

ENGAGEMENT

Recognising the value
of workplace giving



THE AUSTRALIAN
CHARITIES FUND



the Centre
for Social
Impact

Contents

Click on any heading to go straight to the page

Defining workplace giving	2
Foreword	3
Introduction	5
Executive summary	7
Methodology	9
Highly engaged employees drive better business outcomes	11
Workplace givers are more engaged employees	15
ACF's recommendations	26
Research team	31

This is an interactive PDF

You can come back to the contents by clicking the [Return to Contents](#) button.

Defining workplace giving

For the purpose of this report, workplace giving is defined as the philanthropic contributions of money (payroll giving, employer matching donations, workplace fundraising, employer grants), time, skills and in-kind support by employees and their employers. Employers may choose to offer one, some or all program components, as indicated below.



It is acknowledged many employers complement their workplace giving program with broader business-related community engagement initiatives such as sponsorships and cause-related marketing.

Foreword

In 2002, The Australian Charities Fund (ACF) worked with the Australian Taxation Office to modify Australia's tax system to allow pre-tax payroll giving. We championed this initiative because we aspire to change the giving landscape in Australia by:

- Fostering employee and community engagement in Australian workplaces
- Driving more donations into the community in a highly cost effective and impactful way
- Using the skills in workplaces to build capacity within the community sector
- Celebrating the impact of the Australian workforce's collective giving

By advocating for strategic workplace giving, we believe there is immense opportunity for the business sector to drive employee engagement, enhance business performance and, in turn, generate substantial support for the community sector. This potential is a compelling value proposition for all stakeholders.

Employee engagement has become a hot topic. The changing nature of the employer/employee relationship, technology innovation, competition for talent, the Millennial Generation, evolution of leadership, increased competition and customer expectations all demand employee engagement is seen as a critical source of sustainable competitive advantage.

We recognise there are many factors which influence employee engagement. However, there is a strong correlation between employee engagement and successful workplace giving programs, developed on the principles of leadership, engagement and visibility.

Based on our research and experiential learning, this report makes a robust case for the link between community engagement, employee engagement and improved organisational performance.

The findings show a strategic workplace giving program is a 'must-have' for organisations who desire to engage employees in order to deliver better business outcomes.



*Edward Kerr
Chief Executive Officer
The Australian Charities Fund
June 2013*

Foreword

I am delighted the Centre for Social Impact (CSI) has again partnered with The Australian Charities Fund to undertake this important study into the value of workplace giving.

In 2009, the ground-breaking joint research project, 'Cutting to the Heart of Workplace Giving', revealed workplace giving donations increase total charitable giving, employees feel workplace giving should be linked to business strategy and positioned as part of the organisation's overall community engagement program, and that donors want to know the impact their collective donations are having in the community.

This latest research builds further on these insights, revealing the existence of a correlation between effective workplace giving programs and higher levels of employee engagement. The findings also shed light on the features of best practice workplace giving programs.

It is hoped these findings will stimulate discussion and action within the business sector to recognise the value of workplace giving in driving employee engagement, improved business outcomes and, ultimately, social impact.



*Andrew Young
Chief Executive Officer
Centre for Social Impact
June 2013*

Introduction

In FY 2012, \$56.5M was donated in payroll giving contributions (ATO FY2012 plus ACF's estimate of matched giving), with 133,000 Australians giving through payroll deductions¹. The value of workplace giving is substantially more when grants, fundraising, volunteering and other in-kind support are taken into account.

Workplace giving continues to win loyal employer and donor support. ACF's vision is to see this channel grow significantly to one million workplace (payroll) giving donors. This would generate a total of over \$300M per annum for the community sector (assumes: 867,000 additional donors giving \$5 per week and 20% of donations matched by the employer).

To achieve this outcome, ACF is driving market awareness, undertaking ground-breaking research, facilitating thought leadership, advising on best practice program architecture and working alongside employers to drive employee engagement.

In ACF's view, workplace giving is a highly valuable program as it leverages the impact of corporate community engagement and builds employee engagement by focussing employee and employer donations and other support on a shared goal. When employees find a sense of meaning in their work, such as by participating in workplace giving, they are willing to put in more effort to help their employer succeed.

Workplace giving is a highly valuable program ... when employees find a sense of meaning in their work, they are willing to put in more effort to help their employer succeed.



¹ Australian Taxation Office (2012). Workplace Giving Data

Introduction continued

ACF and CSI partnered to undertake an integrated program of quantitative and qualitative research designed to deepen understanding of how workplace giving programs operate and what attributes are associated with successful workplace giving programs.

Because of the volume of studies asserting that high employee engagement drives better business outcomes, one of the themes ACF and CSI decided to explore in this research was whether there is a correlation between successful workplace giving programs and high employee engagement.

For example, the Kenexa Research Institute study (2008)² found employers with highly engaged employees deliver seven times greater five year total shareholder returns than organisations with low employee engagement.

Is there a correlation between successful workplace giving programs and high employee engagement?



2 Kenexa Research Institute (2008). WorkTrends Annual Report

Executive summary



The ACF/CSI research revealed perceptions that provide a psychological gauge of the underlying attitudes of workplace giving donors vs. non-donors toward their employers.

Workplace giving donors in the public and private sectors, across diverse industries, have significantly more positive perceptions and motivations than those employees who do not give.

Since donors have more positive perceptions than non-donors, this research highlights the opportunity for employers to increase employee engagement through workplace giving.

Workplace giving donors have significantly more positive perceptions and motivations toward their employers.

Employee engagement primary objective of workplace giving programs

- All CEOs and senior leaders identified employee engagement as their No. 1 workplace giving objective and view engagement as a critical part of their talent management strategy
- Participation in workplace giving correlates with high levels of employee engagement

Aligning workplace giving with organisation strategy

- There is a shift to greater alignment between causes, charity partners and organisational strategy driven by CEOs and senior leaders

Resourcing driving increase in program reviews

- 80% of program managers spend less than 10% of their time on workplace giving
- Three in four program managers are reviewing or considering reviewing their workplace giving program with the stated goal of increasing employee engagement

ACF/CSI research highlights and key trends continued

Employee behaviour supports limiting the number of causes and charity partners

- Nearly three in four employees support no more than two cause areas outside the workplace
- Five cause areas meet the giving needs and motivations of 81% of employees
- More than one in four program managers think they have too many charity partners

Untapped potential

- 34% of respondents to the survey were participants in their employer's workplace giving program. Interestingly, 61% of the respondents indicated they were 'interested' in becoming workplace giving donors. Importantly, only 5% were not interested in workplace giving
- These findings suggest significant untapped potential in the majority of employees not currently participating in a workplace giving program

The ACF/CSI research provides strong evidence of the potential to significantly grow workplace giving in Australia. First, by employers recognising the value of workplace giving in their broader organisational strategy – where workplace giving can support employee engagement which in turn can generate increases in productivity and organisational performance. Secondly, by employers refining their workplace giving programs to target the large proportion of employees not participating.



