Global trends in skill-based volunteering

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Report prepared for NAB
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Chapter 1

Background

1.1 Corporate social responsibility and employee engagement

A growing driver of corporate social responsibility (CSR) activities is employee engagement. Recent research by the Centre for Corporate Public Affairs, shows that 72 per cent of Australian companies have ‘increased employee morale, engagement and teamwork’ as one of their key corporate responsibility goals.

Employee involvement often includes input into the selection of community partners and programs, as well as initiatives for match-giving (payroll deductions to a charity, often matched by the company) and volunteering opportunities.

Employees are far more aware of corporate responsibility and corporate community investment by companies. This trend has been highlighted in the Centre’s 2000 and 2007 reports on corporate social investment in Australia.

A major and growing driver of corporate community investment is the expectations of staff, especially young people who are sensitive to the reputations of the firms they work in and want to include and exercise their personal altruism through their employment.

Centre for Corporate Public Affairs, Corporate Community Investment in Australia, 2007

This trend is becoming evident during the recruitment phase, when companies are often asked about their CSR policies. This is particularly the case for Generation Y (those born in late 1970s to mid-1990s) who are more likely to want to work for a corporation where the values are largely in line with their own, and where there are opportunities to contribute to the community at work. With a tighter labour environment, companies are providing more information about their community policies, as well as match-giving and volunteering, as a part of their recruitment (and also retention) strategy.

1.2 Corporate volunteering

Corporate volunteering is defined as allowing staff to engage in unpaid work for a community organisation during work hours for a wider societal benefit, and for the possible benefit of the volunteer and for the corporation.

Allocating staff time for community projects is becoming a key feature of many CSR programs.

More companies are offering paid volunteering leave of up to three days per employee on an annual basis. In the US, it is estimated that about 40 per cent of companies have a paid volunteering policy (this is based on 2003 data and would have increased over the past 3 years).

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1 Centre for Corporate Public Affairs. 2006, State of Australian Public Affairs.
In the UK, the Government has recently launched an initiative to encourage all businesses to provide one paid volunteer day per employee. In Australia, it is estimated that about 70% of companies have a policy of providing paid volunteer leave\(^4\) (see Chapter 2 for further information).

Typically corporate volunteer programs take several forms:

- allowing a fixed time period for volunteering during business hours;
- matching work time with the time employees volunteer in their personal time; or
- granting paid leave or providing secondments to work on a particular project full time.

Through the 1990s and into the first decade of this century, corporate volunteering has developed as a popular avenue for teams within corporations to work together (often outside their hierarchical or skills ‘comfort zone’) and gel as a team.

This has included business units in the US volunteering for United Way or homeless food preparation, or participating in Clean Up Australia Day in Australia.

Since the late 1990s, volunteering in smaller groups or individually during business hours as part of an approved corporate volunteer program has been growing in the US, the UK and Australia. These countries have high national rates of volunteer involvement.

Many companies in the US, Australia and in some nations in Europe also make cash donations to non-profit organisations when their employees, in their own time, complete designated volunteer hours (40 hours is common) in any given year.

**Skill-based volunteering**

Skill-based volunteering involves using individual or collective corporate expertise to support the work of a community group.

It typically involves applying or transferring individual or organisational skills — for instance, strategic planning, property management, marketing or information technology management — to a community organisation or entity, such as a NGO, non-profit group, school, hospital or cause.

Such volunteering in the corporate environment is typically tolerated, encouraged or sanctioned by the company or entity. This mode of volunteering can generate benefits for the volunteer, the employer, and the organisation hosting the volunteer.

Skill-based volunteering typically comprises a smaller proportion of activity as part of corporate volunteer programs, as it requires more effort to organise skill-based opportunities. The majority of corporate volunteer programs aim to support a wide range of activities, and typically offer short-term unskilled activities.

In the broadest sense, any volunteering which utilises an individual’s skill, from coaching a local junior sporting team to baking cakes for local school fund-raising, could be seen as skill-based volunteering.

\(^4\) Volunteering Australia/Australia Cares. 2006, *Corporate Volunteering Survey*. 2
However, in the context of this report, we focus specifically on professional skills that exist within a large company or organisation. The application of specialist skills developed in and for the workplace in the community, allows not-for-profits (NFPs) and NGOs to access skills they may not have in abundance, or that they do not have at all.

1.3 Benefits of employee volunteering programs

To the community organisation

With more companies prepared to commit resources to corporate volunteering, NFPs have an opportunity to access a growing legion of willing and able volunteers, and a previously unavailable source of skills.

This requires NFPs to develop the capacity to take on employee volunteers. There are many examples of community organisations not adequately prepared for corporate volunteers, and employees frustrated at the lack of meaningful tasks within their volunteer placement.

Some NFPs also report that the time and resources needed to organise employee volunteers can sometimes be greater than the contribution received from volunteer labour.

Our Community, a support organisation for Australian NFPs, highlights how the possible problems can occur: ‘A badly conceived, poorly run or tokenistic program can soak up an organisation’s already meagre resources, alienate the company from both its community group partner and its consumers, and leave a bitter taste in the mouths of the very staff the business may be trying to win over.’

Our school’s been painted so many times I can’t remember what colour it’s supposed to be. I’d much rather companies gave us what we need: expertise, mentoring and resources.


The requirement that corporate volunteering should be done as a team and encourage team-building can also sometimes diminish a program.

Volunteering opportunities may help boost employee morale, however some NFPs report they would prefer a longer-term commitment or a transfer of expertise by fewer skilled employees.

Community organisations also comment that some corporate volunteers present for duty with what they think is an understanding of what needs to be done, rather than really understanding actual community needs. This can result in a mismatch of expectations. Given the issues that can arise, it is important for companies to consult with NFPs to establish a program that maximises benefits for the non-profit organisation, the company, and employees.

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To the company

There is considerable literature about the benefits of volunteering for companies, which usually focuses on improved recruitment and retention rates, better employee morale (pride and positive feelings towards the company), better working relationships, employee skill development and more community and customer goodwill.

Mobberley\(^6\) discusses the link between volunteer programs and employee recruitment and retention, and suggests some of Australia’s leading corporations are developing a competitive advantage through corporate volunteering. She argues that these companies are seeing the benefits of ‘better teamwork, leadership development and enhanced employee loyalty and morale’.\(^7\)

If building a more committed, engaged, creative and energetic workplace is high on your company’s agenda, then corporate volunteering might be the foundation of your staff retention and development program.

Deborah Mobberley, The Centre for Volunteering, NSW Volunteering

Similarly, the community investment strategy at a large global law firm notes:\(^8\)

We aim to [assist the community] by sharing with community partners the skills and expertise of all our staff through pro-bono work, employee volunteering and awarding funding. In return, we aim to gain from these partnerships by our own people (and in turn the firm) receiving invaluable experience, skill development and a new perspective.

In recent years, the concept and importance of employee engagement — how engaged an employee is with the aims, strategy and values of her or his employer — has littered the business strategies and agendas of company Executive Committees.

Highly engaged workers, it is claimed, are likely to be more productive, less likely to want to leave the company and can have a positive effect on the reputation of the company.

A company’s corporate community investment aspirations and activities — including volunteering — are positioned by many businesses as a tool to attract, engage and retain good employees.

Korngold\(^9\) identifies six key factors that motivate businesses to get involved with non-profit organisations, including:

- developing leadership;
- facilitating team building;
- enhancing appreciation of diversity;
- fostering loyalty and a sense of community;

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\(^7\) Ibid.


building visibility and goodwill; and
promoting economic development.

These factors are as relevant to corporate volunteer programs, and the benefits of working with community organisations.

CSR activity — of which corporate community investment is a component, and volunteering an element of corporate community investment — has a reputation impact for most corporations.

CSR activity can facilitate corporate engagement with stakeholders critical to the successful operation of the business. It can secure community license to operate, produce positive business and social outcomes, and enhance the way the corporation is seen and patronised by consumers and customers.

In this light, corporate volunteering has the potential to generate positive reputation outcomes for a company; or, if managed poorly, negative reputation impacts.

In the UK there is a push to have corporate volunteering programs recognised by international ratings agencies as an indicator of long-term value creation in a company.

ENGAGE, comprising companies such as Citigroup, Allen & Overy, Freshfields Bruckhaus Derringer, Linklaters, GE Commercial Finance and IBM, is a business-led campaign that aims to increase the quality and extent of volunteering (see Box 2.15). Its members have been lobbying the EU Parliament and Commission to provide better recognition of volunteer programs. In presenting its arguments, it cites the wider benefits to Europe of increased social cohesion and active citizenship.

**Benefits for the employee**

Employees participating in corporate volunteer programs often generate a sense of pride and satisfaction in their workplace.

As opportunities for skill-based volunteering increase, so do the opportunities for additional professional development. US research\(^\text{11}\) into white-collar volunteers concludes that 63 per cent considered volunteering has had a positive impact on their career.

Workplace volunteering can also be an emotional fillip for employees who are able to sate their desire to help their community or assist a cause or project they believe is important to them. The sense of personal achievement from having being able to contribute and in some way make a difference, can be important to an individual’s outlook at work and in their personal life.

