

## 6. Company Support for Employee Volunteering

Andrea Csovcics

*Corporate Social Responsibility (CSR) is widely accepted today. The repertoire of methods, instruments and rules of corporate social responsibility is rapidly expanding. In its focus are internal and external stakeholders on the one hand, and the intention of increasing the quality of society and enhancing welfare in a sustainable way on the other. The goal of long term survival and operation is no longer just sheer profit but also social and environmental sustainability, that is, the harmony created between the firm and its environment, which has become equally important. These days corporate social responsibility as a trend is spreading rapidly, and so is Company Support for Employee Volunteering (CSEV), which is an initiative of CSR.*

*The number of companies where company support for employee volunteering is an organic part of the company strategy is increasing. Employers support their employees' efforts to get involved in voluntarism in countless different ways. Employers have an interest in supporting employee volunteering most of all because in this way they can guarantee and enhance the legitimacy of the company's structure, work process and mission. If employees reinforce the company's corporate social message and goal, and that these have infiltrated into the firm's values, corporate and operative culture, they will contribute to strengthening the whole legitimacy of the corporation. It is the company's goal to reinforce its external and internal legitimacy by corporate social activities, for example CSEV. The company sets goals which are accepted by society, and in realizing these goals it uses tools which are accepted by society too - this is the key of successful company performance.*

*The following review tries to outline what kind of motivations companies have for CSR activities, including CSEV programs, and what the reasons are. In addition, it would like to show the different kinds of benefits of these activities. Based on Porter and Kramer's work, it emphasizes the strategic and responsible applications of CSEV, as the best solution is the integration of social aims and business priorities.*

*Keywords: Corporate Social Responsibility (CSR), Company Support for Employee Volunteering (CSEV), Volunteering*

### 1. Introduction

This short study investigates a quite recent corporate social responsibility initiative, namely Company Support for Employee Volunteering (CSEV). Company support for employee volunteering, also called employee voluntary program (EVP) or workplace volunteer program (WVP), is one component of the company's corporate social responsibility (CSR) activities which involves the firm's participation in societal causes. Companies whose objectives include

long-term continuance, are rethinking their role in the society and their relationships with employees and other members of the society. We can declare that CSR is slowly emerging as a fundamental cultural characteristic of companies. People who are hunting for jobs and customers are looking for firms to make a favourable impact on the world as well as to make a profit. According to Roy (2010), when a company is interested in CSR activities then this fact could bring about positive reaction from consumers. Many research demonstrate that there is a positive relationship between CSR activity and company success (Basil et al. 2008).

On the other hand, it must be acknowledged that there exist a growing scepticism towards CSR theories and activities among customers. This kind of uncertainty in the customers might arise from some other more common phenomena such as greenwashing or exploitation (Mattila-Hanks 2013). Critics may also see some other CSR efforts as attempts at public manipulation (Broomhill 2007). Several researchers provide a powerful critique of CSR. They argue that the CSR activities can manage some of the worst symptoms of maldevelopment, such as poor working conditions, pollution, and poor community relations, but that it does not deal with the key political and economic issues (Utting 2005). According to the critics, the CSR could be misleading because in many cases companies attempt to shape public perception about themselves without their actually having to benefit the environment and society (Broomhill 2007).

Research on people's perceptions and opinions of corporate sponsored volunteering programs is available in limited quantities but according to its results, we need to talk about the popularity of this form of CSR. The trend in corporate social responsibility towards the 'doing better by doing good' approach has provided new opportunities for volunteering. As a result, we can welcome employee voluntary programs among us.

Investigation of corporate volunteering is an interesting field because it could be examined from more and more aspects as individual volunteering. Motivation is one of the relevant aspects.

This study examines the relationship between the motives of CSEV and the company's engagement toward its external and internal environments. Because CSR initiatives can be classified as external or internal, it depends on the type of stakeholders which CSR initiative they try to satisfy (Kim et al. 2010).

