

Corporate "volunteerism" - the Australian scene

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ABSTRACT

This paper briefly reviews corporate, or employee, volunteerism before providing the results of a preliminary exploratory study of corporate volunteerism in the top 100 organisations operating in Australia. About 50 per cent of organisations indicated that they provide some support for corporate volunteerism (CV), but the use of the term differed markedly across organisations. Many organisations indicated that they support and encourage CV but lack formal written policies. In cases where written policies do exist there was a notable absence of a rationale for such activities. Very little is known about CV so a research agenda to address this deficit is suggested.

Keywords

*Corporate volunteerism Employee volunteerism Corporate social responsibility
Australia*

Once described as the “hottest new area of corporate citizenship” (Miller 1997), corporate volunteerism (CV), or employee volunteerism, is a concept that began to hit the radar screens of Australian business and government less than ten years ago. The concept is relevant to HRM practitioners, not only due to its purported rising popularity, but because there is some evidence that such programs may assist in a number of critical areas of HRM, such as recruitment, retention, productivity and morale. However as there has been almost no critical analysis of this phenomenon, this article presents a preliminary study aimed at understanding how companies frame and apply the concept of corporate volunteering in Australia. A research agenda is then proposed.

Understanding Volunteering and Employee Volunteerism

Although there has been considerable debate in the psychological and sociological literature about the definition of volunteering, the key elements appear to be that it constitutes willing and unpaid work, usually in the context of community service. For example, one definition of volunteering is “any activity in which time is given freely to benefit another person, group, or organisation” (Wilson L, 2000: 215). The Australian Bureau of Statistics defines volunteering as “unpaid help in the form of time, service or skills, through an organisation or group” (2001: 3). Some authors insist that these definitions are inadequate and that volunteering should include "sustained and ongoing helpfulness" (Clary et al., 1998). Based on the ABS definition, approximately 32 per cent of the adult population in

Australia participates in voluntary work (ABS 2001). It is not known how many people 'volunteer' through employee volunteering programs.

Corporate volunteerism, sometimes referred to as employee volunteerism (Geroy, Wright and Jacoby, 2000), is beset with even greater definitional issues than the contested area of volunteerism. In fact, the reader would not be alone in thinking that this sounds like an oxymoron. A recent definition of employee volunteerism may assist:

"Employee volunteering is any action by an employer to encourage and support the volunteer involvement of their employees in the community... Employee-led programs are where the company supports and recognises employee efforts...Employee volunteering programs (EVP) that are driven by the company are more likely to involve use of company resources and may occur in work time" (Redmond, 2003: 64).

Interest in corporate volunteerism appears to have paralleled the move in philosophy from the simple donation of money to cause-related marketing to more issues-based marketing - relevant to the business of individual firms (Stallings, 1998). Some companies have seen their social responsibilities not just to employees but also to the wider communities in which they operate. Notwithstanding the 'goodness' of CVPs, others have argued that such programs can be profitable in and of themselves, especially in the area of research and development (e.g. Kanter, 2001).

Corporate volunteer programs (CVPs) may be seen as a sub-set of what has become known as corporate social responsibility, which is argued to be one of the six dimensions on which people rate companies (Fombrun and Gardberg, 2000). They have been argued to enhance public credibility and increase name recognition, to be beneficial both in attracting and retaining staff and in providing professional development opportunities (Stallings, 1998). Harris (2000) has argued that US employees would rather work for firms that support a cause, although it is not known whether this is defined as employees volunteering their time, paid or otherwise.

Furthermore, it has been suggested that volunteer programs can help in building employee skills such as communication skills, organisational and time management skills, people skills (such as caring, negotiating and listening), accountability and assessment reporting, planning and budgeting skills, survival skills (such as stress management and prioritisation); and volunteering is said to increase respect for diversity, affirm self-worth and increase people's sense of social obligation (Tuffrey, 1998). Some believe that it boosts employee morale, reduces turnover (Berta, 2000), builds loyalty (Wilson, L.J., 2000), develops skills (ACOSS, 1996), builds teamwork, attracts better employees and enhances training (Romano, 1994). A New Zealand case study indicated that there can be benefits to all parties involved, suggesting that business can receive some benefits in the form of “team-building and employee pride”, that employees can learn about community issues, and non-profit organisations can receive “practical assistance, fulfil their educative role and also raise awareness of the various causes their organisations represent” (Lee and Higgins, 2001: 88).

