



# ***Employee Engagement in the 21<sup>st</sup> Century***

## ***Entrepreneurs Foundation Corporate Citizenship Conference***

*March 14, 2008*

*Celina Pagani-Tousignant*

*Boston College Center for Corporate Citizenship*



# Center for Corporate Citizenship

## Who we are:

- *A research and education center* at Boston College Carroll School of Management with *over 20 years experience* working with companies in corporate citizenship management
- *A membership network of over 320 of the world's leading companies* (50% of Fortune 100) working to integrate CC into the core of their business

## What we offer:

- *Applied research and benchmarking* in corporate citizenship
- *Executive education and custom training* (North America's only certified training program in CC management )
- *Applied membership research and benchmarking networks* in key dimensions of Corporate Citizenship management
- *Events* - annual conference, roundtables, regional meetings, webinars

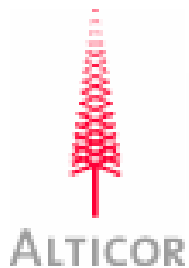
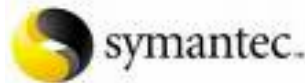
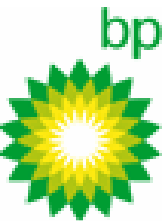
# The Community Involvement Leadership Roundtable



A network of Community Involvement leaders charting the future of corporate community involvement



Booz | Allen | Hamilton



# Business Network on Integrating Corporate Citizenship



A network of professionals charged with and committed to integrating corporate citizenship into their companies' business operations and strategy



The McGraw-Hill Companies



# Global Leadership Network

A global network of companies committed to achieving world class performance in corporate citizenship





## *Typical Pain Points in Organizations Today*

- Attraction – an organization’s ability to draw the right kind of talent necessary to achieve organizational success
- Retention – an organization’s ability to keep employees who are valued contributors to organizational success as long as it is mutually beneficial
- Motivation / engagement – the positive emotional involvement an employee has within an organization



- **Source: World at Work**



## *Employee Engagement: What is it?*

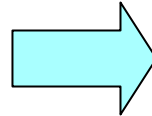
- When employees:
- Are committed to the work
- Have a deeper connection to the company
- Are willing to go the extra mile
- Give their discretionary effort on a voluntary basis
  
- What happens?
- Innovation occurs
- Real value is generated at the margins



## *Employee Engagement Past and Present*

### Old Paradigm

- Old employee-employer contract (job for life)
- Total Rewards= Compensation + Benefits
- Employees seen at times as expendable
- Community involvement initiatives (philanthropy, strategic philanthropy, corporate volunteer programs, partnerships)
- Engagement=HR issue



### New Paradigm

- New employee-employer contract (employability)
- Total Rewards= Compensation + Benefits + Work/Life + Recognition + Development
- Younger workers (born between 1978-1998) at the workplace
- Emergence of Corporate Citizenship (CC)
- Corporate Citizenship matters to employees
- Engagement=HR issue=CC issue



# *Total Rewards Strategy – Leveraging the Five Elements*



Source: World at Work



## *Terms that Identify Younger Workers*

**Nexters**

**Generation  
Y**

**Independents**

**Baby Boom  
Echo**

**Millenials**

**Internet  
Generation**

**Generation  
Next**



## *They've Arrived With a New Attitude*

- Technology is their life (social experience/identity)
- Constant connectivity
- Immediate, looking for a faster way
- New language (Google something)
- Influenced by peers
- Pop culture is huge for them
- Entrepreneurship around the corner (new “Bedouins”)
- More casual social norms
- Beginning to care about issues (online grassroots activism in Facebook, MySpace, etc.)
- Think highly of themselves
- **Look for a company that ‘cares about how it impacts and contributes to society’**



- **Sources: San Francisco Chronicle, 2007, HR Magazine, May 2007, Anecdotal Data, “The Cone Millennial Cause Study” and USA Today 2006**



## Corporate Citizenship Today: What is it?

A variety of terms and  
management approaches

...all aim to a common purpose

Corporate Social Responsibility  
Corporate Responsibility  
Social Responsibility  
Sustainable Development  
Sustainability  
Corporate Citizenship  
Triple Bottom Line

- Minimizes harm
- Maximizes benefit
- Builds accountability and responsiveness to stakeholders
- Integrates throughout the business
- Supports and drives business results



