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Employee Involvement Growing In Companies Throughout the U.S.

If the research represents what is happening in America today, the majority of U.S. companies have programs that allow employees to be involved in everything from making charitable donations to volunteering for community-building activities.

That is what a recent survey of 100 companies representing more than five million employees revealed to The Consulting Network (TCN). The study showed that 90 percent of those companies have employee involvement programs, and 77 percent of them said employee involvement is a high priority or growing interest in their business.

TCN conducted the survey with Charities @ Work, an alliance of four national nonprofit federations (America's Charities, Community Health Charities, Earth Share and Global Impact), which commissioned a similar survey in 1997. The study focused on three major areas: employee volunteerism, matching programs and workplace giving.

"Employee involvement programs are modeling other benefits at the workplace, such as choices in health care and retirement plans, where employees are given a range of options and encouraged to select the one that best fits their lifestyle," said John Coy, TCN's president. "There is even evidence that the concepts and technology used in benefits programs might soon be applied to employee involvement choices, making employee 'giving accounts' a real possibility."

"We were pleased to see that so many of the companies we questioned have healthy, growing programs that let employees give back to their communities," said Coy. "We were particularly interested to see that many of the companies also have begun to integrate their employee involvement programs with their business goals."

Companies participating in the survey represented a cross-section of industries and company sizes

and included American Express, Ashland, BD (Becton Dickinson), BP America, Cardinal Health, Charles Schwab, Freddie Mac, Hallmark, IBM, Kimberly-Clark, Levi Strauss, Maytag, Nike, Progress Energy, Prudential, Sears, Siemens, Starbucks Coffee Company, St. Paul Companies, Verizon, Wal-Mart, Whole Foods Market, W.W. Grainger and Xerox.

WHAT THE STUDY REVEALED

Probably the most significant finding was the increased value companies are placing on employee involvement.

The survey showed that companies have established or strengthened employee involvement programs because:

- ◆ Employees are important and natural extensions of their community relations and contributions activities.
- ◆ Involving employees as volunteers and financial contributors is one of the key

resources they can offer the community.

- ◆ Employee involvement programs, including workplace giving, can build morale and foster teamwork among management and employees.

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“We are seeing a real effort from companies to support and address issues important to the company, the community and the employees — an environment where everybody wins,” said Coy. “The key to a successful program is providing employees with choices and options to be involved in ways that fit their interests, capabilities and lifestyles. Contributing money, donating blood, renovating a home for a needy family or mentoring a young person are all acts of generosity, but very different acts of volunteerism.”

Victoria Sandvig, vice president

of Event and Production Services for Charles Schwab and vice president of the Charles Schwab Corporation Foundation in California, couldn't agree more. “With our program, we are providing employees with a framework and format to support them in their giving programs. We are hoping to democratize the process so that it's about more than giving dollars. Some employees have time to give, and we want to recognize that intellectual capital.”

Progress Energy, which operates mainly in Florida, North Carolina and South Carolina, conducted research in 2001 to find out how employees wanted to be involved, said Tammy Brown, manager of Corporate Community Relations. “People want to work for companies that care about what they care about, so we built in the flexibility early. Our main goal is having an integrated system with employee giving and volunteering, based on what employees want.”

MORE SURVEY RESULTS

Additional finding from TCN's study included:

- ◆ More companies — 85 percent in 2002 — are offering employee volunteer programs. This is compared to 69 percent of companies responding to the 1997 survey.
- ◆ Seventy-nine percent of the respondents offer a matching program. More than half

(51) of those companies also match employee individual and team volunteerism with a financial contribution.

- ◆ An increasing percentage of companies — 40 percent in 2002 — are expanding their matching program to make more 501(c)(3) organizations eligible.
- ◆ Workplace giving programs are conducted in 90 percent of the companies surveyed.
- ◆ The majority of those companies that conduct a workplace giving campaign — 52 percent — have centralized that campaign, making it companywide, which is up from 47 percent in 1997.
- ◆ Forty percent of companies with a workplace giving campaign have broadened those campaigns beyond United Way — an increase from 30 percent in 1997.
- ◆ The number of companies offering employees online giving has grown 94 percent since 1997.

BRINGING THE RESEARCH TO LIFE

At Siemens, which operates in 192 countries worldwide, managers want the company to make a difference in the many communities where employees live and work. They also want to recognize the value each employee brings to creating better and safer communities, said Frank Molinaro, director of Business Operations and president of the Siemens Caring Hands

Foundation.

“We want to build unity and morale with employees and stimulate them to get engaged in their communities,” Molinaro said.

But, making that happen takes coordination and integration. So, Siemens used its workplace giving theme — Caring Hands — as the theme for the employee involvement program.

