1993

A Report to the Community

Twin Cities Businesses and Volunteerism

Summary

Minnesota businesses have long had a reputation for community involvement through contributions, sponsorships and support of employee and retired volunteer programs. In recent years, changing community needs and demographics have heightened the need for participation by these companies in shaping the social landscape. For example, while it is well known that the increase in the number of women employed outside the home has reduced one of the most traditional volunteer pools, no single demographic segment has filled this void.

As a result, non-profit organizations increasingly turn to the business community for recruitment of volunteers in activities ranging from one-time events to sponsorships to formal partnerships. Affirming their reputation for community responsibility, businesses continue to respond. Nationally, the business community provides the fastest growing volunteer group. A recent survey of Twin Cities businesses found, however, that organizations which participate in an umbrella organization, such as the Corporate Volunteerism Council, were most likely to have the strongest commitment and dedicate the most resources to community service.

The future holds several challenges for business volunteer programs and the agencies which rely upon them. Commitment of business resources financial help, employee interest in volunteering and a wide range of social and demographic issues will influence the scope and success of volunteer programs. In addition, non-profit agencies seeking volunteers will turn, by choice or by necessity, to the business community to fill many of their needs. Businesses will face the challenge of responding to these requests in ways that fit with business goals and resources, in particular quality and diversity objectives.

Why Businesses and Their Employees Volunteer

A majority of businesses -- CVC members and non-members -- consider community service to be part of their overall business goals and functions. However, that role is most often described by 76 percent of CVC members and 31 percent of non-members as a measure of "social responsibility," rather than a contributor to the financial success of the organization. Volunteer and community relations programs also are viewed as integral to team building, cultural diversity, environmental and quality improvement goals.

While direct ties to business profitability can be difficult to discern, a 1991 IBM study of 188 U.S. companies indicated that leaders of these organizations believed there was a clear relationship between successful employee volunteer programs and overall business financial strength.

Two-thirds of organizations responding to the CVC survey used some formal guideline to measure the success of their activities. Those guidelines, however, were again internally focused, with the majority rating success on the number of employees participating in a particular project. Publicity in the community or number of hours volunteered followed a distant second and third as rating factors for project success.

Employee motivation for volunteering mirrored the business objective -- social responsibility -- according to those responding. Serving the community, personal satisfaction and helping others ranked as the top three reasons employees volunteer. These results parallel a 1987 JC Penney Corp. survey in which 97 percent of volunteers surveyed listed "I want to help others" as their primary motivation.

Employer encouragement to volunteer ranked fourth (32 percent) with CVC member companies, while only 13 percent of non-member companies were motivated by their organization. The 1987 JC Penney survey reported that employer encouragement played a role for 21 percent of those responding.

Lack of time, family commitments and personal volunteer commitments were listed as the top three reasons employees do not participate in company sponsored volunteer activities. This also reflected the results of the JC Penney study, in which 79 percent of those responding said full personal schedules prevented them from volunteering. Incentives and/or rewards are a primary tool for encouraging and recognizing employee volunteerism. A majority of organizations reward employees participating in group projects with t-shirts, hats or other gifts. Informal recognition is also common. Two-thirds of CVC member companies and more than one-third of non-members provide business charitable donations to organizations where employees volunteer as a more tangible form of recognition.

Formal recognition, in the form of letters from senior management, certificates, gifts and "thank you" events, occurs in 61 percent of CVC member companies. It is far less common in non-member companies, more than one-fourth of which listed the addition of formal recognition as an incentive which could encourage more employees to volunteer.

CVC member organizations overwhelmingly (90 percent) ranked work release time or flexible scheduling as the primary incentive which would encourage more of their employees to volunteer.

The Scope of Employee Volunteer Programs

Membership in the Corporate Volunteerism Council correlated directly with the level of formality and organizational structure of company volunteer programs. Sixty-one percent of CVC members reported that their organizations' have formal volunteer programs, while only one-fourth of the non-member companies had formalized activities. The majority of CVC member organizations also had formal mission/purpose statements for their volunteer activities.

Responsibility for the coordination of volunteer activities varies widely. Forty-six percent of CVC member organizations assigned responsibility to community relations staff members, who also performed other duties. In 24 percent of organizations, a volunteer coordinator -- half in full-time positions, with the remainder employed part time -- managed the programs.