## *Corporate Citizenship Matters to Employees*

- According to the Reputation Institute: **75-80% of those polled in 25 countries** would prefer to work for a company that is known for its social responsibility
- According to Cone Communications: **65% of Generation Y employees** say that their employer's social and environmental activities make them feel loyal to the company
- According to GlobeScan: **9 out of 10 employees worldwide** are interested in participating in the citizenship initiatives of their company
- **Source: "Beyond Good Company: Next generation of Corporate Citizenship", December 2007, by Bradley K. Googins, Philip H. Mirvis, and Steven A. Rochlin**



## *Corporate Citizenship Matters to Senior Executives*

In 2007 Boston College and Hitachi Foundation conducted the 3<sup>rd</sup> biennial State of Corporate Citizenship in the U.S. The survey of 751 senior executives of small, medium, and large companies revealed:

- 73% say corporate citizenship needs to be a priority
- 81% see the importance of valuing employees and treating them well
- **Source: “The State of Corporate Citizenship 2007”, Boston College Center for Corporate Citizenship**



# *Corporate Citizenship Matters to Senior Executives, but ...*

## Research shows gap between rhetoric and reality

While 73% say corporate citizenship is important ...

- 60% say it's a part of the business strategy
  - 39% say its part of the business planning process
  - 28% have written corporate citizenship policies or statements
- 
- **Source: "The State of Corporate Citizenship 2007", Boston College Center for Corporate Citizenship**



## Corporate Support in the Community

According to the 2007 State of Corporate Citizenship survey:



69% provide  
cash donations



65% provide in-kind  
donations



64% provide  
employee  
volunteers



## Challenge to Companies Today

Time to get real & close the gap between rhetoric and reality



Question is no longer *why* corporate citizenship

Question now is *how*

- Source: "The State of Corporate Citizenship 2007", Boston College Center for Corporate Citizenship



## *Corporate Citizenship Today: How do I manage it?*



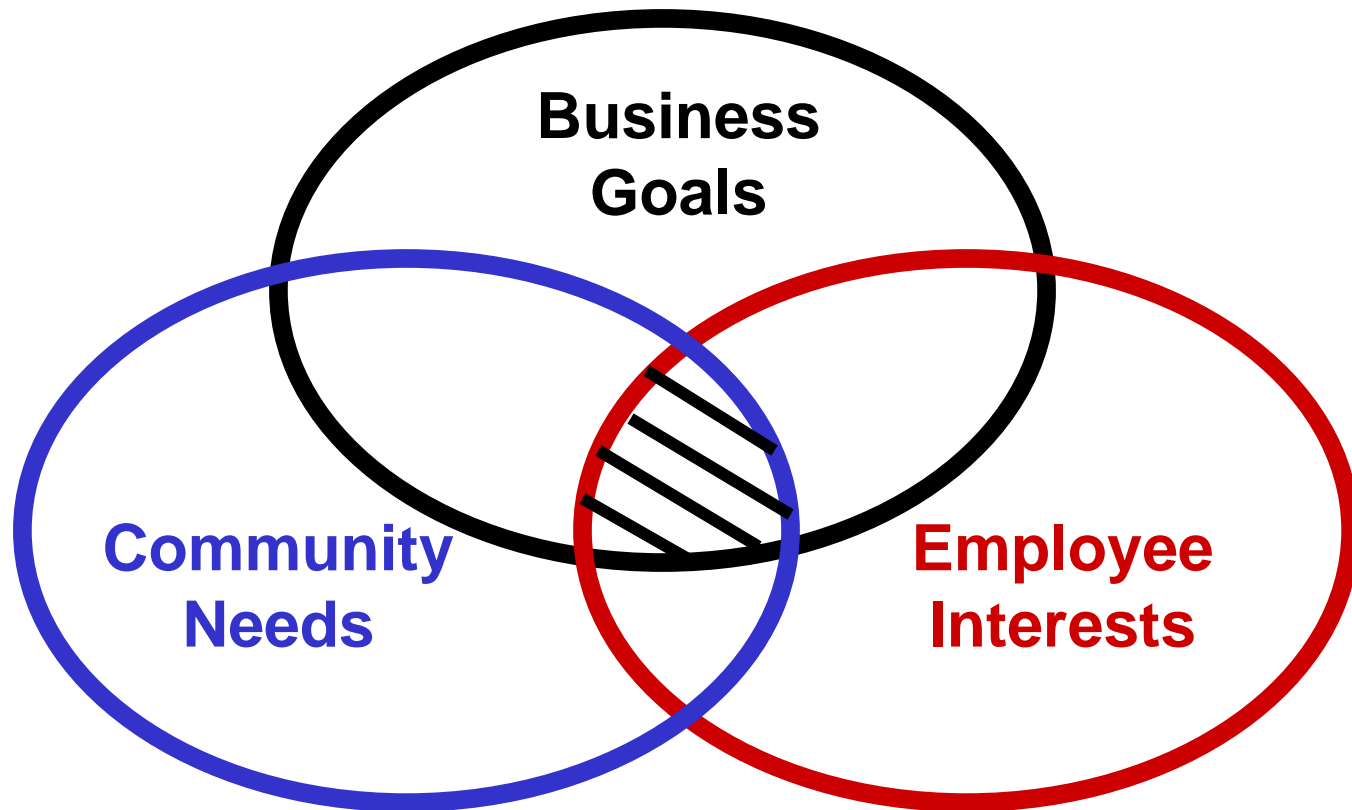
Corporate Citizenship Management Framework™



