

GIVING YOUR WORKFORCE A VOICE

Employee volunteerism and corporate philanthropy's impact on talent attraction and retention in the 21st century

Key findings from a survey of individuals throughout the United States working for large companies

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Introduction

Employee volunteerism and corporate philanthropy are not new concepts in corporate America. However – even today – many companies do not have their finger on the pulse of the types of volunteer and charitable opportunities that employees want, nor have some companies sought to align their corporate giving priorities with the values and issues that are important to their workforces. But in an ever-tightening job market and a burgeoning activism culture in our country, America’s companies are realizing the critical nature of empowering employees to voice their opinions and take action on important societal issues. Not doing so could be detrimental as companies compete for talent at an unprecedented time when there are more jobs than workers available. According to a recent report from Korn Ferry, “The \$8.5 Trillion Talent Shortage,” the firm estimates that by the year 2030 there will be a global human talent shortage of more than 85 million people, or roughly equivalent to the population of Germany.

In addition to the increased pressure in acquiring and retaining talent, the cost of high employee turnover has been well documented by various organizations from CAP¹ to SHRM². No matter what data you rely on, the cost is prohibitive as studies (including those mentioned) have shown the cost of turnover ranges between 20% to 200% of an employee’s annual salary. An article published by Josh Bersin, Principal and Founder of Bersin/Deloitte Consulting, provided a list of cost items³ starting by the cost of hiring, onboarding, and training, to lost productivity, engagement, and degradation of culture and depending on the role, customer service.

Increased turnover reduces morale and decreases job satisfaction, both of which exacerbate the overall impact. Employee engagement, with volunteering in particular, has proven to improve work culture and enhance job satisfaction.

Earlier this year, Salesforce.org commissioned opinion research firm, Povaddo, to explore the role that employee volunteerism and corporate giving play in helping companies attract and retain the best employees by using this as a means to give their workers a voice on important societal issues. Additionally, Salesforce.org sought to better understand how empowering employees to drive societal change can also strengthen corporate cultures and increase employee engagement.

¹ Center for American Progress - November 2012 - <https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf>

² SHRM Retaining Talent Report - <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Retaining-Talent.pdf>

³ Josh Bersin - <https://www.linkedin.com/pulse/20130816200159-131079-employee-retention-now-a-big-issue-why-the-tide-has-turned/>

When Povaddo first conducted its inaugural “Corporate America’s POV” study in April of 2017, Donald Trump was just 100 days into his presidency and media headlines were filled with CEOs and businesses navigating a new world of Twitter attacks, social media-fueled boycotts, and public declarations on societal issues from Corporate America and its leaders. Fast forward to spring of 2018, and corporate activism is still making headlines.

Povaddo surveyed employees from America’s largest companies to obtain their perspectives on the important societal issues currently being debated and to learn what employees expect of their companies and CEOs in this burgeoning era of corporate activism. While a strong majority of employees want opportunities to make an impact at work, most companies appear to be playing catch-up – both in terms of providing these opportunities and the types of tools that are made available.

This report highlights the key research findings and what they mean for companies in this ever-tightening labor pool. With increasing numbers of employees expecting corporate America to do more to help society, inaction could greatly hinder companies’ ability to attract and retain top talent.

Survey Methodology

Povaddo conducted an online survey of n=1,501 employees throughout the United States who work for companies with annual revenues of at least \$1 billion. This survey was fielded March 20-28, 2018, and the sample was drawn from Research Now’s panel of over 11 million deeply-profiled individuals. The margin of error associated with this sample is $\pm 2.5\%$.

Corporate philanthropy and employee volunteer program awareness is solid, but employees want opportunities to take action

Corporate philanthropy and employee volunteerism programs have been in existence at large companies for several decades now, and corporations increasingly have been communicating about their charitable giving efforts. So it is not surprising that this research found that awareness levels of these efforts are quite high among employees of large U.S. companies.

Employees of \$1B+ companies are familiar with their companies' corporate philanthropy and employee volunteering efforts, with one-quarter of respondents saying they are "very familiar" with the initiatives. Familiarity is largely consistent across all age groups. While millennials often show higher engagement with these efforts, all groups are generally familiar.