Other CVC member organizations managed their programs with public relations staff, employee committees with or without an assigned staff member or by using human resources (personnel) department employees. Non-CVC member businesses primarily (44 percent) assigned volunteerism to human resources staff members. According to a 1993 Conference Board/Points of Light Foundation report, nationally the majority of business volunteer programs are coordinated by individuals with other primary job responsibilities.

The vast majority of participants in business-sponsored volunteer activities are company employees. Many companies (80 percent CVC; 60 percent non-CVC) also include employees' family members in their programs. Nearly two-thirds also allow friends of employees to be part of volunteer activities. Two categories of employees pose specific challenges and opportunities for volunteer coordinators. Executives generally are participants in the mainstream of volunteer activities. Some companies, however, organize separate programs for these individuals to focus on sharing their management skills with non-profit organizations. Union-represented employees took part in the volunteer activities of 32 percent of CVC member organizations.

In what type of volunteer activities is your company involved?

One-time events, such as Metro Paint-a-Thon, are the most common business-sponsored events; 93 percent of CVC members and 50 percent of non-CVC organizations participate in this type of activity. Group projects outrank individual activities. CVC member organizations were more likely than non-members to provide direct support to non-profit organizations in the form of management and technical assistance, loaned executives and recruitment of employees to serve on boards and commissions.

Utilizing Retirees

One category of volunteer -- the retiree -- is increasingly viewed as an important resource. Retirees are regarded as a source of energy, experience and available uncommitted time for both short and long-term volunteer commitments.

More than half of CVC companies and 13 percent of non-CVC members include retirees in volunteer activities. Of those, 20 percent participate in activities offered to all employees, while 46 percent are part of separate retiree volunteer programs. Most of these programs are managed by their own retiree participants with some administrative support from the sponsoring employer.

CVC member companies view coordinating the activities of growing numbers of retirees as a major factor impacting their future volunteer programs. Non-profit agencies participating in the survey listed tapping retiree volunteer programs as the number one factor influencing their ability to attract volunteers.

Volunteer Program Focuses

The majority of companies involved in volunteer activities focus their efforts in specific areas, often on issues which have a particular relationship to the organization's business goals, functions or other emphases.

Education and literacy ranked highest as a volunteerism focus, by 71 percent of CVC members, followed by social services and youth/children's issues at 63 percent respectively. Other issues receiving significant emphasis were hunger, the elderly and neighborhood improvement. Education was the overwhelming focus reported in a 1993 national study of business volunteerism conducted jointly by The Conference Board and the Points of Light Foundation.

Non-CVC companies tended to be less focused, with 31 percent listing youth/children's issues as their area of emphasis. Education/literacy, social services, the environment, neighborhood improvement diversity and health/substance abuse were each the focuses of 13 percent of the organizations responding. Nearly 20 percent listed no specific focus.

As societal needs change, businesses will adjust their volunteer focus to respond. When asked what focus they anticipate in the next five years, CVC members and non-members alike listed youth and children's issues as their top priorities, followed by education and literacy. The environment is expected to gain emphasis, while many companies predict a slightly reduced focus on the arts.

Program Directions

Business profitability and management support area have been driving forces of successful volunteer programs in recent years and will remain key factors in the next five years.

CVC member companies reported that employee interest (61 percent) and CEO/upper management support (54 percent) had the greatest positive impact on their volunteer programs during the last five years. Non-member companies ranked CEO/upper management support (38 percent) as the factor with the greatest positive impact.

What factor (s) have had the greatest positive impact on your volunteer programs in the last five years?

Negative impacts on the success of business volunteer programs over the past five years included employee reductions (41 percent of CVC members), lack of management support (24 percent of CVC members) and lack of employee interest (22 percent of CVC members and 13 percent of non-members).

Similar factors will make or break the future success of business volunteer programs, both groups of respondents indicated. Success factors impacting the next five years include employee interest, CEO/upper management support, and family involvement in volunteer activities.

Threats to the success of volunteer programs during the next five years included lack of business profitability (34 percent of CVC members), employee reductions (32 percent of CVC members) and lack of employee interest (25 percent of non-CVC members).

What factor (s) have had the greatest negative impact on your volunteer programs in the last five years?

What factor (s) do you foresee will have the greatest negative impact on your volunteer programs in the next five years?

What factor (s) do you foresee will have the greatest positive impact on your volunteer programs in the next five years?

Non-Profit Organizations and Business Volunteers

Relationships, both formal and informal, between business and the non-profit sector play an increasingly important role in meeting a wide variety of community needs. Growing needs and budget constraints have required many non-profit organizations to expand the roles volunteers play in meeting their missions. Responding organizations reported utilizing an average 405 volunteers annually to accomplish ongoing programs and 258 for specific or one-time projects.