Methodology

The insights contained in this report are based on an integrated program of qualitative and quantitative research jointly undertaken by ACF and CSI which engaged three primary stakeholder groups:

- Employees in organisations which operate a workplace giving program
- Co-ordinators of workplace giving programs
- Chief Executives or senior managers of organisations operating a workplace giving program

More than 30 employers invited their employees to voluntarily participate in the research with over 4,100 respondents completing an online survey. The survey was completed by both participants and non-participants in existing workplace giving programs. The survey collated data on:

- Employee giving and volunteering behaviour inside and outside the workplace
- Causes supported
- Amount and frequency of donations
- Methods used for donations
- Participation in workplace giving
- Drivers and barriers for employee participation
- Preferred methods and frequency of workplace giving communications
- Employee perceptions of their organisations

Qualitative in-depth interviews were conducted with 15 CEOs/senior leaders and 27 program managers from organisations with workplace giving programs. The interviews were followed up by a qualitative online survey. The key issues identified in the in-depth interviews were used as the basis for the online survey. The qualitative research was designed to explore leadership motivations for operating workplace giving programs, and what strategies and practices were working and not working in terms of employee engagement in workplace giving programs.

An integrated program of qualitative and quantitative research involving 30 employers, 32 leaders and over 4,100 donors and non-donors.

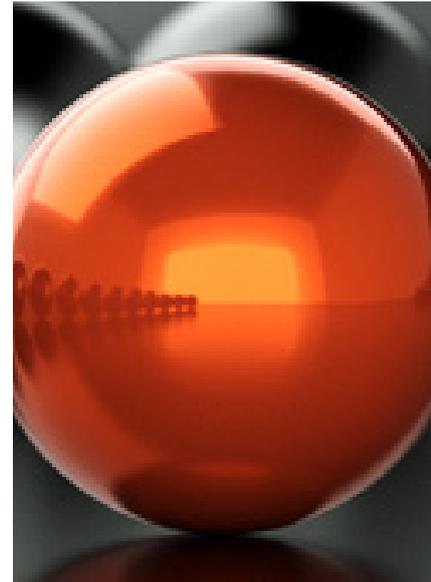
To complement the research outcomes, this report also draws on:

- Findings from ACF/CSI's 2009 research 'Cutting to the Heart of Workplace Giving', comprising over 4,500 survey responses from employees across a range of organisations and industries
- ACF's experiential insights acquired through the development of over 100 workplace giving programs
- The Australian Taxation Office's payroll giving statistics
- External literature reviews and research on the business impact of employee engagement

Participating organisations

We extend our thanks to the leaders who participated in the qualitative research and to the employees from the following organisations who provided input to this report through completing the quantitative survey.

- Accenture
- Ageing, Disability and Home Care, Department of Human Services
- Amalgamated Holdings Ltd
- ASIC
- AusAid
- Australian Unity
- Bain & Company
- BP Australia
- Collins Foods Limited
- Corrs Chambers Westgarth
- CS Energy Ltd
- CSL Ltd
- Diageo
- Dun & Bradstreet
- Endeavour Energy
- Foxtel
- Greenhill & Co Australia
- The Institute of Chartered Accountants in Australia
- ING Direct
- IOOF Holdings
- JB Hi-Fi Ltd
- JBWere
- KBR
- Macquarie Telecom
- Medibank
- Microsoft
- Minerals & Metals Group
- Onesteel
- Origin Foundation
- Pacific Equity Partners
- PwC
- RBS Group
- Seek Ltd
- Stockland
- Telstra
- Veda Advantage
- Veolia Transport
- Westpac
- Woodside
- World Wildlife Fund
- YMCA Victoria





Highly engaged employees drive better business outcomes

Employee engagement drives performance

Industry and researchers have, for some time, debated whether business performance drives employee engagement or if, in fact, employee engagement leads to better business outcomes. Prominent business consultant, Marcus Buckingham, has studied the correlation between employee engagement and organisational performance at length and told the McLeod Review (2009)³ "the relationship between engagement and performance was four times stronger than the reverse". He concluded that employee engagement drove performance.

Engaging employees, and inspiring them to put in more effort to help their employer succeed, requires going beyond mere job satisfaction. According to Bain & Company, Inc's worldwide experience and research (2012),⁴ to move a workforce from being satisfied to highly engaged, employees need to:

- Find a sense of meaning in their work
- Feel valued
- Have autonomy
- Continually learn and grow

Multiple studies have found the cultivation of a highly engaged workforce positively affects business performance. Significant economic impact can be generated from both revenues and cost drivers, including greater customer loyalty, increased revenue growth, higher productivity, lower absenteeism and higher staff retention.

Employee engagement, customer loyalty and revenue growth

Engaged employees are enthusiastic and innovative. They produce quality outcomes and engender trust amongst stakeholders. The Net Promoter System, or NPS, has shown through seven years of comprehensive benchmark data across 22 industries that highly engaged employees lead to passionate, loyal customers who, in turn, influence sustainable revenue growth⁵.

