

RSM Insight

Management Knowledge

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▶ **International regulatory turbulence: strategies for success**

by Frank Wijen and Rob van Tulder

▶ **Managing organisational politics for effective knowledge processes**

by Jatinder S. Sidhu, Shahzad M. Ansari, Henk W. Volberda and Ilan Oshri

▶ **The rewards of corporate giving**

By Lonneke Roza, Lucas Meijs and Peeter Verlegh

▶ **Embodied myopia and purchasing behaviour**

by Bram Van den Bergh, Julien Schmitt and Luk Warlop



The business school that thinks and lives in the future

The rewards of corporate giving

By Lonneke Roza, Lucas Meijs and Peeter Verlegh

When conducted through a well-designed programme, corporate community involvement, such as employee volunteering, will benefit both the company and volunteers. In particular, these programmes can be useful to marketing and human resource managers.

The attention given to the subject of Corporate Social Responsibility (CSR) in the last few decades by researchers and practitioners means that many issues central to it, sustainability and business ethics, for example, are generally understood by managers today. However, corporate community involvement (CCI), a form of CSR, has received less attention. As an example of collaboration between businesses and non-profit organisations, CCI is concerned with investing in and improving the broader community through social programmes for which company employees can volunteer.

Heart of the matter

Current literature makes certain assumptions: CCI programmes are a win-win proposition for companies and non-profit organisations, with accompanying benefits to both parties. From the perspective of non-profits, these programmes can increase their pool of volunteers, attract more financial resources and add to their knowledge

and expertise, as well as improve credibility and public awareness.

For businesses, such collaborations can produce positive reputational and marketing effects, together with human resource advantages.

Deciding which elements to include in a CCI programme will depend very much on the expected goals. A number of key elements are common to most designs: *money* (financial support); *means* (physical means provided by companies to non-profits); *manpower* (employee volunteers); *mass* (critical mass of participating companies will attract other donors); and *media* (for example, cause-related marketing).

CCI programmes can play a significant role in addressing key challenges faced by human resource managers, leading to direct benefits to a company's bottom-line. For instance, within human resource management (HRM), community involvement policies can have a positive influence on: skills development, employee morale, organisational commitment and loyalty,

retention and recruitment. Furthermore, motivated employees can even be seen as a competitive advantage.

As no substantial quantitative research on the effects of corporate volunteering had been done and only anecdotal evidence was available, an underlying reason was provided for us to investigate this area. Therefore, in 2010 we conducted a study that focused on key HRM objectives such as personal fulfilment and employer loyalty.

Analysing key parameters

To measure HRM effects on corporate volunteering, we used data (collected between 2006 and 2009) from Fortis Foundation Netherlands, a charity that supports youth programmes, and from Samen Voor Zeist, an intermediary that matches businesses with non-profit organisations for social projects.

Crucial data was derived from the 1,257 responses to questionnaires we sent to project volunteers. The questionnaires contained the following key variables, which we felt would typically reflect the effects such activity would have on company volunteers, based on their perceived aspirations and goals:

1. Personal fulfilment: individual aspirations and motivation.
2. Personal satisfaction: personal pride and satisfaction through helping others.



3. Personal development: improvement in personal and social skills.
4. Group effect: increased internal contacts, awareness and camaraderie.
5. Broadening horizons: widening the interest span of volunteers to include non-profits.
6. Interest in beneficiaries: increased appreciation for beneficiaries of non-profits.
7. Fun: volunteer work is enjoyable.
8. Loyalty: appreciation, satisfaction and pride towards company.
9. Visibility: increased media attention and exposure, and improved company image and reputation.

Notably, while some of these effects (which we have validated) feature in previously published literature, our analysis includes four new variables: *personal fulfilment*, *personal satisfaction*, *broadening horizons* and *interest in beneficiaries*.

This is the first indication that broadening horizons is a direct result of volunteering, and that employees can achieve personal fulfilment through participation in a CCI programme. In addition, we discovered that personal satisfaction derived from volunteering through the workplace could eventually influence organisational performance.

The time spent by volunteers on project activities was also tracked

because we suspected that this factor might be directly proportional to the resulting effects.

In general, the results of our analysis were all positive, confirming that corporate volunteering can affect the key variables. This is in line with indications from earlier researchers.

In particular, on a scale from 1-7, the variable *fun* gets the highest score (6.18), followed by *loyalty* (5.92). The lowest scores are for the variables *interest in beneficiaries* (4.83) and *group effect* (4.61). Although correlation matrices do not show the causal relationship between two variables, it is likely that employees who participate in such programmes believe these activities are fun, and that this in turn engenders company loyalty.

Our study confirms that a CCI programme affects both employer and employee. Looking beyond the general effects, we analysed which elements are needed in a corporate community programme in order to reach preset goals.

From the HRM perspective, our research shows that selective programme elements, such as personal satisfaction and development, group effect and visibility, help increase the probability of employee retention through increased company loyalty and personal fulfilment. Our study also highlights the importance of setting

realistic and achievable programme goals, and of making programme results visible for volunteers to see what they have achieved.

Of course, our work is far from over yet. For example, the characteristics of participating businesses, volunteers, project activities and non-profit organisations might influence results, and consequently the design of the programme. Furthermore, as the effects these programmes have on businesses become increasingly clear, it is questionable if the same is true for participating non-profits and their beneficiaries. Both assertions need investigating, and our findings refined. ■

Lonneke Roza is a Research Associate, Department of Business-Society Management, Rotterdam School of Management, Erasmus University. Email: lroza@rsm.nl

Lucas Meijs is Professor of Volunteering, Civil Society and Businesses, and Professor of Strategic Philanthropy, Rotterdam School of Management, Erasmus University. Email: lmeijs@rsm.nl

Peeter Verlegh is Associate Professor, Department of Communication Science, University of Amsterdam. Email: pverlegh@uva.nl