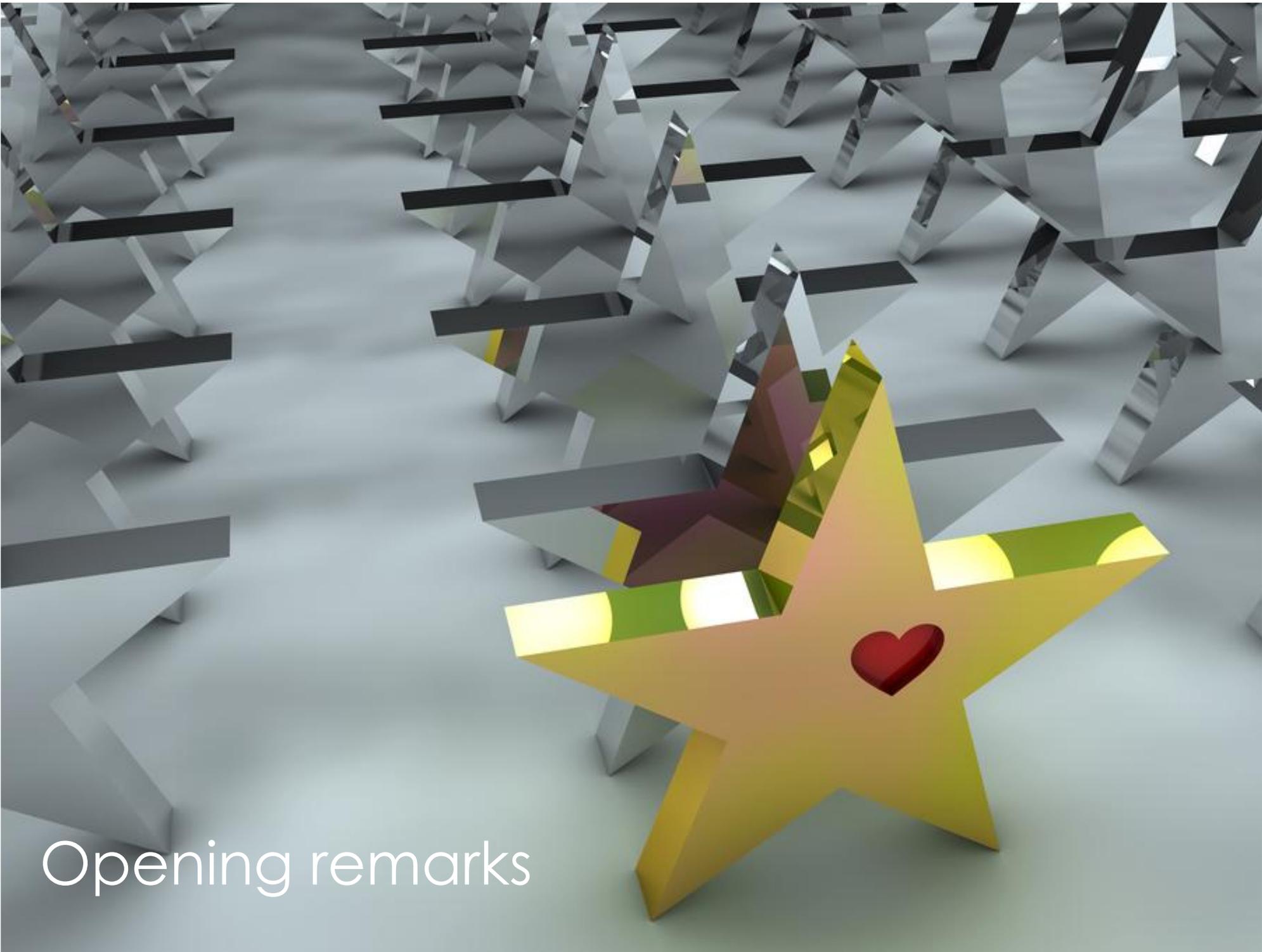




ENGAGEMENT

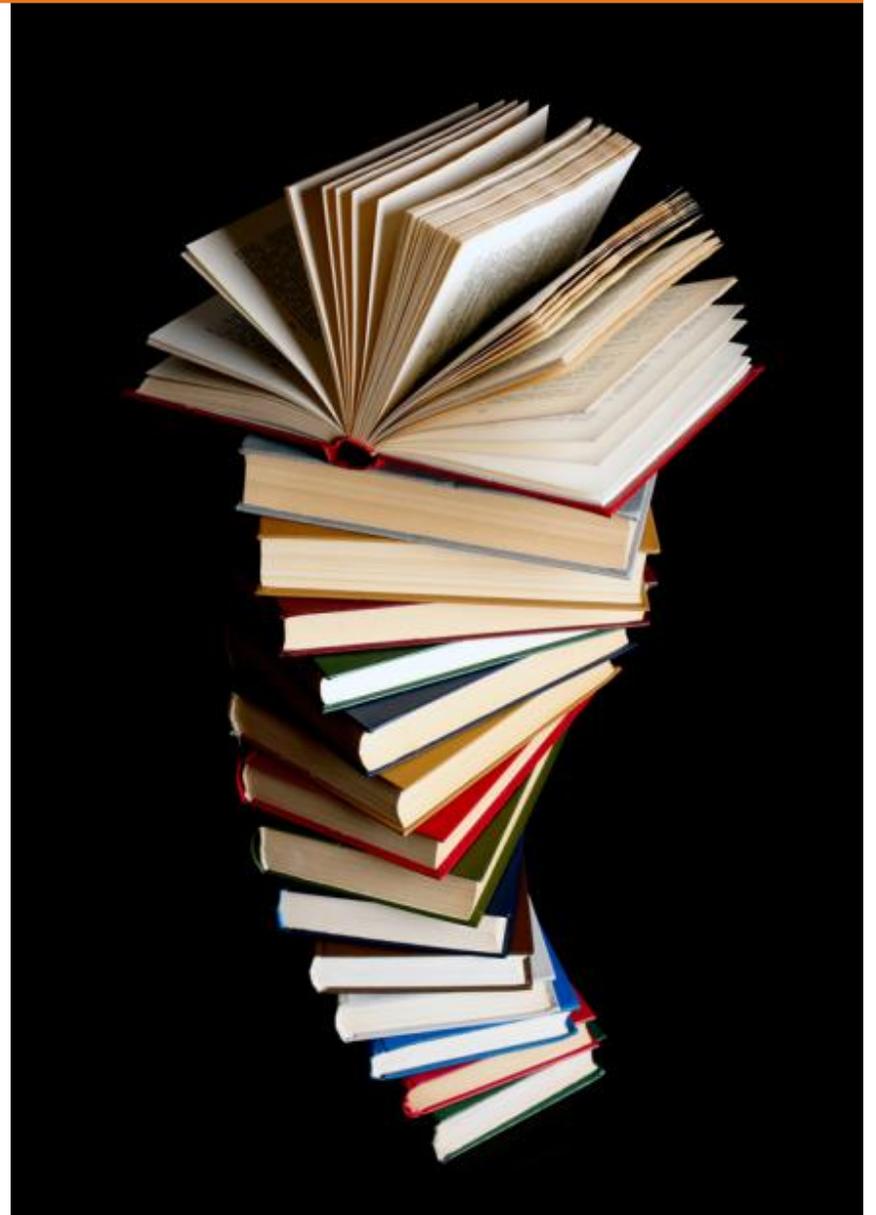
Recognising the value
of workplace giving



Opening remarks

Agenda

- Context
- The business case
- Research insights
- Recommendations
- Panel discussion





Context

Workplace giving defined

Corporate Community Investment Program



Workplace Giving

Money:

Payroll giving, Employer matching,
Workplace fundraising, Employer
grants

Volunteering:

Unskilled, Skilled

In-kind:

Premises, Product



Other activities

Sponsorships

Cause related marketing

Workplace giving value

- Current channel **value**: ~\$56M PA +
- The **potential** to change the giving landscape in Australia by:
 - Fostering employee and community engagement in Australian workplaces
 - Driving donations into the community in a highly cost effective and impactful way
 - Using skills in the workplace to build capacity in the community sector
 - Celebrating the impact of the Australian workforce's collective giving
- ACF's **vision**: 1 million workplace giving donors > \$300M+ PA

Research objectives

To increase awareness and engagement in workplace giving programs by:

- Exploring the **correlation** between successful programs and high employee engagement
- Examining the **drivers** of high performing programs
- Tracking **trends** in workplace giving in Australia and the factors influencing change
- Identifying the **potential** reach of workplace giving



Methodology

1. National **online survey** of over 4,100 respondents (donors and non-donors) across 30 employers
2. In-depth **qualitative interviews** with 43 business leaders, complemented by a qualitative online survey

Research findings supported by:

- “Cutting to the Heart of Workplace Giving” (2009) – ACF/CSI research
- ACF’s experiential insights
- Australian Taxation Office workplace giving statistics
- External literature reviews

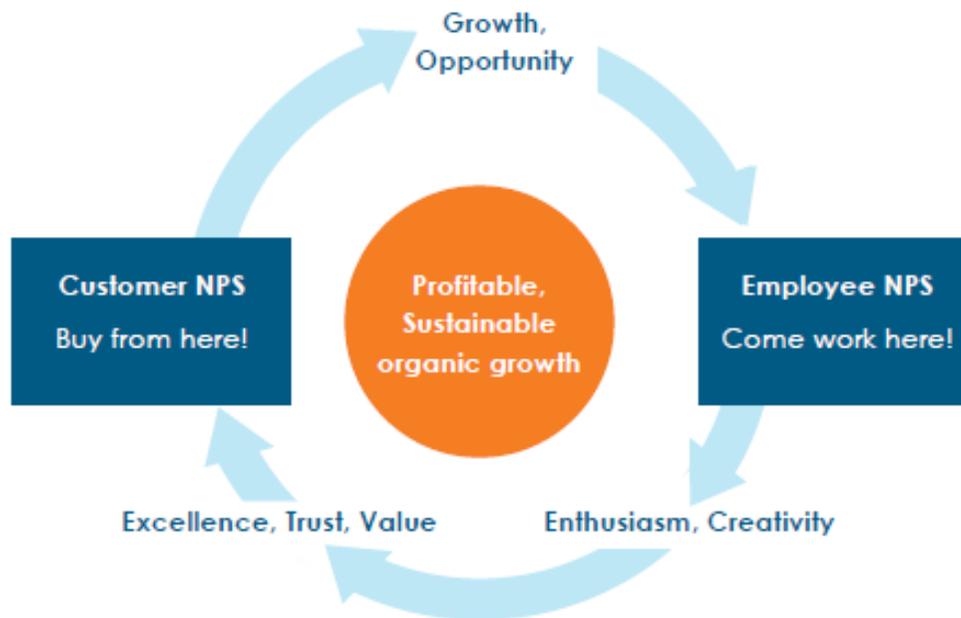


The business case

Shifting from satisfied to highly engaged employees

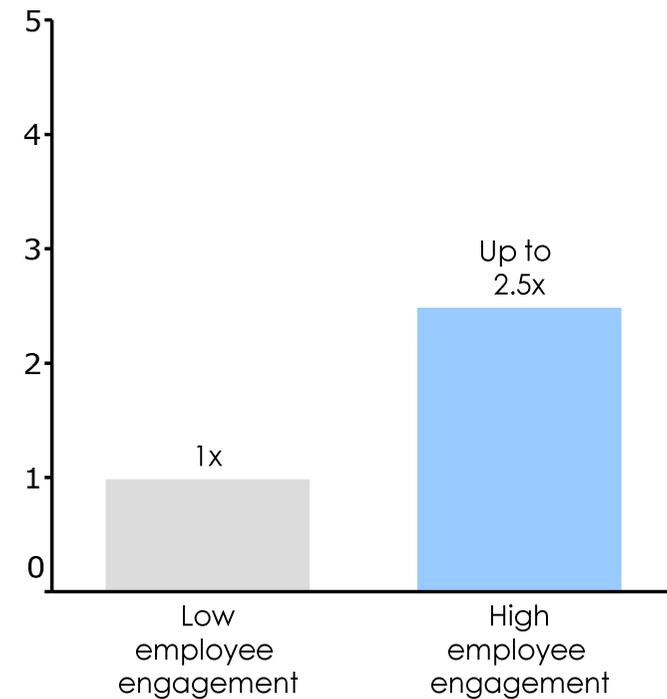


Employee engagement has a positive effect on customer loyalty, revenue growth



HIGH EMPLOYEE ENGAGEMENT EMPLOYERS GROW REVENUE FASTER

Revenue growth bottom quartile vs. top quartile employee engagement scores



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. The promoter face is a registered service mark of Bain & Company. Hay Group Insight "Engaging and Enabling Employees to Improve Performance Outcomes" (2009)

Employee engagement drives business performance

Revenue

- Increased customer spend
- More referrals
- Lower customer churn



Operational Efficiency

- Higher productivity
- Lower absenteeism
- Increased quality



Talent

- Higher employee retention
- Lower talent acquisition costs



“Employers with highly engaged employees deliver 7x greater 5 year total shareholder returns than organisations with low employee engagement”

Kenexa Research Institute (2008). *WorkTrends Annual Report*

A glowing lightbulb is shown against a dark background. The bulb is illuminated from within, casting a bright glow. Its reflection is visible on a dark, reflective surface below it. The text "Research Insights" is overlaid in the bottom left corner.