## **2. Spread of the Corporate Support for Employee Volunteering**

The first steps of corporate volunteering are related to the early 20th century in the United States of America. Since then the growth has not stopped, and similarly to the beginning it has stayed steady in the last 30 years (Peloza et al. 2009). Fortunately, more and more companies have become fully aware of the generally positive impacts of CSEV. Corporate volunteer works are a growing way for them to show their commitment to the community therefore they want to join this initiative (Houghton et al. 2008). The number of Hungarian companies adopting corporate volunteering programs is not rising in such a quick pace as in North America (Hungarian Founder Forum 2011).

Nowadays, the idea that companies offer their employees opportunities to take part in different voluntary work is becoming more popular in the whole business sector, but what is even better is that CSEV is a widely accepted norm in the developed parts of the world (Voort et al. 2009). Despite the growing pressure which so many organizations face, an employer-supported volunteer program can bring considerable benefits. That is the reason why companies willingly adopt this method.

## **3. Definition of the Corporate Support for Employee Volunteering**

The definition of company support for employee volunteering has not been completely clarified, but most specialists agree that CSEV is the encouragement of volunteering in the community through the organization. According to the Community Partnership Movement (2013), CSEV can be defined as a planned, managed effort which tries to motivate employees to serve community needs and help to find solutions to social problems through the leadership of the employer. In other words, corporate volunteerism is one of the most common ways in which companies and their employees attempt to 'give back' (Brockner et al. 2014). In short, company sponsored volunteerism what *'is an important vehicle for delivering care and compassion to causes and communities in need'* (Grant 2012, p. 589), can improve the employer, the employees, the organization and the whole society too, while the company meets the expectation of social responsibility.

#### **4. Types of the Corporate Support for Employee Volunteering**

A variety of opportunities are available for companies, to involve their employees in workplace volunteer programs because CSEV can appear in many forms in the company's life. According to a Corporate Citizenship publication, activities are categorized into 8 groups, which are the following: secondment; skill-based volunteering; personal volunteering; workplace activity such as work experience; mentoring and other one-to-one support; management committee/trustee positions; team volunteering and employee fundraising.

Secondment means that the employee helps the civil organization to accommodate certain tasks and projects. Its length of time can vary from one day a week to three months, a year or maybe more. If the employee participates in the volunteer program relying on his own abilities, competences and knowledge we talk about skill-based volunteering. Personal volunteering is when the employee carries out unpaid activity in his free time for the benefit of the community, which is supported by the company in some way. Workplace activity such as work experience is also a type of the corporate volunteer activities when the company provides opportunity for civil organization to do community service. Actually, the company offers its own field of action as a venue. Mentoring and other one-to-one support means that at regular intervals the employee helps other people who are not members of staff. This might involve for example, career advice. The management committee/trustee positions represent a different category of volunteer work. In this case a relatively senior employee assists the NGO in the strategic operation and direction of the organization or takes up a position on the committee. Team volunteering also provides countless advantages to the community and the team consisting of many employees. It involves challenge events when the staff work together and try to accomplish specific benefits to the community. Volunteering together as a team, is very popular because it is a brilliant way of experiencing something absolutely different as a group, having fun and achieving important goals which have an impact on the society. Finally, the eighth form of employee community engagement program is employee fundraising. This type is slightly different from the previous ones because in this case the employees raise money for charitable causes with the support of their employer (Corporate Citizenship 2011).

In Hungary companies usually use personal and team volunteering or employee fundraising to involve their employees. Employee fundraising could be such popular because

according to Dun and his co-authors (2008), spending money on other people has a more positive and special effect on happiness than spending money on oneself. The Outdoor Mission's survey (2010) also provides data about the frequency of occurrence of the organizational volunteer programs. Only two to eight companies use the workplace volunteer programs consciously and directionally, due to the development of cooperation skills, but these initiatives have been quite rudimentary. The number of those companies whose professional knowledge transfer is included in their volunteer program is also trifling, although this activity could be the most useful and advantageous for the civil organizations. In addition, companies usually collect donations for a good cause, organize blood donation events or make handmade gifts as corporate volunteer work. The results show that companies sometimes place a social cause into the center which harmonizes with the main activity and professional competences of the staff (Molnár 2011).

Companies try to encourage increasingly their employees participating in volunteer work in many different ways. According to Basil et al. (2008), firms give information about volunteer opportunities, provide education about the importance of volunteer programs or maintain records of experience of employees who are interested in volunteering. In order to companies make their volunteer programs more attractive for employees, they might give awards, publish articles about the volunteers or send letter of thanks recognition of their serves.