In particular, Generation Y (defined as people born between 1978 and 1994) is much more focused on volunteering:

\(^{10}\) The COO of Westpac and CSR Director at KPMG have contacted international ratings agencies on behalf of the ENGAGE leadership team to present this argument.

\(^{11}\) Deloitte/Points of Light Foundation. 2006, Volunteer IMPACT Study.
We are entering the age of volunteerism. Generation X has shifted charity from the hierarchical, corporate-backed Red Cross and United Way, to a grassroots, episodic volunteerism, of say, tutoring neighbourhood children. And Generation Y is donating more of its time to charitable causes than perhaps any generation in history...Young people are determined to make a difference; they accept a mission that is close to the heart and take action when they can get their arms around the whole project. These attitudes affect choice of both charity and career, and increasingly the two overlap in ways that dignify the word ‘synergy’.  

1.4 The value that can be generated by skill-based volunteering

Non-profit organisations need business skills

Although charities and community organisations mostly run on a not-for-profit basis, they face many of the same organisational issues and require many of the same skills to operate effectively as any well-run business. Objectives and outcomes may be different, but non-profits are increasingly aligning practices and processes with traditional business models. Intent on focusing programs and services for greatest possible impact, many measure and document their effectiveness and redesign financial models.

In doing so, they need to develop skills in strategic and financial planning, mergers, pricing, communications, market research, human resources, information technology and facilities planning — all skills traditionally associated with the corporate world.

Many ‘growing pains’ experienced by non-profits mirror those of for-profit companies.

Many NGO’s are run by highly innovative social entrepreneurs, and they often have the same needs and problems as emerging private companies. Yet they remain the ‘poor cousin’ in many economic debates.

Professor Michael Schaper, Head of the School of Business, Bond University Queensland,  

Therefore, the intellectual capital residing in corporations represents a significant resource that can be tapped to develop capacity in community organisations.

A recent Deloitte and Points of Light Foundation survey (2006) of senior board members at US non-profit organisations highlights this potential. Findings include:

- 90% of respondents considered volunteer workplace skills were valuable to non-profits;
- 35% felt that the most valuable contribution a company could make to non-profits was to help improve their business skills;
- 77% of non-profit leaders believed they could benefit significantly from corporate volunteers focused on improving business practice in their organisation; and

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14 Deloitte/Points of Light Foundation. 2006, Volunteer IMPACT Study.
73% of white collar staff interviewed thought their workplace skills would be valuable to the non-profit sector.

**The volunteer value gap**

Measuring the value of volunteer time produces a paradox, in that the cost to the business and the value provided to the community organisation are unlikely to correspond closely. This gap is explained as:

- the cost to the corporation of donating the services of the employee is the opportunity cost of that individual being absent from their normal job in work hours; however
- the benefit for the organisation receiving the volunteer is simply the value of the volunteer output.

This volunteer value gap is going to be most noticeable where highly skilled professionals are engaged in unskilled physical work. Yet this is the most common form of corporate volunteer activity.

In the US, it is estimated that the value of average volunteer time is only about US$18.05 per hour.\(^\text{15}\) Considering the consulting rates for professional skills in the US, the potential gap between the value of the corporate time for lending its resource, and the value to the non-profit becomes clear.

Research by Deloitte suggests that, based on an estimate of average consulting rates, there is potential for the value of volunteering in the US to be as high as US$1 billion.\(^\text{16}\)

Through employees applying their workplace skills to volunteering, there is opportunity for companies to import skills they would not otherwise have, export capacity to the non-profit, and align more closely the cost to the business of supplying staff with the benefit received by the community group.

For instance, company executives in an Australian Business in the Community Network program in Sydney high schools reported developing new skills during their skill-based volunteer time with Principals (staff management, resource allocation and managing diversity) (see Box 2.6).

An example of how value can be added is illustrated in the case of several employees from a large accountancy firm in the US who were volunteering in a Catholic charity thrift store, initially just sorting clothes.\(^\text{17}\)

Using merchandising techniques they had gained advising corporate clients, they provided suggestions about cross selling related items, and positioning merchandise within the store. After adopting these recommendations, the store increased revenues by 20%. This subsequently turned into a formal program to help the charity analyse the layout of other stores, its product assortment and pricing.

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Figure 1.1 shows the additional benefit that can accrue to a non-profit organisation through skill-based volunteering. As illustrated, this is more closely aligned with the cost to the employer.

**Figure 1.1**

**CLOSING THE VALUE GAP**

Source: Allen Consulting Group

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**Skill-based volunteering as a tool for closing the volunteer value gap**

Developing effective partnerships between community organisations and business allows community groups to tap into a skills pool that would not otherwise be available to it. This can take two basic forms:

- pro-bono work — where the company provides its core business services free of charge. This is a popular route for professional services firms such as lawyers and accountants, which have core skills that are not easily transferred, and would severely test the resources of the community organisation if it were to seek them on the open market; and

- capacity building and skills transfer — where the company works with the NFP to support transfer of knowledge and skills either to the organisation itself, or in some cases directly to the clients of the NFP. For example, companies can assist to build the capacity of a community group by providing a range of skills such as IT, marketing or project management skills.

Benefits of these approaches can be significant for community groups because they provide significant value.

Volunteers with expertise in strategic planning, finance, operations, accounting, law, human resources, marketing communication and other disciplines can help non-profits stretch their limited budgets. By focusing on the business issues non-profits face, [corporates] can help them maintain the sound strategic, operational, financial footing that would enable them to better achieve their missions and ultimately make an even greater impact on society.

Research over time by the Centre for Corporate Public Affairs in Australia and Boston College Center for Corporate Citizenship in the US suggests that companies are also seeking and realising a skills transfer back into their organisations.

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This can occur when volunteers — especially when operating within a skill-based arrangement — can pick up and apply innovation observed during their volunteer placement.

This may manifest itself, for instance, in how a not-for-profit reaches out to or services clients from diverse cultural and social backgrounds, and develops and applies skills to do this most effectively. This kind of skill can be very valuable in corporations with culturally and socially diverse employees or customers.

If approached carefully, encouraging employees to apply workplace skills in unfamiliar environments can potentially enhance existing skills and develop new ones. This can generate material benefit for the individual volunteer, the employer and the community organisation.

Pilotlight, a UK social entrepreneurship brokerage that also operates in Australia, has reported that a number of its corporate volunteers cited their personal skills enhancement as an additional benefit from participating in volunteer programs.

Corporations looking for skills enhancement opportunities for the company within skill-based volunteering arrangements are seeking to add organisational skill enhancement to the volunteering value chain, on top of employee professional development and strengthening the capacity of the NFP.

Although the benefits of skill-based volunteering can be more significant, so too are the costs involved.

Skill-based volunteering requires greater commitment on behalf of all parties. To be effective, particularly for the transfer of skills, a constructive partnership is necessary.

On the company side, the volunteering program needs to be carefully established and managed. And NFPs need to be committed to make arrangements work, and allocate appropriate resources.

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19 Interview with Pilotlight, London, with the authors, 15 February 2007.
Chapter 2
Global trends and best practice for skills-based volunteering

Clear trends are emerging in how corporations are approaching and executing skill-based volunteering as part of their community investment activity.

Though patchy in incidence and maturity, large corporations in particular in the US, the UK and Australia are looking at ways they can offer skills that reside within them to NFPs and NGOs, as well as community assets such as schools and hospitals.

Volunteering is at record high levels in the US and Australia, despite concerns regularly expressed by some elected officials and the media that society’s sense of community is eroding.

Corporate volunteering is an important part of the volunteer effort in Europe, the US, Australia and parts of Asia.

And the shift seen in some corporations to include a skill-based element in their corporate responsibility investment menu is seen by many as a natural progression of the ‘Third Wave’ of corporate community investment – the shift from corporate philanthropy to business case community investment to sustainable corporate/community partnerships.

The external business and management drivers of skill-based volunteering include stakeholder engagement, building social capital, community license to operate, strengthening reputational capital and corporate citizenship.

Internal drivers include employee engagement, staff retention and recruitment, development of an employer brand, professional development and corporate citizenship.

In Australia, where this study has been authored, large companies are further along the continuum of corporate responsibility involving community investment partnerships than their peer corporations in the US, where corporate philanthropy still dominates the language and is a primary vehicle for corporate community investment.

However, the US has a long and well developed practice of corporate volunteerism, though to date not much of this activity outside well-developed pro-bono legal work has been skill-based.

Over the following pages, we track what has been occurring in the realm of skill-based volunteering in the US, Australia and the UK, with some references also to activity in Asia and Europe.

We also look internationally at best practice in what is an emerging field of corporate and community endeavour, and analyse also what some individual corporations are doing to develop their skill-based volunteering capacity and efforts.
2.5 Trends for capacity building in the voluntary sector

Large companies internationally are becoming more involved in the community. Drivers for this include:

- efforts to meet community and stakeholder expectations;
- withdrawal of governments and the public sector from traditional areas of service provision and delivery. This has especially been noted through our work and contact with corporations, not-for-profits and NGOs in the UK, Australia and the US;
- firms looking for competitive advantage and seeking to secure license to operate; and
- action to attract and retain staff whom are engaged to varying degrees via company corporate community investment activities.