Research Insights

Employee engagement: No. 1 objective

- Leaders stated **engaging employees** was their primary workplace giving objective
- Employee engagement plays a critical role in their **talent management** strategy

“We explicitly see amongst the next generation of employees an increased focus and desire to have an impact in the workplace with our clients, and in the community. We view workplace giving as a differentiator as we seek to employ the best talent”

- Leaders view **workplace giving** as an **important contributor** to both strategies

How do CEOs measure success?

- **Success** equals:
 - the impact on **morale**
 - the impact on the organisation's **culture**
 - **number** of donors
 - amount of **money** raised

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

“The most effective way to drive employee engagement is to make workplace giving one component of a more holistic corporate responsibility strategy”

The importance to corporate responsibility program

- Program managers consistently ranked the following highest:

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

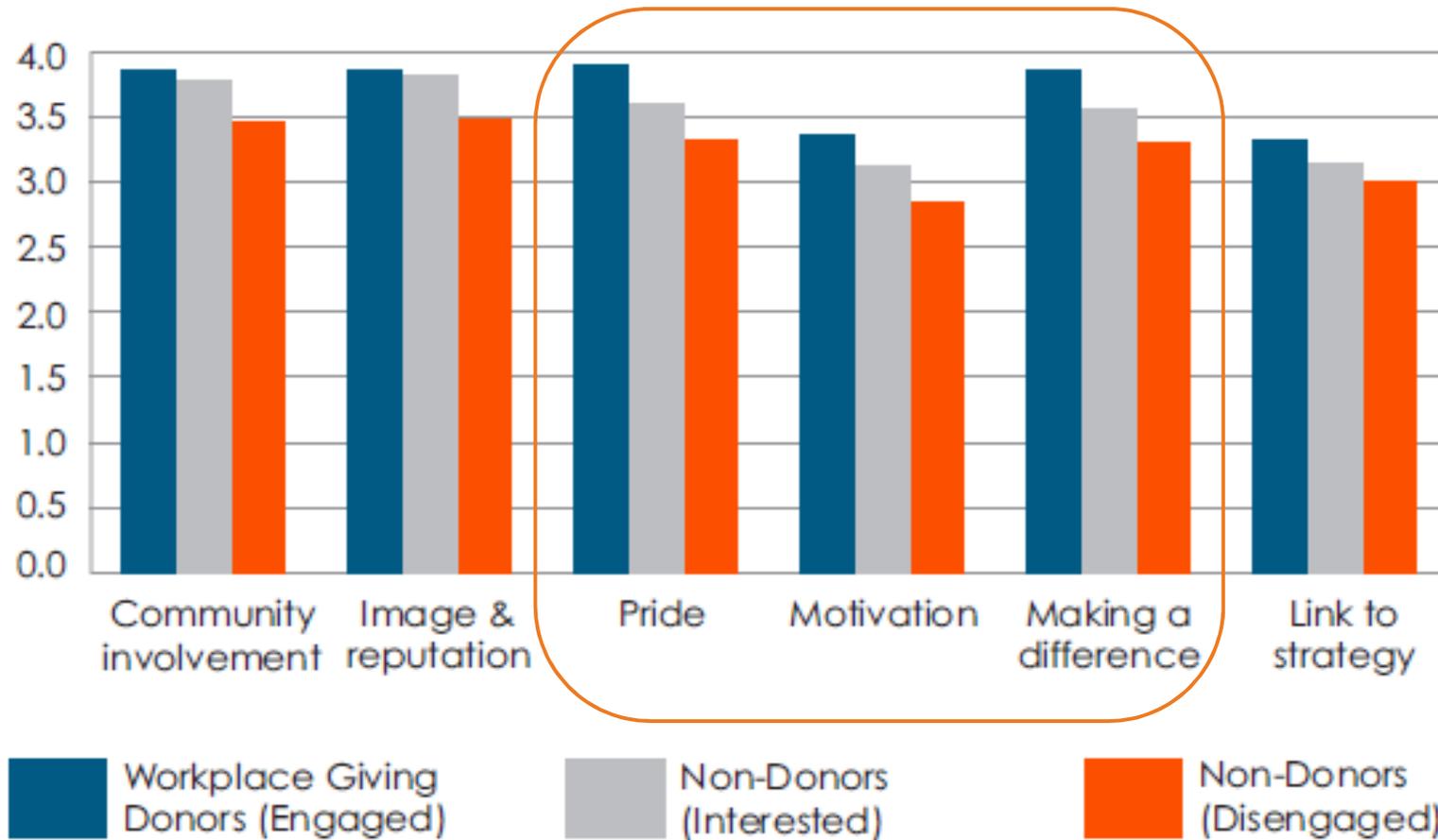


Workplace Giving

- Key measures of success for program managers:
 - Number of employees who donate
 - Impact on culture and morale
 - Senior leadership engagement in the program

Workplace givers are more engaged employees