## *HR/CC Connection at Leading Companies*

- 1) Diversity councils, affinity groups, Work/Life forums that provide input and feedback on company policies and practices
- 2) Socially responsible jobs
- 3) Strategic employee involvement programs
- **Source: “Beyond Good Company: Next generation of Corporate Citizenship”, December 2007, by Bradley K. Googins, Philip H. Mirvis, and Steven A. Rochlin**

# Strategic Employee Involvement Program





## *Benefits to the Business*

- Supports core business issues
- Most effective way to build relationships of trust/face in the community (license to operate)
- Increased branding and reputation (employees as ambassadors in the community)
- An effective way to identify issues (license to operate)
- Employee attraction and retention
- Increased productivity
- Improved motivation and loyalty
- Improved consumer relations
- Improved teamwork
- Decreased training costs

**Source: “Employees -The Core of Corporate Citizenship”, May 2005, Boston College Center for Corporate Citizenship**



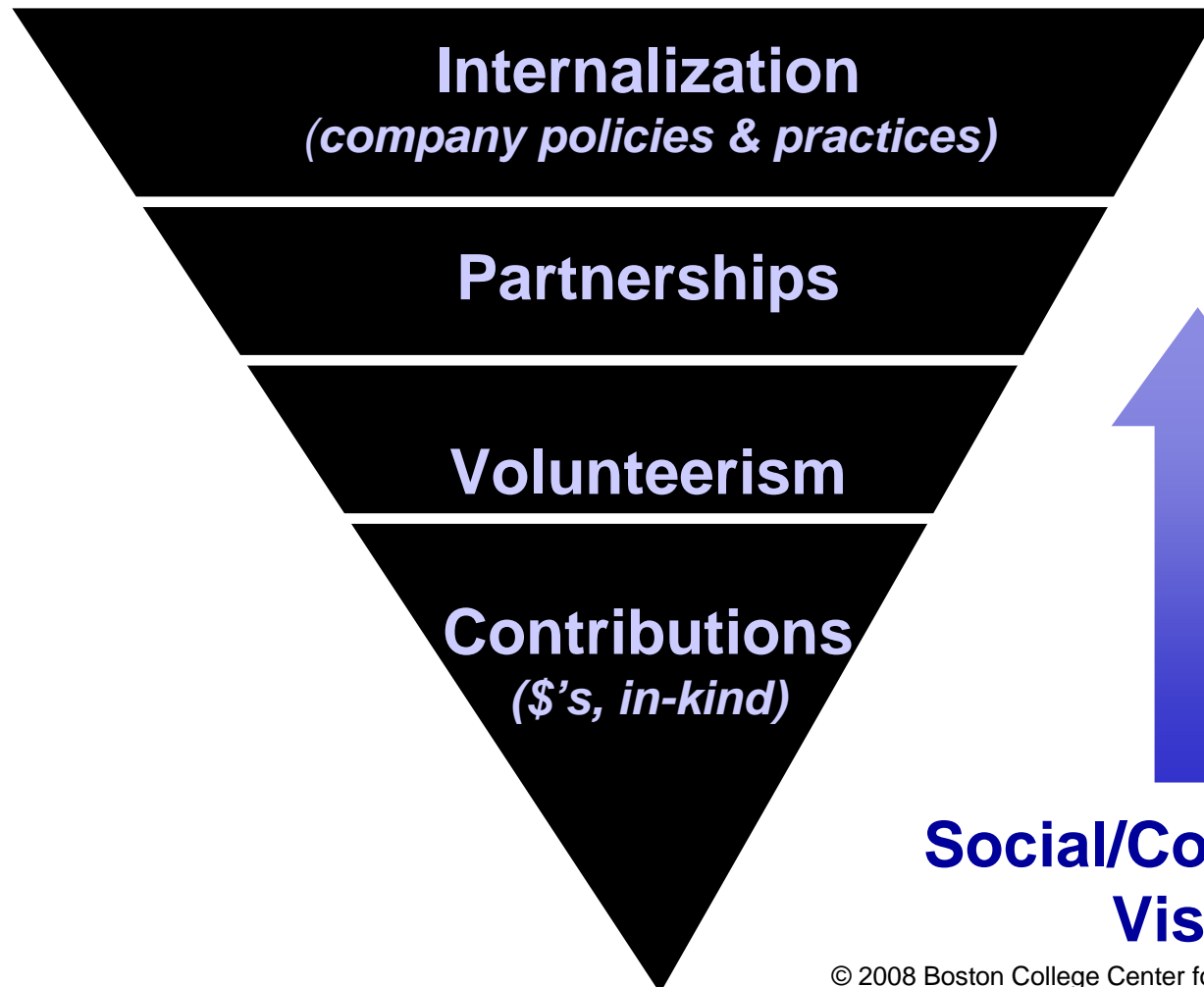
## *Benefits to Employees*

---

- Skills development and enrichment
- Improved morale
- Lower levels of stress
- Greater job satisfaction
- Ownership of initiatives
- Promotion opportunities
- Broader sense of meaning in life
- Support for their desire to serve society



## Alignment of Community Involvement Initiatives





## *Some Indicators of an Exceptional Employee Involvement Program*

- Demonstrates leadership
- Impacts a critical community need
- Supports a high-priority company goal
- Has a clearly stated and aligned purpose
- Involves others
- Produces high visibility
- Is easy and rewarding
- Involves strategic partnership(s)
- Produces measured results



## *Example: Expedia Giving employees ownership*

- Expedia is a virtual retail store and it is the employees who work a close relationship with the customers and get customer loyalty and sell products.
- They are aware of the necessity to empower employees. The company has a young “dot com” culture and innovation comes from within.
- Empowering employees:
  - Community grants program
  - Community service day

