# Philanthropy and CSR

Linda Gornitsky, Ph.D.
President
LBG Associates

# About LBG Associates

- **Founded by Linda Gornitsky in 1993**

- **Three-legged stool—consulting, research and training**

- **Have published close to two dozen studies on citizenship topics**

# Historical Perspective

- Philanthropy became more visible in the early 1900s

- Later adopted by companies

- Raised public awareness to the issues of social responsibility

- Evolved into CSR and sustainability

- Now corporate citizenship/philanthropy plays a minor part in CSR

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# Where Are We Today?

- **Corporate Citizenship has arrived**

- **Many new buzzwords**
  - **Impact investing**
  - **Shared value**
  - **Integrated philanthropy**
  - **Purpose**
  - **CSR**

# Corporate Citizenship

- **My preferred name**

- **Includes charitable giving and employee engagement**

- **Needs to be strategic**
  - **Aligned with company's business goals, meet community interests, address employee needs**

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# Definition of a Strategic Program
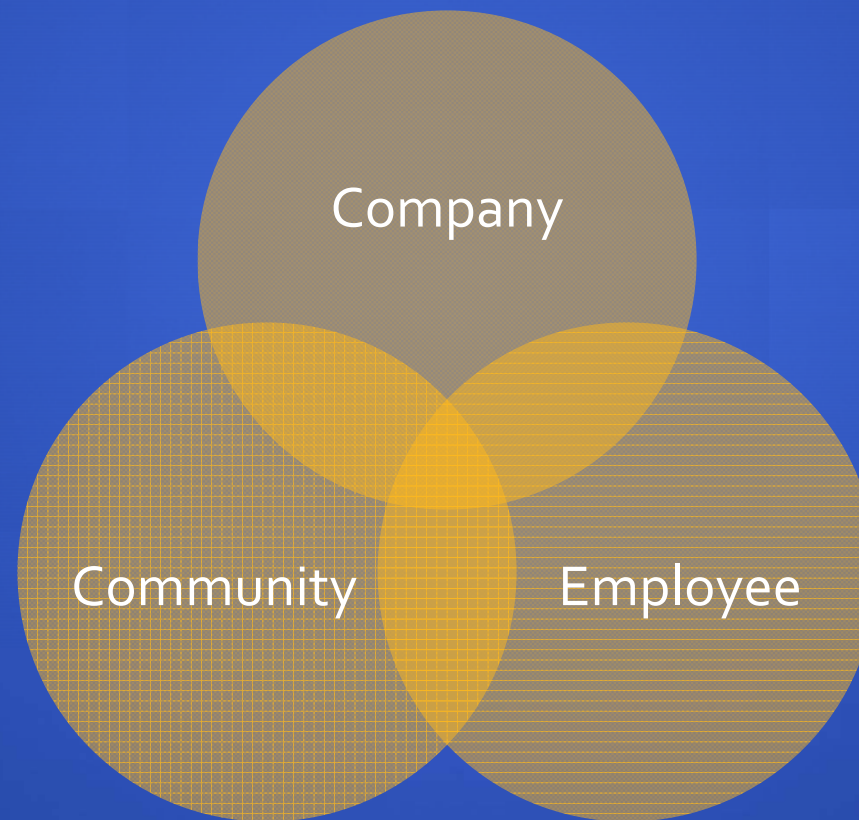
# Corporate Giving--Poll

- **Does your company have a corporate giving program?**
  - Yes
  - No

- **Is the giving strategic?**
  - Yes
  - No

# Corporate Foundation--Poll

- **Does your company have a foundation?**
  - Yes
  - No

- **Is the giving strategic?**
  - Yes
  - No

# What We Will Be Talking About

- **Best Practices rather than trends**

- **Explains what a best-in-class company looks like**

- **Companies that incorporate these practices are most likely to be socially responsible and aligned with a company's sustainability, PA goals and business goals**

# Corporate Citizenship Best Practices

- **What is a Best Practice?**

- *From members of the LBG Research Institute:*
  - A best practice is an effective way to achieve a desired result that has been proven valid in multiple companies and sectors. It should be scalable, repeatable, efficient and measurable and able to be used as a benchmark
  - *From dictionary:*
    - A method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark

# Best Practices

- **What we will discuss:**
  - **Strategy**
  - **Giving**
  - **Employee engagement**
    - **Volunteerism**
    - **Employee-directed giving**
    - **Board service**
  - **Evaluation**
  - **Not including PA**

# Best Practices: Strategy

- **Goals and benefits of a strategic program**
  - **Increased ability to retain/recruit employees**
  - **Gain a competitive edge for attracting employees and customers**
  - **Enhance corporate image**
  - **Improve reputation**
  - **Build a goodwill bank**
  - **Strengthen the brand**

# Best Practices:  Strategy

- **Impact the bottom line**
- **Provide business opportunities/market entry**
- **Better response to RFPs**
- **Acquisitions**
- **Reinforce/build/enhance relationships**

# Best Practices: Strategy

- A best practice for a corporate citizenship strategy is one that:
  - Is aligned with the core competencies of the business, its values and imperatives
  - Has internal buy-in
  - Has leadership support
  - Is authentic to the culture of the company
  - Has measurable outcomes
    - Includes impacts on the company, employees and communities

# Best Practices: Strategy

- **Has cross-collaboration across company departments, such as HR and Marketing**
- **Is flexible enough to remain relevant**

*Without senior management buy-in, cross-company collaboration and support, and a strong alignment with the company's business goals and values, it will be very difficult for a corporate citizenship program to be considered best-in-class.*

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Driving Social Change.