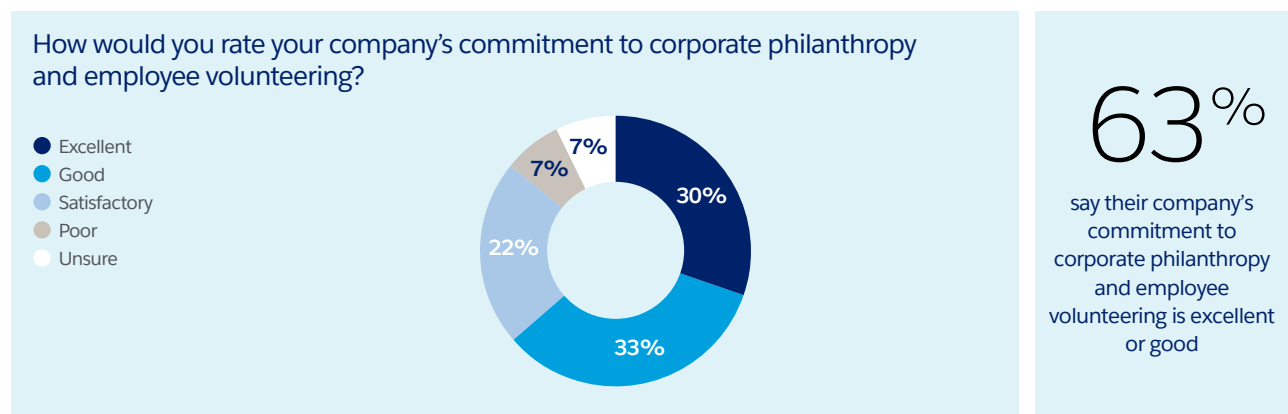
It appears that America's large corporations are doing a good job of informing their employees of their charitable giving and volunteerism programs. However, employees expect their companies to provide them with specific opportunities to help impact important societal issues, including:

- More than three-quarters of employees want their company to provide matching funds for their donations to non-profit organizations that align with their company's social and environmental commitments
- Nearly two-thirds of employees want their company to provide them with paid time off or onsite opportunities to demonstrate public support for important societal issues

Companies must demonstrate commitment to employee-driven giving initiatives

It is important that companies internally and externally demonstrate a serious commitment to a culture of giving back. Corporate philanthropy and volunteerism programs should not be perceived as “window dressing” for companies looking to burnish their images. This commitment has a positive impact on employee engagement and attracts potential employees who want to work for a company that is viewed to be a good corporate citizen.

According to the workforce study, America’s corporate workforce have high overall satisfaction when it comes to assessing their company’s commitment to philanthropy and volunteerism. Nearly two-thirds of corporate employees believe their company’s commitment is either “excellent” or “good.” However, there remains some room for improvement given that just 30% say their company’s commitment is “excellent.”

