EVP participation articulated as four positive outcomes:

1. enhanced self-esteem;
2. status security;
3. status enhancement; and
4. increased skills and perspective.
More recently, Brenner (2010) highlights contributions of EVP to overall employee satisfaction with specific gains in the areas of increased morale, improved employee recruitment, and enhanced retention. This has led to company-level advances in productivity and profits.

In general, there tends to be three common procedures for implementing EVP:

1. release time for volunteering;
2. dollars-for-doers grants; and
3. company-wide volunteer awards (Points of Light Foundation, 2007a).

In a recent study, the Points of Light Foundation surveyed a total of 56 excellent EVPs that provide time-off for volunteering. The study found that companies established a maximum number of hours per year which could be granted to each employee for volunteering, averaging 42 hours per year. This volunteering-hours average varied from industry to industry and may or may not be paid time off.

Dollars-for-doers is a policy in which the employer will give a donation to an organization if an employee has served a specified number of volunteer hours. It can include a company match of employee giving. The Points of Light Foundation (2007a) study found that grants ranged between $300 and $1,000 with an average of $495. Most EVPs have annual caps per employee.

In addition, 67 percent of reputable EVPs honor employees’ efforts through formal awards programs where employees are either given monetary or in-kind donations to support a charitable cause of their choice, or are given additional opportunities to volunteer (Points of Light Foundation, 2007a). An EVP could be based on any one or a combination of these policies and procedures. For example, the Community Action for Employees (CAFE) program at Green Mountain Coffee Roasters combines paid-time off for volunteering with dollars-for-doers. Employees are given up to 52 hours per year to volunteer at non-profit organizations of their choice and the potential to earn a matching grant of $250 for every 25 hours of service worked (Green Mountain Coffee Roasters, 2009).

Multiple studies have found that EVPs are successful in contributing to a stronger organizational attachment of employees (Laverie and McDonald, 2007; Vian et al., 2007; Peloza and Hassay, 2006). Nevertheless, EVPs have been altogether rejected by some employers because they hold the belief that volunteering is a private activity and they view such an initiative as taking resources away from achieving the companies’ economic goals. They also may not support the mission of the non-profit organization (de Gilder et al., 2005). The failure to create all-around value has to do with the lack of a framework needed to make a high impact on both the company and society. Specifically, some programs may be unable to draw from the firm’s business assets due to a lack of resources. Moreover, the programs may be detached from business operations (Boccalandro, 2009).

Peloza and Hassay (2006) categorize EVPs in two ways:

1. inter-organizational; or
2. intra-organizational.

Inter-organizational volunteerism consists of ad hoc activities initiated by individual employees (Peloza and Hassay, 2006). In such volunteer situations, volunteers are often utilized to fill a particular need of a non-profit organization. For example, individuals may perform tasks such as painting walls, planting trees, reading to children, or selling raffle tickets (Points of Light Foundation, 2007b).

In contrast, intra-organizational volunteerism is designed to support philanthropic activities initiated by the company (Peloza and Hassay, 2006), which requires the alignment of company resources, including human resources. When a firm involves non-profit organizations in strategic program development, the firm creates the best opportunity to both economically and socially impact the community (Peloza and Hassay, 2006; Porter and Kramer, 2002).
Analysis of traditional employee volunteerism programs reveals that EVPs fall short in satisfying the business-case for CSR. However, the employee volunteerism concept is strengthened by creating programs that strategically leverage a firm’s human resources. The case is made that not only non-profits benefit (Points of Light Foundation, 2007c; Deloitte, 2010; Corporation for National & Community Service, 2010; Porter and Kramer, 2002), but also there exists the potential to increase a company’s bottom line (Boccalandro, 2009; Corporation for National & Community Service, 2010; Peloza et al., 2008). Such a concept is known as employee skills-based volunteerism.

Employee skills-based volunteerism

An employee skills-based volunteerism (ESBV) program matches the skills, expertise, talents, and education of individual employees with the specific needs of a non-profit organization (Corporation for National & Community Service, 2010). The company and non-profit organization become partners in a ‘new societal contract’ where both parties’ interests are deeply rooted in the well-being of the community (Lacy and Pickard, 2008).