## **5. External and Internal impacts**

CSEV can offer widespread advantages to multiple stakeholders because CSEV can improve the employees, benefit society significantly, develop better and more valuable relationships with the company's partners and help the company to become a more attractive and responsible employer to those people who are socially sensitive (Brown – Ashcraft 2005). Besides, CSEV can enhance and deepen the internal and external relationships of the company and aids the stakeholders. It helps to establish and manage corporate legitimacy with stakeholders through a strong corporate social performance (CSP) (Liu et al. 2009), because companies compete for institutional legitimacy, not only for resources (DiMaggio-Powell 1983 in Basil et al. 2008). Additionally, the initiatives related to social responsibility proponent

corporate social performance seems to intensify the company's global performance (Luo – Bhattacharya 2009).

Corporate volunteerism can influence not only individuals and communities, because with the help of CSEV the company can create a magnetic image and build a very positive reputation. A lot of firms realize that having a socially responsible and ethical corporate image and brand is profitable and valuable strategy. Besides, it can create and instill a positive culture within the company too (Houghton et al. 2008). According to a survey conducted by Deloitte (2007), more than half of the employees show preference for finding employment and work for a company, where there is potential to take part in voluntary work (Grant 2012). Lafferty and his co-authors (2004) emphasize that cause related marketing is also a kind of marketing initiative which can help the company establish strategic differentiation from rivals and deputize added value to the corporate brand. In my opinion, however, the same is applicable to CSEV. These are secondary benefits which serve the company, not the environment.

### *5.1. An external face*

Companies invest different kinds of resources (money, time, labour and knowledge) into CSR activities in the hope of maximizing the benefits to both themselves and their stakeholder. Many studies have shown that companies which have strong CSR performance enjoy advantages such as customer satisfaction, favourable customer evaluations, customer loyalty (Kim et al. 2010), because CSR actions are obviously to make consumers more emotionally connected to companies (McEwen 2010). Other consumer and psychology studies support that speculation that consumers, who choose a socially responsible firm's product, may feel that the company is doing good on their behalf (Vlachos 2012). As we can see CSR activities have a lot of positive impact related to the consumers, therefore the researchers try to explain the influence of CSR on customer attitudes by the concept of consumer-company identification (C-C identification) (Kim et al. 2010). C-C identification as a primary psychological substrate for deep relationships between the company and its consumers, is a relatively new phenomenon in the marketing (Hildebrand et al. 2010).

## *5.2. An internal face*

As we mentioned earlier, CSEV can influence the employee's work attitude and has a very positive impact on employees' commitment to the company too (Brammer et al. 2007). This is important because many researchers have shown that organizational commitment affects a lot of essential work behaviours, including quality of job, job satisfaction or motivation system (Brockne et al. 2014). According to Peterson (2004) organizational commitment and loyalty is much higher among those employees who usually take part in corporate supported volunteer work than it is among those who do not. These employees are interested in how their employer takes care of social problems and how it shows concern for other people with the aim to contribute to a better world. Employees who participate in workplace volunteer programs, identify with their employers to a greater extent (Grant 2012). Companies should consider their employees' opinions about CSR activities and also their willingness to do corporate voluntary work (Kim et al. 2010). The companies can develop and enhance a strong employee engagement through volunteer programs which has high priority because engaged workforce is necessary and indispensable to a firm's continuance, well-being and efficiency. 'Engaged employees are builders', because they are curious about the company's life and their colleagues. They work with passion and want to show their talent and competences at work every day. Engaged employees are loyal and keep their mind on the company's interest (Coffman 2002 in Jarvis – Parker 2011). In the case of an organization where the level of employee engagement is higher, a significant performance uplift is experienced. These positive changes can concern general productivity, customer loyalty, profitability or quality development too (Jarvis – Parker 2011).