Considerable research in Australia by various groups, including the Centre for Corporate Public Affairs and the Business Council of Australia, 20 by Business In The Community in the UK and in North America by the Boston College Center for Corporate Citizenship, document the shift from corporate, non-strategic philanthropy to sophisticated corporate community investment.

Box 2.1

IBM'S GLOBAL CRISIS RESPONSE TEAM

One area in which IBM utilises the skills of its employees is in the provision of crisis services. The IBM Crisis Response Team, established in 1993, has responded to more than 70 disasters worldwide and comprises IBM employees who are able to deliver services such as project management under crisis conditions, and have skill sets that can be utilised in a crisis.

The team is responsible for delivering relief services (funded by IBM) and providing communications and logistics support (without charge) for countries that request assistance.

For example, following the 2004 Asia tsunami, the IBM Crisis Response Team worked with authorities in India, Sri Lanka, Thailand and Indonesia. In Sri Lanka, IBM supported government projects, helped implement an open source software system to support relief operations, and developed a trauma counselling training program.

IBM employees from the local and global team were used to help track missing persons, logistics management, fatality tracking, issuing ID cards, and web support across the affected countries.

In Indonesia where there was heavy infrastructure damage, IBM deployed its satellite wireless network equipment to facilitate communications and provided IBM laptops with wireless communication, digital cameras and fingerprint readers. As rebuilding began, the IBM Crisis Response team focused on transferring skills to local governments to sustain communications and other projects.

Source: IBM

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Volunteering is a prominent element of sophisticated corporate approaches to community investment. According to Evan Hochberg, a leading commentator on corporate citizenship in North America, skill-based volunteering is becoming the ‘new frontier’ for companies looking for ways to really make a mark with NGOs and NFPs via their community investment.21

Companies are listening to community organisations who need volunteers. And they are telling them that they need their expertise and insights — their skills — to help build capacity. Or they are asking if the corporation has skills that they may be able to use to help them operate better. Or the corporation is working with NGOs and NFPs on general volunteering projects, and then seek the opportunity to add most value by volunteering their skills. This is all still emerging, but it is happening very quickly.22

Research by the Centre for Corporate Public Affairs23 also highlights the trend of companies supporting community activities that provide opportunities for staff engagement, including volunteering. This is ‘aligned with a shift in focus from direct aid towards capacity building, drawing on the skills set and technologies of corporations’.24

Following are business executive comments about recent trends in corporate community investment and volunteering:

We have moved from a number of smaller projects to even fewer and larger…Employee involvement will be a critical part of all our social investment projects.

Our focus is for more emphasis on employee involvement as another way to engage with employees and retain them in a tight skills market.

Our organisation has much higher expectations about employee involvement.

Responses from Australian corporate public affairs practitioners25

The Points of Light Foundation, a US-based not for profit dedicated to increasing the profile and role of volunteering, has identified the increase in skill-based volunteering as the number one trend it has noticed in recent years.

With corporate volunteering now well established in the US, the focus of ‘the next big thing’ has moved to leveraging employee skills for the benefit of non-profits and the corporation supplying volunteers.

More community organisations are also recognising the benefits that long-term business partnerships can bring. In the UK, a 2002 study by Business In The Community (BITC) found half of 1091 community organisations surveyed described long-term business support as crucial. Eighty per cent of those groups also expected private sector involvement to increase over the next decade.26

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21 Interview with Evan Hochberg, National Director Community Relations, Deloitte Services, Washington DC, with the authors, 27 January 2007.
22 Ibid.
23 Centre for Corporate Public Affairs. 2007, Corporate Community Investment (to be released in March 2007).
24 Ibid
25 Ibid.
US research from John Hopkins University\(^{27}\) involving community-based organisations concludes that two of the greatest NFP and NGO needs in the US are intellectual capital and business nous.

The University’s *Listening Post* research found around two-thirds of community organisations needed capital to develop staff, but just over a quarter received the money they sought. Ninety-one per cent needed capital to invest in information technology, but only 37 per cent could get access to capital.

As well, more than half of community groups indicated they wanted to develop a strategic plan, but less than one third were able to get hold of the capital to do that. All of which suggests very strongly that there are opportunities for corporations — most of which have sharply honed IT, staff development and strategic planning skills — to export these skills as part of their community investment efforts.

**Box 2.2 SHELL AND LIVEWIRE**

Shell’s LiveWIRE program was developed in Scotland to support youth development and business entrepreneurship. Following its success, it was rolled out to a number of other countries, including Australia, Indonesia and Singapore. The program involves Shell executives, with financial and other support from the company, undertaking training, mentoring, business plan development and other activities. Shell works with other companies (particularly banks and accountancy firms) that can also share direct business experience or other advice. Mentor initiatives provide advice on business planning, personnel, business management, finance and funding and sales and marketing. In Australia, the LiveWIRE program was offered for 17 years (it was discontinued in 2005 following a review of the social investment program), assisting 9000 people, of which 1400 business plans were submitted. About 9000 mentors provided assistance and 250 new businesses were established following assistance with business planning and award funding.

Source: LiveWIRE (www.shell-liveWIRE.org)

The Deloitte/Points of Light Foundation survey findings suggest that skill-based volunteering in the US remains nascent across the corporate sector.\(^{28}\) This is consistent with our experience in Australia working with corporations as part of our efforts to better understand their community investment. Documented skill-based volunteering in the UK and other parts of Europe suggests skill-based activity across the corporate sector is also in its infancy.

Based on anecdotal evidence from large corporations globally, the Points of Light research is likely indicative of the status of corporate volunteering based on skills in Europe, Australia and Asia. The US research found that:

- about two thirds of non-profits indicated they do not work directly with companies that provide volunteers;
- 12 per cent of non-profits indicated they tried to align the roles of volunteers with their workplace skills; and
- only 19 per cent of volunteers described their workplace skills as a part of the primary service they provide to the non-profit.

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\(^{27}\) John Hopkins Center for Civil Society Studies. 2006, *The Listening Post Project*.

\(^{28}\) Deloitte/Points of Light Foundation. 2006, Volunteer IMPACT Study.
The research concluded that while the potential benefits of skill-based volunteering were significant, most non-profits took too narrow a perspective of the opportunities that companies could provide, focusing primarily on monetary donations.

The research noted also that although important, corporate donations represent barely one per cent of the total operating budgets for non-profits in the United States.

When asked what the greatest contribution a company could make to a non-profit, most corporate employees surveyed ranked providing volunteer opportunities as more important than cash donations.

Research by the Centre for Corporate Public Affairs in Australia reveals that corporate philanthropy — providing cash donations only, often with ‘no strings attached’ — is the smallest component, and a shrinking one, of all community investment by large corporations.

Corporate community investment in the UK and Australia is experiencing a ‘Third Wave’ of activity, characterised by corporations executing their corporate community investment via mutually beneficial partnerships with community entities.

In Australia, the ‘First Wave’ in the 1970s and 1980s was dominated by philanthropy and the ‘Second Wave’ in the 1990s by strategic philanthropy and business case-driven community investment.

Volunteerism was part of the Second Wave of corporate community investment. Skill-based volunteerism is beginning to be an arrow in the corporate quiver of Third Wave approaches.

This is also the case in the UK. But there, as well as individual corporate efforts, considerable thinking about volunteering — including skill-based — is led by the BITC organisation (Business In The Community), and represents a more cooperative and ‘corporatist’ approach (with the encouragement and acquiescence of the central government as well as NGOs/NFPs and companies. This in part mirrors the European approach of tri-partite participation.)

The 2006 Deloitte/Points of Light study suggests that while there will always be a need for traditional hands-on volunteering, there is also an acute need for business and non profit leaders to determine how to foster the transfer of business skills and intellectual capital via corporate volunteering.

2.6 Nature of skilled volunteering

There is not yet a universal mode of corporate volunteering in OECD member economies. The nature and structure that corporations construct to facilitate and execute skill-based volunteering is as diverse as the companies themselves.

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30 Centre for Corporate Public Affairs. 2007, Corporate Community Investment (to be released in March 2007).
31 Burns, W. 2006, Centre for Corporate Public Affairs submission to the Parliamentary Inquiry into Corporate Responsibility.
Our research indicates (including capturing the experience of corporations about their employee volunteer programs and their community investment aspirations) that until recently, the shift to skill-based volunteering is based less on deliberate strategy, and more on responding to requests from volunteer hosts for more strategic, skill-based volunteer time.

If skill-based volunteering has not been planned as part of an explicit employee volunteering approach, it has most often evolved as part of a general approach to corporate volunteering.

Internationally, two primary approaches to skill-related volunteering programs have emerged. They are:

- provision of pro-bono services; and
- skill-transfer and capacity building.

Providing certain professional services such as audit or legal advice pro-bono (at no cost or charge) can provide useful access to essential but otherwise expensive services.

For instance, in Australia, Ernst & Young provides strategic business and management planning services to the management of a NFP organisation focused on providing support services for homeless people.