Employee perceptions of their organisations' 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).

Shift to strategic alignment

- More than half of leaders said workplace giving is **not fully integrated** with other corporate responsibility programs
- Cause areas and charity partners are **not sufficiently aligned** to organisational strategy.
- CEO advice to employers implementing a workplace giving program – ensure your strategy is “**relevant** to the business of the business – spell out the connection”
- Just as importantly, CEOs and senior leaders said they must be seen to **lead from the front** for workplace giving to reach and sustain its full potential.

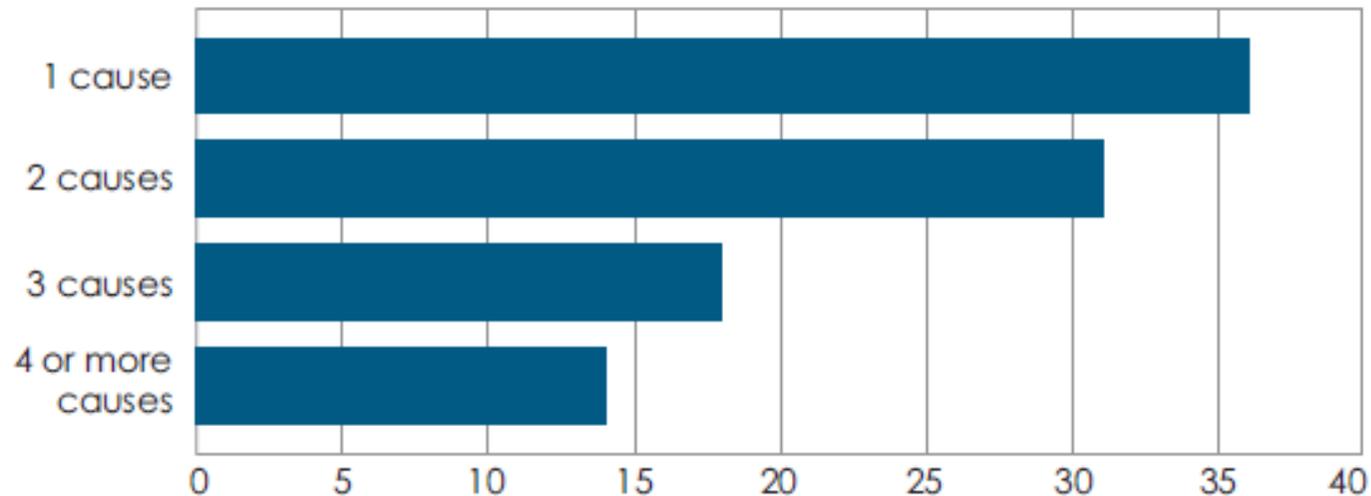
“Causes and charities must have organisational relevance – something the organisation and employees can relate to and support”

Trend toward program review

- 3 in 4 program managers are **reviewing** or considering reviewing their workplace giving program
- Their objective? To increase **employee engagement**
- To drive greater engagement, program managers are considering:
 - Cause alignment with organisational strategy
 - The number of charity partners,
 - Communication effectiveness > emphasis on donation impact
 - Champions > emphasis on engaging employees with the overall program
 - Employer matching and opt-out initiatives
- **Resourcing** is an issue: 80% of program managers spend less than 10% of their time on workplace giving.