Support for some of the more specific claims of benefits from CVPs arises from one of the very few rigorous studies in this area: Bartel (2002) found attitudinal and behavioural changes in volunteer participants compared to those who did not participate (even though there was no formal control group), and, that where employee volunteer work strengthened organizational identification, a concomitant effect was an increase in work effort and cooperative tendencies. There was some corroboration from supervisors. The motivations indicated by participants in the Bartel (2002) study are interesting and included building professional networks, escaping pressures of the office, and managing impressions with supervisors, albeit that nearly one-third of employees felt obliged to participate.

However, given the changing nature of the workforce, with greater mobility and less job security, it may be difficult to see how volunteerism fits into the picture. Perhaps surprisingly, in times of downsizing and other organisational crises, it has been argued that corporate volunteerism programs have been central to keeping companies and their people together (Stallings, 1998).

Types of Corporate Volunteerism Programs

The range of corporate volunteerism programs described in the extant literature includes: matching volunteer service with grants; providing paid time off for voluntary activities; recognition programs for voluntary work; involving families so as help employees balance the competing demands of family and work; involving retiring and retired employees; including so-called voluntary work in training and development programs, especially leadership programs; pro-bono placement of managers in community groups for fixed periods of projects; having one or more set days per year when everyone works on a community project such as building a house; virtual volunteering - this is a new variety of volunteering designed for the so-called "time-poor" which enables them to volunteer on a flexible basis on-line; and matching of employee donations has also been associated with employee volunteering programs, so it can be seen that the interpretation is quite broad.

Research on Corporate Volunteerism in Australia

Specific studies on corporate volunteerism do not appear to have been carried out in Australia. Even in terms of the broader field of corporate citizenship practices, Batten and Birch (2001) in attempting to study the top 500 firms in Australia achieved less than 20 per cent response rate which perhaps provides one indicator of the level of interest in this topic. However, they found short-term community investment and involvement, and concern about programs that involve a redirection of staff from core business activities. Three other studies on the broader concept of corporate social responsibility deserve mention too: Suggett, Goodsir and Pryor's (2000) study of the attitudes to corporate social responsibility of key players from 115 large Australian companies; Cronin and Zappalà's (2002) study of the corporate community involvement of 59 companies in 2001; and the State Chamber of Commerce's Quarterly Corporate Social Responsibility Survey (2001) of 56 businesses.

The Suggett et al study suggested that a transition in expectations in respect to the social role of Australian business is occurring. Moreover, the views expressed suggest that community involvement

will increasingly focus on the role of employees in the community. In this study, 75 per cent of companies indicated that community involvement was a way to maintain trust, support and legitimacy with the community. In contrast, another 10 per cent saw that their social responsibilities were met by returns to shareholders, that they were not competent to assume additional community roles, that they were suspicious of governments trying to transfer more of their responsibilities to the private sector, and that, apart from traditional philanthropic contributions, this smaller group saw that any further structured involvement was unjustifiable. Views of the benefits to companies differed depending upon the industry represented. For example, resource companies perceived the need for community involvement as a means to help them secure the "licence to operate", while those from the retail and service sectors focussed on the development of customer goodwill and market access and the primary benefits flowing from community involvement (Suggett et al., 2000: 12).

The implementation of community involvement programs varies but the Suggett et al report found that 38 per cent of CEO's included the meeting of community involvement objectives as part of the performance requirement for senior managers, and the ability to encourage community involvement of employees was seen as an important element by some companies. Suggett et al (2000) attribute the increased emphasis on employee involvement to the search by companies for new ways to improve organisational effectiveness, productivity and to get employees to positively project their firms' images. However they mostly found instances of one-off events such as fund-raising for disaster relief or for the large charities.

Cronin and Zappalà's (2002) Smith Family study, based on the top one hundred companies in Australia in 2001, to which 59 companies responded, found that 61 per cent of companies had policies that supported employee volunteer activity. Of the 36 organisations to which this applied, 56 per cent indicated that they allowed paid release time for volunteer activity, 50 per cent said that they allowed unpaid time for volunteer activity, 31 per cent said that they had a formal employee volunteer program, 33 per cent provided pro-bono work and 14 per cent allowed for secondments to non-profit organisations. It can be seen that these are not mutually exclusive categories, and the sample was

quite small, so a clear picture cannot be formed. However, it is interesting to note that 11 per cent, or about 4 companies, included participation in voluntary activities as part of their professional development requirements and a slightly smaller number (9 per cent) indicated that voluntary involvement in the community was reflected in their promotion criteria.