Insurance Australia Group has provided IT hardware, ongoing maintenance services, web services and expertise for the Aboriginal Employment Strategy organisation, that is focused on placing Indigenous Australians in long-term and full-time employment in areas where Indigenous unemployment had traditionally been high.

Most pro-bono work, however, is unlikely to build capacity within NGOs or NFPs, though it can assist them by reducing the call on their financial resources to meet the cost of essential business services.

### 2.7 Volunteering pro-bono style

The legal community has led the way in pro-bono skill-based volunteering.

Legal firms internationally have a long established practice of providing free legal services to community groups or disadvantaged people in the community. In the US, for instance the New York office of Linklaters, a major global law firm has over the past year:

…worked on a wide range of matters within the theme of Access to Justice, including representing asylum seekers from Cameroon and China; drafting an amicus brief for a court in Argentina; appealing criminal sentences in New York state court; representing women and children who are victims of domestic abuse; and promoting enterprise by enabling small businesses to incorporate. Pro-bono cases involving a number of death row clients have also been undertaken.  

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The same approach is played out in legal firms based in Asia, Europe, South America, Africa and Australasia. In many services firms, community investment via pro-bono allocation of services, with pro-bono projects assigned their own hourly billing hours (though non-recoverable financially), fit snugly with billing systems and legal partnership business models. Pro-bono provision of services often represents the lion’s share of community investment for many professional services firms.

Box 2.3

MALLESONS STEPHEN JAQUES AND VOLUNTEERING

Mallesons Stephen Jaques, a law firm based in Australia, supports employee volunteering by offering paid leave for employees to volunteer with the firm’s community partners, including Red Cross, The Smith Family, National Children & Youth Law Centre and Urban Seed. The company says that feedback shows employees derive ‘great satisfaction from seeing the difference their volunteering can make’. It enables them ‘to develop new skills, enhances self esteem and team building’.

Mallesons also provides free legal advice and representation to individuals, NFPs and their community partners. It believes ‘that giving pro-bono advice to the disadvantaged is part of fulfilling our professional responsibility’. As well as providing NFPs with support, Mallesons also sees that providing pro-bono assistance gives its employees ‘invaluable insights and experience’ as they are able to practice law and work with clients that are not usually within the scope of their regular commercial work. In Australia, more than 100 legal and non-legal staff work in pro-bono clinics in Brisbane, Melbourne and Sydney.

Source: Mallesons Stephen Jaques

Some companies are also hunting for innovative ways to offer skills on a pro-bono basis across their entire skills base.

A retail financial institution identified in our research for this report was traditionally approached for the skill-based volunteering of its financial planning and marketing staff, but was surprised to learn how valuable its property leasing and management skills were to NFPs with networks of offices to deliver services.

This type of property management expertise nurtured in the asset management divisions of major retailers, may be equally valued by NGOs and NFPs looking to run more efficiently.

2.8 Transfer of skills for capacity building

Our research in Europe, the US, Australia and Asia suggests there are five modes of activity used by corporations and NFPs/NGOs to build capacity and transfer skills from the commercial enterprise to the social enterprise.

These are:

- one-off projects that are likely to be contained and well defined in their scope (includes one-off team events — in the context of skill-based volunteering, these opportunities are likely to be limited);
- part-time assignments that allow corporate volunteers to participate in, or complete a specific project;
• regular, ongoing commitments that allow corporate volunteers to allocate short time periods (including mentoring programs);

• corporate volunteers assisting with governance via membership of NGO/NFP management committee, Boards, trustee groups or in non-executive roles and positions; and

• full-time corporate staff secondments to supported organisations.

Many NFPs involved in corporate volunteering attest to the value of most skilled volunteer support from corporations. In most instances, the more time commitment that a volunteer or corporation can provide a volunteering assignment or project, the more likely it is that skills will not only be applied, but also transferred and ultimately embedded as a core capability of the organisation.

Capacity building and skills transfer increases as the level of engagement deepens between the corporation and its community partner in terms of time and commitment.

This is demonstrated by the capacity transfer continuum in Figure 2.2. The further along the continuum the company seeks to deliver its skills transfer, the greater the level of internal capacity that is developed within the NFP. Moving along the continuum will normally require a greater level of commitment by the corporation in terms of the time and focus from its volunteering employees.

It is not necessarily the case that programs need to always be at the far end of the continuum, as there will always be a role for activities such as pro-bono work. Companies need to decide what they wish to achieve, what commitment they want to make, and how the project can be designed to maximise capacity transfer.

**Figure 2.2**

**CAPACITY TRANSFER CONTINUUM**

Source: Allen Consulting Group

**Short term and one-off skill-based volunteering assignments**

One-off skill-based volunteer projects — most often involving teams of corporate volunteers — manifest themselves in a single and most frequently, short project.

These can include participating in a specific activity such as providing professional advice, facilitating a workshop or scoping an IT project, often within a day or over a few days.
One of the most common types of short-term commitment is the training project, where volunteers lead and run training sessions to build up specialist skills in a community organisation. For example, Cisco employees in the US have been involved teaching basic computer and Internet skills to students and teachers in Africa.

At resources giant Alcoa, volunteers provide training for non-profits and schools on issues such as occupational health and safety (see Box 2.4).

**Box 2.4**

**ALCOA AND SAFETY SKILLS TRANSFER**

One of Alcoa’s core values is around safety. The company’s community partnership program has a number of themes, including Safe and Healthy Children and Families. Expertise in safety has enabled Alcoa to use employee volunteers to support its community partnerships. Alcoa works with K.I.D.S. Foundation (Kids in Dangerous Situations), which aims to prevent childhood injuries and support recovery programs. Alcoa volunteers are involved with safety programs at schools, helping to teach and facilitate workshops about safety. This employee volunteering activity ties in with Alcoa’s core value of safety and with its community involvement theme.

Source: Alcoa Sustainability Report 2005

**Ongoing project-based volunteering**

This category embraces many existing corporate skill-based volunteer programs. Corporate volunteering in this category is project-based, and is longer-term than one-off projects, but has a defined timeline and defined goal.

This type of volunteering can build capacity and transfer skills within the scope of the project. It involves a greater commitment from corporate volunteers than the short-term project, as it involves a longer term, ongoing commitment from the volunteer and the employer.

**Box 2.5**

**VOLUNTEERING AT IBM**

IBM’s community programs focus on the use of technology to make a difference. The ‘On Demand Community’ program, in place since 2003, provides employees with technology solutions, strategies and tutorials, which they can access online and share with the community organisations in which they volunteer. One example of employee volunteering at IBM is the support for Lighthouse Foundation, a NFP that provides long-term housing and support for homeless young people. In 2005, a team of 30 IBM volunteers provided time and expertise in addressing IT issues at the Lighthouse Foundation. They provided 250 hours of technology planning and refurbishment (using sponsored equipment and software) to the community organisation, which has allowed it to improve its efficiency and focus on the needs of the young people it supports.


**Volunteer mentoring projects**

Mentoring and coaching roles represent highly constructive volunteering opportunities that require relatively little time commitment at any one time, but may involve a long-term commitment of short time blocs.
Mentoring as skill-based volunteering is growing in popularity and reach in Europe, the US and Australia, where corporate managers in particular work with the ‘clients’ of NGOs or NFPs, or the executive staff of community organisations, to share experiences and expertise.

For instance, the Australian Business and Community Network’s Partners in Learning program sees corporate CEOs mentoring school principals to transfer skills from the business world to schools. This is a way of building the individual capacity of school principals and their schools (see Box 2.6).

Many corporate mentors report that this type of skill-based volunteering is especially rewarding. First, because mentoring offers personal contact between corporate employees and individuals with whom they may not usually have contact in their working lives.

And second, because these arrangements frequently extend over some time, they allow both the mentor and the mentored to track and assess progress.
**Box 2.6**

**MENTORING SCHEMES**

**Corporate mentoring at AMP**
AMP’s community investment program focuses on community involvement (supporting the efforts of employees) and capacity building (improving financial management, reporting, resources and leadership development of non-profit boards and executives). One of the organisations it supports is Social Ventures Australia (AMP Foundation is one of the four founders). Social Ventures Australia (SVA) uses business principles and skills from the corporate sector to work in partnership with social entrepreneurs to address social problems. In 2005, 16 senior AMP executives participated in SVA’s corporate mentoring program, which involved being matched with social entrepreneurs to help develop strategy, legal and marketing skills. Social Ventures says the mentoring program provides corporate executives with new tools to incorporate into their leadership styles and helps them gain perspectives on engaging with NFPs.

**Corporate mentoring in Australian schools**
Australian Business and Community Network was established in 2004 by a group of business leaders, led by the CEO of Insurance Australia Group, Michael Hawker. It aims to create social change through practical programs that engage educators and business people. Founding members include the CEOs of IAG, Mallesons Stephen Jaques, UBS, Optus, Minter Ellison, HBOS Australia and senior partners or chairman from Channel 10, Fairfax, Ecos Corporation, KPMG, Babcock & Brown, Bain & Company and Goldman Sachs JBWere. Membership has grown to 21 companies. ABCN has launched four programs in Sydney and is expanding nationally. One program partners CEOs with school principals, and senior teachers with business executives. Partners meet at least eight times a year for about two hours each time, to share expertise, develop management and leadership skills, enhance listening and feedback skills, explore solutions to problems and build personal skills.

