

# The virtuous cycle of community involvement

## How community involvement programs can help bridge the skills gap

Community involvement programs are good news for businesses and for the communities in which they work. And, says Jared Larrabee, a senior consultant with client services firm Deloitte, they are likely to become an increasingly important recruitment tool in the battle to win job-seekers' hearts and minds.

**M**OST EMPLOYERS IN Western countries now recognize that they will soon face, if they aren't already facing, a serious skills gap. Census data suggests that by 2010, for every new hire entering the workforce there will be two employees exiting<sup>1</sup> – a migration that will accelerate over the next 10 to 15 years. As baby boomers exit the job market and other demographic trends take shape around the world, pressure on companies to find and secure highly skilled employees will increase.

The so-called “Millennial Generation” of job-seekers – the generation born between 1978 and 1994 – currently accounts for 30 percent of the US population and by 2010 will surpass the number of baby boomers and Generation Xers.<sup>2</sup> And when it comes to seeking employment, a tight market and individual preferences turn the “Millennials” into a selective group. So what can organizations do to attract the newest generation of high school and college graduates now entering the workforce and, ultimately, to close the skills gap? Some companies are finding that their community involvement initiatives can offer just the enticement these job-seekers require.

Strategic community involvement is an innovative approach to good corporate citizenship that can help companies attract, develop and retain young workers because of its inherent appeal to this segment of the population. It can help companies meet the urgent need to recruit “the best and the brightest” of the Millennial Generation, while simultaneously addressing a growing need for private support of a variety of causes within their communities, as well as meeting the expectations of the Millennial Generation – thereby creating a virtuous cycle that can benefit everyone involved (see figure 1, opposite).

### Changing perceptions among younger workers

The Millennial Generation of workers is very different than its baby boomer and Generation X predecessors. In fact, these tech-savvy millennial job-seekers have markedly different career expectations than their parents.

According to Barry Salzberg, managing partner of Deloitte & Touche USA: “This generation is moving the old model of philanthropy – something that was separate from business – to a socially minded undertaking that is part of business. They are looking for the double bottom line – both the social impact and the business value – from community involvement.” This includes a tendency to seek employment with companies whose values align with their own.

Results of 2006 research by Cone Inc, a strategy and communications agency, support this view. Cone found that among millennials surveyed: “Eighty-six percent agree that companies have a responsibility to support social/environmental causes.” Cone also reported that: “Eighty-one percent want to work for a company that

cares about how it impacts/contributes to society.” Conversely, the research shows that: “Fifty-six percent refuse to work for a company that is not socially/environmentally responsible.”<sup>3</sup>

**A win-win-win situation**

Bill Ziegler, Deloitte & Touche USA’s national director of recruiting, believes a company’s ability to demonstrate good corporate citizenship can make a difference in attracting millennials as they enter the workforce. “As we recruit on campus, we are asked frequently about our approach to community involvement,” he says. “Students no longer want to know if we have a community involvement program; they expect that we do. Instead, they drill down immediately, wanting to know what the program includes and how they will be able to participate and contribute if they join us. The response is tremendous when we talk about how our organization encourages its people to contribute their professional skills to non-profits in a way that creates long-term impact.”

These trends could not come at a better time for

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communities across North America. The need for private support has never been greater given diminished government support of social programs and the growing gap between wealthy and low-income socio-economic groups. Recent natural disasters have heightened awareness of the contributions companies can make and have fueled the desire of young people to contribute.

The trends and factors above present an opportunity and an imperative to employers. Rather than letting them take their independent courses, companies can strategically leverage them to improve recruiting and retention while addressing the career aspirations of new recruits and meeting community needs. A properly structured community involvement program can genuinely address these converging factors.

**Innovations in community involvement**

Some companies are already taking the lead in developing and fielding programs that promote strategic community involvement. As the two examples that follow illustrate, community involvement can appeal to an overall population of potential employees and serve as a recruiting tool itself. A properly defined program should have at least two key elements to address corporate needs, community needs and the desires of new recruits: it must be strategic and it must be genuine, and both these elements need to be interwoven such that one naturally leads to the other.

Figure 1. Strategic community involvement: a virtuous cycle

**Corporations:**  
Corporations seek to attract scarce labor and have a positive impact on society – two seemingly disparate goals. Strategic community involvement that aligns business and community needs can create a virtuous cycle of social impact and business value.