The State Chamber of Commerce 2001 study specifically asked respondents whether their business had engaged in employee involvement and volunteering during the past 3 months and found that 45 answered in the affirmative, although the exact nature of these activities was not addressed. Interestingly, the most important drivers for corporate social responsibility activities were seen to be company reputation and long-term sustainability; only 27 per cent of respondents indicated that they actively seek out opportunities, 66 per cent believed that there are financial benefits from CRS yet only 39 per cent thought that their company had experienced any such benefits.

Given the presence of multinational companies and American companies in Australia, it is not surprising to find evidence of corporate volunteering here, even though the socio-political traditions of the United States are quite different and Australia has relied much more heavily on government providing for the welfare and infrastructure needs of the community (albeit through high taxation regimes). Also, just as there has been increased involvement of business in the community in the UK, recent successive Australian governments have also sought the increased involvement of business in solving community problems, e.g. the Howard Government's "social coalition" policy. What we do not know is how organisations in Australia frame this concept, nor the range of applications of CVPs.

THIS STUDY

The focus of this study was solely on employee or corporate volunteerism. The study aimed to synthesize the multiple connotations, interpretations and implementations of the concept in major firms operating in Australia. Given that it is a relatively new area of HRM policy, the Top 100 firms on the BRW Top 1000 Australasia's biggest enterprise list (BRW, 2001) were surveyed.

Organisations were asked two simple questions: “do you have a corporate volunteerism policy and if so, what does it cover? Where written policies existed, the researchers requested access. Data were collected during the latter part of 2002 and early in 2003. The response rate was 61 per cent.

The sample is described in Table 1¹. As confidentiality was assured the respondents can only be described only in general terms.

Table 1: Legal status and Ownership of Companies

Legal status and Ownership	N	Response	Response percent
Public ASX listed	63	51	81
Private corporations	4	1	25
Government owned	12	2	17
Overseas listed	15	4	27
Data Unavailable	6	3	50
Total	100	61	

Findings

Of the 61 organisations that responded, 21 per cent (13 firms) stated that they had an employee volunteerism policy. However an additional 12 per cent (7) of firm representatives stated that they had a policy that covered military service, SES and blood donation; and 17 per cent (11 firms) mentioned that, although they did not have a formal policy, this was encouraged on a case-by-case basis. Some firms have annual events but these are not recorded in policy format e.g. one firm expects employees to volunteer a weekend once per year when it holds an annual auction/sale of returned or damaged product, the proceeds of which are donated to a non-for-profit organisation. Forty nine per cent (30 firms) indicated that they did not have a CV policy.

¹ Table 1 shows that every ownership category was represented in the responses received. The estimated net revenue of these companies for 1999-2000 ranged from AUD\$1668 million to AUD\$27,601 million. The company size as measured by the number of employees ranged from 80 to 365,600 employees. The industry grouping was based on the stock exchange classification depending on where the firm was listed. The major categories were: 16 organisations (16 per cent) in the Materials industry, 7 per cent in the Energy industry, 6 per cent each in Food Beverage and Tobacco and Automotives, 5 per cent each in Banking, Food and Drug Retailing, and the Insurance industry, 4 per cent in Fund Management, and 3 per cent each in Commercial Services and Supplies, Computers, Real Estate and Transportation. Others were represented by one organisation each from a range of industry codes.

An analysis of the survey responses (both written and oral) is presented in Table 2. The policies revealed that a wide variety of definitions of corporate volunteerism are in use. It can be seen that the most frequently reported policy was paid time for volunteer activity, followed by support to external charities during or outside work hours.

Table 2: Characteristics of CVPs

Characteristics of CVPs	No. firms	%
Paid time off for employees	13	35
Support for adopted external charities	9	24
Giving grants or donations	4	11
Support for in-house charity programs	4	11
Fixed day yearly for community work	2	5
Activities for Management Development Programs	2	5
Matching grants for non-profits	1	3
Recognition awards to volunteers	1	3
Payroll deductions	1	3
Total	37	100