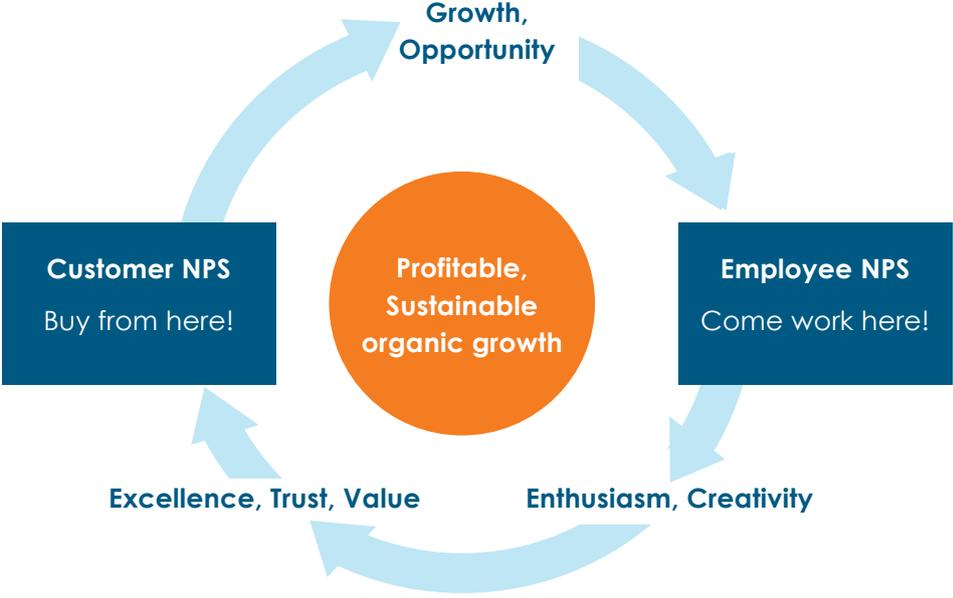
The cultivation of a highly engaged workforce has been shown to positively affect business performance.

³ University of Bath, School of Management (2012). Employee Engagement Task Force: "Nailing the evidence" workgroup

⁴ <http://www.netpromotersystem.com/about/employee-engagement.aspx>

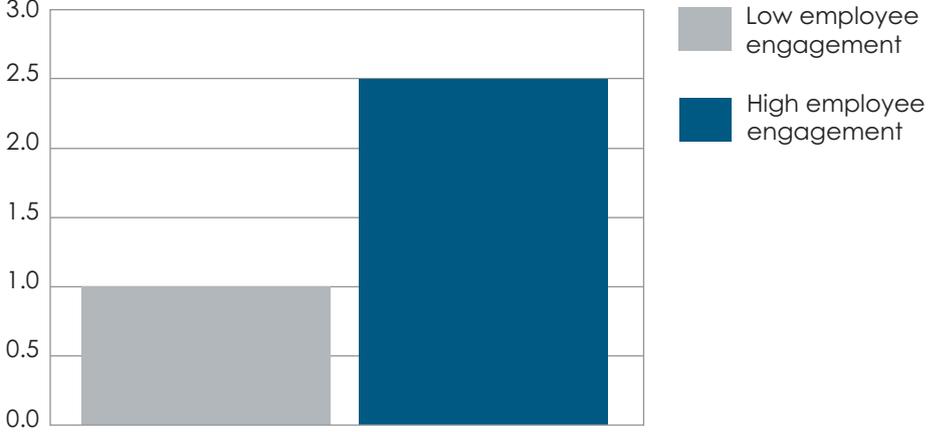
⁵ Net Promoter System. Net Promoter® and NPS® are registered service marks and Net Promoter Score and Net Promoter System are service marks of Bain & Company, Satmetrix Systems and Fred Reichheld.

Employee engagement, customer loyalty and revenue growth continued



The Hay Group Insight “Engaging and Enabling Employees to Improve Performance Outcomes” (2009)⁶ showed organisations with high employee engagement experience 2.5 times greater revenue growth than those organisations with low employee engagement.

Revenue growth bottom quartile vs top quartile employee engagement scores

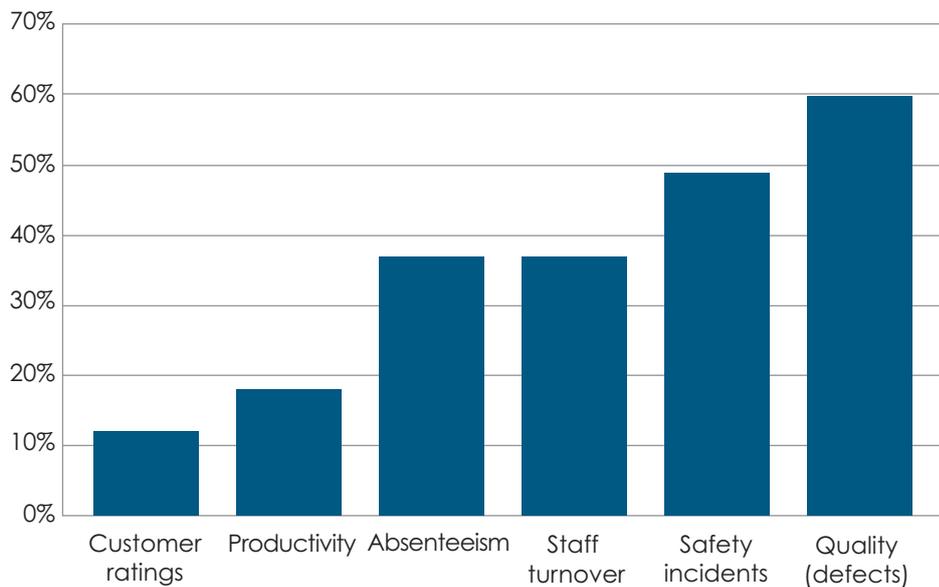


⁶ Hay Group Insight (2009). Engaging and Enabling Employees to Improve Performance Outcomes

Employee engagement and operational performance

The Gallup Report (2009)⁷ also examined the relationship between employee engagement and business performance. Drawing on data from 152 organisations in 44 industries and 26 countries, the comprehensive report revealed organisations with high employee engagement experienced significant benefits across a range of business indicators.

Median improvement between top and bottom quartile business units



Highly engaged employees are less likely to leave. Workforce stability contributes to customer retention, enhanced reputation, the preservation of valuable corporate knowledge, improved organisational performance and a significant reduction in employee turnover costs.

One telling insight from the Global Workforce Study (2012)⁸ indicated only 18% of highly engaged employees were likely to leave their employer in the next two years compared to 40% of employees with lower levels of engagement.