**Community-aware millennial job-seekers:**  
New, young talent desires opportunities for community involvement as part of work/life balance and as a means to contribute to society. Strategic community involvement programs can deliver this opportunity.

**Community:** Communities benefit from corporate community involvement. Programs that deliver value can help sustain corporate support and ultimately have deeper, more lasting impact.

*Cisco addresses IT labor shortage*

During the early 1990s – an era of initial internet adoption – the shortage of qualified network administrators became a potentially limiting factor to the growth of the IT industry, including corporations like Cisco. The Cisco Network Academy evolved from philanthropy and community involvement to become a strategic program addressing the IT labor shortage.

Cisco volunteers developed a network training program that accompanied donations of network equipment to local schools. The unique knowledge of the volunteers allowed them to develop the program quickly and efficiently. Within five years the program became a web-based curriculum, focusing on network training in secondary schools and community colleges in economically challenged communities around the world.

Through the Academy, Cisco creates an opportunity for community involvement and volunteerism while increasing the pool of qualified network administrators. Thus, the company has developed a valuable job training program that is directly tied to its core business. The program helps give Cisco a competitive advantage over rivals, while providing clear benefit to employees and the communities in which it operates.

*Deloitte volunteers attract recruits*

The New York City Department of Education is achieving tremendous results by attracting corporate sponsors to its Virtual Enterprise program. Students in selected high schools set up and run a Virtual Enterprise – a simulated company – under the

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## ↓ KEY POINTS

1. Research points to an imminent skills shortage in Western economies.
2. As a result, there will be tough competition for the emerging “Millennial Generation” of job-seekers – those born between 1978 and 1994.
3. Community involvement initiatives may be the differentiator that attracts job-seekers and graduates who are increasingly expecting businesses to demonstrate social responsibility.
4. Community involvement programs have the potential to create a virtuous cycle with benefits for all involved: businesses, communities and community-aware job-seekers/employees.

- guidance of a teacher and volunteers from the corporate sponsor. In this way, the students learn what it means to work for a company, and it helps them understand how employees, small teams and entire departments interact and work with each other to help achieve the company’s objectives.

As a corporate sponsor, Deloitte & Touche USA encourages its area employees to volunteer for the Virtual Enterprise program. More than 60 of its people are involved, helping students create business plans, sales strategies and other business tools and processes. In the six years it has been involved, Deloitte & Touche USA has contributed more than \$1 million in billable time to the Virtual Enterprise program. Yet at the same time, Deloitte & Touche USA is benefiting.

A dozen Virtual Enterprise graduates – now in college – currently intern at the organization in audit, tax, marketing and human resources. And some Virtual Enterprise graduates have finished college and joined a Deloitte & Touche USA entity full-time. As the labor market tightens, the organization recognizes that the Virtual Enterprise program is an important contributor to its recruiting efforts for diverse talent in the highly competitive New York market.

### Existing employees also benefit

In addition to developing a new generation of productive workers, community involvement programs can have a positive effect on existing employees, serving as an outstanding professional development tool. The “2005 Deloitte Volunteer IMPACT Survey” indicates a positive correlation between volunteer service and professional performance. Volunteering gives employees the opportunity to develop business skills, such as problem-solving, teaming, motivating others and achieving results.

According to the results of the survey, which was carried out among nearly 1,100 adult workers:

- Seventy-eight percent of respondents indicated that they believe volunteering offers the opportunity to develop skills they can use at work.
- Ninety-three percent believe volunteering offers the opportunity to enhance leadership skills.
- Eighty-seven percent believe volunteering expands an individual’s professional network of contacts.

- Seventy-nine percent believe that in the long term, volunteering in the community can help an individual advance his or her career.

Indeed, in a 2004 study entitled “Measuring Corporate Volunteerism,” conducted by LBG Associates, nearly a third of senior executives surveyed felt that volunteerism positively impacts employee recruitment. It doesn’t require a great leap to assume that companies that actively support community involvement will be viewed favorably by their employees – both existing and prospective.

### Steps to consider in creating a virtuous cycle

As with other transformational initiatives, strategic community involvement takes time and dedication. It also takes a commitment to extend the benefits to all participants in the virtuous cycle – the employees, the community and the company itself. To determine the readiness of a company to undertake such a journey, company leaders should consider the following steps.