The Points of Light Foundation (2007c) lists five factors which are important indicators of the success of an ESBV program:

1. full compliance with adult learner theory;
2. a team approach;
3. sound support structures;
4. sufficient financial resources; and
5. process and outcome evaluation.

An ESBV program should, in the first place, adopt adult learner theory, which suggests that optimal learning among employees takes place when the following conditions are met (Knowles, 1975):

- Involvement of employees in the planning and evaluation of the SBV program.
- Relevance of the volunteering activity to their jobs.
- Experiential (i.e. practical) volunteer activities.
- Problem-centered rather than content-centered learning environments.

Second, an ESBV program designs and implements a volunteer activity from a team approach. The benefits of working in a team include the opportunity for team members to learn from one another, to take ownership of the project, to relate the experience to the employer, and to employ a variety of integrated services (Points of Light Foundation, 2007c).

Although employees should be involved in planning the volunteer initiative, they cannot be expected to complete such a task independent of management supervision. Therefore, the third factor is a sound support structure to maintain a strategic overview and break down objectives into tasks. Key elements of project management and consultancy skills must be incorporated (Points of Light Foundation, 2007c).

The fourth factor addresses the need for a budget. Non-profit partners and individual employees cannot be expected to assume the cost of the project (Points of Light Foundation, 2007c).

Finally, to guarantee a successful ESBV program, it is necessary to evaluate each volunteer project and make adjustments to the program based on the feedback received. According to the Points of Light Foundation (2007c), a program’s evaluation should include an analysis of both the company’s operations and the non-profit’s. Furthermore, it should collect feedback on employee satisfaction, and it should measure any trends that emerge among employees and non-profit partners before, during, and after implementation.

In a benchmark study conducted by the Points of Light Foundation during the years 2005 and 2006, a total of 36 EVPs were reviewed to identify key excellent practices. The study determined that the most effective EVPs align their company mission statements with
volunteer activities, are intensely focused on a manageable number of issues in order to ensure sufficient resources are allocated, and effectively leverage workplace skills and talents for the greater good (Points of Light Foundation, 2007b). These emerging ESBV programs appear to strategically manage their resources to meet stakeholders’ demands. However, the study notes that the excellent ESBVs exemplifying these particular key practices are few in number (Points of Light Foundation, 2007b).

While many firms are focused on the number of employees involved and the total hours of service as measurements of a successful EVP, they miss the opportunity to build an ESBV program that integrates CSR, company reputation, and employee morale, while at the same time strengthening stakeholder relations, customer focus, competitive advantage, and the leadership skills of employees (Hills and Mahmud, 2007).

The success of the ESBV program depends on the strategic use of a company’s resources (Boccalandro, 2009; Points of Light Foundation, 2007b). First, the mission of the company can be transformed from words to deeds as volunteer employees engage in a formal program designed to aid others through a contribution of their talents. When employees are directly involved with non-profit partners in local communities, a company’s mission and commitment to stated values becomes evident in those communities. Second, ESBV programs acknowledge the unique strengths that each individual employee contributes to the company and how the individual’s strengths can be enhanced through volunteerism. In other words, employers recognize the potential of their participating employees to further develop knowledge, skills, and abilities; to contribute more effectively to the workplace, and to advance the company’s competitiveness. The integration of both corporate mission and strategic intentions into an ESBV approach creates the possibility that a business-case for CSR can be made.

Moreover, according to the Points of Light Foundation (2007c), skills-based volunteering makes two principle claims:

1. it is seen as a more effective way to support social sector causes; and
2. it further develops the workplace skills of employees.