7 Gallup (2009). Q12 Meta-Analysis: The Relationship Between Engagement at Work and Organizational Outcomes

8 Towers Watson (2012). Global Workforce Study



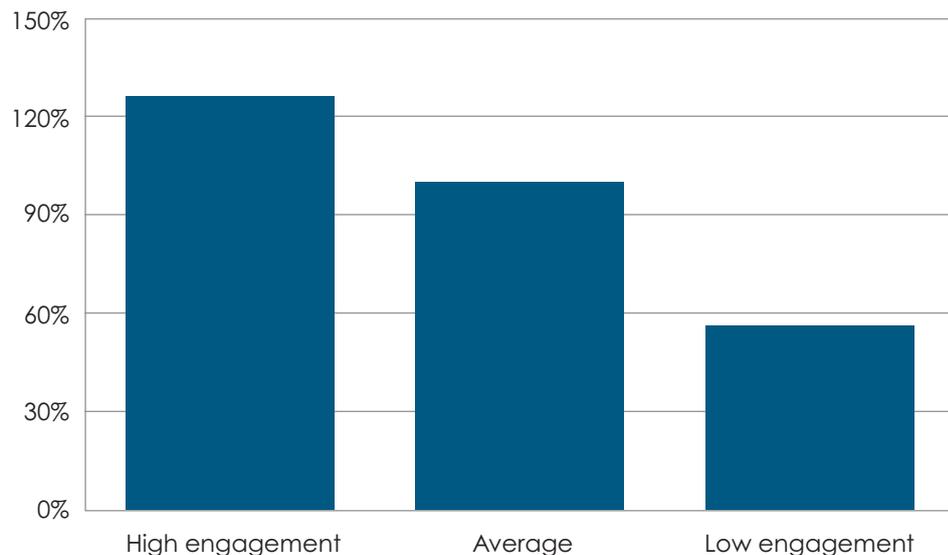
With the cost of employee turnover having a significantly adverse impact on an employer's bottom line, it makes business sense to build employee engagement, minimise attrition and maximise performance. As an example, in a business with 100 employees, the turnover cost could be ~ \$500K+ per annum (assumes average 2012 employee turnover rate of 12.2% for companies with \$10M+ revenue, national average salary of \$55,000⁹ and a conservative turnover cost estimate of 75% of employee's salary).

Employee engagement and profitability

The Gallup study also reported employers with high employee engagement have reported profitability up to 16% higher than average.

Additionally, Aon Hewitt's study "Trends in Global Employee Engagement (2011)"¹⁰ showed high engagement employers delivered 22-29% higher total shareholder returns than average. In contrast, employers with low employee engagement had a total shareholder return that was 28-60% lower than the average.

Total shareholder returns: 1 year (indexed)



Based on the extensive evidence available that high employee engagement leads to better business performance, we then explored how workplace giving can drive employee engagement.

Community and employee engagement in action

PricewaterhouseCoopers (PwC) 2011 staff cultural survey (~1500 respondents) found the existence of the PwC Foundation and its activities (which includes workplace giving, amongst other community engagement initiatives) was a factor for 23% of respondents deciding to join PwC over another firm. For 66% of respondents, the existence of the PwC Foundation and its activities was a factor in them staying at PwC.

⁹ Australian Bureau of Statistics (2012). Labour market statistics

¹⁰ Aon Hewitt (2011). Trends in Global Employee Engagement

Workplace givers are more engaged employees

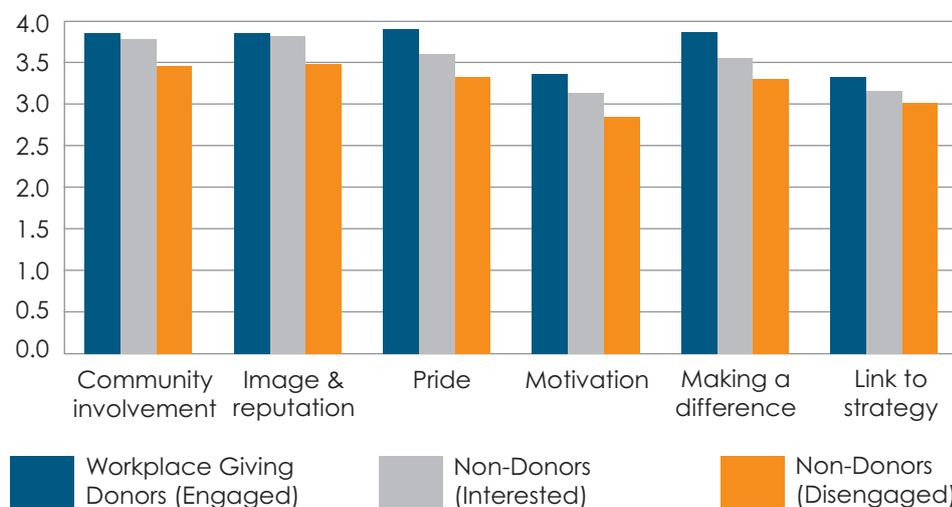
This research provides robust evidence that participation in workplace giving is strongly associated with employee engagement.

In the quantitative research, workplace giving donors, compared to non-donors, demonstrated significantly greater pride in their organisation's community engagement program. Workplace giving donors also have stronger perceptions that their employer's program enhances employee motivation and that it makes a difference in the community. This research suggests these perceptions are most closely linked to the experience of being engaged in a workplace giving program rather than viewing it from the outside.

Engaging non-donors in workplace giving has the potential to increase employee engagement and further enhance positive perceptions of the organisation in the eyes of employees. The chart below demonstrates that non-donors who are interested in becoming donors have greater pride in their organisation's community engagement program than the relatively smaller percentage of employees who have no interest in the program.

This supports the business case for employer investment in launching, strongly promoting and maintaining a workplace giving program, and highlights the opportunity for increased employee engagement that workplace giving presents.

Employee perceptions of their organisation's community engagement program[^]



([^]) The perception scores of workplace giving donors are significantly higher than non-donors in statistical tests (95% confidence using Kruskal-Wallis Test).

Community involvement: It is important for me to work for an organisation that is highly involved with the community

Image & reputation: My organisation's community engagement program enhances its image and reputation

Pride: I am proud of my organisation's community engagement program

Motivation: My organisation's community engagement program enhances employee motivation

Making a difference: My organisation's community engagement program makes a difference in the community

Link to strategy: My organisation's community engagement program is strongly linked to its business strategy

“ Our goals for workplace giving include increased organisational pride and employee motivation. ”

CEO

Employee engagement No. 1 objective

Engaging employees was consistently reported as the primary corporate responsibility and sustainability objective by the 15 CEOs and senior leaders in the ACF/CSI qualitative research.

Employee engagement also played a critical role in their talent management strategy.

They viewed workplace giving as an important contributor to both these strategies.