While private individuals continue to be the mainstay of staffing for these activities, businesses provide more than one-fourth of the volunteers utilized by these agencies over the course of a year.

Eighty-six percent of agencies reported having some type of partnership with a Twin Cities corporation. These partnerships were evenly divided between formal and informal arrangements. Partnerships are growing, with 39 percent of agencies reporting that they have more of these relationships than five years ago. While business partnerships fill a wide range of needs, the most prominent are volunteer recruitment (42 percent) and providing board members (39 percent). While some relationships are initiated by the corporation, partnerships are primarily the result of personal, telephone or mail contact from the agency to the business.

Like the businesses, agencies view employee interest (64 percent) and CEO/upper management support (42 percent) as factors positively affecting their relationships with business over the last five years. Lack of upper management support (36 percent) and employee reductions (33 percent) have had the most negative affect on volunteer recruitment and relationships.

In the next five years, these agencies see the quality of business staff administering volunteer programs (72 percent) as their biggest advantage in attracting business volunteers. Employee interest (67 percent) and management support (61 percent) will also play important roles. Challenges ahead include lack of management support (56 percent), lack of business profitability (36 percent) and lack of employee interest (36 percent).

The Future

Business/non-profit partnerships will be the key to future success on both sides of the volunteer issue. Partnerships may take a wide variety of forms, from formal efforts on specific issues to general support of an organization through ongoing cadres of volunteers or predictable financial support.

Nearly three-fourths (72 percent) of non-profit agencies responding said they expect to rely more on business-generated volunteers within the next five years. Businesses active in the volunteer sector anticipate greater involvement in partnerships with non-profit agencies and other organizations.

CVC member companies rank school partnerships (59 percent), ties to organizations with cultural diversity (41 percent), family-oriented volunteer activities (39 percent) and agency partnerships (34 percent) as factors in the future direction of their programs. Non-CVC members listed participation in national projects (25 percent) as part of their direction.

Seeking out opportunities to explore cultural diversity will be a focus for both companies providing volunteers and agencies seeking those individuals. Fifty-three percent of non-profit organizations listed an emphasis on cultural diversity as their primary strategy for attracting new business volunteers.

Business/Non-Profit Demographics

CVC Member Companies

1992 sales

Under $100 million	10 percent
$100 - 499 million	15 percent
$500 - 999 million	7 percent
$1 - 10 billion	5 percent
$Over $10 billion	5 percent
Not disclosed	7 percent

Number of Twin Cities employees
Average: 1,943
Range: 50 - 8,500

Number of Twin Cities work sites
Average: 13
Range: 1-90

Non-CVC Member Companies

1992 sales

Under $100 million	0 percent
$100 - 499 million	6 percent
$500 - 999 million	13 percent
$1 - 10 billion	31 percent
$Over $10 billion	0 percent
Not disclosed	19 percent

Number of Twin Cities employees
Average: 2,009
Range: 500 - 8,000

Number of Twin Cities work sites
Average: 19
Range: 1-106

Non-Profit Agencies

Primary Function

General community services	22 percent
Education/literacy	11 percent
Hunger	3 percent
Domestic Violence	3 percent
Youth/Children's Issues	22 percent
Environment	3 percent
Neighborhood Improvement	3 percent
The Elderly	8 percent
Arts	3 percent
Health/substance abuse	3 percent
Other	44 percent

Annual budget
Range: $104,000 - 210,000,000
Average: $10,916,110

Paid employees
Range: 5 - 1,200
Average: 123

About the Survey

In May 1993, a total of 155 volunteer coordinators from CVC member businesses, non-member businesses and non-profit organizations were surveyed by mail. Follow up mailings and telephone calls were made during July. The overall response rate for the survey was 61 percent (43 CVC members, 16 non-members and 36 non-profit organizations), considered excellent by market research standards.

For copies of the original survey or complete data, contact Penny Ream, United Way's Volunteer Center, 404 S. Eighth St., Minneapolis, MN 55404.

About the Corporate Volunteerism Council of the Minneapolis/St. Paul Metro Area

CVC's objective is to provide leadership, education and a forum for information/idea exchange for metropolitan Minneapolis/St. Paul businesses involves in supporting employee/retiree volunteer activities.

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Corporate Volunteerism Council of the Minneapolis/St. Paul Metro Area
404 South Eighth Street, Minneapolis, Minnesota 55404 (612) 340 • 7535