When ESBV is properly implemented through a for-profit-non-profit partnership, non-profits gain the company resources they all too often lack such as business acumen, global infrastructure, and relationship networks (Kramer and Kania, 2006). ESBV benefits non-profit organizations and/or their causes because participating employers provide structure and management for projects that allow employees to apply their professional and technical skills as they work with non-profit partners (Corporation for National & Community Service, 2010). Professional and technical skills include writing, information technology (IT), legal training, accounting, graphic design, welding, or any other workplace skill (Points of Light Foundation, 2007c). Such a strategic approach can produce a win-win situation for the company and the non-profit alike.

To date, there has been little if any examination of ESBV business-case contributions to target non-profits, the involved companies, or their employees (Points of Light Foundation, 2007c; Hills and Mahmud, 2007). By reviewing three cases of companies actively engaging in ESBV initiatives, we consider the potential impact on social welfare, stakeholder relationships and company competitiveness.

Methodology

Three company ESBV programs, PricewaterhouseCooper’s (PwC), Pfizer’s and IBM’s, were selected for analysis based on the same criteria. Each of the companies excelled in designing and implementing ESBV programs related to their competitive advantages as global leaders in business consulting (PwC), treatment of diseases (Pfizer), and information technology (IBM). Each case study focuses on large-scale projects that required collaboration with non-profit entities, and the projects had definite end-points for evaluation purposes. In addition to evaluation data available from company resources (in particular, the CSR annual reports), other resources published by third-party researchers existed for each case. From the data, insight into the benefits accrued from ESBV programs to the non-profit partner, to the company, as well as to the employees could be gathered.
ESBV case examples

One of the more notable ESBV programs is the PricewaterhouseCoopers (PwC) Ulysses Program established in 2000 (PricewaterhouseCoopers, 2010a). In response to the effects of globalization, PwC's top executives recognized the need to develop and nurture a culturally diverse base of employee leaders (Hirsch and Horowitz, 2006). The program is defined as:

[. . .] a learning journey that is helping to drive the personal transformation of our leaders to enable them to provide our people, our clients and ultimately the community with an experience that is based on shared values, understanding and collaboration and which is focused on delivering responsible and sustainable solutions (PricewaterhouseCoopers, 2010a, par. 3).

In eight-week assignments, employees partner with various non-profit organizations throughout the world to tackle specific CSR-related projects. Teams are assembled based on a combination of employee expertise in areas such as accounting and finance, business strategy, tax advising, and management consulting (PricewaterhouseCoopers, 2010b). The program deploys on average 25 employees annually (Hills and Mahmud, 2007). One example of a specific project assignment consisted of preparing a long-term strategic business plan for Grupo Ecologico, a non-profit that strives to preserve the natural resources of the Gorda Sierra region in Mexico. Another project entailed developing an independent evaluation of the growth and income generating potential of the eco-tourism market in Belize in partnership with the NGO Ya’axche Conservation Trust and the local government. A third assignment sought to create stable employment opportunities through providing managerial and technical support for vocational schools, sanitation, and irrigation through an alliance with the United Nations’ Respect Program in East Timor (Hirsch and Horowitz, 2006).

Since the program’s inception, PwC has identified many benefits for all stakeholders involved that stream from the ESBV program. Non-profit partners benefit from growing a next-generation leader resource pool, from higher employee retention, and from enhanced quality relationships with their clients (PricewaterhouseCoopers, 2010c).

Regarding participating PwC employees, they report personal transformations with respect to who they are as individual leaders. Employee benefits included more fully comprehending what it means to be a leader, understanding the responsibilities of a leader, and recognizing that leadership is a journey (PricewaterhouseCoopers, 2010d). In post assignment evaluations, employee comments about their personal take-aways support the effectiveness of the Ulysses Program. For instance, many employees highlighted their new appreciation for cultural diversity and the difficult economic conditions in developing countries. Many benefitted from the project’s diverse team dynamics, specifically noting that the team directly contributed to the “quality, innovation, and acceptance of their work” (Hirsch and Horowitz, 2006, p. 54). They also recognized the importance of including stakeholders from local communities in the projects in order to further establish trust and move the projects along toward achieving their goals (Hirsch and Horowitz, 2006).