There are internal and external impacts of CSEV therefore Porter and Kramer (2006) approve of the integration of business priorities and social aims. They distinguished two overall categories of CSR: responsive and strategic (Figure 1). The two categories are based on three dimensions. Responsive CSR emphasizes the generic social issues as part of the company's corporate citizenship behaviors and strategic CSR focuses on the competitive priorities and business goals. Between the generic social impacts and the competitive context, value chain social impacts can be found, which could be the part of both responsive and strategic CSR. Generic social issues are not considerably affected by a firm's operations. Value chain social

impacts are those factors that are significantly affected by the company's activities in the ordinary process of business. Finally, social dimensions of competitive context are factors in the outside environment that considerably concern the underlying drivers of competitiveness in those places where the company operates (Porter – Kramer 2006).

Figure 1 Porter and Kramer's CSR framework



Source: Porter – Kramer (2006)

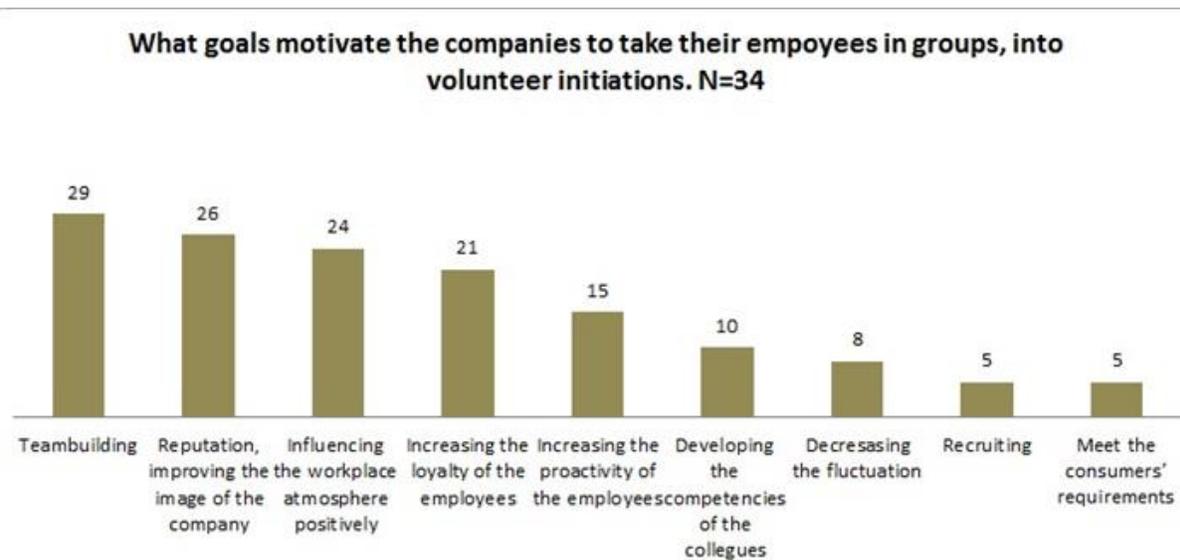
In their study, Porter and Kramer declared that strategic CSR means clearly competitive advantages for companies. No company can answer all of the questions which are arising in the society. Each firm can select concrete social issues that cross its particular business. According to the authors, CSR is an opportunity which can provide competitive advantages for company by investing into social causes, thereby a symbiotic relationship is formed.

## 6. Numbers about Hungarian volunteer programs

According to a Hungarian survey, which was carried out among the 200 best accomplishing companies (on the basis on their net income, not including the companies in the financial sector), we can examine on what basis the organizations support the practice of volunteer work institutionally and what factors motivate the companies to involve their

employees in volunteer work. At present, voluntary work in Hungary is organised on the basis of the normal development of the companies' normal business line. This concept is supported by companies taking part in the survey, as according to their answers, their most important goals are working in teams, building reputation, improving the image of the company, influencing the workplace atmosphere positively as well as increasing the loyalty of the employees (Figure 2). It should be added that only 19 percent of the visited companies were willing to answer this question. The low number of answers is probably due to the lack of volunteer programs offered by the companies, but the percentage of the declined answers was also high (29 percent of the companies declined to give an answer). It can also be related to the lack of volunteer work supported by companies. Necessarily, there are several other motivation factors in the background which were mentioned by the companies such as increasing the proactivity of the employees, developing the competencies of the staff or decreasing the fluctuation. Several respondents reported that by giving a proper voice and publicity to their selflessness, companies would be able to meet the consumers' requirements, as well as conduct an attitude and teambuilding activity to support a part of the society<sup>1</sup>.