“With everything falling under Caring Hands, employees have a brand they can hang their hat on,” said Molinaro. “Working as one Siemens, not as independent companies all over the world, we can accomplish a lot more and have a bigger impact in our communities.”

One of the ways Siemens engages its employees is by making a gift incentive available when they volunteer as a team. Through a companywide awards program, Siemens gives as much as \$5,000 to the nonprofit organization

where particularly outstanding teamwork occurs.

Progress Energy aimed to develop a centralized program as well. “We transitioned over several years,” Brown said. “We started talking in 1999 with the organizations that would be affected. We wanted to make sure that as we exited out of the traditional United Way campaign that they clearly understood our goals and objectives. The new concept, based on the employee research, started in 2001.”

The research showed that Progress Energy employees were interested in supporting numerous organizations, particularly the American Cancer Society, with their dollars and volunteer time.

As part of their centralized, integrated program, Progress Energy will launch a volunteer component this year. Called “Imagine the Progress,” it will give employees a chance to volunteer for activities that align

with their interests. For example, the company already is organizing walking relays to benefit the American Cancer Society.

“We are trying to make sure that our employee involvement program is flexible at the local level,” Brown said. “One of the biggest challenges is to find a program that works for your company, and because of geography, factory and office staff and other variables, the program might be different for every location.”

Focusing efforts for greater impact was a goal at Charles Schwab, according to Sandvig. The company does that by surveying employees every two years about their interests, looking at community needs and being strategic about which causes they support.

“Before, our grants were going everywhere, which is not wrong. But, we realized that we could stand for something if we targeted

EMPLOYEE INVOLVEMENT BENEFITS		
Community	Employees	Company
◆ Improves community	◆ Builds teamwork	◆ Leverages investment
◆ Leverages resources	◆ Enhances skills	◆ Strengthens relationships
◆ Encourages others	◆ Expands awareness	◆ Confirms commitment
◆ Expands awareness	◆ Improves morale	◆ Improves image
◆ Improves relations	◆ Provides recognition	◆ Builds workforce skills
◆ Enhances image		

our giving based on who we are and what we believe in. It is an extension of our brand, but it's also the right thing to do.”

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Many companies — like Progress Energy, Schwab and Siemens — recognize the connections among employee pride, empowerment, retention and productivity at the workplace. And more and more, according to the research, these attributes will be linked to the values of employee choice, teamwork, volunteerism and community compassion.

ADVICE FROM THE CORPORATE PROS

Companies that are planning or expanding an employee involvement program should make sure the leaders are on board. “Get buy-in from senior management at the top, and then you have it all,” said Molinaro.

Communication with all parties involved is key also, said Sandvig. “The program can’t be successful unless others are engaged in the

process. Keeping the program in front of employees constantly is essential. Then, the buzz starts happening, the word gets out and there is ownership.”

In addition, Sandvig advised that companies be strategic in their thinking. “We did a fair amount of benchmarking. Analyze all the different parts of your program. We have taken a long time to do this; it doesn’t happen overnight.”

Finally, Brown stressed that companies make the employee involvement program about the employees. “Involve them, communicate with them openly and in an ongoing way. Make sure everyone understands as you transition to something new. Be open to supporting new agencies you might not think about at first. We have the best employees in the world, and they have great ideas.”

For more information about TCN’s employee involvement program survey, contact president John Coy at (703) 641-0533 or the report’s author Steve Greenhalgh at (703) 641-9191.

SHARE THE RESEARCH

To receive a free copy of *Practices in Corporate Employee Involvement Programs*, TCN invites companies to complete and return the 2002 employee involvement survey. Simply contact TCN via e-mail at tcncoy@msn.com for a survey form.

2002 BENCHMARKING HAS BEGUN

For each of the past seven years, TCN has tracked corporate giving for hundreds of companies. Our database for 2001 giving included more than 225 companies, making it one of the most comprehensive resources on corporate giving. This is the only benchmark research that tracks corporate giving in relationship to a number of indices: total revenue, pretax net income, net income and employee head count.

The following indices represent modified averages for TCN’s 2001 database, as well as the seven-year average for years 1995-2001. Companies with unusually high percentages due to low pretax net income or profits were excluded to create the modified average.

- ◆ Cash contributions, as a percentage of revenues: 0.10 percent in 2001; 0.09 percent for the seven-year average.
- ◆ Cash contributions, as a percentage of PTNI: 1.44 percent in 2001; 1.09 percent for the seven-year average.
- ◆ Cash contributions, as a percentage of profits: 1.74 percent in 2001; 1.52 percent for the seven-year average.

Contact TCN if your company would like to participate in this research. In return, you will receive comparisons with your industry peers that participate, as well as *Fortune* Most Admired Companies and Best Companies to Work For that are in the database.