**Partners in Leadership (UK)**
Partners In Leadership, a UK program, pair senior business managers with leaders in community groups to promote sharing of expertise and to develop management and leadership skills. One example sees Accenture paired with Holloway Prison, providing management support and development for the governor and his team, and helping to find business solutions to the challenges faced by the correctional facility. Accenture describes the program as ‘having given both partners the chance to learn about very different working environments and, more importantly, it has greatly enhanced the personal development of those involved… through hands-on experience of individual problem solving and approaches to surprisingly similar business challenges.’

**SERCO — Futurebuilders**
Working with the brokerage agency Pilotlight, a number of senior managers from SERCO (an international services company) have been involved in a mentoring and consultancy project with UK non-profits. Aiming to support small charities to build capacity and plan sustainable growth, the project includes working with organisations involved with the government-sponsored Futurebuilders program. It provides guidance in areas where SERCO has particular expertise, including bidding for public sector funding, development of effective public sector services and business improvement.

Source: AMP, Social Ventures, Accenture, ACBN, SERCO.
Governance assistance — sitting on a NFP or NGO Board

Internationally, the number of NGOs has grown dramatically over the past 20 years. The Boston College Center for Corporate Citizenship estimated in 2003 that between 1986 and 2000, the number of NGOs incorporated in the Pacific region grew from 3013 to 5866, with thousands more not incorporated.12

The proliferation of NGOs in Australia, Europe, the US and Asia, in part borne from deliberate approaches by governments to consult, and stakeholder expectations that their views and opinions be heard, poses governance challenges for NGOs and NFPs.

Most NGOs and NFPs have Boards of governance or advisory Boards that guide their direction and ensure they comply with laws and provisions for incorporated entities.

Evan Hochberg, national director of community involvement at Washington DC-based Deloitte Services, says that ‘not-for-profits are simply businesses with a social mission’.33 Because of this, most NFP and NGO Boards generate demand for Board members with good business skills.

In Australia and the US, many corporate volunteering programs have as one of their components provision (and often encouragement) for senior management to join the Boards of community organisations.

The Our Community organisation based in Melbourne, Australia, operates a ‘Victorians on Boards’ matchmaker program with the Victorian State Government. It matches volunteer Board members with community organisations. This matching service is typical of others run by community-based NFPs and volunteer coordinating centres in North America.

Our research over the years suggests that traditionally, there are two main barriers to more senior managers in particular joining the Boards of community organisations, either as part of sponsored corporate volunteer programs or as individuals.

The first block is the lack of time many executives have available for out of work and non-family time activity. The second is a lack of information available to corporations about the governance needs of community organisations.

The second element — better understanding what community organisations need for governance expertise — is being mitigated somewhat through corporations in Australia and the UK moving their community investment activities along the continuum from philanthropy and sponsorships to fully fledged partnerships. Engagement via a partnership will frequently give a corporation a clear view of the governance challenges and opportunities of their community partner.

A recent barrier to more skilled people from corporations joining community organisation governance boards and councils in Australia and the US are complex corporate compliance and governance standards and laws.

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33 Interview with Evan Hochberg with the authors of this study, January 2007.
Especially in Australia, laws that make Board directors personally responsible for the debts of the incorporated body, and legally liable for its decisions, has made voluntary Board membership as part of corporate skill-based volunteering far less attractive.

**Box 2.7**

**OPTUS AND KIDS HELP LINE**

Optus has supported Kids Help Line, an online youth counselling service, since 1999. As well as a commitment to provide funds for the service, staff volunteers help with fundraising. An important aspect of the partnership is that senior Optus executives also sit on the boards of both the national and Victoria Kids Help Line Boards.

Source: Optus

**Longer term volunteer opportunities**

Sabbatical and secondment volunteer programs are becoming increasingly popular as an opportunity for corporations to share resources with NFPs. However, given the commitment involved in such activity, this has predominately been the domain of large companies that can share the resource burden across the company.

Long-term programs are one of the most effective methods to achieve a meaningful skills transfer, and build lasting capacity in community organisations.

While a significant commitment on behalf of the company, longer-term placements of corporate staff as part of a volunteer program is a highly effective way to leverage material benefit for a volunteering program for the business.

Companies that commit to these types of projects rarely do so without carefully selecting the participants they send. The programs are usually targeted at top performers, both as a means to attract and retain talent and to develop leadership and management skills among these high flyers.

Ellem Javers, Head of the Center for Excellence at consultancy Right Management, a unit of the recruitment and human resources placement firm Manpower, says of long-term volunteer secondment of up-and-comers ‘let these people know they’re considered to be very valuable.’

Placing volunteers in community groups also offers the opportunity for volunteers to develop appreciation of local issues, particularly in unfamiliar markets. It can help weave a community ethos into the fabric of the company and ensure the corporation remains responsive to stakeholders and local issues relevant to the business.

Examples of voluntary secondment or sabbatical projects that enhance professional development and community goodwill are illustrated in Box 2.8.
CORPORATE SABBATICAL PROGRAMS

Accenture development partnerships
Accenture’s skill-based sabbatical program aims to support itself, and volunteers are paid half their salary. Accenture forgoes its normal profit and the partner organisation receives the firm’s consulting experience at a significant discount. In 2006 about 50 of Accenture’s 133,000 employees worked with non-profits. Accenture deliberately seeks non-profits mostly in developing countries it considers could most use its advice and with whom it would not normally work. The program director Gib Bulloch notes that the program is designed to target the firm’s best employees, and is positioned as being ‘a little exclusive’.

He says its appeal is that employees often ‘seek more than a pay check; they seek significance’. The company admits that at times it can be difficult to persuade partners to involve themselves with the project, as it is does not fit the normal model of a volunteer contribution. Instead the opportunity exists for significant capacity building at a fraction of the cost.

For example, between January and June 2006 Accenture consultants worked in India with Freedom from Hunger, assisting develop closer ties with informal self-help networks of woman. Sean Kline from Freedom From Hunger noted the program ‘would have cost a fortune… for the kind of experience we got’. The group paid about US$70,400 in fees for what would have cost about US$396,000 at normal rates. Accenture also offers its people the opportunity to work full-time in developing countries through the UK-based Volunteer Service Organisation business development partnership scheme.

Xerox
Xerox employees are offered fully paid sabbaticals for 6 to 12 months to work with voluntary organisations. The program was established in 1971 and has resulted in more than 460 sabbaticals. Employees typically have experience volunteering in the organisation in which they take their sabbatical, and are able to help design and choose the project to work on.

Some of the projects undertaken include:
- a financial analyst developing a grant writing system to support fund raising;
- a program manager developing job descriptions and metrics to comply with reporting requirements and to improve efficiency;
- a software engineer streamlining data handling processes; and
- a production publishing specialist implementing a strategic financial plan.

Cisco
Cisco’s longer-term volunteering programs are considered among the best in the US. While developed originally as an alternative to retrenchment of staff during a downturn, it is now fully integrated into the company’s leadership development program. Cisco says the ‘goal is to get employees re-energised and re-engaged, give them a broader sense of themselves, the company and the community.’ The Leadership Fellows program involves high-performing directors and vice presidents who lead a 6 to 12 month project with a NFP.

Source: Adapted and sourced from an article in The Wall Street Journal, ‘Sabbaticals Can Offer Dividends for Employers’, by Loretta Chao, 17 July 2006

2.9 Developing best practice

Because company interest in and practice of corporate skill-based volunteering is nascent, best practice is emerging. However, there are certainly examples of successful approaches, architecture and activity to assist and guide corporations and their volunteer partners and hosts.
As a guide for businesses looking to engage employees in community volunteer approaches, the US-based volunteer thought leader, the Points of Light Foundation, has developed ‘principles of excellence’ for corporate volunteer programs.\(^{35}\)

In its research for the 2007 report to the Prime Minister’s Community Business Partnership, the Centre for Corporate Public Affairs also found elements of the Points of Light principles embedded in the approach that best practice companies in corporate volunteering were taking to their skill-based volunteering arrangements.

The Points of Light Foundation principles are:

- **acknowledge** that employee volunteer programs can contribute towards business goals. The Foundation suggests some of the most successful volunteer programs stem from companies integrating community involvement into wider business objectives, and where community programs stress giving back to shareholders as well as the community;

- **commit** to establish, support and promote an employee volunteer program that encourages involvement of every employee, and treat it like any other business function:
  - the employee volunteer program should be carefully designed with goals, a strategy, a work plan and promotional plan;
  - the program should be employee driven with input from senior managers;
  - the program should be managed to bring value to the organisation; and
  - the program should be evaluated to determine the outcomes it brings to the company;

- **target** community service efforts at serious social problems in the community:
  - in doing so the program should develop partnerships with local businesses and community groups to achieve this objective; and
  - should engage in increasing its non-profits partners skills and resource capacities to work towards their missions.