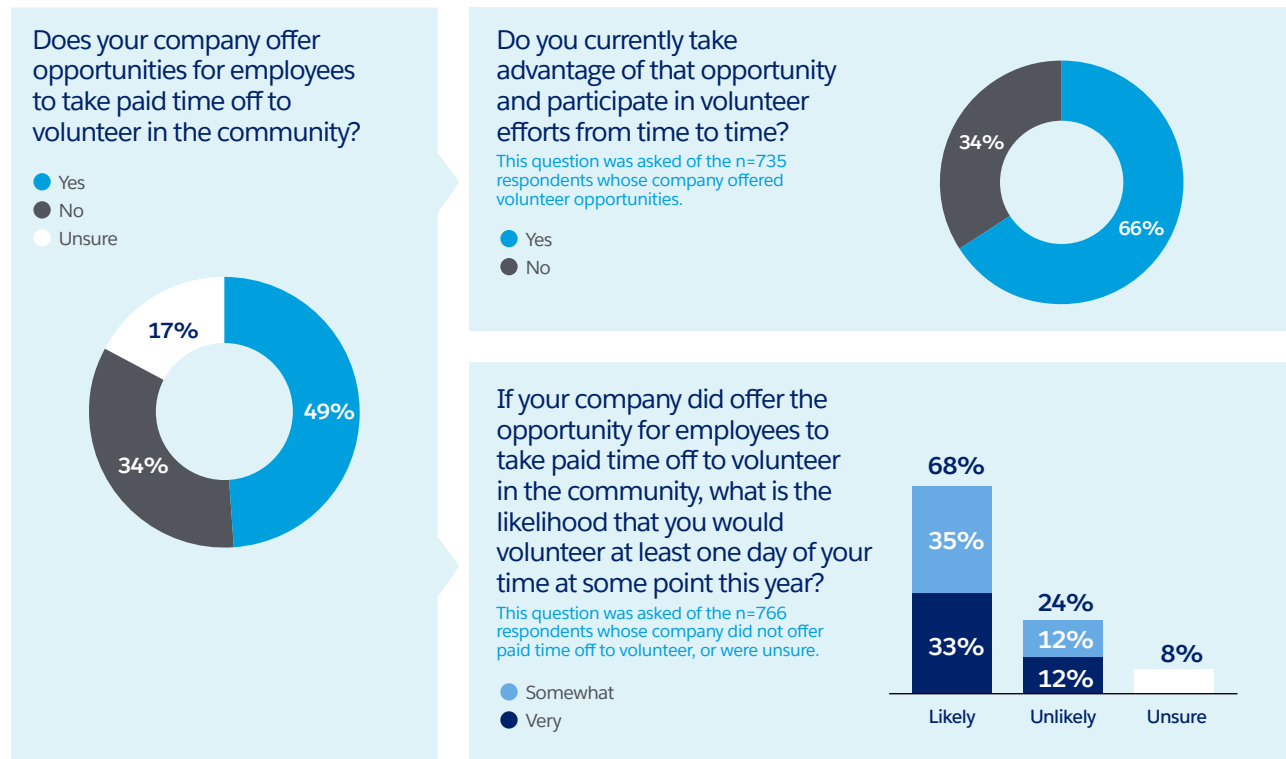


A core component of demonstrating a serious commitment comes from the top executive and his or her understanding of employee attitudes. The study found that CEO engagement is a key factor in the level of employee satisfaction with their company’s commitment. Eighty-six percent (86%) of workers who say their CEO understands employee attitudes also believe their company’s commitment to philanthropy and volunteerism is “excellent” or “good.” However, CEO commitment must also be combined with initiatives that are driven by employees to achieve the most impact and engagement.

Companies seemingly lag behind employee demand for paid time off to volunteer

As part of a company's commitment to giving employees the opportunity to give back to their communities and organizations with which their values align, there is the issue of allowing employees to do so on company time versus personal time. Giving employees paid time off to participate in volunteer activities with their co-workers can lead to a more fulfilling work environment and create stronger bonds among employees.

When asked if their companies offer them paid time off to volunteer in the community, only half (49% of workers surveyed said yes and another one-third (34% said their companies do not offer such a benefit. Of those workers whose companies do offer this benefit, two-thirds (66% said they already take advantage of the opportunity. Of those workers whose companies do not offer this benefit, a similar amount (68%) would take advantage if paid time off to volunteer were offered in the future.



Women are the most likely group to take advantage of current volunteer opportunities and are most interested in future opportunities. Our data strongly suggests companies would stand to gain increased engagement among employees if they provided paid time off for volunteer activities.

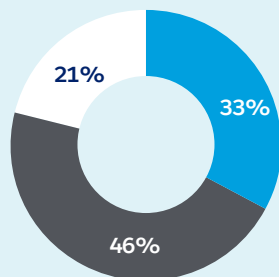
Using technology to empower employees to act on social issues

Technology, while not widely used by companies to facilitate employee volunteerism, can be useful in building awareness of volunteer opportunities for their workforces. It can also help demonstrate a company's commitment to empowering its employees to give back.

The study found that not only do many companies not currently offer an app or web-based portal for their employees to learn about and take advantage of opportunities for charitable giving and volunteerism, but those who do show they do not have a high take-up rate. Employees whose companies do offer a volunteerism app said they use it infrequently (1-4 times per year); only 15% say they never use it. This clearly shows that applications that are currently in use are not adequate for today's expectations.