Asked to define success for workplace giving within their broader corporate responsibility and sustainability program, leaders consistently measured success in the following ways:

- Impact on employee morale
- Impact on the organisation's culture
- The number of employees who donate
- Amount of money donated to the community

Employee engagement No. 1 objective continued

In qualitative research, all program managers stressed a key measure of success for them was leadership engagement in the program.

Responses from program managers reinforced the perspective of leaders. Asked to define the most important components of workplace giving to their organisation's corporate responsibility and sustainability programs, all program managers consistently ranked the following highest:

- Payroll giving
- Community partnerships
- Disaster appeals
- Volunteering time

Program managers said they measure workplace giving success by the:

- Number of employees who donate
- Impact on organisational culture
- Impact on employee morale

For program managers "success is an upward trend in participation."



Shift to corporate strategic alignment

Over half of the leaders interviewed said workplace giving is not fully integrated with other corporate responsibility programs, with cause areas and charity partners not sufficiently aligned to organisational strategy.

Ensuring workplace giving is fully integrated with an organisation's broader community engagement approach is a key emerging priority and trend for both local and global organisations.



Causes and charities must have organisational relevance – something the organisation and employees can relate to and support.



CEO

A focus for corporate philanthropy

Organisations participating in the ACF/CSI qualitative research stated the number of requests for support from community organisations far exceeded their capacity to respond.

CEOs, senior leaders and program managers said they are experiencing a marked increase in the number of requests they receive for donations and support – for most, on a daily basis.

Workplace giving provides a focal point for corporate philanthropy in order to address “the hundreds of donation and support requests we receive from charities”.

It also allows them to leverage the philanthropic impact and build employee engagement by focusing employee and employer donations on a shared goal.

Strategy and resources driving program reviews

More than 75% of program managers said they are reviewing or considering reviewing their workplace giving program with the goal of increasing employee engagement.

Program managers said they are reviewing or considering:

- Cause and charity alignment with organisational strategy
- The number of charity partners, with charity partners receiving low employee support more likely to be dropped

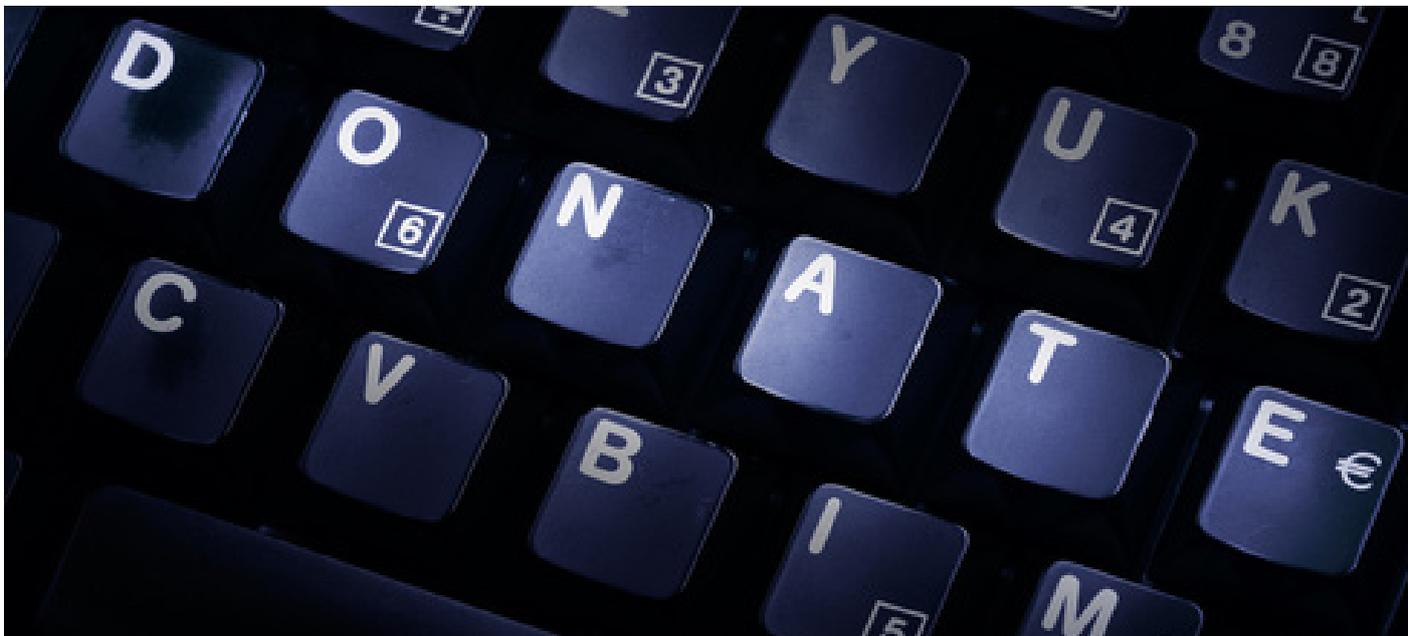
- Communication effectiveness – placing greater emphasis on building employee engagement by communicating collective donation impact, especially where employers match employee donations
- Champion roles and responsibilities – with greater emphasis placed on engaging employees with the overall workplace giving program and the causes and programs supported
- The introduction or trial of employee engagement initiatives including:
 - Employer matching
 - Opt-out

More than 75% of program managers are reviewing or considering reviewing their workplace giving program with the goal of increasing employee engagement.

Program managers said resourcing is a key barrier to increasing employee engagement. More than 80% devote less than 10% of their time to workplace giving.

An emerging issue cited by over 25% of program managers was that they have too many charity partners, diluting donation impact and making it difficult to track donations and quantify outcomes. Fewer charity partners would enable them to “go for depth, not breadth”. Precious resources could be more effectively spent on planning, implementation, and co-ordination with a smaller number of charity partners, and monitoring and communicating outcomes.

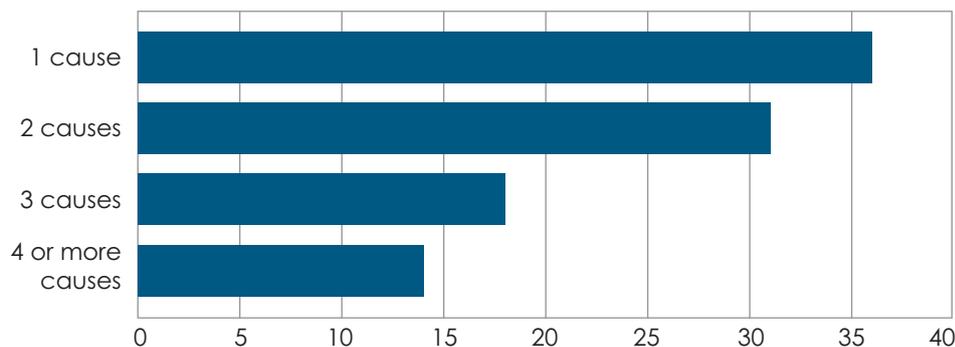
The opportunity is to operate a workplace giving program that is “large enough that you have breadth of causes but small enough that there’s a greater level of funding for each charity and they can communicate the difference donations make.”