As this framework suggests, any skill-based volunteering program can and should be built on the back of a best practice approach applicable to any volunteering strategy.

However, to be effective, a number of additional factors need to be considered. Capacity building and skills transfer is not a simple task. Setting up and running an effective skill-based volunteering program often requires an additional degree of commitment of time, cost and focus from the parties involved than non-skill-based volunteering.

There certainly appears to be a trend in corporations to look to see what skills can be offered or transferred as part of traditional workplace volunteering programs.

However, internationally, there has been little academic research into how programs orientated around skill transfer differ from standard, often physical, corporate volunteering efforts, or how such capacity building opportunities can be maximised.

\(^{35}\) Points of Light, Principles of excellence, http://www.pointsoflight.org/awards/workplace/corp-princexc.cfm
Looking at the projects that have been attempted and the programs that already exist in corporations, combined with our discussions with various parties involved in this area, it is possible to develop a picture of global best practice.

**Establishing clear project objectives at the outset**

By spelling out objectives of skill-based volunteering at the outset of developing any program, it is far easier to tailor, manage and then review and measure an approach or a program.

Volunteer programs can deliver a number of benefits to a business — better employee engagement, retention, recruitment, and staff productivity, as well as building reputational capital and enhancing the brand. The benefits that flow from skill-based volunteering will be similar, but if anything, have the potential to be even more pronounced.

While it is essential to realise the benefits that can accrue from skill-based volunteering, it is also important to capture and communicate the priority motivations for starting out on a skill-based volunteering journey. That is, what are the main drivers?

For some banks in Australia, the primary drivers are employee engagement and reputation, in a sector with high-teen rates of annual staff turnover and a 1980s and 1990s reputation hangover from a long session of media and community ‘bank bashing.’

For many tobacco companies in Europe, Australia and the US, the prime motivation is employee engagement, and offsetting general community distaste for the enterprise of cigarette production with an opportunity to make working for their corporations a more engaging and personally rewarding option.

Identifying and communicating the prime reasons for skill-based corporate volunteering, we have found, will better assist and ground the inputs, outputs and outcomes of a skill-based approach.

**Making the case for skill-based volunteering**

Establishing a skill-based volunteering program provides opportunities to leverage additional business benefits and professional development opportunities, (as discussed previously in this chapter). The key is to establish at the outset:

- the objectives of the project;
- the level of investment; and
- the nature and size of the return expected.

Some organisations are making the link between community work and skills development more formal by explicitly building it into their training programs.
For example, London-based law firm Allen and Overy emphasises the role that its pro-bono work plays in professional development. It says ‘through these schemes the company hopes to expose staff to subject areas and challenges that they might not ordinarily encounter in their work but will develop and compliment their knowledge and skills’.  

**Set targets and measure the performance of the project**

Corporate community investment can be a very positive force in the community. However, to justify investment, companies have to objectively and systematically consider the goals of their investment, and why skill-based volunteering — that demands a contribution of staff time and forgone productivity on top of any corporate community partnership or philanthropic commitments — needs to be a part of the mix.

Given the additional commitment that moving to a skill-based platform can entail, setting targets and agreeing on measurement is best practice in the planning stage. In setting the objectives for a skill-based program, a number of large corporations who are deemed to do this well, consider:

- the aims of the program, including the community benefits and the wider strategic objectives;
- the intended beneficiaries of the program; and
- the measurable outcomes which would be regarded as successful result.

Korngold and Voudouris\(^{37}\) have designed an impact evaluation model for businesses to measure the impact of volunteering programs, which with some adaptation, is equally applicable to skill-based programs.

It includes:

- *record keeping*. Goals can be measured with basic record-keeping systems. The metrics that companies seek to record include: volunteer activities; number of volunteers involved; projects completed; non-profits served; total volunteer hours; and value of time. Record keeping is also a must so that companies are accountable to shareholders, and so that information can be provided to other stakeholders via such reputation and social responsibility vehicles as the Global Reporting Initiative, the London Benchmarking Group reporting model and the Dow Jones Sustainability Index;

- *process evaluation*. Companies with skill-based programs need to monitor and report on processes to manage the volunteer program, taking into consideration factors such as program accessibility for staff and program effectiveness in meeting employee interests;

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• **impact on employees.** Some companies survey employees to discover and assess what they wish to achieve from volunteering. Research is conducted post volunteering to assess if it meets objectives. Where significant time commitments have been made by an employee, progress should be tracked through a reporting mechanism (often held online as part of the HR services function). The impact of the volunteering on the professional development of the employee should also be captured;

• **impact on the company.** Surveys of employees (both those involved in volunteering and the wider company) should be undertaken to track changing perceptions of the company. Employee retention rates can be measured and those involved in volunteering benchmarked against those who do not volunteer. Human resource benefits can further be evaluated through survey groups. Reputation benefits can be tracked via regular reputation dimension research. A good example of how this can be applied in practice is the example of British Gas (see Box 2.9), which conducted research to track the benefits of introducing a volunteering scheme in a call centre; and

• **impact on the community.** Measuring the community impact of skill-based volunteering is more difficult. For instance, if marketing or financial accounting volunteer support is provided to a community group, the community group would then report on financial benefits that are generated, for example money saved or better fundraising results.

Recording the impact of skill-based volunteering consistently, and demonstrating that it adds value, is more likely to:

• reinforce the business case for skill-based volunteer programs;

• increase its profile within the company, encourage support among staff and managers, and further enhance the reputation of the company among employees;

• provide opportunities for external communication and stakeholder engagement to build the reputation of the company in the community; and

• provide opportunities to evaluate the program and develop improvements.
Box 2.9

BRITISH GAS — THE BENEFITS OF VOLUNTEERING

British Gas developed its volunteer program in Wales in 2000 in response to certain challenges it faced. With most staff under the age of 25, the organisation faced some unique issues including staff motivation; part-time and shift workers; stress from demanding customers; competition for experienced workers from other call centres; and employee retention.

In conjunction with other companies such as PWC and Barclays Bank, British Gas participated in Cardiff Cares — a scheme designed to improve links between voluntary organisations and local business through volunteering and other commitments.

As well as call centre staff, a number of senior managers selected from different parts of the business, including operations, HR and sales were involved in helping local small firms by sharing their expertise. Both parties are reported to have benefited from this with the small firms receiving help to prepare business plans, develop policies and improve operational techniques, the senior managers reported enhancing management and communication skills through working in a different environment.

Measurement and tracking of results was undertaken, including scheme specific surveys of employees, as well as the company’s regular satisfaction surveys. Benchmarking meetings were also held with partners in the project.

The results of the surveys showed significant benefits both for British Gas and for the employees. Some of the findings included:

- an increase in employers saying British Gas was a good place to work;
- increased reported job satisfaction levels, especially amongst participants;
- increase in employees saying they would speak highly of British Gas;
- nearly half of those involved in the scheme reported that it had changed the way they felt about the company;
- a significantly higher number of employees described the company as helping the local community;
- the company was seen to be better at communicating with and valuing its people;
- employee retention improved;
- close to a third of the participants in the scheme achieved a promotion; and
- six participants from the scheme were chosen for the leadership program, five of the six were promoted, all of whom cited their involvement in the program as a major factor in developing the skills necessary for promotion.


Comitting resources to skill-based volunteer programs

The cost of a skill-based program, particularly an effort rolled out across a large company, is likely to be greater than a standard volunteering program.

The experience of corporations in the US, Australia, some parts of Asia and the UK, indicate that skill-based approaches require:

- additional staff time. In most cases, more than the standard one to two days a year most companies allocate per employee is required to successfully operate a skill-based program. Some companies look to consolidate or ‘pool’ volunteer days of staff to most effectively fulfil the corporation’s skill-based volunteering activity within whole of company allocations or targets; and
- additional resources will often be required to manage a skill-based program.
Release time for employee volunteers

Research by The Center for Corporate Citizenship at Boston College, whose members include many Fortune 500 companies, suggests that companies operate with a host of different policies for releasing staff for volunteer time. These range from approval at the discretion of managers and supervisors to more formal policies. It also suggested that since 2001, the number of companies with a formal policy increased from 6 per cent to 40 per cent.

Box 2.10

VOLUNTEER POLICIES

The following are examples of corporate volunteer policies:

**KPMG** has different release time policies throughout the firm. In the community relations area in the US, employees have up to four hours per month to use for projects that take place during normal business hours. Performance managers approve participation in the project.

**State Street Corporation** gives employees one day annually to volunteer. Additional days depend on manager approval. The company also allows employees flexi-time for volunteering.

**Prudential Financial** offers employees one full day or two half days annually, if approved by a manager, to volunteer at a non-profit of their choice. Volunteers log onto a system that records the type of volunteer work they performed.

**Ford Motor Co.** allows each salaried employee to volunteer 16 hours annually as part of a team of five or more employees. Approved organisations must be a non-profit, must service the community at large, and must fit within the guidelines of the 16-Hour Community Service Program. The hours are taken in four blocks of four hours.