Employees support a limited number of causes

- 70% of respondents donate to **no more than 2 causes** outside the workplace

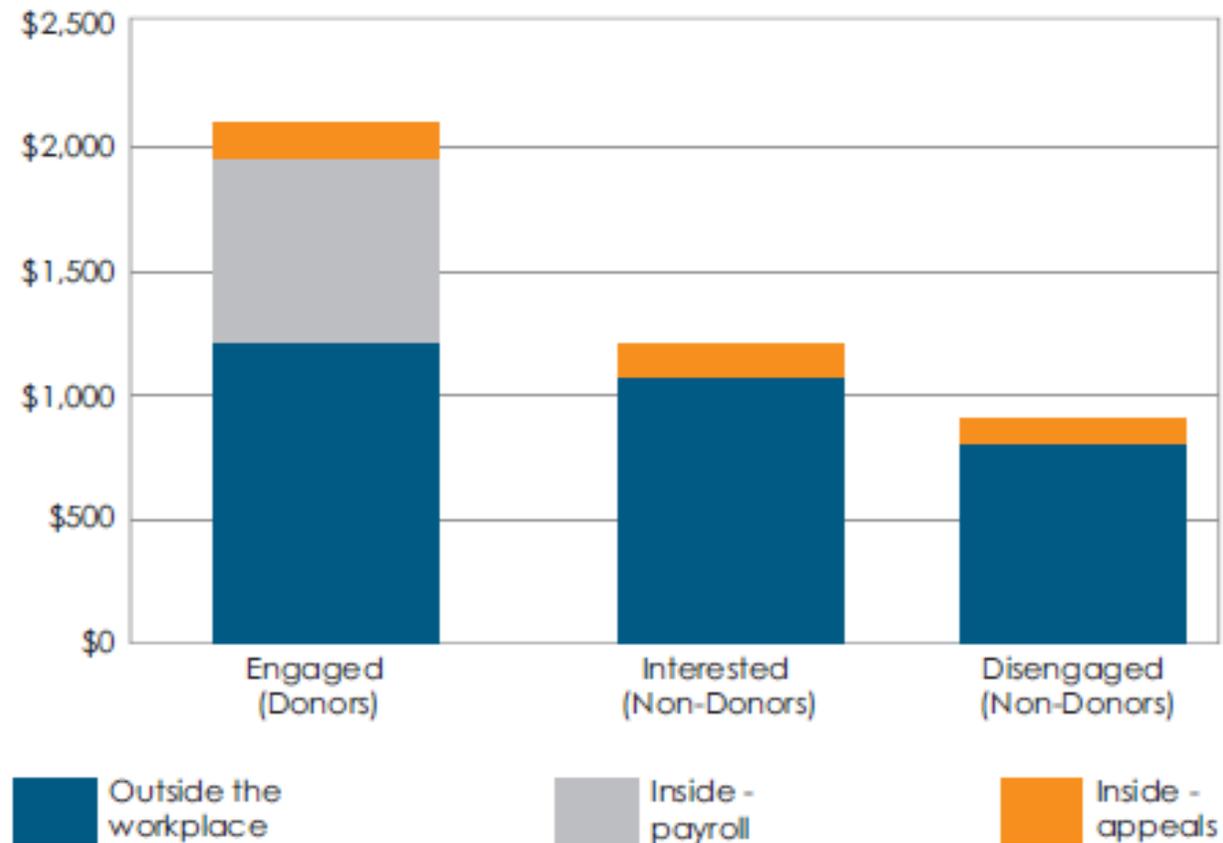


- **Five** causes meet the giving needs and motivations of 81% of employees
- **Emerging trend:** more than 1 in 4 program managers said they have too many charity partners - "go for depth, not breadth to increase impact"

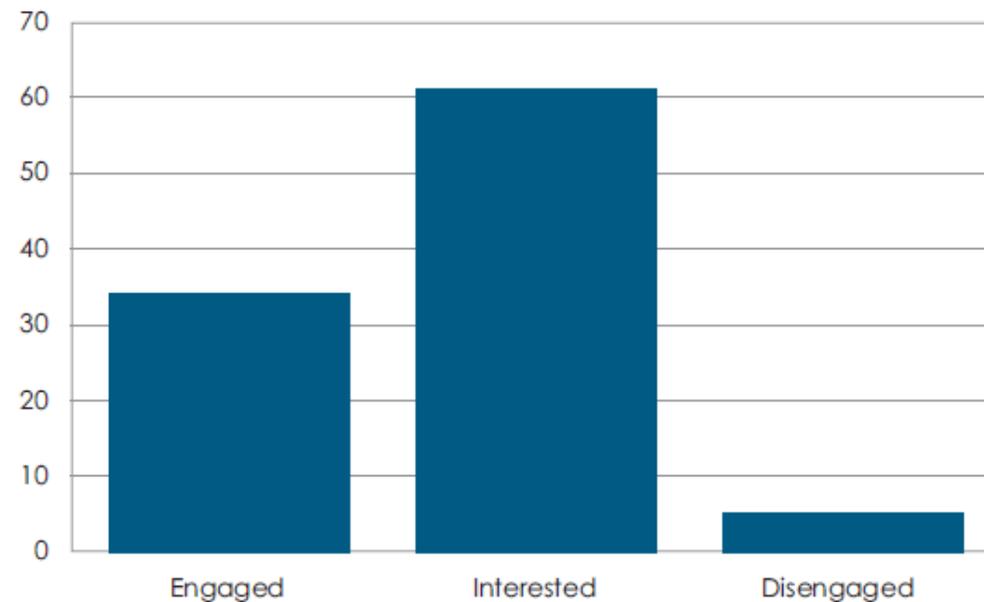
Workplace giving continues to increase total giving