Employees support a limited number of causes

The ACF/CSI quantitative research on giving behaviour outside the workplace highlights that respondents focus their giving on a limited number of causes. Nearly 70% of the employees surveyed donate to no more than two causes outside of the workplace.

Number of causes supported outside the workplace



Five high level causes will meet the giving needs of 81% of employees.

Program managers said their experience showed them that “people get excited about causes.”

This new information encourages a re-evaluation of workplace giving program design which supports the employer trend toward charity relationship depth vs. breadth.

Focusing on causes, rather than individual charities, may have the potential to increase program communication relevance and effectiveness, leading to greater buy-in and employee engagement in workplace giving.

Limiting the number of causes and charities supported allows employers to direct and scale contributions, with the opportunity to focus on collective impact in order to ensure donations make a difference – tapping into the primary motivation for employee participation in workplace giving.

5 causes¹¹ meet the giving needs of 81% of employees in the workplace

- **Health** including hospitals, rehabilitation and mental health
- **Social services** including family support, elderly, people with disabilities, youth, homelessness and refugees
- **Education/research** including medical research, science and technology
- **International activities** including international aid and development, human rights and cultural promotion
- **Environment/animal protection** including wildlife conservation and protection

¹¹ United Nations global classification of non-profit organisations

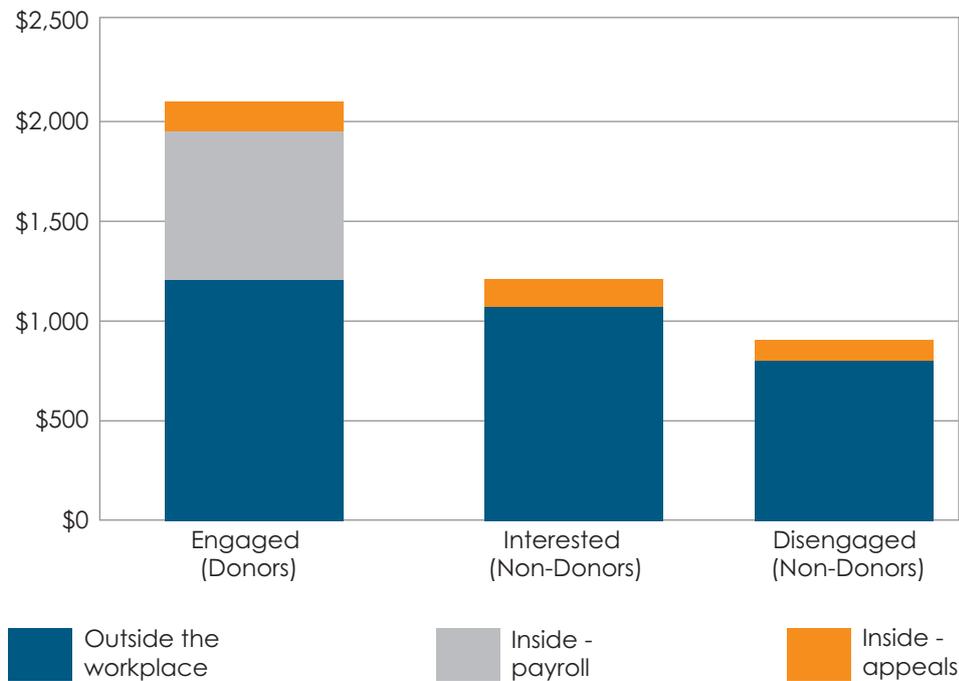
Workplace giving increases total charitable funds

The ACF/CSI quantitative research revealed that for 81% of workplace giving donors, their total charitable giving increased as a result of them joining a workplace giving program.

This research reinforces the 2009 finding that workplace giving programs generate additional funds for charities and are not a substitute for other methods of giving.

Workplace giving donors surveyed gave more than twice as much annually to charity (both inside and outside the workplace) than disengaged respondents (\$2,101 in total compared to \$902). Not surprisingly, employees interested in workplace giving are more generous than disengaged employees.

Levels of giving inside and outside the workplace



This increased generosity of workplace giving donors reinforces that workplace giving does not encourage donor switching behaviour – quite the opposite. This research reveals employee engagement with the employer and their workplace giving program creates a new income stream for the community sector based on a shared goal and collective impact.

Driving participation

Current participants in workplace giving programs revealed their motivations are related to both the head and the heart.

When asked which factors influenced their decision to donate, employees ranked the following highest:

- Workplace giving is convenient
- The program included a cause important to me
- Workplace giving is tax effective
- My employer matches my donation

Three in five organisations taking part in this research match employee donations. However, an opportunity for better communication exists because more than one in four donors said they did not know whether their employer matched their donations.

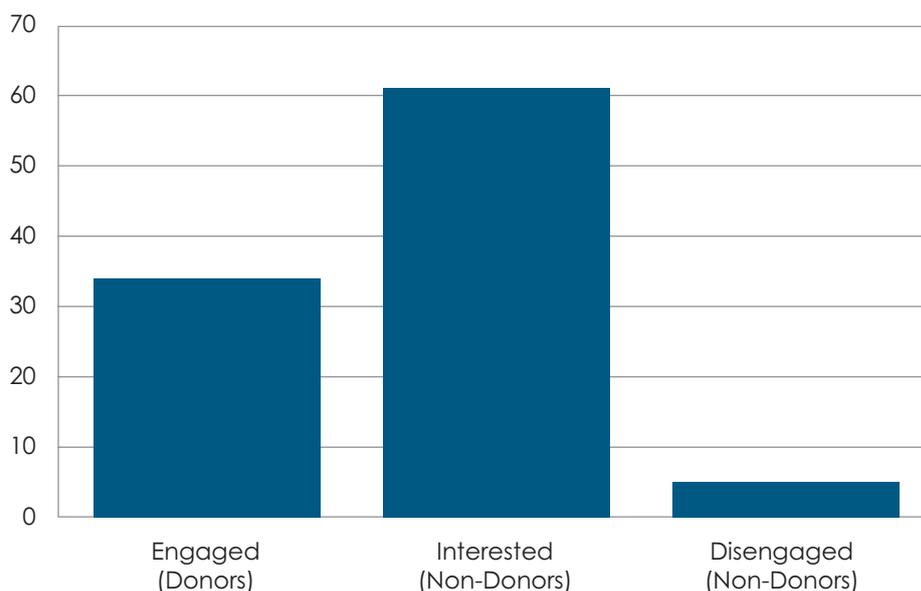
'Interested' employees: The opportunity to increase employee engagement

This research provides an insight into those employees who participate and those who don't participate in workplace giving programs.