Source: The Center for Corporate Citizenship at Boston College, Website teleconvening, 8 August 2002 Roundtable

The case studies cited throughout this report demonstrate the myriad of volunteer models that can be adopted, all of which provide opportunities to transfer skills between business and community organisations.

What is clear from these case studies is that the most effective programs often fall outside the common practice of providing individual days out of the office to work on a single community project, often as part of a team. While these opportunities exist widely, skills transfer often requires a longer term commitment from all parties involved, with varying time commitment from the employee volunteer.

Different models will suit different companies depending on their particular circumstances and project objective. But for programs to be most effective, companies need to set clear goals about program intent, budget and how employee release time can best be structured to meet this.

Several arrangements that we have seen manifested across corporations include:

- continuing to make fixed release time available to all staff, with a cap on release time, but providing flexibility in how it is taken;

- recognising different working practices in different parts of the business (for example between head offices and branch networks), organising programs and approaches that are able to adapt rules on release time; and
pooling volunteer time across the business or business units so that unused hours can be allocated to longer term projects that demand more significant resource implications.

Engaging management

To be effective, a volunteer program in a corporation requires senior management support. Senior management in most companies with a volunteer program of any nature are frequently encouraged to lead by example, championing volunteer programs by getting involved, communicating their support and cultivating a climate of volunteerism in the company.

Corporate Responsibility and Human Resource practitioners in corporations in Australia, the UK and the US report regularly that CEO and senior executive team involvement in volunteering and other community investment efforts is essential to their success and support across all levels of the corporation.

Some senior management in corporations also have community investment outputs, including staff uptake of volunteer hours, embedded in the remuneration at risk component of their key performance indicators.

Committing resources to managing the program

For companies whose previous volunteer programs have only involved one-off, non-skill-based projects, developing an effective skill-based program will likely involve a new approach to managing volunteering.

A skill-based approach requires additional attention to:

- building the close relationship often required for meaningful skills transfer, and before this, carefully selecting partners;
- identifying appropriate skills and matching individuals to suitable placements as part of arrangements where employees are working with a community organisation closely over a longer period of time;
- systems developed to support employees that volunteer, particularly those that support secondment opportunities; and
- monitoring the success of the project.

Working with a broker

A number of agencies globally have been established to put companies in contact with NFPs. Identifying partner organisations can be difficult, particularly for businesses looking to move into the relatively new arena of trying to transfer skills and build volunteer host organisation capacity.

Using a broker can shorten the learning curve and provide useful inside knowledge about local volunteer opportunities, and how to most effectively manage the program or a particular relationship.

A good broker can dramatically reduce the work for a company managing the program, conducting initial needs assessments and identifying skills required. This can be a boon for companies that do not want to build their own infrastructure and capacity, and can fast-track a corporation’s skill-based volunteering efforts and progress.
BUSINESS IN THE COMMUNITY ‘CARES’ PROGRAM — A BROKER PROGRAM IN THE UK

The BITC Cares program comprises of a national network of business-led employee volunteer programs. The project aims to engage businesses with the local community, helping communities address their needs through employee involvement and providing volunteer opportunities.

The Cares network offers business that sign up access to their expertise on employee involvement, along with a number of resources including an initial consultation, help developing a volunteer strategy, an external communications brief and a full activity review. Companies also gain access to the Cares website, that features volunteer opportunities.

Companies involved in the Care scheme receive:

- opportunities to address key social issues in less well-off areas;
- access to knowledge and advice on employee volunteering; and
- access to quality-assured, meaningful volunteer opportunities across the UK.

Communities benefit from:

- access to a range of skills and resources that may not otherwise be available; and
- the potential to acquire greater knowledge of the business world.

Source: BITC

The majority of brokerages in Australia, the UK and the US offer mostly non-skill-based volunteer opportunities. Those that do seek professional skills tend to work in a few specialist industries or sectors (such as legal, IT and corporate communications), and predominantly operate with individual professionals rather than companies. An overview of brokerages in Australia is highlighted in Chapter 2.

PILOTLIGHT

Pilotlight is a UK based brokerage specialising in developing skill-based volunteering links between business and community organisations. Pilotlight works with both individuals and corporations, bringing together senior business executives with NFPs that work with the disadvantaged. A project team consisting of two or three executives and two or three members of the NFP will meet for a few hours a month to develop a strategic plan. The project team will focus on high-level issues such as assessing the strategic direction of the organisation, reviewing cost structures and helping identify potential revenue streams.

Pilotlight’s role as a broker significantly reduces the administrative burden for all those involved, by coordinating, chairing and minuting the meetings, as well as arranging any follow up work that is required. Its experience facilitating introductions between the business and NFP community helps to bridge any potential differences in culture or working practices, manage expectations, resolve any misunderstandings and ensure the project achieves its potential.

One of the main advantages of working with Pilotlight is that it manages the selection process. By holding interviews with a NFP, Pilotlight helps to articulate its needs as well as establish that it has the capacity to host skilled volunteers. Senior business executives involved with these projects have found the experience highly beneficial, taking them outside of their traditional comfort zone and challenging their skills in a new environment.

Source: Pilotlight
2.10 Working with partner organisations in the community

Identifying a field of work

Where to volunteer with our skills? This is often a tricky question for a company as it begins to consider skill-based volunteering and puts out ‘feelers’ to assess partner organisations.

It is common to find companies choosing to focus resources and efforts on a few areas. Many companies find their skill-based volunteer partner close to home, associated with an issue or cause associated with their business.

Porter and Kramer\(^\text{38}\) suggest companies should focus on areas where they can most impact on society — where involvement presents an opportunity to create ‘shared-value’. They suggest that corporate social responsibility, of which skill-based corporate volunteering is certainly a component, is the ability to ‘leverage capabilities to improve salient areas in a competitive context.’

Aligning business objectives with wider societal need can be difficult, primarily because in countries like the UK and Australia, such an approach is frequently perceived cynically by the public and by the media.

Employees on the other hand, can often more easily understand and engage with corporate community investment that is aligned with and associated by their business.

The US-based Points of Light Foundation has noted a trend for companies to take the lead on particular societal issues affected or touched by their business dealings.

For instance, it is now common to find resources companies such as Shell or BP taking a higher profile in raising, and to varying degrees addressing, environmental policy. Similarly, General Electric, that has a very large health products business, has been cited as active in developing strategies to develop health care in Africa.\(^\text{39}\)

Box 2.13

**WINDSOR ELECTRIC — SMALL FIRMS CAN ALSO MAKE A MARK**

Windsor Electric Co, an electric contracting firm of about 120 employees based in the US state of Maryland, partnered with a local high school to help provide training in construction trades for students. Electricians at the firm helped establish the program with teachers, providing training manuals and supplies to get the program started as well as constructing the classroom facilities. Students completing the course are provided with assistance with employment through the Associated Builders and Constructors. Windsor Electric now has a steady flow of trained electricians, and local youth graduate from high school ready for employment in the construction trades.


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\(^{39}\) Points of Light Foundation. 2006, Top Seven Trends Affecting Employee Volunteer Programs.
Work by the Centre for Corporate Public Affairs and Boston College Center for Corporate Citizenship conclude separately that corporations and partner community groups reap most from the interactions and partnerships when they aspire to or share similar values.

This ‘values fit’ can be a partnership maker or breaker. The risk of a partnership between a corporation and an NFP/NGO going sour or breaking down completely can turn on values alignment. Ensuring such alignment exists is often a prime consideration in corporations that apply a due diligence process to selecting and assessing their skill-based volunteering partners.

**Identifying community partners**

The quantum of partner organisations that can be supported via skill-based volunteering is limited, often by their size and the capacity of their infrastructure to support skill-based placement.

Frequently, the most attractive community organisations for a corporate to work with in the skill-based realm are large, have regional or national reach and footprint, have well-developed and robust volunteering infrastructure and enjoy a high profile with a company’s employees.

For instance, it is easier for a corporation to engage and offer skill-based volunteers to 15 larger entities rather than 50 smaller community organisations, if the corporation does not have the infrastructure and staff to manage 50 relationships.

For smaller organisations that have signalled through a broker they require assistance, making the search and matching process easier for the corporate.

All of this adds up to it being important for a corporation to build a structured framework to assess partner organizations, and to focus their skill-based volunteer resources to where they will be most effective.

As well as considering capacity and infrastructure issues when identifying partners — your partner’s and your own — involving employees to identify partner organisations and the opportunities for applying their skills can create a strong sense of ownership with the volunteer program. The staff engagement this can generate can enhance support for volunteering and boost involvement.

But as projects move to skill-based platforms, their management and coordination becomes more important.

The more sophisticated the skills transfer being attempted and the greater the commitment by the volunteers and the company, so the degree of partnership between the community group and the company becomes more important. As this will likely dictate a degree of centralised control over the program, it may also require the company to maintain control over the project partners selected, instead of that responsibility and accountability resting with employees.

A balance therefore needs to be struck between the need for a structured selection process, and maintaining enough flexibility to encourage staff engagement.
At a minimum, prospective partner organisations need to be defined in the negative, i.e. by specifying organisations with which the company does not want to be associated with because of, for example, history, stakeholder engagement strategy, business case or size.