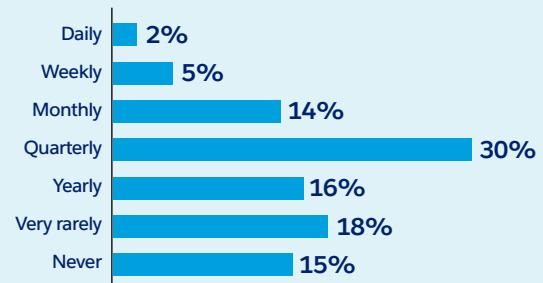
Does your company offer an app or portal that allows you to find opportunities for giving and volunteering and/or to log your volunteer hours?

- Yes
- No
- Unsure



How often do you use this app/portal to find opportunities for giving and volunteering and/or to log your volunteer hours?

This question was asked of the n=501 respondents whose company offered an app or portal.



Half of companies are still neutral to employee activism

To foster an environment where workers feel they can voice their views on important issues, companies should openly encourage employees to get involved in their communities and support organizations that address societal issues. Despite the solid awareness of and belief among the majority of those surveyed that their companies are committed to philanthropy and volunteerism, most workers do not believe their employers encourage employee volunteerism and participation in specific causes.

Only one-third of survey respondents said they “feel encouraged by their companies to support causes they are passionate about,” and the majority say their employer is “neutral with regard to employee activism.”



Significant majorities of employees who feel their company encourages them to support causes they care about are more likely to recommend their company as a place to work, more likely to stay longer, and more likely to increase their overall engagement at work when their CEO makes a real effort to address an important societal issue.

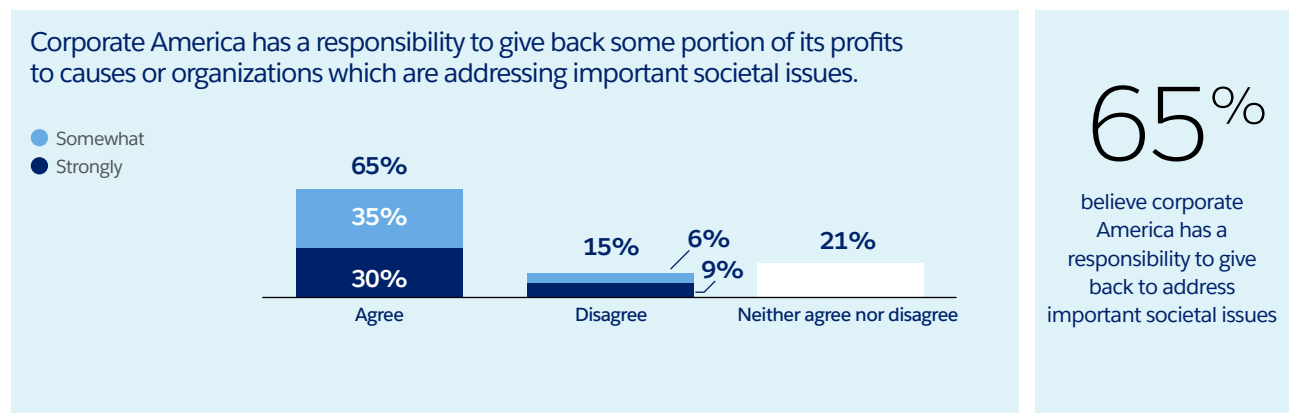
- 74% say they are more likely to recommend their company as a place to work
- 71% say they are more likely to stay longer
- 61% say they are more engaged at work

Other findings in this survey suggest that nearly six-in-10 employees expect corporate America and company CEOs to play a more active role in addressing some of the most systemic societal issues facing the country.