For PwC, the results of the program are compelling. It has been reported that all of the employees who participated in the program are still employed with the company, which indicates retention benefits. With respect to one of the primary program objectives, developing the leadership skills of employees, participants have advanced into positions of increasing leadership within the firm. This has allowed PwC to take advantage of a developed global pool of talent. It has also strengthened its reputation as a differentiated company, its position as a global leader, and enhanced stakeholder relations (PricewaterhouseCoopers, 2010e). The non-profit organizations within PwC’s network benefit from the cross-cultural integration of employees’ expertise, and become motivated by partners who are committed to sustainable and responsible practices (PricewaterhouseCoopers, 2010f).

A second case example of ESBV in action is that of Pfizer's Global Health Fellows (GHF) program. Initiated in 2003, the program was designed to aid NGOs and government agencies in developing countries to establish health and social infrastructures for the treatment of HIV/AIDS, tuberculosis, malaria, and other diseases (Hills and Mahmud, 2007; Pfizer, 2010). Building on Pfizer’s earlier philanthropic commitments, the GHF program
sought to assist local health organizations in underdeveloped countries to realize more advanced operational success. Two other core project goals sought to raise the company’s overall social involvement and citizenship, and to further employee development (Pfizer, 2010). In turn, the participation of Pfizer employees in multicultural and low-resource situations represented opportunities for both personal and professional growth.

Participating Pfizer employees initially applied for fellowship consideration and subsequently received necessary approval and training for their placement. Then the GHF program matched the unique knowledge, skills, and abilities of its selected employees to each GHF initiative. Fellows apply professional and technical skills in the following areas:

- clinical and non-clinical training;
- sales;
- marketing;
- research and design;
- program evaluation;
- the proper use of medicines; and
- the transfer of business operation know-how (Pfizer, 2010).

Fellows working in teams assisted partner non-profits for a period ranging from three to six months, representing a Round. Six Rounds since 2003 have taken place involving over 194 Fellows and 38 African, Latin American, or Asian countries (Pfizer, 2010).

Feeley et al. (2006) found a correlation between a high level of direct involvement by the participating Fellows and operational practices being adopted by the non-profit firms. Further, the study found that non-profit partners perceived that GHF impacted non-profit partner service quality, efficiency, and service expansion. Additional non-profits found positive changes in their staff attitudes towards work habits and the organization’s mission, vision, and goals (Vian et al., 2007).

Lisa Foster, Pfizer’s Director of Global Philanthropy, notes that participating Pfizer employees realized growth in their own capabilities as they made their contributions to non-profit partners (Hills and Mahmud, 2007). Supervisory assessment of individual Fellows found positive changes in their organizational commitment, professional skills, awareness, and career commitment (Vian et al., 2007). Fellows recognized the value of social networks and personal connections formed while on assignment. Vian et al. (2007) provide the following quote from a Fellow:

[I was] “gaining maturity and leadership skills, from having been the heart of the program which stood or fell with me...instead of being just a tiny nut or bolt in a big machine” (p. 32).

Moreover, Feeley et al. (2006) reported positive reviews by participating NGOs as to Pfizer’s lasting contributions to their operations. In turn, Pfizer was able to form positive relationships with key stakeholders and generate positive public relations for itself. As Vian et al. (2007) note, there are many positive outcomes for participating Fellows, including enhanced knowledge, skills, and the abilities of these employees to generate economic value for Pfizer in the form of improved employee workplace effectiveness, commitment, and relationships. However, Vian et al. (2007) are quick to note that more time would be needed to assess the level of such gains.