An objective process should be established and published internally so that employees understand how partners are selected. In deciding the best-suited partner organisations, the process could involve:

- reference to the program objectives and the skills or core competencies identified within the company; and

- developing a checklist of characteristics.

Box 2.14 provides an example of a forum that facilitates matching of partners and projects.

Box 2.14

**MATCHING PARTNERS — MARKETPLACE**

Marketplace is an annual event developed in The Netherlands that aims to match the demands of non-profit organisations with business partners looking for greater community involvement. By bringing a large number of business groups together at a single event, it seeks to match the ‘supply’ offers of business with the ‘demands’ of community groups in a range of areas including volunteering.

In 2005 Marketplace schemes were run in 20 cities across Europe and made over 1000 matches. The Marketplace aims to bring about 100 different organisations together at each event and assists participants to find matches by breaking sections of the event into different areas featuring specific types of requests.

One particular marketplace in The Netherlands comprised six ‘themes’:

- money/financial support;
- materials/facilities;
- legal affairs;
- organisational advice;
- volunteers/helpers; and
- adoption of projects.

The matching process was assisted by a number of parties:

- several of the supply parties acted as ‘jobbers’ who presented their offers in the different trading corners;
- middlemen were also present. These consisted of people with well-established networks in local business or brokerage parties with a good understanding of the respective needs of the parties involved; and
- a ‘soapbox crew’ presented difficult yet interesting demand requests unable to find a match in the trading corners, adding a necessary energy and atmosphere to the event.

In advance of the event a workshop was given to the community groups to assist them translate requests for funds or goods into requests that would appeal to business. At another event a Marketplace book was developed in which ‘supply’ companies could present what they had to offer. All potential ‘demand’ parties were sent this book, and used the information to formulate requests.

Source: CIVIQ, Fortis Foundation and KPMG, Marketplace toolkit, developed for Eurofestation 2004, a European conference and exchange forum on volunteering and corporate community involvement.
Identifying a signature program

In the US, Australia and Europe, companies often focus their corporate community investment efforts and their engagement around one or two signature community investment programs, activities or issues.

This type of approach can help rally and engage employee and cut through with customers, legislators and other stakeholders. It can also be the beginning of efforts to differentiate a corporation from its competitors or peers.

Avon’s focus on support for breast cancer research, McDonalds’ focus on Ronald McDonald Houses and sick children and their families, US-based Allstate Insurance’s focus on teen driving and domestic violence and Westpac’s recent focus on its position as the ‘sustainable’ bank in Australia, are some examples of positioning. Many of ANZ Bank’s community investment efforts have focused on positioning itself at the forefront of community financial literacy issues.

IBM internationally has adopted education and crisis response as signature issues. BHP Billiton’s signature issues and projects are related to environmental regeneration. Dupont Corporation ‘does’ safety. Johnson & Johnson focuses on the health of mothers, children and the environment.

This type of positioning is based on both issues, and the mode to address an issue.

2.11 Building partnerships

We support the Centre for Corporate Public Affairs in its view that the approach a corporation takes to engaging and building relationships with its volunteer partners should not be dissimilar to the way it builds relationships with other key stakeholder groups.

While specific approaches will vary, the elements that apply to good stakeholder relationships — transparency, timeliness, open and honest counsel, no surprises — are applicable equally to how a relationship is built with a skill-based volunteer partner. Such a partner, after all, is another stakeholder.

Building on existing relationships

Skill-based volunteering opportunities can be most effective when combined with other community programs. If companies have established relationships with community organisations via other community investment activities, this can be an effective base on which to build a skills orientated partnership.

For instance, when a hospital approached UK-based financial services company Capital One seeking funding for a youth club it wanted to build, the company agreed to not only fund the project, but to pursue other community investment avenues. Capital One provided a project manager to oversee building construction, a space designer to assist design the interior, and an IT consultant to set up a web cafe. It also encouraged its suppliers to make donations to furnish the building.  

If a community investment relationship has depth, it will evolve to offer opportunities to the corporation and community partner so that both can mutually benefit from further involvement.

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Managing skill-based partnerships

Skill-based projects can cover a host of different volunteering opportunities, each requiring a varying level of engagement between the business, the community organisation and the individual volunteer.

In some cases, volunteers will wish to make all the arrangements for their volunteer placements themselves. However, in most cases, the company will need to take the initiative to encourage participation.

As companies attempt more sophisticated capacity building or skills transfers, the level of co-operation and partnership between the parties becomes very important. Developing systems to facilitate a constructive partnership with community organisations is critical if capacity building is going to be successful.

Companies that are seasoned skill-based volunteering managers report it is vital that corporations understand and appreciate the needs of the community organisation, and that these align with the capabilities of business and the skills of the volunteer.

The business can help with assessing the needs of its community partner through reviewing with the community partner its vision, mission, resources and key challenges, and then suggesting areas where the corporation may be able to provide expertise. In some cases creativity might be required to devise an assignment that is mutually beneficial.  

Volunteer Service Overseas, a UK-based overseas development organisation, specialises in placing skilled volunteers in development organisations. It uses a standard template for this process, supplementing it with meetings and if necessary, a survey or workshop.

Keen observers of the process advocate that approaches to skill-based volunteering should include clearly identifying what a corporate volunteer can bring to the organisation, and identify why she or he are best placed to do it instead of a paid member of staff.

Spelling this out can assist avoid any feeling of resentment towards the corporate volunteer among existing community organisation staff, and ensure staff buy-in. Both of these are essential if the project is to be effective.

Agreeing project scope and objectives at the outset is also important to ensure a successful project. This requires the community partner and company to jointly:

- scope the assignment and identify the resources required;
- identify deadlines and realistic timelines; and
- agree on the project outcome and what would indicate a successful conclusion to the project.

Unlike many other volunteer opportunities, identifying a suitable volunteer can be key to the success of a skill-based project. Therefore developing some sort of position description and a transparent recruitment process is recommended highly.

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**Partnering with other companies**

Valuable volunteer opportunities can also be developed or enhanced through collaborative efforts with other companies, such as suppliers, customers or other industry partners. By pooling skills, experiences can be shared and the opportunity exists for staff to develop networks within other organisations.

Examples include Australia’s Business and Community Network (ABCN) portfolio of high school and teenage programs, and collaborative efforts championed by the UK organisation BITC, on which the ABCN is loosely based.

Multi-company partnering poses the attractive prospect (for some companies) that new infrastructure or internal staff resources are not required to manage or administer involvement, though organisational commitment is still a requisite, as is funding and volunteers.

Direct corporate reputational capital is harder to build and capture through such efforts — though this may not be a key driver of involvement — and the direction of the relationship is a negotiation with the community group, but as well, with other companies participating, or with the syndicate or coordinating organisation.

Carey Badcoe, CEO of the Australian Business and Community Network, believes that as corporate community investment approaches evolve and mature internationally, multi-company skill-based volunteer efforts will proliferate.

> I think you will see more of them, because they are a good adjunct to the existing CSR efforts of many companies, and as well, are very good platforms to pool expertise and nurture innovation, which can then be imported back into the approaches of the member corporations.

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Interview with the report authors, Sydney Australia, January 2007.
Box 2.15

ENGAGE — A MODEL FOR COLLABORATION

Engage is an initiative of UK-based Business In The Community with support from the international Business Leaders Forum. The model, piloted in Amsterdam, Frankfurt and Madrid, brings companies together to use their skills, time and resources collaboratively to drive community impact. It is supported and championed by an international leadership team from major global companies included GE Commercial Finance, IBM, Citigroup, KPMG and several major global law firms.

Following the success of the pilot programs ENGAGE has provided the following guidelines for ventures:

- work with a company broker from the outset, as they can advise on appropriate issues that can be addressed co-operatively;
- one of the companies should act as a central point of contact, to ensure good communication and the sharing of ideas and views;
- hold regular meetings to track progress and address difficulties and challenges with executive management and community partners;
- a small group of companies (three or four) is enough to start a program, provided the agreed action plan includes attracting other companies as the project progresses;
- senior management must support the program and understand that working with other companies, even competitors can enhance competitive advantage;
- the collaborative model is new, so do not underestimate the difficulties that managers may face or the time needed to adapt; and
- always publicise successes, particularly when they illustrate the positive impact of collaboration.


2.12 Summary

While still an early work-in-progress, many corporations realise and are developing the value of skill-based volunteering, seeing it as natural extension of their existing volunteering efforts and a new component of their corporate community investment.

Best practice is seeing corporate skill-based volunteering developing as part of community investment partnership arrangements, with particular attention paid to the outcomes expected for the corporation and the community partner.

The drivers for the corporation are employee engagement, stakeholder engagement, reputation enhancement, corporate citizenship and community license to operate.

For NFPs and NGOs, the motivation for embracing skill-based corporate volunteering is with getting access to skills and expertise, and building capacity, in areas where they need to excel so they can continue their work.

Some companies are producing very good outcomes in partnership with NFPs and NGOs as a result of skills application and transfer.

This mode of corporate volunteering is, with some notable exceptions, relatively new to the corporate world, though the opportunity for it to become more prevalent and more highly valued, is significant.