While 34% of respondents were already participating in their employer's workplace giving program, 61% said they were interested in participating.

With only 5% of respondents stating they were not interested in participating, this research suggests employers are not maximising the opportunity to grow workplace giving and increase employee engagement. Messages focussed on the employer's motivation for operating a workplace giving program, the effectiveness of workplace giving, matching and the impact of collective donations have the potential to engage the 'interested' segment.

Workplace Giving Employee Segmentation



One in four donors said they did not know whether their employer matched their donations.

Only 5% of employees surveyed said they had no interest in participating in their employer's workplace giving program.

The primary motivation of those employees interested in joining their employer's workplace giving program is "knowing where and how my money is spent".

In order to drive greater participation, all program managers believed it is important to:

- Articulate the organisation's workplace giving program and its link to business strategy
- Drive program awareness and employee engagement
- Promote employer support and employee benefits
- Communicate donation impact and celebrate program success
- Maintain program visibility

Donor advocacy high

80% of workplace giving donors said they would recommend workplace giving to a colleague.

Employers have a significant opportunity to encourage employee engagement and program advocacy by allowing employees to share with peers why they participate in workplace giving and the causes they support.

30% of donors thinking of increasing their donations – but need to be asked

Almost a third of donors were thinking of increasing their donation.

The ACF/CSI research suggests employers have the opportunity to increase program impact and employee engagement by inviting donors to reappraise their donation level.

In stark contrast, just 1% of donors said they were thinking of decreasing their donation.

With 30% of donors thinking of increasing their donation, employers can drive workplace giving growth by inviting employees to reappraise their giving.



Communicate the workplace giving difference

90% of donors want to receive communication about their giving.

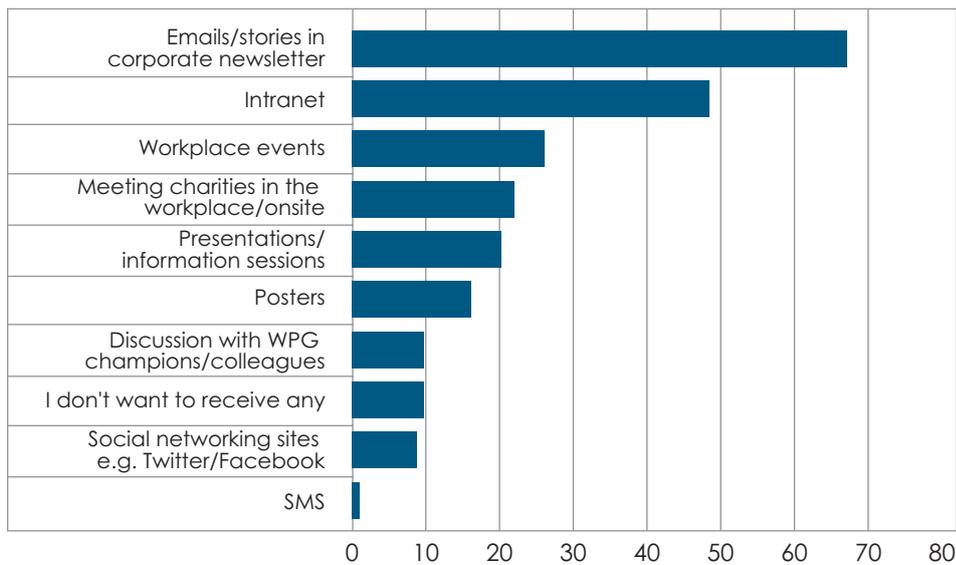
Communication is essential if employers and charities alike are to meaningfully address the primary motivation of donors – knowing where and how money is being spent, and understanding the impact it has.

Only 42% of donors feel they know the difference their donations make and only 38% feel there is enough information regarding their organisation's engagement with the community.

Donors and employees who indicated they were interested in participating in workplace giving said they want to be communicated with through the main methods of internal communications – corporate newsletters and the intranet. This suggests they view the program as embedded in the functioning of the organisation. This helps to explain why donors hold significantly higher positive perceptions of their organisation's community engagement program.

Knowing where and how donations are being spent plays a critical role in retaining donors and motivating 'interested' employees to join their employer's workplace giving program.

Preferred communication methods



Only 17% of donors said they would like charities to communicate directly with them.

Therefore, employers communicating the difference that workplace giving donations make is critical to participation and advocacy.

A common theme reported by senior leaders and program managers was they increasingly recognise the need to invest in human and communication resources beyond the launch phase to maintain program momentum and drive further employee engagement.

Equally important, senior leaders said ongoing communication sends a message to the workforce that workplace giving is an ongoing priority.

Untapped engagement potential

The World Giving Index¹² ranked Australia second, with 76% of Australians giving money to charity.

The ACF/CSI quantitative research found that employees are philanthropic in nature, with 86% giving to charity and 76% giving to disaster appeals.

Importantly, less than 5% of employees said they had no interest in participating in their employer's workplace giving program.

These findings highlight the significant potential for employers to drive program growth and employee engagement through harnessing the philanthropic spirit of the workforce.

One immediate way to increase engagement is to increase awareness. The ACF/CSI quantitative research revealed that 27% of respondents not participating were unaware of their organisation's workplace giving program prior to taking part in this survey.

Engaging employees through workplace fundraising and volunteering

Employee awareness of one-off fundraising appeals almost always translates to giving, reflecting an emotive response to immediate need. Four in five employees were aware of one-off fundraising appeals in the workplace and this led to over 80% of respondents donating to one-off fundraising appeals.