A third case study is that of IBM’s On Demand Community (ODC) program and Corporate Service Corps. These are two initiatives of many that comprise the Global Citizen’s Portfolio, which provides employees opportunities to expand their knowledge, skills and abilities (IBM, 2010). The business-case for CSR is deeply entrenched within the IBM culture, making ESBV strategic initiatives possible. Samuel Palmisano, Chairman, President and CEO, has recognized the importance of incorporating such strategies into IBM’s daily operations:

Addressing the issues facing the world now – from clean water, better healthcare, green energy and better schools, to sustainable and vibrant cities, and an empowered workforce and citizenry – does not pose a choice between business strategy and citizenship strategy. Rather, it represents a fusion of the two (IBM, 2010, p. 2).
In combining the company’s technological resources with its human resources, IBM succeeded in creating the On Demand Community program. ODC is a sophisticated, web-based portal that assists in managing employee volunteering. It represents a portfolio of volunteer activities within employees’ respective communities in which they can assess specific skills and expertise needed to make a valuable contribution to a supported cause (IBM, 2010). The ODC assistive technology tool kit aids volunteers in empowering non-profit organizations with better project management skills, developing technology strategies, and exposing them to useful IBM products (IBM, 2010). Some examples of ODC tools include MentorPlace, which fosters employee-student mentoring online using classroom-based curricula, facilitates an online forum for posting and exchanging ideas and resources, and provides online training courses for individual volunteers (Hills and Mahmud, 2007).

Considering the potential business opportunities linked to the usage of ODC, Diane Melley, Program Director, noted that:

[The program uses] the On Demand portal technology that we sell to our customers around the world. By viewing the On Demand Community, it becomes readily apparent to the viewer that IBM has committed significant resources and time to volunteerism. The IBM technology enabled us to implement our program in 68 countries around the world in only seven months. We’re getting valuable visibility from ODC that we can reference with our clients. It demonstrates our company’s values, the skills of our people, and the power of our technology all in a way that is easy for our clients to relate to their own businesses (Hills and Mahmud, 2007, p. 29).

The portal allows employees to track their volunteer hours in an effort to earn grant monies for their causes. In 2009, participants earned $3.5 million. By June of 2010, more than 10 million hours of volunteering had been logged since the program began in 2003 (IBM, 2010).

In addition to the ODC program, IBM launched a cross-border ESBV program in 2008. The Corporate Service Corps aims to enhance employees’ careers and expertise by providing a specialized set of leadership tools and resources (Hills and Mahmud, 2007). Selected employees are deployed to developing countries to work in teams on projects that span six months – three months of planning, one month of implementation in the country, and two months of performance evaluation – which focus on solving economic, social, and environmental sustainability challenges (IBM, 2010). Since the program began, more than 700 employees from 47 countries have worked on projects in Brazil, China, Egypt, India, Ghana, Malaysia, Nigeria, the Philippines, Poland, Romania, South Africa, Tanzania, Turkey, and Vietnam. Teams must collaborate with entrepreneurs, small- and medium-sized enterprises, non-profit organizations, educational institutions, and government agencies in order to achieve their tasks (IBM, 2010). In utilizing their expertise, employees are capable of presenting communities in developing countries with “specific guidance for how to collect, integrate and analyze information about the various systems, and how to view them as one, fully interdependent system of systems” (IBM, 2010, p. 16).

Evaluating the feedback of non-profit partners (i.e. the CSC program recipients), Marquis (2009) determined that, for the most part, there was a high degree of satisfaction; initial expectations were met and exceeded. Recipients benefitted from improvements in solving financial management problems, executing business plans, and creating stronger information technology systems. IBM employees played a significant role in the staff development of the organizations and helped to increase confidence among staff. It was also reported that CSC projects have exposed organizations to new networking contacts.

In an evaluation of the impact of the CSC program on program participants, five key benefits were identified (Marquis, 2009). Surveyed employees reported that their experiences developed their global leadership skills by establishing network ties, working with others despite language and cultural barriers, working effectively in a diverse team, and coping with adversity. A second benefit is the enhanced cultural intelligence and global awareness among participants who learned how to work in a variety of business environments and cultures, specifically emerging markets. Two additional benefits identified in the survey were employee retention and employee commitment, as respondents noted that the CSC program increased their interest in staying at IBM and increased their perception of IBM as a desirable place to work. The fifth benefit, according to the survey results, was the personal growth of participants; many stated that the high-impact experience had changed their lives (Marquis, 2009).
Finally, IBM realized a number of benefits from its role in the CSC program. First, it received a positive boost to its reputation as stakeholders reported viewing IBM as a company that could be trusted as a responsible corporate citizen (Marquis, 2009). Second, IBM reported the CSC program fostered new partnerships and stronger bonds with private sector, non-governmental organizations, and government agencies (IBM, 2012). These partnerships served to increase sales and increase brand recognition in new and emerging markets. Stanley Litow, IBM’s Vice President of Corporate Citizenship and Corporate Affairs, accredited the acquisition of $5 million dollar in new business to the CSC program (Tergesen, 2012). Litow also pointed out that the CSC program and IBM’s CSR initiatives go well beyond philanthropy, incorporating leadership development, business development, and economic development (IBM, 2012).