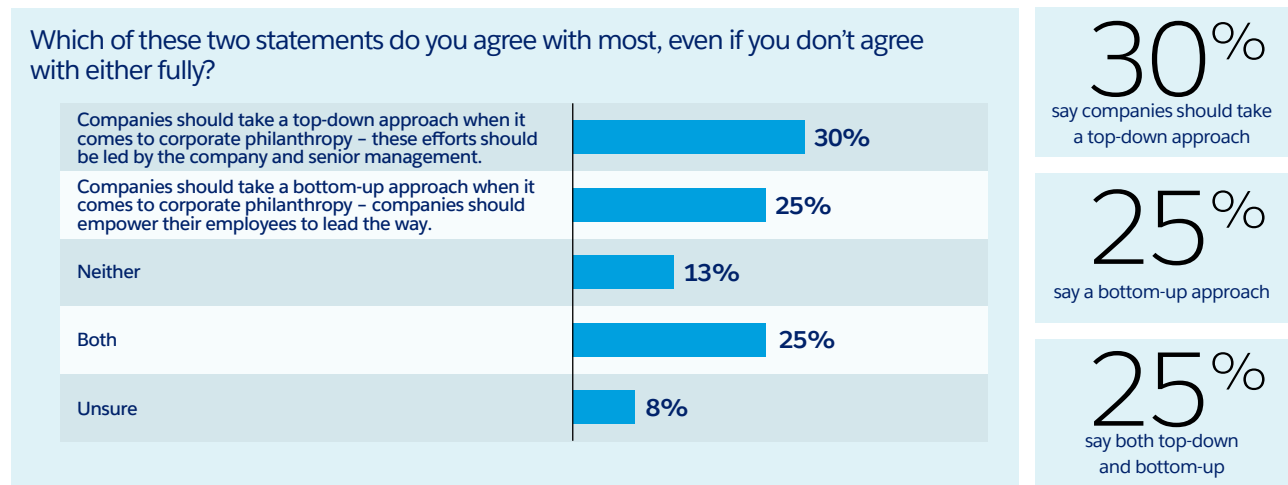
Employees want their companies to let them lead the way in giving

Charitable giving is a key component of being a good corporate citizen and is a general expectation of society and potential talent. Today, it's understood that large companies in this country will devote a percentage of their profits to charitable causes that often align with issues that are critical to their business.

Therefore, it is not surprising the study found that two-thirds (65%) of survey respondents believe corporate America has a responsibility to give back a portion of its profits to causes or organizations addressing societal issues. And when employees feel their CEOs and/or companies encourage them to take action on societal issues, their likelihood to recommend their company as a place to work and their products/services increases substantially.



For those companies not actively engaged in charitable giving, it is critical for engaging employees and connecting the company with organizations to help address society’s challenges – be it a top-down approach led by management or one that empowers employees to lead the way with no peer or corporate pressure to donate or get involved. Additionally, for those companies who are active philanthropically, there is a growing need to ensure that the causes supported are aligned with the company’s mission and business, and not potential lightning rods for criticism or controversy.



Nearly four-in-10 employees said a company’s commitment does impact their decision to maintain or pursue employment with a company. Additionally, among those surveyed who believe that a company’s actions on societal issues will affect their employment with the company, nearly three-quarters (72%) agree that a company’s commitment to philanthropy and employee volunteerism also impact their employment decisions.



As companies seek to attract and retain the best talent, a company’s commitment to corporate philanthropy and employee volunteerism directly influences employment decisions. A strong commitment is also good for business.

Corporate social engagement is good for business

When companies take an active role in addressing social issues, there is a “halo effect” that enhances employee engagement and helps attract potential talent who want to work for a business that is “doing good” for society. Based on the survey findings, employees recognize that a company’s level of social engagement can lead to improved corporate reputation and positively impact the company’s talent recruitment and retention efforts.

Which of these outcomes would most likely be achieved if your company were more socially engaged?



44%

say *brand reputation* would improve if their company were more socially engaged

42%

say *employee engagement and retention* would be improved if their company were more socially engaged

As noted throughout this study, millennials and women are more engaged on the issue and believe that positive social engagement by their companies will have positive outcomes for their business. Companies that do not engage on societal issues could adversely impact talent acquisition and retention in the short term and business competitiveness and reputation over the long term – ultimately doing harm to their businesses and their bottom lines.