Outside the workplace, four in ten employees volunteered for charities. In the workplace, employee participation in volunteering was lower than donating money. Two in five employees were aware of volunteering opportunities, whilst one in five took part. Workplace giving donors were more likely to volunteer than non-donors.

Australians are generous. Employers can drive program growth, employee engagement and social impact through harnessing this philanthropic spirit.



12 Charities Aid Foundation UK (2012). World Giving Index



ACF's recommendations

Employers

There are two broad strategies for growing workplace giving in Australia:

- Increase the number of employees participating in existing workplace giving programs
- Increase the number of employers offering workplace giving programs

Employers with an existing program

Increasing employee engagement is the primary focus of employers with existing workplace giving programs.

The key emerging trends to drive greater employee engagement are:

- Greater alignment between organisational strategy, cause areas and charity partners
- Program reviews with an emphasis on reducing the number of charity partners to focus on depth versus breadth of relationship to increase program efficiency and donation impact

Based on research insights, we recommend the following actions:

Leadership

- Align cause areas with organisational strategy
- Limit charity partners to leverage resources and maximise donation impact
- Allocate adequate resources to manage the program
- Define program goals and success measures
- Create a process to track and communicate progress
- Profile senior leaders engaged in workplace giving
- Match employee donations (where possible) and ensure employees are aware of matching

Employers with an existing program continued

Engagement

- Engage more employees:
 - Build the workplace giving program into the employee value proposition
 - Implement opt-out for new employees at a nominal amount per pay period
 - Run Workplace Giving Month (June) or periodical campaigns to drive awareness and participation
 - Recognise employees making one-off donations as workplace giving donors and include these donors in participation rates e.g. through disaster appeals, workplace fundraising and the like
 - Allow part-time, casual and contract employees to participate in workplace giving
- Further engage existing donors:
 - Run an annual pledge increase campaign
 - Apply CPI increase for existing donors (with employee consent) or ask existing donors at annual remuneration review time to consider increasing their pledge
- Promote the program, causes and specific projects in order to engage the greatest number of employees, i.e. do not focus on just one aspect

Greater awareness will drive participation and engagement.



Employers with an existing program continued

Visibility

- Set program goals and communicate progress against target
- Foster greater program transparency and accountability for collective donation impact
- Select and train program champion/engagement advocates
- Ensure charity communication is organisation and workplace giving relevant
- Increase or maintain communication frequency – twice a year is about right
- Develop an annual workplace giving events calendar – focus promotion during Workplace Giving Month in June



Employers establishing new programs

The above recommendations equally apply to employers who are considering introducing or establishing a new workplace giving program.

The average employee participation rate of all workplace giving programs (excluding ACF supported programs) is 4%¹³, whilst employers who take a best practice, integrative approach to the development and growth of workplace giving achieve staff participation rates ranging from 30% to in some cases more than 50%.

Why the difference? The adoption of a strategic workplace giving program model, rather than limiting the program to a payroll donation facility, leads to a better result for the employer, employee engagement and, ultimately, the community.

ACF strongly recommends employers establishing a new workplace giving program consider:

- The business drivers for getting more involved in the community
- The employer's vision for workplace giving. What would success look like?
- How the community themes of the employer's business and the community interests of employees align with the business strategy
- The current culture of the organisation and the desired culture. How might a workplace giving program influence this?
- How any existing community activities and workplace giving will be integrated to represent a unified community engagement program to stakeholders

The adoption of a strategic workplace giving program leads to a better result.

¹³Australian Taxation Office (2012). Workplace Giving Data

Charities

This research reaffirms charities have a crucial role to play in growing workplace giving in Australia.

In 'Cutting to the Heart of Workplace Giving' (2009) charities said they believed the potential of workplace giving and its potential for greater employee engagement "has not even scratched the surface" and they needed to be mindful of playing their role.

This theme continued in the latest ACF/CSI qualitative research, with employers saying the charity sector needs to take a more strategic approach to workplace giving, recognising it is primarily a B2B (business to business) not B2C (business to consumer) proposition, and developing a workplace giving specific product offering to ensure donation transparency.



“ Charities need to increase reporting back to corporate organisations to demonstrate where funds have been used. ”

CEO

Employers recognised their need to increase workplace giving resources and investment, and said charities also needed to commit resources, as they would to any other fundraising initiative.

Employers said they view workplace giving as an opportunity for smaller charities to differentiate themselves – particularly where the impact of collective workplace giving would make a significant difference.

Some senior leaders said the risk of charities not demonstrating the impact of workplace giving donations was that workplace giving will not reach its potential as an employee engagement strategy.

Based on research outcomes and insights, ACF recommends the following actions for charities:

Strategy

- Recognise the efficiency and effectiveness of workplace giving versus other fundraising activities
- Position and sell workplace giving as a viable and impactful fundraising channel
- Understand employer motivations for workplace giving.
- Offer a workplace giving product that is measurable and deliverable with an emphasis on scalable projects where collective impact can be monitored and communicated to the employer

Relationship

- Recognise workplace giving primarily is a B2B, not B2C, proposition and invest in resources to effectively manage employer relationships
- Work with employers to understand their business and program objectives. Establish relationship expectations and measure progress regularly
- Explore with the employer how their workforce can be fully engaged in workplace giving (money, time and skills)

Visibility

- Develop and promote business case studies with an emphasis on the donation impact of workplace giving
- Tailor workplace giving communications for employers with an emphasis on collective donation impact in order to make the donor experience more meaningful for employer and employee alike
- Track and internally report the impact of workplace giving for your charity, eg, the number of employer partners, donation amounts, value of complementary support (workplace fundraising, time and skill sharing) and the impact on charity outcomes





Research team

LES HEMS Director of Research, Tomorrow's Agenda Research Institute (formerly Director of Research, Centre for Social Impact)

CAROLYN REID Principal, Buyology Lab and Consultant to The Australian Charities Fund

We also extend our thanks to the following for their valuable contribution to this report:

MEI-LING HO Marketing & Communications Manager, Westpac Foundation (formerly Marketing and Communications Manager, Centre for Social Impact)

MARGARET SMITH General Manager, The Australian Charities Fund

EDWARD KERR Chief Executive Officer, The Australian Charities Fund

GREG HUTCHINSON Deputy Chairman, The Australian Charities Fund; Senior Advisor, Bain & Company

BAIN & COMPANY Pro Bono Project Team

For further information, please visit
www.australiancharitiesfund.org.au
or contact The Australian Charities Fund on
(02)9024 8630.