All three case studies suggest that when ESBV programs are incorporated into the strategic framework of a firm’s CSR practices, there exists significant potential to generate value to the “bottom-line”. By strategically approaching the development and implementation of an ESBV program that incorporates the company’s mission, core values, and resources, particularly the unique skills of its employees, value may be created for all involved – the employees, the company, non-profit partners, and the community at large.

Discussion

Although there is widespread acceptance and adoption of CSR initiatives among companies, there is less understanding as to the roles, benefits, and bottom-line gains specific CSR initiatives may offer. Much attention has been focused on the function and contributions of EVPs; and yet, connecting EVPs to the strategic and profitability goals of an organization remains in its infancy. This paper was developed in an effort to highlight an emerging approach toward volunteerism, ESBV. Specifically, we have examined whether ESBV initiatives have the potential to connect the contributions of CSR with bottom-line profitability.

It is clear from studies such as those of Porter and Kramer (2006), Carroll and Shabana (2010), and Barnett (2007) that a business-case can be made for CSR. Both Toyota and Cisco used CSR as a method for addressing company mission, improving brand image, and differentiating the company from competitors (Porter and Kramer, 2002, 2006). Each could measure both direct and indirect financial benefits. For example, Toyota created an automobile with high gasoline efficiency; this created a direct competitive advantage. But the use of the hybrid design also strengthened Toyota’s image as a “green” car company which improved its brand image among the growing class of environmentally conscious consumers and investors. This example illustrates the potential difficulty caused by using a financial calculus to measure the efficacy of a CSR program: the indirect benefits achieved through customer and employee loyalty, as well as an increase to the value of the company’s trademark because of an enhanced perception of its image, may not always be easy to measure on a balance sheet.

Working with data involving three companies, PwC, Pfizer, and IBM, and their ESBV initiatives, this study examined program contributions made towards a business-case for CSR via volunteerism. Specifically we looked at evidence of the strategic benefits of the business-case for CSR in the context of ESBV as a way to:

- defend or build reputation and legitimacy;
- aid cost and risk reduction;
- achieve business strategy goals; and
- foster value creation via learning and partnerships (Zadek, 2000; Kuruez et al., 2008).

In each case, PwC, Pfizer, and IBM reported a boost to their corporate image due to their ESBV initiatives. PwC found their reputation strengthened as a result of being seen as a more differentiated company while Pfizer experienced more stakeholder involvement and an improved corporate image. Likewise, IBM reported that as a result of their CSC program stakeholder views had shifted so that the corporation was viewed as a more responsible corporate citizen. These findings mirror the conclusions of Mirvis and Ryu (2009); that as firms discover how to incorporate ESBV initiatives into their strategic CSR programs, they will be afforded the chance to enhance their reputation with non-profit partners and the
community at large. As employee volunteers are seen in public acting on behalf of the firm, a message is sent to consumers and other stakeholders that the firm’s mission is rooted in a commitment to giving back to society (Peloza et al., 2008).