In common with the Cronin and Zappala's 2002 Smith Family study, the "characteristics" did not form mutually exclusive categories, with some organisations involved in a variety of activities. For instance, one major public telecommunications company stated that more than 30,000 hours of staff voluntary participation had been provided to the employee-driven volunteer program over the past 12 months (1999-2000) in charity, environmental, sporting and civil endeavours, and, if these hours has been translated into dollars they would far exceed the operational cost of the program. Sixty events had been organized, equating to more than one each week; and more than AUD175,000 had been raised for various good causes. There was a perception expressed that the company staff had benefited from increased motivation and skills enhancement. Another publicly listed company in Australia that operates globally, had a two-tier program in which both individual employees and groups of

employees were rewarded. The company document states that employees who volunteer more than 50 hours per year with a community organization are rewarded by recognition and showcasing of their achievements internally. Employees in this firm can apply for one grant per calendar year of US\$250 to assist and sustain their effort; the grant is directed to the community organisation. The group program encourages groups of 10 or more to spend a minimum of 4 hours on a community service project for a local non-profit organization. In recognition of their efforts the firm awards an unrestricted grant of US\$3000 to the non-profit organisation. Another real estate firm stipulates a fixed day for a variety of community activities - bush regeneration in local parklands, growing vegetables for homeless by working on a 'farm' in the city, refurbishing a run down building to be used as a gift shop for the society of deaf children, cleaning up graffiti, housing construction for socio-economically disadvantaged groups, and using the employees skills to assist community groups by developing a marketing strategy and press launch for a community theatre. One other policy of a company indicated that its initiatives include painting houses for low income families in more than 60 countries; blood donations; assisting the RSPCA; assisting in raising funds for a non-profit; and, planting eucalyptus to reduce salinity in rural.

Amongst those firms that did not have a policy, 10 firms stated that they actively encouraged employee engagement and volunteerism in the community. One company representative stated "we allow our staff to work for volunteer organisations on an individual basis maintaining their employment status and benefits", while another firm stated, "our corporate giving program does in fact reward and reinforce volunteerism among our workforce". The most popular activity seems to be volunteering for environmental programs like EarthWatch or civic related programs, e.g. one firm allows its employees to volunteer for the city council for a couple of weeks to paint slogans on the guttering to remind people to dispose of rubbish thoughtfully. One firm allowed its employees to bring along family and friends interested in the community work. Yet another firm had a provision made under the Special Purpose Leave Policy wherein employees can take short periods of leave with or without salary for community projects.

The survey found no evidence of other categories of CVPs identified in the literature such as virtual volunteering, the loaning of staff and managers to community projects, or the presence of pre-retirement programmes.

Discussion and Research Agenda

Although it appears that many organisations are yet to formally develop their policies on corporate volunteerism, and that a wide variety of interpretations exists of CV, about half of the major companies operating in Australia do engage in some form of CV. Motives for CV are not clearly articulated and at this stage quality studies are still needed to determine whether the purported benefits outweigh the costs of such policies. However, anecdotal comments made during our data collection pointed mainly to CVPs being used as a means of addressing problems of poor marketplace image.

There is still much to be learned about CVPs. Little is known in Australia about their extent or impact either externally or internally. We do not know how much CV is really ‘mandatory volunteerism’ [a term used by Stukas and Dunlap (2002)] or how much of this activity is more accurately represented by the term ‘employee assignment’ rather than ‘employee volunteerism’? What is the effect on the employment relationship of CVPs? What are the ramifications of poor performance when “volunteering”? Who is responsible and who is legally liable? Where does the management of CVPs fit within organisations? Is this an HRM or a Corporate Affairs activity? What impact do CVPs have on potential employees’ decision to seek employment with organisations, what impact do they have on organisational commitment, organizational citizenship, and turnover intention. Do CVP’s create role overload and role stress on employees, or any other additional problems? Do employees ‘volunteer’ due to perceived expectations of others (Grube and Piliavin, 2000), or is it to achieve some value congruence and to reduce tensions created by normal work roles? Are corporate or employee volunteer efforts distinguishable from traditional volunteer efforts? Are there any spill-over effects from employee to traditional volunteering? What impact do CVP’s have on corporate image in this country? What impact do CVP’s have on those who are the purported recipients of the volunteer activity? What are the longer-term effects on social capital?

CONCLUSION

Just as CVPs in Australia appear to have developed on an ad hoc basis, the scant research in the area may be similarly characterised. There has been almost no critical analysis of CVPs internationally (Allen 2003) – they have been accepted mostly as a ‘good thing’, so given that about 50 per cent of major organisations in Australia are adopting some form of CVP, it is time to develop a comprehensive research agenda to deal with the many issues associated. This paper has made a start by determining how organisations frame CV and has suggested some of the research questions that might be addressed.

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