Figure 2 Motivations of organizations

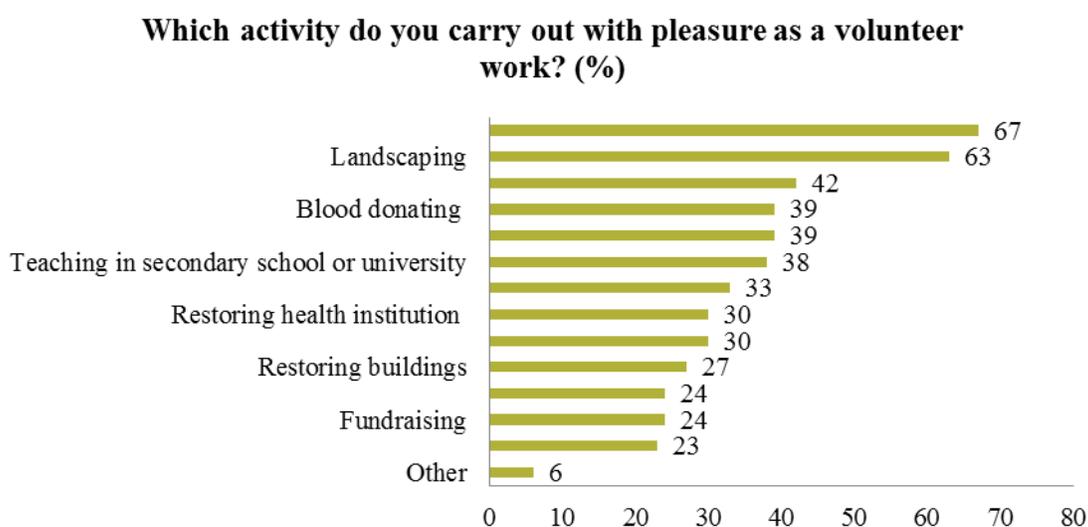


Source: [www.donorsforum.hu](http://www.donorsforum.hu)

<sup>1</sup>Hungarian Founder Forum (2011) <http://www.donorsforum.hu/hu/letoltes/category/8-kutatsok?download=224%3Avllalati-nkntessg-top-200-2011>.

Another study investigates the most popular volunteer work among the company's employees in Hungary (Figure 3). In the second diagram we can see the remarkable popularity of 'repairing playground or kindergarten' and 'landscaping'. Other volunteer activities, for example 'restoring buildings', 'repairing animal shelters' or 'removing graffities', are less popular. Very interesting to see, that the rate of the occurrence of fundraising is only 24 percent. This result is inconsistent with those data that in Hungary fundraising is in the first three popular volunteer activity.

*Figure 3 Volunteer activities*



*Source: Molnár (2011)*

We can draw the conclusion that even if the nonprofit sector in Hungary has gone through dynamic development and increase in the last two decades, it still has financing problems, therefore not all of the goals are realizable. Due to the financial difficulties, the sector needs the employment of more civil volunteers and more companies whhic latch on to volunteer work.

## 7. Summary

Company volunteering has a considerable space for growth and development both in practice and in theory due to the global interest. There has been an enormous evolution since the early 20th century and it has not finished yet. Day by day, more and more companies are

realizing that providing volunteer opportunities to employees is very profitable and useful to the company, the employees and the community too. Some of the companies seem to be able to collect substantial information and skills from business atmosphere and utilize them to find a solution to the current business context. Smart companies possess this valuable ability but others do not. Through the company support for employee volunteering programs companies can increase their intelligence and become smart and capable of developing leaders.

The rapid expansion of volunteering programs reflects the companies' increasing and wide-ranging interest in community welfare, equality and social justice. The reason of the spread is that the main aims of corporate volunteer programs are to improve the physical and psychological well-being of those beneficiaries who are targeted by the organizations.

But the definition of CSR and the relationship between the CSEV and CSR have not totally clarified and as we can see there are a lot of arguments for and against corporate social responsibility. And why is it so dangerous? Because the negative perception of CSR might reflect badly on volunteering as well. That is the reason why clearing up of contradictions and relationships is so important

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