Second, although cost and risk reductions often take time to realize, the ESBV programs we examined presented strong evidence of positive gains in areas that would foster such reductions. For example, all three cases indicated higher levels of employee retention, knowledge, and skills following participation in the ESBV programs. In addition, Pfizer reported improved employee buy-in and loyalty. PwC and IBM both noted heightened employee commitment. These gains offer cost and risk reductions by way of improvements in employee workplace effectiveness, turnover, and on-boarding. Highly knowledgeable and skilled employees directly benefit companies through improved employee recruitment, retention, and motivation, as well as employee loyalty, pride, and organizational attachment (Mirvis and Ryu, 2009; Peloza and Hassay, 2006; Houghton et al., 2008; Peloza et al., 2008; Corporation for National & Community Service, 2010; Boccalandro, 2009). Beyond the direct benefits afforded the three initiating corporations, non-profit partnering organizations were consistent in their reporting of similar benefits.

Third, achievement of business strategy goals served as a clear roadmap in each case, in concert with the philanthropic intentions of each corporation. For PwC, the main business goal of the Ulysses Program involved developing globally aware and culturally diverse leaders able to respond to the globalization of their business (Hirsch and Horowitz, 2006). Similarly, Pfizer’s GHF program sought to foster employee development through exposure to multicultural and low-resource situations (Pfizer, 2010). And IBM’s ODC and CSC programs were designed to marry business strategy and citizenship strategy while serving as opportunities for employees to expand their knowledge, skills, and abilities (IBM, 2010). In each case, participating employees provided feedback as to their personal and professional growth as a result of their program involvement. This then provided evidence of the achievement of outlined goals. Employee feedback indicated development in a number of areas. PwC employees reported enhanced awareness and understanding of leadership as well as advancement of their own leadership skills within a global context. Pfizer employees highlighted growth in their own capabilities while supervisor assessment of participants noted positive gains in professional skills, knowledge and awareness, as well as social networking (Hills and Mahmud, 2007; Vian et al., 2007). IBM employees noted five key areas of growth including global leadership skills, network ties, cultural intelligence, organizational commitment, and personal growth. Common across all three cases is the rich employee development outcomes realized through ESBV participation.

Lastly, value creation via learning and partnerships appeared to take place for both the sponsoring corporations as well as for their non-profit partners. ESBV program evaluations indicated significant learning on the part of local partners in the areas of operational practices and staff development while noting enhanced relationships with their partnering corporation. PwC reported an increase in stakeholder relations while Pfizer reported an increase in partnership opportunities. The most concrete evidence for value creation is to be found in IBM’s reporting of $5 million dollars in new business generated from its ODC and CSC programs. ESBV generates economic value because it serves as a unique differentiating strategy employing the knowledge, skills, and abilities of employees that are specific to any given company. When these capabilities are combined with a company’s other core resources, better utilization of core business functions, greater efficiency of CSR initiatives, and more unique value creation can take place (Peloza et al., 2008; Porter and Kramer, 2006; Kramer and Kania, 2006; Points of Light Foundation, 2007c; Peloza and Hassay, 2006; Corporation for National & Community Service, 2010).

The ability of partnering non-profits to perform more effectively through training and interaction with skilled for-profit workers cannot be underestimated. This is the so called win-win situation: the volunteers learn skills (including training skills) while also obtaining a new look at things, while the non-profit increases its ability to perform effectively. In the case where there is a cultural exchange, the benefits are magnified.

The case examples cited of PwC, Pfizer, and IBM offer evidence that ESBV programs can indeed be win-win undertakings in which the benefits outweigh the costs.
Limitations of the study and opportunities for future research

Although this study of three ESBV cases illuminated the potential for ESBVs to meet the criteria of a business-case for CSR, it is not absent of limitations. First, the use of secondary data can serve as a valuable source of insight as it did in this study; however, incorporating primary data collected via in-depth interviews, focus group discussions, or observations would lend a significant richness to the understanding of ESBV programs. As there is little research which addresses ESBV business-case contributions to non-profit and corporate partners, further investigation using multi-methods would offer significant value (Points of Light Foundation, 2007c; Hills and Mahmud, 2007).

Second, given the developmental nature of ESBV programs and the length of time needed to assess business-case gains such as cost and risk reduction, a multi-method, longitudinal study would aid in fully exploring the potential benefits of ESBVs. Specifically, as forming partnerships, engaging in learning, and developing leadership skills take time, the study of ESBV programs may be underserved by use of a single data collection (Brudney and Gazley, 2006).