- For 81% of workplace givers, their total giving to charity increased

Levels of giving inside and outside the workplace



Employee segmentation – who's keen, who's not



- 34% of respondents are **engaged** (donors) - motivated by head and heart
- 61% are **interested** but they want to know “where and how the money is spent”
- Only 5% are **disengaged** (not interested)
- 30% of donors would **increase** their donation if they were asked by their employer
- 80% of donors would **recommend** workplace giving to a colleague

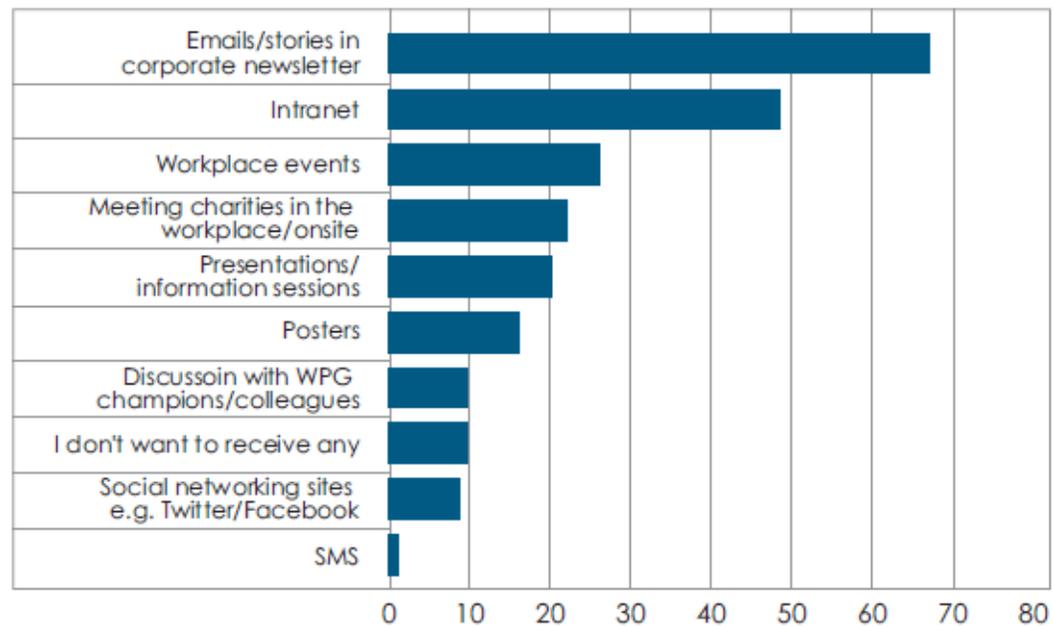
Untapped engagement potential

- Australians are **generous** with 76% giving money to charity (Ranked #2 in World Giving Index 2012)*
- Employers can **harness** the philanthropic nature of employees:
 - 86% give money to charity
 - 76% give to disaster appeals
- Increasing **awareness** will increase **engagement**
 - 27% of respondents revealed they were unaware of their employer's workplace giving program before taking part in this survey
 - Only 5% of total respondents are not interested in participating

* Published by Charities Aid Foundation UK (2012)