*Employee engagement reaches into employee ownership of the job and employee involvement in the community*

Source: “Employees-The Core of Corporate Citizenship”, May 2005, Boston College Center for Corporate Citizenship



## *Example: Prudential Empowering communities to grow*

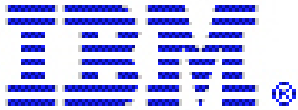
- Global volunteer program
  - a) Global volunteer day is in its 10<sup>th</sup> year and is the second oldest program of its kind in the country / 32,000 people participate out of 60,000, undertaking close to 1,000 projects
  - b) Impact on employees: it develops job skills, relationship management skills, project management skills and marketing skills
  - c) Individual employee involvement will be part of the performance reviews and professional development plans

*Employee engagement reaches into professional development and employee involvement in the community*

**Source: “Employees-The Core of Corporate Citizenship”, May 2005, Boston College Center for Corporate Citizenship**



## *Examples: IBM Employees serving society*



IBM embraced this employee-as-citizen philosophy in the development of its On Demand Community of volunteers. In 2000, the company shifted its primary focus of reinventing education to serving society.

- a) It unleashed IBMers to reach out to their communities more broadly and in personal and relevant ways.
- b) It encourages IBMers to bring their whole selves to service. The message was clear, use your hands and hearts, but also your business know-how and the tools and resources of the company.
- c) It brought volunteerism to a global scale.

*Employee engagement reaches into employees personal desire to serve society and their identities as citizens of IBM, the community, society and the planet.*

**Source: “Beyond Good Company: Next generation of Corporate Citizenship”, December 2007, by Bradley K. Googins, Philip H. Mirvis, and Steven A. Rochlin**



# Thank You!

---

- Celina Pagani-Tousignant
- President, Normisur International
- Faculty Member, Boston College Center for Corporate Citizenship
- Phone: 415-459-6747
- E-mail: [celina@normisur.com](mailto:celina@normisur.com)