Third, the PwC, Pfizer, and IBM cases offered a diverse view of ESBV and its potential application in very different industries and countries; however, the examination of only three cases is limiting. Further investigation of ESBV programs used in other companies, both large and small, in different types of industries and countries could provide a more complete picture of the overall success of the programs. For example, gathering data on the costs of ESBV programs across differing companies and industries, together with the direct and indirect financial benefits, could help concretize the discussion about the business-case for ESBV.

Managerial implications

As companies and their leaders face many challenges in an increasingly difficult environment (Johansen, 2012), approaching CSR initiatives from a business-case perspective can serve as a potentially powerful competitive tool. Specifically, design and implementation of an EVP could significantly benefit from consideration and adoption of ESBV elements. Our findings supported the research-to-date regarding elements that managers should consider when designing an ESBV opportunity to ensure alignment with the company’s overall business strategy and CSR strategy:

- Would the program coincide with the company’s strategy including mission statement, core values and resources, to further leverage the company’s competitive advantage? (Porter and Kramer, 2002, 2006; Carroll, 1979, 1991; Carroll and Shabana, 2010; Barnett, 2007; Gyves and O’Higgins, 2008).
- Would the program opportunity contribute specialized skills and talents of individuals that can strengthen the infrastructure of the potential of program partners and build relationships with those partners? (Points of Light Foundation, 2007c; Kramer and Kania, 2006; Porter and Kramer, 2002; Corporation for National & Community Service, 2010).
- Would the program opportunity provide ways to engage participating employees which leads to new perspectives, new approaches, and new skills? (Sieber, 1974; Geroy et al., 2000).

With scant research available on EVP and ESBV programs (Brudney and Gazley, 2006), research-based recommendations as to best practices for implementation remain limited. A recent study by Barkay (2012) examined the design and implementation process of the EVP program, Active Playgrounds, involving Coca-Cola Israel and local communities. In this study, employee volunteers were found to play a mitigating role in fostering both internal and external benefits to the company through their roles in project coordination and implementation. Internal benefits realized by Coca-Cola Israel included improved relationships between managers and employees which generated a greater sense of solidarity, pride, and morale. External benefits captured by the company involved the re-branding of Coca-Cola and forging a new relationship with stakeholders based on active and healthy living. Although the Active Playgrounds program did not involve an ESBV
approach, it does highlight how important it is for managers to involve employees in their CSR programs. Organizations and their managers could benefit from early involvement of target employees in the design and implementation of CSR programs. Further, a mechanism for employee sharing of their experiences with other employees may also serve as a valuable means to generate excitement and buy-in with other employees interested in volunteering.

Leaders of organizations should also be mindful that the application of a CSR approach, including ESBV, may be new to many of their managers. In fact, Fenwick and Bierema’s (2008) study indicates that there is little understanding of CSR initiatives by human resource development (HRD) specialists. If HRD professionals are behind the CSR curve, it is likely that other functional managers, such as those in engineering or IT, are also lacking in their understanding of CSR (Holme, 2010). Investment in education and training for key managers involved in establishing CSR programs may be a critical first step to ensure effective implementation.

Conclusions

CSR is a reality of modern business and is quickly becoming something that companies must undertake rather than just an option. The question becomes, what type of CSR should a company engage in? This paper found that an ESBV program could present an excellent option for some companies. In addition to assisting non-profits or other worthy causes, the case examples examined indicate that a good business-case argument can be made for ESBV using many of the same rationales as are used to support other types of CSR. Volunteering has a history of increasing employee satisfaction, morale, and also of attracting qualified recruits. Furthermore, the additional outside experience or cultural exchange that can occur (e.g. IBM) brings skills to the home company which can benefit its bottom-line. Assuming investors and other interested stakeholders support the volunteer program, it increases brand value, stakeholder loyalty, and directly benefits the non-profit recipients. This can therefore be described as a “perfect storm” for a “win-win” outcome.

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