Keeping them engaged

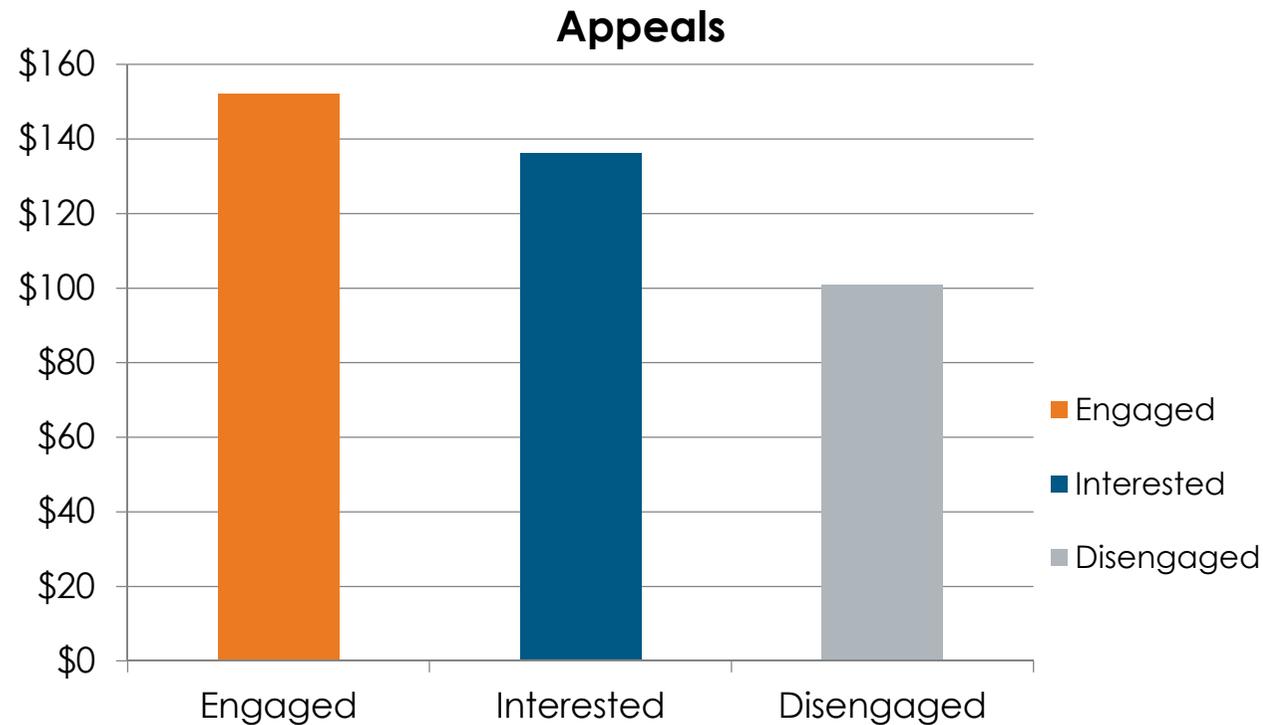
- Employees want **quality communication** about what happens with their donations.
- 90% of employees, irrespective of donor status, want **communications** from their employer through internal channels about the **impact** of donations,



- 17% of respondents said they wanted to hear directly from the charities

More are willing to give money vs time

- 85% were aware of one-off workplace fundraising appeals and 86% of these gave
- The engaged (workplace giving donors) give more



- 44% of respondents were aware of workplace volunteering and 20% volunteered

Summary of findings





Recommendations

Recommendations: Employers – existing programs

LEADERSHIP

- Align cause areas with organisational strategy
- Cause/charity alignment to maximise impact
- Allocate resources
- Define program goals
- Proactive senior leadership support
- Match employee donations

ENGAGEMENT

- Acquire new donors
- Increase existing donor contributions
- Promote program holistically

VISIBILITY

- Track progress against goal
- Champion network
- Measure and communicate collective impact
- Annual program plan

Recommendations: Employers – new programs

- 4% average participation vs 30-50% for best practice programs
- The difference? Less focus on payroll donation facility, greater emphasis on strategy and integration
- 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
 - How workplace giving might influence desired organisational **culture**
 - How existing community activities and workplace giving will be **integrated** to represent a unified community engagement program to stakeholders.

Recommendations: Charities

STRATEGY

- Recognise and promote effectiveness of workplace giving vs other fundraising
- Understand employer motivations for workplace giving
- Offer a workplace giving product

RELATIONSHIP

- Define and manage the relationship with business

VISIBILITY

- Track and communicate the impact of collective contributions

Make
a
difference



Panel Discussion

Trust

For more information on workplace giving contact:
The Australian Charities Fund
australiancharitiesfund.org.au
Ph +61 2 9024 8630