#### *Step 1: Look inside*

Begin the process by focusing on the close relationship between the company and the social impacts of the company’s community involvement. Analyze the company’s ability to create a program that is both genuine and strategic. Think about specific business issues (e.g. recruiting, retention and leadership development) and consider how an integrated approach that includes community involvement might help the company meet those challenges.

What’s important is that to be highly effective, community involvement efforts must genuinely reflect the core values of the company. An authentic program will resonate with all stakeholders, including corporate leaders, employees, the community and recruits. It is critical to recognize that an effectively structured community involvement program can produce tangible business value – such as an increased ability to attract and retain new recruits, as well as leadership and management development opportunities for existing employees. Recognizing the program’s business value will likely lead to more emphasis on the program, which will benefit the community – the very definition of a virtuous cycle.

#### *Step 2: Analyze efforts and select portfolio*

Look closely at current community involvement initiatives. In many companies, there will be multiple corporate-level initiatives along with local or ad hoc division or office programs. Careful analysis of these programs can help reveal much about the company’s community involvement status and provide insight as to whether existing programs contain the seeds necessary for strategic community involvement. Consider the following.

1. List and categorize current community outreach initiatives. Are they:

- Community obligations – initiatives offered to the community based on the desire to be a good corporate citizen?
- Building goodwill – community involvement initiatives aimed at building or protecting intangible assets?
- Strategic community involvement – initiatives aligned and integrated with corporate strategic efforts to meet both corporate and community needs?

2. Determine which efforts have the potential to:

- align with corporate strategy;
- be adopted and supported enthusiastically by the company; and
- address community and stakeholder needs.

3. Select the initiative most appropriately suited to the company's strategies and strengths. Focus intently on one initiative alone in the early stages. If resources allow and other opportunities align with the company's strategy, consider widening initiatives over time. Not surprisingly, by its very nature strategic community involvement will limit the potential options that fit a company's strategy, so focus on quality over quantity.

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Executing on a strategic community involvement initiative requires more than just monetary contributions. It may also require employee time, unique skills and use of facilities, equipment and technology. Remember, to be truly strategic, the program should leverage the company's unique assets. Money is a commodity common to all companies, but execution of strategy based on a company's specific strengths can be a unique differentiator that when properly applied can help increase the benefits – to both the company and the community.

Strategic business initiatives typically are not short-term efforts; they look to position a company for the future. Strategic community involvement is no different. Programs should be developed with a long-term view in mind, with the corporation committing the resources necessary to sustain the program over time.

#### *Step 3: Track results*

Tracking results is a critical step that is often overlooked. By tracking results, a base line for improvement can be created that can then be used to measure progress over time. Focus on metrics that measure the desired outcome or results of a program, not the program inputs. Examples of output metrics include:

- Positive changes in employee behavior.
- Noticeable changes in recruiting patterns.

- Measurable positive impact on a social issue or community need.

Input metrics include, for example:

- Number of meals served.
- Number of hours volunteered.
- Number of volunteers participating.

Measuring input metrics provides little indication of the effectiveness of the program in achieving the desired results and is analogous to tracking dollars spent developing a product without tracking the resulting revenue.


#### *Step 4: Communicate*

Results should not be kept under wraps. By communicating the positive results of the program, awareness of the community's need is elevated and, hopefully, other employers are encouraged to take up the banner. At the same time, such communications serve to positively promote the efforts of the company, which can help attract the attention of prospective employees.

#### **Take the first steps**

The continually changing and increasingly competitive nature of the business world, combined with a rapidly changing labor market, is creating unique challenges for today's companies. Corporate leaders face increased pressure to be stewards of good corporate citizenship, to attract and retain valued workers and to improve the competitive stance of the company, while consistently increasing share price. Each of these goals is more likely to be met when corporate leaders take a more all-encompassing view of community involvement.

Strategic community involvement is more than donating money, products, services or employee time. It is a focused initiative that can be good for society and good for business. It can help communicate what a company stands for. It can help a company promote its unique capabilities in a way that creates competitive differentiation. It can help a company attract, develop and retain critical talent that will be needed in the coming years as the newest war for talent unfolds.

By assessing current community involvement initiatives and actively realigning them with the corporate vision, mission, strategies and values, corporate leaders today can help increase their impact on the communities in which they operate while simultaneously improving their image as “employers of choice.” Now that's a virtuous cycle. 

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