# Best Practices:  Giving

- Whether the grants are made directly by the company or through a foundation, the giving program should be aligned with the overall citizenship strategy while at the same time having its own strategy

- Some best practices include:
  - *Strategy*
    - Have a mission statement and giving guidelines
    - Have one or two authentic focus areas that are narrow and strongly supported
    - Allocate funding to focus areas and other giving categories based on the strategy
    - Leverage all company resources, including senior executives on key boards (integrated grantmaking)

# Best Practices:  Giving

- **Focus on fewer, larger grants**

- **Are proactive in finding nonprofit partners**

- **Support programs over general operating support but include needed GOS in grants to make the programs possible, i.e., hiring additional staff, evaluation funds**

- **Ensure that the programs incorporate strategic community partnerships and collaboration**

# Best Practices:  Giving

- **Structure**
  - **Centralized, decentralized, combination**
    - Combination is a best practice
  - **Have an executive decision-making body—contributions committee, Foundation board**
    - Oversees the giving program, provides guidance and approves the largest grants
- **Budget**
  - **Donate an average of .95% of pretax net income (this will vary depending on size of program, industry and other factors)**
  - **Have dedicated budgets for charitable giving, volunteerism, in-kind donations as well as sponsorships**
  - **Keep multiyear pledges to a minimum—no more than 20% of budget**

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# Questions ?

# Employee Engagement

- **Is hot  (trend and best practice)**

- **This includes:**
  - **Employee-directed giving**
    - **Matching Gifts**
    - **Dollars for Doers**
    - **Workplace giving**
  - **Volunteerism**
    - **Traditional**
    - **Skills-based/pro bono**
    - **Other**
  - **Board membership**

# Employee-Directed Giving Poll

● **Does your company have:**

- ● **A Matching Gifts program?**

- ● **Workplace giving campaigns?**

- ● **A Dollars for Doers or employee grant program?**

# Best Practices: Employee-Directed Giving

- **Best practices include:**
  - **Having a Matching Gifts program**
    - **Most match at a 1:1 ratio**
    - **The major giving category for Matching Gifts is education**
  - **If there is a workplace giving program, it is more open (any 501(c)(3)) than closed (United Way only)**
  - **Offering a Dollars for Doers or volunteer grant program**
    - **May be low usage but has high value to employees**

# Employee Volunteerism--Poll

- **Does your company encourage employees to volunteer?**
  - Yes
  - No

# Best Practices: Employee Volunteerism

- Best practices include:
  - Developing a thoughtful strategy that reflects the company's values and beliefs with regard to volunteerism
    - The strategy includes:
      - A mission statement
      - Policies and guidelines
      - A clearly defined program structure, process and procedures
  - Creating a corporate culture that makes employees want to get involved
  - Educating employees and management on the importance of volunteering and training them on how to get involved
    - Create strong, clear messaging to generate enthusiasm

# Best Practices: Employee Volunteerism

- **Encourage senior management to:**
  - **Buy-into and support volunteerism**
  - **Participate in community and board service activities**

- **Has clear policy or guidelines on release time and/or paid-time-off**

- **Incorporates a range of activities to appeal to employees at their level of interest**
  - **Has traditional opportunities**
  - **Has skills-based/pro bono opportunities**

# Best Practices: Employee Volunteerism

- **Recognizes volunteers in an informal or formal way**

- **Tracks employee engagement**
  - **Measure and evaluate the data**
  - **Use the data for communication and/or continual improvement**

# Best Practices: Evaluation

- **Best practices include:**
  - **Going beyond collecting numbers**
    - **Some data types**
      - **Process**
      - **Input**
      - **Output**
      - **Outcome**
      - **Impact**
  - **Measuring:**
    - **Individual participant outcomes**
    - **Program/organizational outcomes**
    - **Community-level outcomes**
    - **Employee outcomes**

# Best Practices:  Evaluation

- **The data are used to:**
  - **Evaluate progress toward accomplishing the strategic goals of the citizenship/giving/employee engagement programs**
  - **Measure the changes that are occurring at the nonprofit partner**
  - **Answer the question "what difference are we making?"**

# Conclusion

- **Corporate citizenship plays a critical part in demonstrating a company's social responsibility**

- **It is what consumers are most likely to see and helps strengthen the company's brand and reputation**

- **A company with a strategic program will be more impactful in:**
  - **Helping advance a company's business and social platforms**
  - **Meeting community needs**
  - **Engaging its employees**

# Contact Information

Linda Gornitsky

lbgassoc@gmail.com

linda@lbg-associates.com

203-325-3154

THANK YOU!